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SENATE—*Tuesday, September 22, 1998*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, help us to see things from Your perspective and envision what can happen through Your power. We need You to help us combat the growing tide of cynicism in our society. Secular humanism is catching. It leads to horizontal thinking. We evaluate things on the basis of what we can do on our own strength. Sometimes our capacity to hope is debilitated by life's frustrations, disappointments over people, and our inability to control life. Cynicism becomes addictive. It begins with negativism, grows in a critical attitude, and becomes a settled personality trait.

Father, help us to be realistic about people and situations, but always expectant of what You can do. Give us Your joy as the only lasting antidote to cynicism. We trust You with our problems, difficult relationships, and disturbing anxieties. We commit the present crisis in our Nation to You and ask for Your wise guidance. Now, with Your help, we want to share contagious joy and not spread the virus of cynicism. In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, this morning the Senate will immediately resume consideration of S. 1301, the Consumer Bankruptcy Protection Act, with Senator REED being recognized to offer an amendment under a 1-hour time agreement. Following that debate, Senator KENNEDY will be recognized to offer an amendment regarding minimum wage under a 2-hour time agreement.

At 12:30 p.m. the Senate will recess until 2:15 to allow the two party conferences to meet. When the Senate reconvenes at 2:15 there will be 5 minutes for closing remarks on the Kennedy amendment prior to a vote on or in relation to the amendment. Following that vote, there will be up to four additional votes occurring in stacked sequence with minimal debate time between each vote. Those votes, in their respective order, will include the two Feingold amendments regarding attorney's fees and filing fees, the Reed amendment regarding underwriting standards, and the cloture vote on the child custody bill previously scheduled at 4:30.

I am still hopeful that we can come to some agreement on amendments and time so that we can go to the child custody bill without further cloture votes. But failing that, we will go forward with that vote at 4:30.

Further votes could occur into the evening as the Senate attempts to complete action on the bankruptcy bill. If we do not get to final passage tonight, then we expect that to be probably the first vote on Wednesday.

As a reminder to Senators, second-degree amendments to the child custody bill must be filed by 3:30 p.m.

I thank my colleagues for their attention.

MEASURE PLACED ON CALENDAR—S.J. RES. 56

Mr. LOTT. Mr. President, I understand there is a joint resolution at the desk due for its second reading.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 56) expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

Mr. LOTT. Mr. President, I object to further consideration of the resolution at this time.

The PRESIDING OFFICER. The resolution will be placed on the calendar.

Mr. LOTT. Thank you, Mr. President. I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1301, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Lott (for Grassley/Hatch) amendment No. 3559, in the nature of a substitute.

Feingold/Specter amendment No. 3602 (to amendment No. 3559), to ensure payment of trustees' costs under chapter 7 of title 11, United States Code, of abuse motions, without encouraging conflicts of interest between attorneys and clients.

Feingold/Specter amendment No. 3565 (to amendment No. 3559), to provide for a waiver of filing fees in certain bankruptcy cases.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized to offer an amendment regarding underwriting standards, on which there will be 1 hour of debate equally divided.

The Senator from Rhode Island.

Mr. REED. Thank you, Mr. President.

Mr. WARNER. Mr. President, will the Senator yield?

Mr. REED. Yes.

Mr. WARNER. Might I inquire as to how long the Senator might wish to speak?

Mr. REED. I assume I will speak anywhere from 10 to 15 minutes.

Mr. WARNER. I wonder if the managers of the bill would simply grant me the opportunity to introduce a bill, which will take less than 2 minutes.

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, I assume that if the Senator introduces a bill we would still have the full time to debate my amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. REED. Thank you. I have no objection.

THE PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. I thank the Chair. I thank my distinguished colleagues.

(The remarks of Mr. WARNER pertaining to the introduction of S. 2506 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Rhode Island.

AMENDMENT NO. 3610 TO AMENDMENT NO. 3559

(Purpose: To make amendments with respect to court considerations with respect to dismissal or conversion)

Mr. REED. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island (Mr. REED) numbered 3610 to amendment No. 3559.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 5, line 10, insert "(i)" after "(A)".

On page 5, line 15, strike "or" and insert "and".

On page 5, between lines 15 and 16, insert the following:

"(ii) when any party in interest moves for dismissal or conversion, whether the party in interest dealt in good faith with the debtor; or".

Mr. REED. Mr. President, my amendment to S. 1301 is designed to encourage responsible lending by the credit card industry just as the underlying motivation of the bill is to require responsible borrowing by the general population of the United States.

Under the present legislation before us, a credit card company, or a creditor, may go into a bankruptcy court and request that the judge move a petition from chapter 7 to chapter 13 if the individual has the ability to pay at least 20 percent and is not acting in bad faith. My amendment will certainly look at the other side of the transaction and require that the creditor also act in good faith.

As I have indicated before, section 707 of this legislation will, for the first time, give the power to creditors to request that a court convert a chapter 7 petition into a chapter 13 case. This is discretionary with the judge. It is not mandatory. But implicit in that, I believe, is already the standard of good faith that the judge will require through his or her analysis of the request of the change from chapter 7 to chapter 13. But I believe it is appropriate—indeed, necessary—to have an explicit standard of good faith on behalf of the creditor, as well as on behalf of the debtor.

The bankruptcy judge, in considering this request, will first have to determine that the individual debtor has the ability to pay at least 20 percent of the claims against the debt, and, in addition, the judge will have to consider whether the debtor filed for chapter 7 in bad faith.

Once again, my amendment would propose a complementary analysis of the creditor, whether that creditor has been offering credit in good faith.

This is not only fair but is something that is necessary to maintain the balance and the appropriateness of this change to a longstanding rule in bankruptcy court which allowed the debtor to go in and file in chapter 7.

Now, we understand the differences between these two provisions of the bankruptcy code. Chapter 7 allows the debtor to discharge all of their debts. Chapter 13 requires them to repay a portion of the debts based upon their ability to repay.

The proponents of this legislation have suggested that by using this means test, by saying that if a debtor can pay at least 20 percent and requiring them, or at least giving the judge the option to put them into a provision of chapter 13 where they must repay a portion, this procedure will reduce the abuse of the bankruptcy system, the abuse that is cited in terms of people coming in with that but still declaring under chapter 7 they cannot pay and having all of their debts discharged.

We know that part of the impetus behind this legislation is the increase in bankruptcy filings throughout the United States. The proponents of this legislation have pointed out that in 1997 alone there were a record 1.3 million bankruptcy filings, and over the past 10 years the bankruptcy filings have increased year after year after year. Unfortunately, these assertions are correct.

In my State of Rhode Island, there has been a 500-percent increase in bankruptcy filings between 1984 and 1996. And so I think everyone is concerned and, indeed, everyone is interested in working out an arrangement which will prevent the abuse of the bankruptcy system, and that is a part of the underlying legislation.

Just focusing alone, however, on the increase in bankruptcy filings misses the full story because it is just one side of the story. On the other side, there has been an explosion in the extension of credit by the credit industry of the United States. Many times their standards for underwriting have diminished substantially. Many times they are issuing credit—in fact, fostering credit upon people at exorbitant interest rates. This, too, must be factored into our analysis of the bankruptcy problem in the United States today. Between 1986 and 1996, total bankruptcy filings did increase by 122 percent, but outstanding revolving consumer credit increased by almost twice as much—238 percent.

So when you look at both sides of the story, the analysis would lead me to believe, very strongly, that this is not solely the problem of individual debtors gaming the system and taking advantage of this system. This is also the problem of the credit card industry, and the credit industry in general, that is fostering and pushing credit on some people who they know are incapable of keeping up with their debts. And so when we look at these changes, we have to look at both sides of the question.

Now, this whole trend in the explosion of credit is reflected graphically in the analysis of household debt and income data. Back in 1974, total household debt was 24 percent of aggregate household income. Today, that same ratio is 104 percent. That is graphic evidence of not only the increased access to credit but the unusually robust and forceful presentation of credit and availability of credit throughout the United States.

We all know this in daily life. You just have to go to your mailbox every day and get a credit card solicitation. You just have to sit in your home from early morning to late at night 7 days a week and answer the telephone and hear a solicitation from a credit card company saying they want to give you credit. It is annoying, it is constant, and it reflects this incredible urge on the part of the industry to push credit as much as they can.

Last year, for example, the credit card companies sent out over 2 billion credit card solicitations. By my calculation, that is roughly 10 for every American man, woman and child. A recent Wall Street Journal article about a California family demonstrated just the ubiquitous and constant effort to get people to sign up for these credit cards. In 1997 alone, this one family was offered almost $5 million in credit through mail solicitations. The wife, who was not working and without independent income, was offered more than $2.5 million in credit. Her husband, who was president of a nonprofit organization, earning a good salary, on the other hand, was offered only $592,000 in credit, suggesting that the industry is not so much interested in how much you make but really how much you potentially might spend. In that regard, the daughter in the household was offered another $1.4 million in credit—in 1 year.

What does this say? This says that the industry is not looking carefully at where it is sending its solicitations. It is not looking at those people who can pay, and, in fact, in many cases it is burdening people already in debt with further debt, and now what they would like to do, when these individuals come before the bankruptcy court, is they would like to say, well, listen, you people who can't discharge your debts fully, you have to pay up. I think, again, that the appropriate balance, if we are to pursue this ability to move from chapter 13 to chapter 7, is to at least look at the good faith of the credit card industry.

In view of these facts, Mr. President, it becomes clear that the increase in bankruptcy filings is not simply a result of more borrowers borrowing more money. It is also a factor of these credit card companies soliciting poorer and poorer credit risks, and doing it quite deliberately, quite knowingly.

Data from the National Bankruptcy Review Commission supports this assertion. Indeed, this data suggests that the proportional incidence of bankruptcy filings has actually decreased slightly in the last 20 years. We have seen the numbers go up, up, up. But if you look at the ratio, if you look at the proportional incidence, given the outstanding credit, there has been a slight decrease. In 1977, there were 0.74 bankruptcies for every million dollars of consumer credit. In 1997, there are 0.73 bankruptcies for every million dollars in consumer credit.

So when you, again, look at the situation, it is not simply a group of Americans who have suddenly decided that they no longer want to honor their obligations, that they want to abandon the tradition of responsible credit behavior that their fathers and mothers had; these statistics suggest that not much has changed except in the absolute numbers, and that has been driven by this constant extension of credit by the companies, in many cases to people who they know are very unlikely to be able to keep up with the debts at the time.

The approach in the underlying bill overlooks, I think, this other side of the equation. They focus solely on the borrower. They take the "blame the debtor" approach. I do not think that is entirely correct. My amendment seeks to address that approach by striking a balance, by allowing—in fact requiring—the judge to look at the good faith of the individual company that is extending this credit. Most, indeed, the vast majority, of reputable creditors day in and day out take pains to ensure that they are doing the proper underwriting, that they are targeting people who have the ability to pay and they are not abusing their ability to market their products. But there are those operators who are not so scrupulous. These unscrupulous operators should not easily have the ability to force an individual from one chapter in the bankruptcy code to another.

At the heart of what my amendment is suggesting is that we explicitly do what I believe is implicit within the existing legislation—that the judge makes a finding that the creditor, in fact, operated in good faith. Under the present language, he or she is required to make a judgment that the debtor has not acted in bad faith in their application for chapter 7. I think that the same approach, complimentary approach should be applied to creditors.

My amendment adds this good-faith standard, and it is not the only place you will find a good-faith standard or its related bad-faith standard within this legislation and within the bankruptcy code. For example, section 202 of the bill protects the debtor's ability to discharge certain debts if in the language of the bill "the debtor makes a good-faith effort to negotiate a reasonable alternative repayment schedule."

The point is clear that throughout this legislation we have imposed good-faith standards at various junctures to give the bankruptcy judge guidance in assessing various petitions for various claims, so that this amendment is consistent with that good-faith theme throughout the legislation.

My legislation does not prescribe specific factors to be considered on the good-faith standard. Instead, it gives the bankruptcy judge the discretion to make that judgment. Again, that is consistent with this legislation and also with the general practice in the bankruptcy code. Judges, bankruptcy judges particularly, are quite familiar with making these analyses of good-faith judgment, either on the part of the creditor or the part of the debtor. In fact, if you look through the bankruptcy code, there are about 79 annotations related to the court's interpretation of "good faith." So it is a constant of the bankruptcy law and it is something that is not a novel injection into this particular legislation. I think, in fact I am convinced, that the judges can handle this analysis of "good faith" very clearly and very well.

But one might ask, what are we talking about in terms of good faith? For example, if a judge had found that there was intimidation in the extension of credit, that is certainly not good faith, and I do not think any creditor should be able to claim this privilege under the bankruptcy code if it can be shown they intimidated the creditor. If they are taking advantage of creditors, if their marketing pattern is to market to vulnerable people in our population—seniors or low-income Americans who may not have the ability to get good counseling on their debts—all these things together which suggest bad faith, or the lack of good faith, if they are consistent, demonstrable, then that judge should not allow the ability for that claimant to demand that debtor be moved from one section of the bankruptcy code to another.

All of these things together, I think, suggest very strongly that we have to look out for the exception, in terms of the creditor population, those unscrupulous creditors. There are examples already in the legislation where we have taken steps to guard against unscrupulous operations in the extension of credit. For example, the committee report comments that in section 202 they use "substantially justified" language to describe or to allow the award of attorney's fees in terms of allegations that a debt was obtained fraudulently. That is an attempt, as the committee report says, because they are "concerned that some unscrupulous creditors have alleged false misrepresentations with no proof of doing so." Indeed, there are protections already in the bill. I think, in this particular section, 707(b), there should be further protection for the good faith standard that would protect that.

I have mentioned also that there is a concern to have some sense of what might be operating out there presently that would fall under this ambit of bad faith, or lack of good faith. There is a practice that is evolving in the industry of offering, particularly to low-income populations, these loan checks, where essentially they will send a check unsolicited to the home and all you have to do is sign it to get the money. But once you do that, you now have a debt with a substantial interest rate in many cases. That is the type of behavior I think a judge reasonably can look at and say, "Is this good faith?"

For all these reasons and many, many more, the standard of good faith should be obvious to the bankruptcy judge. And I believe the way we have designed this overall legislation and this particular amendment is that we give that individual not only the incentive but also the mission to look closely at the company applying for this transfer of the debtor from one chapter to another.

I am pleased to say that this particular amendment has been endorsed by the Consumer Federation of America and that it represents an attempt to balance the standard within this particular legislation. I hope all my colleagues will support this amendment. It seems to me to do several things that are essential.

First of all, it recognizes that the problem we face is not solely, exclusively as a result of the behavior of debtors; that, in fact, it is the result of the behavior of lenders who are lending more and who are doing it without the kind of tight underwriting standards that are necessary. In that context, to give them the opportunity to move a debtor from a chapter 7 to a chapter 13 without looking at their behavior, I think, is inappropriate. It is particularly inappropriate when the judge must consider the behavior of the debtor in filing a chapter 7 petition.

This amendment, I believe, is a very important one. It will restore the balance in this particular section, section 707 of the underlying legislation, and it will, I think, provide not only a way to safeguard against abuse of the bankruptcy system by debtors, but also strike a balance so creditors understand they have the responsibility to act responsibly also.

I urge support of this amendment.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, this amendment by the Senator from Rhode Island is very much a modification of an amendment he proposed which would require bankruptcy judges to consider whether a creditor had used sound underwriting practices and standards when considering whether to dismiss or convert a chapter 7 to chapter 13. The modified amendment now requires judges to consider whether a creditor acted in good faith when considering whether to convert or to dismiss that case.

It is my understanding from discussions that have gone on between Senator REED's staff and my staff, and from what Senator REED has said, now, as he has introduced his amendment, that the good faith standard in the modified amendment also includes many of the underwriting considerations in the original amendment. So, accordingly, many of the objections to the original amendment still apply to this modified amendment presented by the Senator from Rhode Island.

At the outset, as with other amendments which relate to lending practices, I urge my colleagues to vote "aye" on a motion I will make to table this amendment because the Banking Committee should have a chance to consider this issue. But, since this amendment affects the means-testing provisions of S. 1301, I would like to describe how this amendment will be difficult to apply in practice, should it be adopted.

Under the bill as written now, judges are directed to consider repayment ability, and given the power to dismiss or convert chapter 7 cases if a debtor could repay some portion of his or her debt. This is the very foundation of this legislation. This is what makes this bill, this year, different than any bankruptcy legislation we have had in the 100-year history—and this is the 100th year that the first national bankruptcy code was passed, on an ongoing basis.

This amendment also requires judges to consider whether a creditor acted in good faith, including a creditor's lending practices. I don't think anyone knows how this amendment will work in the real world. There are questions raised by this amendment but not answered by the amendment:

How would a judge even find out what the creditor's underwriting practices are?

What is "good faith" in the context of section 707(b)?

Procedurally, who would have the burden of producing evidence about underwriting practices in good faith?

And if a creditor had properly extended credit to the debtor whose chapter 7 case is pending, but had recklessly offered credit to other people, is a judge supposed to factor that in as well?

What if there are two pending motions asking for dismissal or conversion—one motion by a creditor who has sloppy underwriting practices or who acted in bad faith, and another motion by a creditor with tight underwriting standards who acted in good faith? In this case, should a judge deny both motions?

Mr. President, what these questions show is that the amendment offered by the Senator from Rhode Island should be rejected because it is not good bankruptcy policy. There are too many unanswered questions and, of course, the underlying question regarding which underwriting practices are sloppy and which underwriting practices are not sloppy needs to be addressed not by the Judiciary Committee, not on the floor of the Senate, but in the laboratory of jurisdiction of that subject where legislation is perfected, and that happens to be the Senate Banking Committee.

There are already penalties for creditors who refuse to act in good faith. We made sure they were in this bill. They are a very important part of making this a well-balanced piece of legislation.

We talk so much about personal responsibility and making it tougher to get into bankruptcy that maybe people viewing this debate have sensed over the last week that all we are going after is the debtor, but that sometimes creditors don't act in good faith. This bill is balanced because it has penalties against creditors. For instance, if a creditor refuses to negotiate in good faith, then that creditor can't object to the discharge of his or her debt. This is already in the bill.

Again, I urge my colleagues to vote "no" on the Reed amendment and eventually get this bill to final passage, because this is a very needed bill. We have 2 weeks to work out some differences between the House and Senate. The other body's bankruptcy bill is considerably different from ours. And I don't say that in a denigrating way; it just is different. The process of negotiating for provisions somewhere between the House and Senate provisions—also we have to consider the White House, because we want a bill that the President can sign—takes 2 weeks to get done, and we need to get this bill passed.

I hope the Senator from Rhode Island is aware that the 20-percent figure was raised to 30 percent in the managers' amendment. I need to clarify that point because that 30-percent figure is also something that the White House was involved in working out as well, because the White House had raised some concerns about our 20-percent figure.

There also was some willingness on the part of the White House to consider some points of view we had about the 30-percent figure, and they even modified their original position, to some extent, to satisfy me.

I think it is odd that the Senator from Rhode Island is critical of lenders extending too much credit. When the credit union bill was on the floor, there was an amendment to strike the Community Reinvestment Act. The Community Reinvestment Act, of course, requires banks to extend credit to low-income people.

I don't think that any of us can argue with the social responsibility of a bank to be fair to all people and all sectors, with the understanding that they have a responsibility to the stockholders of that bank and other people who are saving, but, within the concept of good financial prudence, to lend accordingly to all sectors of a city, all types of people who have the ability to repay.

We had this community reinvestment amendment offered, and we had many Members talk about the need to make sure that credit is widely available to low-income people. What in the heck do you think credit cards are about? They are about giving people who maybe would not have that opportunity elsewhere an opportunity to borrow—again, within the concept of personal responsibility for debt.

Now, through this amendment, we hear that we should, in effect, deny a creditor the ability to collect on a debt if the creditor extended credit to low-income people. On the one hand, a month ago we had a bill before us that we were trying to modify to make it reasonable, and the other side, which was opposed to that, said we are hurting low-income people with that amendment. And now with this amendment they are saying that low-income people are people taken advantage of.

It seems to me that you can't have it both ways. I believe that borrowing and I believe that lending decisions are best made by individual Americans and not second-guessed by bankruptcy judges or political leaders in Washington, DC.

I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Thank you, Mr. President. I yield myself such time as I may consume.

Let me respond to the Senator from Iowa. First of all, he raised interesting arguments about the amendment I did not propose, which would be a more detailed review of the underwriting practices of credit card companies and those that extend credit. For the reasons he illustrated, I did not suggest that amendment, because requiring a bankruptcy judge to look at the myriad of different underwriting standards of companies throughout the United States would not be appropriate.

What is appropriate, I believe, is to require that they look at the good faith of the person who extends the credit and is now requesting that the debtor be transferred from chapter 7 to chapter 13. It seems to me to be perfectly consistent with the notion that the judge would also look at the good faith of the debtor—whether that debtor, in fact, was trying to use chapter 7 as a dodge. That is already in the legislation.

He also raised some very interesting questions about how this will apply in practice, but I think the answer—a compelling answer, in my view—is that this is exactly what a bankruptcy judge is authorized and empowered to do on a daily basis—make judgments about the good faith of the debtor and, I suggest, also the good faith of the creditor. He or she can make these judgments. That is why they are there. They have the facts. This is a standard that is persistent throughout the bankruptcy code.

There are numerous places in which the judge is called upon to make good-faith determinations. It does not require the kind of searching, detailed analysis of all the credit policies of a particular credit card company or a bank that extends credit, but what it requires is a commonsense view of whether or not the individual who has extended the credit has abused their market power or has, in fact, somehow distorted the relationship which we think is appropriate between a borrower and a lender.

The Senator from Iowa also makes reference to the CRA Act in terms of suggesting that my demonstration of the explosion of credit is in some way inconsistent with suggesting that the Community Reinvestment Act play as positive a role.

I do not think we witnessed a 238-percent increase in consumer community lending over the last several years as we have witnessed an explosion of the extension of credit by credit card companies. I do not think that we have seen the kind of robust lending into distressed communities that many in this Chamber would think would be appropriate.

So to make that analogy by pointing out that credit card companies are increasingly lax about their extension of credit is somehow inconsistent with supporting very thorough and very limited lending under the CRA, I do not think carries weight.

What we have is a situation in which the credit card companies—and we know this. Again, you do not have to go ahead and commission a survey to find out and discover this fact; you just have to sit home some Saturday when at 9:30 in the morning the phone rings, and you think it is your cousin or your brother calling up, and it is a credit card company. You politely hang up the phone. At 10:30 you get another call, thinking again it is a family member, and it is another credit card company. You go out to your mailbox at 11 a.m. Guess what? There are two solicitations, a platinum card and a gold card; and at 2 o'clock, thinking it is a member of the staff, it is another credit card company. You know this because you go back to your States, as I do, and you learn this from your constituents.

This industry is really promoting credit. Is it beneficial? Sure it is. Access to credit is something that moves this economy forward. But when this credit extension is not done in a wise way, when in fact there is tangible evidence that there has been, in fact, bad faith—and that is a fairly strong standard to meet—then I think that the judge should be able to say or should be required to say you cannot move a debtor from chapter 7 to chapter 13.

I am also pleased to note that the increase in the standard is to 30 percent of the ability to pay. I think that is an improvement in the legislation, just like I think this would be an improvement in the legislation.

Let me conclude by saying I, frankly, believe that the way this legislation is already structured, with the judge in a position, not required to but having discretion—and the language is "may" move a debtor from chapter 7 to chapter 13—there is implicitly already a good-faith standard that I think any bankruptcy judge worth his or her salt in seeing a company that was abusive, that is filing constant petitions to move someone from chapter 7 to chapter 13, that have a known record for shoddy behavior in the community, I would think that individual would take that into consideration and should take that into consideration.

That is why I do not believe my amendment is a unique or extreme departure from what already should be the standard. I would hope that we could adopt this amendment. I think it will go a long way to ensure that there is a balanced test, that you look at the debtor, you determine whether that individual can pay a certain amount—30 percent—and you look to see if that debtor has been deploying bad faith to apply to chapter 7, but at the same time look over, not at any rigorous searching review of underwriting standards, but look at that very, very obvious standard of good faith, look at that creditor. That is what this amendment is supposed to do.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, I have had a chance now for a second time to hear the explanation of the amendment from the Senator from Rhode Island. I think he is a person who always acts in good faith on his amendments and other legislative activity. He is a very active member of the Aging Committee, which I chair, and I have had a chance to observe him there as being a very serious Senator. So I do not raise any questions with the motives of the Senator because I think he even sees a need for bankruptcy legislation.

But I still have to point out that I think the amendment, even if the intent is good, is just unworkable. I do not know whether we could have an amendment written to accomplish his goals that could be perfected enough to be workable—I should not draw that conclusion; that is a possibility—but I do believe that the language we have before us would fall into that category, because the modified amendment still requires bankruptcy judges to review underwriting standards. That is what the Senator from Rhode Island said earlier on the floor.

So I do not think that we know how this amendment will work. I do not know how you can make even a commonsense determination of whether lending practices are in good faith unless the judge begins to second-guess many credit-granting decisions.

As I have said, if the Senator from Rhode Island believes that there are too many credit card solicitations, then I think I should refer him to a letter that I read into the RECORD last week, which I am going to insert in the RECORD at this point as well, a letter from the junior Senator from North Carolina, Mr. FAIRCLOTH, who chairs the subcommittee of banking where I made an argument, from a procedural standpoint, that this amendment should be considered there, and that he has offered to hold hearings on this subject matter, and maybe even the goal that the Senator from Rhode Island seeks can be accomplished, but, more importantly, accomplished in a studied approach.

So I ask unanimous consent that this letter be printed in the RECORD as justification on a procedure not to add this amendment to this bill but to have the Banking Committee consider this.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, September 16, 1998.

Hon. CHARLES GRASSLEY,
Chairman, Subcommittee on Administrative Oversight and the Courts, Senate Committee on the Judiciary, Washington, DC.

DEAR CHUCK: It is my understanding that a number of amendments relating to credit cards will be offered to S. 1301. Most, if not all, of these amendments will relate to matters in the jurisdiction of the Banking Committee. I Chair the Financial Institutions Subcommittee of the Banking Committee.

I share the concerns that many have regarding multiple credit card solicitations and solicitations to minors. In fact earlier this year, my Subcommittee held a hearing on bankruptcy issues, with representatives of the credit card industry testifying. I have requested and received GAO reports on such practices as high loan to value loans and the sending of "live" loan checks.

As for many of the proposed amendments relating, however, none have been passed by the Committee. In fact, none have been considered by the Committee. Further, none of the proponents of the amendments have requested hearings on any of their legislative proposals.

During consideration of the bankruptcy bill, please know that I would be more than willing to hold a hearing or hearings on any these proposals in my Subcommittee where they rightfully should be considered under regular order.

Sincerely,

LAUCH FAIRCLOTH,
Chairman, Subcommittee on Financial Institutions.

Mr. GRASSLEY. I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I do not know if this is the final word, but the Senator is doing a remarkably good job moving this legislation forward. I agree with him, it is quite important because of this increase in the number of bankruptcy filings. There has been a huge growth in my home State of Rhode Island, a 500-percent increase in just a few years. If we are going to do it, let's do it in a fair and balanced way.

I also go back to the underlying legislation that we are trying to amend. It says essentially that a creditor may file a request to move the debtor from chapter 7 to chapter 13, and the judge will make a determination. It is not mandatory. As I read it, even if that judge determines that the debtor has 30 percent, the sufficient amount of money to repay, and that the debtor may have, in fact, been questionable in filing a chapter 7 petition, the judge is still not required to grant the request and move the petitioner from chapter 7 to chapter 13.

So as I said before, I think, implicitly, we already have this good-faith standard, because that is what the judge is going to apply. He or she is going to look at the behavior of both parties and determine if this is appropriate—if the individual should have all his debts discharged or whether there should be some partial repayment.

What I would like to do is make it clear that this good-faith standard does exist, and it does not require this searching analysis of the underwriting practices of any company. It just requires a judge looking at the facts before him or her and making a judgment, as they do every day, as to what is fair, who has acted with clean hands coming to the bar of justice.

I also say, in conclusion, that this amendment has the strong support of the Consumers Union and the Consumers Federation of America. This legislation is designed to ensure there is responsible borrowing, that the American public is responsible, and that they recognize their debts and their obligations.

I believe and I think there is underlying support of the Consumers Union and the Consumer Federation of America, that the credit industry should also be responsible and understand their obligations. This is just a small way of making explicit what I think is already within the law—to recognize that responsibility.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The distinguished Senator from Minnesota is recognized.

Mr. GRAMS. I thank my colleague from Iowa for yielding the floor to me. First, I ask unanimous consent that I be made an original cosponsor of the consumer bankruptcy reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, as a cosponsor, I rise today in strong support of the Consumer Bankruptcy Reform Bill. The bill contains sorely needed provisions to help curb the dramatic rise of personal bankruptcies in this country.

It is incredible that while most sectors of the economy are experiencing an economic boom—with the notable exception of some of the hardest-working farmers in the country—personal bankruptcy filings have reached record highs. My constituents tell me that declaring bankruptcy has become so routine as to be considered just another personal finance option. No longer is it an avenue of last resort. It has become a matter of convenience, sometimes to avoid the personal responsibilities of living within one's means and repaying one's debts. I believe this shift in attitude is due in large part to a system which readily lends itself to abuse and exploitation.

The passage of the Consumer Bankruptcy Reform bill is critical because it directly confronts the abuses within our bankruptcy system. One of the main features of the bill would allow bankruptcy judges to dismiss or reassign cases if the system is being "abused." Under the bill, one of the factors which shows abuse in a chapter 7 filing is if the debtor has current income sufficient to pay at least 20% of unsecured claims against him. A motion alleging abuse of the system could be filed by the judge, the trustee, or any party in interest.

We must return to the real purpose of bankruptcy laws—to establish uniform rules in facilitating debt collection. Unfortunately today, the laws are increasingly recognized as a tool for escaping debt responsibility. They are becoming a substitute for personal responsibility.

In addition, I am disappointed that some of my colleagues seek to offer a nongermane amendment to to the underlying bankruptcy legislation that would increase the minimum wage.

As my colleagues may recall, it was only two years ago that Congress enacted legislation that increased the federal minimum wage in two phases, from $4.25 to $4.75 on October 1, 1996, and from $4.75 to $5.15 on September 1, 1997. Now, as part of the Small Business Regulatory Fairness Act of 1996, this provision represented a 20 percent increase in the federal minimum wage.

Now, I voted for this legislation because it included a number of long overdue tax measures designed to help small businesses grow and create more jobs in our economy. These changes, in my judgement, would be far more helpful to wage earners than would the minimum wage increases.

Two years after enactment of this legislation, I am not convinced that the economic effect of that federal minimum wage increase is fully understood. For this reason, I am particularly concerned that an additional increase in the federal minimum wage at this time could actually have an adverse impact upon our economy.

Mr. President, the proponents of an additional increase in the minimum wage argue that Congress should do more to help Americans increase their take-home pay. I agree. However, I believe this can be done far better through tax cuts and reduced government regulation. By doing so, we will save the private sector billions of dollars which could be used for investment that brings better jobs and higher wages.

Mr. President, basic economics tells us that raising real wages above what the market will bear will cause unemployment. The higher real wages rise above the market rate the greater the level of unemployment and overall downward pressure on all wages. The solution, therefore, is to allow wage rates to adjust to market conditions. Otherwise we will have persistent, widespread unemployment that hurts the low-income workers the hardest.

Raising the cost of doing business by raising the minimum wage is probably going to mean even fewer of those jobs. Some statistics say as many as 600,000 of those jobs will be lost, killing work opportunities for young people and those families who depend on a needed second income.

Besides artificially inflating salaries, hiking the minimum wage ignores the real concerns of many working Americans. Yes, they want better jobs that pay better salaries, but they have told me repeatedly that what matters most is not how much you earn but how much of your own paycheck you are allowed to keep after the greedy Federal Government has deducted its taxes.

Families today are taxed at the highest levels since World War II, with 38 percent of a typical family's budget going to pay taxes on the federal, state, and local level. In nominal dollars, a two-income family is paying more just in taxes today than their paychecks totaled in 1977. That's nearly 50 percent more than they are spending for food, shelter, and clothing combined.

Compared to the proposed minimum wage increase, tax relief and economic growth is a better solution for helping low-income families. It will increase incentives to work, save and invest. It will allow families to maximize their income and improve their standard of living. Tax relief will allow families who today are forced to scrimp just to cover their monthly bills and their tax bills to have more money to spend on their children's education, health care expenses, food and clothing, or insurance.

In 1981, President Reagan initiated massive tax reduction which resulted in an economic miracle we are still benefiting from today. Over eight years, real economic growth averaged 3.2 percent and real median family income grew by $4,000, 20 million new jobs were created, unemployment sank to record lows, all classes of people did better.

According to the National Taxpayers Union, if Congress could roll federal domestic spending back to 1969 levels, a family of four would keep $9,000 a year more of its own money than it does today.

Recent estimates by the CBO show that the government will enjoy a nearly $1.6 trillion budget surplus over the next ten years. This potential surplus is generated by working Americans and should be returned to the taxpayers. Tax relief particularly, lower payroll income tax rates will immediately increase Americans' take-home pay and allow them to keep a little more of their own money.

In sum, Mr. President, the real answer to increasing the take-home pay of American families is not promoting political grandstanding efforts like this which would only destroy jobs, but to support more meaningful tax relief and sustainable economic growth. I urge my colleagues to support the bankruptcy legislation and resist any effort to distort the intent of this most important bill.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

NONPARTISAN IMPEACHMENT INQUIRY

Mr. SPECTER. Mr. President, I have sought recognition to express the view that Congress should make our inquiry into possible impeachment of President Clinton as bipartisan as possible, nonpartisan, fair, and judicious. There is an abundance of evidence that the American people deplore excessive partisanship in general and oppose any kind of partisanship where we are dealing with a matter which is judicial or quasi-judicial.

I recall an admonition from my father years ago. When in a partnership situation he said, "Arlen, don't make it 50/50; give 60 percent. It will look like 50 percent to your partner. If you give 50 percent, it will look like 40 percent." That bit of advice which my father gave me as to a partnership arrangement, I think, is applicable to relationships or arrangements of many kinds.

I think it is very important that there be a real effort on the part of Republicans, because we Republicans are in control, to not press for every bit of advantage. I believe that the proceedings in the House were off to a good start when there was a vote of 363–33 to release the Starr report, with about two-thirds of the Democrats voting in favor of a release of the report. It seems to me where we have a proceeding like impeachment, which is really judicial, that it ought to be bipartisan or nonpartisan.

With respect to the playing of the tapes of President Clinton, it has been my preference that the approach be somewhat different from that which was undertaken by the House of Representatives. The playing of those tapes, I think, would have been subject to no criticism at all had the House moved ahead with an impeachment inquiry, either in a preliminary stage or after the signing in a more formalistic sense to have impeachment hearings. Then it would have been in the regular course of business in regular order to see the tape of the President so that the Members of the House could make an evaluation of the evidence as to what to do next.

Then where those hearings would be public, with the availability of the President's tape, his deposition before the grand jury would have come into the public domain in a matter of due course, and then as a regular proceeding with the hearings of the House of Representatives so that the House would have obviated the controversy and the concern of whether there was an inappropriate release of the President's tapes. Once the hearings start, even in a preliminary sense, the House Members have an obligation to see what the evidence is.

Similarly, with the release of other evidence, such as the testimony of Ms. Monica Lewinsky yesterday, that testimony is appropriate in regular course, but there is bound to be some concern raised when it is released en masse and not as a part of a regular proceeding by the House of Representatives.

From my days as district attorney of Philadelphia, which was a quasi-judicial position, a district attorney—a public prosecutor—is part advocate and part judge. The expression is made as to the district attorney being a quasi-judicial official. I found it very important in the cases which I tried personally and in the administration of the office to exercise great care to be fair with the defense, both in terms of proceedings generally and in the presentation of evidence at trial.

The juries in a criminal case, like public opinion generally, have a sense as to fairness, and it builds up, I found, the credibility of the prosecutor not to be looking for every slight advantage in the course of either investigation or trial. The impeachment proceedings, it seems to me, are really totally judicial in nature. The articles of impeachment have been analogized to a bill of indictment, but I think they are not really a bill of indictment in a criminal proceeding; or it may be argued that a bill of indictment before a grand jury is judicial in nature.

However, I hope that when we in the Congress vote in this body, when responsibilities come to the Senate, or in the other body, the House of Representatives, that there will be an approach which is bipartisan and nonpartisan. We are proceeding in a matter of the utmost, utmost gravity, the potential for impeachment of the President of the United States, and I think the American people will demand and are entitled to that kind of bipartisanship.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield the remainder of the time that I have on my side.

Mr. REED. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized to offer a second-degree amendment relative to the minimum wage, on which there shall be 2 hours of debate equally divided.

AMENDMENT NO. 3540

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage)

Mr. KENNEDY. Mr. President, I call up amendment No. 3540.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment numbered 3540.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the "Fair Minimum Wage Act of 1998".

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

"(1) except as otherwise provided in this section, not less than—

"(A) $5.65 an hour during the year beginning on January 1, 1999; and

"(B) $6.15 an hour during the year beginning on January 1, 2000.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 1999.

Mr. KENNEDY. Mr. President, I understand that there is a time allocation, 1 hour for those who support this amendment, and 1 hour in opposition. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I thank the Chair.

Mr. President, I yield myself 12 minutes.

Mr. President, I will briefly review the bidding about where we are with regard to the minimum wage.

Since the end of World War II, the minimum wage has increased seven different times. President Eisenhower signed a bill for an increase of the minimum wage. President Kennedy did as well, as did President Johnson. President Nixon supported an increase in the minimum wage. President Carter supported an increase in the minimum wage. President Bush supported an increase, and President Clinton has supported it as well.

In the postwar period, if we look at where the economy went in the immediate 20 years after World War II, the economy grew across the board. The percent of increase for those at the lower income level rose just as well as those at the upper level. There was very, very little disparity. If you look at the difference quintiles, from the period of the postwar—1945 really up to about 1970—there was virtual growth together.

During this period of time, we found that Republicans and Democrats alike supported the increase in the minimum wage on a very basic and fundamental principle; that is, if Americans are going to work, they ought to be able to have a livable wage—they should not be in poverty. Men and women who want to work 40 hours a week 52 weeks a year and play by the rules ought to have a livable wage. That concept has been supported by Republicans and Democrats alike.

All we are asking today is whether we are going to continue that basic, fundamental vote of fairness and justice in our country. That is the issue. It is as plain and simple as that.

There are reasonable questions that we have to ask ourselves. The first is, What is going to be the impact on the state of our economy?

We have the greatest economic growth and price stability in the history of the Nation. We have seen untold fortunes made during the period of the last 6 years, but not for those at the lower end of the economic ladder, not for those who are the minimum-wage workers. Their actual purchasing power has been reduced. It is surprising, most Americans think, that everyone has not moved up together. Many have moved up the economic ladder, but not those at the lower part of the economic ladder.

All we are trying to do is to say to those hard-working Americans at a time when we have record unemployment, the lowest inflation that we have had at any time (except one of the seven times where we raised the minimum wage in the postwar period)—the lowest rate of inflation—that, given our economic situation, we can make sure and we can afford for those working Americans a livable wage for themselves and for the members of their family. That is the very simple issue.

It is fair to look at what has happened with the last increases in the minimum wage to see what the impact has been of those increases on the rate of unemployment and the rate of inflation.

We find, as I have demonstrated and put in the RECORD repeatedly, and will not take the time unless challenged on those issues here today, that effectively we have seen virtually no adverse impact in terms of our economy since the last two increases—absolutely none. The economy is stronger, and stronger than ever. We saw in 1997 more than 1,200,000 jobs created in the small business industry.

We have heard from the restaurant association that since the last increase in the minimum wage their employment has grown by 240,000 jobs. They have not been disadvantaged. If you are looking at a growth industry, according to the Labor Department, it is in the restaurant industry.

Mr. President, you can see what I have just stated reflected on this chart. This chart reflects clearly the fact that in constant dollars the minimum wage now is at one of its lower levels. Over the period from the mid 1950s, all the way through the mid-1980s, a 30-year period where we have Republican and Democratic Presidents alike, we have minimum wage and purchasing power that would be even above what this proposal is that is offered today: 50 cents next year, 50 cents the following year. Even if we have those two increases, we will still be below the 30-year average under Republicans and Democrats.

That is all. We are not trying to say we are going to the highest level that we have ever had, even though we have the best economy. All we are saying is let us put them in the realm of the 30-year period for these working families in America.

A great deal is said around here about the importance of work. These are working families trying to provide for their children.

Who are these workers?

These workers are child care workers and attendants. Beatrice Stanford of Wilmington, DE, is a low-wage grandmother who has worked at the YMCA Child Care Center for 4 years, earns $5.75 an hour, and is the sole supporter for her teenage son and daughter and two grandchildren. Beatrice's children have worked from time to time, but she now calls that her biggest mistake. Her daughter fell behind in school because of all the hours she was putting in at work. She needed summer school, but she couldn't afford the $300 for the course. Instead, she had to do a correspondence course that cost $164. She made up the course but lost a year. Beatrice finds it a struggle just to pay the rent. She can't afford a car, so she takes a bus to work and catches a ride to the supermarket.

These are child care workers—the faces of those who are working for the minimum wage. Beatrice Stanford, a grandmother trying to provide for her children and not being able to make ends meet.

Mr. President, there are other workers like Renda DeJohnette who provides home health care in Los Angeles. Child care workers, home health care workers, teachers' aides—these are all the people who make up the minimum wage.

Renda DeJohnette provides home health care. Renda works in a county program to help senior citizens and the disabled to remain in their homes and avoid institutionalization. Renda is a single mother with two teenage children. She earns $5.75 an hour washing clothes, preparing meals, cleaning houses and finds it hard to make ends meet. A low minimum wage increase would allow her to put food on the table and pay all of her bills.

The list goes on.

There is Marcus Reynolds of Lynn, MA. To understand the minimum wage from both sides of the paycheck, for 20 years he earned the minimum wage cleaning offices, making beds in hotels, stocking shelves, and lifting heavy packages in stores.

Often he worked two jobs, sometimes three. He says, "No matter how many jobs I worked, how little time I slept, the minimum wage was not enough to make ends meet. Even when I was basically just working and sleeping, providing for food and rent and transportation was more than a challenge. It was often a struggle." Now he owns a very small sandwich shop. He pays his entry-level workers $6 an hour. He says, "I can't afford to pay them less." He respects them as workers and as people, and as he puts it, "What kind of family value is it to pay someone supporting a family a wage that is below poverty?"

Mr. President, these are the people we are talking about. We are talking about teacher's aides who are working with our children. We are talking about child care helpers. We see the turnover that is taking place in the Head Start Program, and we are all concerned about that because we know the importance of consistency of care in terms of looking after our children.

One of the principal reasons for this turnover is that we are paying the child care assistants in these kinds of settings the minimum wage, and they just cannot make ends meet. We are talking about those health workers who are working with our parents to try to keep them at home, to help and assist them so they are not institutionalized. They are the helpers and assistants in the nursing homes looking after our parents. They are the people who take care of the buildings which house America's corporations, working long, hard hours at night.

When we asked minimum wage workers what the impact was when they saw an increase in the minimum wage last time, the answer that so many of them gave was amazing: "You know, Senator, what the impact is going to be when we raise the minimum wage. We are only going to have to work two jobs instead of three." Only two jobs instead of three. "We might get a chance to see our children more often. We might be able to go to teachers' meetings. We might be able to spend some time with our child helping with some homework."

That is the difference in terms of any kind of increase in the minimum wage. That is what we are talking about. That is what we are talking about at a time when we have the strongest economy in the history of this country and at a time when we have hard-working Americans who are prepared to do the work.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The 12 minutes requested by the Senator have expired.

Mr. KENNEDY. Mr. President, I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, this chart here says it: "The minimum wage is not a livable wage." We are talking about a livable wage here in the United States of America. These are the average figures for a family. The monthly minimum wage budget includes what is necessary for a family of three. Food on the table, $348; housing, $582; transportation, $145; and what remains is $131. That does not include child care, where the national average in terms of one child would be $333 or health care where the average is $49 or clothing where the average is $63, which comes to $445. You have to squeeze three items, $445, into the remaining of $131.

The question is, how many times is a parent going to serve peanut butter to a child in order to save the $10, $15 or $20 so they can look after health care needs? How many times are they not going to pay their utilities in order to be able to look after a child? This is what we are talking about—hard-working Americans who deserve a living wage. This issue is the same as the last 70 years when we have debated it in the Senate. But we have come together in decency and fairness at important times for working Americans.

Finally, Mr. President, just last year we had an increase in our own minimum wage. Members of this body got $3,100. That is $1.50 an hour. That is the increase every Member of this Senate received—$1.50 an hour in 1 year. We are looking at child care workers, health care workers, teacher's aides getting 50 cents next year and 50 cents the following year. If it was fair enough for the Members of the Senate, it ought to be fair enough for those hard-working Americans who are trying to provide for their families. That is the issue—fundamental fairness to working Americans. Hopefully, we will be successful.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I have very much enjoyed listening to my colleague once again on this very important issue, which seems to come back on an annual basis. The ink is barely dry on the announcement for last year's increase in the minimum wage and the Senator from Massachusetts is back asking for another serious, mandatory wage hike.

The distinguished Senator from Massachusetts, and those who support this concept, believes that an increase in the minimum wage is the quick, painless way to help the disadvantaged in our society. They believe that a minimum wage hike is absolutely costless, and they believe that it has no adverse impact whatsoever. I can only wonder, then, why they have not offered an amendment raising the minimum wage to $15 an hour or $20 or $25 or $30, because if it has no impact and it really is going to benefit people, why not do that. In fact, if raising Senators' salaries $1.50 an hour over the last year is right, why not give everybody whatever the amount of money the Senators make—$100,000, $130,000, or whatever it is—to even things up and make everybody equal in our society? I am sure the Senator is not arguing that so I do not mean to raise that type of ridiculous argument.

Frankly, if raising the minimum wage was all it took to raise people out of poverty—or to make life better for the working poor—I would vote for it.

But, I believe the proponents of this amendment and of the underlying concept have greatly oversimplified the issue. And, I believe they know they have oversimplified it.

EMPLOYMENT IMPACT

I will admit to my colleagues that the most elusive aspect of the economic debate on the minimum wage is an estimate of its impact on employment. Study after study has been done to quantify the employment effects of an increase in the wage floor. And, economists have disagreed about the severity of the employment impact.

There is, however, overwhelming consensus that there is indeed an adverse effect on employment. Three-quarters of the 22,000 members of the American Economic Association agree that minimum wage hikes have a disemployment effect that stifles employment opportunities for low-skilled workers.

In 1981, the Minimum Wage Study Commission, which was formed under the Carter administration, concluded that for every 10 percent increase in the minimum wage, the disemployment effect was between 100,000 to 300,000 jobs.

Disemployment means jobs not only eliminated, but also jobs that are never created in the first place. For example, if a retail store planned to hire five additional workers and, as a result of the higher labor costs, only hired two, the disemployment effect is three jobs.

For the sake of argument, let's take the more conservative boundary of this range of impact. The Kennedy-Wellstone amendment proposes a 19.4 percent increase in the minimum wage over two years.

That means that, using the most conservative multiplier, nearly 200,000 entry level jobs would be lost.

Now, Mr. President, let's line up 10 applicants for entry-level jobs. Which two of them are most likely to lose out at this higher minimum wage level? The suburban teenager working to pay the insurance on his car? The spouse working to put a little extra money into the household budget? The senior citizen who is supplementing his retirement income and trying to stay active? Are they the people who would lose out?

Or, would it be the new immigrant still learning a new language? Perhaps the young woman just out of a drug rehabilitation program, or a young man recently paroled from prison. Perhaps those who will miss out are high school drop outs.

Michgan State University economist David Neumark suggests that the employment effects of a higher minimum wage are actually most acute on certain subgroups. In his paper "The Effects of Minimum Wages on Teenage Employment, Enrollment, and Idleness," Neumark finds that higher minimum wages act as an incentive for teenagers to seek employment and that those with more experience and greater skills crowd out those with fewer skills. Those who are displaced find themselves "idle," i.e., neither enrolled in school nor employed.

I certainly do not consider this a positive effect of the minimum wage increase. But, it gets worse.

The probability that a black or Hispanic teenager will be displaced is five times greater than for the general population of teenagers.

But, perhaps the perverse impact of minimum wage increases is summed up best by two of President Clinton's own appointees to the Federal Reserve Board, William Baumol and Alan Blinder: "The primary consequence of the minimum wage law is not an increase in the income of the least skilled workers, but a restriction on their employment opportunities." [Baumol and Blinder, cited in Glassman, Washington Post, 4/9/96]

This is pretty serious stuff. The ones who really get hurt are the ones who need the help the most.

The long and the short of it is simply that you cannot mandate an increase in the price of entry level or unskilled labor—which is exactly what the statutory minimum wage is—without reducing the demand for that labor.

The term "labor costs" is complicated. It includes lots of things: wages, insurance, FICA taxes, unemployment taxes, training, uniforms or other expenses. But, for now, let's just say it's wages and FICA taxes.

Some may be tempted to say that another dollar an hour is no big deal for an employer. Well, let's take a hypothetical employer in my home state of Utah. Let's see how big of a deal it is.

Is it only $1 for the ABC Company in Salt Lake City, UT? "Hey, it's only $1, what's the big deal?" they say. Assume you are a business owner with 25 part-time employees who work 30 hours a week. How much would a minimum wage hike cost you? You fill in the blanks.

First year, 50 cents times 25 employees times 30 hours per week times 52 weeks per year equals $19,500 in the first year.

The second year, $1 times 25 employees time 30 hours per week times 52 weeks per year equals $39,000 in the second year. Add in the additional FICA and other taxes—I'll bet you forgot about those—that is $5,265, just use 9 percent, if you will, to keep it easy.

And the grand total is $63,765. Think about that. This is the average small business. The average small business owner takes home less than $25,000 per year. So where is the money going to come from? Where is the money going to come from?

If you stop and think about it, under the Kennedy-Wellstone amendment, the 2-year increase in labor costs would be more than $63,000. Actually the figure is $63,765. That is 2½ times what a typical small business owner takes home.

The median take-home for small business owners, as I have said, is $25,000. That's based on the National Federation of Independent Businesses, the representative of the small business people in this country, and that is using CPS data.

Exactly what would you do, Mr. President, if you were this small business owner faced with a dollar per hour mandatory increase in your labor costs?

The answer should be obvious. As one small business owner noted:

> Unfortunately, many entry-level jobs are being phased out as employment costs grow faster than productivity. In that situation, employers are pressured to replace marginal employees with self-service or automation or to eliminate the service altogether. . . .

I should mention that the small business owner I just cited is former Senator George McGovern.

His eyes were opened once he left the distinguished U.S. Senate and went into a small business himself and found out it is pretty tough to be in business. There are a lot of demands on you. That was Senator George McGovern, who I believe voted for every minimum wage increase the whole time he was in the U.S. Senate. I give him credit for being willing to call it the way it is.

Harriet F. Cane, owner of the Sweet Life restaurant in Marietta, Georgia, after the last minimum wage increase reports that she went from 16 employees to 9. She voiced her frustration in the Wall Street Journal:

> Money for minimum wage increases has to come from somewhere. . . . If you pass another increase in the minimum wage, you can tell the teenagers and working mothers I employ why they no longer have jobs. Then try asking for their votes.

And, I also share Senator McGovern's concerns about one other aspect of the minimum wage. He goes on to ask:

> When these jobs disappear, where will young people and those with minimal skills get a start in learning the "invisible curriculum" we all learn on the jobs?

Senator McGovern is right. Entry level jobs are only the first run of the ladder. How many of us are today doing the same job we did as teenagers? Quite obviously none of us in Congress. And, I would venture very few outside of Congress.

Ed Rensi started in 1965 in Columbus, Ohio, at 85 cents an hour. Today, he's the president and CEO of McDonald's. [Shlaes, WSJ, 8/15/95] Just think about that.

James Glassman, writing in the Washington Post, quotes this finding by David Macpherson, professor of economics at Florida State University: "A year after having been observed working at the minimum wage of $4.25, the average wage for these workers was $6.08 an hour." [Glassman, Washington Post; 4/9/96] That is a $1.83 increase—43 percent.

Amity Shales, writing in the Wall Street Journal, cites a 1992 study in the Industrial Relations and Labor Review that stated that 63 percent of minimum wage workers earn higher wages within 12 months and that the increases average 20 percent. [Shlaes, WSJ, 8/15/95]

So, let me get the proponents' argument straight: Someone who has a minimum wage job is going to be better off with a 19.4 percent increase under the Kennedy-Wellstone amendment—if he or she doesn't lose his job or have his hours reduced—than under current law where there is a greater probability of keeping the job and getting a 20 percent or greater raise in their wages?

I find this logic terribly twisted.

It is a great myth that everyone currently earning the minimum wage gets 'stuck'' in a minimum wage job. The fact is that people cycle through these jobs regularly. They get raises; they get more education; they learn a new skill; they prove themselves reliable; they move on and up.

And, I'll say one more thing about jobs at the bottom. I am proud that I worked my way through school. I even worked as a janitor. Some of my colleagues might poo-poo that experience. Well, I am proud of it. Not only was I a darn good janitor, but I met good, decent people doing it as well, and I have to tell you I made 65 cents an hour.

I like to think maybe I have progressed in life and that little bit of training I got as a janitor helped me to appreciate what working is. It helped me to put myself through school. It helped me to have the dignity that comes from working, the discipline that I learned from having to meet hours, meet work schedules, and meet work expectations. All of that was pretty darned important.

One thing I learned was that there is no such thing as a menial job—only people who do not understand the importance of any job performed well. And maybe that's one thing wrong with our society today—but that's a subject for another day.

WINNERS AND LOSERS

First jobs are for learning as well as earning. If we continue to raise the bar for entry, how many adults will we have who have never worked? How many teenagers and young adults who need a chance are not going to get one?

According to the conservative estimate, at least two out of every 10. My colleagues on the other side may not think that is too high a price to pay in order to benefit the other eight. But, considering the evidence that hiking the minimum wage is a lousy way to help the working poor, I can't agree—I cannot agree, to make it even more clear.

It is true that some workers will reap the benefit of the increase. Some workers will get a $40 a week raise. But, by mandating wage increases, two out of 10 entry-level job seekers won't have a job at all—very likely those who need a chance the most.

Senator KENNEDY has gone to great lengths to disassociate this minimum wage increase from organized labor's legislative wish list. He has tried to convince us that this is a women's issue and a children's issue. He has tried to tell us that we should enact this 19.4 percent increase in order to lift the poor and working poor out of poverty.

The distinguished Senator from Massachusetts is attempting to give this perennially bad idea a Cinderella-like transformation. I must point out to my friend and colleague that there is no way this pumpkin is going to turn into a handsome coach.

Let's look at the demographics of who will be helped and who will be hurt by the loss of job opportunities.

There are twice as many minimum wage earners in families earning more than $25,000 per year—that is 51 percent of them—than in families earning less than $12,500 per year. That is 25 percent of them. And, one of five lives in a family earning $50,000 or more. [Deavers; Employment Policy Foundation, 3/5/98 briefing, p. 21]

Nearly 43 percent of all minimum wage earners are teenagers and young adults living at home; 16.5 percent are spouses of other earners; 22.5 percent are not heads of household. Only about 20 percent are heads of household supporting dependents.

In Utah, the distribution is even more lopsided.

Who really benefits from the minimum wage hike in Utah? The average family income of Utah employees who will benefit from President Clinton's proposed minimum wage hike is $37,816. According to the U.S. Census Bureau data, fully 89 percent of Utah employees whose wages will be increased by President Clinton's proposed minimum wage hike either live with their parents or another relative, live alone, or have a working spouse. Just 11 percent of them are sole earners in families with children, and each of these sole earners has access to supplemental income through the earned income tax credit.

As you can see, Mr. President, only 11 percent are single parent with kids or single earner in couple with kids. Stop and think about it.

That is important to look at. Our State is maybe a little bit better than the national average where it is 22 percent. That 11 percent is doubled to 22 percent. But it still means that 78 percent of the people are those who need that entry-level job, that first job, that opportunity of starting on the ladder climbing higher.

Of course, we should be concerned that certain families are struggling with minimum wage incomes. There should be no insinuation that those of us who oppose this amendment do not care about these struggling families.

MINIMUM WAGES CAN'T FIGHT POVERTY

But, we need to understand the limits of a minimum wage increase to reach these families with any tangible benefits.

The minimum wage increase cannot be targeted only to certain workers. We cannot say that Mrs. Jones who is trying to raise two kids on the minimum wage gets the increase, but Mrs. Brown who is working to supplement her husband's earnings does not.

The reality is that those who are not poor are more likely to get raises and those whose skills do not justify the higher wage will be out of jobs.

Study after study has concluded that raising the minimum wage is an ineffective means of helping those who are disadvantaged.

David Neumark of Michigan State and William Wascher of the Federal Reserve Board concluded that:

> On balance, we find no compelling evidence supporting the view that minimum wages help in the fight against poverty. Rather, because not only the wage gains but the disemployment effects of minimum wage increases are concentrated among low-income families, the various trade-offs created by minimum wage increases more closely resemble income redistribution among low-income families than income redistribution from high- to low-income families. Given these findings, it is difficult to make a distributional or equity argument for minimum wages. [Neumark & Wascher, ''Do Minimum Wages Fight Poverty?'' NBER Paper, August 1997].

Peter Brandon, of the Institute for Research on Poverty at the University of Wisconsin has found that ''welfare mothers in states that raised their minimum wage remained on public assistance 44 percent longer than their peers in states where the minimum wage remained unchanged.'' [Brandon, cited in Understanding the Minimum Wage, 1995]

A conference paper prepared by Robert V. Burkhauser (Syracuse University), Kenneth A. Crouch (University of Connecticut), and David C. Wittenburg (The Lewin Group) reports the results of a simulation model on the effects of the 1990–1991 minimum wage increase. After holding the employment variable constant (which was not the actual effect), ''only 19.3 percent of the increase in the wage bill caused by that minimum wage increase went to poor families. This is less than the 22 percent of workers whose wages were increased by the minimum wage increase who live in poor families.'' [Burkhauser, Crouch, Wittenburg, ''The Behavioral and Redistributional Consequences of Minimum Wage Hikes: Evidence from the 1990s;'' AEI Conference, May 4, 1998, p. 5]

Yes, Mr. President, raising the minimum wage sounds like an easy way to help those who are working but still struggling to find their way out of poverty. It is no wonder that, lacking the facts, the American people would support this.

But, upon examination, using minimum wage increases to alleviate poverty is like trying to shoot a fly off an elephant—and we are not even aiming at the fly but at the entire elephant. The amendment proposed by Senator KENNEDY and Senator WELLSTONE is not directed to workers who are poor, but rather at the entire universe of minimum wage workers. And, even former Secretary of Labor Robert Reich has acknowledged that most minimum wage workers are not poor.

CONCLUSION

The idea that there is no adverse impact from a mandatory increase in the cost of hiring workers is delusional.

But, what is worse, is that this adverse impact is for nothing. And, those very individuals who need entry level jobs the most are the ones most likely to be displaced by the increased competition for those jobs.

This proposal, like the emperor who has no clothes, is specious—it is still specious, and I haven't even touched on inflationary or geographic inequities. I would need another hour to do that.

It is disappointing that some of my colleagues on the other side of the aisle remain so enamored with this discredited dinosaur of a labor policy. Even the Democratic Leadership Council, citing findings of the Progressive Policy Institute, has repudiated minimum wage hikes, correctly claiming that they are counterproductive.

Hiking the minimum wage is not the only way to assist working Americans and those struggling to make ends meet. Let's work on some of those ideas. Personally, I would like to raise people's paychecks by cutting their taxes. That is probably a far better way of doing it than doing it this way. That would increase their paychecks without the risk they might lose their jobs, which is a big risk that will happen with this giant albatross.

I think we can work together on education. We passed the A+ Education bill earlier this year with bipartisan support. Education—or the lack of it—is the single biggest factor in determining an individual's earning capacity.

Let's tackle illiteracy and other root causes of low-skills and low-earnings potential. But, for Heaven's sake, let's recognize the minimum wage as the mirage it really is.

I urge my colleagues to defeat the Kennedy-Wellstone amendment. It deserves to be defeated, and it is time we start approaching these problems in a better way, in a way that really will help people, especially those who are at the lowest level of poverty in this country. I yield the floor.

The PRESIDING OFFICER (Mr. ASHCROFT). Who yields time?

Mr. KENNEDY. Mr. President, I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise in strong support of Senator KENNEDY's and Senator WELLSTONE's proposal to raise the minimum wage. There, in my view, is a very compelling reason why we must do this and we must do it today. That reason, simply stated, is that if you are a full-time worker, a head of household, a single head of household and a family of three, you will make $10,700 a year. That is $2,900 below the poverty level. Today, the minimum wage law in the United States guarantees to so many people only one thing: that they will still be in poverty. We can do much better than that, and we should do much better than that.

There have been discussions about the employment effects of raising the minimum wage. Studies have been presented; statistics have been presented. Let's look clearly at what has happened in the last two episodes in which we raised the minimum wage.

Back in October of 1996, the minimum wage was increased to $4.75. And what happened to unemployment? It fell; it was in a cyclical pattern, but it fell. Again, in September of 1997, we raised the minimum wage to $5.15, and once again unemployment fell.

This legislation is not a job killer. This legislation does not deny opportunities to work for anyone. What it does is it gives people more money in their paycheck, gives them more opportunities to provide for their families, gives them a bigger share in this country's economy. That is why we need to do it.

There are others who argue, "Well, those are just general statistics." The real problem with the minimum wage increase is it affects some discrete subgroups like teenagers. If you look at the record of teen unemployment, age 16 to 19, once again the same pattern emerges. The minimum wage was raised in October of 1996—it is a cyclical process—and unemployment declined. Again, in September of 1997, with some cyclical variation, a declining curve, unemployment in this category also falls. So the arguments against the minimum wage because it kills employment just do not hold water based upon the most recent experiences.

Then there is the argument that small businesses will invariably and automatically react to an increase by cutting back on their employment. There has been a recent study by two researchers from the Jerome Levy Economic Institute at Bard College. And 90 percent of the small businesses they surveyed indicated that the 1996 minimum wage increase did not change their hiring decisions. Their hiring decisions were based upon the demands in their marketplace for their products, driven by a very strong economy. Moreover, 75 percent of these individuals surveyed said that a further increase to $6 would also not influence their decisions about hiring.

So small business is not reacting to this proposed minimum wage increase by saying, "We are going to cut off employment." What this does is give hard-working Americans a chance to put more money in their paycheck to provide more opportunities for their families.

We have also heard arguments on the floor today that, "Well, the minimum wage is benefiting not just the poorest people, just teenagers who work, but maybe spouses who work and their husbands or wives are employed in more lucrative jobs."

First of all, the reality of the minimum wage is that 74 percent of the wage earners are over 20, so the vast majority are not teenagers. And 40 percent are the family's sole breadwinner. They have people who depend upon them, depend upon them bringing in a living wage. And 63 percent are women; and 50 percent of the minimum wage earners are in the lowest 40 percent of earners in the United States. This does, in fact, provide a very positive impact on the opportunities for low-income Americans.

There is another argument here, too, that I think we have to present. Last Congress, many of us joined together to pass significant welfare reform, in fact, directing people off welfare into the workforce; and it is an irony, at best, moving people from welfare into poverty-level wages—indeed, below poverty-level wages. To make this experiment in welfare reform truly workable, we have to ensure that when people leave welfare they get adequate pay. And the minimum wage increase will help do that.

Also, it seems to me illogical that in every other sphere of economic endeavor raising someone's pay is seen as a good thing, not a bad thing, that most of our activities in the workplace are designed to get increases in pay. In fact, very few people would think, "I'm not going to ask for an increase in pay. It might curtail my opportunities to work." Because the reality, as demonstrated by my colleague, just to survive, to put food on the table, clothe children, to provide minimal care to their families, requires an increase in the minimum wage.

I think there is another argument that has to be stressed. We are coming into some rocky economic times in the United States because of the turmoil throughout the world. Demand for American goods overseas is faltering. How do we keep our economy going? One way to do that is to give the American people more purchasing power. Increasing the minimum wage does that for the very lowest income Americans, those people who go into the Kmarts, go into the Wal-Marts, to buy products. In fact, they are typically the types of individual households that, because of the demands on them, are constantly buying products for their children, buying goods and services. This will also help, I think, in a broader economic sense.

So for all these reasons—basic justice and fairness, to keep our economy moving, to recognize that there are so many good reasons to do this—it does not affect employment dramatically but what it does affect is the ability of working families, people who work very hard to provide for their families and maybe provide a little extra. That, to me, is why we are all here.

I strongly support the efforts of Senator KENNEDY, the efforts of Senator WELLSTONE, and their strong commitment to ensure that the benefits of this economy are shared not by just those who are affluent but are shared by the broadest segments of American society, particularly by those who struggle each and every day under circumstances, frankly, that few of us have had to endure, to be good citizens, to work hard, and to get something a little bit more for their families.

I hope, in that spirit, and recognition of those facts, that we strongly support this amendment.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I yield 12 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. I thank the President and the Senator from Utah.

I rise today to share my thoughts about another proposed increase in the minimum wage. Having been a small business owner for 27 years, I want to be sure that my concerns regarding the full economic impact that that Federal one-size-fits-all mandate can have on rural States like Wyoming are made known. This complex economic issue demands careful consideration.

I want to say right up front, I favor an increase for all wages. But that increase should be sparked by a strong free market economy, not by a Federal mandate that would be detrimental to small businesses and to the existence of hundreds of minimum-wage-paying jobs in Wyoming that are already few in number.

I travel throughout Wyoming almost every weekend. I regularly hold town meetings and attend ice cream socials as a way of listening to my constituents' concerns. I want to point out, Wyoming residents are thick-skinned individuals and they are not shy about sharing opinions—they show up and they share.

I was not surprised to hear from them that another increase in the minimum wage could close small businesses and eliminate jobs—two things that are already tough to come by in Wyoming.

As a former shoestore owner, I have always felt that the minimum wage represented a starting wage—better referred to as an entry-level wage. I hear people trying to equate it with a "living wage." It is a minimum wage. It is an entry-level wage.

An entry-level wage in Wyoming changes quickly as the individual worker gains experience and improves his or her skills in the workplace. Almost two out of three workers who start at the entry-level wage earn a higher wage within 6 months—more skill, more money. Every job works that way. There are just different entry-level rates—more skill, more money. Kids with no skills have to gain experience in the workplace if they are to understand why hard work is a fundamental step to life's success.

Moreover, college students seeking part-time jobs to help supplement their education are going to find it even more difficult to obtain work when the number of these available jobs is cut.

Are the economic realities that impact these kids being considered by this amendment? I will gladly welcome any explanation based on Wyoming's labor market.

Only 480,000 people live in Wyoming, fewer than any other State in this country. That is not bad; we have plenty of elbowroom. Wyoming still remains a State of high altitude and low multitude dominated by miles and miles of miles and miles. We can still call the wrong number and know who we are talking to. But my State's labor market has produced a set of statistics that worry us. Wyoming ranks 50th in new economic growth, 50th in the creation of new jobs, and 50th in technical industries. That is not a change. We lack the population needed to lure high-turnover jobs. We lack critical mass where there is enough population for businesses to feed on each other.

While other States are celebrating budget surpluses, Wyoming politicians argue over every available penny, knowing that a $200 million shortfall is expected within the next 5 years. To put that in perspective, a 1 cent statewide sales tax only raised $50 million a year for the State. Having served in the State and the legislature for 10 years, I have dealt with this reality firsthand.

Folks need to understand why another increase in the minimum wage impacts States like Wyoming differently than Connecticut or Massachusetts. The Nation's economy may be strong, but my State hasn't shared that fortune. It takes a long time for rural States with sparse populations to benefit from these trends. I am not going to buy into the notion that another minimum wage hike is necessary just because the Nation's economy is doing well. There is more to it than that.

Despite Wyoming's economic portfolio, the absence of intrusive State taxes ensures that family incomes go a long way. It would go even further if I could say the same for Federal taxes—however, we will save that debate for another time. Wyoming residents pay no State income tax, a five-cents-on-the-dollar sales tax, bare-bones "sin" taxes and fuel taxes, and some of the lowest property taxes in the country. In fact, a Wyoming family of four making $50,000 per year pays about $2,500 total in State and local taxes—including sales tax. In Connecticut, that same family of four pays $10,000. That is an incredible difference. Connecticut folks pay four times as much in local and State taxes. Labor Secretary Herman stated in a letter to Chairman JEFFORDS of the Senate Labor Committee describing how another minimum wage increase would make an "enormous difference in the lives of workers and their families" and that it would "mean an additional $2,000 a year * * *" I guess if I had to pay over $10,000 each year just in State income tax, a Federal minimum wage hike might not sound too bad. However, those folks should be screaming for lower taxes—not higher wages! Those East Coast families have to make up to four times as much to cover State and local taxes.

Wyoming's low taxes give the dollar plenty of mileage, despite lower wages. Even where the availability of housing is scarce, it's still affordable. My youngest daughter now attends the University of Wyoming in Laramie where rental property is tough to come by. Still, a person can rent a single-family home there for less than $400 per moth. A one-bedroom apartment in a modest Washington neighborhood often exceeds $1,000 per month. That is a monumental difference. Similar to taxes, East Coast workers need to make up to 2½ times as much to cover housing. I made a few phone calls to some local "fast food" restaurants and I learned that each of them started their employees above the minimum wage. I was quoted wages starting from $5.25 per hour at the Burger King in Falls Church to $6.00 per hour at an Alexandria McDonald's. The labor market and cost of living determine these pay rates, not Federal minimum wage laws. But in Wyoming, where these same factors are much different, the wages are dictated entirely from Washington where folks pay 4 times as much for State and local taxes and 2½ times as much for housing. To no surprise, the Burger King in Casper, the McDonald's in Cheyenne, the Taco Bell in Laramie and the McDonald's in Sheridan all start their employees at this entry-level wage. Remember, those who show some interest don't stay at that entry-level wage long. Remember, those who show some interest don't stay at the entry-wage level. Another mandated, one-size-fits-all minimum wage hike may sound like a good deal for Wyoming's entry-level employees, but it isn't Each time the minimum wage is increased, these jobs that put money in the pockets of kids—and sometimes senior citizens, too—become extinct.

That is not just Wyoming. This chart shows that although the growth and the overall economy did accelerate, it agrees with the other charts. It accelerated in 1996 and 1997. The job growth at eating and drinking places fell sharply after the wage hikes. In 1995, job growth in the whole economy was 2 percent; eating establishments, 3.9. In 1996, after the wage increase goes into effect, the economy grows by 2.8 percent, and the kids working in restaurants only have a growth of 2.2 percent.

After outpacing overall employment growth each year in the 1990s, job growth at eating and drinking places fell sharply in 1996 and 1997. This chart shows the total employment and the eating and drinking employment. So both of them show the same trends.

Another chart shows what the new job opportunities at eating places were in 1994 and 1995 versus 1996 and 1997. The rate of growth allowed for 532,800 jobs in 1994 and 1995. Then the minimum wage kicked into effect. The growth was only 281,600 jobs; we lost over 250,000 jobs in that market alone. That is a quarter of a million kids who didn't get a job.

Despite Wyoming's sparse population, the number of jobs are even fewer. The complaint I hear from my constituents is not about low paying wages, but the lack of jobs. Folks in my State are tired of seeing their kids leave Wyoming to attend college elsewhere simply because there are not enough part-time and full-time entry-level jobs to help them get a little experience and pay for their education while they go to college. Since the bulk of jobs in Wyoming are provided by small businesses, another increase in the minimum wage will only increase that disparity. Another minimum wage increase would hike all wages. I'm in favor of all wages being increased, but not at the cost of critical jobs. If the entry-level wages have to go up, the workers earning slightly more than the minimum wage would have to earn more too. This isn't just a debate about entry-level wages. Not only would small businesses have to pay its employees a higher wage, but the price of products that the business purchases at wholesale costs and sells at retail prices will undoubtedly have to go up—causing customers to purchase less as a result. Lower sales means less jobs. Downsizing would result. If that fails, the business folds—often quickly by Wyoming's standards. This is basic macroeconomics and a simple explanation on why Federal mandates can hurt the very people they are intended to help. Unfortunately, people don't work at the Federal level. They work at the local level—even for those who work for the Federal Government.

Not only have I heard the argument that our economy won't be hurt by another increase since it is already so strong, but the argument is also portrayed to sound as if another increase is long overdue. Over the past 10 years, the Federal Government has walked all over States like Wyoming by subjecting them to national, one-size-fits-all mandates, all kinds. In 1989, the Congress and President Bush negotiated an agreement that provided for three increases in the minimum wage over a 12 month period. By April 1, 1991, the minimum wage rose from $3.35 per hour since 1981 to $4.25 per hour.

Congress didn't stop there, however. On May 22, 1996, the House passed a tax bill to assist small businesses, entitled the Small Business Job Protection Act of 1996. On May 23, the very next day, the House passed another bill that increased the minimum wage from $4.25 an hour to $5.15 an hour over two years. These two bills were combined into one package and sent to the Senate where it passed. I was still a small business owner in Wyoming at that time, but I was still appalled by the action Congress and this President took under the guise of "small business protection."

That takes us to today. Now the Senate is talking about another increase in the minimum wage—$1 over the next two years. I am a member of the Senate Labor Committee that has jurisdiction over this matter. The committee has not had one, single hearing discussing the impacts of another minimum wage increase. The committee has not considered any legislation that would increase the minimum wage. Rather than discuss the impacts that the pending legislation would have on States like Wyoming, the committee process was shunned. Instead, we're now debating this issue as a matter of election year theatrics. Politics does not constitute sound policy and this attempt to increase the minimum wage again simply confirms that notion.

I am not interested in playing games with the minimum wage. This is a complex, economic issue that must be carefully considered. If the minimum wage goes up, then so does the poverty level. But wages are already going up because of full employment. A quick downturn in the economy would escalate unemployment. This would be a lose-lose situation. Phony wage hikes drive prices up—so we trick the worker into thinking he or she is getting more—but the bills still can't be paid at the end of the month. Government dabbling in a free economy is phony economics.

Congress has a duty to weed out political schemes from impacting our Nation's market and labor force. States like Wyoming deserve better than that and I'm not going to sit idly by and allow my constituents' concerns to be silenced.

This matter should receive a fair hearing and additional consideration by the respective committees and must not be excluded. This is the last-minute election year pitch; nothing more. I strongly oppose this attempt to pass a minimum wage increase, and I ask my colleagues to do the same.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I am pleased to be on the floor with my colleague, Senator KENNEDY, in support of this amendment.

Let me say to my colleagues on the other side—perhaps we can have some discussion and debate about this—that I find it very interesting what is going on here. If I am wrong, I am sure my colleagues will try to prove me wrong. I don't actually think they can prove me wrong. Here is what is going on.

The reason that the vast majority of the people in our country have made it crystal clear that they are for an increase in the minimum wage, that they think to go from $5.15 cents and hour to $6.15 over a 2-year period is imminently reasonable is because they think this is a family-value issue. This occurred the last time we went through this debate and this time as well. Most people in Minnesota and most people in the United States of America believe that it is our responsibility as Senators and as Democrats and Republicans to create a climate whereby they can do their best by their kids, because when they do their best by their kids, they do their best by our country. One of the ways they can do best by their kids is to have a decent job and a decent wage so they can support their families. That is what this debate is all about.

Mr. President, we have these arguments trotted out here. I do not like where they come from. We have the same old song. I understand that for a variety of different reasons some of my colleagues are opposed to raising the minimum wage. I understand this may be a difficult vote. So we have to figure out other arguments to make. I don't think it looks good.

I am going to sort of break from the traditional boundaries of debate and say this: I don't think it looks good.

In this past year we gave ourselves a cost of living raise of $1.50 an hour on top of giving ourselves, several years ago, a $30,000 increase. We in the Senate went from $100,000 to $130,000-plus.

At the time, I had colleagues come up to me and say, "We need to do it. We have two places. We have children. They are in college. It is tough. It is very difficult to make ends meet." So we voted ourselves a $30,000 increase, and then, on top of that, we vote ourselves a $1.50-an-hour cost of living increase. Yet, we say it is just outrageous to increase the minimum wage for people who are working full-time, playing by the rules of the game, 52 weeks a year, 40 hours a week, and are making poverty wages. People who work full-time ought not to be poor in America. They ought to be able to make a decent wage and support their children. $100,000 to $130,000 for us is fine, but to raise the minimum wage $1 over 2 years is not fine.

That is a tough argument to make for people in the country, because most people in the country believe that it is our job to make sure that when people play by the rules of the game and work hard that they earn a decent living. Most people in this country believe that those people ought to have that chance. Thus, the arguments come out.

And so we heard that we are going to lose all these jobs, but that didn't happen. Here are the figures from the Bureau of Labor Statistics. I am not bringing out any particular conservative group or liberal group. I am just going by BLS data. When we went from $4.25 to $4.75 over this first year, 394,000 new jobs were added to the economy. Then when we went from $4.75 to $5.15, 517,000 new jobs were added to the economy.

When I am finished I look forward to my colleagues refuting this; to just explain away the data. Sometimes we don't know what we don't want to know. But these are the facts from the Bureau of Labor Statistics. Where is the evidence that this increase in the minimum wage that helped so many people in our country—10 million-plus people, 140,000 people in Minnesota, helped people do better by themselves and better by their kids—where is the evidence that it led to a decrease in jobs?

In the State of Wyoming, since the Federal minimum wage was increased, unemployment in Wyoming dropped by 8 percent. Where is the evidence that the increases in the minimum wage lead to a sharp drop in the number of jobs in the State of Wyoming? It is just the opposite. According to BLS, 15 percent of the workforce in Wyoming will benefit from our increase—30,000 workers.

So I don't understand this whole argument about how it will lead to a decrease in jobs. For reasons I can't understand, I think it is just sort of "blind ideology" that my colleagues don't want to support this. We are glad to have a big increase for ourselves. Then I say, "OK. What could be the reasons?"

Here are the arguments that are brought out to the floor. One is we will see all of these jobs disappear. But precisely the opposite is happening.

Until I hear to the contrary, I don't quite understand that argument.

My colleague from Wyoming, who I enjoyed hearing, said we didn't have any hearings. The chairman of the Committee on Labor and Human Resources, my good friend, said we would be pleased to have hearings.

So we don't have hearings. Hearings are denied and then that is used as an argument why we shouldn't take action.

Then I hear my good friend from Utah make the argument that these jobs are not just about earnings. They are about learning, and that we should recognize the dignity of work. I agree. But do you want to know something? The best way that we can recognize the dignity of the work is to make sure there is some value to the work and make sure that these men and women who are taking care of our children, taking care of our parents, providing us with food, cleaning buildings, and you name it, are provided with a decent wage.

A lot of people, no matter how hard they work, are poor because wages are too low. To talk to them about the dignity of their work and how this is great for learning just misses the point, if we won't talk about earnings.

I don't know what reality we are dealing with here. We are dealing with the phenomenon of many working poor families in our country with the head of household working full-time, and those families are still poor.

I am hearing colleagues talk about how we are opposed to raising the minimum wage because somehow we think it will undercut the dignity people have. Or we are opposed to raising the minimum wage because we really think this is as much about learning as it is earning. I just do not understand these arguments.

Mr. President, we know that this especially helps women because they are disproportionately among the low-wage workers. We know that this disproportionately helps adults. We dealt with the mythology that this is all about teenagers. Then we get into the argument: But there are a percentage of these workers who are younger people, high school age, college age.

Again, I don't know what reality my colleagues are focused on here. But do you know, they work for compelling reasons as well. In case anybody hasn't noticed, higher education is an expensive proposition.

Many high school students and college students are working—I meet many college students who are working 2 and 3 minimum wage jobs. That is why it takes them 6 or 7 years to graduate. They are not doing it just on some lark. They are doing it because this is key to their being able to finance their education or help their parents finance their education. Or, if they are older—since many of the students are older and going back to school—it is even more critical.

I heard my colleague from Utah refer to a study that showed when you have a higher minimum wage, welfare mothers stay on welfare a longer period of time. That does not make any sense to me. I would love to know what there is to that story. Because, frankly, if you are going to talk about the importance of going from welfare to workfare, presumably one of the key things you want to make sure of is that the jobs are there that pay a decent wage so those mothers and children will be better off. For some reason, States with higher minimum wage—or I guess the argument is supposed to be that by raising the minimum wage we have discouraged these parents from moving from welfare to work? It just makes no sense. I would love to know a little bit more about that finding.

So, my conclusion—and I say this with some indignation—we just have all the sympathy in the world when we have oil companies coming out here asking for special breaks, but we have very little sympathy when it comes to these working poor families.

I yield the floor.

The PRESIDING OFFICER. The Senator's 10 minutes have expired. Who yields time? The Senator from Utah is recognized.

Mr. HATCH. Mr. President I yield 10 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I have listened to my good friend from Minnesota, and certainly understand his concerns. But I think the picture he gives of the situation is somewhat different than what I perceive. I have faithfully supported minimum wage increases over the years, but there comes a time when we try to push things too fast and we could well destroy the very goals we are trying to reach.

One of my major goals as chairman of the Labor Committee is to get people into the workforce and keep them there. That is why I worked so hard with my colleagues on both sides of the aisle to enact legislation that will improve and streamline our adult education job-training programs. That is why I am working so hard on developing legislation that will improve our postsecondary, adult and vocational education. That is why I have, with my friend from Massachusetts, introduced legislation to help the disabled find jobs and get off the federal rolls while maintaining their health benefits. And that is why, although I have supported past minimum wage increases, I am concerned that if we raise the minimum wage too soon after the last increase, we may cause more harm than good.

Here in Congress, we continually grapple with the issue of how to assist low-skilled workers—particularly workers who have to support a family—without destroying the very jobs they rely on to support themselves and their families. It is hard for people with families and low skills to get by. We have seen and heard a lot of evidence about this. But it is also hard for small businesses to get by. Business failures are commonplace and margins are thin. When we raise the minimum wage, we make it more difficult for these businesses to justify hiring inexperienced, unskilled, and untrained workers.

For the past 60 years, we have relied upon the minimum wage to set a floor beneath wages. Every time we have increased it, we have given businesses five years or so to adjust from the last increase to the next enactment. The only exception was once during the 1970s when the real minimum wage declined even as the nominal wage was increasing. Those of us will remember, this was during a time of incredible inflation.

However, before the last increase even took effect, the senior Senator from Massachusetts had launched a new campaign for another increase in the minimum wage. The net effect of these increases would be a 45 percent rise in the minimum wage over a four and a half-year period. I am concerned that saddling small business with this steep increase over a relatively short period of time will have some negative repercussions both on the business owners as well as workers who count on their minimum wage jobs, and perhaps on those individuals who are seeking their very first job.

Although increases in the minimum wage have been important, they are not the only tool we have used to assist low-income workers who are supporting families. In addition, we have developed targeted government supports for the working poor, such as the Earned Income Tax Credit (EITC).

Over the years, the EITC has been expanded to target and supplement the wages of low income families without threatening any job loss. This year, the EITC will enable a minimum wage worker who is either a single parent or the single wage earning parent of dependent children to receive 3,756 additional dollars, bringing that family's income to $14,468. In addition, the EITC is set up so that these families do not have to wait for a lump-sum tax refund; instead the workers can receive the tax credit in their weekly paychecks.

A recent report released by the Center on Budget and Policies Priorities found that the EITC now moves more than two million children out of poverty. The report concluded that, "the EITC is the most effective safety net program for children in working poor families." I strongly support the EITC because it is making a difference in the lives of working families. I also support the EITC because it provides an incentive to work, the incentive is specifically targeted to help workers from low income families, and it does so without threatening jobs, as a minimum wage increase will.

Further, I am concerned that when we raise the minimum wage we are not targeting low income workers. Statistics show that more than half of the minimum wage workers live in families with yearly incomes over $25,000. In addition, statistics reveal that the majority of minimum wage earners are young, single and childless. I understand that in my home state of Vermont, only a small percentage of minimum wage workers are supporting their families on their wages. The fact that an increase in the minimum wage does not specifically target low income families becomes particularly significant when we consider the dramatic impact that a back-to-back increase will have on small businesses as compared to the actual number of low-income working families who will be helped by the increase.

I believe that we should give the last minimum wage increase some time to be absorbed into the economy before we move to increase it again. I also think that we should continue to focus our efforts on assisting the working poor by working to improve and expand targeted approaches such as the EITC.

Finally, I believe that before we open up the Fair Labor Standards Act to raise the minimum wage, we should take some additional steps to update the FLSA to better assist our working families.

This update is sorely needed because, while the makeup of the American workforce has changed dramatically over the past 60 years, few provisions of the Fair Labor Standards Act have been updated to reflect those changes. The needs of today's workforce are different than the needs of the workforce of the 1930s. Increasingly, employees are requesting that their employers offer more flexible work schedules and compensation packages. Unfortunately, the FLSA and its underlying regulations preclude employers from accommodating such requests. In other words, even though our workers are requesting more flexible working arrangements so that they can juggle work and family obligations—the arrangements that would be most helpful to these workers are actually prohibited under current law. And our attempts to change that were frustrated earlier in this past session.

The Family Friendly Workplace Act would assist these working families by amending the FLSA to allow employees the ability to choose comp. time—the opportunity to choose paid time off instead of cash compensation for overtime work. It would also allow employees to work a flexible biweekly schedule—to schedule their hours over a two-week period so that they can work additional hours during one week in order to take that time off during the second week. These same options have been available to Federal, State, and local employees for some time and they have been extremely popular with these public sector employees.

Why my colleagues on the other side of the aisle refuse to acknowledge this and allow us to bring the FSLA up to the present-day needs of this Nation I do not know.

During the first session of the 105th Congress, we engaged in contentious and partisan debate over the Family Friendly Workplace Act. While we were able to pass the bill out of the Labor Committee, our Democratic colleagues prevented us from moving forward on the floor of the Senate.

To be quite truthful, I still have a hard time fathoming why this issue has been so contentious. After all, we are talking about amending the law so that hourly employees in the private sector will be able to partake in some of the same scheduling options that salaried and public-sector employees currently enjoy. The public support for this bill has been overwhelming, and I am frustrated that we have been unable to move it forward.

The point I am trying to make here today, Mr. President, is that while the minimum wage is important—and obviously it is—another increase at this time will not necessarily benefit our workforce. However, there are things that we can do today that will benefit working families. It is my hope that my colleagues on the other side of the aisle will recognize this point and will begin working with me to help our workers meet the needs of their families by amending the FLSA to allow for more flexible work schedules. I hope my colleagues will lift their prohibition and allow us to consider this very important piece of legislation.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I yield myself 8 minutes.

Mr. President, I urge my colleagues to vote in favor—I believe there is going to be a motion to table—I urge my colleagues to vote in favor of the motion to table the Kennedy amendment which will increase the minimum wage by 19 percent. Just 2 years ago we raised it 21 percent.

I heard some of the proponents of the amendment say, "We need to increase minimum wage because if we don't, these people will not be able to make a decent living." Frankly, I concur; if somebody needs to live on $5.15 an hour, that probably is not a very good living. But if you follow that philosophy through, then let's increase the minimum wage to $10 an hour or maybe $20 an hour. It just doesn't make sense.

What are we doing if we increase minimum wage? Right now, the minimum wage is $5.15 an hour. There are 2.2 million people who make that amount. The proposal is to increase it to $6.15 an hour. According to CBO, there are 11.7 million workers who make less than $6.15 an hour. If we do that, we are saying it is against the law for them to work for less than $6.15 an hour—the Federal Government, in its wisdom, has decided that it is against the law for anybody in America to work for less than $6.15 an hour. I think that is a mistake. We are saying it is better for them not to have a job: "If that job doesn't pay $6.15 an hour, we would rather have them be unemployed." The Federal Government makes it against the law.

Do I want them to make $6.15 an hour? You bet. Do I want them to make more than $6.15 an hour? You bet. But I would hate to pass a law saying it is against the law for them to work for less than that. That is exactly what we are doing. Maybe this $6.15 an hour works in Massachusetts, but it may not work in rural Montana or in rural New Mexico.

I am bothered by the fact that we are telling people if whatever job they have—and maybe it is a beginning job; a lot of minimum wage jobs are beginning jobs; maybe they are working part time in a restaurant, maybe they are pumping gas or sacking groceries or something—but basically the Federal Government is saying, "We would rather have you be unemployed; if your job doesn't pay this much, we would rather have you unemployed." Then they are entitled to receive Government payments, welfare benefits, so on.

To me, that just doesn't make sense. To go back on this poverty line and say, "If you don't make this money, it just is not worth it," is hogwash. That is really devaluing the whole process of people starting to climb the economic ladder. We are saying if the job doesn't pay so much, we would rather you be unemployed.

Sometimes that first job, even though it doesn't pay very much, is one of the most important jobs an individual can get, because they learn what it means to get a job, to be at work, to be on time. They learn maybe that that job doesn't pay enough, so they need to get a better job. Maybe they need to improve their skills or maybe they need to continue their education.

To say we would rather have you be unemployed—whom does that really hurt? It hurts low-income people. It hurts minorities disproportionately. It basically leaves a lot of people with idle time who, frankly, would be better off making $5 an hour and having a job and learning some skills so they can get a better job in the future. Instead, we will be raising the ladder and saying, "No, we would rather have you be unemployed."

There they are, a 16-, 17-, 18-year-old person unemployed, maybe getting in trouble, maybe still wanting to have some money or something, so they get involved in doing other things. Sometimes those other things are illegal.

Mr. President, you can't repeal the law of supply and demand. If you raise minimum wage, you are going to cost jobs, you are going to put people out of work, and, yes, the Congressional Budget Office says maybe it is 100,000, maybe it is 500,000.

My daughter worked, and she was going to college. She was working in a restaurant as a waitress making $5 and something, I think—a little less than $6 an hour. At least she did when she started. I don't want the Federal Government to say, "We don't want her to have that job." I don't want to price her out of getting that job. Unfortunately, she drives a car. I want her to help pay for that car. I want her to put gas in that car.

Again, I think learning skills in whatever job level a person is able to start at—the higher the better, that is great. But if it is a minimum wage job, if it is a low-income-type job, if they are able to learn skills from that point, great. Let's not price it out of the ball park. Let's not put those people out on the unemployment lines. Let's not deprive a minority youngster who is 15 years old, or 16 years old, or 17 years old, in Chicago the chance to start climbing the economic ladder.

Raising the minimum wage—I understand maybe the proponents' goal, and I share the goal of trying to raise people's incomes, but I want to do it through a free market, not do it through a Government mandate that is going to put hundreds of thousands of people out of work.

Unfortunately, I think that is the net result of this amendment. If not, let's raise the minimum wage a lot more. I would like for everybody to make $10 an hour. If the economic arguments are valid behind raising this—if we raised it 21 percent 2 years ago, if we are going to raise it another 19 or 20 percent—if there is no negative economic impact, let's make it $10 or $20 an hour. Let's make sure everybody is going to be wealthy. Let's make sure nobody is on the poverty line.

Frankly, that won't work. That just flat won't work. Most importantly, let's not deprive young people of the chance to climb the economic ladder. The hundreds of thousands, millions of these people who are making this level wage are people like my daughter. Let's give them a chance as well to start climbing the economic ladder. Let's not price it out.

Mr. President, I urge my colleagues to vote in favor of the motion to table the Kennedy amendment at the proper time. I compliment my colleague from Utah and also my colleague from Vermont for their statements.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I reserve the remainder of our time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 7 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Thank you, Mr. President. I thank the Senator from Massachusetts for leading this debate, an important debate.

The first job that I ever had where I was paid an hourly wage was the result of two lies. I walked into a delicatessen at age 14 in the home State of the Presiding Officer, in St. Louis, MO, a place called Union Station. I bought a half dozen bagels for my mother. The man leaned over the counter and said, "Are you looking for a job, boy?"

I said, "Yes."

He said, "How old are you?"

And then the first lie came out. I was 14 and I said, "I'm 16."

"OK."

I said, "How much does the job pay?"

Then the second lie came out. He said, "The minimum wage, 60 cents an hour."

With that exchange, we entered into a contract: An underage worker making less than the minimum wage got his first job besides delivering papers. I have had a lot of jobs ever since. I have met a lot of people along the way who have struggled at low-wage jobs and tried to make a living.

And this debate is really about them.

I guess there is a sense of frustration by some on the floor that these people in low-income categories will not be quiet. They keep speaking up and saying, "We can't make it. We're not making it. We need more help. We're trying to keep our families together. We're trying to provide the basics for our kids, and $5.15 an hour just won't do it."

A lot of people would wish that the so-called invisible hand of the market would be all that we rely on, but, fortunately, we do not. Fortunately, since the days of Franklin Delano Roosevelt, we have said this country will have a minimum wage, because we believe there is dignity in work and there is dignity attached to work that pays a decent wage.

Unfortunately, we politicians, who draw regular salaries, have fallen down on the job of keeping up with inflation. Take a look at this chart about what has happened to the real minimum wage while we have gone through all this political gasification on the floor of the House and the Senate.

Starting in 1955, it was the equivalent of $4.50 an hour; it was not that, but in 1997 dollars it would have been $4.50 an hour. We saw the minimum wage, the real wage, the earning power of the minimum wage reach a high of $7.38 and then plummet between 1970 and 1988 to a low of $4.34.

If Senator KENNEDY is not successful with his effort today, you are going to see that line plummet again. What it means is the real earning power of people in low-income jobs will continue to descend; and as it continues to descend, it will be more difficult for them to provide clothing for their kids, any kind of health insurance, to pay rent on a decent place to live, to provide some of the amenities of life that all of us just take for granted.

I have listened to the arguments, and they are so weary and time worn that "if you raise the minimum wage, we will increase unemployment." The spokesmen and spokeswomen for the business community have been giving us that song for as long as this debate has been on the floor of Congress. They cannot seem to divert their eyes away from their hymnal in singing this long enough to look at the facts. And the facts say just the opposite.

Look at what the impact on unemployment has been by our most recent increase in the minimum wage. When it was increased to $4.75, unemployment started going down. When it was increased to $5.15, it went down further. So the argument that raising the minimum wage forces employers to lay people off may happen in an isolated case or two, but in looking at the overall economy, you have to say there is no correlation here. The minimum wage has gone up and unemployment has gone down.

"Oh," they say, "wait a minute. You're not talking about the most vulnerable people. These are the first ones they are going to lay off, that teenager," like myself at age 14 or 16, or whatever, "trying to go to work and make a minimum wage. Surely, they will be the first casualties." The facts do not support that. The facts say just the opposite.

Look at this. Unemployment continues to go down as the minimum wage goes up among teenagers age 16 to 19. They say, "Well, there are special classes of teenagers." We all know the problems with minority teenagers. They are a special class. "Surely, they'll be the first ones to suffer if we raise the minimum wage." Again, not the case. Minimum wage goes up; unemployment goes down.

There is really nothing to these arguments against an increase in the minimum wage. Frankly, we have heard so many of them—people who will not acknowledge that the last time we increased the minimum wage we saw an increase in employment in America.

The Senator from Oklahoma stood up and said, "Be careful. If you raise this minimum wage, we're going to lose jobs." Since September 1996, the last time we raised the minimum wage, 61,000 new jobs have been created in the State of Oklahoma. There are 154,000 Oklahomans who would receive a raise of $1 an hour if this Kennedy amendment passed.

In my home State of Illinois, 179,000 new jobs have been created since we last increased the minimum wage. There are 374,000 Illinois workers and their families who are waiting for that, hoping that we will listen again to the need to raise this basic minimum wage.

Who are the people who will benefit? The teenagers and the minorities? Yes. But if you want to describe who they are, you have to look at the bigger picture. Sixty percent of them are women; 74 percent are adults, 20 years of age or older. Some want to refer to this as a kid wage. Seventy-four percent of the people who would benefit by this amendment are over 20 years of age, 8.9 million workers in the United States.

Work is an ennobling experience. It has been in my life, the lives of my parents and the lives of my children. I am glad that I did it. And I learned a lot in the experience. I always wanted to feel that I was getting paid fairly for hard work. Sure, I would work hard at my job to do a good job, but I would like to think when the paycheck came in I was getting a decent wage.

Fortunately, in my life, there were very few times that I ever struggled to make ends meet with my family. My wife and I weathered those years. But for some people this is a weekly experience—waiting for that paycheck to come in and wondering if they are going to make it.

Who are these people we are talking about? These are the people we entrust our parents to in nursing homes. These are the people who are changing the sheets on their beds, cleaning up after them. These are the people who we entrust our children to in day-care centers and our grandchildren—I might add since I am now in that vaunted category—grandparents worried about grandchildren. These day-care workers are making a minimum wage, and we give them the most precious cargo we can deliver in bringing in our children. These are the people who made the bed in your hotel room, who took the dirty dishes off your table, who took in your cleaning. These are the people who every day get up and go to work. They know that work is ennobling. They are asking for fairness.

I ask for 1 additional minute.

The PRESIDING OFFICER. The time has expired.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Two more minutes.

Mr. DURBIN. I say to those who are opposing this minimum wage, that it is a sad day when we have reached the point when the U.S. Congress is so unresponsive to the reality of workers in America, so insensitive to what is really going on among workers in businesses across the United States.

When the record is written about this Congress, and what it has achieved, I am afraid it will be reminiscent of General MacArthur's speech to a joint session of Congress over 40 years ago. He said, "Old soldiers never die, they just fade away."

Well, maybe—maybe—it is time for this Congress to fade away—this Congress, which has been unwilling to address the most basic issues in this country; unwilling to pass campaign finance reform; unwilling to pass a tobacco bill to protect our children who continue to be lured by those companies; unwilling to show initiative to protect Social Security when Americans say that is their No. 1 priority; unwilling to do anything about education, like the crumbling schools initiative of my colleague Senator CAROL MOSELEY-BRAUN; unwilling to address a Patients' Bills of Rights when every American family knows how vulnerable we are when it comes to health insurance and the way doctors and hospitals are treated; and unwilling to address the most basic issue, the most basic issue of fairness, that the people who get up and go to work every day in America deserve a decent living wage.

It will be a tragedy if this turns out to be just another partisan roll call swept aside and ignored because hundreds of thousands in my State and millions across America look to this Congress to be sensitive and to lead.

Unfortunately, today, the debate suggests that we will not. And this Congress will fade away with an ignominious record when it comes to the people who are going to work every day and keeping America moving.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). Who yields time?

Mr. HATCH. I yield 3 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Utah yields 3 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to talk about the procedure of this minimum wage bill on a very, very important bankruptcy reform bill we have. The substance may be very important, but the procedure is what we want to consider as we ask our colleagues to vote on this amendment.

We are on the first major change in bankruptcy legislation in 20 years—very needed change. So what is the minimum wage bill doing on this bill? This bill was voted out of committee 16–2. The author of this minimum wage amendment was one of those two people who voted against it. Obviously, by putting minimum wage on this, it is a poison pill to defeat this legislation. This is an anchor that is going to take this bill to the bottom of the ocean if this amendment is adopted. We must not let this amendment be adopted if we want a strong bankruptcy bill, any bankruptcy bill, out of this Congress.

We have about 2 weeks left to get this bill worked up, with wide differences between the House bill and the Senate bill. If we adopt this amendment on minimum wage, I am sure the majority leader will take this bill down.

I am asking my colleagues not to vote for this amendment because of the merits or demerits of minimum wage, but because this is a poison pill that will destroy the bankruptcy reform legislation that has so much going for it. When a bill comes out of the Judiciary Committee 16–2, it has a lot of bipartisan support, and you know it will go. This is one way that one opponent of this bankruptcy bill can stop it.

Now, as important as a minimum wage increase might be to help some families in America, this bankruptcy bill is also very important to help lower-income families in America because there is not a single family in America—low-income or high-income—that is not paying part of the costs of bankruptcy; $40 billion costs to the economy every year, $400 for a family of four. So every family that the Senator from Massachusetts is trying to help through an increase in minimum wage, he is hurting by stopping the reform of bankruptcy. We must reform bankruptcy. This is a hidden tax on the poor of America.

By passing this legislation, reducing the tax, we will help the very same families that the Senator from Massachusetts wants to help.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have how much time?

The PRESIDING OFFICER. Seventeen minutes.

Mr. KENNEDY. Mr. President, I yield 5 minutes to my friend from Iowa.

Mr. HARKIN. I thank the Senator from Massachusetts for yielding this time.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent privilege be granted to Yvonne Byrne of my staff for the duration of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, first, let me commend my friend and colleague, Senator KENNEDY, for his long-time commitment and leadership on this issue, among many others, but especially on this issue. So many people are now working in America and earning at least a raise from the minimum wage of what we had a few years ago of $5.15 because of the hard work and effort and leadership of Senator KENNEDY.

As Senator KENNEDY knows, this is an issue of basic fairness about whether those Americans who work hard, who have helped our Nation grow to a period of very significant economic prosperity, should, indeed, receive some of the benefits of this prosperity.

I was in Iowa on Friday. I visited the Tri-State Food Bank in Sioux City, IA. Now, the unemployment rate in Sioux City and the surrounding areas is about 2 percent—literally almost no unemployment. The economy is growing; people are working. It is some of the best times people in that area have ever had from what they tell me and from what all the indicators are. Yet, the director of the Tri-State Food Bank Mr. Ron Swanson informed me that they are getting more demand for food from the food bank than they have ever had before. Now they are concerned about the winter and whether or not they will have the food necessary. I said, with all these people working, why is it that people are coming to the food bank?

Earlier, I visited the food bank in Des Moines and Karen Ford told me the same thing. That in this time of economic prosperity and growth and low unemployment, the demand for the commodities and the food from the food banks is higher than ever.

As I was told in Sioux City on Friday, you have a lot of people who have come off of welfare in the so-called Welfare-to-Work Program. They are making minimum wage, they are feeding their families, clothing their kids, sending their kids to school, paying rent, they are getting food stamps. But their food stamps are running out before the end of the month so they have to go to the food bank to get USDA commodities of rice, USDA canned pears and canned peaches, USDA flour, plus the donations that churches, schools and the businesses in that area donate to the food bank.

Now, these are not people that are shirking. These are not people that are just out on the streets. These are people that go to work every day trying to provide for their families. Yet they have to go to the food bank before the end of the month because the food stamps run out. These are people making the minimum wage—$5.15 an hour.

It is not right in this country when in this time of economic prosperity when millionaires are created every day and we have billionaires like we have never seen before, that people who work and go to work every day can't even get enough food to last until the end of the month.

That is what this is about. That is what this whole debate and this vote is about. For the life of me, I can't understand why anyone would vote against raising the minimum wage just the modest amount that Senator KENNEDY is proposing.

I had my staff calculate up for me what the minimum wage would be if it had increased at the same rate that CEO salaries, chief executive office salaries, had gone up on average since 1960. If the minimum wage had increased at the same rate as CEO average salaries since 1960, the minimum wage today—are you ready for this—would be $41 an hour. Now, that tells you about the spread. That tells you what is happening in our society. Fewer and fewer people making more and more money, getting all the wealth, more and more people shoved to the bottom who make the minimum wage, who get food stamps, and then have to go to the food bank to get food to last them until the end of the month. It is not right. It is not right in this country that those conditions have to exist.

They tell us, well, if you raise the minimum wage there will be unemployment, people will be out of work. How many times do we have to hear this nonsense? We know it is not true. We have the facts, we have the data. It is absolutely not true. For example, in Iowa about 5 years ago, Iowa raised their minimum wage more than the national minimum wage. What we heard at that time from the Republicans in Iowa was, oh my gosh, it will cost us all these jobs, people will leave Iowa. They will go to other States where there is a lower minimum wage.

In 1989, Iowa raised their minimum wage. By 1996, the Iowa minimum wage was forty cents more than the Federal minimum wage. Guess what happened? Nobody left. People worked. Jobs didn't leave. Businesses didn't leave. In fact, we had one of the greatest periods of job growth and business growth in the State of Iowa when we had a higher minimum wage than the Federal minimum wage.

Now the Federal minimum wage has caught up to Iowa. I think that points out the fallacy of the argument that if you raise the minimum wage, businesses are going to go out of business and they will leave. We proved in Iowa that is not so because we had a higher minimum wage than the Federal.

This is the time for us to stand up and be counted for what is fair and right in our society. I thank Senator KENNEDY.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have had a good debate and discussion on this issue during the course of the morning. The opposition to an increase in the minimum wage raised a number of issues, which we anticipated and responded to.

First of all, they say that there is going to be an increasing problem in terms of unemployment. We have demonstrated that we have the lowest unemployment since World War II.

They argue that it is going to add to the problems of inflation. We have demonstrated that we have the lowest rates of inflation, and we have demonstrated a very substantial growth in terms of small business interests.

I want to point out, since our friends, Senator HATCH and Senator ENZI, talked about the restaurant industry, that they have been prime opponents of any increase for the hardest working Americans, those at the lowest end of the economic ladder. I point out that in this industry in 1996, the average restaurant CEO grew in income by 8.6 percent. Their average bonus increased 13 percent. Their average value of stock options exploded by over 100 percent. Their average total compensation grew by 6 percent.

These are some of the highest paid CEOs in this country who are making that high salary on the basis of low-wage workers. I might also add that of the 100 top CEOs in the restaurant industry, there is not one single woman—not one single woman.

Mr. President, before we take all of the arguments by my friend from Utah where we have seen since 1996 a growth and an increase of 59,000 jobs—that was after the increase of the minimum wage in 1996 in October, and September 1997—one of the lowest unemployment rates in this country, I have a list of the statements that have been made by my friend from Oklahoma that he gave in the last debate: I don't think that they should do it in my State because they are going to put people out of work.

That was said in 1996. Senator HATCH virtually said the same thing in 1996. The facts demonstrate to the contrary.

Finally, Mr. President, I want to point this out. We have seen here what you can't get away from: that is, the decline in the purchasing power for low-income Americans. That is a fact. It is lower now than it has been for a period of 30 years.

Republicans signed onto this program. President Eisenhower, President Nixon, President Bush—all Republicans—supported an increase in the minimum wage. Yet we hear from our Republican leadership that we can't possibly do it because it is going to destroy America.

Mr. President, it is important to understand why this issue is so important to the religious community. We have 170 organizations, the principal leaders in the religious community, supporting an increase in the minimum wage because they understand it, whether it is the American Friends, Catholic Charities, the Episcopal Church, the Evangelical Church, the Lutheran Church, the American Council of Churches, U.S. Catholic Bishops, United States Church of Christ—they understand it. It is a moral issue for them—believing in the dignity of the individual. They ought to be able to have a decent living, that they are working in America to provide for their children. That is what the issue is.

You can give us all the charts you want made up by the restaurant industry to distort what is really being debated on the floor of the U.S. Senate.

This is an issue involving women—sixty percent of the recipients are women.

It is an issue involving children—the neediest and the poorest children in this country who are the sons and daughters of those minimum-wage workers.

This is a civil rights issue—it is paying people the entry wage, a livable wage for those individuals who come from different backgrounds and tradition, and also the minorities in our country.

This is basically the moral issue of our time—and when we have been at our best, we have responded to it, Republicans and Democrats alike. It is a fundamental issue that has been stated by my colleagues—Senators WELLSTONE, HARKIN, DURBIN, and others who have spoken on it.

To sum up, it is whether the United States of America, with the most extraordinary economic prosperity in the history of our Nation, is going to say that our fellow citizens who work hard and who have children ought to have a livable wage. That is what the issue is about. The Republican leadership is saying no to those working families.

We hope that we are going to have some support from the other side of the aisle because we believe that there are those who understand the importance of this issue to working families. There is no issue before this U.S. Senate that involves fairness and decency and equity like an increase in the minimum wage. This is it. Now is the time.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I always enjoy listening to Members of Congress talk about how the minimum wage is going to benefit this society as we raise the minimum wage. Some of us have worked for the minimum wage in our lifetimes. We know what it is like to work for the minimum wage. We also know what it is like to lose your job because you raise the minimum wage too much, and small business people who do not make all that much money have to either reduce employment or get out of it. That is what happens.

The Senator from Minnesota, the Senator from Illinois, and the Senator from Massachusetts I think are looking at the wrong numbers. They should be looking at employment—not unemployment. They should be comparing it to what might have occurred without the mandatory minimum wage increases. There is no question that we have a good economy right now. A rising tide lifts all boats, thank goodness.

I notice that my colleagues are not discussing the plunging youth employment rates following the minimum wage increases in 1978 or 1989. The 1996 legislation that raised the minimum wage included a package of tax cuts. To some extent, of course, that helped mitigate the impact. You would think that by increasing the minimum wage we were going to have an increase in jobs. Really, I don't know any responsible economist who makes that argument. The fact remains, however, that unskilled workers are not helped, they are often hurt, by increases in the minimum wage, particularly in areas where the market wage for entry-level workers is lower.

You are looking at one of the main sponsors of the child care development block grant. I wonder how many children are not being cared for because we keep increasing the minimum wage and freezing people out of child care.

Yes, there are a lot of issues involved here. Wouldn't it be better to cut Americans taxes? We could give everyone more money in their paychecks without jeopardizing jobs and at the same time without hurting small businesses or without triggering price increases for consumers.

I think instead of having minimum wages we ought to have minimum taxes. But where do we get the help from the other side on that? We don't get much of it. If you cut taxes, you actually give people an increase in wages, because they actually take more money home.

Frankly, that is what we ought to be interested in doing to help these people along the way. It would help small business people, where most of the jobs are created. Better than 50 percent of all jobs are created by small business people, who would be the most severely impacted and who are the most severely impacted by increases in the minimum wage, other than those who never get a chance to enter into the workforce as a result of increases in the minimum wage.

Let's be honest about it. This is not the simple little economic interest, as some on the other side have been saying. There is a lot involved here. We ought to be reducing taxes, not increasing minimum wages.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes.

Mr. KENNEDY. I yield 3 minutes.

Mr. WELLSTONE. Mr. President, I have not heard my colleague from Utah respond to this. I haven't heard one colleague on the other side of the aisle respond to the data or to the facts. I have heard them try to hide behind the argument that raising the minimum wage was going to lead to a loss of jobs. Since increasing the minimum wage in the prior year, the Bureau of Labor Statistics reported 517,000 new jobs. Sometimes we do not want to know what we do not want to know. I have not heard any refutation of that at all.

So my question is, Why in the world would we not value work and give dignity to work by raising the minimum wage, which is so important to women in the workplace, so important to children, so important to families?

Then my colleague from Utah moves on to another argument concerning child care. In all due respect, that is what is so sad about this debate. If we really wanted to do our best by families and value families, we would be raising the minimum wage, we would be investing in affordable child care—which this Republican-led Senate will not do. We would have universal health care coverage, which this Republican-led Senate will not do. In child care, I hope the tradeoff is not to say that we are not going to be able to provide good child care for children unless we continue to devalue the work of men and women in child care. Many of them barely make minimum wage or barely above it. That is why we have a 40-percent turnover every year. This is not acceptable.

We can raise the minimum wage, which is important for women, important for these working families, important for children, important for young people who are trying to work their way through school. We can invest in the health and skills and intellect and character by investing in affordable child care. We can invest in health care. This Republican-led Senate has done none of these things.

In all due respect, in all due respect, the reason that 75 or 80 percent of the people in the country believe we should raise the minimum wage is because they have some sense of fairness and justice. We raised our salaries by $30,000 just a few years ago. We gave ourselves a cost-of-living increase that amounts to a $1.50 increase per hour, we make $130,000-plus and say we need to make that. And yet, we will not raise the minimum wage from $5.15 to $6.15 over a 2-year period so people who work hard will not be poor in America and their children will not be poor? This is really outrageous.

I hope we get a majority vote.

Mr. KENNEDY. Mr. President, I believe I have some time?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute 20 seconds.

Mr. KENNEDY. Mr. President, just again to underline the excellent point my friend from Iowa made, according to the U.S. Conference of Mayors study, in 1997 requests for emergency food aid increased 86 percent in the cities served—these are cities with Republican and Democratic mayors. Mr. President, 67 percent of the cities cited low-paying jobs as one of the main causes of hunger. Low-paying jobs are the most frequently cited causes of hunger. Nearly half of those relying on emergency food aid do so because their earnings are too low. In 1997, in Jeffersonville, IN, one-fourth of the families receiving emergency shelter were earning less than $6 an hour.

This is about fairness to teachers' aides, to child care workers. It is a basic and fundamental issue with regard to health care workers as well. We are either going to respect our fellow citizens and give them this modest increase in the minimum wage, or we are not going to meet our responsibilities.

Mr. President, has the time expired?

The PRESIDING OFFICER. The time remaining is 10 seconds.

Mr. HARKIN. If the Senator will yield me the 10 seconds—I have 10 seconds, Mr. President—there is a lot of talk in this town these days about morality and immorality. This has to do with morality. This has to do with what is moral in this society and to stick up for people who are low-income and are going hungry.

RECESS

The PRESIDING OFFICER. Debate on this issue has expired. The hour of 12:30 having arrived, the Senate will be in recess until 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. SARBANES. Mr. President, I rise in strong support of Senator KENNEDY's amendment to raise the Federal minimum wage. I am proud to be an original co-sponsor of the legislation—upon which this amendment is based—to raise the minimum wage 50 cents a year over the next two years bringing it to $6.15 per hour by the year 2000.

For more than half a century, Congress has acted to guarantee minimum standards of decency for working Americans. The object of a Federal minimum wage is to make work pay well enough to keep families out of poverty and off Government assistance. Any individual who works hard and plays by the rules should be assured a living standard for his or her family that can keep them out of poverty.

If nothing is done before the year 2000, the real value of the minimum wage will be just $4.82 in 1997 dollars—about what it was before Congress last acted to increase the minimum wage in 1996. The increase being proposed today would bring the purchasing power of the minimum wage to $5.76. Now, no one asserts that raising the minimum wage will correct every economic injustice, but it will certainly make a significant difference to those on the low end of the economic scale. We have the opportunity to enact what is in my view a modest increase to help curb the erosion of the value of the minimum wage in terms of real dollars, and it is an opportunity which we should not let pass us by.

Currently, full-time minimum wage worker earns just $10,712—$2,600 below the poverty level for a family of three. A dollar increase in the minimum wage would provide a minimum wage worker with an additional $2,080 in income per year, helping to bring that family of three closer to the most basic standard of living. This extra income will help a family pay their bills and quite possibly even allow them to afford something above and beyond the bare essentials.

According to the Department of Labor, 74 percent of workers who will benefit from an increase in the minimum wage are adults, 50 percent work full time, 60 percent are women and 40 percent are the sole breadwinners in their families. Mr. President, these are not the part-time workers and suburban teenagers many opponents of the minimum wage increase would have you believe.

After 30 years of spiralling deficits we are on the verge of balancing the budget for the first time in 30 years - 4 years ahead of schedule. Today, the budget is virtually balanced, unemployment is at a 25-year low, and inflation is at a 30-year low. However, despite this period of economic prosperity, the disparity between the very rich in this country and the very poor continues to grow. According to the Economic Policy Institute, projections for 1997 indicate that the share of the wealth held by the top 1 percent of households grew by almost 2 percent since 1989. Over that same period, the share of the wealth held by families in the middle fifth of the population fell by half a percent. In light of these estimates, consider that the Department of Labor predicts that 57 percent of the gains from an increase in the minimum wage will go to families in the bottom 40 percent of the income scale.

It is both reasonable and responsible for Congress to enact measures which provide a standard that allows decent, hard-working Americans a floor upon which they can stand. We did it back in 1996 when we approved, by a bipartisan vote of 74–24, a 90 cent increase in the minimum wage bringing it to its current level of $5.15 per hour, and it is appropriate to do it here again. With the economy strong, we have a responsibility to reinforce this basic economic floor for millions of American workers to prevent them from sliding further into the basement.

This is, and always has been, an issue of equity and fairness for working men and women in this country and I strongly encourage my colleagues to support this amendment and vote against the motion to table.

Mrs. MURRAY. Mr. President, I rise today in strong support of the Kennedy amendment and as a cosponsor of the minimum wage increase.

I cannot sit idle as I hear of those struggling to live on today's minimum wage. I thought, like many of you, that the minimum wage earner was my daughter or one of her friends: a teenager flipping burgers or taking food orders to earn some extra cash for new clothes or a movie.

That is the misperception though. The sad fact is that 71 percent of those workers who benefited from the last increase were adults over the age of 20. This increase will benefit those that need it most—working families at the bottom. A full-time, year-round minimum wage worker in 1997 earned only $10,712, $2,000 less than the $12,803 needed to raise a family of three out of poverty. Some 40 percent of minimum wage workers are the sole income-earners in their families.

I am immensely troubled with the fact that 58 percent of those struggling with a minimum wage are women. These millions of women, many of them single mothers, would benefit directly from this increase.

These single moms are trying. Trying to raise two kids on a below-poverty income. And how does Congress reward these single parents? By attacking Medicaid that would have paid for her son's asthma medicine. By cutting her child care support that allows her work. By taking away funding for nutrition programs that pay for her kids to eat at school or day care. By eliminating her Head Start Program that gives her kids a chance at starting school ready to learn. By refusing to add one dollar to her hourly wage—a wage that pays for heat, clothing and food.

Aren't these the individuals and families we are trying to keep employed and off of federal support? Instead, this Congress has targeted the low-income family through cut after cut and a resistance to move them above the poverty line.

This amendment does not eliminate jobs, it barely keeps people working, who otherwise would be completely reliant on public support. Today's minimum wage is 18 percent below the 1979 level. Each year we wait means a loss of $2,000 to that single mother. To that low-income family, that would have meant more than seven months of groceries, four months of rent, a full year of health care costs, or nine months of utility bills.

I did not reach my decision to support the minimum wage easily. I have listened carefully to the concerns of small-business owners from across my state, who have highlighted the implications of this increase. I don't want to see prices for the American consumer rise or jobs eliminated. But I don't think an increase to the minimum wage will end employment in small business, either.

Now is the time to adjust that inequality and demonstrate a true commitment to our working families. A slight increase in this wage provides those who work hard and play by the rules an increased opportunity and a chance to succeed. If any of my colleagues oppose the minimum wage, I urge them to try living on $10,712 this year and then reconsider their vote.

Ms. MIKULSKI. Mr. President, I rise today to voice my strong support for raising the minimum wage. In 1996, Congress helped millions of working Americans by increasing the minimum wage by 90 cents over two years. Passing that historic measure was a good first step. Now, it is time for us to take another one.

I am proud to be cosponsoring the Fair Minimum Wage Act of 1998, a bill that will help even more Americans take that next step. This much-needed legislation would raise the hourly minimum wage to $6.15 over the next two years. The first part of this bill would take effect on January 1, 1999, and would raise the minimum wage from $5.15 to $5.65 per hour. Then, on January 1, 2000, the minimum wage would be raised to $6.15 per hour.

I support this minimum wage increase for many of the same reasons I supported the last one. In 1995, I said that an increase in the minimum wage would help working Americans improve their standard of living. I said that it would help them move one step closer to self-sufficiency. And I said that it would give them the opportunity to practice self-help.

It has done all these things, and it has helped business and trade at the same time. The results in my state alone tell the story. Since we increased the minimum wage in 1996, employment in Maryland is up and unemployment is down. We've added 54,500 new jobs since September 1996, and the unemployment rate dropped to 4.7%. I'd say that's progress.

I believe we can expand upon the progress we've already made by increasing the minimum wage again. A minimum wage increase would give a raise to more than 129,000 Marylanders and their families. It would enable Marylanders to improve their standard of living. It would move them closer to self-sufficiency. And it would allow them to practice self-help.

An increase in the minimum wage equals an increase in the standard of living for working Americans. This is especially important to me. Since I first came to Congress, my economic mission has always been a pretty simple one: to help those who are in the middle class stay there or do better and to give those who are not in the middle class the chance to get there. I support this bill because it gets at the heart of my mission. I know that to some people, a $1.00 increase in the minimum wage over the course of two years may not seem like much at all. But even a small increase like this one will mean a whole lot to many others.

An increase in the minimum wage will also help many Americans move one step closer to economic self-sufficiency. We all know by now that minimum wage workers aren't just high school kids working part-time jobs after school and on the weekends. In fact, two-thirds of minimum wage earners are adults, and nearly 60% are mothers, many with young kids to support.

We don't have to tell working moms who are struggling to make ends meet what an extra $1.00 an hour means. An extra $1.00 an hour means more groceries in the refrigerator. An extra $1.00 an hour means that the mortgage or the rent gets paid. An extra $1.00 an hour means a full tank of gas in the car. And, most importantly, an extra $1.00 an hour can mean more time to spend with their families. That single dollar goes a long way for those moms.

Finally, an increase in the minimum wage will give people the opportunity to practice self-help. For too long now, Americans, including those working moms, have been working longer and harder only to see their paychecks get smaller and smaller. This cycle has got to stop. Those Americans who are working for minimum wage are not asking for handouts. They're asking for fair pay for hard work.

Right now, even after the previous minimum wage increase, a mother who works full-time—that's 40 hours per week and 52 weeks a year—earns only about $10,700 a year. That is $2,600 below the poverty level for a family of three. I don't think that someone who shows up everyday and works hard should be condemned to a life in poverty. A fair day's work should mean a fair day's pay.

Does that $10,700 salary reward a working mom's hard work? No. Does that salary give her an incentive to stay off welfare? No. Does that salary give her the time to walk her kids to school, help them with their homework, or even read to them at night? Absolutely not. In fact, that $10,700 salary barely allows her to clothe them, put a roof over their heads, or put food on the table. No mom should have to make the choice between paying the heating bill or buying her child new school shoes. Forcing working moms to make choices like that is wrong.

That same mom who works full-time, plays by the rules, and does everything else we ask of her ought to be able to get ahead. I don't think that's asking too much. Hard-working minimum wage workers are just like everyone else—they want to climb up the American economic ladder. Too often, however, that ladder looks too tall to climb. Too often, the rungs on that ladder are too far apart from each other. Too often they are just a little bit out of reach. As representatives of those workers, we can help them climb that ladder. We can and should give them that little push they need to grasp the next rung. This bill gives them that little boost, and that is why it has my full support.

Ms. MOSELEY-BRAUN. Mr. President, I wish to take a moment to speak about a few of the compelling reasons that the Senate should pass the amendment to increase the minimum wage by $1.00 per hour by the year 2000.

I am a cosponsor of this legislation because I believe that by raising the minimum wage now, we can accomplish a number of critical objectives. We can improve the quality of life for millions of Americans, expand the market for all of the goods and services that the workers of our nation produce, increase the amount of taxable income in the country, reduce expenditures for public assistance, close the ever-increasing gap between working people and wealthy individuals, and—certainly not least—honor the American tradition of rewarding hard work and perseverance.

The current minimum wage is not a living wage for the millions of Americans who try to support themselves and their families on $5.15 an hour. Today, 6.2 million Americans earn the minimum wage. In my state alone, 5.7 percent of the workforce—making up roughly 296,000 people—earns that salary. This means that an Illinoisan, working 40 hours a week, 52 weeks a year, earns only $10,712 per year. That's about $2,600 below the poverty line for a family of three and over $5,700 below the poverty line for a family of four. And make no mistake about it—this is an issue that directly affects families. As much as opponents of this amendment would like us to believe that the minimum wage primarily affects teenagers working at their first jobs, the actual fact is that three-fourths of those earning the minimum wage are adults, many trying to support families. And with respect to the fact that one-fourth of those who will be assisted by this legislation are teenagers, we should bear in mind that many teenage minimum-wage workers contribute the money they earn (or at least a portion of it) to their families' total income.

A $1.00 increase in the minimum wage would provide a full-time worker earning the minimum wage with a little over $2,000 a year in additional income. That money could pay for more than seven months of groceries, more than four months of rent or mortgage bills, over a full year of health care, or more than nine months of utility bills for a family living on the minimum wage. That $2,000 would make a world of difference to such a family.

Moreover, a family that can pay for rent, groceries, or health care is putting money back into the economy. That family is buying goods and services produced by other workers. It is also earning taxable income and reducing the amount government has to spend on public assistance. An increase in the minimum wage helps people to contribute to, rather than burden, the nation's economy. And it wouldn't just be minimum wage workers who would be able to make a greater contribution to the economy. Currently, there are almost six million Americans who earn between $5.16 and $6.14 per hour who would also receive a pay raise if this amendment were to become law. All 12 million Americans who stand to benefit from this legislation—not just the 6.2 million earning the minimum wage—must be taken into account when we consider the fact that adopting this amendment would increase the pool of consumers and increase taxable earnings.

I wish to take this opportunity to dispel a myth that many opponents of increasing the minimum wage have put forward over the years: that paying a living wage means losing jobs. Around the time that we debated raising the minimum wage from $4.25 to $5.15 per hour, a group of respected economists, including three Nobel Prize winners, concluded that such an increase would have positive effects on the labor market, workers, and the economy. In 1996 we went ahead and raised the minimum wage to $5.15 per hour and what happened? Bureau of Labor Statistics data show that employment increased. Four million new jobs have been created since that time. Unemployment has hovered around its lowest rate in a generation. This will not surprise anyone familiar with the scholarly literature on this issue. The Economic Policy Institute studied the effect of the last minimum wage increase on the economy and found that it had no negative impact on jobs or inflation. A recent study by economists at Berkeley and Princeton Universities showed that the type of moderate increases in the minimum wage that we are debating today do not cost jobs. It should be noted that their research included the increase we enacted two years ago.

Some have argued that small businesses would be hurt by Senator KENNEDY's amendment. The reality is that many such businesses will suffer if we do not raise the minimum wage. Small businesses which right now pay a living wage to their employees are at a competitive disadvantage with those that try to cut costs by slashing wages. This creates a race to the bottom with the most profits going to companies paying the lowest wages. Adopting this amendment will ensure that all businesses will be able to afford to pay a decent wage to their workers.

I would like to make a point regarding how this amendment would affect single working women. Twenty percent of those earning the minimum wage are female heads of households. These are women who are taking responsibility for themselves and their children. They are doing precisely what we have told them we expect them to do: get a job and go to work every day. We have told them that AFDC is a thing of the past, that they cannot rely on the government to take care of their families. I am not seeking to re-open the welfare reform debate. But I do want to know how we can send these women that very clear message and then fail to provide a minimum wage that allows them to support their families at a level above the poverty line? The fact that a single mother working full-time cannot bring her family out of poverty represents a clear policy failure on our part. With this legislation, we have the opportunity to take a step towards addressing it.

Right now, our economy is strong. The unemployment rate is low and new jobs are being created in record numbers. This economic strength, however, has not translated into increased wages for many of those on the lower rungs of the economic ladder. In fact, the income disparity between the richest and the poorest is increasing. Consider, for example, what has happened in my state. Over the last 20 years, the income disparity between the richest and poorest Illinoisans has increased by over 46 percent. During that time, the average income of the poorest twenty percent of families in Illinois fell by $1,460 to $10,000. At the same time, the average income of the richest twenty percent increased by over $25,000. An increase in the minimum wage will help close that gap.

I conclude by reminding my colleagues that at the heart of the American Dream lies the belief that hard work is the foundation of success. Fortunately, for most people in this country, that remains a valid notion. But it is not for those who earn the minimum wage. We must guarantee that those attempting to provide for themselves and their families by earning the minimum wage receive a living wage. Here in Washington, we talk a great deal about family values and the American Dream. There's nothing wrong with that as long as we stand up for those ideals ourselves when given the opportunity. This amendment represents just such an opportunity and I strongly urge my colleagues to vote for it.

Mr. FEINGOLD. Mr. President, I rise today to urge my colleagues to support efforts to increase the federal minimum wage by passing the Fair Minimum Wage Act of 1998. This important legislation will provide American laborers with a 50 cent increase to the minimum wage on January 1, 1999, and a second increase on January 1, 2000. This modest increase, which would raise the minimum wage to $6.15 per hour, will help 12 million lower income Americans.

Our country's economy is growing. It's economic vitality and the success of welfare reform have resulted in better news and a better life for working people. Or have they?

The truth is, even though the economy is on an up-swing, wages are stagnant and people are still living in poverty. In fact, over half a million people live in poverty in our own state of Wisconsin.

Despite successes in the welfare to work initiative, last year, a US Conference of Mayors study indicated that eighty-six percent of cities reported an increased demand for emergency food assistance. Thirty-eight percent of those people seeking food at soup kitchens and shelters were employed. This is an increase of fifteen percent since 1994. It is evident that, in many cases, minimum wage workers can not afford to feed themselves or their families.

Mr. President, no hard working American should have to worry about affording groceries, shoes for their kids, or medicines. The people whom the bill will help are not people who spend their money frivolously, these are the families who scrimp and save to provide their children with the necessities of life: shelter, food, clothes and an education.

In a recent study, The State of Working Wisconsin—1998, by the Center on Wisconsin Strategy, we find some troubling news regarding wages. Today, the Wisconsin median hourly wage is still 8.4% below its 1979 level. Since 1979, Wisconsin's median wage declined 50% faster than the 5.3 percent national decline over the same period. These numbers are, sadly, not Wisconsin specific. This is the situation all over the country.

I urge my colleagues to bring some respect and dignity to the federal minimum wage. America's labor force deserves a chance to be successful and we need to give them the tools. I urge them to support the Fair Minimum Wage Act of 1998. Its a vote in support of every full time worker hoping to make ends meet.

Mrs. BOXER. Mr. President, the minimum wage is about fairness. The minimum wage should be a fair wage that rewards people for an honest day's work.

This is the right time to provide fairness by increasing the minimum wage. Our budget is balanced and the economy remains fundamentally strong. We've created new jobs at an historically high pace of 250,000 per month. The inflation rate has averaged just 2.5 percent since 1993—the lowest rate since the Kennedy Administration—and the unemployment rate has fallen from over 7 percent in 1992 to 4.5 percent for the past two months.

However, as the economy rolls along, it is leaving behind working families. The benefits of this strong economy are not being enjoyed by lower wage workers.

In fact, according to a U.S. Conference of Mayors study, 38 percent of people seeking emergency food aid in 1996 held jobs—up from 23 percent in 1994. Low-paying jobs are the most-frequently cited cause of hunger today according to this survey.

People who are willing to work should not have to turn to a soup kitchen in order to feed their families. There is no better time than now to address the problem of fair wages in this country.

A full time minimum wage worker now earns just $10,712 per year—$2,600 below the poverty level for a family of three. To have the same purchasing power it had in 1968, the minimum wage today would have to be $7.33 an hour instead of $5.15.

Even where the current minimum wage is a little higher in my state—$5.75. The purchasing power of the wage is over $2.00 an hour lower than the purchasing power of the minimum wage in 1968. After adjusting for inflation, today's $5.75 minimum buys 26 percent less than it did in 1968.

Nationwide, 4.8 million families depend on the minimum wage for their sole source of income. Of the workers that would benefit from an increase, 60 percent are women—over 7 million women, and 57 percent are families in the bottom 40 percent of the income scale.

In my state alone, almost 10 percent of the workforce would benefit from an increase in the minimum wage—nearly 1.2 million Californians and their families.

Opponents of a minimum wage increase argue that minimum wage increases result in massive job losses. I believe—and the data prove—they are wrong.

The National Restaurant Association claims a study found that over 146,000 restaurant jobs were lost as a result of the 1996–97 minimum wage increases. In fact, the Bureau of Labor Statistics say that as of April 1998, 187,000 new restaurant jobs were created since the minimum wage increases in 1996.

The retail industry has many minimum wage jobs in California. Since September 1996, 97,000 retail jobs have been added in California.

The job numbers tell the story. We have increased the minimum wage to its current level of $5.15 per hour, yet the number of unemployed Americans has dropped consistently over the past six years. Since 1992, 3 million less Americans are jobless. In fact, according to the Bureau of Labor Statistics, 16.3 million jobs have been created since January 1993.

Clearly this is an issue of fairness. Everyone in this country deserves an honest, fair wage for a hard day's work. No one who is willing to work should have to take their children to a soup kitchen at night in order to feed them.

Senator KENNEDY's amendment would increase the minimum wage in two increments of 50 cents each—to $5.65 on January 1st, 1999 and to $6.15 on January 1st, 2000. After the first increase, a minimum wage earner would make about $11,700 annually. And after the second increase, a minimum wage worker would earn about $12,700 each year—still $600 below the poverty level.

Unemployment is at historically low levels. Job creation has boomed in the past six years. There is no better time to address this problem. The time for a modest increase in the minimum wage is now.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3540

The PRESIDING OFFICER. Under the previous order, the hour of 2:15 p.m. having arrived, there will now be 5 minutes for debate, equally divided, prior to a vote relative to the Kennedy amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 2 minutes 15 seconds.

At long last, the Senate is about to vote on raising the minimum wage. The Nation has enjoyed extraordinary prosperity in recent years. Unemployment and inflation are at their lowest levels in a generation. Interest rates are low, and the economy is strong and growing. But 12 million hard-working Americans are left out and left behind. They are minimum wage workers, and for them, the current prosperity is someone else's boom. Working 40 hours a week, 52 weeks of the year, minimum wage workers earn just $10,700 a year, $2,900 below the poverty level for a family of three.

A full day's work should mean a fair day's pay. But for these 12 million Americans, it does not. These hard-pressed Americans can barely make ends meet every month. Too often they are forced to choose between paying the light bill or the phone bill or the heating bill. An unexpected illness or family crisis is enough to push them over the edge.

Their plight is shocking and unacceptable. If this country values work as we say we do, we must be willing to pay these workers a decent wage. The wealthiest nation on Earth can afford to do better for these hard-working citizens, and today we have the opportunity to do so. We can raise the minimum wage.

Giving workers another 50 cents an hour may not sound like much, but it can make all the difference for these hard-working Americans. It can help buy groceries or pay the rent or defray the costs of job training courses at the local community college.

The minimum wage is a women's issue. It is a children's issue. It is a civil rights issue. It is a labor issue. It is a family issue. Above all, it is a fairness issue and a dignity issue. Raising the minimum wage is a matter of fundamental fairness and simple justice.

In a few moments, the Senate will have the opportunity to do more than pay lip service to these basic principles. If we believe in these ideals, we will vote to raise the minimum wage. No one who works for a living should have to live in poverty.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, we know that only about 22 percent of the American people who are on minimum wage are people who have households to support. Almost every job on minimum wage is given to somebody who literally needs a job, would not otherwise have that opportunity and probably would have his or her job chances diminished if the minimum wage is increased. We found that to be the case year after year after year.

You cannot mandate increased labor costs without adverse impacts. What are those impacts?

Decreased employment opportunities, particularly for teenagers, and others, who are in the worst condition, with few skills and employment barriers. In large part, these reductions will be fewer jobs created, the elimination of certain services, such as bagging groceries or having them loaded in your car, or having services performed less frequently.

Higher prices for goods and services. The minimum wage is an ineffective antipoverty policy. Why? Because three-quarters of those earning the minimum wage are not heads of households or do not live in poor families—three-quarters of them. Most of these jobs are taken by people who are not from the poorest of the poor. Since the minimum wage increase cannot be targeted only to those who need it, the likelihood is that those with more experience, maturity, or skills will get or retain entry-level jobs and those who need a first-chance job the most are going to lose out.

Also, higher minimum wages stifle entry-level training opportunities. Workers have typically "paid for" their training and introductory work experience by working at entry-level wages. Mandating a higher minimum wage makes entry-level opportunities less available and our workforce less prepared for greater skills and opportunities down the line.

It is a myth that workers get "stuck" at minimum wages. Within a year, the average minimum wage earners get a 20 percent increase or even higher wage increase based on his or her greater skill level and experience.

Higher wages act as an incentive for some youth to leave school to take jobs.

So what is worse is that this adverse impact is for nothing. Those very individuals who need entry-level jobs the most are the ones most likely to be displaced by the increased competition for them. Frankly, hiking the minimum wage is not the only way to assist working Americans and those struggling to make ends meet. Let's work on some of these ideas.

Personally, I would like to raise people's paychecks by cutting their taxes. That would increase their paychecks without the risk that they might lose their jobs. And I think we can work together on education. We passed the A+ education bill. Let's tackle illiteracy, and let's do it this way rather than through this really untried procedure.

The PRESIDING OFFICER. The Chair announces all time has been used on the opponents' side, but the Senator from Massachusetts has 18 seconds remaining.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. If the Senator would like to use the remainder of his time, I will use leader time to conclude debate and move to table the amendment.

Mr. KENNEDY. I yield back and ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. All time is yielded back.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Mr. President, I intend to move to table the amendment and ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. The majority leader has that right and may move to table, if he so wishes, after the statement.

Mr. LOTT. Mr. President, before I do that, I want to yield myself such time as I may consume out of leader time. I will be very brief.

Mr. President, when I became majority leader 2 and a half years ago, this issue was pending before the Senate and it had caused a lot of problems and some difficulties in trying to decide how to deal with it. After a period of weeks and months, we came to the conclusion that we did need a minimum wage increase at that point, but with a lot of small business tax provisions being included. And they helped to mitigate the effect on small business men and women and the jobs they create in particular.

But we had a minimum wage increase the year before last. We had a minimum wage increase last year. This increase, in my opinion, would be bad for the economy, bad for business, and bad for job creation.

I would like to just cite you two examples to think about. I have a son, first of all, who is a small businessman. And he employs people at the entry level, people who do not have high school educations—unwed mothers, people who are desperate to get a start, to get a job. And he gives them that opportunity. A lot of them go on to wind up being supervisors and owners of their own companies and create jobs. They live the American dream.

But I had occasion to hear comments from one lady—I believe she was from Marietta, GA—named Harriet Cane. She owns a Sweet Life Restaurant, which she describes as a very small dessert and luncheon cafe. It seats 45 people. As a result of the last increase in the minimum wage, she reduced her staff from 16 to 10, by attrition primarily, raised prices modestly, and had to increase her own hours on the job to 16 a day. And here is her exact quote:

> I will tell you this, that if the next increase does go through, what will happen to my store. Bottom line: my doors will close. I've talked with my CPA. We've tried to be creative. We've tried to find a way to handle the increase in payroll that it would represent. As a little shop, I have no option. I just want the world and the communities to understand that this is a reality and not just rhetoric.

Also, a very impressive statement was given on that occasion when I heard Harriet Cane by a gentleman from Texas named Jose Cuevas. Jose Cuevas came with no prepared statement, but he spoke from the heart. He and his wife, he said, have lived the American dream. He is a Hispanic restaurant owner in south Texas who is approximately 44 years old. And he and his wife, at the ages of 22 and 20, saved money and worked really hard so they could buy their first store. This is what he had to say:

> It became a dream. We now have four locations. We have $2.6 million worth of sales. We have seen a lot of people come through our door, and a lot of good people. They have all left something. They have all gone on to better things. I think of how this minimum wage will affect other people's dreams of owning their own companies, their own restaurants. I was fortunate enough that I and my wife worked side by side with two other employees until we earned a little bit more and could hire extra people. But at $6 or even $5.50 an hour, it will make it almost impossible. Our last raise in the minimum wage cost us $60,000 in labor costs.

In conclusion he said,

> So I urge you to continue to fight the battle for us, because I believe it's true and right. America is built on small business owners, just like all of us that go out every day, work hard, and create jobs so that others could live the American dream like we have.

Mr. President, I think this is the wrong action at the wrong time. The people who will be hurt the most are the people that well-intentioned Senators really want to help, because they will wind up not getting an increase in the minimum wage, they will wind up with no job.

I urge the Senate to vote to table this amendment. I now move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment No. 3540 offered by the Senator from Massachusetts. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 278 Leg.]

YEAS—55

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Burns
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
DeWine
Domenici
Enzi
Faircloth
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Cleland
Conrad
D'Amato
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Harkin
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3540) was agreed to.

Mr. NICKLES. Mr. President, I move to reconsider the vote.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3602

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes equally divided on amendment No. 3602 to amendment No. 3559.

The Senate will come to order.

The Senator from Wisconsin is recognized for 5 minutes.

Mr. FEINGOLD. Thank you, Mr. President.

Have the yeas and nays been ordered on these two amendments, Mr. President?

The PRESIDING OFFICER. They have not been ordered on the pending amendment.

Mr. FEINGOLD. Mr. President, I ask for the yeas and nays on both of my amendments.

The PRESIDING OFFICER. Is there objection to the request of ordering the yeas and nays on the next two amendments offered by the Senator from Wisconsin?

Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, the original version of S. 1301 would have made a debtor's attorney responsible for the panel trustee's costs and fees if the attorney lost a 707(b) motion brought by the trustee—not if the filing was made in bad faith, not if the filing was frivolous, but simply if he or she lost the motion.

Fortunately, an amendment was accepted at the Judiciary Committee markup which would make the debtor's attorney liable only if he or she was "not substantially justified" in filing the petition. Even this standard, however, is untenable.

The opponents of the Feingold-Specter amendment argue that debtors attorneys are notoriously bad actors who abuse the bankruptcy system. No credible evidence, however—beyond an unsubstantiated story here and an unsubstantiated story there—has been offered to support the proposition that debtors attorneys are more likely to act in bad faith than any other type of attorney.

Why then would we allow this bill to contain a provision which applies a stricter standard of conduct to consumer debtors' attorneys than to any other type of attorney—a provision which is, as pridefully noted by the opponents of my amendment, designed to punish debtors' attorneys?

I have heard from bankruptcy judges in my home State of Wisconsin and they strongly object to the premise that debtors' attorneys are by any measure less admirable or honest than other types of attorneys. Moreover, they believe that this provision of the bill is fundamentally wrong and endangers debtors' access to the system.

The conduct of consumer debtors' attorneys should meet the standards set for all attorneys in Federal Civil Rule of Procedure 11, which is incorporated in Federal Rule of Bankruptcy Procedures 9011.

Every other fee-shifting provision in Federal law which holds the attorney liable require affirmative wrongdoing by the attorney. With or without my amendment—indeed, with or without this bill—if a debtor's attorney brings a "frivolous" or "improper" Chapter 7 filing—the court can order sanctions against that attorney.

Let me be clear—under current law, debtors' attorneys can already be fined if they act in bad faith. There is simply no legitimate basis for a different and more punitive standard that only applies to debtors' attorneys in bankruptcy proceedings.

Should not the purpose of this bill be to rid the bankruptcy system of abuse, not to punish a particular type of attorney? The basic premise of this bill—the fundamental tool it uses to weed out abuse—is the 707(b) motion. That is, the motion which is filed by the panel trustee when she feels that the debtor is abusing the system.

To supposedly encourage a trustee to file such a motion, this bill would award her costs and fees only when the debtor's attorney's actions were not substantially justified. Under the Feingold-Specter amendment, the trustee would be rewarded for her efforts whenever she wins a 707(b) motion.

Let me ask you—if you were a panel trustee charged with the duty of protecting the integrity of the bankruptcy system and your primary tool for doing so was the 707(b) motion, would you be more likely to file such a motion when you got paid whenever you won such a motion or only when the debtor's attorney was demonstrated to have been not substantially justified?

Before you answer, let me ask you one more question. What if, before you could get paid—as under the current bill—you, a panel trustee—not the court or an independent third party—also had to incur the additional time and cost of bringing and arguing another motion to prove that the debtor's attorney was not substantially justified?

The answer to these questions is clear. If you were a panel trustee you would have a stronger incentive to bring a 707(b) motion—that is, a stronger incentive to rid the bankruptcy system of abuse—under the Feingold-Specter amendment than you would under the current language of the bill.

So, the Feingold-Specter amendment seeks to maintain the incentive for trustees while preserving a debtor's access to justice and representation. It does so by making the trustee's fees and costs an administrative expense under Section 503(b) if the trustee is successful in her 707(b) motion to convert the case into Chapter 13. If the court dismisses the Chapter 7 filing, the debtor would be required to pay the trustee's cost and fees.

Your vote on the Feingold-Specter amendment comes down to this—if you want to muddle the system with needless additional hearings and to strike a mean-spirited, unfounded blow against debtors attorneys, vote against our amendment; if on the other hand, you want to rid the bankruptcy system of abuse in the most equitable and efficient manner, then vote for our amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time? The Senator from Iowa controls 5 minutes in opposition to the amendment. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I yield myself such time as I might consume at this point.

The bill that is before us, and it is reported by the Judiciary Committee, penalizes lawyer misconduct. I think these penalties are very fair. They are very narrowly focused. Of course, penalties are very necessary. Many lawyers who specialize in bankruptcy view bankruptcy as an opportunity to make big money for themselves. This profit motive causes bankruptcy lawyers to promote bankruptcy as the only option, even when a financially troubled client might obviously have the ability to repay some debt.

This profit motive creates a real conflict of interest where bankruptcy lawyers push people into bankruptcy who do not belong there, and they do it because they get paid up front. I think that any reasonable person would say that lawyers who file bankruptcy cases which are not substantially justified ought to be required to help defray the costs of their frivolous cases. That is all my bill does. Senator FEINGOLD's amendment would gut this reasonable effort to control the bankruptcy bar, which is seriously out of control.

The Consumer Bankruptcy Reform Act contains reasonable lawyer misconduct penalties which will cause lawyers to think twice before they, willy-nilly, cart somebody into chapter 7 and pocket a nice profit in the process. Some bankruptcy lawyers, in their rush to turn a profit, operate what are known as bankruptcy mills—nothing more than a processing center that happens to be for bankruptcy. There is little or no investigation done as to whether an individual actually needs bankruptcy protection or whether or not a person is able, at least partially, to repay their debts.

Recently, one of these bankruptcy attorneys from Texas was sanctioned by a bankruptcy court. The practices of the bankruptcy mills are so deceptive and so sleazy that last year the Federal Trade Commission went so far as to issue a consumer alert, warning consumers of misleading ads that promise debt consolidation. So I think there is a widespread recognition that bankruptcy lawyers are preying on unsophisticated consumers.

Yesterday I spoke about the bankruptcy lawyer who had written a book. I had this chart up. I spoke about this bankruptcy lawyer who had written this book entitled, "Discharging Marital Obligations in Bankruptcy." This author, a bankruptcy lawyer, actually said that he is going to counsel you on how to avoid your obligations to pay defense costs, alimony, and child support. So it is all about how high-income people can get out of paying child support and alimony.

I think it is outrageous that bankruptcy lawyers are helping deadbeats cheat divorced spouses out of alimony and children out of child support, so that is why we want to vote this amendment down. I think my colleague, Senator KYL, wanted time.

I yield the remainder of my time to Senator KYL.

The PRESIDING OFFICER. There is currently 1 minute 20 seconds remaining.

Mr. KYL. Mr. President, I thank the Senator from Iowa.

The key point here is to simply hold the attorney responsible for the costs of a hearing. That is all we are talking about. It is either going to be the attorney or it is going to be the people who are owed money in a bankruptcy, or even the debtor, to be responsible for the costs of that hearing in the event the attorney has made a wrong filing here, a filing that was not substantially justified. So, if the attorney can establish that what he did was substantially justified in putting his client into chapter 13 bankruptcy as opposed to chapter 7, then he has no responsibility here and would have no liability for the costs of the hearing. But if it turns out that he was not substantially justified in doing that, then this would permit the court to assess the cost of bringing the motion and having the hearing against that lawyer. That is all we are talking about here.

In view of the fact that the National Bankruptcy Commission has been very concerned about these bankruptcy mills, this is a legitimate concern and a way to avoid this kind of mistake from occurring. It puts the responsibility where the responsibility ought to lie. I support the position of the Senator from Iowa in urging opposition to the Feingold amendment.

Mr. GRASSLEY. Mr. President, I move to table the Feingold amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Feingold amendment No. 3602. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 279 Leg.]

YEAS—57

Abraham
Allard
Ashcroft
Bennett
Bond
Breaux
Brownback
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Domenici
Enzi
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Reid
Roberts
Roth
Santorum
Sessions
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—42

Akaka
Baucus
Biden
Bingaman
Boxer
Bumpers
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Reed
Robb
Rockefeller
Sarbanes
Shelby
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3602) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3565

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes equally divided on Feingold amendment numbered 3565.

The Senator from Wisconsin.

Mr. FEINGOLD. Ironically, bankruptcy is the only Federal civil proceeding in which a poor person cannot file in forma pauperis.

What this means, in any other Federal civil proceeding you can file a case without paying filing fees if the court determines you are unable to afford the fee; but in bankruptcy, you either pay the filing fee or are denied access to the system. That is right, the bankruptcy system—which is by definition designed to assist those who have fallen on hard times—is unavailable to the poorest of the poor.

This prohibition against debtors filing in forma pauperis is a clear obstacle to their efforts to gain access to justice. The current fee is $175; $175 is roughly the weekly take-home pay of an employee working a 40-hour week at the minimum wage.

I think it is unrealistic and unreasonable to expect an indigent in this case to raise such a fee simply to enter the system.

The PRESIDING OFFICER. The Senator has 1 minute 30 seconds remaining.

Mr. FEINGOLD. Given the fact that I have such high regard on behalf of the leader of this bill on our side, Senator DURBIN, I yield the remaining time to Senator DURBIN who will further speak in favor of the amendment.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Senator from Wisconsin. I rise in support of this amendment. When you have people who are so dirt poor that they can't come up with the $175 filing fee, we usually say in civil actions that we are going to waive the fee in court. For some reason, that waiver is not in the law in bankruptcy. It certainly should be. People wouldn't be coming to the bankruptcy court were they not in dire straits.

I support the Senator from Wisconsin because this has been tried successfully. It does not result in a mad dash to the courthouse by people who otherwise would not file for bankruptcy.

Now, the milk of human kindness curdled a few moments ago on the Senate floor when it came to bankruptcy lawyers, and the poor folks didn't do too well a few minutes ago when it came to minimum wage. Please stop and think about this for a minute. The poorest of the poor, coming to bankruptcy court trying to turn their lives around, want the same kind of treatment people get in all other civil suits. That is not unreasonable.

Mr. GRASSLEY. I yield all the time on this side to the Senator from Alabama.

Mr. SESSIONS. Mr. President, this Feingold amendment is directly contrary to the purpose of the bill that Senator GRASSLEY has worked so hard for. It requires no fee for filing under chapter 7, where the debtor wipes out all his debts. However, the amendment does require a fee under chapter 13, where the debtor pays back a portion of his debt. Therefore, it would encourage filings under chapter 7, when we believe more people should file under chapter 13.

This Congress has considered this issue before and rejected it. The National Bankruptcy Commission just completed a long study of bankruptcy and did not call for the elimination of this fee. The United States Supreme Court in 1973 squarely held that it is constitutional. The bankruptcy system should discourage frivolous filings.

Furthermore, this amendment provides no standard for the judge to decide who in bankruptcy ought to pay and who ought not to pay. And, in addition to that, it would clog the courts with multiple hearings regarding who should pay the $160 filing fee. In addition, bankruptcy law currently allows filing fees to be paid in four installments. When a person files bankruptcy, they are able to stop paying all of their debt. Debtors are able to pay the filing fee because all other obligations have been tolled under the automatic stay.

This amendment will result in additional court hearings that distract the bankruptcy court from its primary purpose. This practice will be encourage filings under chapter 7 when filing under chapter 13 would be more appropriate. People who can pay a portion of their debt ought to be accountable for that amount.

I believe that this amendment will cost millions. In fact, based on the number of filings last year, we could be talking about $100 million in costs.

Thank you, Mr. President.

Mr. GRASSLEY. Mr. President, we yield back our time.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The question is on agreeing to amendment No. 3565.

Mr. GRASSLEY. Mr. President, I move to table the Feingold amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Iowa to lay on the table the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 280 Leg.]

YEAS—47

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Burns
Campbell
Coats
Cochran
Coverdell
Craig
DeWine
Enzi
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—52

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Chafee
Cleland
Collins

Conrad
D'Amato
Daschle
Dodd
Domenici
Dorgan
Durbin
Feingold
Feinstein
Ford
Graham
Harkin
Hollings
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Smith (OR)
Snowe
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3565) was rejected.

Mr. FEINGOLD. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FEINGOLD. I ask unanimous consent that the yeas and nays be vitiated on the underlying amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now occurs on agreeing to amendment No. 3565.

The amendment (No. 3565) was agreed to.

AMENDMENT NO. 3610

The PRESIDING OFFICER. Under the previous order, there will now be 10 minutes for debate, equally divided, on the Reed amendment. The Senator from Rhode Island is recognized for 5 minutes.

Mr. REED. Mr. President, I yield myself such time as I may consume.

Mr. President, the underlying legislation that we are considering today will allow a creditor to request a bankruptcy judge to move a petition in bankruptcy from chapter 7 to chapter 13. As we all realize, in chapter 7, a debtor may fully discharge his debts, and in chapter 13, there is an obligation to partially pay one's debts.

The focus of this legislation is on the debtor. There are two conditions which the creditor must show: The creditor must show either the individual debtor has at least enough assets to pay 30 percent of the debts or that the debtor has acted in bad faith in applying for chapter 7 liquidation.

I believe this focus exclusively on the debtor misses half of the equation. The other important half of the equation is the behavior of the creditor. My amendment explicitly requires the bankruptcy judge to consider the behavior of the creditor, whether that creditor acted in good faith in the extension of credit.

We all know there has been a significant increase in bankruptcy filings, but what we frequently overlook is the fact that there has been an extraordinary increase in credit extension. In 1986 through 1996, that 10-year period, filings increased by 122 percent, but revolving consumer credit increased 238 percent in that same period. As a result, we have had a situation where much of this credit extension has been done with very poor underwriting standards, a situation in which the companies themselves might very well anticipate that the debtor could not handle the debt.

Those companies that act recklessly and unscrupulously should not have the option to request that a debtor be thrown into chapter 13 from chapter 7. As a result, I believe it is incumbent upon the bankruptcy judge to look explicitly at the issue of the good faith of the creditor.

This is not just a question of the volume of credit that has been extended; this is the proliferation of solicitations. Each year, 2 billion credit solicitations are made in this country, many of them without any concern of the ability of the debtor ultimately to pay. We don't need a test to establish this fact. We just have to sit home on a Saturday and at about 10 o'clock, you get the first call from a credit card company. Then at 10:30, you get the second call. At 11, the mail comes and you get two or three solicitations, and it goes all the way through the evening.

What I want to see, and what the amendment requires, is if there is a consideration to move a debtor from chapter 7 to chapter 13, the judge should be able to apply a good-faith standard when reviewing the activities of the creditor. This establishes balance, this establishes a strong presumption that both sides must be looked at in terms of this rather unique and novel approach to the bankruptcy code. It is well within the expertise of the banking judge to make this determination.

I simply conclude by saying that this amendment has the strong support of the Consumer Federation of America and Consumers Union. This is an opportunity to vote with consumers with regard to this legislation.

I now retain the remainder of my time but also ask at this time for the yeas and nays.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I oppose the amendment. Under the provision, in any 707(b) case brought by a creditor, the court would consider whether the creditor had used good faith in the extension of credit. This determination necessarily would involve looking at underwriting decisions.

The bankruptcy court shall not be asked to interfere in the complicated process of making credit underwriting decisions. This is particularly true when current underwriting practices are quite successful, with an average of 95 to 97 percent of consumer credit extended today repaid on time.

Mr. President, this amendment permits new uncontrolled and virtually unlimited inquiries into creditor conduct. It encourages complicated and involved discovery and burdensome court proceedings. It introduces unwarranted defenses to strong enforcement of the needs-based provisions of S. 1301, this bill.

The amendment permits a debtor to avoid repaying all his creditors by attacking the good faith of any creditor who brings a motion to enforce the needs-based provisions. And the amendment has no standard for what is good faith. So this is a killer amendment.

Moreover, S. 1301 already contains numerous provisions to make sure creditors are acting appropriately. As I have noted in my previous remarks, this is a well balanced bill that is a combination of months and months of deliberations and cooperation between Senators GRASSLEY and DURBIN and other members of the Senate Judiciary Committee. They, along with other members of the Judiciary Committee, have done a fine job in ensuring that this bill is a fair bill. This balanced and broadly supported legislation not only curbs abuses of the bankruptcy system but also provides unprecedented consumer protections.

Let me begin by saying being a creditor and winding up in bankruptcy court to collect unpaid bills is not a desirable situation for any creditor. Creditors who deal with debtors in bankruptcy, even in the best of circumstances, are likely to recover only pennies on every dollar they are owed.

In any event, S. 1301 already contains nine provisions with rather severe penalties to creditors for improper behavior. We have given due consideration to these concerns.

First, if a creditor brings a motion to dismiss a chapter 7 case and fails, the debtor gets attorney's fees and costs if the creditor was not substantially justified or if the creditor filed the motion in an effort to coerce the debtor.

Second, if a creditor unreasonably refuses a debtor's offer to work out a repayment schedule, the creditor is barred from asserting any claim of nondischargeability or any claim of denial of discharge.

Third, if a creditor willfully violates the automatic stay, the creditor pays the debtor's attorney's fees, actual damages, and punitive damages, if appropriate. We have really gone a long way here.

Fourth, if a creditor fails to comply with the requirements for a reaffirmation agreement, the court can order heavy sanctions and penalties.

Fifth, the legislation will make it much harder for creditors to get determinations of nondischargeability. Only false representations by a debtor that are considered "material" will be actionable. If a creditor makes an unsuccessful claim of nondischargeability or denial of discharge, the creditor is liable for the debtor's attorney's fees, costs, and punitive damages, if the creditor's claim is not substantially justified. The reverse is not true. If the creditor wins the nondischargeability proceeding, the debtor does not have to pay the creditor's attorney's fees. So it isn't reversible.

Sixth, if a creditor willfully violates the postdischarge injunction, the creditor is liable for minimum damages of $5,000 and attorney's fees and costs, with the possibility of treble damages.

Seventh, if a creditor fails to comply with Truth in Lending Act requirements for certain mortgage loans, the creditor's claim will not be recognized or paid in bankruptcy. For instance, if a creditor does not provide for certain disclosures, or fails to meet the requirements of the act, even if it is a technical violation, the creditor's claim will be denied in bankruptcy. In other words, the debt, both principal and interest, will be completely forgiven. These new penalties are in addition to those penalties already present in the Truth in Lending Act itself.

Eighth, if a creditor willfully fails to credit payments to a bankruptcy plan, the creditor is liable for minimum damages of $5,000 and attorney's fees and costs, with the possibility of treble damages.

And ninth, if a creditor's proof of claim is disallowed or reduced by 21 percent or more, the debtor gets attorney's fees and costs, and so forth.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. As you can see—I hope we can vote down this amendment—a lot of hard work has been put into this.

Mr. President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. There is time remaining.

Mr. REED. How much time is remaining?

The PRESIDING OFFICER. Two minutes 6 seconds.

Mr. REED. Thank you.

I applaud all the consumer protections that the Senator from Utah has listed, but I would like to add one more. I would like to add, along with the Consumers Union and the Consumer Federation of America, the protection of looking at the good-faith operation of a creditor who is demanding that a debtor be placed from chapter 7 into chapter 13.

With respect to the standard, my standard is as equally well defined as the bad-faith standard that exists today within the legislation, because good faith and bad faith are something that the banking judge should be able to determine, and it does not require an elaborate searching through of underwriting policies and looking through documentation and going around the country.

What it does require is that that trier of fact, that bankruptcy judge, determine whether or not the creditor has abused the relationship, either by intimidation or deceit. All these things would rise to the level of a lack of good faith. I suggest very strongly the bankruptcy judge can do that, and should do that in this context.

Mr. President, I yield the remainder of my time to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. How much time is remaining?

The PRESIDING OFFICER. Fifty-two seconds.

Mr. DURBIN. I rise to support this amendment because I think it makes a good bill even better. We are trying to stop the abuses in bankruptcy. We say if you want to file for bankruptcy and you do not have good cause, we are going to throw you out of court. We might penalize you, and we are going to do the same thing to your attorney. So from the debtor side—the person who owes the money—it is a pretty tough standard.

What the Senator from Rhode Island says is, let's have a standard as well for the collection agencies and the creditors who are not treating people fairly. I think we want to eliminate all abuses in the bankruptcy court, not just by the debtors and their attorneys, but by the creditors, too. What the Senator from Rhode Island suggests is fairness and balance. It gives the court the ability to look at strong-arm tactics used by collection agencies and creditors to the detriment of debtors who are trying to get out of debt.

VISIT TO THE SENATE BY MEMBERS OF THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

Mr. LOTT. Mr. President, during this vote, I would like to urge Members of the Senate to go to the back of the Chamber and visit with our special guests we have here—the Prime Minister of the Republic of Singapore, Goh Chok Tong, the Foreign Minister, and their Ambassador to the United States. We welcome them to the United States and to the Senate Chamber.

[Applause.]

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3610

The PRESIDING OFFICER. All time has expired.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to table the Reed amendment No. 3610. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The result was announced—yeas 63, nays 36, as follows:

[Rollcall Vote No. 281 Leg.]

YEAS—63

Abraham
Allard
Ashcroft
Bennett
Biden
Bond
Breaux
Brownback
Burns
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Domenici
Enzi
Faircloth
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Johnson
Kempthorne
Kohl
Kyl
Landrieu
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Reid
Robb
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—36

Akaka
Baucus
Bingaman
Boxer
Bryan
Bumpers
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Harkin
Hollings
Inouye
Jeffords
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Reed
Rockefeller
Sarbanes
Torricelli
Wellstone
Wyden

NOT VOTING—1

Glenn

The motion to lay on the table the amendment (No. 3610) was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ABRAHAM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

CHILD CUSTODY PROTECTION ACT

UNANIMOUS CONSENT REQUEST—S. 1645

Mr. HATCH. Mr. President, I ask unanimous consent that the only amendments in order to S. 1645, the child custody bill, other than the substitute, be the previously filed amendments which are at the desk and limited to the following:

Senator FEINSTEIN: to exempt adult family members of a minor from prosecution;

Senator BOXER: to allow consent of a parent after a minor's abortion;

Senator KENNEDY: to require deference to State authorities;

Senator KENNEDY: to provide an exception for State laws that have been enjoined or held unconstitutional or that State enforcement authorities have declined to enforce;

Senator HARKIN: to provide an exception in the case of rape or incest;

Senator LEAHY: to provide a complete substitute, which makes the offense the use of force or threats of force to transport a minor;

And a relevant amendment by Senator ABRAHAM.

I further ask unanimous consent that there be no other amendments in order, including second degrees; that following the disposition of the above-listed amendments, the bill be read a third time and the Senate proceed to vote on passage of the bill, with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. TORRICELLI. Reserving the right to object.

Mr. LEAHY. Mr. President, I am advised there is an objection, so I, therefore, object.

The PRESIDING OFFICER. Objection is heard.

Ms. COLLINS. Mr. President, I rise today to engage my colleague from Michigan, the sponsor of the Child Custody Protection Act, in a colloquy to clarify the legislation's intent with regard to existing State parental notification laws.

The State of Maine has a carefully constructed adult consent requirement. In my state, a minor under 18 may obtain an abortion with the informed consent of either one parent, a guardian or an adult family member. Absent that consent, she may obtain an abortion if she receives counseling from a physician, psychiatrist, ordained member of the clergy, nurse, physician's assistant or qualified counselor. She may also obtain an abortion without parental or adult family member consent by securing a court order.

Will the legislation we are considering today in any way override or supersede Maine State law?

Mr. ABRAHAM. I want to thank my colleague from Maine for this opportunity to answer important questions on the Child Custody Protection Act. The intent of this legislation is to protect state-passed parental involvement laws. Residents of the states have supported and passed parental involvement laws and they deserve to have their will protected. The Child Custody Protection Act would have no effect on Maine's parental consent law as it applies to minors who reside in Maine. It would in no way override or supersede that law with respect to Maine minors, families, or others. The only effect of legislation would be to restrict a non-parent, non-guardian from transporting a minor from another state where the minor resides to Maine in order for the out-of-state minor to obtain an abortion in Maine and avoid the minor's home state parental involvement law.

Ms. COLLINS. Opponents of this bill contend that health care providers in states like Maine that do not have a law requiring parental involvement could still be liable for conspiracy or as accomplices under this legislation. The liability would presumably apply when they perform or participate in performing an abortion on a minor brought into Maine in violation of the proposed statute. Is this analysis correct? Are there any circumstances under which Maine's health care providers performing or participating in the performance of what, under Maine state law, would be legal abortion on a minor, could be held liable under your bill? Would these providers have any new legal responsibilities as a consequence of the enactment of this legislation?

Mr. ABRAHAM. This is an important point to clarify. The violation of this act is not the performance of an abortion. The violation of this act is the transportation of a minor across state lines to obtain an abortion without involving that minor's parent as required by the law of her home state. The abortion provider would only be in violation of this act if the provider actually conspired to transport or assisted in transporting the minor across state lines to obtain an abortion without the parental involvement that the minor's home state required. Providers who had not engaged in any such activities related to the transport of a minor would not incur any criminal liability or face any new legal responsibilities under this legislation.

Mr. DEWINE. Mr. President, I rise today to offer my strong support for the Child Custody Protection Act of 1998, which would make it a crime to transport a child across state lines to circumvent a state law requiring parental involvement or a judicial waiver for a minor to obtain an abortion.

Twenty-two states have laws saying a parent or guardian has to be notified or their consent given if a child is trying to get an abortion. What's happening now—far too often—is that people who aren't parents or guardians are taking the children across state lines, secretly, to get abortions in another state where parental notification isn't required.

It is my hope that this bill will achieve two important goals—to protect the health of children and to protect the rights of parents. In fact, Mr. President, I believe that empowering parents is the single biggest investment we can make in ensuring the health of our children.

Parents have the right and duty to be involved in the moral and medical decisions that affect their children's welfare.

When it comes to parental notification on abortion, the American people have reached a clear consensus. By a huge majority—80 percent—they favor parental notification. And 74 percent favor not just parental notification, but parental consent. This is a clear expression of the national wisdom. This legislation is an effort to make that kind of informed decision possible.

Earlier this year, we worked on another bill, one that is now law. In that bill, the Administration and the Congress mandated that the flight of a parent to another state to avoid paying child support is a Federal crime. I worked with Senator KOHL to champion the Deadbeat Parents Punishment Act in order to protect the interests of America's children. We have to pursue zealously those who would harm our children, either by omission or by commission.

Mr. President, the very same principle is embodied in the Child Custody Protection Act. There are those living among us who would place our children in harm's way by transporting them across state lines to achieve dangerous goals, both physically and emotionally. One such goal is abortion. The right of citizens to pass and enforce laws regarding the rights of parents is completely violated by the ability of others to transport children to another state to obtain an abortion. As a nation, we must use all the resources available to us in order to protect our children, and our families, from this conduct.

That is our purpose here today. I thank Senator ABRAHAM for his strong leadership in bringing this legislation forward.

I am sorry that my colleagues on the other side of the aisle have rejected our unanimous consent agreement. It was a fair agreement that provided unlimited debate on germane amendments to this bill. Unfortunately, the vote that we will take shortly to invoke cloture to end debate on the bill, may really be a vote to kill the bill if it fails. Let's be frank those voting to continue debate are really voting against the health of our children and the rights of parents. I would implore my colleagues on the other side to vote for cloture—for our kids.

Mr. HELMS. Mr. President, Mark Twain was right on target with his comment that everybody was talking about the weather but nobody was doing anything about it.

Well, in our time almost everybody is indeed talking about family values but, thank goodness, many voices are being lifted in a concerted effort to do whatever is necessary to reverse a dangerous trend in America.

It's a trend that has been leading America down the slippery slope to self destruction.

The remedy? The preservation and restoration of the moral and spiritual principles and priorities laid down by our Founding Fathers a couple of centuries ago.

Given the time, I could identify hundreds of souls across this land who are hard at work in this massive restoration project—Bill and Elaine Bennett, for example. And in this Senate there are many who speak out with some regularity on the subject.

I am proud of them, and in today's special frame of reference, I am specially proud of the distinguished Senator from Michigan, SPENCE ABRAHAM, and all the cosponsors of S. 1645, The Child Custody Protection Act which is the pending business.

Mr. President, like, I pray, the majority of Americans, I was outraged by news reports that a 13-year old Pennsylvania girl was taken by a non-relative to another state to have an abortion without her parents' knowledge. Not knowing the whereabouts of a child, is surely a parent's worst nightmare. But, Mr. President, how much more frightening would it be for parents, if federal law permitted a stranger to perform an abortion on their child. Abortion is a medical procedure, potentially, which may cause psychological and physical complications. But this frightening scenario happened, and it will continue to happen if Congress does not pass the "Child Custody Protection Act". This pending legislation ensures that state laws requiring parental notification before an abortion can be performed on a minor will not be circumvented by crossing a state line. In other words, the parents in Pennsylvania will have their rights protected, so that, in turn, they can protect their 13-year old daughters from this traumatic experience.

Of course, if we were talking today about a medical procedure, other than abortion, there would be no need to defend a parent's right to be informed. But, this major money-making industry is worrying its pocketbook will be affected if parents are able to discourage their daughters from having an abortion. Abortion advocates are once more pulling out their deceitful tricks and desperately trying to defeat this bill.

Even Senators who disagree on the legality of abortion should feel comfortable with this legislation, because the vast majority of Americans agree that parental notification laws need to be protected. A recent poll conducted by Baselice & Assoc. shows that 78% of Americans strongly believe that it should be unlawful to take a minor across state lines to obtain an abortion without her parents' knowledge.

It comes down to this: Congress has an obligation to protect parental rights. Congress needs to protect states, like Pennsylvania, that have decided that parents have a right to be notified about their daughters' intent to destroy an unborn child—a decision, by the way, that even the Supreme Court has deemed constitutional in Planned Parenthood vs. Casey.

The parents in Pennsylvania are courageous, and they have not minced their words. They state unequivocally that they will not be pushed aside when it comes to being involved with their daughters' well-being. It is up to those of us in Congress to stand by the parents in Pennsylvania and the other states which have passed laws protecting parental authority.

To be precise, twenty-two other states have passed laws similar to Pennsylvania's—North Carolina being one of them. The parents of North Carolina have exercised their rights as voters and have also said that no abortion shall be performed on their daughter without their knowledge.

The question Congress needs to ask itself is this: Whose rights are we going to protect, those of abortionists—or parents? Are we going to tolerate that abortionists, who desire nothing more than to make a pretty penny off of young girls who are in a vulnerable state of mind, have more rights than the parents who love and care for their daughters more than anyone else in the world. Congress needs to be unmistakably clear that the job of deciding what is best for a teenager belongs to parents, not abortionists.

Simply put, America cannot afford to allow parental authority to be undermined. With the breakdown of so many families, it is absolutely critical that nothing further be done to weaken the relationship between parents and their children. While there are numerous contributory factors to society's ills today—the disintegration of the American family is, in my judgement, the primary culprit.

By passing the "Child Custody Protection Act," we are saying that the custody of children both rightfully and fundamentally belongs to responsible parents.

I pray that the Senate will follow the overwhelming decision of the House of Representatives and protect a parent's right to decide what is best for their daughter.

Mr. KOHL. Mr. President, I rise today to urge my colleagues to vote against the cloture motion on S. 1645, the Child Custody Protection Act. I do so as a supporter of the bill and as one who supported cloture on the motion to proceed to S. 1645.

Let me be very clear. I support a family's involvement in a minor's very grave decision to have an abortion. I also support the rights of States to protect minors in their borders by passing constitutional consent measures. In my State of Wisconsin, there is a law that requires minors seeking an abortion to get the permission of a parent, a grandparent, an adult sibling, or a judge in cases where family support is unlikely.

The reports of adults driving unrelated minors across state lines to avoid state consent laws are very disturbing. It is bad enough that a minor would make such a large decision and have such a serious procedure without the support of a family member. It is worse that the procedure might be performed far from home and away from the child's family doctor. It is because of these concerns that I supported S. 1645.

However, S. 1645 as written is very narrow, and currently would cover only those few states that have strict parental consent laws. It would not cover Wisconsin where the law allows other family members to grant the required consent. In voting in Judiciary Committee to send S. 1645 to the floor, I had assumed that we would be able to address this shortcoming, as well as other technical difficulties with the bill.

Unfortunately, the Majority decided to file cloture immediately on the bill before any perfecting amendments could be offered. Under the strict rules of cloture, virtually no amendments to S. 1645 would be in order. Of most concern to me, it would have be out of order to consider an amendment protecting from criminal prosection a grandparent who drove a minor across state lines for an abortion. I supported such an amendment in Committee and think it is a necessary, wise, and humane addition to this legislation.

I am sorry that final consideration of this important measure will be pushed aside by partisan procedural wrangling. Consent laws may be one aspect of the highly charged abortion debate on which a majority of the Congress and a majority of the American people can agree. Sadly, we won't have a chance to find out as the rush to the campaign shoves consensus and sound policy off the agenda.

Mr. LEVIN. Mr. President, I am opposed to S. 1645, the so-called Child Custody Protection Act. This legislation would prohibit and set penalties for transporting an individual under the age of 18 across a state line to obtain an abortion even though the abortion is legal in the state that individual is taken to. It would subject close relatives such as grandmothers, aunts, and siblings to criminal prosecution for an action totally legal where taken. In fact, an amendment that would have excluded grandmothers and other close adult relatives from federal prosecution was defeated in Committee by proponents of this bill. Invoking cloture at this time would preclude this amendment on the Senate floor.

When faced with difficult choices regarding abortion and reproductive health, young women should be encouraged to seek counsel from their parents or other trusted adults. In many cases, even in states without mandatory parental consent laws, young women involve one or both parents. However, if a young woman feels that she cannot involve her parents for whatever reason, such as her fear it would put her in danger of abuse or if the pregnancy is the result of incest, she should not be discouraged from seeking the counsel of a trusted adult. I support adult involvement in this very difficult decision, but we must recognize that in some cases it is not always possible for the adult to be a parent. This bill would make it a federal misdemeanor for a grandmother to take her granddaughter to another state for an abortion even if the mother is dead and the father is in jail for incest.

Without question, we should encourage parents, educators and counselors to help prevent teenage pregnancy within their state and communities. Teenagers need to be informed of the responsibility that comes with sexuality and parenthood. But making it more difficult for young women to turn to a trusted adult, be it an older sister, aunt, or grandmother, is clearly not the way to do this.

This legislation also raises some unusual federalism questions that concern me. Under this bill, state laws would follow the people who live in those states when they travel to other states. The legislation would require the federal government to prosecute people for an activity that is lawful in the states in which the activity takes place (if that activity is not lawful in the state in which they reside). The Federal government does not impose this same restriction on crossing state lines in any other case that I can think of such as to gamble or buy liquor, cigarettes or guns. For the first time since slavery this legislation would make it criminal to go to a state to act in a way that is legal in that state. This is a terrible precedent.

This legislation would impose federal penalties in states that have opted not to implement parental involvement requirements. I believe such decisions should be made by the citizens of each state, not by the residents of a neighboring state.

People who act legally in Michigan should not be prosecuted because acts are illegal in another state and Michigan citizens should not be prosecuted for acts which are legal in the state in which they are performed.

Mr. JOHNSON. Mr. President, I rise today to reiterate my support for S. 1645, the Child Custody Protection Act. I have long supported the right of states to enact and enforce parental notification laws with respect to a minor's access to abortion services, and I believe steps should be taken to prevent individuals from circumventing such laws. However, I voted against cloture on this bill today because such a vote would have had the effect of denying my Senate colleagues on both sides of the aisle an opportunity to offer amendments. While I do not necessarily support all of the amendments which might have been offered, I cannot in good conscience vote to circumvent what should be an open and fair debate on this important issue. The White House has threatened to veto this bill in its current form and I believe a vote for cloture today would have sealed the fate of this bill without consideration of compromise language toward the shared goal of preventing abortions.

Every parent has the right to be involved in their minor's decision to terminate a pregnancy. The Child Custody Protection Act would promote parental participation in what must be the most difficult decision a young girl might face. The federal government can play a roll in protecting states rights in this regard, and should support minor and adult women in alternatives to abortion. I always have supported efforts to promote adoption to ensure that children grow up in a loving environment with a supportive family. I believe the federal government should promote adoption assistance and should encourage moving children from foster care into adoptive homes. I remain hopeful that my colleagues in both political parties and I can work together to create a system that reduces unwanted pregnancies and abortions, encourages adoption, and results in strong families.

Mr. President, I will continue to work with the Senate leadership in an effort to move the Child Custody Protection Act forward so that the rights of parents are protected in the face of this most difficult decision, and that minor and adult women continue to be provided with alternatives to terminating a pregnancy.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the committee amendment to S. 1645, the Child Custody Protection Act:

Trent Lott, Orrin G. Hatch, Spencer Abraham, Charles Grassley, Slade Gorton, Judd Gregg, Wayne Allard, Pat Roberts, Bob Smith, Paul Coverdell, Craig Thomas, James Jeffords, Jeff Sessions, Rick Santorum, Mitch McConnell, and Chuck Hagel.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute amendment to S. 1645, a bill to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortive decisions, shall be brought to a close? The yeas and nays are required under the rules. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The yeas and nays resulted—yeas 54, nays 45, as follows:

[Rollcall Vote No. 282 Leg.]

YEAS—54

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Burns
Campbell
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Domenici
Enzi
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Reid
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Chafee
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Graham
Harkin
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Reed
Robb

Rockefeller
Sarbanes
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—1

Glenn

The PRESIDING OFFICER. On this vote, the yeas are 54, the nays are 45. Three-fifths of the Senators not having voted in the affirmative, the motion is rejected.

Mr. ABRAHAM. Mr. President, I ask unanimous consent to speak for up to 5 minutes with respect to the vote which just transpired.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABRAHAM. Mr. President, I rise to comment on the vote which has just occurred on the effort to bring cloture on the Child Custody Protection Act. Obviously, as the sponsor of the legislation, I am disappointed we will not be moving forward at this time.

As I think the Presiding Officer is aware, as our fellow Members are aware, we have been trying to work with the interested parties on both sides since the bill came out of committee to try to limit the number of amendments so we might have a piece of legislation that could move through here in a reasonable period of time. Unfortunately, we could not get to that point. Our hope had been to limit, through the unanimous consent offer that was made earlier today, the amendments to those that have been filed that were germane. That was not agreed to.

Unfortunately, as is certainly every Member's prerogative here, there was the desire for people to bring amendments that were wholly unconnected to the child custody protection issue.

Obviously, given the calendar of the Senate as we look forward to the next few weeks, much business remains for us to complete, so the likelihood we will be able to continue with respect to this legislation during this Senate session seems very unlikely.

I certainly remain receptive to any counteroffers from the minority with regard to the possibility of limiting amendments and time. Realistically, that does not seem like it is potentially going to occur this year.

I think this is very important legislation. Across this country, every day families who live in States that have enacted parental consent laws are finding that those laws mean nothing because minor children are being transported across State lines without parental involvement or consent for the purpose of abortions being committed. This is wrong. People in my State, where we have enacted such legislation, have the right to rely on this legislation, to believe that their children will be safe and protected, and that they will participate in the important decisions of their children's lives.

I hope if we can't resolve this issue and bring this bill back to the floor this year that our colleagues will work together with me next year so that we might be able, early in the session, to move ahead. The House passed this legislation overwhelmingly. I believe if it came to a final vote of passage in the Senate it would likewise pass overwhelmingly. I believe it would move legislatively in a direction that is good not only for the young children affected by this legislation, but for our families, as well.

I want to thank the people who voted for cloture today. I want to encourage those who wish to bring amendments that are not germane to this legislation to consider other vehicles to possibly include those amendments so that we might still have a chance this year to move ahead on this legislation and do so in an expeditious timeframe.

If not, I certainly want to send out a welcome to anybody who wants to work with me because I do not intend to end this effort this year. I intend to continue until we pass the legislation.

I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with consideration of the bill.

The PRESIDING OFFICER. The pending business is the bankruptcy bill.

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent there be 2½ hours of debate equally divided on the Harkin amendment regarding interest rates. I further ask that all debate time on the amendment be consumed this evening and the amendment then be temporarily set aside.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. HARKIN. Mr. President, tomorrow I will be laying down a Sense of the Congress amendment calling on the Federal Reserve to lower interest rates as a preemptive strike against a recession in 1999. This is a very crucial issue coming at this point in time. I am going to take some time to speak about it and lay out why it is necessary for us, I believe, to take this kind of action and to express ourselves.

The amendment I will be offering on behalf of myself and Senators DORGAN, CONRAD, WELLSTONE, KERREY, and BRYAN will urge the Federal Open Market Committee to promptly reduce short-term interest rates as a preemptive strike against a recession in 1999. One week from today, the Federal Open Market Committee will meet to vote on interest rate policy. That is why it is crucial that the Senate send a clear message to the Fed: "Lower interest rates now."

Mr. President, if we want to significantly decrease the number of bankruptcies in this country, one of the best ways to accomplish this important goal is to reduce the risk of people losing their jobs.

With the chance of deflation and a recession rising, we need to lower interest rates.

Over 2 years ago, against the conventional wisdom of the time, I took to the floor of the Senate to speak and to openly put a hold on Chairman Alan Greenspan's renomination to the Federal Reserve Board until we had a debate on U.S. monetary policy.

One of the reasons I did this was to ensure that we had a significant debate on the Fed's focus only on inflation to the exclusion of other factors. I believed then, and I believe now, that it is wrong for the Fed to maintain high real interest rates without any significant signs of inflation threatening our country.

I believed at the time, and I continue to believe, that we should lower interest rates, allow the economy to grow, and to provide a maximum level of employment. Specifically, I said at the time that I thought our economy could grow at least at a rate of 3.5 percent a year for a number of consecutive years, with an expansion of the labor force and improved productivity. I also argued that we could at the same time have an unemployment rate of 4.5 percent a year without triggering a significant level of inflation.

That is what I said 2 years ago. At the time, many economists and economic writers took me to task on this, openly questioning my views. Many of these economists believed in a theory—an economic theory—which called NAIRU, which stands for the "non-accelerating inflationary rate of unemployment." I will get to that and what it means in just a moment.

But a couple of years ago, advocates of NAIRU, believed that if the unemployment rate fell below a certain rate—at that time it was somewhere between 5.5 and 6 percent—if the unemployment rate went below that level, employers would have to significantly raise wages and salaries igniting a 1970s style of inflation. And these economic theorists believed that the Fed should raise interest rates as a preemptive strike against inflation.

In other words, if unemployment ever fell to that level, regardless of anything else, these economic theorists under this theory believed that the Fed should raise interest rates right away to preempt any inflation from occurring.

That is what the Fed has done in the past. They have raised interest rates to a very high level.

But look where we are today. The unemployment rate currently is at 4.5 percent. It has been below 5 percent for nearly a year and a half, and it has been under 6 percent for 4 years. And there is no inflation. Our gross domestic product was 3.8 percent last year and 5.5 percent during the first quarter of this year. During this time, inflation hasn't gone up. In fact, it has gone down.

The rate has decreased to its lowest level since the 1960s during the past 2 years.

To Chairman Greenspan's credit, he has recently distanced himself from the view that there should be a preemptive increase in interest rates, simply because of NAIRU. He has, through his actions at the Fed, allowed our economy to grow and unemployment to fall without raising interest rates.

So unemployment has fallen from 6, to 5.5, to 5, to 4.5 percent. Under NAIRU, this would have triggered automatic increases in interest rates, but under Mr. Greenspan they have not. And I applaud him for that.

Unfortunately, many on the Federal Open Market Committee have continued to push for higher interest rates even as the signs of an economic slowdown in the United States continue. While they have not succeeded in raising interest rates, they represent a major obstacle against lowering interest rates, an action which is becoming increasingly needed.

Real interest rates are at a historical high. Although the Federal Open Market Committee has not directly raised interest rates since March of 1997, real interest rates are rising. In fact, real interest rates are at historically high levels, the highest in 9 years, because inflation has continued to fall while the Federal Reserve has failed to lower the Federal funds rate. The chart that I have here points that out.

This chart shows, for example, the real Federal funds rate. That is the market rate less the CPI percentage. As we can see, it has been, for a short period—from 1996 to 1997—going up, and last year and this year has gone up. Actually, this tick, it would be going up here again over the last few weeks. So we have about 4 percent real Federal funds rate right now. In fact, even Chairman Greenspan noted during his Humphrey-Hawkins testimony on February 24 of this year:

> Statistically it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.

That is a quote from Mr. Greenspan. It is a fact that real interest rates are higher now than they have been on the average of the post-World War II period. I ask why—why are real interest rates so high? There is no inflation; no signs of inflation. In fact, the economy is slowing down a little bit. We see some recessionary signs. Yet we still have these high interest rates. The high interest rate policy that is being imposed by the Federal Reserve, I have always said, is really a stealth tax on hard-working American families, and I believe it is a contributing factor to the near collapse of several economies worldwide.

It is time for the FOMC, the Federal Open Market Committee, to provide a significant and immediate cut in interest rates as a preemptive strike against a recession in 1999. Interest rates have a significant impact on virtually every family in America, on every producer, business and family farmer in this country. I believe lower interest rates have been needed for a long time, but now quick action is truly crucial for our country's well-being.

The economic signs, not only in the U.S. economy but in economies worldwide, demand swift and appropriate action to counteract the problems that lie ahead. I can only say that I believe we have waited too long. Just as inflation can spiral, and spiral out of control, so can deflation spiral out of control. I hope that because the Federal Reserve would not act a little sooner, that we have not reached a point where we are now in a deflationary spiral, and that even more drastic action may have to be taken. But I do believe that significant action has to be taken right now to lower these interest rates.

Don't just take my word for it. Here is a quote from Mr. Jerry Jasinowski, the President of the National Association of Manufacturers, and Earnest Deavenport, the CEO of Eastman Chemical Company. On September 8th they said:

> The current volatility in world financial markets and its threat to global growth . . . could lead to recessions throughout the developing world and Eastern Europe, as well as a slowdown in the United States.

Here is what they said on this chart, on September 8:

> We recommend a significant loosening of monetary policy. Specifically, the Federal funds and the discount rates should be reduced by 50 basis points as soon as possible."

That is what they said on September 8.

Or we can listen to Mr. John Smith, President of General Motors. On September 15th he said, here it is on this chart here:

> The question is whether the Fed will wait until the recession is imported and then act, or act now. GM believes it should act now.

That is the President of General Motors on September 15, just last week.

Or, James Glassman at the American Enterprise Institute, he has written several op-eds in the Washington Post calling on the Fed to lower interest rates. Again he said recently:

> The most important step right now is for the Federal Reserve to cut interest rates. That would pump more money into the system, encouraging businesses to borrow and consumers to spend. It would also temporarily weaken the dollar, thus helping the currencies of countries in dire economic straits.

I could go on all day quoting business leaders, economists, editorial writers and others calling on the Federal Reserve to lower interest rates. From the Business Roundtable to the U.S. Chamber of Commerce, to the Economic Policy Institute and progressive economist Jamie Galbraith at the University of Texas, from the chairman of the Joint Economic Committee, to Robert Samuelson at the Washington Post, and Stephen Roach at the New York Times, the message to the Fed is clear: Lower interest rates now.

The Fed's policy needs to be reversed and interest rates significantly lowered or our growing economy is likely to quickly sink, perhaps into a very serious recession. So, what we need is to lower interest rates as a preemptive strike against these ominous economic signs.

If we do not do this soon, we will see our hopes for higher wages, more jobs, and the end of Federal deficits dashed on the rocks of recession and rising unemployment. We could be driven by deflation rather than fearing inflation. With deflation, people delay major purposes because they know it is going to be cheaper later on. The last time, of course, that we saw significant deflation was in the Great Depression of the 1930s, but it used to happen regularly in the last century.

How bad can it get? From 1929 to 1933, wages fell by 25 percent; wholesale prices fell by 30 percent; farm commodities fell by 51 percent. And with the shrinking economy, unemployment increased from 5.3 percent to 36.3 percent. Prices were cheaper, but with no money coming in, most people could not benefit at all.

Today, the signs of increasing global deflation are widespread. The problems in the U.S. economy are greatly exacerbated by the enormous difficulties in many Asian Pacific nations, Russia, Latin America and Mexico.

As former Assistant Secretary of the Treasury C. Fred Bergsten wrote in the Washington Post on September 20th:

> The Asian economic crisis is much deeper, much more pervasive and likely to last much longer than anyone imagined. Economies that had grown 6 to 8 percent annually for two decades are declining by like or greater amounts, a swing of Depression-era magnitude with incalculable political and social consequences. The contagion has already spread far beyond Asia, engulfing Russia and much of Latin America, and could do so even more violently in the days ahead. We now

face a truly global crisis, which has already hit the United States hard and will do so with increasing force.

The fall in the Canadian and Australian dollars, two countries largely dependent on agriculture and mining is a demonstration of the worldwide impact of the deflationary trend in commodities.

A far more severe threat is the long-term economic paralysis of the Japanese economy which has turned into a significant recession. Some predict that a bailout of the Japanese banks could cost as much as 20 percent of Japan's entire GDP.

That is much larger than our savings and loan crises back in the 1980s. Some estimate that the bad loans of Japanese banks may be about $1 trillion. It is unfortunately clear that the Japanese government is not moving quickly enough to resolve the difficulties in their financial sector. The Japanese have already seen their wholesale prices decline in 5 of the last 6 years. To further illustrate this point, I would like to quote an article in September 14 Wall Street Journal which I found very troubling.

It says:

> News that Japan has fallen into its longest economic contraction in 5 decades has led some economists and government officials to suggest that the country has nudged closer to a viscous spiral of falling prices, falling employment and falling output that would damage its economy even further.

Mr. President, I ask for unanimous consent that this entire article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 14, 1998]

JAPAN'S WEAK GDP SUGGESTS LITTLE HOPE SOON

(By Bill Spindle)

TOKYO.—News that Japan has fallen into its longest economic contraction in five decades has led some economists and government officials to suggest that the country has nudged closer to a vicious spiral of falling prices, falling employment and falling output that would damage its economy even further.

Economic activity fell 0.8% during the April-to-June quarter from the previous quarter, the government said Friday, an annualized decline of 3.3%. And with spending by companies and consumers plummeting, there was almost no sign the situation will improve soon.

"The Japanese economy is walking along the edge of a deflationary spiral," said Taichi Sakaiya, head of the government Economic Planning Agency.

Even before the gross domestic product numbers were released Friday, the benchmark Nikkei stock index plunged more than 5% amid concern over the economy and the gyrating U.S. stock market. At the end of the morning session on Monday, the Nikkei was up 30.12 points to 13947.10. The dollar weakened almost five yen during the Asian trading day as spooked investors brought dollar investments home and cashed them in for yen. The Japanese bond market touched another record high as yields, which move in the opposite direction of prices, plunged to 0.79% on the benchmark long bond.

Japan's report on gross domestic product—the total value of goods and services produced in the economy—was a litany of problems that exceeded even the downbeat expectations of most private economists.

Consumer spending, the largest chunk of Japan's economy, fell an annualized 3.3%. Housing investment, which provided one of the few bright spots in the preceding quarter, plunged by an annualized rate of 4%. And corporate capital investment posted a second straight decline, falling 20% at an annualized rate. That is a particularly bad omen, since business investment has historically been a key engine that drives employment and thus consumer spending. That "suggests the economy is going to be contracting going forward," said Brian Rose, an economist at Warburg Dillon Read.

While Japan's trade surplus made the biggest contribution to economic growth, even that silver lining was more a sign of economic weakness than strength. The surplus expanded because Japan's imports—which fell 6.8% from the previous quarter—are declining faster in the weak economy than exports, which slipped 0.4%. The only clear plus for the economy was an annualized 1% rise in government expenditures, indicating some of the spending from a fiscal stimulus package may be trickling into the economy.

These most recent data—showing that Japan's economy deteriorated for a third straight quarter, the longest contraction since the government began compiling figures in 1955—comes as the government gropes for effective tools to turn the tide. On Wednesday, the central bank loosened monetary policy by cutting the interbank lending rate to 0.25% from 0.5%. However, private economists and even some government officials said the move would provide little help for an economy where the usual tools of monetary policy have broken down.

The government is also pouring some $100 billion worth of tax cuts and spending into the economy, part of an economic rescue package passed in April. Still, private economists say the stimulus package—the centerpiece of the dominant Liberal Democratic Party's economic strategy—could be swamped by the deterioration in the rest of the economy. Nonetheless, many economists still think the spending and tax-cut package will be enough to at least break the momentum of the contraction temporarily over the next two quarters.

The fallout from the continued economic deterioration could also eventually hit the banking system. Already a swelling number of bankruptcies is creating concern that banks' huge portfolios of bad loans will grow further as more borrowers fail.

Mr. HARKIN. Mr. President, as the second largest economy, Japan's poor economic situation is going to have a very significant effect on our economy and the economies of most other countries.

Again I quote Fred Bergsten, a very respected expert in international economics. He urges that "the United States and European Union should globalize the strategy of cutting their own interest rates. This would encourage capital reflows to the crisis countries, reduce their debt burdens and improve their competitive position by promoting a stronger yen. It would also ensure continued world growth and help prevent further stock market declines."

Mr. Bergsten went on to note the fact that the 30-year bond interest rate is below the Fed funds rate and urged a cut in this rate by a full percentage point.

Chairman Greenspan recently said that the U.S. can't "remain an oasis of prosperity" in "a world that is experiencing greatly increased stress."

Again, this statement does appear to be a significant and positive shift in the views of the Chairman of the Fed.

However, I am concerned that there are members of the Federal Open Market Committee who both refuse to consider the global economy when determining monetary policy and are still worried that low unemployment will automatically trigger inflation.

The financial crisis in Asia, Latin America, Russia and many other areas of the world poses a serious threat to our economy and, to date, the United States has not established the appropriate monetary policy to minimize it. The FOMC, through its control of the federal funds rate, has the ability to take decisive action against the economic problems that face us.

Many economists note that devalued currencies in several countries will not only reduce the rate of inflation but also sharply increase our trade deficit, eliminating many jobs and slowing growth in the process. Worldwide commodity prices are at their lowest level in decades.

With regard to our record trade deficit, on September 18, the Christian Science Monitor reports that "So far this year, the trade deficit in goods and services is running at a record annual rate of $185 billion, 68 percent higher than last year's record deficit of $110 billion. America's deficit with Pacific Rim countries hit $87.8 billion in the first seven months—42 percent above the imbalance for the period in 1997."

The September 7 issue of Insight Magazine, says that "Santa Claus is coming to America, only his goods are making the early trip by sea rather than sleigh—in huge freighters filled to capacity."

What will this mean for the U.S. economy? Most importantly, it means a significant loss of jobs, perhaps as much as 1.1 million. In fact, Wilbur Ross, the senior managing editor of the Rothschild Investment Group, believes that "the loss of American jobs due to decreased domestic production for export will outweigh any short term benefits of lower prices."

Experts on balance-of-trade issues say nearly every major industry will be affected: automotive, steel, electronics, appliances, machinery, textiles and apparel.

Mr. President, lower interest rates would allow people in other countries to buy out goods, and, in turn, reduce the risk of Americans losing their jobs.

Lower interest rates are also needed to help our farmers. Worldwide commodity prices are at their lowest level in decades.

The price of farm commodities are connected to this problem, and we know what is happening to farm commodities in our country. I was just recently in the Midwest, and I can tell you that corn, beans, wheat and all the attendant crops are at their lowest prices in years. They are falling dramatically. Livestock prices are also going down. We are seeing average hog prices this year at their lowest level since 1974 and, again, no indication that they are going to go up.

This is an idea of what is happening to corn prices. We can see how they are dropping in the Midwest. I have shown these charts before in discussing the need for some legislation on agriculture.

Basically, what this chart shows, and all the other charts indicate, is corn, soybeans, wheat, cattle hogs—all the commodities we have in the farm sector—are drastically dropping, and dropping very rapidly.

Wayne Angell, a former Federal Reserve Governor appointed by President Reagan, and one of the last experts in farm economy to sit on the Federal Reserve Board, I might add, said on September 9, "The Federal Reserve should cut interest rates to stem declines in the prices of key commodities."

Angell goes on to say that, "If commodity prices continue to fall unchecked, the U.S. economy risks a fall in the prices of hard assets, such as real estate, with potentially severe risks to the economy."

He said that on September 10.

He is right, we are already seeing this. We are seeing this happen in the Midwest. Already we are seeing a softening of land prices, and perhaps it could lead to a downward spiral. I and many others in this body are working on solutions to fix the problems in the ag sector, like increasing loan rates, providing storage payments to farmers, helping those who have suffered disasters, helping to do something about the Federal Crop Insurance Program. One of the best things the Federal Reserve can do for farmers is lower interest rates.

There are direct effects. For example, a 1-percent reduction in interest rates means the average farmer in Iowa will save $1,400 in interest payments on their land each year. In addition to reductions in land payments, lower interest rates means farmers will be able to receive a much-needed break in the prices they pay for new machinery, fertilizer and seeds. It means that farmers' incomes will increase and the negative effect on the rural economy will be somewhat reduced.

Again, for example, a 1-percent reduction in interest rates means a typical 950-acre grain farm in Iowa will see an increase of about $2,500 in income a year.

But the indirect effects of lower interest rates, as I mentioned, are even more important. We need the engine of the U.S. economy working at full speed to help the world economy to recover. Lowering interest rates will help restore worldwide markets for our agricultural goods. As I have said many times in the past, lower interest rates amount to a badly needed tax break for hard-working families.

Mr. President, the U.S. economy is the only large, healthy economic engine in the world, and if our economy does slow (and our growth increased just 1.6 percent in the last quarter compared to 5.5 percent in the first quarter), it will be exceedingly difficult for the worldwide economy to recover. The chance of a long, deep, worldwide economic recession is, unfortunately, very possible.

There are already increasing signs of a possible recession in the U.S. economy. For example, 30-year Treasury bond rates have sunk to record lows and are now below the short-term Federal funds rate. This is indeed a yellow warning light that the U.S. economy could be headed for a significant decline. Again, this chart shows that. The 30-year Treasury bond rates are now lower than the short-term Federal funds rate. That sends a very powerful signal that we could be headed for a very, very steep decline.

Wholesale prices slid a steep 0.4 percent just in August alone. For the first 8 months of the year, producer prices have fallen at a 1.4 percent annual rate, compared with a 1.2 percent rise for all of 1997.

Nobel laureate Milt Friedman, with whom I do not very often agree on economics, called this a "significant decline." And former Fed Vice Chairman Alan Blinder, says:

> If you ask about the prospect of deflation and you restrict your attention to goods, the answer is yes, and in fact we've had some.

So, Mr. President, we are already seeing troubling deflationary signs in our own economy. Action must be taken now.

The fall in the U.S. stock market, another flashing warning signal, will clearly have its own impact on what is referred to as the "wealth effect." To describe the troubling nature of this situation, I would like to quote an article from the September 14 issue of Time magazine. The article pointed out that:

> A slumping stock market can certainly add to the drag on a slowing economy, through the so-called wealth effect. In a rising market, economists estimate that for every dollar of increased wealth, consumers spend an additional 4 cents. And, they often stop spending that money when their stock gains erode. If $2 trillion has been lost from investors' pockets over the past couple of months, then at 4 cents on the dollar we could expect an $80 billion drop in annual consumer spending, or about 1% of the total U.S. economy. While that alone is not enough to stop the economy from growing . . . it could combine with the global currency crisis to tip the U.S. into recession later this year or in early 1999.

The article in Time goes on to say that:

> . . . a persistent stock market decline can also hurt the economy by making companies more cautious about expansion and hiring. That usually means layoffs or plant closings, which ripple through our economy as laid-off people cut spending.

Mr. President, I ask unanimous consent that this article from Time be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Time Magazine, Sept. 14, 1998]

WHAT A DRAG! ASIA, RUSSIA, LATIN AMERICA—TROUBLE ABROAD THREATENS THE U.S. ECONOMY

(S.C. Gwynne Reported by Bernard Baumohl, William Dowell and Aixa M. Pascual/New York, Julie Grace/Milwaukee, Alison Jones/Durham and Adam Zagorin/Washington)

Smack in the American heartland, far from both Wall Street and Asia, the 15,500 workers of Harnischfeger Industries, based in St. Francis, Wis., got slammed from both directions. A proud world beater that builds mining equipment and huge machines that produce 70% of the world's printing paper, Harnischfeger has just seen its sales to Singapore and other troubled Pacific Rim countries drop from $600 million a year to nearly zero. Its stock, riding high at $44 a year ago, was beaten down to $16 in last week's market rout, gutting the 401(k) retirement plans of many of its employees. "What I have in Harnischfeger stock is down by two-thirds," says a glum Dave Trench, 57, a machinery stock attendant at a Harnischfeger subsidiary in Nashua, N.H. "When I look at retirement, I might start to sweat." At least he still has his job—for now. Harnischfeger announced in late August that it soon will begin dismissing 3,100 employees, or a fifth of its work force.

Look at Harnischfeger, and you can see the origins of the stock market's grinding 1,698-point decline, a loss of 8% from the July 17 peak of the Dow Jones industrial average at 9337.97. The company also offers a glimpse of what might come next, as American workers and investors like Dave Trench wonder whether the long boom is over. Should they pull their money out of stocks? Does the market slide foretell a recession? How is any of this bad news possible when the U.S. economy seems so strong, with the lowest unemployment, inflation and interest rates seen in a generation?

Like American business generally, Harnischfeger entered this turmoil strong and lean. Well-managed with a skilled and productive work force, it had prospered from the past decade's explosive growth in global freedom and commerce. But then came the currency crisis that began in Thailand in July 1997 and spread like a contagion through the rest of Asia—and last month to Russia and last week to Latin America, hammering down local currencies and slashing demand for U.S. exports. Cheaper Asian exports began grabbing more and more domestic business away from U.S. companies and sliced into their earnings. That trend finally drove down an overheated stock market, taking back, in the past seven weeks, almost a quarter of the $9 trillion that stocks have pumped into U.S. portfolios during the roaring '90s.

When the Dow plunged 512 points last Monday, investors at first regarded it as an irrational response to the financial and political turmoil in Russia—a vast country that still bristles with 7,000 strategic nuclear warheads but whose economy scarcely rivals that of the Netherlands and accounts for less than 1% of U.S. exports. Investors treated Monday's market action as another of those "dips" in which they had been taught to buy stocks on the cheap. Heck, it wasn't even as big as the one-day dip last Oct. 27, and the market had shrugged that one off six weeks before powering to new highs and greater glory.

With that in mind, bargain hunters on Tuesday sent the Dow rebounding 288 points, in the second-largest single-day point gain in history. President Clinton, for whom rising stocks have covered a multitude of sins these past six years, tracked the Dow anxiously as he traveled to beleaguered Moscow. During a dinner with Russian President Boris Yeltsin, Clinton stopped economic adviser Gene Sperling in the receiving line to tell him, quietly but with palpable relief, that "the market's up" and flashed a thumbs-up sign.

But this time things were different. The Dow fell Wednesday. And the next day. And the next day, losing ground for the seventh trading day out of the previous eight and posting a 411-point, or 5%, setback for the week. Despite the release last week of fresh reports chronicling persistent low unemployment and rising orders for factory goods, anxiety spread from the stock market to the "real" economy of jobs and paychecks. The market drop served as a reminder—one about as subtle as a poke in the eye—that in today's global economy, not even a healthy U.S. can quarantine its factories and offices and markets from the illnesses of countries halfway around the world. It vividly showed Americans how the turmoil in Asia and Latin America is slashing the profits of U.S. corporations, which might be forced to respond with layoffs and cutbacks in spending.

Federal Reserve Chairman Alan Greenspan, speaking after the markets closed last Friday, revealed that Fed policymakers are worried that the threat to the U.S. economy from global financial turmoil rivals the danger of wage and price inflation. The Fed is now as likely to cut interest rates, he hinted, as to raise them. "It is just not credible that the U.S. can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress," Greenspan said in a speech at the University of California, Berkeley. Then he headed off to join Treasury Secretary Robert Rubin in a meeting where they urged Japan's new Finance Minister to deal with his country's insolvent banks and other financial troubles, which are dragging down not only the huge economy and financial market of Japan but also those of other Asian countries—and now the U.S.

Only 21 months ago, with the Dow at 6500, Greenspan was warning against "irrational exuberance" in the stock market. Several other wise elders expressed hope that last week's correction will have the cleansing effect of strengthening the historic relationship between stock valuations and the earnings of the underlying companies—a notion that had fallen out of favor after years of "momentum investing," in which all that mattered was that someone would buy the hot stock that some greater fool would soon bid up to an even higher price. The price-earnings ratio for the S&P 500 has approached a record 30 this summer, twice its historical norm. Securities analysts, reassessing the impact of the turmoil in Asia and other foreign markets, last week began chopping down their estimates for growth of U.S. corporate profits, to as little as 3% for all of 1998, and zero growth for 1999, a sharp drop from last year's robust 12%.

In a bit of lucky timing, Fidelity Investments, the mutual-fund giant, last week rolled out a promotional and educational campaign starring Peter Lynch, its legendary fund manager. Lynch was troubled, he told TIME, that "in the first half of this year, the S&P 500 was up 15%, but [corporate] profits were down." He also expressed relief that the correction came now, rather than having the market drop to 7500 "after it's gone up to 14000."

There was remarkably little evidence of panic among individual investors last week. One measure of that is the amount of money that flows in and out of equity mutual funds. In August, a month that included several gut-wrenching weeks, there was a net outflow of $5.4 billion, or well under 1% of the total invested in equity funds. Though this was the first such exodus since the recession and stock slump of 1990, the number is still quite modest when compared with the 4% that fled equity funds after the October 1987 correction. Last week investors pulled a net $6.2 billion out of stock funds Monday and Tuesday, but on Wednesday a net $6.5 billion flowed right back as the market bounced, according to Trim Tabs Financial Services. "There has not been any retail panic as far as we can see," says Scott Chaisson, a branch manager for Fidelity in midtown Manhattan. "There seems to be an awareness that there are going to be ups and downs like this."

The real test, though, won't come until later, when new investors face the results of their first sustained market decline. An unprecedented 43% of adult Americans are now invested in stocks, up from only 21% in 1990. (That helps explain why we are hearing less Schadenfreude over the discomfort of Wall Street yuppies than in past corrections.) A striking 57% of all household assets today are allocated to equities. Small wonder: the market has doubled just since 1994. But these investors are about to get account statements showing declines of 20% to 30%. Even if they have been in the black over the past 12 months, not to mention the past few years, it will be a shock to be reminded, for the first time in years, that stocks can go down as well as up.

Investors large and small who had put money overseas in search of diversification, or simply higher returns, were sorely disappointed last week. Day after day, one giant U.S. bank after another came forward, like sheepish A.A. members fallen off the wagon, to confess they had succumbed to the lure of big returns from Russian investments on which—surprise!—the Yeltsin government has defaulted. Citicorp announced that its earnings for the third quarter will be cut by about $200 million in Russian losses. The price tag at Bankers Trust, about $260 million; at brokerage firm Salomon Smith Barney, $360 million in the past two months.

All told, U.S. financial institutions had losses mounting to $8 billion by week's end, and one of the fears that drugged the stock market was that U.S. companies might face even larger losses in Latin America, where they have much more exposure (about a third of U.S. exports) and where currencies came under fresh assault late last week. Brazil saw $11 billion in capital fleeing the country in the past five weeks—not because its economy is weak but because of each investor's fear that other investors might flee any economy slurred with the label "emerging." Money also fled the stocks of financial institutions with lots of business and investment in the merging markets. Citicorp's stock dropped to about half of its recent high, losing $40 billion of market value.

Other companies that took major hits were transportation stocks whose business involves trade and travel: the parent companies of such airlines as American, United and Delta. Companies like Coca-Cola, Procter & Gamble and Gillette, which not long ago were praised for their successful penetration of global markets, last week were punished harshly through stock sell-offs. General Electric, the world's most valuable public corporation and one of the most admired, fell 22%, losing $68 billion of its market value.

The near panic over emerging markets was strongest among some of the hedge funds, the high-risk vehicles that often deliver high returns to wealthy investors. After famed investor George Soros lost $2 billion in Russia, John Meriweather's Long-Term Capital Management announced that it had lost $2.1 billion, or half its asset value, so far this year. "Russia and Asia became the trigger for the correction in the U.S. stock market," says David Wyss, chief economist at DRI/McGraw-Hill, a consulting firm. "Although there had already been a softening in earnings over the past few quarters, traders needed to be hit with a two-by-four to make them realize you just can't get double-digit increases in earnings every year."

Russia also became the trigger for another concern, at once political and economic: "We were suddenly threatened by an old fear—the Soviet Union and militarism," says John Silvia, chief economist at Scudder Kemper Investments. "If the world is not as peaceful as we expected, then a lot of money in the U.S. that went into consumer spending and capital investment may now have to go back to defense, and that's going to shock the budget here."

As the Dow ended its week at 7640.25, it was approaching one of the standard benchmarks for a bear market: a 20% drop from a previous peak. Many investors, though, have been in a quiet bear market for several months; that's because, during the last stages of the run-up in the Dow and the S&P 500, most of the increase was accounted for by such large companies as Coca-Cola and Microsoft; many smaller stocks were left behind. In the S&P 500, virtually all the gains in share prices in recent months were made by the 50 largest. At the same time, the Russell 2000 index of smaller stocks—traditionally favored by many individual investors—was off 29% from its April high. And as of Monday, the average stock in the New York Stock Exchange was off 38% this year. Even before last week, nearly half of U.S. domestic stock funds were losing money for the year.

Several economists see the current market as an untraditional bear market or, as

Harvinder Kalirai, an economist at the consulting group I.D.E.A., sees it, what's happening on Wall Street is "a cyclical bear in a secular bull market. This is a cyclical fluctuation." The longer-term or secular trend in the market, though, "is still high."

Many individual investors also hold that faith. Dennis Lese, 52, an executive with Amoco Corp. in Chicago, says that he is staying in the market but that the six-figure losses he suffered last week have caused him to postpone his planned early retirement. "I was thinking about retiring and living off stocks," he says. "But now I think I'll work a few more years."

Others seemed content to ride it out, in the knowledge that the gains of the past few years will cushion the impact of a down market now. "Anyone with brains knows the thing to do is to sit back and wait," says Stephanie Rubin, 52, an executive with a search firm in Chicago who has about $300,000 in stocks. "If it's down 25% on paper, it doesn't bother me because it's money tied up in an IRA account. I'm not going to touch this money till I'm 65."

Some people who were actively playing the market, however, were singing a different tune. "I was panicking," said Alan Herkowitz, 39, a New York systems analyst and a self-described "short-term trader" who invests "play money" in the market.

One of the biggest worries in a sustained market downturn is that it might depress consumer confidence and spending. Contrary to popular belief, though, bit stock market drops alone rarely herald recessions. According to a study by Peter Temin, an economics professor at M.I.T., falling stock prices directly caused only one minor economic downturn in this century, in 1903.

But a slumping stock market can certainly add to the drag on a slowing economy, through the so-called wealth effect. In a rising market, economists estimate that for every dollar of increased wealth, consumers spend an additional 4 [cents]. And they often stop spending that money when their stock gains erode. If $2 trillion has been lost from investors' pockets over the past seven weeks, then at 4 [cents] on the dollar we could expect an $80 billion drop in annual consumer spending, or about 1% of the total U.S. economy. While that alone is not enough to stop the economy from growing, economists say, it could combine with the global currency crisis to tip the U.S. into recession later this year or in early 1999.

A persistent stock market decline can also hurt the economy by making companies more cautious about expansion and hiring. "If the stock price isn't doing well," says John Lonski, chief economist for Moody's Investors Service, "shareholders will put pressure on management to cut costs to improve returns." That usually means layoffs and plant closings, which "ripple through the economy" as laid-off people cut spending.

Pushing against these negative currents, fortunately, is the persistent, fundamental strength of the U.S. economy. The trend in wages and employment, which wield far more influence over consumer confidence and spending than stock prices, remains strong. As she placed a tortilla warmer in her shopping cart last week at a store in Nashville, Tenn., Sue Allison, 53, a public relations officer for the Tennessee supreme court, observed that "there are a million people out tonight spending $90 on nothing, just as I am. My husband and I won't touch [our retirement stocks] for at least 15 years, so I don't worry about short-term losses." In fact, aside from corporate profits and stock prices, most other leading indicators are pointing briskly upward. Orders from American factories rose 1.2% in July, the strongest performance since November. As investors around the globe sought a safe haven for their capital, long-term interest rates continued their slide to 5.3%, a silver lining for the U.S. in the cloud over emerging markets. Those low rates in turn have boosted the used-housing market, which recorded an all-time high of houses sold in July. Housing values, another important factor in Americans' calculation of their wealth, are rising smartly at about 5% a year. Unemployment stands at 4.5%, nearly a 28-year low, and only 1.8% for those with college degrees. Thanks to rising productivity, real wages have been rising for the first time in nearly three decades without spurring inflation. The U.S. growth rate, while down from its feverish 5.5% in the first quarter, is still expected to register 2%-plus for the rest of the year. The only skunk at this picnic is the Asian, Russian and Latin financial crisis, estimated to have knocked about 2.5 percentage points off second-quarter growth of 1.5%.

If recession comes, economists say, the cause will be the inability of countries such as Brazil, Indonesia, Malaysia, Mexico and Venezuela to buy as many U.S. exports with their devalued currencies—and the hit on U.S. wages and corporate earnings as cheap imports from those countries grab a greater share of the U.S. consumer's wallet.

At Nucor Corp., a $4 billion North Carolina steelmaker, the global tumult has hit home in both ways. Nucor's exports are down, falling globally from an annual rate two years ago of 700,000 tons to the present 30,000 tons, much of which is accounted for by Asian markets. But far more worrisome is the tough competition in the U.S. market from cheap steel made in Japan, Korea and Russia. Currency devaluations in those countries have made their products cheap for American buyers, says chairman Ken Iverson. "The U.S. is the only economy left that's doing well, so they're going to ship it all here." That makes America the consumer of last resort—a lifeline to many foreign economies, but at a heavy cost to many U.S. companies and workers. Again, such disruptions quickly get capitalized into stock prices: Nucor shares have fallen from $61 a year ago to $39 last week.

Another North Carolina company feeling the pain is Beacon Sweets, which makes, among other products, "gummi watches" (gelatin candy in the shape of a watch). Although most of its business is domestic, Beacon had begun to grow in China, Korea, Singapore, the Philippines and Japan. But over the past year, Beacon has seen its export business evaporate. Says Stephen Berkowitz, an executive vice president: "Our business in those countries has absolutely dried up as a result of currency devaluations."

Perhaps the greatest risk to both the U.S. and global economies is that today's hard times could bring a rising tide of global protectionism, including controls not only on trade but also on flows of capital. With the leadership in Russia and Japan virtually paralyzed, and President Clinton distracted by his personal problems there is a danger that the trend toward freer markets could be reversed. This is already happening in places like Malaysia, which last week imposed foreign-exchange controls hurtful to multinational firms in the U.S. and elsewhere—not to mention to Malaysia itself, which will be hard pressed to attract investment. Nor is the U.S. immune. If unemployment begins to rise, blame will quickly attach to the rocketing U.S. trade deficit—one of the most immediate effects of the crisis in Asia—and will tempt members of Congress to impose new limits on imports. That, more than any other factor, could eventually lead to a significant recession in this country and others. "What we need is leadership," says Hugh Johnson, chief investment strategist at First Albany, a brokerage firm. "Without it, we have a vacuum, and the market always hates that."

For Clinton, much is at stake. The rising market and robust economy have long boosted his approval rating and made both is allies and his adversaries loath to cross him. A significant downturn in the economy, or a longer stock decline than expected, could make Americans feel much less patient with his foibles, and could embolden his enemies. Studies of polling show that a sour economy in 1973–74 contributed significantly to Americans' disgust with President Richard Nixon in the later stages of the Watergate scandal.

For American investors too, much is at stake. One of the worst things they could do is let rising volatility and uncertainty drive them out of stock investments. Returns on stocks have far outdistanced most other investments over time, producing an average annual return, after inflation, of 6.4% from 1927 through 1995, which includes the period when stocks struggled to regain the highs they reached before the 1929 crash and the Great Depression. Investors can also take heart that the stock market usually bounces back far more quickly than it did in the 1930s. In nine of the 11 months where the S&P 500 lost 4% or more since October 1987, returns were positive within two months of the drop. In all cases, including the 1987 crash, the market returned to positive returns within six months. As TIME's Dan Kadlec explains in the following story, most investors should stay with stocks, except when handling money they might need within the next three years.

For all its problems, Harnischfeger offers encouragement to other Americans at this uncertain time. Folks at the Wisconsin company have earned higher wages and have been able to educate their children better because of the profits they have reaped from the unprecedented spread of global commerce and free trade. But the price of that prosperity is a global economy so interlinked that the troubles of America's trading partners very quickly become its troubles too, even when America's domestic economy is showing remarkable resilience, as it is now. Harnischfeger's managers believe they are in for a rough ride for several quarters, but that the company's future, like that of the American economy, is bright over the longer term. Says Francis Corby Jr., the company's executive vice president for finance and administration: "We'll bounce back." They always have.

EXCERPTS

WHEN THE DOW BREAKS

Monday, Aug. 31—

Tuesday, Sept. 1—Financial and political turmoil in Asia and Russia trigger a plunge in the Dow on Monday, but bargain hunters help it recover more than half its loss on Tuesday, setting a record for trading volume.

Wednesday, Sept. 2—Stocks drift down slightly in relatively light trading as exhausted investors await signs of the market's direction.

Thursday, Sept. 3—Worries of an economic slowdown and lagging corporate profits contribute to the Dow's sixth drop in seven days.

Friday, Sept. 4—A burst of bargain hunting late in the day erases most of a sharp decline on Friday, leaving the Dow down 411 for the week.

A LITTLE PERSPECTIVE

A Short-Term Loss—If you had invested $10,000 in the S&P 500 at the market's peak on July 17, it would have been worth $8,206 on Sept. 4, after last week's market drop.

An Even Year—But if you had invested $10,000 12 months ago, on Sept. 1, 1997, it would now be worth $10,827.

A Long-Term Gain—And if you had invested $10,000 on the eve of the big market plunge a decade ago, on Oct. 19, 1987, your investment by now would be worth $34,450.—Source: Datastream

UNITED STATES

The Problems—The economy's increasing dependence on stock market, exports suffering as the world economy stumbles; widening income inequality a concern.

The Solutions—Federal Reserve can lower interest rates to ease economic strains in troubled nations. At home, higher priority for education and training to enhance job skills.

JAPAN

The Problems—The economy has been stagnant for seven years; banks crippled by massive amounts of bad loans; weak political leaders won't make hard decisions; exports hurt by Asian crisis.

The Solutions—Pass permanent tax cuts to stimulate growth; use taxpayer funds to revitalize banks so they can issue credit again.

GERMANY

The Problems—High unemployment; excessive spending on social programs, high tax rates could threaten German competitive under Europe's new single-currency system, the euro.

The Solutions—Accelerate labor-market reform to allow easier hiring and firing of workers; equalize tax rates before the euro arrives.

INDONESIA

The Problems—Risk of social upheaval as poverty increases; dysfunctional banking system; absence of investor confidence; large companies closely linked to the government.

The Solutions—Restructure banks and companies; promote domestic stability; restore confidence of ethnic Chinese businesses.

BRAZIL

The Problems—Massive government-budget deficit; foreign reserves dwindling as the nation defends its currency, the real.

The Solutions—Overhaul the social security plan and pare back spending to lower the deficit; privatize more government-owned companies to free resources and increase productivity.

MEXICO

The Problems—Low oil prices are slashing government income, causing the budget deficit to swell; the peso is unstable because of highly volatile world currency.

The Solutions—Political leaders need to set strict limits on domestic spending; the central bank should maintain a tight monetary policy to support the currency.

RUSSIA

The Problems—Poor tax collection; corruption; little access to credit markets; creeping hyperinflation; zero credibility that the country will carry out economic reforms.

The Solutions—Collect taxes owed to pay wages owed; stay committed to free and open markets to stabilize the ruble; overhaul the banks; stop the crooks.

HONG KONG

The Problems—The government is fiercely defending an overvalued currency; interest rates are excessively high; real estate is overvalued; a faltering financial sector is burdened by shaky real estate.

The Solutions—End the currency peg to the dollar; reduce interest rates to ease pressure on the banks.

CHINA

The Problems—Falling exports and foreign investments plus damaging floods will slow economic growth below 8% target; a virtually insolvent banking system; state-owned enterprises are drowning in red ink.

The Solutions—Devalue the renminbi 15% to keep exports competitive; privatize government-owned companies.

MALAYSIA

The Problems—An autocratic ruler is turning toward a controlled economy; foreign investors have little confidence; domestic debt is dangerously high; a serious threat of inflation.

The Solutions—Revamp the banking system and promote a level playing field in the economy; stick to austerity plan to support the ringgit.

Mr. HARKIN. One argument against lowering interest rates is that our unemployment levels are already low. Some say that our current rate of unemployment at 4.5 percent is too low, companies cannot find workers and will be forced to pay more, hurting their profits, hurting the economy.

Businesses have surprised many economists by creating multiple ways to improve efficiency. Of course, more can and should be done. I believe there is room for additional job growth. Companies have also been effective at finding new employees who were not actively looking for work and were, therefore, not counted as unemployed.

We need economic growth to continue in order to improve wages, to bring still more people into the labor force, to give those working part time the chance to work full time, and to provide opportunity for those on welfare, and for those who have entered the workforce at the bottom rung, to start moving up the ladder.

With only those looking for work counted as unemployed, there are still millions of others not counted as unemployed who could be brought into the workforce. As difficult as it may be to find workers now, this will be viewed as a small problem compared to a serious economic downturn, a recession, and deflation.

Again, if inflation should start to accelerate we can always apply the brakes and whatever inflation may have occurred can be reduced. But to forever limit our growth to a preset limit blocks Americans from the opportunity of reaching their full potential.

If we do move to deflation, if we go into a serious recession at this point, without America's strength, the world's economy could sink to Depression-era levels.

For the sake of our farmers and our small business owners, for hard-working Americans, and the rest of our economy, and for countries around the world, I sincerely hope that Chairman Greenspan and the Federal Open Market Committee do not misjudge the current economic indicators in the U.S. and worldwide economies.

While I am pleased that Chairman Greenspan recently hinted at a possible rate cut, I am afraid the Federal Open Market Committee may have already misjudged the ominous economic signs that are out there. I only hope it is not too late. That is why, Mr. President, the Senate must send a clear signal to the Federal Reserve: Lower interest rates now.

The Fed must show that it has as much concern for the jobs of American workers as it has for the interests of U.S. investors throughout the world. An immediate cut in interest rates will give our economy the boost it needs to maintain its strength during the next year as the fragile nature of many economies throughout the world recovers.

So, Mr. President, that is what we need—for this Senate to send a clear signal that we have looked at the economy, we have listened to our constituents, we have been out in our States; we see it, we feel it, we know it. Things are declining—I can tell you that—in the farm sector and in rural America. We know what is happening worldwide. Now is the time for the Fed to act for a significant cut in interest rates.

Mr. President, I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I had asked one of the smartest people in the Senate on this issue, Senator DOMENICI, to debate it. And there is going to be some discussion of this amendment tomorrow before we vote on it. At that time, Senator DOMENICI will speak about it for our side. But I also want to address the issue shortly, but not from the standpoint of the merits of where interest rates ought to be, but just the issue of whether or not it is appropriate to do this on this bankruptcy legislation, as well as the whole issue of whether or not Congress should try to interfere with the issue of the Federal Reserve deciding what the interest rate should be. Because I think it is fair to assume that we want to make sure that interest rates are appropriate. But who should make that decision?

So I offer this advice to my colleagues on this amendment offered by my colleague from our State of Iowa, Senator HARKIN.

While we are all for lower interest rates, I think this amendment should be opposed because of the traditional separation of the Federal Reserve from the political process. What we generally speak of is the independence of the Federal Reserve System. For short, we all speak of the independence of the Fed.

This country has a very long history of protecting the work of the Federal Reserve from political manipulation. Since the 1930s, Congress has gently refrained from passing legislation in an attempt to influence monetary policy. In fact, according to the Congressional Research Service, in the past 25 years, Congress has acted on only five occasions on legislation that affects the Federal Reserve System. Most of these actions have been in the form of nonbinding resolutions or report language. So congressional action of a statutory nature has been rare, and when it has been done whenever Congress has spoken on this issue, it seems it has had a very tempered approach. Maybe we ought to say that this sense of the Senate is a tempered approach in the sense that it doesn't change statute, but still it is an attempt by a political body to influence a part of our government that we have always tried to keep immune and separated from politics.

There is a sound reason for keeping the Fed independent of this political process. It is because we in this body, whether we want to admit it or not, tend to think too much for the short-term. We tend to think in terms of the next election rather than the next generation. Too often, it is even more personal than that—what can I do to increase my chances of reelection? These short-term policies, as we too often find out, can lead to long-run disasters.

While increasing the money supply can put more people to work prior to an election, of course, it can lead to crippling inflation in the long run. The Fed appropriately is not subjected to the pressures to do something potentially reckless for the purpose of short-term gain. This policy has served us well for generations and the U.S. economy remains the envy of the world because of it. In fact, in this decade alone, many nations have followed the lead that the United States has practiced for over 60 years. They have done this by bringing more independence to their own central banks. Great Britain, under a new labor Prime Minister, has moved to make the Bank of England more independent. Other European Union nations in their new union have committed to an independent central bank upon the creation of that monetary union which starts January 1, 1999.

Furthermore, every nation that has faced a monetary crisis in recent memory has attempted in the name of reform to keep its central bank from political influences. We saw it in Mexico just 3½ years ago when the peso declined so rapidly in Mexico. They have moved in that direction. We see it today in Japan, Korea, and Thailand. A major reason for each of their economic problems, of course, is the cronyism in bank lending practices and political influence over the banking systems. Maybe another way to say it is too much of an incestuous relationship between their corporations and their government, between their bank and their government, to a point where there was no arm's length transactions; the marketplace did not work appropriately. Nobody had to make a sound business judgment because there was always somebody there to bail them out.

These people now, after the crisis in Southeast Asia, have begun to see the wisdom of a central bank, free of political influence. We should recognize the wisdom of it, as well.

As I said earlier, we are all for low interest rates. The relatively low interest rate environment that we currently enjoy has allowed millions of Americans to purchase a home for the first time. It has kept the cost of doing business for small business and farmers down. It has helped the Federal Government reduce its budget deficit by reducing the costs of the national debt.

Instead of pointing fingers at the Fed, Congress should instead focus on the things that are within its authority that lead to lower interest rates, like balancing the budget and reducing Government borrowing. We have been on this course now for the last 3 or 4 years. So, September 30th of this year for the first time we can tell the people we finished the fiscal year not only with the budget balanced but with paying down, probably 60-billion-some dollars, on the national debt.

During this 30-year period of irresponsible Federal spending in which the national debt has been run up to $5.4 billion, and without the changes made in the last 3 or 4 years, at the end of the Clinton administration the debt could have gone to $6.7 billion—at least that is what we were projecting in the 1994 budget resolution discussions. During this period of time of 30 years the Fed has been a counterbalance to an irresponsible Congress, trying to make sure that inflation was kept down as a result of fiscal policy that would tend to drive interest rates up for the Federal Government because the Federal Government always stands first in line for credit and is always willing to pay more and will pay more than any other borrower would pay or have to pay.

Congress has sole constitutional authority over the fiscal policy of this country, and in many respects fiscal policy has had as big an impact on interest rates as monetary policy. For instance, interest rates will remain relatively high as long as the Federal Government is competing with borrowers for money. That is why I find it interesting that often the same Members who want to direct monetary policy at the Fed tend to vote against sound fiscal policies such as balancing the budget and reducing Government spending.

If a Congress did its job of managing fiscal policy better, maybe we wouldn't have to worry so much about what the policy of the Federal Reserve is. Now we are in a position of balancing the budget, paying down some on the national debt, not having the Federal Government eating up all of the total credit that is needed, the Federal Reserve job will be much, much easier.

In short, I oppose these efforts to subject the decisionmaking of the Federal Reserve to the vagaries of the political process. By most accounts, the Fed has been largely responsible for this period of unprecedented economic growth fueled by both low interest rates and low inflation. So I say that we should stay on course that Congresses for the past 60 years have laid out for us, and that is keeping the Fed free of political influence that has led to economic calamities in so many other parts of the world.

I yield the floor.

Mr. HARKIN. Mr. President, I just want to respond a little bit to my colleague from Iowa by again pointing out to Senators that while we do respect the independence of the Fed, as we say, some argue that it is not even appropriate to debate monetary policy or to send signals to the Fed.

I say to my colleague from Iowa, as William Jackson at the Congressional Research Service writes in the report to Congress,

> Constitutional authority to regulate the value of money, and by implication, to determine monetary policy, rests with Congress, article I, section 8 of the Constitution.

This authority has been largely delegated to the Federal Reserve by the Federal Reserve Act, as amended. Nonetheless, the Fed, as a creature of law, may have its policies dictated as well as its structure changed by Congress. Since the 1930s, Congress has generally declined from doing either. But in the past 25 years, Congress has occasionally legislated more Fed accountability, with an aim towards influencing policy. And Congress has periodically enacted nonbinding language to express its monetary policy preferences to the Fed, with the implication that more structural changes could be forthcoming in the absence of policy response by Fed officials.

Again, I think it is not only our right but our duty as Senators to debate monetary policy and to give our thoughts and guidance and direction to the Fed.

The Federal Reserve, I keep reminding people, is nowhere mentioned in the Constitution of the United States. It is not a separate branch of government. It is not something that is under executive powers enumerated in the Constitution. The Constitution gave Congress the power to coin money and regulate the value thereof. Of course, we don't want to do that. I would hate to see us do that. So we delegate it. We set up the Federal Reserve with the Federal Reserve Act. We amended it many times to do that. And it has worked well.

But it still means that as policymakers we have a right and, I think, an obligation to send guidance and direction to the Fed about what is happening in the economy and what they ought to do. The last time the Senate debated a sense of the Congress calling on the Federal Reserve to lower interest rates was on December 19, 1982. It passed by a vote of 93 to nothing here in the Senate. Ninety-three to nothing the Senate passed a sense-of-the-Senate resolution asking the Fed to lower interest rates.

Again, given all of the recent support for interest rate cuts in the business community by economists, editorial boards, and political leaders on both sides of the aisle, I see no reason why the Senate should not vote unanimously, again, urging the Fed to lower interest rates to stem what I and others—not only myself but a lot of others, from conservative to more liberal economists all over America—are saying: there are ominous signs of a possible recession in the U.S. economy.

As I said, even the Chairman of the Fed himself, Chairman Greenspan, has moved in this direction recently. He said encouraging things about the need to perhaps cut interest rates. But I am fearful that the rest of the Federal Open Market Committee hasn't gotten the word yet.

I think we need to send them the word that what we see as policymakers in our daily lives, what we see in our States, what we see in terms of the issues that we deal with in the Senate, that we see an economy that is going down from a 5.5 percent growth rate last quarter down to 1.6 percent next quarter. We see rapidly falling commodity prices, especially in the farm sector. We see wages beginning to stagnate. We see the 30-year Treasury bonds now lower than the Federal funds rate. There are some very ominous signs out there.

This amendment is designed to simply exercise not only our right but, I believe, our obligation as Senators to debate this situation.

Of course, if Senators don't agree that is what is happening—that indeed there may be a recession out there, that there are some signs of falling commodity prices, for example, and of worldwide recession—I guess people can debate that. Obviously, if Senators feel the other way, they obviously should not vote for a sense-of-the-Congress amendment like this. But I hope that Senators who feel that they shouldn't vote against it because Congress has no right telling the Fed what to do—I would just say look at the history.

I will have more to say tomorrow about the many times Congress has passed some legislation, or sense-of-the-Senate, or sense-of-the-Congress resolution giving guidance and direction to the Fed. I hope that we will exercise not only our right but I believe our obligation to do so.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, my colleague from Iowa has accurately stated what the Constitution says and what we can do. I don't have any dispute with that. The only dispute I would have is whether or not it would be wise for Congress to do that after we have had such a success of building confidence in the economy when there is an absence of congressional manipulation of monetary policy. I fear if there is a perception in the private sector of Congress from time to time making an impact upon monetary policy, that is going to build in protection for people who are investing and, consequently, drive interest rates up. We don't want that to happen.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—S. 2176

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to S. 2176, the Vacancy Act.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Reserving the right to object Mr. President, I have advocated the passage of this bill. On a number of occasions I have asked the leader to proceed with this bill as soon as he could do so. And I introduced the legislation several months ago—I believe last year even—that went to the committee chaired by the distinguished Senator from Tennessee, Mr. THOMPSON. I asked the chairman to hold hearings on the bill, which he did. I appeared before the committee and spoke in support of the bill.

And that bill has been reported from the committee with some changes, which I support. So I support this bill 100 percent. But I am constrained to object this evening because of one or two colleagues on my side of the aisle who wish to object. I am sorry to have to do that. But with that explanation, Mr. President, I do object.

The PRESIDING OFFICER. Objection is heard.

FEDERAL VACANCIES REFORM ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

Mr. GRASSLEY. With all respect to the Senator from West Virginia—and his explanation I think is very clear—in light of that explanation, I now move to proceed to S. 2176, and I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham, and Robert C. Byrd.

Mr. BYRD. Mr. President, I ask unanimous consent that I be added as a signatory to the cloture motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, for the information of all Senators, this cloture vote will occur on Thursday, at a time to be determined. In the meantime, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I now withdraw the motion, Mr. President.

The PRESIDING OFFICER. The motion is withdrawn.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

MODIFICATIONS TO AMENDMENT NO. 3595, AS MODIFIED

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the amendment No. 3595, previously agreed to, be modified to make certain technical corrections and remove duplicate language. The language is now at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modifications to Amendment No. 3595 are as follows:

1. Replace page 3 of the Amendment with the following language:

SEC. . ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

(a) Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

"(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.".

(b) Section 523(a)(9) of title 11, United States Code, is amended by inserting "or vessel" after "vehicle".

2. Replace pages 31 and 32 with the following language:

SEC. . DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

"(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.".

SEC. . ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.

Section 101(18)(A) of title 11, United States Code, is amended by striking "the taxable year preceding the taxable year" and inserting "at least one of the three calendar years preceding the year"

SEC. . PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B) of this subsection, those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.

(b) Section 1229 of title 11, United States Code, is amended by adding at the end the following:

"(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

"(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

"(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.".

3. Strike pages 46 through 49.

4. Replace pages 58 and 59 with the following language:

SEC. . DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)(2)(B) by adding at the end the following:

"(C) such agreement contains a clear and conspicuous statement which advises the debtor what portion of the debt to be reaffirmed is attributable to principal, interest, late fees, creditor's attorneys fees, expenses or other costs relating to the collection of the debt.".

(2)(A) in subsection (c)(6)(B), by inserting after "real property" the following: "or is a debt described in subsection (c)(7)"; and

(B) by adding at the end of subsection (c) the following:

"(7) in a case concerning an individual, if the consideration for such agreement is based in whole or in part on an unsecured consumer debt, or is based in whole or in part upon a debt for an item of personalty the value of which at point of purchase was $250 or less, and in which the creditor asserts a purchase money security interest, the court, approves such agreement as—

"(A) in the best interest of the debtor in light of the debtor's income and expenses;

"(B) not imposing an undue hardship on the debtor's future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

"(C) not requiring the debtor to pay the creditor's attorney's fees, expenses or other costs relating to the collection of the debt;

"(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

"(E) not entered into after coercive threats or actions by the creditor in the creditor's course of dealings with the debtor.".

(3) in subsection (d)(2) by striking "subsections (c)(6)" and inserting "subsections (c)(6) and (c)(7)", and after "of this section," by striking "if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor" and adding at the end: "as applicable".

5. Strike page 66.

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, I now ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

EFFORTS TO LEGALIZE MARIJUANA

Mr. HATCH. Mr. President, yesterday, my colleague Senator GRASSLEY introduced Senate Joint Resolution 56, a bill cosponsored by Senator KYL and me that expresses the sense of Congress in opposing efforts in various States to legalize marijuana and other Schedule I drugs for so-called medical use. I am proud to be a cosponsor of this bill, and I want everyone to understand that current drug laws should not be circumvented by allowing illegal harmful drugs to be introduced freely in our society.

Last week, an identical measure sponsored by Congressman McCOLLUM passed in the House of Representatives by a vote of 310 to 93.

Mr. President, proponents of legalization argue that marijuana and other drugs are needed by those living with pain and disease. They stress that these drugs improve the quality of life and should not be denied to those suffering. I understand their argument that we need to be compassionate to those that are suffering. My heart goes out to those people living with disease and to the families that care for them. Nevertheless, those arguments are flawed, and we cannot allow this legalization effort to contravene our Federal drug laws.

In 1996, the Judiciary Committee held a hearing and examined the drug legalization initiatives in California and Arizona. We heard testimony from many of those involved in the war on drugs including General Barry R. McCaffrey, Director, Office of National Drug Control Policy, and Mr. Thomas A. Constantine, Administrator, Drug Enforcement Administration. As a result of chairing that hearing, I learned that there is overwhelming evidence showing that marijuana is not a medicine and that its use by those suffering from cancer and other diseases is contradicted by the many side effects of the drug use. The testimony given at that hearing proved to me that the growing legalization movement in our States is harmful to the very people they are proposing to help.

As many of you know, I have not been afraid to speak out and to urge that this administration do more to stem the rising tide against teenage drug abuse in our country. Illegal drug use by teenagers is one of the most serious domestic problems facing our Nation today: in my mind, it may be the most crucial issue for our Nation's ability to craft productive and law-abiding citizens. The worsening problem of drug abuse among our children and teens wreaks havoc on the lives and potential of thousands of young people each year. Legalization movements send a confusing message to the Nation's youth and threaten to increase the already alarming rise in drug use among teenagers. If we do not act decisively, we will pay a heavy price.

For example, the results of the latest National Household Survey on Drug Abuse found that drug use among our children is climbing at an alarming rate. The number of children ages 12 to 17 using illicit drugs has more than doubled since 1992. Between 1996 and 1997 alone, drug use among 12- and 13-year-olds increased almost 75 percent.

The abuse of marijuana, a drug many widely consider a gateway drug to more serious substance abuse, more than doubled among children between 1992 and 1997, increasing 75 percent between 1996 and 1997 alone. Not surprisingly, the rate of minors first trying heroin is at its highest level in 30 years, and the rate of minors trying cocaine and hallucinogens has more than doubled in the 90's.

Although deeply troubling, this disturbing trend should come as no surprise to this administration. I warned this administration as early as 1993 that its failure to take the issue seriously and take strong action to fight drug abuse would prove disastrous to our children. Unfortunately, the evidence is now in and my predictions were all too prophetic to the great detriment of our children and future generations.

Our country's laws prohibiting narcotic and dangerous drug use are not arbitrary. These laws are designed to protect our children and to protect mature adults from harmful chemicals. These laws should be fully enforced because they help prevent drug experimentation and drug addiction.

Promoting the use of marijuana for so-called medical purposes is nothing more than a sham effort to legalize drugs through the back door. If we do not act decisively, we will pay a heavy price.

In the words of General McCaffrey, our Drug Czar, "[additive drugs were criminalized because they are harmful; they are not harmful because they were criminalized.]" The more a product is available and legitimized, the greater will be its use. If drugs were legalized in the U.S., the cost to the individual and society would grow astronomically.

The Federal Food, Drug, and Cosmetic Act is the key law by which legitimate drug products are evaluated and regulated in this country. A central precept of this law is that all drugs be proven safe and effective under their labeled indications. Proponents of medicinal uses of marijuana should not be exempt from this basic public health requirement. Anecdotal reports that marijuana may be beneficial should not cloud the fact that only controlled clinical trials can meet the exacting licensure requirements of the Federal Food, Drug, and Cosmetic Act. If there is, in fact, a medical benefit from marijuana then it is imperative that the necessary scientific studies be conducted to assess and confirm such benefit. To date, proponents of medical uses of marijuana have been unwilling or unable to come through the front door of the FDA with evidence of its safety and efficacy. The pharmacological armamentarium contains many proven drugs to treat pain. It is poor public policy to acquiesce in back door mechanisms that permit unsafe and unproven products like marijuana to reach the bedsides of American patients.

I believe this to be an important resolution and urge my colleagues to join me and Senators GRASSLEY and KYL in sending a clear message to those who advocate the legalization of marijuana and other Schedule I drugs for medical use in our States. I ask for their support when this joint resolution comes to the floor.

INAUGURAL ADDRESS OF HIS EXCELLENCY ANDRES PASTRANA ARANGO, PRESIDENT OF COLOMBIA

Mr. DODD. Mr. President, on August 7, 1998, Andres Pastrana Arango was sworn in as the 60th President of Colombia, 28 years after his father, Misael Pastrana, took the same oath of office. A former journalist, mayor of Bogota, and Senator, president candidate Andres Pastrana swept into office with the largest electoral margin in his country's history.

With the election of President Pastrana I believe that a new opportunity has been created for the United States and Colombia to work closely together to deal with issues of mutual concern to our two countries. I very much hope that both of our governments will take advantage of this opening because it is in the interests of both countries that we do so.

In his inaugural speech of August 7, President Pastrana set forth his agenda for his term of office. Breaking the stranglehold of major narcotrafficking organizations and bringing peace to Colombia are among President Pastrana's highest priorities. During the course of his address, he laid out his plans to end the 34 year old civil war and to counter drug trafficking and the violence and corruption it brings with it. In order to tackle the financial, political and social problems of his country, he also pledged to undertake a complete turnaround in Colombia's Government during his administration.

I believe that President Pastrana has been very quick in shaping the outline of policies and programs that should help to strengthen democratic institutions in Colombia and respect for human rights. His inaugural address gives me hope that the United States working together with the Government of Colombia can make that a reality. I would urge my colleagues to take the opportunity to read for themselves President Pastrana's Inaugural address. I ask unanimous consent that his address be printed in full at the conclusion of my remarks.

THE PRESIDING OFFICER. Without objection; it is so ordered. (See exhibit 1.)

Mr. DODD. Mr. President, President Pastrana is visiting the United States this week, and the Committee on Foreign Relations will have the honor of receiving him on September 24. At that time we will have an opportunity to discuss at length President Pastrana's vision for his country. I look forward to the opportunity to do so.

EXHIBIT 1

INAUGURAL SPEECH AS PRESIDENT OF THE REPUBLIC BY MR. ANDRÉS PASTRANA ARANGO

This day is not only mine, but of all of us Colombians. The solemn oath that I have taken today before almighty God and before you is a sacrament of our democracy. It is an oath pronounced throughout our history that, in this case, acquires a greater dimension since it requires that we likewise succeed in the fulfillment of our obligations and not repeat the errors of the past. Proud of our heritage, we are now going to seek the best for our future.

We are not only conferring the presidency upon me today; we are also inaugurating a new era for Colombia on the right path. I make a commitment to myself and to you to govern without privileges nor discriminations, but for all Colombians. Those who hold the highest positions in government shall have the greatest obligations under the law, and those who think that power gives one the right to break the law shall not govern. Put simply, there shall be no room for corruption in my administration and it shall not be tolerated nor forgiven. I want—and I shall accept nothing less—this administration to go down in history as the cleanest of all administrations.

Within the immense margin of our challenges, let us risk facing the big changes that we need. Let us again trust that our cities and our countryside become safe and peaceful. Let us believe that once again our industry and our agriculture will prosper, that our children will receive a good education, that their health will be protected, and that their parents will be safe from the scourge of unemployment.

Fulfilling these expectations implies serious and sustained efforts, a common cause and the uncommon courage to gather new ideas and be willing to never quit nor give up.

For change does not happen in a week, a month, or a year. Perhaps, it will not even be complete at the end of this administration. We are at the dawn of a new era, not yet in its splendor. But change begins today.

We have vast natural resources but, more importantly, great human talent. If we prepare ourselves conscientiously, we should not fear the economy's globalization. On the contrary, we shall welcome it and we shall compete and prosper within it.

I see a Colombia proudly acknwoeldged in our hemisphere and in the entire world, for navigating through the prodigies of cyberspace and not in the artificial paradises of cocaine. I see a proud Colombia, with enough authority to challenge other nations to control their own drug demand, because we were able to combat our own country's supply and demand.

As President, I shall not surrender even a bit of our sovereighnty, but I shall appeal to the entire country to comply with the law and to build the prosperity that shall make Colombia a magnet for investment with its modern economy.

We shall look for prosperity not only in industry and enterprise, but also in agriculture, which has been abused of for many years without being paid its due. We are going to invest more in the countryside. Let us not forget that the land is the soul of Colombia and that those who cultivate it are the soul of the land.

Colombians, during my campaign I proposed ten great changes. Each one of them is equally important and they shall all be promoted. We must try again, and trust once again, that we can change and attain a better country. I ask for your help, for, more than the decisions of a President, it is your hands that shall mold the final substance of our efforts.

To the people of Colombia, I owe the privilege of being the leader that shall close the doors of the 20th century and open those of the 21st century, towards the vast horizon of the Third Millenium. I have been given the responsibility of continuing and improving, wherever possible, the accomplishments of other leaders. But more than six million Colombians, and a broad consensus of the country, have chosen me to find the road to this Promised Land that Colombia should be.

A COLOMBIA IN PEACE

A very wise Spanish saying says, "Without peace, there is no bread". Therefore, first of all, I want peace, which means peace and bread. And it is the Promised Land that we yearn for, a Colombia in peace.

But reconciliation requires a government that is able to organize collective leadership for peace. This implies sacrifices, requires renunciation, and demands serious commitments that would be sterile, as long as Cain continues killing Abel.

The President of the Republic assumes the non-renounceable leadership of building peace. Do not expect me to build a bureaucracy for peace. As of now, I invite all Colombians to continue and to work within the "Agenda for Peace" that I am going to lead.

It must be clear for every one that I shall recover for the State the monopoly of force for peace, social justice, and the happiness of the Colombian people. Every minute that we save on war is an investment in life. International cooperation in our peace processes should not be viewed as the inability to build it ourselves, but as a new way of making peace.

The call to peace as a necessary condition for the country's project is evident. But peace demands the transformation of the human energy of animosity, which is characteristic of wars, into vital energy for the reconstruction of a new Colombia.

It is precisely this vital energy that should not permit that violent acts, like those of recent days, occur again; acts that fill me, like their families and all my countrymen, with pain. They do not contribute to the atmosphere of understanding that we, myself personally and my entire administration, are ready to propitiate by putting all of our efforts into it.

The first question is that of identity. What is Colombia and what do we want it to be? Historically, the nation looked for its identity in a homogeneity that was excluding, which despised diversity or nullified it. A country demanded a religion, a language, and even a dominant ethnic group. From dictatorial positions or from republican pacts, these conditions of identity were being imposed for an indefinite time to conform other systems of power. A subsequent evolution, particularly the current one, demonstrates that those that have been excluded in any way, usually demand, with great violence, the acknowledgment of their existence and their right to participate. The point is that the identity of the new Colombia that faces the challenges of the 21st century and is handed over to the new generations must be inclusive of Colombian diversity, not exclusive, as it has been until now for a significant number of Colombians. Keeping the nation united must be the origin and the end of this historic determination in favor of peace.

A MODEL FOR DEVELOPMENT AND SOCIAL JUSTICE

I receive a country with seriously affected economic indicators and with its public finances in ruin. I, therefore, intend to do an inventory of the conditions in which I received them. But we shall also promptly present, in the coming weeks, the great guidelines of the measures to be taken in order to bring Colombia out of the situation in which we found it.

A fundamental part of this recovery program is budget adjustments. Our country cannot continue to carelessly spend beyond its possibilities. If we did so, the already serious unemployment situation that we inherited would be even more overwhelming. And the imbalances everywhere would make the economy unmanageable and would commit the development of the country for a long time. Therefore we shall rigorously dedicate ourselves, from the very first days of this administration, to putting the fiscal house in order.

But we shall not only organize public finances. We also have to reactivate an equitable economic growth. The development plan that the administration must submit to Congress within the first six months, as stated by the Constitution, shall be the opportunity to draft the navigational chart that shall permit us to open the doors of the 21st century to a society with better and more equal growth. In this purpose, the search for peace is not only a common yearning but also an intelligent strategy for economic development. Peace is the most urgent task on our country's agenda and the best social contract that we can make towards the future.

DRUG TRAFFICKING

We must take advantage of the closing of the century to do an inventory of the serious damage caused to society by drug trafficking. Ecologically, there is no doubt that it is the main predator of large areas of Colombian territory, which is valued in the world for the diversity of its environmental treasures.

Not to mention, the increase in corruption, whose effect on institutions has become one of the most fatal aggressors that the Colombian State has confronted in all its history. Or the increase in violence, due to easy money for the attainment of objectives that used to be the fruit of years and years of honest labor. Or the increase in drug use.

If Colombia survives in spite of so many misfortunes, it is only because of the moral fortitude of a people that has known how to face them. But let us not ask it for more miracles.

THE "PEACE FUND" WITH TRI-PARTITE CONTRIBUTIONS

In order to reach this national objective, besides the political initiatives that we are implementing, peace shall be the common thread of the next development plan. It shall be funded by tri-partite contributions from different sources. Firstly, the government itself, which, as a consequence of the austerity program to be undertaken, shall free significant resources to be earmarked for strategic investments for peace. Secondly, contributions from the international community that has demonstrated its interest in collaborating financially to acclimatize peace in Colombia. And thirdly, monies that wealthy Colombians shall contribute, through a "Peace Bond of Compulsory Subscription", whose authorization we shall request from Congress, and through which the valuable demonstrations of so many good-willed Colombians may become concrete.

As I said in my campaign, we shall submit a bill before Congress that shall permit the gradual reduction of the Aggregated Value Tax while simultaneously and forcefully combating current tax evasion. Moreover, once the fiscal adjustment program yields results, we shall propose a reduction of income tax rates for those companies generating new employment.

OUR FOREIGN POLICY

The transparent and categorical mandate that I have received from the Colombian people must also transform our international position in order to carry out a foreign policy with a broad consensus, that is coherent and systematic, that overcomes the exclusivism of any group, region, or party. Our diplomacy shall be efficient, able to work without disadvantages, respectful of commitments and aware of its non-renounceable dignity and its well-earned rights.

I am convinced that the irreversible purpose of globalization demands a more equitable international order. We do not want to be simple spectators but, rather, diligent actors in this new world commitment.

I am aware that our international agenda demands a different way of looking at it. We do not reject responsibility. We assume it. Our foreign policy shall be aimed at strengthening our negotiating power with regards to fundamental issues on the global agenda. We shall reaffirm our commitment to the promotion and defense of human rights and International Humanitarian Law, with acts and effective actions.

As President of the Republic, I shall fully exercise the constitutional duty of leading foreign relations, aware that the leadership of the Head of State in a regime like ours is irreplaceable.

Our foreign policy shall be guided by the protection of Colombia's essential rights. We share the great principles contained in the United Nations Charter and in the instruments of the Inter American system. Colombia's international word is sacred to us. We defend the sanctity of treaties and the good faith in relations among States. We have always supported the pacific and negotiated solution to conflicts. National heritage is the product of law, never of force or of arbitrary imposition. We believe in the force of multilateralism, in the collective action organized to confront problems and to prevent and resolve divergences and conflicts.

Venezuela is the country with which Colombia has made more progress in economic integration. The strong historic and cultural ties that unite us shall permit us to foster understanding in all areas in order to continue making progress in the process of binational integration and in the consolidation of the Andean Community of Nations in order to project it to the entire continent.

The United States, as hemispheric power and because it is the biggest and most advanced economy in the world, is a fundamental country for Colombia's international relations. We also begin a new era of understanding and trust with them, which will permit the diversification of our common agenda so as to continue on the road of true cooperation, more as brothers than as good neighbors.

Regarding Europe and the Pacific Basin countries, we shall continue strengthening our economic and cultural relations, as well as the ties among the various integration blocks that exist today. In this respect, we shall assign particular importance to the European Union, Latin American and Caribbean Summit that will take place next year, as a result of the dialogue between the European Union and the Rio Group.

Colombia embarks today on search of the international community, to re-assume the leadership that belongs to it in the "New World" design.

SOCIAL JUSTICE

This is evident: peace is not possible without social justice. Colombia is a society torn by social distances. It is urgent, therefore, to improve the distribution of national wealth, to make society cohesive and direct it towards peace, through education, health and employment.

The world is changing in giant leaps. Society has discovered that its great source of wealth is no longer mineral but human. To invest in it, as well as in our natural resources, is the change that will make us strong. And this, in turn, compels us to reflect upon the meaning of continued fighting over scarce material resources instead of strengthening our democracy and developing our industry and our trade, based on human resources, education, technology, and science.

Therefore, it is time to break with history and to change our course. Thus, the development model that I propose to you is not dependent upon peace negotiations but, rather, establishes the basis for a transparent, fertile, and lasting peace.

THE ECONOMY AND EMPLOYMENT

The macroeconomic effort shall be aimed at the urgent generation of employment. To generate employment—good employment—is essential if we want to have a real future. Employment is not only the new name for peace but also our first expression of solidarity.

In order to attain the goals of collective improvement, it is necessary to build a strong and solidary economy, which we are lacking today. Correcting the imbalances and channeling the economy towards development and full employment again will initially demand the adoption of severe but essential measures.

Economy and education must go hand in hand to establish the basis for progress. The coming Third Millennium needs new learning. We are going to change education in Colombia so that it may become an open door, where the question will not be how much money the family has but, rather, how much talent the student has. Awakening young people to knowledge is the only way to face the future successfully.

PREFERENTIAL OPTION FOR THE POOR

My administration makes and reaffirms a preferential option for the poor. We do not want a Colombia with excluded persons. The government's task is to foster and consolidate economic growth that will reduce the injustices of poverty and demonstrate, with its results, that it is worthwhile to be just.

For my administration, the poor are a moral commitment, a political commitment, an economic commitment, a cultural commitment, and not just a statistic index. A plan for overcoming poverty convokes, channels, and opens new dimensions for international cooperation and must prevent poverty from being the dangerous ally of those who, with drug trafficking, try to undermine the foundations of the nation and of the international community.

Being solidary in Colombia means helping to create jobs, investing in the creation of jobs, buying at a fair price to create and foster the quality of those jobs. When I think of globalization, I think about its most urgent aspect, which is globalization of solidarity.

RECOVERING VALUES

This is why, together with Gustavo Bell, I would like to invite all of you to recover values. This country must organize itself and become strong against corruption. We cannot continue to tolerate the systematic robbery of goods belonging to the community. It is necessary to end corruption, and the people have taken a first step with their vote. The President and each one of his officials must be a model for others. Their words must be truthful and their example must be clear. There is no greater corruption or lie than good advice followed by bad example.

Let no one be wrong. The government shall persecute the corrupt, shall bring them to light, and shall rescue the institutions from the claws of the corrupt.

THE NEED FOR POLITICAL REFORM

For all these reasons, a thorough political reform must be undertaken. "We cannot pour new wine into old vessels." The recovery of politics for the common good, for social justice, for solidarity, and for development requires the creation of new forms of governing, of controlling, of competing for power, of designing laws, of creating the future.

I thank God for the privilege of having my mother and family here present. I thank Divine Providence for the gift of Nohra's company and leadership and of Santiago, Laura, and Valentina's challenging future.

And I thank the Lord for having given me in Misael Pastrana a living example of values, of loyalty to life, of love of country. He was a patriot who, in light of Colombia's destiny and uncertainties, affirm and warn, "the promised land is at stake". It is necessary for "The New Dawn" brings us optimism, faith, truth, solidarity, and the commitment required to change history because no one will do for us what we must do for ourselves.

Dear friends: A "New Dawn" begins now! Today, it is not only the inauguration of a new President, but also the opening of a new era for the nation. With Gustavo Bell we will make the dream of "The Great Alliance for Change" come true for Colombia.

The glory of a leader consists in attaining peace, striving for the citizens' well-being and happiness. Achieving this shall be the only reward I will aspire to at the end of my mandate. This is no time for hesitation or doubt. This is a moment for decisions and courage. Long and difficult is the road leading to the Colombia we yearn for. Let us begin now! Tomorrow will be another day!

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, September 21, 1998, the federal debt stood at $5,510,750,292,549.80 (Five trillion, five hundred ten billion, seven hundred fifty million, two hundred ninety-two thousand, five hundred forty-nine dollars and eighty cents).

Five years ago, September 21, 1993, the federal debt stood at $4,392,902,000,000 (Four trillion, three hundred ninety-two billion, nine hundred two million).

Ten years ago, September 21, 1988, the federal debt stood at $2,596,653,000,000 (Two trillion, five hundred ninety-six billion, six hundred fifty-three million).

Fifteen years ago, September 21, 1983, the federal debt stood at $1,354,377,000,000 (One trillion, three hundred fifty-four billion, three hundred seventy-seven million).

Twenty-five years ago, September 21, 1973, the federal debt stood at $459,603,000,000 (Four hundred fifty-nine billion, six hundred three million) which reflects a debt increase of more than $5 trillion—$5,051,147,292,549.80 (Five trillion, fifty-one billion, one hundred forty-seven million, two hundred ninety-two thousand, five hundred forty-nine dollars and eighty cents) during the past 25 years.

SUPPORT WORKING FAMILIES

Mr. KERRY. Mr. President, in a time of unprecedented economic prosperity, we have seen a reduction in inflation and unemployment yet a full-time minimum wage earner makes almost $3,000 below the poverty level—a mere $10,712 per year. No one who works full time should be poor in this country—it's time to raise the minimum wage.

Republicans say that raising the minimum wage will cause job loss and put undue burdens on business owners. But in a recent study conducted by Princeton economists David Card and Alan Krueger, their analysis of New Jersey's minimum wage increase in 1992 showed that employment in fast food restaurants grew at least as quickly as in neighboring Pennsylvania where the minimum wage stayed the same. Also noted in the study was that higher wages actually benefitted employers—turnover expenses were reduced and productivity improved due to better motivated and more stable employees. Mr. President, it's time to raise the minimum wage.

Additionally, data from the Bureau of Labor Statistics shows that since the 1996–97 wage increases took effect, 4 million new jobs have been created and unemployment is at 4.5%—its lowest level in a generation. In fact, a study by the Economic Policy Institute documents that there was no measurable negative effect on jobs. The only measurable effect was on workers—they received the pay increases they deserved. Mr. President, it's time to raise the minimum wage.

Contrary to what has been said by my colleagues on the opposite side of the aisle, workers who will benefit from this increase are not primarily teenagers from high income families. 70% are adults over the age of 20 and forty percent of minimum wage workers are the sole bread winners in their families. As a matter of fact, the average minimum wage earner brings home half of their family's income. Additionally, 60% of minimum wage earners are women. Mr. President, it's time to raise the minimum wage.

In 1979, minimum wage earners needed to work an average of 40 hours per week to stay out of poverty. Today those same workers must work 52 hours. By raising the minimum wage one dollar by the year 2000 we will restore its purchasing power to its mid-1970's level. With unemployment levels 50% to 75% lower and inflation rates 2 to 3 times lower, we can afford to restore that purchasing power. Mr. President, it's time to raise the minimum wage.

It is time to honor the American working people with a fair wage. As President Franklin D. Roosevelt said, "Our nation, so richly endowed with natural resources and with a capable and industrious population, should be able to devise ways and means of insuring to all able-bodied working men and women a fair day's pay for a fair day's work." I call upon my colleagues in the Senate to begin narrowing the gap between rich and poor in this country. We must help bring economic prosperity to the men and women who feed our families, care for our children and elderly parents, and play by the rules. It's time to help working families and it's time to raise the minimum wage.

CAL RIPKEN'S STREAK OF PLAYING 2,632 CONSECUTIVE GAMES

Ms. MIKULSKI. Mr. President, Sunday, September 20, 1998 marked the end of an era in sports. Cal Ripken, baseball's Iron Man, took a well-deserved day off. As the Baltimore Sun put it, "The Streak died of natural causes. It was 2,632."

Cal Ripken sat in the dugout Sunday night not because of injury, or illness, or a manager's decision. Cal voluntarily took himself out of the lineup because he felt he was not playing up to his own standards, and would not contribute enough to the team. Cal's quietly monumental decision exemplifies the dignity and class with which he has conducted himself throughout his career.

When Cal Ripken began his streak in 1982, Ronald Reagan was President, I was a Congresswoman, "Dallas" was the most popular TV show, and the movie "ET" was setting box office records. A baby born that year is about to be a junior in high school. Ryan Minor, who played in Cal's place Sunday night, was 8 years old.

I was in the stands September 6, 1995, the night that Cal played game number 2,131. I've watched history being made on the Senate floor, but that night I watched history being made on the glorious green field of Camden Yards. I will never forget the joy we all felt as the banners rolled, the light bulbs flashed, and Cal took his victory lap.

Records are made to be broken, but I can't imagine Cal's record being broken in our lifetime. The next closest player, Albert Belle, would have to play in every game for the next 14 years to equal The Streak.

What Cal has accomplished is simple: Every day for the last 16 years, he got up, got dressed, and went to work. He represents the old-fashioned ethic displayed by millions of Marylanders every day as they work hard, play by the rules, and take care of their families. It's not fancy, it's not flashy, but it is the glue that holds our communities, our society, and our nation together.

So to Cal Ripken, I say hats off, thank you for being you, and thank you for showing all of us how it's supposed to be done."

THE OMNIBUS PATENT ACT OF 1998

Mr. LEAHY. Mr. President, I have been working diligently along with Senators DASCHLE, BINGAMAN, CLELAND, BOXER, HARKIN, and LIEBERMAN to get this measure considered and passed by the Senate. It an important measure to America's future.

Along with all the Democratic cosponsors of the bill, I signed on to offering our patent bill as an amendment to this bankruptcy bill. I helped provide an opportunity for this amendment in the unanimous consent agreement accepted by the Senate on Friday September, 11th. It is long past time for the Senate to consider this patent reform legislation.

Unfortunately, Republican opposition to the bill has prevented Senate consideration for more than a year. This is another example of how secret, anonymous holds on the Republican side are preventing important legislation from being considered by the Senate. I deeply regret that those same Republican objections have now succeeded in preventing our Republican cosponsor, the Chairman of the Senate Judiciary Committee, from even offering this amendment to the bill in the amendment spot that we had reserved for that purpose. I believe that there is strong support for this measure. I cannot guarantee that all 45 Democratic Senators will vote for it, but I do know that no Democrat has prevented or is now preventing its consideration.

I want to thank Secretary Daley and the Administration for their unflagging support of effective patent reform. Our patent bill would be good for Vermont, good for American innovators of all sizes, and good for America. Unfortunately, the Republican majority or some secret minority of that Republican majority will not allow patent reform to proceed.

OVERVIEW OF THE PATENT BILL

The Patent Bill would reform the U.S. patent system in important ways. It would: reduce legal fees that are paid by inventors and companies; eliminate duplication of research efforts and accelerate research into new areas; increase the value of patents to inventors and companies; and facilitate U.S. inventors and companies' research, development, and commercialization of inventions.

In Vermont, we have a number of independent inventors and small companies. It is, therefore, especially important to me that this bill be one that helps them as well as the larger companies in Vermont like IBM. So I talked to independent inventors and representatives of smaller companies to see what reforms they recommended. I have tried to make sure that their recommendations were incorporated into the Patent Bill as the legislation has advanced through Congress.

LEGISLATIVE HISTORY

The reforms that would be implemented with the passage of this legislation have been subject to careful and deliberate consideration by Congress. In fact, over the past several years, Congress has held eight Congressional hearings with over 80 witnesses testifying about the various proposals incorporated in the Patent Bill.

Republican and Democratic Administrations alike, reaching back to the Johnson Administration, have supported these reforms. Last year, five former Patent Commissioners sent a letter to the President and to the members of the Senate supporting the Patent Bill.

In addition to the thorough consideration that has been given these reforms over the years, the Senate has given close scrutiny this Congress to the bill before us today. The Senate Judiciary Committee held a hearing on this legislation on May 7, 1997. The Committee heard testimony of Senator FRANK LAUTENBERG, Representative HENRY HYDE; Representative HOWARD COBLE; Representative DANA ROHRABACHER; Representative MARCY KAPTUR; the Assistant Secretary of Commerce and Commissioner of Patents and Trademarks; the Executive Director of the American Intellectual Property Law Association; the Vice President of the International Trademark Association; the President and CEO of a small business in Utah; and Bill Parker, President of the Vermont Inventors Association.

After the hearing, Senator HATCH and I worked to address the concerns of independent inventors, small businesses, universities, the Administration, and other Senators. We made several changes to the legislation, which I think significantly improved the Patent Bill. Let me give you some examples of the changes that we made to the legislation: (1) any applicant who does not apply for a patent overseas can elect NOT to have early publication of their patent (2) any applicant who diligently prosecutes a patent application will receive a full 17 years of patent protection; (3) non-profit research laboratories or other nonprofit entities such as universities, research centers, or hospitals can petition the Commissioner of Patents and Trademarks for additional patent protection; and (4) the United States Patent and Trademark Office (PTO) must develop statewide computer networks with remote library sites to enhance access to information in state patent and trademark depository libraries for independent inventors and small businesses in rural states.

On May 22, Senator HATCH and I offered a substitute amendment with these changes. Every member of the Committee, save one, voted in favor of the Hatch/Leahy substitute amendment.

After the markup, the White House Conference on Small Businesses, which consists of over 2000 delegates elected from hundreds of thousands of active small businesses nationwide, made additional suggestions on how to improve the bill. Senator HATCH and I agreed to incorporate their suggested changes into a substitute amendment to the Patent Bill, and I am pleased to report that as a result, the White House Conference on Small Businesses, the National Association of Women Business Owners, the National Venture Capital Association, National Small Business United, and the Small Business Technology Coalition has concluded that, if enacted, this bill would be of great benefit to small businesses.

TITLE BY TITLE ANALYSIS

Unfortunately, because of Republican opposition to this bipartisan bill, the Senate will have no opportunity to consider this legislation to assist U.S. inventors small and large. I find this particularly unfortunate since our Patent Bill was geared toward improving the operational efficiency at the PTO and making government smaller and leaner. I would like to provide a title-by-title overview of the substitute amendment to the Patent Bill that Senator HATCH and I were prepared to offer as an amendment to the bankruptcy bill.

Title I of the amendment: PTO reforms

Title I of the amendment would have made some modest, albeit important, reforms to the PTO. It provides that the PTO shall not be subject to any administratively or statutorily imposed limitation on positions or personnel. This should allow the PTO to hire the necessary number of examiners to review the increasing number of applications received by the office. Title I also creates a Patent Management Advisory Board and a Trademark Management Advisory Board. Of the five members of the Patent Management Advisory Board, not more than three shall be members of the same political party, at least one member shall be an independent inventor, and the members shall include individuals who represent small and large entity patent applicants located in the United States in proportion to the number of applications files by such members.

Title II of the amendment: Publication of Patent Applications

Title II of the amendment responds to the concerns of independent inventors and small businesses regarding the matter of 18-month publication. These concerns were articulated at the Senate Judiciary Committee hearing by the President of the Vermont Inventors Association, Bill Parker. Mr. Parker suggested giving applicants who only file in the United States a choice whether or not to publish early. He also recommended that we enhance the protections granted to those who choose 18-month publication if we wish to encourage them to take that course.

Title II does both of these things. In particular, it allows any applicant to avoid publication before the granting of the patent simply by making such a request upon filing the application and by certifying that their application has not—and will not—be published abroad. The substitute also provides for the issuance of patents on individual claims in published applications as they are approved, rather than waiting for the disposition of all claims contained in such an application, as now occurs. This allows applicants to gain full patent protection—including reasonable royalties, damages, and attorneys fees when appropriate—for some of their component inventions earlier than they would have under the original draft of the bill.

This new Title II in our substitute amendment will benefit U.S. researchers and manufacturers who will have early English language access to the applications filed with the PTO that are of foreign origin. This bill measures the 18-month publication period from the earliest patent application date anywhere in the world. Since foreign-origin applications typically are filed abroad 12 months before they are filed here, those applications will be published 6 months after they are filed in the U.S.; that is a year earlier than domestic-origin applications. This will level the playing field with foreign countries that already are publishing our applications in their languages within 6 months after our applications are filed abroad.

Title III of the amendment: Patent Term Restoration

In 1995, GATT changed the U.S. patent term from 17 years from issuance to 20 years from filing. On average, this new term does not result in loss of patent term. It is still possible, however, that an individual patentee would have less patent term under the post-GATT term than under the pre-GATT term. To remedy this situation, Title II of the substitute amendment restores patent term lost to "unusual administrative delay" by the PTO and guarantees all diligent applicants a minimum 17-year term.

More specifically, the 1995 law authorizes patent extensions for only 5 years, and authorizes extensions only for PTO delays occurring in three specific situations: interference proceedings, imposition of secrecy orders, and appellate review. Title II of the substitute amendment makes extensions available to compensate for any type of delay by the PTO—extensions up to 10 years in the case of appellate review or unusual administrative delay, and unlimited extensions for delays caused by secrecy orders and interference proceedings.

Title IV of the amendment: Prior Domestic Commercial Use

Title IV of the amendment will provide protection against an infringement suit for anyone who has commercially used an invention for more than a year before another person files for a patent on an invention. In raising this defense, the burden of proof will be on the person claiming the defense, not the patent holder. This provision will protect the unsophisticated entrepreneur from being ruined. Under current law, an independent entrepreneur who has invested perhaps his or her entire life savings to produce and market an invention can be shut down completely by someone else who comes along much later and gets a patent on the same invention. A prior use right will protect independent entrepreneurs from this financial disaster.

Title V of the amendment: Patent Reexamination Reform

Although the goal of the original reexamination provisions—reducing legal bills for patent applicants—was laudable, I was concerned that the legislation protect against harassment by third parties. Title V of the amendment now requires that everyone who requests reexamination of a patent to identify the real party in interest that they represent. It continues to limit the grounds for patent invalidity that can be raised during a reexamination proceeding to earlier patents and publications. Grounds that require evaluation of live testimony cannot be raised. Parties are prohibited from requesting a second reexamination until the first reexamination is completed. Parties cannot raise issues during reexamination that they raised or could have raised in earlier court litigation. Neither can they raise issues in court litigation that they raised or could have raised in an earlier examination. Furthermore, no reexamination proceeding can ever be started unless the Commissioner makes a determination that a substantial new question of patentability is raised. The Commissioner's determination not to start a reexamination is unappealable. In all of these ways, the re-examination provisions in the substitute amendment will provide an alternative to the current costly and time-consuming process of Federal litigation and at the same time, protect patent applicants against undue harassment.

Title VI of the amendment: Miscellaneous Provisions

The final title of the amendment contains several lower-profile, but nonetheless important and needed changes to American patent law. A matter of special interest to me is the section I suggested be added in this Title to enhance access to patent information. I have long thought that electronic access should be more widespread and want to work with the PTO to ensure the effective implementation of statewide electronic accessibility of patent information in rural states and eventually in all areas to make it easier for inventors to study prior art and make further advances. This should be of particular benefit to Vermont, which just recently established a patent and trademark depository library.

Also important is the section that clarifies the authority of the Copyright Office. It is intended to codify the traditional role of the Copyright Office and to confirm the Register's existing areas of jurisdiction. The new subsection 701(b)(1) reflects the Copyright Office's longstanding role as advisor to Congress on matters within its competence. This includes copyright and all matters within the scope of title 17 of the U.S. Code. The new subsection (b)(2) reflects the Copyright Office's longstanding role in advising federal agencies on matters within its competence. For example, the Copyright Office advises the U.S. Trade Representative and the State Department on an ongoing basis on the adequacy of foreign copyright laws, and serves as a technical consultant to those agencies in bilateral, regional and multilateral consultations or negotiations with other countries on copyright-related issues. The new subsection (b)(3) reflects the Copyright Office's longstanding role as a key participant in international meetings of various kinds, including as part of U.S. delegations as authorized by the Executive Branch, serving as substantive experts on matters within the Copyright Office's competence. Recent examples of the Copyright Office acting in the capacity include its central role on the U.S. delegation that negotiated the two new WIPO treaties at the 1996 Diplomatic Conference in Geneva, and its ongoing contributions of technical assistance in the TRIPS Council of the World Trade Organization and the Register's role as a featured speaker at numerous WIPO conferences. The new subsection (b)(4) describes the studies and programs that the Copyright Office has long carried out as the agency responsible for administering the copyright law and other chapters of title 17. Among the most important of these studies historically was a series of comprehensive reports on various issues produced in the 1960's as the foundation of the last general revision of U.S. copyright law, enacted as the 1976 Copyright Act. Most recently the Copyright Office has completed reports on the cable and satellite compulsory licences, legal protection for databases, and the economic and policy implications of term extension. The reference to "programs" includes such projects as the conferences the Copyright Office co-sponsored in 1996–97 on the subject of technology-based intellectual property management, and the International Copyright Institutes that the Copyright Office has conducted for foreign government officials at least annually over the past decade, often in cooperation with WIPO. The new subsection (b)(5) makes clear that the functions and duties set forth in this subsection are illustrative, not exhaustive. The Register of Copyrights would continue to be able to carry out other functions under her general authority under subsection 701(a), or as Congress may direct.

Today's inventors and creators can be much like those of Thomas Jefferson's day—individuals in a shop, garage or home lab. They can also be teams of scientists working in our largest corporations or at our colleges and universities. Our nation's patent laws should be fair to American innovators of all kinds—independent inventors, small businesses, venture capitalists and larger corporations. To maintain America's preeminence in the realm of technology, which dates back to the birth of this republic, we need to modernize our patent system and patent office. Our inventors know this and that is why they support this legislation.

I have received letters of endorsements of S. 507, which I placed into the CONGRESSIONAL RECORD on June 23, July 10 and July 16, from the following coalitions and companies: the White House Conference on Small Businesses, the National Association of Women Business Owners, the Small Business Technology Coalition, National Small Business United, the National Venture Capital Association, the 21st Century Patent Coalition, the Chamber of Commerce of the United States of America; the Pharmaceutical Research and Manufactures of American (Parma), the American Automobile Manufacturers Association, the Software Publishers Association, the Semiconductor Industry Association, the Business Software Alliance, the American Electronics Association, the Institute of Electrical and Electronics Engineers, Inc., the Biotechnology Industry Organization, the International Trademark Association, IBM, 3M, Intel, Caterpillar, AMP, and Hewlett-Packard.

In addition, I have letters of support of the Patent Bill from the National Association of Manufacturers, TSM/Rockwell International, Obsidian, and Allied Signal.

I am deeply disappointed that the Senate is being prevented from considering this important legislation by Republican recalcitrance. American inventors deserve better and America's future is being short changed.

THE REINSTATEMENT OF THE MEDICARE REHABILITATION ACT OF 1998

Ms. MIKULSKI. Mr. President, I rise today in support of the Reinstatement of the Medicare Rehabilitation Act of 1998, introduced by Senators REID and GRASSLEY. I have always been a strong advocate for the senior citizens of our nation and I believe this bill will help provide a safety net for some of our sickest seniors. I was pleased to recently join my colleagues as a cosponsor of this bill for two reasons—it repeals an unnecessary $1,500 cap on Medicare outpatient rehabilitation services and will allow seniors to receive treatment services that are essential to their health.

Every year our elderly are threatened by strokes, multiple injuries, and diseases. Seniors who suffer from strokes and multiple diseases in a given year often have complex health care needs that require costly, comprehensive treatment. One study has estimated that almost 13% of all Medicare beneficiaries or 635,000 seniors who receive rehabilitative services outside of a hospital setting will exceed the $1,500 cap. The treatment that they desperately need would exceed the $1,500 cap and require seniors to pay out of pocket for services or seek treatment in a hospital outpatient department in order for Medicare to cover their treatment.

How could our senior citizens be treated this way? How did this come to be? Well let me tell you, in 1997 Congress passed the Balanced Budget Act. Within that Act we placed a $1,500 cap on outpatient rehabilitation services. Limits on the cap were adopted without adequate committee hearings and a detailed analysis was not conducted by HCFA to determine the likely effects on beneficiaries' ability to obtain medically necessary services.

This was a mistake, but fortunately we can correct it by passing this legislation. The Reinstatement of the Medicare Rehabilitation Act ensures senior citizens the right to receive the medical services they need to recover.

Under this bill, senior citizens will no longer be hindered by financial limitations on rehabilitation services and seniors who don't live near a hospital won't be forced to travel there just to have Medicare pay for their treatment services. I don't want an 85-year-old woman who has had a stroke and is trying to regain her ability to speak or eat to have to travel to a hospital 30 minutes away to receive treatment.

I want to let those who depend on Medicare know that we are working to protect their health. While we must continue to work diligently to protect the solvency of Medicare, we can't let seniors who need rehabilitation services fall through the cracks. I salute the sponsors of this bill and urge my colleagues to support this important legislation.

MESSAGES FROM THE PRESIDENT

Messages from President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:23 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 1856) to amend the fish and Wildlife Act of 1956 to direct the Secretary of the Interior to conduct a volunteer pilot project at one national wildlife refuge in each United States Fish and Wildlife Service region, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 326. Concurrent resolution permitting the use of the rotunda of the Capitol on September 23, 1998, for the presentation of the Congressional Gold Medal to Nelson Rolihlahla Mandela.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3248. An act to provide dollars to the classroom.

H.R. 4569. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

MEASURE PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 56. Joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7047. A communication from the Secretary of Defense, transmitting, pursuant to law, a report entitled "Second Half FY 1997 Semi-Annual Report on Program Activities to Facilitate Weapons Destruction and Nonproliferation in the Former Soviet Union"; transmitted jointly, pursuant to section 1208 of Public Law 103–160, to the Committee on Appropriations, to the Committee on Armed Services, and to the Committee on Foreign Relations.

EC–7048. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, a report on state compliance with terms of the Antiterrorism and Effective Death Penalty Act of 1996; to the Committee on the Judiciary.

EC–7049. A communication from the Chairman of the Good Neighbor Environmental Board transmitting the Board's annual report for 1997; to the Committee on Environment and Public Works.

EC–7050. A communication from the Acting Director of the Financial Crimes Enforcement Network, transmitting, pursuant to law, the report of a rule entitled "Exemptions from the Requirement to Report Large Currency Transactions Pursuant to the Bank Secrecy Act—Phase II" (RIN1506–AA12) received on September 17, 1998; to the Committee on Banking, Housing, and Urban Affairs.

. EC–7051. A communication from the Members of the Railroad Retirement Board, transmitting, pursuant to law, the Board's budget request for fiscal year 2000; to the Committee on Labor and Human Resources.

EC–7052. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the United States-Japan Cooperative Medical Science Program for the period July 1996 through July 1997; to the Committee on Labor and Human Resources.

EC–7053. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Small Business Size Regulations and Government Contracting Assistance Regulations; Very Small Business Concern" received on September 16, 1998; to the Committee on Small Business.

EC–7054. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Disaster Loan Program (Agricultural Enterprises)" received on September 16, 1998; to the Committee on Small Business.

EC–7055. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Disaster Loan Program (Eligibility Criteria)" received on September 16, 1998; to the Committee on Small Business.

EC–7056. A communication from the Deputy General Counsel of the Small Business Administration, transmitting, pursuant to law, the report of a rule entitled "Small Business Size Regulations and Government Contracting Assistance Regulations; Very Small Business Concern" received on September 16, 1998; to the Committee on Small Business.

EC–7057. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Rulings and Determination Letters" (Rev. Proc. 98–53) received on September 17, 1998; to the Committee on Finance.

EC–7058. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Automated Data Processing Funding Limitation for Child Support Enforcement System" (RIN0970–AB71) received on September 16, 1998; to the Committee on Finance.

EC–7059. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Computerized Support Enforcement Systems" (RIN0970–AB70) received on September 16, 1998; to the Committee on Finance.

EC–7060. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed Technical Assistance Agreement with Japan for the retrofit of certain radars; to the Committee on Foreign Relations.

EC–7061. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed Manufacturing License Agreement with Canada for the overhaul of T700 helicopter engines; to the Committee on Foreign Relations.

EC–7062. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of a proposed drawdown of funds under the Foreign Assistance Act to provide counternarcotics assistance to certain countries; to the Committee on Foreign Relations.

EC–7063. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notice of technical corrections to the text of the Mutual Legal Assistance Treaty with Estonia; to the Committee on Foreign Relations.

EC–7064. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Placer County Air Pollution Control District" (FRL6164–4) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7065. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Clean Air Act Final Approval of Amendments to Title V Operating Permits Program; Pima County Department of Environmental Quality" (FRL6165–8) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7066. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Final Authorization of State Hazardous Waste Management Program Revision" (FRL6165–3) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7067. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; Alaska" (FRL6162–9) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7068. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Diego County Air Pollution Control District" (FRL6164–6) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7069. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Acid Rain Program; 1998 Reallocation of Allowances" (FRL6164–1) received on September 17, 1998; to the Committee on Environment and Public Works.

EC–7070. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Transportation and Community and System Preservation Pilot Program—Implementation of the Transportation Equity Act for the 21st Century" (Docket 09–4370) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7071. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Special Local Regulations: 2nd Annual Hobbs Island Regatta, Tennessee River mile 333.5 to 336.5, Huntsville, Alabama" (Docket 08–98–060) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7072. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety Zone: World Yacht Cruises Fireworks, New York Harbor, Upper Bay" (Docket 01–98–144) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7073. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Special Local Regulations; Around Alone Sailboat Race, Charleston, SC" (Docket 07–98–008) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7074. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Operation Regulation; Portage Bayou, Tchoutacabouffa and Wolf Rivers, MS" (Docket 08–98–055) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7075. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Aerospatiale Model ATR72–212A Series Airplanes" (Docket 98–NM–159–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7076. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives: Bombardier Model CL–215–6B11 (CL–415 Variant) Series Airplanes" (Docket 98–NM–03–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7077. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Crosby, ND" (Docket 98–AGL–42) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7078. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Willits, CA" (Docket 96–AWP–26) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7079. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Realignment of VOR Federal Airway V–485; San Jose, CA" (Docket 95–AWP–6) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7080. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Standard Instrument Approach Procedures; Miscellaneous Amendments" (Docket 29328) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7081. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Standard Instrument Approach Procedures; Miscellaneous Amendments" (Docket 29329) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7082. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Standard Instrument Approach Procedures; Miscellaneous Amendments" (Docket 29330) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7083. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Amendment of Class E Airspace; Price, UT" (Docket 98–ANM–12) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7084. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model C–212 Series Airplanes" (Docket 96–NM–123–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7085. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Fokker Model F28 Mark 1000, 2000, 3000, and 4000 Series Airplanes" (Docket 97–NM–290–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7086. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes" (Docket 97–NM–156–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7087. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 747 Series Airplanes" (Docket 97–NM–47–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7088. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; McDonnell Douglas Model DC–9–10, –15, and –30 Series Airplanes" (Docket 96–N–272–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7089. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; S.N. Centrair 101 Series Sailplanes" (Docket 98–CE–49–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7090. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; CFM International CFM56–7B Series Turbofan Engines" (Docket 98–ANE–50–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7091. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A310, A300–600, and A320 Series Airplanes" (Docket 97–NM–107–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7092. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes" (Docket 98–NM–42–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7093. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Rolls-Royce Limited, Aero Division—

Bristol/S.N.E.C.M.A. Olympus 593 Series Turbojet Engines" (Docket 98–ANE–07–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7094. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Rolls-Royce, plc RB211 Trent 700 Series Turbofan Engines" (Docket 98–ANE–10–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7095. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 727 and Model 737 Series Airplanes Equipped with J.C. Carter Company Fuel Valve Actuators" (Docket 96–NM–31–AD) received on September 17, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7096. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property" (Rev. Rul. 98–50) received on September 21, 1998; to the Committee on Finance.

EC–7097. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Revised OIG Exclusion Authorities Resulting From Public Law 104–191" (RIN0991–AA87) received on September 16, 1998; to the Committee on Labor and Human Resources.

EC–7098. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Establishment of 24-month Validity Period for Certain Reexport Authorizations and Revocation of Other Authorizations" (RIN0694–AB74) received on September 16, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7099. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Karnal Bunt; Movement From Regulated Areas" (Docket 96–016–32) received on September 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7100. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Solid Wood Packing Material From China" (Docket 98–087–1) received on September 21, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–544. A resolution adopted by the Council of the City of Cincinnati, Ohio, relative to proposed legislation on children's gun violence; to the Committee on the Judiciary.

POM–545. A resolution adopted by the Legislature of Guam; to the Committee on Commerce, Science, and Transportation.

RESOLUTION NO. 303

Whereas, historically the United States has protected its shipping industry through maritime cabotage laws, including Section 27 of the Merchant Marine Act of 1920, commonly known as the Jones Act, the Passenger Vessel Services Act of 1886 and the statutes referring to towage and dredging; and

Whereas, these maritime cabotage laws strictly limit the carriage of passengers and merchandise between the U.S. mainlaind and the offshore jurisdictions of Guam, Hawaii, Alaska, and Puerto Rico to United States built and flag ships, which are crewed, owned and controlled by United States citizens; and

Whereas, Ninety Percent (90%) of the goods consumed in Guam are imported and virtually all of these goods arrive by sea; and

Whereas, Alaska, Hawaii, and Puerto Rico are similarly dependent on ocean shipping for the operation of their economies; and

Whereas, there are only 122 deep-draft, self-propelled ships of 1,000 gross registered tons and over in the active oceangoing domestic commercial fleet of the United States with an average age of 31 years, of which 89 are tankers. While in the world fleet there are more than 25,000 deep-draft, oceangoing ships with an average age of 18 years. The world fleet includes many kinds of specialist ships not available in the domestic United States fleet yet needed for transportation in the domestic non-contiguous trades and economic development in the offshore jurisdictions of the United States; and

Whereas, due to their geographic isolations, the offshore jurisdictions are uniquely dependent on ocean shipping for surface transportation, unlike the forty-eight contiguous states that have access to alternative forms of interstate surface transportation including rail, road, and inland waterways; and

Whereas, maritime cabotage laws of the United States severely and unfairly limit the access to needed shipping services by artificially restricting the supply of ships, which is translated into higher freight rates and the non-availability of certain kinds of carriage for the offshore jurisdictions; and

Whereas, the U.S. domestic fleet is continuing to decline, only one containership has been built in the United States during the past decade, and just last year, the privately-owned, United States flag, deep-draft fleet decreased by 29 vessels and the fleet carrying capacity decreased by 1,358,000 deadweight tons; and

Whereas, the offshore American jurisdictions need access to efficient, competitive and modern shipping to compete in the global economy, especially as competing countries have ready access to the world's shipping fleet for their transportation requirements; and

Whereas, the highly-competitive Transpacific containership trade offers some of the lowest deep-water ocean freight rate in the world, especially Westbound from the United States West Coast to Asia, while the rates from the U.S. Mainland to Guam are some of the highest. With more that two dozen regularly scheduled lines, there has long been excess capacity available Westbound in the Transpacific container trade to promptly carry all of Guam and Hawaii's cargo requirements at internationally competitive rates; and

Whereas, while there are over 5,000 bulk carriers in the world fleet, there are none in the domestic United States fleet available to carry Alaskan coal to the United States West Coast, Hawaii, and Guam, which impedes the utilization of a potential domestic fuel source; and

Whereas, while there are over 6,000 tankers in the world fleet averaging 16 years of age, there are only 89 in the domestic United States fleet averaging over 30 years. The United States International Trade Commission reports that domestic tanker freight rates are double world rates; and

Whereas, in the trade between Guam and the mainland, over 96 percent of all liner and neo-bulk cargoes are carried by self-propelled oceangoing ships of over 1,000 gross registered tons, and all interstate petroleum cargoes in the Guam trade are carried by deep-draft tanker ships; and

Whereas, an important driver of the high costs of living and doing business in Guam is the artificial domestic shortage of deep-draft oceangoing ships and the higher cost of domestic shipping imposed by maritime cabotage laws; and

Whereas, such costs and non-availability of deep-draft oceangoing ships impose a significant and unfair burden on the residents of Guam, Alaska, Hawaii, and Puerto Rico; and

Whereas, the offshore jurisdictions suffer a far greater negative impact from the restrictions of the maritime cabotage laws of the United States than do the contiguous states; and

Whereas, an exemption from the cabotage laws allowing foreign ships to participate in the non-contiguous trades would foster competition in ocean shipping services, provide substantial economic benefits to the offshore jurisdictions, increase consumer welfare, and make the offshore economies more globally competitive; and

Whereas, the President and Congress have already recognized the unique aspects of the other offshore American jurisdictions when they exempted American Samoa, the Commonwealth of the Northern Mariana Islands and the U.S. Virgin Islands from the applicability of the maritime cabotage laws; now, therefore, be it

Resolved, That the Twenty-Fourth Guam Legislature respectfully requests the Congress of the United States to pass legislation granting an exemption from the maritime cabotage laws of the United States to benefit Guam, Hawaii, Alaska, and Puerto Rico, to allow:

(1) Foreign flag vessels to engage in the interstate sector only of the noncontiguous trades under the supervision of the United States Customs service, and, in Guam, in coordination with the Guam Customs and Quarantine Agency; and

(2) Foreign built United States flag vessels to freely engage in the *inter*state and *intra*state sectors of the non-contiguous trades under a coastwise (non-contiguous) endorsement; and be it further

Resolved, That the Twenty-Fourth Guam Legislature respectfully requests the President of the United States and his Administration to support the Congressional request in this Resolution; and be it further

Resolved, That Guam's Congressional Delegate request Congress to exempt Guam, Hawaii, Alaska, and Puerto Rico from maritime cabotage; and be it further

Resolved, That the Speaker certify to, and the Legislative Secretary attests, the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the United States Department of Transportation; to the Guam Congressional Delegate; and to the Honorable Carl T.C. Gutierrez, *Maga'lahen Guahan*.

Duly and regularly adopted on the 29th day of July, 1998.

POM–546. A resolution adopted by the House of the Legislature of the Commonwealth of the Northern Mariana Islands; to the Committee on Energy and Natural Resources.

HOUSE RESOLUTION NO. 11–87

Whereas, 48 USCS, Section 1694(a) establishes a federal District Court for the Northern Mariana Islands; and

Whereas, 48 USCS, Section 1694(b) directs that the President of the United States with the advice and consent of the United States Senate shall appoint a Judge for the District Court of the Mariana Islands; and

Whereas, the term of office for the Judge appointed to the District Court of the Northern Mariana Islands is ten years; and

Whereas, it is a tradition and practice of the United States that an appointee to a District Court in a state normally comes from that state; and

Whereas, judges who serve in the Northern Mariana Islands need to be familiar with the unique cultures, customs and traditions of the people of the Northern Mariana Islands; now, therefore be it

Resolved, by the House of Representatives, Eleventh Northern Mariana Commonwealth Legislature, That the House calls upon the Governor of the Commonwealth of the Northern Mariana Islands, and the Washington Representative to petition the President and the U.S. Senate so that all future candidates for appointment to the District Court for the Northern Mariana Islands should be nominated from among the qualified people of the Northern Mariana Islands who are familiar with the unique languages, cultures, customs and traditions of the people of the Northern Mariana Islands; and be it further

Resolved, That the Speaker of the House shall certify and the House Clerk shall attest to the adoption of this resolution and thereafter transmit copies to the President of the United States, the President of the U.S. Senate, the Governor of the Northern Mariana Islands, and to the Washington Representative of the Northern Mariana Islands.

Adopted by the House of Representatives on August 26, 1998.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment:

H.R. 3069. A bill to extend the Advisory Council on California Indian Policy to allow the Advisory Council to advise Congress on the implementation of the proposals and recommendations of the Advisory Council (Rept. No. 105–342).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with an amendment in the nature of a substitute:

S. 1385. A bill to amend title 38, United States Code, to expand the list of diseases presumed to be service connected with respect to radiation-exposed veterans (Rept. No. 105–343).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1822. A bill to amend title 38, United States Code, to authorize provision of care to veterans treated with nasopharyngeal radium irradiation (Rept. No. 105–344).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WARNER:

S. 2506. A bill to establish a National Commission on Terrorism; to the Committee on the Judiciary.

By Mr. McCAIN (for himself, Mr. THURMOND, Mr. BURNS, and Mrs. HUTCHISON):

S. 2507. A bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN:

S. 2508. A bill to amend title XVIII of the Social Security Act to impose conditions on the implementation of the interim payment system for home health services furnished by home health agencies under the medicare program and to modify the standards for calculating the per beneficiary payment limits under such payment system, and for other purposes; to the Committee on Finance.

By Mr. WYDEN:

S. 2509. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself, Mr. BYRD, Mr. ABRAHAM, Mr. ALLARD, Mr. BENNETT, Mr. BINGAMAN, Mr. BREAUX, Mr. BUMPERS, Mr. BURNS, Mr. CHAFEE, Mr. CLELAND, Mr. COATS, Mr. COCHRAN, Ms. COLLINS, Mr. CONRAD, Mr. COVERDELL, Mr. CRAIG, Mr. D'AMATO, Mr. DODD, Mr. DOMENICI, Mr. DURBIN, Mr. ENZI, Mr. FAIRCLOTH, Mr. FORD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. GREGG, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mrs. HUTCHISON, Mr. INHOFE, Mr. KEMPTHORNE, Mr. KERRY, Mr. LAUTENBERG, Mr. LOTT, Mr. LUGAR, Mr. McCONNELL, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of New Hampshire, Mr. SMITH of Oregon, Ms. SNOWE, Mr. THOMAS, Mr. THOMPSON, Mr. THURMOND, Mr. TORRICELLI, and Mr. WARNER):

S. 2510. A bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Library of Congress; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR (for himself and Mr. HARKIN) (by request):

S. 2511. A bill to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FRIST (for himself, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. McCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN):

S. Con. Res. 119. A concurrent resolution recognizing the 50th anniversary of the American Red Cross Blood Services; to the Committee on the Judiciary.

By Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER):

S. Con. Res. 120. A concurrent resolution to redesignate the United States Capitol Police headquarters building located at 119 D Street, Northeast, Washington, D.C., as the "Eney, Chestnut, Gibson Memorial Building"; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WARNER:

S. 2506. A bill to establish a National Commission on Terrorism; to the Committee on the Judiciary.

NATIONAL COMMISSION ON TERRORISM LEGISLATION

Mr. WARNER. Mr. President, terrorism, both domestic and international, will regrettably, continue to be a threat to United States citizens and, indeed, to humanity into the millennium. It is the weapon of choice for those nations, entities, and individuals bent on pursuing myriad aims through the cowardly, cold-blooded sacrifice of innocents.

In his remarks to the opening session of the United Nations General Assembly yesterday, President Clinton focused on the reality of terrorism in the world community. "This is a threat," he said, "to all humankind." At the end of this statement, I include excerpts of the President's speech.

Terrorism is one of the principal threats to global economic and political stability and will continue to be for the foreseeable future. As such, U.S. foreign and economic policies designed to foster peace and prosperity through stability will be weakened.

U.S. policies, citizens and interests continue to be prime targets for international terrorism. The April 1998 Department of State report, "Patterns of Global Terrorism," noted that approximately 33% of all terrorist incidents worldwide were committed against U.S. citizens or property. These attacks were by and large perpetrated outside of the continental United States.

The Congress will soon be considering appropriations to increase the physical security to United States missions abroad. Of the 260 diplomatic posts overseas, only 40 are determined to be safe against terrorist attack.

While it is clear that the safety and stability of the world community continue to be threatened, terrorist activity and the perpetrators of that activity require leaders to reexamine our understanding of terrorism and develop policy to continue to combat the threat.

The motivation to commit acts of terrorism are no longer viewed as those with simply political ends. No longer are these senseless acts of death and destruction purely the domain of those with a political agenda. Increasingly, terrorists are motivated by religious goals, by the pursuit of financial profit, by long-standing racial, ethnic or tribal divisions and animosities, or by a mix of all of the above.

The age of information technology and proliferation of weapons of mass destruction threaten to increase the potential arsenal for terror. In testimony before the Armed Services Committee, witnesses have explained, as you can well imagine, the possible devastation which could be inflicted through skilled use of modern technologies. What have been violent attacks with rudimentary car bombs, may very well soon be attacks of apocalyptic proportions.

A few days ago, Representative FRANK WOLF, an outstanding Member of the House from just across the Potomac and able member of the Commonwealth's delegation, presented to me this legislation to address the challenges of the terrorism threat. His bill has been accepted by the House of Representatives and will be a conference item by the Appropriations Committee. I present this legislation to my colleagues in the Senate for consideration and deliberation.

The legislation assembles 15 distinguished experts in the field of terrorism, including three Congressmen and three Senators. Their goal will be to review and assess United States policies on terrorism, from basic understanding to appropriate response, and recommend changes as warranted. This initiative is not intended as an attack on existing policy, but a means to enhance our understanding of one of the principal threats to stability in the millennium and focus every available resource to eliminate the threat.

I urge my colleagues to review this important legislation.

Mr. President, I ask unanimous consent that excerpts from President Clinton's address to the United Nations be printed in the RECORD.

There being no objection, the excerpts where ordered to be printed in the RECORD, as follows:

REMARKS BY THE PRESIDENT TO THE OPENING SESSION OF THE 53RD UNITED NATIONS GENERAL ASSEMBLY

The President. * * * We still are bedeviled by ethnic, racial, religious and tribal hatreds; by the spread of weapons of mass destruction; by the almost frantic effort of too many states to acquire such weapons; and, despite all efforts to contain it, terrorism is not fading away with the end of the 20th century. It is a continuing defiance of Article 3 of the Universal Declaration of Human Rights, which says, "Everyone has the right to life, liberty and security of person."

* * * * *

Obviously this is a matter of profound concern to us. In the last 15 years our citizens have been targeted over and over again—in Beirut, over Lockerbie, in Saudi Arabia, at home in Oklahoma City by one of our own citizens, and even here in New York in one of our most public buildings, and most recently on August 7th in Nairobi and Dar es Salaam, where Americans who devoted their lives to building bridges between nations, people very much like all of you, died in a campaign of hatred against the United States.

* * * * *

If terrorism is at the top of the American agenda—and should be at the top of the world's agenda—what, then are the concrete steps we can take together to protect our common destiny. What are our common obligations? At least, I believe they are these: to give terrorists no support, no sanctuary, no financial assistance; to bring pressure on states that do; to act together to step up extradition and prosecution; to sign the Global Anti-Terror Conventions; to strengthen the Biological Weapons and Chemical Convention; to enforce the Chemical Weapons Convention; to promote stronger domestic laws and control the manufacture and export of explosives; to raise international standards for airport security, to combat the conditions that spread violence and despair.

* * * * *

By Mr. McCAIN (for himself, Mr. THURMOND, Mr. BURNS, and Mrs. HUTCHISON):

S. 2507. A bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade; to the Committee on Commerce, Science, and Transportation.

THE UNITED STATES CRUISE SHIP TOURISM ACT OF 1998

• Mr. McCAIN. Mr. President, today I, with Senators THURMOND, BURNS, and HUTCHISON, introduce the United States Cruise Ship Tourism Act of 1998. The purpose of this bill is to stimulate increased domestic cruise vessel opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade.

The oceangoing cruise ship industry offers the American cruising public with a multitude of itineraries in international trade. However, due to barriers to entry such as the Passenger Vessel Services Act, large cruise ship domestic trade options are limited to one oceangoing cruise ship in Hawaii. Also, the U.S. port calls of these international itineraries are heavily concentrated in Florida and Alaska due to the proximity of these states to neighboring countries. This means that America's cruising public is denied the opportunity to cruise to many attractive U.S. port destinations, and those ports are denied the economic benefits of those visits, due to these domestic cruise ship trade barriers to entry.

Three separate bills addressing the domestic cruise ship trade have been referred to the Commerce Committee this Congress: S. 668, S. 803, and S. 2290. Each of these bills takes a different approach to removing barriers and stimulating growth in this area. Senator HUTCHISON, the Chairman of the Subcommittee on Surface Transportation and Merchant Marine, held a hearing last year on this subject. I would prefer we take the approach proposed in S. 803, of which I am a cosponsor, but I understand that bill does not address the concerns of some other members. We have been working with representatives of all industries concerned with this legislation for several months in an attempt to reach a consensus on this issue.

While a consensus has not yet been achieved, I believe it is time to take another step forward in the legislative process. My bill would allow the Secretary of Transportation to waive certain current coastwise trade restrictions on a limited basis to stimulate the domestic cruise ship trade. I expect some of my colleagues on the on the Commerce Committee may want to make additional changes to this bill in Committee. I look forward to working these issues out with them in the next week so that we may report this bill to the Senate later this month.

I believe it is important for this Congress to take action on this issue this year. We should maximize the economic growth potential of the domestic cruise ship trade and the cruising opportunities for America's public.•

By Mr. WYDEN:

S. 2509. A bill to provide further protections for the watershed of the Little Sandy River as part of the Bull Run Watershed Management Unit, and for other purposes; to the Committee on Energy and Natural Resources.

LITTLE SANDY WATERSHED PROTECTION

• Mr. WYDEN. Mr. President, I am today, along with Congressman BLUMENAUER in the U.S. House, introducing legislation to make sure that in the next century the children of Portland can go to their kitchen faucet and take a glass of drinking water that is as safe and pure as any that the pioneers found when they got here.

Why protect the Little Sandy? The answer is as clear as the water in that stream. Essentially, what we are proposing is to finish the job begun two years ago with passage of the Oregon Resources and Conservation Act of 1996, which brought statutory protection to the Bull Run Watershed.

Portland's city fathers acted in 1890 to protect Bull Run, and it is fitting that we continue that effort today. More than one-third of the Little Sandy watershed has already been logged; clearly, this drainage has already been pushed, and pushed hard, in terms of past timber harvest.

The protection our bill would offer will not only affect clean drinking water, but salmon recovery as well. I am hopeful that this legislation will become an important part of our region's approach to restoring steelhead habitat.

Finally, I want to commend the leadership of Mayor Vera Katz, Commissioner Erik Sten, and former Commissioner Mike Lindberg, whose vision for Portland's future laid the foundation for the introduction of this bill.

I first introduced legislation to protect the Little Sandy when I was in the House. In passing the Oregon Resource Conservation Act of 1996, I made a compromise with Senator Hatfield in which we would designate the Bull Run Watershed Management Unit as a protected area that is off limits to commercial timber harvest, and designate the Little Sandy as a study area. I am now asking the Congress to approve the addition of the Little Sandy study area to the Bull Run Management Unit, and to be subject to the management prescriptions which were established under the ORCA governing the Bull Run.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCLUSION OF ADDITIONAL PORTION OF THE LITTLE SANDY RIVER WATERSHED IN THE BULL RUN WATERSHED MANAGEMENT UNIT, OREGON.

(a) IN GENERAL.—Public law 95–200 (16 U.S.C. 482b note) is amended by striking section 1 and inserting the following:

"SECTION 1. ESTABLISHMENT OF SPECIAL RESOURCES MANAGEMENT UNIT; DEFINITION OF SECRETARY.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established, subject to valid existing rights, a special resources management unit in the State of Oregon comprising approximately 98,272 acres, as depicted on a map dated September, 1998, and entitled 'Bull Run Watershed Management Unit'.

"(2) MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the offices of the Regional Forester-Pacific Northwest Region, Forest Service, Department of Agriculture, and in the offices of the State Director, Bureau of Land Management, Department of the Interior.

"(3) BOUNDARY ADJUSTMENTS.—Minor adjustments in the boundaries of the unit may be made from time to time by the Secretary after consultation with the city and appropriate public notice and hearings.

"(b) DEFINITION OF SECRETARY.—In this Act, the term 'Secretary' means—

"(1) with respect to land administered by the Secretary of Agriculture, the Secretary of Agriculture; and

"(2) with respect to land administered by the Secretary of the Interior, the Secretary of the Interior.".

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) SECRETARY.—Public Law 95–200 (16 U.S.C. 482b note) is amended by striking "Secretary of Agriculture" each place it appears (except subsection (b) of section 1, as added by subsection (a), and except in the amendments made by paragraph (2)) and inserting "Secretary".

(A) IN GENERAL.—Section 2(a) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking "applicable to National Forest System lands" and inserting "applicable to National Forest System land (in the case of land administered by the Secretary of Agriculture) or applicable to land under the administrative jurisdiction of the Bureau of Land Management (in the case of land administered by the Secretary of the Interior)".

(B) MANAGEMENT PLANS.—The first sentence of section 2(c) of Public Law 95–200 (16 U.S.C. 482b note) is amended—

(i) by striking "subsection (a) or (b)" and inserting "subsections (a) and (b)"; and

(ii) by striking ", through the maintenance" and inserting "(in the case of land administered by the Secretary of Agriculture) or section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) (in the case of land administered by the Secretary of the Interior), through the maintenance.".

SEC. 2. MANAGEMENT.

(a) TIMBER HARVESTING RESTRICTIONS.—Section 2(b) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking paragraph (1) and inserting the following:

"(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall prohibit the cutting of trees on Federal land in the entire unit, as designated in section 1 and depicted on the map referred to in that section.".

(b) REPEAL OF MANAGEMENT EXCEPTION.—The Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208) is amended by striking section 606 (110 Stat. 3009–543).

(c) REPEAL OF DUPLICATIVE ENACTMENT.—Section 1026 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333, 110 Stat. 4228) and the amendments made by that section are repealed.

(d) WATER RIGHTS.—Nothing in this section strengthens, diminishes, or has any other effect on water rights held by any person or entity.

SEC. 3. LAND EXCHANGE.

(a) LAND EXCHANGE.—Upon application by the city of Portland, Oregon (referred to in this section as the "city"), the Secretary of Agriculture shall enter into negotiations with the city for the transfer of National Forest System land underlying the city's Bull Run water supply facilities to the city in exchange for city-owned land lying within the boundaries of any unit of the National Forest System in Oregon or Washington.

(b) TIME FOR EXCHANGE.—Subject to subsection (c), the Secretary shall expedite the negotiations, if the city applies for a land exchange under subsection (a), and shall complete such a land exchange not later than September 30, 2001.

(c) APPLICABILITY OF OTHER LAWS.—Except as provided in subsection (d), any land exchange under this section shall be carried out in accordance with section 206 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716) and other applicable law.

(d) EXCEPTION TO SINGLE STATE LIMITATION ON EXCHANGE.—The requirement that Federal and non-Federal parcels of land exchanged for each other must be located within the same State, as specified in the Act entitled "An Act to Consolidate National Forest Lands", approved March 20, 1922 (16 U.S.C. 485), and the first sentence of section 206(b) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1716(b)), shall not apply to the land exchange authorized by this section.●

By Mr. LUGAR (for himself and Mr. HARKIN) (by request):

S. 2511. A bill to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees; to the Committee on Agriculture, Nutrition, and Forestry.

FEDERAL MEAT AND POULTRY EMPLOYEES PAY ACT OF 1998

● Mr. LUGAR. Mr. President, today I introduce legislation, by request, to modify the overtime pay for meat inspectors who are veterinarians. Senator HARKIN, the ranking minority member of the Senate Agriculture Committee, has joined as a cosponsor.

This legislation was transmitted to Congress by the U.S. Department of Agriculture earlier this year. As drafted, the bill would provide the Secretary of Agriculture with the authority to pay Food Safety and Inspection Service employees, working in plants subject to federal meat or poultry inspection, for overtime and holiday work at rates determined by the Secretary.

Due to an anomaly in current law, meat inspectors who are veterinarians receive lower pay for overtime hours than they receive for regular hours. These veterinarians are seeking true overtime pay of 1½ times their hourly rate without a cap on the rate.

While the Federal Meat Inspection Act allows the U.S. Department of Agriculture (USDA) to provide overtime pay at rates determined by USDA, the Poultry Products Inspection Act does not provide this authority. The legislation introduced today would allow USDA to pay overtime for veterinarians at rates determined by USDA. Clearly an inequity exists for veterinarians who work overtime.

I am pleased to introduce this legislation at the request of the U.S. Department of Agriculture. I look forward to hearing the views of my colleagues about this legislation and will seek opportunities to move this bill through the legislative process.

Mr. President, I ask unanimous consent to include in the RECORD a copy of the transmittal letter from the Secretary of Agriculture.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, March 23, 1998.

Hon. ALBERT GORE, Jr.,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: This letter transmits, for the consideration of the Congress, a draft bill "To provide the Secretary of Agriculture with the authority to pay employees of the Food Safety and Inspection Service (FSIS) working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by such employees at rates the Secretary deems appropriate" that the Department of Agriculture (USDA) recommends be enacted.

The proposed legislation would provide the Secretary of Agriculture with the discretion to pay employees of FSIS, working in establishments subject to the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA), for overtime and holiday work at rates determined by the Secretary.

Under current authorities, the Secretary is authorized to pay employees performing inspection under the FMIA for overtime work at rates the Secretary determines. However, no similar authority exists for employees performing inspection under the PPIA. Further, because current law caps overtime rates for Federal veterinarians working in poultry establishments, those at the higher steps of the Federal pay scale receive an hourly overtime rate less than their hourly rate of basic pay.

The draft bill will eliminate the potential inequity between FSIS veterinarians providing inspection services under the FMIA and the PPIA and will provide the Secretary with the authority to compensate appropriately FSIS veterinarians performing inspections in meat and poultry establishments.

Enactment of the legislation would cost FSIS approximately $300,000 per year to cover situations when the veterinarian is on overtime but the establishment is not. The Department believes that it will be able to absorb these additional costs within current budgetary levels. When an establishment is in an overtime status, it must reimburse USDA for the overtime at rates determined by the Secretary.

Enactment of this proposed legislation would have no significant effect on the quality of the human environment.

The Office of Management and Budget advises that there is no objection to the presentation to Congress of this proposed legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House.

Sincerely,
DAN GLICKMAN, *Secretary.*●

By Mr. COCHRAN:

S. 2508. A bill to amend title XVIII of the Social Security Act to impose conditions on the implementation of the interim payment system for home health services furnished by home health agencies under the Medicare Program and to modify the standards for calculating the per beneficiary payment limits under such payment system, and for other purposes; to the Committee on Finance.

HOMEBOUND ELDERLY RELIEF OPPORTUNITY ACT OF 1998

Mr. COCHRAN. Mr. President, today I am introducing the "Homebound Elderly Relief Opportunity Act of 1998" (HERO). This measure addresses a very serious concern: the future of home care within the Medicare system.

For Mississippians, home health has had a two-fold benefit: Home care serves to reduce costly hospitalization stays while enhancing the patient's quality of life through continued stay in the familiar home setting.

Additionally, in a rural state like Mississippi, home health has enabled health care to be delivered to the immobile and elderly who are often miles and hours from the nearest hospital or clinic.

Despite these obvious benefits, home health is very expensive, however. With Medicare and government expenditures, it is not always a question of "What we should afford?" but "What we can afford?"

Congress answered these questions with the Balanced Budget Act of 1997, which has brought fiscal responsibility back to government. BBA 97 dealt with among other issues, Medicare, and in turn home health, probably the fastest growing expenditure within the program. The work of Senator ROTH and the Finance Committee has helped insure some stability in home health expenditures, so that a good thing does not quickly become a bad thing and bankrupt the trust fund. However, instead of saving this vital Medicare benefit, HCFA's application of the Balanced Budget Act to home health—through the use of the Interim Payment System—has threatened its very existence. In so doing, HCFA has ignored both equity and the elderly, particularly in rural America.

The Senate has not completely ignored the home health crisis: Sixty-eight of my colleagues have made statements which appear with their photographs on a recent industry poster proclaiming the ills of HCFA's interim payment system and its threat to the continuation of home health services.

Five of my colleagues—Senators GRASSLEY and BREAUX; Senator BOND; Senator COLLINS; and Senator KENNEDY have each introduced bills to adjust or eliminate IPS. Senator BOND has been the Senate champion of saving home health. His Senate Bill 2354, of which I am cosponsor, provides a direct, honest response to the HCFA-created nightmare. His bill would impose a moratorium on IPS from fiscal year 1998 forward until HCFA develops the prospective payment system, the only sure way to solve the home health expenditure issue in a fair manner. However, the Moratorium Bill's cost has been scored by CBO to be in the many many billions. While we must save home health, we cannot do so in a way that jeopardizes all of Medicare. We must find a compromise. That is the purpose of introducing HERO today.

The HERO Bill is an effort to correct the essential problems with the interim payment system and to create a better bridge to the prospective payment system which we all hope will be developed and implemented soon. I believe it provides the best opportunity for success with respect to Government spending, Medicare reimbursement, and protecting beneficiaries.

It establishes budget limits for Medicare home health expenditures for 1999–2002 with the same savings levels currently projected by the Congressional Budget Office under the Balanced Budget Act of 1997 provisions. If expenditure estimates exceed the budget limits, payments to providers will be limited to regional levels on an equitable basis. Finally, it insures access to home care for all qualified Medicare beneficiaries.

Overall, this bill provides one last opportunity in this session for all home health beneficiaries to receive the Medicare benefit to which they are entitled and for the providers of those services to be fairly reimbursed. It corrects the essential flaw in the original payment reform which rewarded the inefficient and punished the efficient providers and failed to account for the variation in the types of patients served by home health agencies. However, this bill operates with budgetary and operational safeguards to insure that the home health benefit stays on its steady course.

Mr. President, Congress must reform IPS immediately before even more reputable home health agencies are forced out of business and more seniors are forced to go without care or leave their homes for more expensive hospital or nursing home care. I urge Senators to support this bill.

ADDITIONAL COSPONSORS

S. 38

At the request of Mr. FEINGOLD, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 38, a bill to reduce the number of executive branch political appointees.

S. 1081

At the request of Mr. LEAHY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1081, a bill to enhance the rights and protections for victims of crime.

S. 1147

At the request of Mr. WELLSTONE, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 1147, a bill to amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

S. 1301

At the request of Mr. GRAMS, his name was added as a cosponsor of S. 1301, a bill to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

S. 2125

At the request of Mr. D'AMATO, the names of the Senator from Illinois (Ms. MOSELEY-BRAUN) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2125, a bill to amend the Internal Revenue Code of 1986 to provide for the tax treatment of section 42 housing cooperatives and the shareholders of such cooperatives, and for other purposes.

S. 2162

At the request of Mr. MACK, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2162, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 2217

At the request of Mr. FRIST, the names of the Senator from Tennessee (Mr. THOMPSON) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2263

At the request of Mr. GORTON, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 2263, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the National Institutes of Health with respect to research on autism.

S. 2281

At the request of Mr. DEWINE, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2281, a bill to amend the Tariff Act of 1930 to eliminate disincentives to fair trade conditions.

S. 2296

At the request of Mr. MACK, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2296, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 2318

At the request of Mr. CAMPBELL, the name of the Senator from Florida (Mr. MACK) was added as a cosponsor of S. 2318, a bill to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Nebraska (Mr. KERREY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from Minnesota (Mr. WELLSTONE), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. KERREY) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2432

At the request of Mr. JEFFORDS, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2432, a bill to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

SENATE JOINT RESOLUTION 55

At the request of Mr. ROTH, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of Senate Joint Resolution 55, a joint resolution requesting the President to advance the late Rear Admiral Husband E. Kimmel on the retired list of the Navy to the highest grade held as Commander in Chief, United States Fleet, during World War II, and to advance the late Major General Walter C. Short on the retired list of the Army to the highest grade held as Commanding General, Hawaiian Department, during World War II, as was done under the Officer Personnel Act of 1947 for all other senior officers who served in positions of command during World War II, and for other purposes.

SENATE CONCURRENT RESOLUTION 108

At the request of Mr. DORGAN, the names of the Senator from New York (Mr. D'AMATO) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of Senate Concurrent Resolution 108, a concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes.

SENATE RESOLUTION 259

At the request of Mr. FRIST, his name was added as a cosponsor of Senate Resolution 259, a resolution designating the week beginning September 20, 1998, as "National Historically Black Colleges and Universities Week," and for other purposes.

SENATE CONCURRENT RESOLUTION 119—RECOGNIZING THE 50TH ANNIVERSARY OF THE AMERICAN RED CROSS BLOOD SERVICES

Mr. FRIST (for himself, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. MCCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 119

Whereas the American Red Cross is a nonprofit humanitarian organization of 32,000 paid staff, 1,300,000 volunteers, and 4,300,000 blood donors which considers its role in the provision of blood services to be a public trust;

Whereas the American Red Cross Blood Services began by collecting and distributing blood to help save the lives of soldiers on the battlefields of World War II, and has evolved to become a leader in the healthcare industry;

Whereas following World War II the American Red Cross created the first national civilian blood program, opening its first blood center in 1948;

Whereas through the generosity of over 4,300,000 voluntary blood donors the American Red Cross is able to provide half the Nation's blood supply, and every day, in communities throughout this country, many thousands of people receive lifesaving blood in the 3,000 hospitals served by the 38 American Red Cross Blood Regions;

Whereas in May 1991, the American Red Cross announced its ambitious "Transformation" program, a 7-year, $287,000,000 comprehensive modernization of every aspect of the American Red Cross Blood Services blood collection, testing, processing, and distribution systems;

Whereas one of the most massive undertakings of Transformation was the Manufacturing and Computer Standardization (MACS) initiative which integrated 28 different computer systems into a single, national system linking American Red Cross Blood Regions nationwide to the world's largest blood information database for transfusion medicine research, and standardized manufacturing processes;

Whereas under Transformation the more than 50 individual, nonstandardized laboratories operated by local American Red Cross Blood Regions were replaced by 8 state-of-the-art National Testing Laboratories, which effectively implement the latest medical technology to perform the testing of approximately 6,000,000 units of blood annually, serving both American Red Cross blood centers and several non-American Red Cross blood centers as well, and are located in Atlanta, Georgia; Charlotte, North Carolina;

Dedham, Massachusetts; Detroit, Michigan; Philadelphia, Pennsylvania; Portland, Oregon; St. Louis, Missouri; and St. Paul, Minnesota;

Whereas the American Red Cross Blood Services has created a Quality Assurance program recognized throughout the world as a leader in assuring quality in the manufacture of blood products;

Whereas the creation of the Charles Drew Biomedical Institute has allowed the American Red Cross to provide training and other educational resources to American Red Cross Blood Services' personnel through "One Touch" which is an interactive, distance learning system that allows instructors to train personnel across the country from the institute's location at American Red Cross Biomedical Headquarters in Rosslyn, Virginia;

Whereas Transformation saw the development of a centrally managed blood inventory system to ensure the consistent availability of blood and blood components in every American Red Cross Blood Services Region throughout the country, and the creation of the new centralized organizational structure within American Red Cross Blood Services;

Whereas the American Red Cross Jerome H. Holland Laboratory in Rockville, Maryland, is the world's premiere blood research facility, consistently contributing to the progress of biomedical science, especially transfusion safety and new blood products, and shares its expertise with a number of countries around the world;

Whereass the American Red Cross manages an almost $30,000,000 investment in research and development, which includes $8,000,000 in Federal research grants, and is committed to working with others in the biotechnology field to ensure that this pioneering research is translated into lifesaving products available for patient use as quickly as possible;

Whereas the American Red Cross is investigating and implementing the newest technologies to ensure blood safety, including Genome Amplification Technology to test for the human immunodeficiency virus (HIV) and for hepatitis C virus (HCV), solvent detergent treated fresh frozen plasma, virus inactivated plasma for transfusion, use of iodine in plasma filtration, and inactivation of viruses in cellular products (such as red blood cells) through a light-activated dye called 491;

Whereas the American Red Cross is in the constant process of modernization and improvement and at the forefront of new product development, and is prepared to enter the 21st century as a cutting-edge organization providing safe, high quality blood and blood products to the hundreds of thousands of patients in need;

Whereas Congress and the American Red Cross join in celebrating the phenomenal success in the reduction of HIV infection through the use of blood and blood products as evidenced by the fact that in 1991 an American's risk of HIV transmission through a blood transfusion was 1 in 220,000 and today the risk is 1 in 676,000, nearly non-existent; and

Whereas Congress and the American Red Cross encourage healthy Americans to donate blood by calling the American Red Cross: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) joins with the American Red Cross in celebration of the 50th anniversary of American Red Cross Blood Services and the impact of their efforts on modern medicine; and

(2) looks forward to the tremendous possibilities and potential for discovery and innovation as the American Red Cross Blood Services enters the next 50 years of providing the Nation with a safe blood supply.

• Mr. FRIST. Mr. President, I rise today to recognize the 50th anniversary of the American Red Cross Blood Services. The Red Cross Blood Services has been saving lives since its inception during World War II. Today, in a rapidly changing health care environment, with ever increasing challenges, the Red Cross continues to serve patients throughout our country.

The Red Cross is America's first nationwide, volunteer blood collection and distribution system. During World War II, the Red Cross saved soldiers' lives by collecting and distributing blood. This led to the first National Civilian Blood Program, with the opening of the first blood center in 1948. Today, the Red Cross serves over 3,000 hospitals nationwide by supplying almost half of the nation's blood for transfusion. This life-giving service is made possible by volunteers who generously donate nearly six million units of blood each year.

In 1991, the Red Cross began a comprehensive technology and systems review, to ensure the organization entered the next century with state-of-the-art programs, systems, and facilities. This program, entitled, "Transformation," is a $287 million modernization of every aspect of blood collection, processing, and distributing. According to Red Cross President Elizabeth Dole, it is the most ambitious project that the Red Cross has ever undertaken. Transformation's goals included the creation of a new centralized management structure, a new information system, and a program of the highest quality. Without objection, I'd like to submit a copy of Mrs. Dole's remarks at the 50th Anniversary Bicentennial Celebration of the Red Cross, which includes comments on Transformation, for the RECORD.

Transformation successfully consolidated 50 individual, non-standardized labs operated by local Blood Regions into eight state-of-the-art National Testing Laboratories that perform 70 million laboratory tests each year. These new labs serve the Red Cross as well as several non-Red Cross blood centers. As part of this Transformation, the American Red Cross has undertaken a Manufacturing and Computer Standardization initiative. This program has integrated 28 different computer systems into one national system, linking Red Cross Blood Regions across the nation to the world's largest information database for transfusion medical research.

In addition, Transformation has led to standardized manufacturing processes throughout the Red Cross system, thereby promoting a consistent standard of high quality blood services. A centrally managed blood inventory system operated by the Red Cross was designed to facilitate consistent availability of blood in every region of the country. Transformation has also created the Quality Assurance Program and a new Charles Drew Biomedical Institute which provides training and other education to personnel, using state of the art technology which does not require staff and volunteers to travel for training. Instructors can now train personnel in a wide range of fields across the country.

Through the American Red Cross Jerome H. Holland Laboratory, a premiere blood research facility, significant progress has been made in improving transfusion safety, and fostering the development of new blood products. Red Cross has shared the knowledge and expertise gained through studies conducted by Holland Laboratory scientists and physicians with the transfusion services of countries throughout the world. The Red Cross translates research into life-saving products for patients because of its tremendous investment in research and development. Let me just note that the risk of becoming infected with HIV through a blood transfusion has been reduced from one in 220,000 in 1991, to one in 676,000 today—a tremendous improvement in the safety of the blood supply.

I congratulate the 32,000 paid staff and 1.3 million volunteers on their first fifty years of providing blood services, and especially want to recognize Mrs. Elizabeth Dole and her tremendous management team for their vision in the implementation of the Transformation program.

In recognition of their accomplishments, I am submitting the following concurrent resolution, with ten of my colleagues, Mr. JEFFORDS, Mr. LOTT, Ms. MIKULSKI, Mr. COATS, Mrs. MURRAY, Mr. MCCONNELL, Mr. HARKIN, Ms. COLLINS, Mr. GREGG, and Mr. BINGAMAN, to commemorate the 50th anniversary of the American Red Cross Blood Services.

I ask that the text of remarks made at the 50th Anniversary Bicentennial Celebration by Mrs. Elizabeth Dole, President of the Red Cross, be printed in the RECORD.

The remarks follow:

Thank you, Paul, for that kind introduction and ladies and gentlemen, thank you so much. And special thanks to Donna Shalala, Secretary of Health and Human Services, and David Kessler, Dean of the Yale Medical School and former Commissioner of the Food and Drug Administration. We are delighted you could be with us today as we mark the 50th anniversary of the most important of our national reserves: America's reserve of life, the American blood supply. Thank you, Donna and David, for your continued leadership, and for your steadfast dedication to the safety and quality of American health.

Aren't we thrilled to have Garth Brooks here. Garth, you have a magical hold on the spirit of our people. What a joy it is that you would share that bond with us. We are enormously grateful.

What a day! We are also so very pleased to be joined by the Oak Ridge Boys! Boys, your music puts the party in the birthday, and we thank you.

Also, many thanks to the other wonderful celebrities with us today—Lynda Carter, Kennedy, and William Moses. We sincerely appreciate your generosity in joining us to celebrate our 50th birthday of Biomedical Services. And, welcome to Councilwoman Charlene Drew Jarvis, the daughter of Dr. Charles Drew, renowned plasma pioneer for the American Red Cross and leading authority on transfusion. The Charles Drew Institute honors his memory. Thank you, Charlene, for your support over the years.

As we observe this 50th anniversary of American Red Cross Blood services, it's a time to take satisfaction in our past and pride in where we've been. The Red Cross started collecting blood during World War II in order to save soldier's lives, and our efforts were credited with reducing the death rate among these soldiers to half that of their World War I counterparts. When peace came, we created America's first nationwide, volunteer blood collection and distribution system, assuring all our citizens access to one of the great medical advances of this century.

But health events in the last two decades rocked us to our very foundations. The age of blood-borne diseases such as AIDS and new forms of hepatitis swooped down on us with a vengeance. We knew we could no longer operate at the Red Cross as we had done for so many years. Which is why this year, our 50th anniversary, is a year to look forward, rather than back. Today I take great joy in announcing an historic achievement:

As the year closes, the American Red Cross will celebrate the completion of our nearly seven-year, $287 million dollar transformation of our blood operations. This long-awaited milestone is the reason I stand here with so much confidence—and hope—for the future. The accomplishment of Transformation is a great, triumphant victory in our common endeavor to expand what is possible in health care.

And I'm also pleased to announce today that, following this speech, I am leaving on a nation-wide tour of blood drives and celebrity events to focus attention on the safety revolution in America's blood supply. Many of our citizens are still frightened of transfusions, and they should not be! Many millions still mistrust those red bags of life, and they must not! We have achieved a new American miracle in blood, and I will take that message across America. We will celebrate and we will educate but first, let me ruminate.

When I came to the Red Cross in February 1991, the legal and financial vulnerabilities of our blood operations threatened the very viability of the Red Cross. The country was pretty worried about the safety of America's blood supply back then. And as the person newly responsible for half of it, so was I. Some of our Board members wanted us to get out of blood banking altogether, believing our duty to safeguard the rest of our historic organization demanded that we abandon this mission field. Between Congressional hearings, media exposés and enormous regulatory pressure, there were days when I wanted to get out, too.

Still, the question haunted us: if we left blood banking, who would fill our shoes? The Red Cross is not a public agency, but what we do—especially in blood—is a public trust. We weren't going to let America down. Not on our watch.

The blood supply was as safe as the current blood systems and contemporary scientists knew how to make it. But in the age of AIDS and other blood borne infectious diseases, wasn't there more we could do? We had to "think outside the box" with respect to existing science, blood supply management, and safety approaches.

We dreamed, in 1991, of where we wanted to go. But we did more than that. We mustered our courage and embraced Transformation as our ticket to ride. It was the most ambitious project the Red Cross had ever undertaken; the total redesign of how we collect, process, test, and deliver nearly half of America's blood supply. I dare say it is the most profound change any non-profit organization has made in recent memory!

At the time, it felt the way I imagine a Shuttle astronaut must feel on her first space walk letting go of the ship, taking her first step into the unknown. It felt as if our whole organization had let go . . . let go of the security of status-quo standards, let go of the financial certainty underpinning our entire operation, let go of what we knew, in search of what we hoped to find—but knowing that each step was backed up by a truly exceptional scientific team entirely committed to forging new frontiers. I feel so fortunate that Jim Ross with Brian McDonough and each member of his outstanding team answered my call to complete this challenge.

In 1993, the Food and Drug Administration imposed a consent decree on our blood services operations. But as David will tell you, we were already more than two years into Transformation. The consent decree was basically a codification or ratification of our far-reaching plan, with timelines and milestones for measuring our progress. And today, as we conclude Transformation, we also are wrapping up our last requirements under the decree.

With the completion of Transformation this year, we will have forced ourselves from the mind set of always doing things the way we had done them before. We already have left behind our days in the comfort of industry average to become the undisputed leader in blood banking. Once we were weighed down with 53 non-standardized blood centers running 28 computer systems in a patchwork quilt of regions, each with its own operating procedures and business practices. Today we have one set of operational procedures, one set of business practices, and one state of the art computer system—which gives us the best national donor deferral system and the largest blood information data base in the world for transfusion medicine research.

We determined that today's demands were best met in high-volume, state-of-the-art, centralized labs, so we replaced our 53 testing facilities with 8 state-of-the-art, high-tech laboratories that today are the leading centers of their kind in the world. This enables us to quickly incorporate medical technology as it evolves.

Perhaps most importantly, today we no longer fear finding our own faults. We actively seek them out, report them and then fix them, ourselves. We hired a leader in quality assurance who created an independent program, providing more than 200 experts to audit and consult with all of our fixed sites. We actively monitor for more than 150 possible deviations in manufacturing. And our folks, can and on occasion have shut down a process immediately, when they have found a serious deviation from standard operating procedure.

In short, we have a new, centralized management structure, a new information system, and the best quality assurance program in existence. We have consolidated and modernized testing and have strictly standardized procedures and training across our system. As a matter of fact, we now run the highly acclaimed Charles Drew Biomedical Institute—and provide leadership to the entire blood banking community.

We have moved to a position of leadership in an industry which has achieved phenomenal success in the face of frightening odds: In 1991, an American's risk of HIV transmission from a blood transfusion was one in 220,000. Today, is it nearly one in 700,000—more than a three-fold reduction in risk. I'd say that is worth cheering about, wouldn't you?

Today, I can say what I could not seven years ago: the Red Cross is in the blood business to stay. We are sure of our mission and we know how to fulfill it. No longer an organization constrained by yesterday's technology, we operate today with the gleaming precision and efficiency of what is still, for most in the world, only tomorrow's possibilities. We offer Cadillac quality coupled with Volvo security. Don't get me wrong: every car on the lot meets the government standard for safety. But like Cadillac and Volvo, we have set standards of our own.

Unlike car companies, however, we don't do what we do for a profit. The pins on our lapels and the patches on our sleeves remind us daily that we are in this business to fulfill a national trust, to live up to our moral commitment to do the best we can to ensure the well-being of the American people. We are also reaching out to the rest of the world, sharing the lessons we have learned from Transformation to help improve the safety and reliability of the world's blood supply.

Of course, modernization and improvement is a process that must never end. As David Kearns, the former chairman of Xerox, once said, "In the race for quality, there is no finish line." This could never be more true than in the blood banking business. We're determined to remain not only the industry leader in quality and safety, but to place ourselves in the forefront of new product development.

At our world-class Hollard Laboratory, Red Cross physicians and scientists are evaluating and monitoring possible threats to the blood supply and working on many other new, cutting-edge technologies—some of which we will share with you today.

But all this technology wouldn't be worth a thing without the Red Cross who make it work for America. They are the reason and the inspiration for our service. We have 1.3 million volunteers, 32,000 paid staff, and 4.3 million blood donors—that's 20,000 donors every day—I'd like to stop just a minute give those heroes a loud round of applause.

Yes, after 50 years in Blood Services—and spending the last seven years transforming them, the American Red Cross has much to celebrate. In addition to enhancing blood safety, our investment has given us the knowledge and confidence to shape our own future.

Before Transformation, the Red Cross and other blood banks around the country waited for signals from the FDA that change was required. Today, the Red Cross is a leader of change. While Transformation the program is nearly complete, Transformation the process will be never ending.

There is a story I love about Supreme Court Justice Oliver Wendell Holmes. When Justice Holmes was in his 90s, he took a trip on the Pennsylvania Railroad. As he saw the conductor coming down the aisle, he began patting his pockets, looking for his ticket. The conductor, recognizing the famous jurist, said "Don't worry, Mr. Justice. I'm sure you'll find your ticket when you leave the train, and certainly the Pennsylvania Railroad will trust you to mail it back later."

Justice Holmes looked up at the conductor with some irritation and said, "My dear man, the problem is not, where is my ticket. The problem is, where am I going?"

Ladies and gentlemen, the American Red Cross knows where it's going! As we have led the nation in blood transformation, so we will set a new credo of business for businesses of the heart. But more than that, we are dedicated to saving and improving every life we can. We at the Red Cross want to be the model for non-profits in the next century. The status quo is no longer our milieu. Well into the new millennium, the Red Cross will seek out the cutting edge; we will be the people who question the range of possibilities—in blood banking as well as in every other aspect of our mission.

But we know we cannot accomplish all of our dreams by ourselves. We need the time and money, the brainpower and the lifeblood of Americans like you. Together, we will continue to imagine the unimaginable and attain the unattainable. Together, we will be privileged to touch, and in so doing transform, the millions of individual lives we are dedicated to serve.

On behalf of our entire Red Cross family, thank you for all you've done, and for all you continue to do. And on this special day, thanks for coming to our party.●

SENATE CONCURRENT RESOLUTION 120—TO REDESIGNATE THE UNITED STATES CAPITOL POLICE HEADQUARTERS AS THE "ENEY, CHESTNUT, GIBSON MEMORIAL BUILDING"

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 120

Whereas the United States Capitol Police force has protected the Capitol and upheld the beacon of democracy in America;

Whereas 3 officers of the United States Capitol Police have lost their lives in the line of duty;

Whereas Sgt. Christopher Eney was killed on August 24, 1984, during a training exercise;

Whereas officer Jacob "J.J." Chestnut was killed on July 24, 1998, while guarding his post at the Capitol; and

Whereas Detective John Gibson was killed on July 24, 1998, while protecting the lives of visitors, staff, and the Office of the Majority Whip of the House of Representatives: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the United States Capitol Police headquarters building located at 119 D Street, Northeast, Washington, D.C., shall be known and designated as the "Eney, Chestnut, Gibson Memorial Building".

● Mr. SARBANES. Mr. President, today I am submitting a concurrent resolution to redesignate the United States Capitol Police Headquarters as the "Eney, Chestnut, Gibson Memorial Building" in honor of the three brave United States Capitol Police Officers who have been killed in the line of duty since the inception of the Capitol Police.

The United States Capitol Police are a very special breed. They have a very special duty and a special trust. They guard our nation's Capitol and keep it safe and secure for the citizens of the world. When Officers Gibson and Chestnut were killed on July 24, 1998, I joined my colleagues on the floor to express my profound shock, and to express my very heartfelt sympathies to their families. I quoted an editorial in Roll Call then and I want to read from it again because I think it sums up the nature of our Capitol Police Force:

> Sometimes, given the comparative low level of violence around the Capitol complex and given that Capitol Police Officers are usually seen cheerfully directing traffic or gently herding tourists, it's forgotten that ours—meaning the Capitol Hill Police Force—is a real police force. We who live and work around the Capitol know—but others don't—that our police also fight crime in the neighborhood as well as watch the Capitol. But now all America understands that the Capitol Police do not just stand guard, but also stand ready to be heroes. That knowledge was derived last week at a heartrending cost.

So Mr. President, the purpose of this concurrent resolution is not just to memorialize these three officers, but to honor in perpetuity the bravery, and acknowledge the sacrifice of the men and women who put their lives on the line daily to protect this symbol of democracy. I urge my colleagues to join me in support of this measure.●

AMENDMENTS SUBMITTED

CONSUMER BANKRUPTCY REFORM ACT OF 1998

REED AMENDMENT NO. 3610

Mr. REED proposed an amendment to amendment No. 3559 proposed by Mr. GRASSLEY to the bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes; as follows:

On page 5, line 10, insert "(i)" after "(A)".

On page 5, line 15, strike "or" and insert "and".

On page 5, between lines 15 and 16, insert the following:

"(ii) when any party in interest moves for dismissal or conversion, whether the party in interest dealt in good faith with the debtor; or".

CHILD CUSTODY PROTECTION ACT

TORRICELLI AMENDMENT NO. 3611

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill (S. 1645) to amend title 18, United States Code, to prohibit taking minors across State lines to avoid laws requiring the involvement of parents in abortion decisions; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITED INTERSTATE FIREARMS TRANSFERS.

Section 922(a)(3) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by striking "or licensed collector to transport" and inserting the following: "or licensed collector—

"(A) to transport";

(e) by striking "this paragraph" and inserting "this subparagraph";

(4) by adding "and" after the semicolon at the end; and

(5) by adding at the end the following:

"(B) to—

"(i) travel across a State line for the purpose of inducing any other person to transfer a firearm in violation of any applicable Federal or State law; and

"(ii) thereby obtain a firearm in violation of any applicable Federal or State law;".

FEINSTEIN AMENDMENT NO. 3612

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1645, supra; as follows:

At the appropriate place insert the following:

"Exceptions: The prohibition of subsection (a) does not apply—

"(A) to any individual who is an adult member of the family of the minor who obtained the abortion, as the term 'adult' is defined for purposes of the State law requiring parental involvement in a minor's abortion decision; or

"(B) if the abortion was necessary to save the life of".

CENTENNIAL OF FLIGHT COMMEMORATION ACT

HELMS (AND GLENN) AMENDMENT NO. 3613

Mr. GRASSLEY (for Mr. HELMS for himself and Mr. GLENN) proposed an amendment to the bill (S. 1397) to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers; as follows:

In the Committee Amendment on page 38 strike lines 17 through 19 and insert the following: "There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004."

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate

Committee on Indian Affairs will meet during the session of the Senate on Thursday, September 24, 1998, at 2 p.m. to conduct a hearing on H.R. 1805, the Auburn Indian Restoration Act. The hearing will be held in room 485 of the Russell Senate Office Building.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that S. 2503, a bill to establish a Presidential Commission to determine the validity of certain land claims arising out of the Treaty of Guadalupe-Hidalgo of 1848, has been added to the agenda of the Subcommittee on Forests and Public Land Management field hearing scheduled in Espanola, New Mexico on September 26, 1998.

For further information, please call Mike Menge at (202) 224-6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, September 22, 1998, at 10:00 a.m. in open session, to consider the nominations of Richard J. Danzig to be Secretary of the Navy; Bernard D. Rostker to be Under Secretary of the Army; Stephen W. Preston to be General Counsel of the Department of the Navy; Herbert L. Buchanan III to be Assistant Secretary of the Navy for Research, Development and Acquisition; and Jeh C. Johnson to be General Counsel of the Department of the Air Force.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, September 22, 1998, at 10:00 am on nominations of Amtrak Reform Board nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HATCH. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing on S. 2470, a bill to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System, Tuesday, September 22, 9:00 a.m., Hearing Room (SD-406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a hearing on quality of care in the Department of Veterans Affairs health care system.

The hearing will take place on Tuesday, September 22, 1998, at 10:00 a.m., in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. HATCH. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights, and Competition, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Tuesday, September 22, 1998, at 1 p.m. to hold a hearing in room 226, Senate Dirksen Office Building, on: "The BP/Amoco Merger: A Competitive Review."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

POW/MIA RECOGNITION DAY IN WYOMING

• Mr. THOMAS. Mr. President, I rise today with my good friend and colleague, Senator ENZI, to recognize the Proclamation of the Governor of Wyoming declaring September 18 as "POW/MIA Recognition Day" in Wyoming.

I have come to this floor several times in my Senate career to extol the great sacrifices that our fighting men and women have made to protect this country and the ideals of freedom and democracy that we hold so dear. We owe these men and women a huge debt of gratitude. And I believe, Mr. President, that debt continues until we have brought home, or accounted for, all our missing service men.

Mr. President, I ask that the text of the proclamation be printed in the RECORD.

The proclamation follows.

GOVERNOR'S PROCLAMATION

Two thousand eighty-six Americans are still missing and unaccounted for from the Vietnam War, including 6 from the State of Wyoming, and their families, friends, and fellow veterans still endure uncertainty concerning their fate.

United States Government intelligence and other evidence confirm that Vietnam could unilaterally account for hundred of missing Americans, including many of the 446 still missing in Laos and the 75 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies.

The President has normalized relations with Vietnam, believing such action would generate increased unilateral account for Americans still missing from the Vietnam War, and such increased results have not yet been provided by the Government of Vietnam.

Now, therefore, be it resolved that the State of Wyoming calls on the President to reinvigorate United States efforts to press Vietnam for unilateral actions to locate and return to our nation remains that would account for hundreds of America's POW/MIA's and records to help obtain answers on many more.

For these significant reasons, I, Jim Geringer, Governor of the State of Wyoming, do hereby proclaim September 18th, 1998, to be "POW/MIA RECOGNITION DAY" in Wyoming, and encourage all citizens to observe this day with appropriate ceremonies.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this 29th day of July, 1998.

JIM GERINGER,
Governor.

Mr ENZI. Mr. President, I rise today to recognize the action of my State's Governor in proclaiming September 18, 1998, as Wyoming's POW/MIA Recognition Day. Over 2,000 Americans are still missing in Vietnam, Cambodia, and Laos, and over 8,000 on the Korean peninsula. Those heart rending facts make this a most fitting gesture indeed. These men gave everything they had to give in causes whose worthiness can be empirically verified: By comparing the prosperity of South Korea with the evil devastation to its North; By comparing the poverty and tyranny of Vietnam, Laos, and Cambodia with what might have been as evidenced in Thailand, Malaysia, and Singapore. We must never forget the sacrifice of those who have no headstones in our national cemeteries. Hence the importance of efforts such as Governor Geringer's, which remind the Nation of our continuing and unfulfilled responsibility to account for the remains of these men for the sake of their families and our national conscience. I commend Governor Geringer for his proclamation and I urge the President to intensify his efforts at retrieving the remains of America's missing-in-action. In comparison with their sacrifice, this gesture is humble indeed, but sincere and important nonetheless. Surely a grateful America can perform this small task.•

TRIBUTE TO GOODLOE AND JEAN SUTTON

• Mr. SHELBY. Mr. President I rise today to pay tribute to an Alabama couple who, in their persistent pursuit of justice, successfully raised awareness of illegal activities taking place in Marengo County in some of the highest levels of county government. Goodloe and Jean Sutton, who together head The Democrat-Reporter—Goodloe serves as editor and publisher and Jean as chief reporter—remind us of what the Fourth Estate is all about. Through their thorough and diligent coverage of questionable activities in the Marengo County Sheriff's office, former Sheriff Roger Davis was convicted on federal extortion charges; Sonny Breckenridge, who had been appointed by Sheriff Davis to lead the county's drug enforcement unit, was sentenced to life without parole for conspiring to protect drug dealers. Another deputy was also arrested. All are serving jail time for the deeds the Suttons helped to uncover.

Goodloe and Jean Sutton are to be commended. Not only have they helped to rid the Marengo County Sheriff's office of misdeeds and rampant corruption, but they have helped to restore the public faith in local government. They have also set an exemplary standard for others in the profession of journalism where truth should always be the highest and most important pursuit and consideration.

In addition to my statement, Mr. President, I believe it is fitting to include the following article about the Suttons, entitled "Paper Tigers," that appeared in the September 28, 1998 edition of People Magazine.

I ask that the article be printed in the RECORD.

The article follows.

[From People Magazine, Sept. 28, 1998]

PAPER TIGERS—NEWSHOUNDS GOODLOE AND JEAN SUTTON GET THE GOODS ON A LAWBREAKING SHERIFF

(By Peter Ames Carlin and Grace Lim)

From where they sat in the tiny newsroom of The Democrat-Reporter in rural Linden, Ala., Goodloe and Jean Sutton sensed there was something wrong about Roger Davis. Not only did the sheriff of Alabama's rural Marengo County (pop. 25,000) sell jewelry out of the trunk of his police car but he seemed to enjoy throwing his weight around. "Davis thought being sheriff made him all-powerful," says Jean. "He was impressed with himself."

But the Suttons were not, so when they learned that Davis had skimmed money from the county, they featured the story in their family-owned weekly newspaper. Ignoring threats and boycotts by the sheriff's cronies for more than three years, the couple kept on writing until Davis and two of his deputies had earned jail terms and the modest, six-employee paper had earned Pulitzer Prize consideration and a wall full of journalism trophies. "To take on the sheriff, the most powerful political leader in a rural county, is beyond gutsy," says Alabama Attorney General Bill Pryor, who investigated the crooked sheriff.

Sheriff Davis, now 57, started dipping into the county till in 1991, a year after the retired Alabama state trooper was elected to his $35,000-a-year post. First he used public money to buy his teenage daughter a $3,000 all-terrain vehicle for Christmas, only later returning to the dealer to pay with his own money. Davis funneled county dollars into his account for several years, then extorted more than $20,000 from bail bondsmen who had been operating illegally without the required financial reserves. He wasn't subtle about it. "If he could control you by fear, he'd do it," says Goodloe. "Or if he could do you a favor, he'd expect you to repay him. And he charmed people too."

Operating on a tip in early 1994, Jean Sutton first dug into the county financial records and discovered that $9,000 in public funds delivered to Davis had never made it to the office account. The Suttons ran the story as front-page news, eliciting a denial from the sheriff. "He told people he was a good Christian," says Jean. "When they asked why he didn't sue us for libel, he'd say, 'I prayed over it, and it wasn't the right thing to do.'"

Although Davis (who declined People's request for an interview) dodged those first editorial bullets, battle lines were drawn. Many of his supporters canceled their subscriptions to The Democrat-Reporter, cutting its circulation 20 percent from 7,500 to 6,000, and some local businesses pulled their advertisements. "As far as I know, he did a good job sheriffing while he was in office," says retired store owner Gaines Williamson, who once backed the sheriff. "Everybody knew him. We'd chitchat over a couple of coffee." Some Davis partisans felt so strongly they even phoned the Suttons, threatening to blow up the family van. "Remember," one letter assured them, "your day will come."

For Goodloe, 59, the chance to take down a crooked sheriff was worth the tension. The youngest of three kids born to publisher Robert Sutton, who bought The Democrat-Reporter in 1917, and his wife, Lorie, Goodloe first set type at the family newspaper when he was 12. He met aspiring writer Jean Rodgers, daughter of Will and Mary, while studying journalism at the University of Southern Mississippi, and the couple married after graduating in 1964.

Moving home to Linden, Sutton succeeded his father as editor and publisher of The Democrat-Reporter and installed Jean, now 57, as chief reporter. The couple—who have two sons, Goodloe Jr., 27, who works for the state Republican Party, and William, 14, a high school freshman—gained a reputation as uncompromising journalists. "Goodloe can sell a paper, that's for sure," says cement-company foreman Jerry Stewart. "There's a lot of controversy, which makes for interesting reading."

The Democrat-Reporter became even more interesting in May 1997, when two sheriff's deputies were arrested by federal and state agents for conspiring to protect drug dealers—one, Sonny Breckenridge, who was sentenced to life without parole, had been appointed by Davis to lead the county's drug enforcement unit. Meanwhile, with the Suttons' articles pointing the way, the state and federal authorities began closing in on the sheriff. By August of last year, Davis too was behind bars, caught in a joint state and FBI sting while squeezing a $975 payoff from an illegal bondsman. Two months later, he pleaded guilty to federal extortion charges; he was assessed $30,000 in fines and restitution. "I would like to apologize to my family, my friends and my church and to the people of Marengo County," the sheriff said en route to prison, where he'll serve 27 months. "I'm sorry."

Although their circulation has yet to rebound fully, the Suttons vow to continue in Marengo County whether their future holds trophies or threats. "We're just humble scribes," says Goodloe, who is also running to represent the region in Alabama's House of Representatives. "And we have the best turkey hunting, the best deer hunting and the best-looking women in the country. Why would anybody want to go anywhere else?"•

HONORING ILANA G. POSSNER

• Mr. D'AMATO. Mr. President, I rise today to honor Ilana G. Possner, a young woman who has dedicated her life to the betterment of her community through her undying commitment to community service and leadership activities. She is a shining example of an American youth who has made a deep impact on the lives of her fellow citizens.

This young Staten Island resident has not only graced her immediate community with her good deeds, but the New York City area as a whole. She is an active participant at Project Hospitality, a Staten Island shelter that works with the area's homeless, hungry and sick. Each week, Ilana prepares and serves dinner to the homeless population this program services. Yet, her role is not just that of a server; Ilana takes it upon herself to befriend these people in need, readily lending a supportive ear and establishing relationships with them. Ms. Possner also devotes her time to entertaining Staten Island senior citizens through volunteer signing for the hearing impaired. Ilana has performed at fifteen different nursing homes and senior citizen centers throughout the past two years. Aside from these very demanding activities, she is also an active and enthusiastic volunteer worker for the American Cancer Society and the Multiple Sclerosis Society.

Ms. Possner has put her leadership skills to work to help the community, as well. She organizes numerous food and clothing drives for the homeless, which provide people with the basic necessities of life that otherwise would not have been available to them. Moreover, Ilana presides over youth groups which bring together Staten Island youth from different racial, socioeconomic, religious and ethnic backgrounds. Through these groups, she works to promote harmony among the citizens of Staten Island.

Ilana's hard work has brought her great recognition and awards over the past few years. She currently attends St. John's University on an academic scholarship, where she wishes to pursue studies in Communications and Education. Furthermore, she has received the National Service Scholarship and the MCS/Canon New York Knicks Team Up Community Service Scholarship. The New York State Assembly has also commended Ms. Possner for her work and achievement through a citation, as well.

As we all know, today's youth is the future of America. In order to solve the problems America is facing now and in the future, it is imperative that we have leaders dedicated to the American people. Ilana Possner is an excellent example of a person who has put forth her leadership skills and time to the American public. It is through people such as Ilana Possner that the future problems and issues facing Americans will be confronted. Thus, I wish to commend Ilana for her selfless acts that have helped to make her community a better place.•

BISHOP LEE'S SERMON ON "FAITH, FREEDOM, AND VIRTUE"

• Mr. WARNER. Mr. President, on Sunday, September 20, I joined Members of the Virginia Congressional delegation—Senator ROBB, Congressman BLILEY, Congressman SCOTT, and Virginia's Lieutenant Governor Hager, and many other Virginians at "Virginia Day" at the Washington National Cathedral. I was privileged, together with Senator ROBB, to read the scripture lessons.

My family and I have had a long association with this great Cathedral which stands on the highest promontory in the Nation's Capital and serves as living symbol of religious freedom the world over. Over 70 years ago, I was baptized, later confirmed, and then served on the governing chapter of the Cathedral. My uncle, the Reverend Charles T. Warner started his career in the ministry here with Bishop Freeman and then worked with the Cathedral in his capacity as Rector of nearby St. Alban's Parish for 40 years.

The Right Reverend Peter James Lee, the 12th Episcopal Bishop of Virginia, delivered an inspiring sermon. As the Senate, and indeed all Americans, look to the difficult decisions facing us, we should examine Bishop Lee's important reflections on "Faith, Freedom, and Virtue." I ask that it be printed in the RECORD.

The sermon follows:

FAITH, FREEDOM AND VIRTUE

(A sermon preached by the Rt. Rev. Peter James Lee, Bishop of Virginia, on Virginia Day at the Washington National Cathedral, Sunday, September 20, 1998)

It takes less than a minute, except during rush hour, to cross from Washington into Virginia. The Potomac River is not much of a barrier. But over the centuries, the distance between the national capital and the Commonwealth of Virginia has varied dramatically. In the earliest days, there was hardly any distance at all since Virginia was a primary leader of the intellectual and political ferment that led to the birth of the nation. But contemporary with the establishment of the capital on the Potomac, the tension between Virginia and the nation began to increase, until it led to open rebellion in the Civil War. The Potomac became a hostile boundary. Virginia has shaped our nation's history, rebelled against national authority, in this century resisted the movement for racial justice, and yet has contributed so very much to the making of America. Today, Virginia is a beneficiary of many federal dollars, thanks in no small measure to the energy and leadership of our two lay readers today, the distinguished United States Senators from Virginia.

Virginia's ambivalent relationship with the nation, sometimes formative and leading, sometimes hostile and resistant, has been matched on occasion by Washington's dismissal of its historic neighbor across the river.

I experienced that shortsighted Washington view not many years ago. My first assignment as a new priest was on the staff of St. John's Church, Lafayette Square, across from the White House. Twenty years later, as the Bishop of Virginia, I was asked back to St. John's to speak to a dinner of former lay leaders. A distinguished Washington lawyer whom I had known when I was a young priest came up to me, and with generosity and unintended Washington arrogance, said, "Peter, we are very proud of you. You are a bishop somewhere now, aren't you?"

When the Potomac is a great divide, from Virginia—and the rest of the nation—everyone suffers.

In just a few years, Virginia will mark 400 years since the first English settlers brought to these shores their version of the Christian faith. The religious life of Virginia across these centuries has been dominated by a tension between faith and freedom, a tension defined in the decades of the eighteenth century when a few well-educated Virginians were influenced by the European enlightenment and thousands of Virginians were swayed by evangelical revivals across the Commonwealth. In the 1730's, the majority Christian group in Virginia was Episcopalian. By the 1790's, the majority was Baptist. Ever since, Virginia Christian life has been marked by a tension between the spiritual descendants of Thomas Jefferson and the spiritual descendants of the great evangelical revivals of the same era. Thomas Jefferson was derided by his opponents as godless and dangerous. Evangelical preachers were dismissed by the followers of Jefferson as ignorant and prejudiced.

Today, in this well-ordered cathedral that speaks eloquently of rationality and mystery both joined in the service of God, it is difficult for us to grasp the significance of the break between the Jeffersonian and the evangelical traditions. And yet, the failure of Virginia to bridge the gap between the two traditions is one of the great and tragic might-have-beens of history. In England, in about those same years, the late eighteenth and early nineteenth centuries, personal, evangelical piety, stirred by John and Charles Wesley, contributed mightily to the movement for the abolition of slavery. In Virginia at the time, voices against slavery were rare. Thomas Jefferson wrote persuasively about inalienable human rights, but he held on to his slaves. What might have happened in Virginia if the humanist sense of enlightenment had been nourished by a Christian conversion experience that led to a passion against slavery? It didn't happen, or at least it happened among so few that it made little difference in Virginia. What might have been.

Even to this day, two communities exist side-by-side in Virginia—one of independent, Bible-centered congregations with inherited suspicion of cities, universities, and contemporary culture. And the Jeffersonian tradition in Virginia, while admirably zealous for the separation of church and state, often treats religion as so much a private matter that it should have little to say in the public realm. It is an overstatement, but not much of one, to say that one community, the Jeffersonian tradition, holds as an unexamined doctrine that religion is entirely a private matter, while the other tradition of evangelical piety, affirms that America is a Christian nation whose values should be those of the Bible, interpreted in the most conservative light.

Both traditions have held on to one dimension of personal values shaped by Judeo-Christian standards. Virginia has a powerful and priceless tradition of expecting high standards of personal honor among its leaders. When Robert E. Lee was President of Washington College in Lexington, the institution that now bears his name along with Washington's, General Lee was asked by a student for a book of rules. He responded, famously, "We have but one rule: our students are gentlemen and a gentleman does not lie, cheat or steal." That rule, adapted to the happy reality of coeducation, and spread from a 19th Century elite to the whole of the Commonwealth, reflects the heritage of personal honor that is still a cherished value of all Virginians.

Contemporary Virginia needs to offer the rest of the nation an example of joining its twin legacies of faith and freedom, which includes its respect for personal honor and public virtue.

Faith is nurtured in a climate of freedom. We have learned that faith imposed by state authority is corrupting and oppressive. The French philosopher Pascal once wrote that "people never do evil so completely and cheerfully as when they do it from religious conviction." Religious zealots from the great religions of the world who deny the freedom of others betray the highest values of their own creeds. Faith and freedom may be in tension but they need not be in conflict.

We are in danger in America, and even across the world, of dismissing serious commitment to religious faith as irrelevant to public virtue or even dangerous to civic peace. The crisis surrounding the President of the United States is in part the inevitable result of the rupture between personal faith and public life, between faith and freedom, the break between personal honor and political values.

As this most violent century draws to an end, as race and ethnicity and religion continue to divide people and to lead to their slaughter, the world needs people of faith who honor freedom; people committed to freedom who respect the integrity of faith, people who can build societies that value personal honor and public virtue.

The great religions of the world have much to say about our life together. They cannot be relegated simply to the realm of private preference. In the lesson from the Hebrew scriptures today,[1] the prophet Amos condemns those who take shortcuts with the law that forbids commerce on the Sabbath. The behavior condemned by the prophet may be "legally accurate," but those who engage in behavior that oppresses the poor are corrupt. Paul, in his first letter to Timothy,[1] insists that the Christians hold their rulers in their prayers—assuming that the public good requires leaders of personal honor but since they are flawed human beings like the rest of us, they need the support of our prayers. And in the parable of the dishonest steward,[1] Jesus warns that the distinction between private and public virtue is artificial. The one who is dishonest in very little things will also be dishonest in much. The ancient Bible stories are right on target for the issues of today.

This cathedral stands on the highest hill in the District of Columbia. Its towers dominate the Washington skyline, not with the power to oppress, but with the powers to inspire and to call a people to personal integrity and public virtue. That does not mean our leaders must be saints. Many of us know our senators, other leaders, and our bishops well enough to know that sainthood has eluded all of us. We are all flawed, fallible persons, but that does not suggest that our quest for private and public virtue is in vain. We need to reaffirm the integrity of faith, faith in God who empowers each one of us to become the person God intends us to be; the God who lifts us up when we fall, and who redeems our failures with new hope. We need to recover a personal faith that sustains both private honor and public virtue. We need to bridge the gap between the sacred and the secular, not by a diminution of freedom, but with an expansion of faith that respects freedom and the freedom that protects the nurture of faith and the privacy of individuals.

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[1] Amos 8:4–7, I Timothy 2:1–8, and Luke 16:1–13.

This nation is engaged in a great public conversation about the crisis in the Presidency. President Clinton's moral authority is severely compromised. Whether this crisis ends with resignation, impeachment, or censure and a crippled presidency for the remaining two years of the term, it is important for the well being of thé nation to consider what we can learn about ourselves in this crisis. That in no way absolves the President from his responsibility. But have we separated personal, private morality from public life so extensively that this was a crisis waiting to happen? Do we have a system of raising up leaders in public life that encourages and rewards honor, integrity, and personal commitment to our shared values? Or, do we separate faith and freedom, personal honor and public virtue, so extensively that our moral life together is imperiled? Our moral life is now endangered by excessive public intrusion into private life and dishonorable private behavior that erodes public trust. With our traditions, Virginians can make a difference in the national conversation.

Virginia is a Commonwealth where faith and freedom have competed but have flourished; we are a commonwealth that demands of our leaders personal honor and service to public virtue. Let those great traditions come together again in a new and mutually respectfully union so that our people may be strengthened.

In his farewell address in 1796, our first President, George Washington, said, "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports . . . a volume could not trace all their connections with private and public felicity . . . let us with caution indulge the supposition that morality can be maintained without religion . . . reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

Virginia is the birthplace of English speaking Christian faith in America. Virginia is the birthplace of Thomas Jefferson's statute for religious freedom. We are a community that offers to a nation the union of personal honor serving public virtue, of personal faith in a climate of freedom that restricts intrusive government.

In New Testament Greek, the word "crisis" means a time of judgment, a time of separation, a time of clarification. A crisis in the view of the Bible is often created by the word of God, proclaimed by the prophets, exposing the gap between where people are and where they ought to be. We are living at such a time and that time, the Bible teaches us, can be one of hope and of new beginning. May the traditions of Virginia, of faith and freedom, of private piety and public virtue, of personal honor and public service, come together again in this great nation so that future generations will look back on our day as a time of moral renewal and refreshing new hope, a time when God called this nation to a rebirth of our spiritual strength.●

ACC'S NEW DETROIT HEADQUARTERS AND OFFICIAL DEDICATION

● Mr. ABRAHAM. Mr. President, I rise today to recognize an important event which is taking place in the state of Michigan. On September 25, 1998, the Arab-American Chaldean Council and Henry Ford Health System will celebrate the official dedication of the ACC and Henry Ford Medical/Social Services Center.

The Center will create a fully comprehensive Medical/Social Services facility and will become the ACC's new Detroit Headquarters. With an organization as successful as the ACC, supported by the excellent reputation and resources of the Henry Ford Health System, the future looks bright.

I extend my best wishes and congratulations to Dr. Haifa Fakhouri, the President and CEO, and everyone involved with making the ACC and Henry Ford Medical/Social Services Center possible. I am confident their partnership will be a success.●

TRIBUTE TO GUIDE DOGS AND WORKING DOGS

● Mr. SANTORUM. Mr. President, I rise today to recognize the fine work of Guide Dogs and Working Dogs who, through demonstrated intelligence and dependability, have made life so much easier for their owners.

Today Guide Dogs and Working Dogs assist not only individuals suffering vision loss, but also those suffering hearing loss and those with orthopedic problems. The intense training program that Guide Dogs and Working Dogs endure enables them to assist their owners with courtesy and confidence.

These well-trained dogs have not only won the respect of their owners but the public as well. They have allowed countless individuals to enjoy freedom and independence and lead richer lives.

I would like to mention that the City of Philadelphia and the Pennsylvania Legislature have also recognized these exceptional animals.

Mr. President, I ask my colleagues to join with me in paying tribute to these remarkable dogs who have afforded their owners a better life in their community.●

TRIBUTE TO JAMES MAITLAND "JIMMY" STEWART

● Mr. SHELBY. Mr. President, I rise today to pay tribute to an award-winning Alabama journalist and author who has written the definitive history of the World War II military career of Hollywood-great Jimmy Stewart. Mr. Smith, who served with Stewart in WWII, wrote "A Retrospective of the World War II Military Career of Hollywood's James M. (Jimmy) Stewart" for the James M. Stewart Museum Foundation, located in Stewart's hometown—Indiana, PA. I believe excerpts from this article are a fitting tribute to both thé life and legacy of a true American hero: Jimmy Stewart, as well as to one of Alabama's fine authors: Starr Smith. In compliance with the CONGRESSIONAL RECORD text-length rules, only excerpts of Mr. Smith's article could be placed in the RECORD; however, I encourage my colleagues and the American people to obtain a complete copy of this important article from either the James M. Stewart Museum or the September 1998 edition of The Retired Officers Magazine.

In addition to his many accomplishments, Smith is a travel columnist for the Montgomery Advertiser and is a retired Air Force Reserve colonel. He lives in Montgomery, AL.

Mr. President, the following are excerpts from "A Retrospective of the World War II Military Career of Hollywood's James M. (Jimmy) Stewart" by Starr Smith:

> When the melancholy news came of Jimmy Stewart's death I was in Montreal, Canada. I thought it singular that I was out of my own country at the time because my relationship with this remarkable American had taken place on foreign soil—wartime England. Much has been said and written since Stewart's death about his extraordinary life and career as a film actor of the first rank, but little has been said about Stewart's brilliant and brave record as an Army Air Force combat pilot and commander in World War II.
>
> I served with Stewart on a windswept and cold bomber station, called Old Buckingham, near the North Sea between Cambridge and Norwich in England's East Anglia in 1943–1944. Our outfit was the 453rd Bomb Group. The commander, Colonel Ramsay Potts, was a battle-tested B–24 specialist who had been on the historic and pivotal Ploesti mission and earned the Distinguished Service Cross. Stewart, then a major, was the group's operations officer and I was an intelligence officer who handled much of the briefings for the air crews prior to their mission over Nazi Germany. It was in this capacity that I worked with Stewart, night after night, preparing the details of the mission. I have never known a more intelligent, knowledgeable, hardworking, conscientious and dedicated officer.
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> In my book, "Only the Days Are Long: Reports of a Journalist and World Traveler," I wrote of Stewart: "At night, working with me preparing the mission, Stewart was crisp and business-like; reserved, but he knew his job and was a keen student of daylight precision bombing. (The Americans bombed in daylight, the RAF at night). It was interesting to see Stewart at the bar of the Officer's Club after a tough day and hear his discussion of the mission with the returning pilots. But even then he was always slightly aloof. He was never one of the boys. This is not to say Stewart was unfriendly. Rather, he went about his work with a cool professional detachment—a single purpose approach that did not allow for personal involvement. This, I think, was the reason for this success in the war. He was determined to prove that he was more than an actor, more than a Hollywood star. He was determined to prove that now he could measure

up as a man doing a really important job in the military crucible and not just a celluloid hero.

Almost a year before Pearl Harbor, Jimmy Stewart had a deep feeling that his country would soon be at war. Stewart also knew that if war came he wanted to be in uniform and overseas on combat duty.

At the beginning of the new year of 1941, Stewart was at the top of his career as a movie actor and international star. His 1939 picture, "Mr. Smith Goes to Washington," has made him a folk hero throughout America and he was destined for an Academy Award for his role as the reporter in "Philadelphia Story" later in the year. His life was blissful, romantic, flawless, and ahead was the golden promise of infinite stardom as one of the premier movie players of all time.

. . . but with England fighting Hitler since 1939, Edward R. Murrow's bleak broadcasts from London, the Pacific war against the Japanese going badly for the British . . . Jimmy Stewart decided to join the fight. But, he faced two major roadblocks: his boss and his country. Louis B. Mayer, the forceful and dictatorial head of MGM used every persuasive tactic at his command—choice roles, contract revisions, free time to help with the war effort as a civilian. The other matter was different.

In September of 1940, the Selective Service Act became law, and men between the ages of 21 and 36 were required to register. Being 32, Stewart registered . . . when he was called up for a physical in late 1940, he was turned down: underweight. That could have ended the whole affair. . . . perhaps thinking of his father's fierce patriotism and his service in two wars, plus his own fervent love of country, Stewart favored the volunteer route. He appealed the Army's underweight decision, embarked on an eating binge, made the weight requirements and reported for induction on March 22, 1941 at Fort McArthur, California.

Stewart was among the very few officers in American military history to rise from private to full colonel in slightly over four years. Moreover, Stewart was actually on combat duty all the time he was overseas, performing vital, demanding and dangerous jobs: squadron operations officer, squadron commander, group operations officer, wing operations officer, and later at the end—Second Bomb Wing Commander. And, all the while, he was flying combat missions as a B-24 pilot and command pilot.

. . . Stewart spent all of his service in England assigned to the 2nd Combat Wing. . . . in late August of 1945, he returned to New York on the *Queen Elizabeth*. And on September 29th of that year, Stewart was discharged at Andrews Air Force Base in Washington. He was immediately appointed a full colonel in the Air Force Reserve. In his war years, Stewart had flown 20 combat missions, among them the tough ones: Brunswick, Bremen, Frankfort, Schweinfut, and I recall that he was on Berlin twice—once leading the entire 1,000 plane 8th Air Force. His wartime decorations include: Distinguished Flying Cross, with Oak Leaf Cluster; four Air Medals, and the French Croix de Guerre with Palm. He was promoted to Brigadier General in the Air Force Reserve in 1959 and retired in 1968. After Stewart died in July of 1997, Air Power History published a memoriam . . . (which) contained this little-known fact: "In 1966, during his annual two weeks of active duty, Stewart requested a combat assignment and participated in a bombing strike over Vietnam."

. . . With all the myriad honors of a celebrated and eclectic career, including the highest in his profession—the Academy Award—it is not too much to believe that Jimmy Stewart reached the blue lawn of his life in those eventful and dangerous years of World War II. A small town boy who grew up with strong family values and a bed-rock foundation in honesty and integrity, intertwined with a fervent patriotism—Stewart served his country with dedication and distinction, and, like F. Scott Fitzgerald, his fellow Princetonian—he lived his life with an unbending determination, subtle style and a certain mystique.●

150TH ANNIVERSARY OF LA SALLE ACADEMY

● Mr. D'AMATO. Mr. President, I am honored to be invited to such a landmark event and I rise to offer my congratulations to the La Salle Academy in celebrating its 150th anniversary of educating New York City's youth. Founded in 1848, the Catholic, college-preparatory school of La Salle Academy currently serves more than 540 young men who represent over 60 nationalities. La Salle Academy seeks to educate young men of New York City from different cultural, racial, and social groups with special outreach programs for those most in need. This enables students to grow intellectually, morally, and physically in a racially diverse setting while encouraging them to contribute to their communities. This fine Academy consistently molds young men into valuable members of society and sends over 90% of its students to pursue higher education. Institutions, such as La Salle, are key assets for introducing our young adults to the many different aspects of our diverse society. Both the graduates and students of La Salle Academy act as model citizens for others to emulate and I praise this institution and other organizations of its kind for its countless contributions to society. We are fortunate to have such a valuable institution reside in New York State. I sincerely hope that La Salle Academy will continue to serve its students and the members of this community in such an important fashion.●

USE OF THE ROTUNDA FOR THE NELSON MANDELA CEREMONY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 326, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (H. Con. Res. 326) permitting the use of the rotunda of the Capitol on September 23, 1998, for the presentation of the Congressional Gold Medal to Nelson Rohihlahla Mandela.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (H. Con. Res. 326) was agreed to.

NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 259, and the Senate proceed to its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 259) designating the week beginning September 20, 1998, as "National Historically Black Colleges and Universities Week," and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRASSLEY. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 259) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 259

Whereas there are 104 historically black colleges and universities in the United States;

Whereas black colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas black colleges and universities have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of historically black colleges and universities are deserving of national recognition: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week beginning September 20, 1998, as "National Historically Black Colleges and Universities Week"; and

(2) requests that the President of the United States issue a proclamation calling on the people of the United States and interested groups to observe the week with appropriate ceremonies, activities, and programs to demonstrate support for historically black colleges and universities in the United States.

CENTENNIAL OF FLIGHT COMMEMORATION ACT

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 532, S. 1397.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1397) to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Centennial of Flight Commemoration Act"

SEC. 2. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 3. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 4. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a) (1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 5. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this Act enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

SEC. 6. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 12.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this Act.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this Act, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this Act.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this Act and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 7. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the

provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this Act.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this Act.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this Act.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the non-profit sector.

SEC. 8. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this Act.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 10(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 9. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name "Centennial of Flight Commission" on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this Act.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 10. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 8(a)(1).

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 12. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 5(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this Act.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 13. DEFINITIONS.

For purposes of this Act:

(1) The term "Advisory Board" means the Centennial of Flight Federal Advisory Board.

(2) The term "centennial of powered flight" means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies

which have led to the development of aviation as it is known today.

(3) The term "Commission" means the Centennial of Flight Commission.

(4) The term "designee" means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) The term "First Flight" means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903 at Kitty Hawk, North Carolina.

SEC. 14. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 10(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $2,000,000 for each of the fiscal years 1999 through 2004.

AMENDMENT NO. 3613

(Purpose: To amend the Committee Amendment to S. 1397, The Centennial of Flight Commemoration Act)

Mr. GRASSLEY. Mr. President, Senator HELMS has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] for Mr. HELMS, for himself and Mr. GLENN, proposes an amendment numbered 3613.

Mr. GRASSLEY. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the Committee Amendment on page 38 strike lines 17 through 19 and insert the following: "There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004."

Mr. GRASSLEY. Mr. President, I ask unanimous consent the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3613) was agreed to.

Mr. GRASSLEY. I ask unanimous consent that the committee substitute be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee substitute amendment, as amended, was agreed to.

The bill (S. 1397), as amended, was considered read the third time and passed as follows:

S. 1397

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Centennial of Flight Commemoration Act".

SEC. 2. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 3. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 4. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a) (1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 5. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this Act enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

SEC. 6. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 12.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts,

the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this Act.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this Act, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this Act.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this Act and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 7. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this Act.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this Act.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this Act.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

SEC. 8. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this Act.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 10(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 9. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name "Centennial of Flight Commission" on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this Act.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 10. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 8(a)(1).

SEC. 11. AUDIT OF FINANCIAL TRANSACTIONS.

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the

Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 12. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 5(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this Act.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 4(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 13. DEFINITIONS.

For purposes of this Act:

(1) The term "Advisory Board" means the Centennial of Flight Federal Advisory Board.

(2) The term "centennial of powered flight" means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) The term "Commission" means the Centennial of Flight Commission.

(4) The term "designee" means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) The term "First Flight" means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903 at Kitty Hawk, North Carolina.

SEC. 14. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 10(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this Act $250,000 for fiscal year 1999, $600,000 for fiscal year 2000, $750,000 for fiscal year 2001, $900,000 for fiscal year 2002, $900,000 for fiscal year 2003, and $600,000 for fiscal year 2004.

ORDERS FOR WEDNESDAY, SEPTEMBER 23, 1998

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Wednesday, September 23. I further ask that when the Senate reconvenes on Wednesday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, the time for the two leaders be reserved, and the Senate then resume consideration of S. 1301, the bankruptcy bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I further ask unanimous consent that at 9:30 a.m., Senator DODD be recognized to offer his amendment relative to student loans and there be 15 minutes for debate, 10 minutes under the control of Senator DODD, 5 minutes under the control of Senator GRASSLEY, and following the conclusion or yielding back of time, the amendment be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I also ask unanimous consent that following the disposition of the Dodd amendment, Senator KOHL be recognized to offer an amendment under a time limit of 10 minutes under his control and 5 minutes under the control of Senator GRASSLEY, and following the conclusion of the debate, the amendment be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, I ask that at 10 a.m. tomorrow Senator FEINSTEIN be recognized to speak for up to 10 minutes, to be followed at 11 o'clock by Senator HARKIN to be recognized to offer his amendment regarding interest rates, and that there be 45 minutes for debate, 40 minutes under the control of Senator HARKIN, 5 minutes under the control of Senator DOMENICI, and at 11:45, Senator DOMENICI or his designee be recognized to move to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I further ask that following the disposition of the Harkin amendment the Senator from Iowa, myself, be recognized to offer the managers' amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Therefore, Members should expect a series of votes to occur at approximately 11:45 tomorrow, the last in the series being passage of the bankruptcy bill. The Senate may also consider the Interior appropriations bill and any other calendar items. Therefore, votes will occur throughout the day on Wednesday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRASSLEY. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:44 p.m., adjourned until Wednesday, September 23, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 22, 1998:

DEPARTMENT OF THE INTERIOR

ELJAY B. BOWRON, OF MICHIGAN, TO BE INSPECTOR GENERAL, DEPARTMENT OF THE INTERIOR, VICE WILMA A. LEWIS, RESIGNED.

DEPARTMENT OF ENERGY

ROSE EILENE GOTTEMOELLER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF ENERGY (NON-PROLIFERATION AND NATIONAL SECURITY), VICE ARCHER L. DURHAM, RESIGNED.

DAVID MICHAELS, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF ENERGY (ENVIRONMENT, SAFETY AND HEALTH), VICE TARA JEANNE O'TOOLE, RESIGNED.

UNITED STATES INFORMATION AGENCY

WILLIAM B. BADER, OF NEW JERSEY, TO BE AN ASSOCIATE DIRECTOR OF THE UNITED STATES INFORMATION AGENCY, VICE JOHN P. LOIELLO.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

VIVIAN LOWERY DERRYCK, AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR A TERM EXPIRING SEPTEMBER 27, 2003, VICE JOHN F. HICKS, SR., TERM EXPIRED.

AFRICAN DEVELOPMENT FOUNDATION

SUSAN E. RICE, AN ASSISTANT SECRETARY OF STATE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE AFRICAN DEVELOPMENT FOUNDATION FOR A TERM EXPIRING SEPTEMBER 27, 2003, VICE GEORGE EDWARD MOOSE, TERM EXPIRED.

DEPARTMENT OF STATE

MICHAEL J. SULLIVAN, OF WYOMING, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO IRELAND.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

GORDON DAVIDSON, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2004, VICE KENNETH MALERMAN JARIN, TERM EXPIRED.

CLEO PARKER ROBINSON, OF COLORADO, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2004, VICE IRA RONALD FELDMAN, TERM EXPIRED.

THE JUDICIARY

ALETA A. TRAUGER, OF TENNESSEE, TO BE UNITED STATES DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF TENNESSEE VICE JOHN T. NIXON, RETIRED.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE, TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. JAMES C. BURDICK, 9214.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. EDWIN P. SMITH, 3610.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ANTHONY R. JONES, 7571.

HOUSE OF REPRESENTATIVES—*Tuesday, September 22, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 22, 1998.

I hereby designate the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

Reverend James R. Seale, Rector, All Saints Episcopal Church, Frederick, Maryland, offered the following prayer:

Let us pray. O God, Creator and Preserver of this world, we thank You for all the blessings we are so privileged to enjoy in this land. We give thanks for all who work at the local, State, and national levels to serve our citizens and uphold the freedoms we so cherish. We pray for a gentle heart and courage to prevail in all we do and say as we go about this day.

And now I ask Your blessing on this session of the House of Representatives and ask that today and each day You bestow on each Member and their staff wisdom and perseverance to work for justice and peace here at home and throughout the world. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina (Mr. BALLENGER) come forward and lead the House in the Pledge of Allegiance.

Mr. BALLENGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate having proceeded to reconsider the bill (H.R. 1122) "An Act to amend title 18, United States Code, to ban partial-birth abortions," returned by the President of the United States with his objections, to the House, in which it originated, and passed by the House on reconsideration of the same, it was resolved, that the said bill do not pass, two-thirds of the Senators present not having voted in the affirmative.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2317. An act to improve the National Wildlife Refuge System, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2206) "An Act to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JEFFORDS, Mr. COATS, Mr. GREGG, Mr. KENNEDY, and Mr. DODD, to be the conferees on the part of the Senate.

CONFERENCE REPORT ON H.R. 4112, LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1999

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105-734)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4112) "making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

Strike all on page 2, line 5, of the House engrossed bill, H.R. 4112, down through and including all on page 10, line 7, and in lieu of the matter stricken and inserted by said amendment, insert the following:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

EXPENSE ALLOWANCES

For expense allowances of the Vice President, $10,000; the President Pro Tempore of the Senate, $10,000; Majority Leader of the Senate, $10,000; Minority Leader of the Senate, $10,000; Majority Whip of the Senate, $5,000; Minority Whip of the Senate, $5,000; and Chairmen of the Majority and Minority Conference Committees, $3,000 for each Chairman; in all, $56,000.

REPRESENTATION ALLOWANCES FOR THE MAJORITY AND MINORITY LEADERS

For representation allowances of the Majority and Minority Leaders of the Senate, $15,000 for each such Leader; in all, $30,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, and others as authorized by law, including agency contributions, $87,233,000, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For the Office of the Vice President, $1,659,000.

OFFICE OF THE PRESIDENT PRO TEMPORE

For the Office of the President Pro Tempore, $402,000.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For Offices of the Majority and Minority Leaders, $2,436,000.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For Offices of the Majority and Minority Whips, $1,416,000.

COMMITTEE ON APPROPRIATIONS

For salaries of the Committee on Appropriations, $6,050,000.

CONFERENCE COMMITTEES

For the Conference of the Majority and the Conference of the Minority, at rates of compensation to be fixed by the Chairman of each such committee, $1,092,000 for each such committee; in all, $2,184,000.

OFFICES OF THE SECRETARIES OF THE CONFERENCE OF THE MAJORITY AND THE CONFERENCE OF THE MINORITY

For Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority, $570,000.

POLICY COMMITTEES

For salaries of the Majority Policy Committee and the Minority Policy Committee, $1,109,000 for each such committee; in all, $2,218,000.

OFFICE OF THE CHAPLAIN

For Office of the Chaplain, $267,000.

OFFICE OF THE SECRETARY

For Office of the Secretary, $13,694,000.

OFFICE OF THE SERGEANT AT ARMS AND DOORKEEPER

For Office of the Sergeant at Arms and Doorkeeper, $33,805,000.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For Offices of the Secretary for the Majority and the Secretary for the Minority, $1,200,000.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

AGENCY CONTRIBUTIONS AND RELATED EXPENSES

For agency contributions for employee benefits, as authorized by law, and related expenses, $21,332,000.

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, $3,753,000.

OFFICE OF SENATE LEGAL COUNSEL

For salaries and expenses of the Office of Senate Legal Counsel, $1,004,000.

EXPENSE ALLOWANCES OF THE SECRETARY OF THE SENATE, SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE, AND SECRETARIES FOR THE MAJORITY AND MINORITY OF THE SENATE

For expense allowances of the Secretary of the Senate, $3,000; Sergeant at Arms and Doorkeeper of the Senate, $3,000; Secretary for the Majority of the Senate, $3,000; Secretary for the Minority of the Senate, $3,000; in all, $12,000.

CONTINGENT EXPENSES OF THE SENATE

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, as amended, section 112 of Public Law 96–304 and Senate Resolution 281, agreed to March 11, 1980, $66,800,000.

EXPENSES OF THE UNITED STATES SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

For expenses of the United States Senate Caucus on International Narcotics Control, $370,000.

SECRETARY OF THE SENATE

For expenses of the Office of the Secretary of the Senate, $1,511,000.

SERGEANT AT ARMS AND DOORKEEPER OF THE SENATE

For expenses of the Office of the Sergeant at Arms and Doorkeeper of the Senate, $60,511,000, of which $5,000,000 shall remain available until September 30, 2000.

MISCELLANEOUS ITEMS

For miscellaneous items, $8,655,000.

SENATORS' OFFICIAL PERSONNEL AND OFFICE EXPENSE ACCOUNT

For Senators' Official Personnel and Office Expense Account, $239,156,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the Senate, $300,000.

ADMINISTRATIVE PROVISIONS

SECTION 1. (a) Effective in the case of any fiscal year which begins on or after October 1, 1998, clause (iii) of paragraph (3)(A) of section 506(b) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)) is amended to read as follows:

"(iii) subject to subparagraph (B), in case the Senator represents Alabama, $183,565, Alaska, $252,505, Arizona, $197,409, Arkansas, $168,535, California, $470,272, Colorado, $187,366, Connecticut, $161,691, Delaware, $127,384, Florida, $302,307, Georgia, $211,784, Hawaii, $279,648, Idaho, $163,841, Illinois, $267,000, Indiana, $195,391, Iowa, $171,340, Kansas, $168,912, Kentucky, $176,975, Louisiana, $186,714, Maine, $148,205, Maryland, $172,455, Massachusetts, $196,819, Michigan, $235,846, Minnesota, $187,742, Mississippi, $168,587, Missouri, $198,365, Montana, $161,857, Nebraska, $160,550, Nevada, $171,208, New Hampshire, $142,497, New Jersey, $207,754, New Mexico, $166,721, New York, $328,586, North Carolina, $212,711, North Dakota, $150,225, Ohio, $262,252, Oklahoma, $181,913, Oregon, $189,258, Pennsylvania, $267,240, Rhode Island, $138,637, South Carolina, $171,731, South Dakota, $151,838, Tennessee, $192,508, Texas, $353,911, Utah, $168,959, Vermont, $136,315, Virginia, $193,935, Washington, $213,887, West Virginia, $149,135, Wisconsin, $191,314, Wyoming, $153,016, plus".

(b) Subparagraph (B) of section 506(b)(3) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(b)(3)) is amended—

(1) by striking "the amount referred to in subparagraph (A)(iii)" and inserting "that part of the amount referred to in subparagraph (A)(iii) that is not specifically allocated for official mail expenses"; and

(2) by inserting before the period at the end the following: "; and the part of the amount referred to in subparagraph (A)(iii) that is allocated for official mail expenses shall be recalculated in accordance with regulations of the Committee on Rules and Administration".

SEC. 2. (a) Section 2(b) of Public Law 104–53 (2 U.S.C. 61d–3(b)) is amended by striking "$10,000" and inserting "$35,000".

(b) The amendment made by subsection (a) is effective on and after October 1, 1998.

SEC. 3. Subsection (a) of the first section of Senate Resolution 149, agreed to October 5, 1993 (103d Congress, 1st Session), as amended by Senate Resolution 299, agreed to September 24, 1996 (104th Congress, 2d Session), is amended by striking "until December 31, 1998" and inserting "until December 31, 2000".

SEC. 4. (a) Section 101(a) of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6(a)) is amended—

(1) by inserting after the first sentence the following: "The President pro tempore of the Senate is authorized to appoint and fix the compensation of 1 consultant, on a temporary or intermittent basis, at a daily rate of compensation not in excess of that specified in the first sentence of this subsection."; and

(2) in the sentence that begins "The provisions of", by striking "section 8344" and inserting "sections 8344 and 8468".

(b) Section 101(b) of the Supplemental Appropriations Act, 1977 (2 U.S.C. 61h–6(b)) is amended by striking all after "(b)" through "to such position" and inserting "Any or all appointments under this section may be".

(c) This section is effective on and after the date of enactment of this Act.

SEC. 5. (a) There is established the Senate Leader's Lecture Series (hereinafter referred to as the "lecture series"). Expenses incurred in connection with the lecture series shall be paid from the appropriations account "Secretary of the Senate" within the contingent fund of the Senate and shall not exceed $30,000 in any fiscal year.

(b) Payments for expenses in connection with the lecture series may cover expenses incurred by speakers, including travel, subsistence, and per diem, and the cost of receptions, including food, food related items, and hospitality.

(c) Payments for expenses of the lecture series shall be made on vouchers approved by the Secretary of the Senate.

(d) This section is effective on and after October 1, 1997.

SEC. 6. (a) The Sergeant at Arms and Doorkeeper of the Senate is authorized to appoint and fix the compensation of such employees as may be necessary to operate Senate Hair Care Services.

(b) There is established in the Treasury of the United States within the contingent fund of the Senate a revolving fund to be known as the Senate Hair Care Services Revolving Fund (hereafter in this section referred to as the "revolving fund").

(c)(1) All moneys received by Senate Hair Care Services from fees for services or from any other source shall be deposited in the revolving fund.

(2) Moneys in the revolving fund shall be available without fiscal year limitation for disbursement by the Secretary of the Senate—

(A) for the payment of salaries and agency contributions of employees of Senate Hair Care Services; and

(B) for necessary supplies, equipment, and other expenses of Senate Hair Care Services.

(d) Disbursements from the revolving fund shall be made upon vouchers signed by the Sergeant at Arms and Doorkeeper of the Senate, except that vouchers shall not be required for the disbursement of salaries paid at an annual rate.

(e) At the direction of the Committee on Rules and Administration, the Secretary of the Senate shall withdraw from the revolving fund and deposit in the Treasury of the United States as miscellaneous receipts all moneys in the revolving fund that the Committee may determine are in excess of the current and reasonably foreseeable needs of Senate Hair Care Services.

(f) The Sergeant at Arms and Doorkeeper of the Senate is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section, subject to the approval of the Committee on Rules and Administration.

(g) There is transferred to the revolving fund established by this section any unobligated balance in the fund established by section 106 of Public Law 94–440 on the effective date of this section.

(h)(1) Section 106 of Public Law 94–440 is repealed.

(2) Section 10(a) of Public Law 100–458 is repealed.

(i) This section shall be effective on and after October 1, 1998, or 30 days after the date of enactment of this Act, whichever is later.

SEC. 7. The amount available to the Committee on Rules and Administration for expenses under section 16(c) of Senate Resolution 54, agreed to February 13, 1997, is increased by $150,000.

SEC. 8. Effective on and after October 1, 1998, each of the dollar amounts contained in the table under section 105(d)(1)(A) of the Legislative Branch Appropriations Act, 1968 (2 U.S.C. 61–1(d)(1)(A)) shall be deemed to be the dollar amounts in that table, as increased by section 5 of Public Law 105–55, increased by an additional $50,000 each.

SEC. 9. (a) With the prior written approval of the Committee on Rules and Administration of the Senate, the Sergeant at Arms and Doorkeeper of the Senate may enter into agreements with public or private parties for the purpose of demonstrating the use of alternative fuel vehicles (as defined in section 301(2) of the Energy Policy Act of 1992 (Public Law 102–486)) in Senate fleet operations. Any such agreement may also provide for necessary fueling infrastructure in connection with the alternative fuel vehicles.

(b) A vehicle may be made available under subsection (a) for a period not exceeding 90 days.

SEC. 10. (a) The Committee on Appropriations is authorized in its discretion—

(1) to hold hearings, report such hearings, and make investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate;

(2) to make expenditures from the contingent fund of the Senate;

(3) to employ personnel;

(4) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration to use, on a reimbursable or nonreimbursable basis, the services of personnel of any such department or agency;

(5) to procure the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 and Senate Resolution 140, agreed to May 14, 1975); and

(6) to provide for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

(b) Senate Resolution 54, agreed to February 13, 1997, is amended by striking section 4.

(c) This section shall be effective on and after October 1, 1998, or the date of enactment of this Act, whichever is later.

SEC. 11. (a)(1) The Chairman of the Appropriations Committee of the Senate may, during any fiscal year, at his or her election transfer funds from the appropriation account for salaries for the Appropriations Committee of the Senate, to the account, within the contingent fund of the Senate, from which expenses are payable for such committee.

(2) The Chairman of the Appropriations Committee of the Senate may, during any fiscal year, at his or her election transfer funds from the appropriation account for expenses, within the contingent fund of the Senate, for the Appropriations Committee of the Senate, to the account from which salaries are payable for such committee.

(b) Any funds transferred under this section shall be—

(1) available for expenditure by such committee in like manner and for the same purposes as are other moneys which are available for expenditure by such committee from the account to which the funds were transferred; and

(2) made at such time or times as the Chairman shall specify in writing to the Senate Disbursing Office.

(c) This section shall take effect on October 1, 1998, and shall be effective with respect to fiscal years beginning on or after that date.

SEC. 12. USE OF FREQUENT FLYER MILES BY MEMBERS OF THE SENATE. Section 507(a) of the Congressional Accountability Act of 1995 (2 U.S.C. 1436(a)) is amended—

(1) by striking "Notwithstanding" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), notwithstanding"; and

(2) by adding at the end the following:

"(2) TRAVEL BETWEEN THE WASHINGTON METROPOLITAN AREA AND A HOME STATE.—Paragraph (1) shall not apply to any travel award relating to air transportation for a Member of the Senate, the spouse of that Member, or a son or daughter of that Member, between the Washington metropolitan area and the State of that Member.".

SEC. 13. Senate Resolution 286, 102d Congress, agreed to April 9, 1992, is amended by adding at the end of subsection (a) the following:

"Fees established under this subsection for services received from the Attending Physician by a Senator or an officer of the Senate shall be equal to the fees for such services received by a member of the House of Representatives.".

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Marcia S. Schiff, widow of Steven H. Schiff, late a Representative from the State of New Mexico, $136,700.

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, $733,971,000, as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $13,117,000, including: Office of the Speaker, $1,686,000, including $25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $1,652,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $1,675,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, including the Chief Deputy Majority Whip, $1,043,000, including $5,000 for official expenses of the Majority Whip; Office of the Minority Whip, including the Chief Deputy Minority Whip, $1,020,000, including $5,000 for official expenses of the Minority Whip; Speaker's Office for Legislative Floor Activities, $397,000; Republican Steering Committee, $738,000; Republican Conference, $1,199,000; Democratic Steering and Policy Committee, $1,295,000; Democratic Caucus, $642,000; nine minority employees, $1,190,000; training and program development—majority, $290,000; and training and program development—minority, $290,000.

MEMBERS' REPRESENTATIONAL ALLOWANCES INCLUDING MEMBERS' CLERK HIRE, OFFICIAL EXPENSES OF MEMBERS, AND OFFICIAL MAIL

For Members' representational allowances, including Members' clerk hire, official expenses, and official mail, $385,279,000.

COMMITTEE EMPLOYEES

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by House resolutions, $89,743,000: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2000.

COMMITTEE ON APPROPRIATIONS

For salaries and expenses of the Committee on Appropriations, $19,373,000, including studies and examinations of executive agencies and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act of 1946 and to be available for reimbursement to agencies for services performed: Provided, That such amount shall remain available for such salaries and expenses until December 31, 2000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, $89,991,000, including: for salaries and expenses of the Office of the Clerk, including not more than $3,500, of which not more than $2,500 is for the Family Room, for official representation and reception expenses, $15,365,000; for salaries and expenses of the Office of the Sergeant at Arms, including the position of Superintendent of Garages, and including not more than $750 for official representation and reception expenses, $3,501,000; for salaries and expenses of the Office of the Chief Administrative Officer, $57,211,000, including $24,282,000 for salaries, expenses and temporary personal services of House Information Resources, of which $23,074,000 is provided herein: Provided, That of the amount provided for House Information Resources, $7,130,000 shall be for net expenses of telecommunications: Provided further, That House Information Resources is authorized to receive reimbursement from Members of the House of Representatives and other governmental entities for services provided and such reimbursement shall be deposited in the Treasury for credit to this account; for salaries and expenses of the Office of the Inspector General, $3,953,000; for salaries and expenses of the Office of General Counsel, $840,000; for the Office of the Chaplain, $133,000; for salaries and expenses of the Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $1,106,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $1,912,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $4,980,000; for salaries and expenses of the Corrections Calendar Office, $799,000; and for other authorized employees, $191,000.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $136,468,000, including: supplies, materials, administrative costs and Federal tort claims, $2,575,000; official mail for committees, leadership offices, and administrative offices of the House, $410,000; Government contributions for health, retirement, Social Security, and other applicable employee benefits, $132,832,000; and miscellaneous items including purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, $651,000.

CHILD CARE CENTER

For salaries and expenses of the House of Representatives Child Care Center, such amounts as are deposited in the account established by section 312(d)(1) of the Legislative Branch Appropriations Act, 1992 (40 U.S.C. 184g(d)(1)), subject to the level specified in the budget of the Center, as submitted to the Committee on Appropriations of the House of Representatives.

ADMINISTRATIVE PROVISIONS

SEC. 101. (a) Section 2(a) of House Resolution 611, Ninety-seventh Congress, agreed to November 30, 1982, as enacted into permanent law by section 127 of Public Law 97–377 (2 U.S.C. 88b–3), is amended—

(1) by adding "and" at the end of paragraph (1);

(2) by striking "; and" at the end of paragraph (2) and inserting a period; and

(3) by striking paragraph (3).

(b) The amendment made by subsection (a) shall apply with respect to the One Hundred Sixth Congress and each succeeding Congress.

SEC. 102. Subsection (b) of the first section of House Resolution 1047, Ninety-fifth Congress, agreed to April 4, 1978, as enacted into permanent law by section 111 of the Legislative Branch Appropriations Act, 1979 (2 U.S.C. 130–1(b)), is amended by striking "$55,000" and inserting "$80,000".

SEC. 103. (a) There is hereby established an account in the House of Representatives for purposes of carrying out training and program development activities of the Republican Conference and the Democratic Steering and Policy Committee.

(b) Subject to the allocation described in subsection (c), funds in the account established under subsection (a) shall be paid—

(1) for activities of the Republican Conference in such amounts, at such times, and under such terms and conditions as the Speaker of the House of Representatives may direct; and

(2) for activities of the Democratic Steering and Policy Committee in such amounts, at such times, and under such terms and conditions as the Minority Leader of the House of Representatives may direct.

(c) Of the total amount in the account established under subsection (a)—

(1) 50 percent shall be allocated to the Speaker for payments for activities of the Republican Conference; and

(2) 50 percent shall be allocated to the Minority Leader for payments for activities of the Democratic Steering and Policy Committee.

(d) There are authorized to be appropriated to the account under this section for fiscal year 1999 and each succeeding fiscal year such sums as may be neccssary for training and program development activities of the Republican Conference and the Democratic Steering and Policy Committee during the fiscal year.

SEC. 104. (a) Section 311(e)(2) of the Legislative Branch Appropriations Act, 1991 (2 U.S.C. 59(e)(2)) is amended—

(1) by adding "and" at the end of subparagraph (B);

(2) in subparagraph (C), by striking "; and" and inserting a period; and

(3) by striking subparagraph (D).

(b) Section 311(e) of such Act (2 U.S.C. 59e(e)) is amended by striking paragraph (4).

SEC. 105. Notwithstanding any other provision of law or any other rule or regulation, any information on payments made by the Committee on Standards of Official Conduct of the House of Representatives to an individual for attendance as a witness before the Committee in executive session during a Congress shall be reported *not later than the second semiannual report filed under section 106 of the House of Representatives Administrative Reform Technical Corrections Act (2 U.S.C. 104b) in the following Congress.*

SEC. 106. (a) Notwithstanding any other provision of law, the Committee on House Oversight may prescribe by regulation appropriate conditions for the incidental use, for other than official business, of equipment and supplies owned or leased by, or the cost of which is reimbursed by, the House of Representatives.

(b) The authority of the Committee on House Oversight to prescribe regulations pursuant to subsection (a) shall apply with respect to fiscal year 1999 and each succeeding fiscal year.

SEC. 107. (a) The Speaker, Majority Leader, and Minority Leader of the House of Representatives are each authorized to appoint and fix the compensation of one consultant, on a temporary or intermittent basis, at a daily rate of compensation not in excess of the per diem equivalent of the highest gross rate of annual compensation which may be paid to employees of a standing committee of the House.

(b) This section shall apply with respect to fiscal year 1999 and each succeeding fiscal year.

SEC. 108. Any amount appropriated in this Act for "HOUSE OF REPRESENTATIVES—SALARIES AND EXPENSES—MEMBERS' REPRESENTATIONAL ALLOWANCES" shall be available only for fiscal year 1999. Any amount remaining after all payments are made under such allowances for such fiscal year shall be deposited in the Treasury, to be used for deficit reduction.

SEC. 109. (a) Notwithstanding any other provision of law, official resources may be used during a fiscal year (beginning with fiscal year 1999), in accordance with regulations of the Committee on House Oversight, to reimburse a Member, officer, or employee of the House of Representatives for the ordinary and necessary expenses related to the official use of telecommunications lines in the residence of the Member, officer, or employee.

(b) The Committee on House Oversight shall promulgate such regulations as are necessary to implement this section.

SEC. 110. Section 121 of Public Law 104–99 is amended in subsection (b)(2)—

(1) by striking in subparagraph (B) "and" after the semicolon; and

(2) by striking the period at the end of subparagraph (C) and inserting "; and" therefor; and

(3) by adding after subparagraph (C) the following new subparagraph:

"(D) reimbursement of expenses incurred by the Chief Administrative Office of the House of Representatives to cover the costs of furnishings and furniture to accommodate the needs of the House of Representatives child care center."

JOINT ITEMS

For Joint Committees, as follows:

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $3,096,000, to be disbursed by the Secretary of the Senate.

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, $202,000, together with an additional amount of $150,000 if there is enacted into law legislation which transfers the legislative and oversight responsibilities of the Joint Committee on Printing to the Committee on House Oversight of the House of Representatives: Provided, That such additional amount shall be transferred to the Committee on House Oversight of the House of Representatives and made available beginning January 1, 1999: Provided further, That all such funds are to be disbursed by the Secretary of the Senate.

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $5,965,400, to be disbursed by the Chief Administrative Officer of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including: (1) an allowance of $1,500 per month to the Attending Physician; (2) an allowance of $500 per month each to two medical officers while on duty in the Office of the Attending Physician; (3) an allowance of $500 per month to one assistant and $400 per month each to not to exceed nine assistants on the basis heretofore provided for such assistants; and (4) $893,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, which shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $1,415,000, to be disbursed by the Chief Administrative Officer of the House.

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For the Capitol Police Board for salaries of officers, members, and employees of the Capitol Police, including overtime, hazardous duty pay differential, clothing allowance of not more than $600 each for members required to wear civilian attire, and Government contributions for health, retirement, Social Security, and other applicable employee benefits, $76,844,000, of which $37,037,000 is provided to the Sergeant at Arms of the House of Representatives, to be disbursed by the Chief Administrative Officer of the House, and $39,807,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate: Provided, That, of the amounts appropriated under this heading, such amounts as may be necessary may be transferred between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate, upon approval of the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate.

GENERAL EXPENSES

For the Capitol Police Board for necessary expenses of the Capitol Police, including motor vehicles, communications and other equipment, security equipment and installation, uniforms, weapons, supplies, materials, training, medical services, forensic services, stenographic services, personal and professional services, the employee assistance program, not more than $2,000 for the awards program, postage, telephone service, travel advances, relocation of instructor and liaison personnel for the Federal Law Enforcement Training Center, and $85 per month for extra services performed for the Capitol Police Board by an employee of the Sergeant at Arms of the Senate or the House of Representatives designated by the Chairman of the Board, $6,237,000, to be disbursed by the Chief Administrative Officer of the House of Representatives: Provided, That, notwithstanding any other provision of law, the cost of basic training for the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 1999 shall be paid by the Secretary of the Treasury from funds available to the Department of the Treasury.

ADMINISTRATIVE PROVISION

SEC. 111. Amounts appropriated for fiscal year 1999 for the Capitol Police Board for the Capitol Police may be transferred between the headings "SALARIES" and "GENERAL EXPENSES" upon the approval of—

(1) the Committee on Appropriations of the House of Representatives, in the case of amounts transferred from the appropriation provided to the Sergeant at Arms of the House of Representatives under the heading "SALARIES";

(2) the Committee on Appropriations of the Senate, in the case of amounts transferred from the appropriation provided to the Sergeant at Arms and Doorkeeper of the Senate under the heading "SALARIES"; and

(3) the Committees on Appropriations of the Senate and the House of Representatives, in the case of other transfers.

CAPITOL GUIDE SERVICE AND SPECIAL SERVICES OFFICE

For salaries and expenses of the Capitol Guide Service and Special Services Office, $2,195,000, to be disbursed by the Secretary of the Senate: Provided, That no part of such amount may be used to employ more than forty-three individuals: Provided further, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than 120 days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and the House of Representatives, of the statements for the second session of the One Hundred Fifth Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, $30,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

OFFICE OF COMPLIANCE

SALARIES AND EXPENSES

For salaries and expenses of the Office of Compliance, as authorized by section 305 of the Congressional Accountability Act of 1995 (2 U.S.C. 1385), $2,086,000.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93–344), including not more than $2,500 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, $25,671,000: Provided, That no part of such amount may be used for the purchase or hire of a passenger motor vehicle.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

SALARIES AND EXPENSES

For salaries for the Architect of the Capitol, the Assistant Architect of the Capitol, and other personal services, at rates of pay provided by law; for surveys and studies in connection with activities under the care of the Architect of the Capitol; for all necessary expenses for the maintenance, care and operation of the Capitol and electrical substations of the Senate and House office buildings under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment, including not more than $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; for purchase or exchange, maintenance and operation of a passenger motor vehicle; and not to exceed $20,000 for attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, $43,683,000, of which $8,175,000 shall remain available until expended.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, $6,046,000, of which $525,000 shall remain available until expended.

SENATE OFFICE BUILDINGS

For all necessary expenses for maintenance, care and operation of Senate office buildings; and furniture and furnishings to be expended under the control and supervision of the Architect of the Capitol, $54,144,000, of which $14,615,000 shall remain available until expended.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, $42,139,000, of which $11,449,000 shall remain available until expended: Provided, That of the total amount provided under this heading, not less than $100,000 shall be used exclusively for waste recycling programs.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and air conditioning refrigeration not supplied from plants in any of such buildings; heating the Government Printing Office and Washington City Post Office, and heating and chilled water for air conditioning for the Supreme Court Building, the Union Station complex, the Thurgood Marshall Federal Judiciary Building and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, $38,174,000, of which $5,100,000 shall remain available until expended: Provided, That not more than $4,000,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 1999.

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, $67,124,000: Provided, That no part of such amount may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Oversight of the House of Representatives or the Committee on Rules and Administration of the Senate: Provided further, That, notwithstanding any other provision of law, the compensation of the Director of the Congressional Research Service, Library of Congress, shall be at an annual rate which is equal to the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For authorized printing and binding for the Congress and the distribution of Congressional information in any format; printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $74,465,000: Provided, That this appropriation shall not be available for paper copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under 44 U.S.C. 906: Provided further, That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years: Provided further, That notwithstanding the 2-year limitation under section 718 of title 44, United States Code, none of the funds appropriated or made available under this Act or any other Act for printing and binding and related services provided to Congress under chapter 7 of title 44, United States Code, may be expended to print a document, report, or publication after the 27-month period beginning on the date that such document, report, or publication is authorized by Congress to be printed, unless Congress reauthorizes such printing in accordance with section 718 of title 44, United States Code.

ADMINISTRATIVE PROVISION

SEC. 112. (a) The Legislative Branch Appropriations Act, 1998 (Public Law 105–55; 111 Stat. 1191) is amended in the item relating to "CONGRESSIONAL PRINTING AND BINDING" under the heading "GOVERNMENT PRINTING OFFICE" by striking "$81,669,000" and all that follows through "Provided," and inserting the following: "$70,652,000: Provided, That an additional amount of not more than $11,017,000 may be derived by transfer from the Government Printing Office revolving fund under section 309 of title 44, United States Code: Provided further,".

(b) The amendment made by subsection (a) shall take effect as if included in the enactment of the Legislative Branch Appropriations Act, 1998.

This title may be cited as the "Congressional Operations Appropriations Act, 1999".

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; and purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $3,052,000.

ADMINISTRATIVE PROVISION

SEC. 201. Section 307E(b) of the Legislative Branch Appropriations Act, 1989 (40 U.S.C. 216c(b)) is amended by—

(1) redesignating paragraph (2) as paragraph (3); and

(2) inserting after paragraph (1) the following:

"(2) The Secretary of the Treasury shall invest any portion of the account designated in paragraph (1) that, as determined by the Architect, is not required to meet current expenses. Each investment shall be made in an interest-bearing obligation of the United States or an obligation guaranteed both as to principal and interest by the United States that, as determined by the Architect, has a maturity date suitable for the purposes of the account. The Secretary of the Treasury shall credit interest earned on the obligations to the account.".

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress not otherwise provided for, including development and maintenance of the Union Catalogs; custody and custodial care of the Library buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog records and other publications of the Library; hire or purchase of one passenger motor vehicle; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $238,373,000, of which not more than $6,500,000 shall be derived from collections credited to this appropriation during fiscal year 1999, and shall remain available until expended, under the Act of June 28, 1902 (chapter 1301; 32 Stat. 480; 2 U.S.C. 150) and not more than $350,000 shall be derived from collections during fiscal year 1999 and shall remain available until expended for the development and maintenance of an international legal information database and activities related thereto: Provided, That the Library of Congress may not obligate or expend any funds derived from collections under the Act of June 28, 1902, in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $6,850,000: Provided further, That of the total amount appropriated, $10,119,000 is to remain available until expended for acquisition of books, periodicals, newspapers, and all other materials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections: Provided further, That of the total amount appropriated, $3,544,000 is to remain available until expended for the acquisition and partial support for implementation of an integrated library system (ILS): Provided further, That of the total amount appropriated, $2,000,000 is to remain available until expended for a project to digitize collections for the Meeting of the Frontiers United States-Russian digital library: Provided further, That of the total amount appropriated, $250,000 is to remain available until expended for the Library's efforts in connection with the commemoration of the Bicentennial of the Lewis and Clark expedition.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, $34,891,000, of which not more than $16,000,000, to remain available until expended, shall be derived from collections credited to this appropriation during fiscal year 1999 under 17 U.S.C. 708(d): Provided, That the Copyright Office may not obligate or expend any funds derived from collections under 17 U.S.C. 708(d), in excess of the amount authorized for obligation or expenditure in appropriations Acts: Provided further, That not more than $5,170,000 shall be derived from collections during fiscal year 1999 under 17 U.S.C. 111(d)(2), 119(b)(2), 802(h), and 1005: Provided further, That the total amount available for obligation shall be reduced by the amount by which collections are less than $21,170,000: Provided further, That not more than $100,000 of the amount appropriated is available for the maintenance of an "International Copyright Institute" in the Copyright Office of the Library *of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies: Provided further, That not more than $2,250 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for activities of the International Copyright Institute.*

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the Act of March 3, 1931 (chapter 400; 46 Stat. 1487; 2 U.S.C. 135a), $46,824,000, of which $13,744,000 shall remain available until expended.

FURNITURE AND FURNISHINGS

For necessary expenses for the purchase, installation, maintenance, and repair of furniture, furnishings, office and library equipment, $4,448,000.

ADMINISTRATIVE PROVISIONS

SEC. 202. Appropriations in this Act available to the Library of Congress shall be available, in an amount of not more than $194,290, of which $58,100 is for the Congressional Research Service, when specifically authorized by the Librarian, for attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 203. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15; and

(2) grants such manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a) (10) and (11) of title 5, United States Code.

SEC. 204. Appropriated funds received by the Library of Congress from other Federal agencies to cover general and administrative overhead costs generated by performing reimbursable work for other agencies under the authority of 31 U.S.C. 1535 and 1536 shall not be used to employ more than 65 employees and may be expended or obligated—

(1) in the case of a reimbursement, only to such extent or in such amounts as are provided in appropriations Acts; or

(2) in the case of an advance payment, only—

(A) to pay for such general or administrative overhead costs as are attributable to the work performed for such agency; or

(B) to such extent or in such amounts as are provided in appropriations Acts, with respect to any purpose not allowable under subparagraph (A).

SEC. 205. Of the amounts appropriated to the Library of Congress in this Act, not more than $5,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the incentive awards program.

SEC. 206. Of the amount appropriated to the Library of Congress in this Act, not more than $12,000 may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Overseas Field Offices.

SEC. 207. (a) For fiscal year 1999, the obligational authority of the Library of Congress for the activities described in subsection (b) may not exceed $99,765,100.

(b) The activities referred to in subsection (a) are reimbursable and revolving fund activities that are funded from sources other than appropriations to the Library in appropriations Acts for the legislative branch.

SEC. 208. Effective October 1, 1998, the Library of Congress is authorized to receive funds from participants in and sponsors of an international legal information database led by the Law Library of Congress, and to credit any such funds to the Library of Congress appropriations, up to the extent authorized in appropriations Acts, for the development and maintenance of the database.

ARCHITECT OF THE CAPITOL

CONGRESSIONAL CEMETERY

For a grant for the perpetual care and maintenance of the historic Congressional Cemetery, $1,000,000, to remain available until expended.

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $12,672,000, of which $910,000 shall remain available until expended.

ADMINISTRATIVE PROVISIONS

SEC. 209. (a) GRANT FOR CARE AND MAINTENANCE OF CONGRESSIONAL CEMETERY.—In order to assist in the perpetual care and maintenance of the historic Congressional Cemetery, the Architect of the Capitol shall make a grant to the National Trust for Historic Preservation (hereafter in this section referred to as the "National Trust") in accordance with an agreement entered into by the Architect of the Capitol with the National Trust and the Association for the Preservation of Historic Congressional Cemetery (hereafter in this section referred to as the "Association") which contains the terms and conditions described in subsection (b) and such other provisions as the Architect may deem necessary or desirable for the implementation of this section or for the protection of the interests of the Federal Government.

(b) TERMS AND CONDITIONS OF AGREEMENT.—The terms and conditions described in this subsection are as follows:

(1) Upon receipt of the amounts provided under the grant made under subsection (a), the National Trust shall deposit the amounts in a permanently restricted account in its endowment and shall administer, invest, and manage such grant funds in the same manner as other National Trust endowment funds.

(2) The National Trust shall make distributions to the Association from the amounts deposited in the endowment pursuant to paragraph (1), in accordance with its regularly established spending rate, for the care and maintenance of the Cemetery (other than the cost of personnel), except that the National Trust may only make such distributions incrementally and proportionately upon receipt by the National Trust of contributions from the Association which incrementally match the amounts provided under the grant made under subsection (a) and which are to be added to the permanently restricted account described in paragraph (1).

(3) The Association shall use such distributions from the endowment and the match for the care and maintenance of Congressional Cemetery, except that the Association may not use such distributions for nonroutine restoration or capital projects.

(4) The Association, or any successor thereto, shall maintain adequate records and accounts of all financial transactions and operations carried out with such distributions, and such records shall be available at all times for audit and investigation by the Architect of the Capitol and the Comptroller General.

(c) NO TITLE IN UNITED STATES.—Nothing in this section shall be construed to vest title to the Congressional Cemetery in the United States.

SEC. 210. For fiscal year 1999, the amount available for expenditure by the Architect of the Capitol from the fund established under section 4 of the Act entitled "An Act to authorize acquisition of certain real property for the Library of Congress, and for other purposes", approved December 15, 1997 (Public Law 105–144; 111 Stat. 2688), may not exceed $2,500,000.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, $29,264,000: Provided, That travel expenses, including travel expenses of the Depository Library Council to the Public Printer, shall not exceed $150,000: Provided further, That amounts of not more than $2,000,000 from current year appropriations are authorized for producing and disseminating Congressional serial sets and other related publications for 1997 and 1998 to depository and other designated libraries.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the Government Printing Office revolving fund: Provided, That not more than $2,500 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: Provided further, That the revolving fund shall be available for the hire or purchase of not more than twelve passenger motor vehicles: Provided further, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of title 44, United States Code: Provided further, That the revolving fund shall be available for temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level V of the Executive Schedule under section 5316 of such title: Provided further, That the revolving fund and the funds provided under the heading "OFFICE OF SUPERINTENDENT OF DOCUMENTS", "SALARIES AND EXPENSES" together may not be available for the full-time equivalent employment of more than 3,383 workyears: Provided further, That activities financed through the revolving fund may provide information in any format: Provided further, That the revolving fund shall not be used to administer any flexible or compressed work schedule which applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS–15: Provided further, That expenses for attendance at meetings shall not exceed $75,000.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not more than $7,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; temporary or intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not more than the daily equivalent of the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of such title; hire of one passenger *motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6) and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6) and 4081(8)); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries, $354,268,000: Provided, That notwithstanding 31 U.S.C. 9105 hereafter amounts reimbursed to the Comptroller General pursuant to that section shall be deposited to the appropriation of the General Accounting Office then available and remain available until expended, and not more than $2,000,000 of such funds shall be available for use in fiscal year 1999: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including the salary of the Executive Director and secretarial support: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of either Forum's costs as determined by the respective Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed: Provided further, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA costs as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences.*

ADMINISTRATIVE PROVISION

SEC. 211. The unexpended balance appropriated in Public Law 104–208 to the Secretary of Health and Human Services for carrying out section 301(l) of Public Law 104–191 is transferred to the "Salaries and Expenses" appropriation of Public Law 105–55 for necessary expenses of the General Accounting Office, to remain available until September 30, 1998.

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Oversight and for the Senate issued by the Committee on Rules and Administration.

SEC. 302. No part of the funds appropriated in this Act shall remain available for obligation beyond fiscal year 1999 unless expressly so provided in this Act.

SEC. 303. Whenever in this Act any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for or the rate of compensation or designation of any office or position appropriated for is different from that specifically established by such Act, the rate of compensation and the designation in this Act shall be the permanent law with respect thereto: Provided, That the provisions in this Act for the various items of official expenses of Members, officers, and committees of the Senate and House of Representatives, and clerk hire for Senators and Members of the House of Representatives shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 306. Such sums as may be necessary are appropriated to the account described in subsection (a) of section 415 of Public Law 104–1 to pay awards and settlements as authorized under such subsection.

SEC. 307. Amounts available for administrative expenses of any legislative branch entity which participates in the Legislative Branch Financial Managers Council (LBFMC) established by charter on March 26, 1996, shall be available to finance an appropriate share of LBFMC costs as determined by the LBFMC, except that the total LBFMC costs to be shared among all participating legislative branch entities (in such allocations among the entities as the entities may determine) may not exceed $1,500.

SEC. 308. (a) SEVERANCE PAY FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL.—Section 5595(a) of title 5, United States Code, as amended by section 310 of the Legislative Branch Appropriations Act, 1998, is amended—

(1) in paragraph (1)(F), by striking ", but only with respect to the United States Senate Restaurants"; and

(2) in paragraph (2), in clause (viii) in the matter following subparagraph (B), by striking "of the United States Senate Restaurants".

(b) EARLY RETIREMENT FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL.—Section 310(b)(1) of the Legislative Branch Appropriations Act, 1998 (40 U.S.C. 174j–1(b)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking "of the United States Senate Restaurants"; and

(2) in subparagraph (A), by striking "1999;" and inserting "1999 (or, in the case of an individual who is not an employee of the United States Senate Restaurants, on or after the date of the enactment of the Legislative Branch Appropriations Act, 1999 and before October 1, 2001);".

(c) VOLUNTARY SEPARATION INCENTIVE PAYMENTS FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL.—Section 310(c) of the Legislative Branch Appropriations Act, 1998 (40 U.S.C. 174j–1(c)) is amended—

(1) in paragraph (1), by striking "of the United States Senate Restaurants"; and

(2) in paragraph (2)—

(A) by striking "not more than 50";

(B) by striking "1999" and inserting "1999 (or, in the case of an individual who is not an employee of the United States Senate Restaurants, on or after the date of the enactment of the Legislative Branch Appropriations Act, 1999 and before October 1, 2001)"; and

(C) by adding at the end the following new sentence: "The number of employees of the United States Senate Restaurants to whom voluntary separation incentive payments may be offered under the program established under the previous sentence may not exceed 50.";

(3) by redesignating paragraphs (4) and (5) as paragraphs (6) and (7), respectively; and

(4) by inserting after paragraph (3) the following:

"(4)(A) No voluntary separation incentive payment may be paid under this section on or after the date of enactment of the Legislative Branch Appropriations Act, 1999, unless the Architect of the Capitol submits a plan described under subparagraph (B) to the Committee on Rules and Administration of the Senate and the Committee on House Oversight of the House of Representatives and such committees approve the plan.

"(B) The plan referred to under subparagraph (A) shall include—

"(i) the positions and functions to be reduced or eliminated, identified by organizational unit, occupational category, and pay or grade level;

"(ii) the number and amounts of voluntary separation incentive payments to be offered; and

"(iii) a description of how the Architect of the Capitol will operate without the eliminated positions and functions.

"(5)(A) In addition to any other payments which the Architect of the Capitol is required to make under subchapter III of chapter 83 of title 5, United States Code, the Architect of the Capitol shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section. This subparagraph shall not apply to any employee of the United States Senate Restaurants.

"(B) For the purpose of this paragraph, the term 'final basic pay', with respect to an employee—

"(i) means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay; and

"(ii) includes an appropriate adjustment to the amount computed under clause (i) if the employee is last serving on other than a full-time basis.".

(d) RETRAINING, JOB PLACEMENT, AND COUNSELING SERVICES FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL.—Section 310(e) of the Legislative Branch Appropriations Act, 1998 (40 U.S.C. 174j–1(e)) is amended—

(1) in paragraph (1)(A), by striking "of the United States Senate Restaurants"; and

(2) in paragraph (3)(A), by striking "the United States Senate Restaurants of".

SEC. 309. (a) SEVERANCE PAY.—Section 5595 of title 5, United States Code, as amended by section 310 of the Legislative Branch Appropriations Act, 1998, is amended—

(1) in subsection (a)(2)—

(A) in clause (viii), by striking "or" after the semicolon; and

(B) by redesignating clause (ix) as clause (x) and inserting after clause (viii) the following new clause:

"(ix) an employee of the Government Printing Office, who is employed on a temporary when actually employed basis; or"; and

(2) in subsection (b) by adding at the end the following: "The Public Printer may prescribe regulations to effect the application and operation of this section to the agency specified in subsection (a)(1)(G) of this section.".

(b) Early Retirement.—(1) This subsection applies to an employee of the Government Printing Office who—

(A) voluntarily separates from service on or after the date of enactment of this Act and before October 1, 2001; and

(B) on such date of separation—

(i) has completed 25 years of service as defined under section 8331(12) or 8401(26) of title 5, United States Code; or

(ii) has completed 20 years of such service and is at least 50 years of age.

(2) Notwithstanding any provision of chapter 83 or 84 of title 5, United States Code, an employee described under paragraph (1) is entitled to an annuity which shall be computed consistent with the provisions of law applicable to annuities under section 8336(d) or 8414(b) of title 5, United States Code.

(c) Voluntary Separation Incentive Payments.—(1) In this subsection, the term "employee" means an employee of the Government Printing Office, serving without limitation, who has been currently employed for a continuous period of at least 12 months, except that such term shall not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A); or

(C) an employee who is employed on a temporary when actually employed basis.

(2) Notwithstanding any other provision of law, in order to avoid or minimize the need for involuntary separations due to a reduction in force, reorganization, transfer of function, or other similar action affecting the agency, the Public Printer shall establish a program under which voluntary separation incentive payments may be offered to encourage eligible employees to separate from service voluntarily (whether by retirement or resignation) during the period beginning on the date of the enactment of this Act through September 30, 2001.

(3) Such voluntary separation incentive payments shall be paid in accordance with the provisions of section 5597(d) of title 5, United States Code. Any such payment shall not be a basis of payment, and shall not be included in the computation, of any other type of Government benefit.

(4)(A) Not later than January 15, 1999, the Public Printer shall submit a plan described under subparagraph (C) to the Joint Committee on Printing (or any applicable successor committees).

(B) No voluntary separation incentive payment may be paid under this section unless the Public Printer submits a plan described under subparagraph (C) to the Joint Committee on Printing (or any applicable successor committees) and the Joint Committee on Printing approves the plan (or such successor committees approve the plan).

(C) The plan referred to under subparagraph (B) shall include—

(i) the positions and functions to be reduced or eliminated, identified by organizational unit, occupational category, and pay or grade level;

(ii) the number and amounts of voluntary separation incentive payments to be offered; and

(iii) a description of how the Government Printing Office will operate without the eliminated positions and functions.

(5)(A) In addition to any other payments which the Public Printer is required to make under subchapter III of chapter 83 of title 5, United States Code, the Public Printer shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(B) For the purpose of this paragraph, the term "final basic pay", with respect to an employee—

(i) means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay; and

(ii) includes an appropriate adjustment to the amount computed under clause (i) if the employee is last serving on other than a full-time basis.

(6)(A) Subject to subparagraph (B), an employee who has received a voluntary separation incentive payment under this section and accepts employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay the entire amount of the incentive payment to the agency that paid the incentive payment.

(B)(i) If the employment is with an Executive agency (as defined by section 105 of title 5, United States Code), the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(ii) If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(iii) If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(C) For purposes of subparagraph (A) (but not subparagraph (B)), the term "employment" includes employment under a personal services contract with the United States.

(7) Not later than January 15, 1999, the Public Printer shall prescribe regulations to carry out this subsection.

(d) Retraining, Job Placement, and Counseling Services.—(1) In this subsection, the term "employee"—

(A) means an employee of the Government Printing Office; and

(B) shall not include—

(i) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government; or

(ii) an employee who is employed on a temporary when actually employed basis.

(2) The Public Printer may establish a program to provide retraining, job placement, and counseling services to employees and former employees.

(3) A former employee may not participate in a program established under this subsection, if—

(A) the former employee was separated from service with the Government Printing Office for more than 1 year; or

(B) the separation was by removal for cause on charges of misconduct or delinquency.

(4) Retraining costs for the program established under this subsection may not exceed $5,000 for each employee or former employee.

(e) Administrative Provisions.—(1) The Public Printer—

(A) may use employees of the Government Printing Office to establish and administer programs and carry out the provisions of this section; and

(B) may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, to carry out such provisions—

(i) not subject to the 1 year of service limitation under such section 3109(b); and

(ii) at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(2) Funds to carry out subsections (a) and (c) may be expended only from funds available for the basic pay of the employee who is receiving the applicable payment.

(3) Funds to carry out subsection (d) may be expended from any funds made available to the Public Printer.

Sec. 310. The Architect of the Capitol—

(1) shall develop and implement a cost-effective energy conservation strategy for all facilities currently administered by Congress to achieve a net reduction of 20 percent in energy consumption on the congressional campus compared to fiscal year 1991 consumption levels on a Btu-per-gross-square-foot basis not later than 7 years after the adoption of this resolution;

(2) shall submit to Congress no later than 10 months after the adoption of this resolution a comprehensive energy conservation and management plan which includes life cycle costs methods to determine the cost-effectiveness of proposed energy efficiency projects;

(3) shall submit to the Committee on Appropriations in the Senate and the House of Representatives a request for the amount of appropriations necessary to carry out this resolution;

(4) shall present to Congress annually a report on congressional energy management and conservation programs which details energy expenditures for each facility, energy management and conservation projects, and future priorities to ensure compliance with the requirements of this resolution;

(5) shall perform energy surveys of all congressional buildings and update such surveys as needed;

(6) shall use such surveys to determine the cost and payback period of energy and water conservation measures likely to achieve the required energy consumption levels;

(7) shall install energy and water conservation measures that will achieve the requirements through previously determined life cycle cost methods and procedures;

(8) may contract with nongovernmental entities and employ private sector capital to finance energy conservation projects and achieve energy consumption targets;

(9) may develop innovative contracting methods that will attract private sector funding for the installation of energy-efficient and renewable energy technology to meet the requirements of this resolution;

(10) may participate in the Department of Energy's Financing Renewable Energy and Efficiency (FREE Savings) contracts program for Federal Government facilities; and

(11) shall produce information packages and "how-to" guides for each Member and employing authority of the Congress that detail simple, cost-effective methods to save energy and taxpayer dollars.

Sec. 311. Section 316 of Public Law 101–302 is amended in the first sentence of subsection (a) by striking "1998" and inserting "1999".

Sec. 312. American Folklife Center. (a) Findings and Purpose.—

(1) Findings.—Congress makes the following findings:

(A) The American Folklife Center in the Library of Congress was created by Congress in 1976, building on the vast expertise and archival material existing at the Library since 1928.

(B) As an instrumentality of the Congress, it is fitting that the American Folklife Center should have a direct and close relationship with the representatives of the people, who are best able to oversee the ongoing activities of the Center to preserve and promote the cultural traditions of the people, and to ensure that the resources of the Center be readily available to all Americans.

(C) In over 20 years since its creation, the American Folklife Center in the Library of Congress has—

(i) increased the size of the Archive of Folk Culture from 500,000 to 1,500,000 multi-format ethnographic items;

(ii) engaged in 15 cultural surveys and field documentation projects in all regions of the country;

(iii) provided publications, documentary equipment on loan, and advisory and reference service to persons and institutions in all 50 States;

(iv) produced exhibitions and other educational programs on American Folklife at the Library and around the country;

(v) begun sharing its unique collections in digital form via the Internet; and

(vi) served as a national center for the professions of folklore, ethnomusicology, and cultural studies.

(D) Congress has consistently provided encouragement and support of American Folklife as an appropriate matter of concern to the Federal Government, passing legislation to reauthorize the Center 8 times since its creation in 1976.

(E) The American Folklife Center is the only unit in the Library of Congress which is not permanently authorized. Since its establishment in 1976, the Center's collections and activities have been fully and successfully integrated into the Library of Congress. It is useful to statutorily conform the American Folklife Center with the rest of the Library of Congress.

(2) PURPOSE.—It is the purpose of this section to authorize permanently the American Folklife Center in the Library of Congress to preserve and present American Folklife.

(b) REAUTHORIZATION AND AMENDMENT.—

(1) BOARD OF TRUSTEES; APPOINTMENT AND COMPENSATION OF DIRECTOR; ELIMINATION OF DEPUTY DIRECTOR POSITION.—Section 4 of the American Folklife Preservation Act (20 U.S.C. 2103) is amended—

(A) by striking subsection (b) and inserting the following:

"(b)(1) The Center shall be under the direction of a Board of Trustees. The Board shall be composed as follows—

"(A) four members appointed by the President from among individuals who are officials of Federal departments and agencies concerned with some aspect of American Folklife traditions and arts;

"(B) four members appointed by the President pro tempore of the Senate from among individuals from private life who are widely recognized by virtue of their scholarship, experience, creativity, or interest in American Folklife traditions and arts, and four members appointed by the Speaker of the House of Representatives from among such individuals;

"(C) four members appointed by the Librarian of Congress from among individuals who are widely recognized by virtue of their scholarship, experience, creativity, or interest in American folklife traditions and arts; and

"(D) seven ex officio members including—

"(i) the Librarian of Congress;

"(ii) the Secretary of the Smithsonian Institution;

"(iii) the Chairman of the National Endowment for the Arts;

"(iv) the Chairman of the National Endowment for the Humanities;

"(v) the President of the American Folklore Society;

"(vi) the President of the Society for Ethnomusicology; and

"(vii) the Director of the Center.

"(2) In making appointments from private life under paragraph (1) (B) and (C), the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Librarian of Congress shall give due consideration to the appointment of individuals who collectively will provide appropriate diversity and regional balance on the Board. Not more than 3 of the members appointed by the President pro tempore of the Senate or by the Speaker of the House of Representatives may be affiliated with the same political party.

"(3) In making appointments under paragraph (1)(C), the Librarian of Congress shall include at least 2 members who direct or are members of the boards of major American folklife organizations other than the American Folklore Society and the Society for Ethnomusicology.";

(B) by striking subsection (d) and inserting the following:

"(d) Members of the Board shall serve without pay, but members who are not regular full-time employees of the United States may, at the discretion of the Librarian, be reimbursed for the actual and necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Board.";

(C) in subsection (e)—

(i) in paragraph (2), by inserting "currently serving" after "Board"; and

(ii) by adding at the end the following:

"(3) The Board shall meet at least once each fiscal year.";

(D) by striking subsection (f) and inserting the following:

"(f) After consultation with the Board, the Librarian shall appoint the Director of the Center. The basic pay of the Director shall be at an annual rate that is not less than an amount equal to 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule nor more than an amount equal to the pay payable under level IV of the Executive Schedule under section 5315 of title 5, United States Code."; and

(E) in subsection (g)—

(i) in paragraph (1), by striking the paragraph designation; and

(ii) by striking paragraph (2).

(2) ADMINISTRATIVE PROVISIONS.—Section 7(a)(4) of the American Folklife Preservation Act (20 U.S.C. 2106(a)(4)) is amended by striking ", but no individual so appointed shall receive compensation in excess of the rate received by the Deputy Director of the Center".

(c) PERMANENT AUTHORIZATION OF APPROPRIATIONS.—Section 8 of the American Folklife Preservation Act (20 U.S.C. 2107) is amended to read as follows:

"SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Center to carry out this Act such sums as may be necessary for each fiscal year.".

(d) BOARD OF TRUSTEES, TRANSITION PERIOD.—The term of office of members of the Board of Trustees appointed by the Librarian of Congress under the amendments made by subsection (b)(1) shall be 6 years, except that of the 4 members first appointed by the Librarian, 1 shall serve for a term of 2 years, 2 for a term of 4 years, and 1 for a term of 6 years.

SEC. 313. For purposes of section 8147 of title 5, United States Code, the Government Printing Office is not considered an agency which is required by statute to submit an annual budget pursuant to or as provided by chapter 91 of title 31, United States Code, and is not required to pay an additional amount for the cost of administration.

And the Senate agree to the same.

JAMES T. WALSH,
C.W. BILL YOUNG,
RANDY "DUKE" CUNNINGHAM,
ZACH WAMP,
TOM LATHAM,
BOB LIVINGSTON,
JOSE SERRANO,
VIC FAZIO,
STENY HOYER,
DAVID OBEY,
Managers on the Part of the House.

ROBERT F. BENNETT,
TED STEVENS,
LARRY E. CRAIG,
THAD COCHRAN,
BYRON DORGAN,
BARBARA BOXER,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

Amendment No. 1: The Senate deleted several provisions of the House bill and inserted substitute provisions. Many items in both House and Senate bills are identical and are included in the conference agreement without change. With respect to those items in the conference agreement that differ between House and Senate bills, the conferees have agreed to the following:

TITLE I—CONGRESSIONAL OPERATIONS

SENATE

Appropriates $469,391,000 for Senate operations and contains several administrative provisions, including two additional provisions, regarding frequent flyer miles and reimbursements to the Attending Physician's office, and an adjustment to an allowance amount not included in the Senate amendment. A technical amendment to Administrative Provision Section 1 has been made to the Official Office Expense allowance of the State of Florida to correct a printing error reflected in the Senate tables. The State of Florida's Official Office Expense Allowance effective October 1, 1998 is $302,307. The State of Florida's total annual allowance effective October 1, 1998 is $2,381,991. The total Senate Official Office Expense Allowance effective October 1, 1998 is $19,997,232. The total Senators' Official Personnel and Office Expense Allowance effective October 1, 1998 is $190,654,592. Inasmuch as this item relates solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House, at the request of the managers on the part of the Senate, have receded to the Senate.

The managers on the part of the Senate note that concern has been expressed that the Senate Sergeant at Arms' proposed new computer information system could reduce the services available to individual offices currently provided through the office of the Sergeant at Arms. It is the understanding of the Committee on Appropriations of the Senate that this system will improve the research services available to the Senate. The Sergeant at Arms is directed to prepare a report on the proposed changes to the computer information services program for the Senate Committee on Rules and Administration and the Senate Committee on Appropriations thirty days in advance of implementing any new system. The report should detail the cost to the Senate of both the old and new systems, a comparison of the services available on the old and new systems, and the advantages and disadvantages between the old and new systems for users.

HOUSE OF REPRESENTATIVES

Provides a death gratuity and appropriates $733,971,000 for salaries and expenses, House of Representatives and includes several administrative provisions as proposed by the House. Two additional provisions have been included dealing with telecommunication regulations and authorizing reimbursement to the Chief Administrative Officer's budget for certain furniture and equipment expenses. Inasmuch as this item relates solely to the House, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the Senate, at the request of the managers on the part of the House, have receded to the House.

JOINT ITEMS

Joint Economic Committee

Appropriates $3,096,000 for the Joint Economic Committee instead of $2,796,000 as proposed by the House and Senate.

Joint Committee on Printing

Appropriates $202,000 for the Joint Committee on Printing and an additional $150,000 for the Committee on House Oversight as proposed by the House instead of $202,000 for the Joint Committee on Printing as proposed by the Senate. The Senate has provided $150,000 for the Senate Committee on Rules and Administration elsewhere in the bill.

Joint Committee on Taxation

Appropriates $5,965,400 for the Joint Committee on Taxation as proposed by the Senate instead of $6,018,000 as proposed by the House. The conferees agree that the Joint Committee on Taxation, a joint item that supports both the House and Senate equally, serves a critical role in preparing tax and revenue estimates for Members of Congress. The conferees expect the Joint Committee staff to be fully responsive in assisting with revenue estimates for Members of Congress who are not members of the tax committees. Upon the request of any Member of Congress, the Joint Committee shall expeditiously provide a revenue estimate, describe all assumptions it makes in performing its calculations and provide all primary and secondary source materials to Members or their designees. The Joint Committee shall also state the assumptions and source material in a manner that will allow the calculations for the revenue estimate to be replicated by Members or their designees. The conferees note that such revenue estimates are needed in a timely manner and are critical to the consideration of legislation and amendments. The conferees expect the Joint Committee to be both responsive and timely in its responses to Members of Congress who do not serve on the revenue committees.

Office of the Attending Physician

Appropriates $1,415,000 for the Office of the Attending Physician as proposed by the Senate instead of $1,383,000 as proposed by the House.

Capitol Police Board

Capitol Police

SALARIES

Appropriates $76,844,000 for salaries of officers, members, and employees of the Capitol Police instead of $72,615,000 as proposed by the House and $74,281,000 as proposed by the Senate, of which $37,037,000 is provided to the Sergeant at Arms of the House of Representatives and $39,807,000 is provided to the Sergeant at Arms and Doorkeeper of the Senate. With respect to differences between the House and Senate bills, the conferees have agreed to the following changes from FY1998:

1. FTE's	−$100,000
2. Increase in benefits	+457,000
3. Attrition savings	−422,000
4. Sunday and holiday pay differential	+1,119,031
5. Night differential	1,323,033
6. Longevity	1,687,284

The conferees have agreed to fund 1251 FTE's as proposed by the Senate instead of 1247 as proposed by the House. $267,000 is provided for "comparability" pay and is fenced pending approval of the appropriate authorities, including the Committee on House Oversight and the Senate Committee on Rules and Administration. In addition, the conferees have provided funds for pay parity ($2,442,064) and an adjustment to the longevity schedule ($1,687,284) but fence those amounts pending approval by the appropriate authorities, including the named authorizing committees.

The conferees commend the U.S. Capitol Police (USCP) for its desire to improve the management of its administrative operations. The Appropriations Committees will expect to hear from the Chief of the Capitol Police the details of steps taken to implement improvements during the presentation of the Police fiscal year 2000 budget, specifically the USCP's priorities and the schedule to accomplish those improvements.

GENERAL EXPENSES

Appropriates $6,237,000 for general expenses of the Capitol Police instead of $3,766,000 as proposed by House and $6,297,000 as proposed by the Senate. The conferees have added $500,000 to replenish funds used to defray unforeseen overtime expenditures. With respect to object class and program differences between the House and Senate bills, the conferees have agreed to the following changes from FY 1998:

1. Travel	−$23,000
2. Chemical/biological program	+160,000
3. Price level increases	
4. Start up costs, new computer system	+200,000
5. Information security systems	+720,000
6. Computer & telecommunications service costs	
7. Tuition	
8. Supplies	+4,000
9. Life-cycle replacement for physical security systems	+1,200,000
10. Replenish overtime expenses	+500,000

Capitol Guide Service and Special Services Office

Appropriates $2,195,000 for the Capitol Guide Service and Special Services Office as proposed by the Senate instead of $2,110,000 as proposed by the House and increases to 43 the limitation on the number of individuals that can be employed as proposed by the Senate.

OFFICE OF COMPLIANCE

Salaries and Expenses

Appropriates $2,086,000 for salaries and expenses, Office of Compliance as proposed by the House instead of $2,286,000 as proposed by the Senate. The conferees agree that the Office of Compliance should submit a request for its FY2000 budget that takes into account reduced workload of the Office.

CONGRESSIONAL BUDGET OFFICE

Salaries and Expenses

The conferees agree with language in the House report directing House Information Resources and the Library of Congress to work out an acceptable solution to the Congressional Budget Office's computing needs and directing CBO to post on the Internet, effective October 1, 1998, all CBO papers and publications available to the public and in index to such papers and publications.

ARCHITECT OF THE CAPITOL

Capitol buildings and Grounds

CAPITOL BUILDINGS

SALARIES AND EXPENSES

Appropriates $43,683,000 for salaries and expenses, Capitol buildings instead of $40,347,000 as proposed by the House and $44,641,000 as proposed by the Senate. Of this amount, $8,175,000 shall remain available until expended as proposed by the Senate instead of $6,425,000 as proposed by the House. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following operating and capital budget changes from FY 1998:

Operating Budget:	
1. Personnel compensation and benefits	+$1,947,000
2. Attrition savings	−146,000
3. Rental of warehouse space	
4. Hazardous materials abatement	
5. Postage and metered mail	+4,000
6. Contractual services for safety personnel	+30,000
7. Price level increases	+15,000
8. Uniforms	+80,000
9. Replace Senate restaurant equipment	+28,000
Capital Budget:	
10. Conservation of wall paintings	+100,000
11. Analysis & renovation of outside air intake tunnels	+50,000
12. Replace electrical wiring S–215 & stair by S–344	+25,000
13. Computer-aided facility management (CAFM)	+400,000
14. Capitol complex integrated security program	+475,000
15. Senate chamber improvements	+200,000
16. Upgrade cable television system	+1,000,000
17. Other police security designs	+1,000,000

The conferees agree with language in the House report directing the Architect to develop an energy savings plan that will use proceeds to fund needed maintenance.

CAPITOL GROUNDS

Appropriates $6,046,000 for care and improvement of grounds surrounding the Capitol, House and Senate office buildings, and the Capitol Power Plant instead of $5,803,000 as proposed by the House and $6,055,000 as proposed by the Senate. Of this amount, $525,000 shall remain available until expended as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following operating and capital budget changes from FY 1998:

Operating Budget:	
1. Personnel compensation and benefits	+$305,000
2. Attrition savings	−63,000
3. Fee, disposal of solid waste (contractual)	−100,000
4. Replace bituminous paving at various locations	−20,000
5. Supplies, price level increases	+1,000
6. Uniforms	+32,000
Capital Budget:	
7. Refurbishment of Taft Memorial Carillon	+130,000
8. ADA handicapped ramps, terraces	+500,000

SENATE OFFICE BUILDINGS

Appropriates $54,144,000 instead of $53,644,000 as proposed by the Senate, of which $14,615,000 shall remain available until expended, for the operations of the Senate office buildings. Inasmuch as this item relates solely to the Senate, and in accord with long practice under which each body determines its own housekeeping requirements and the other concurs without intervention, the managers on the part of the House, at the request of the managers on the part of the Senate, have receded to the Senate, including an additional amount above the amount in the Senate bill.

CAPITOL POWER PLANT

Appropriates $38,174,000 for plant operations instead of $33,145,000 as proposed by the House and $38,222,000 as proposed by the Senate. Of this amount, $5,100,000 shall remain available until expended as proposed by the Senate instead of $100,000 as proposed by the House. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following operating and capital budget changes from FY1998:

Operating Budget:	
1. Personnel compensation and benefits	+$347,000
2. Attrition savings	−98,000
3. Uniforms	+33,000
4. Personal protective/ safety equipment	+7,000
Capital Budget:	
5. Optimization of chilled water distribution system	+150,000
6. East plant chiller replacement	+4,000,000

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

Appropriates $67,124,000 for salaries and expenses, Congressional Research Service, Library of Congress instead of $66,688,000 as proposed by the House and $67,877,483 as proposed by the Senate. The conferees agree with language in the House report that the Congressional Research Service should replace departing staff with lower level professionals to even out grade distribution. The conferees direct that the Congressional Research Service not increase its full-time equivalent (FTE) employment level above the current level.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

Appropriates $74,465,000 for Congressional printing and binding as proposed by the House instead of $75,500,000 as proposed by the Senate. The conferees have agreed to the House provision regarding the use of this appropriation for obligations incurred in other years, and have substituted a provision allowing 27 months to perform a printing job in lieu of a provision in the Senate amendment that adjusted current billing procedures.

The conferees have agreed to language in the House report directing the Clerk of the House, in consultation with the Secretary of the Senate and the Public Printer, to evaluate ways to improve the cost-effectiveness of printing Congressional documents and to make appropriate recommendations. The conferees request that the Secretary of the Senate work with the Clerk of the House of Representatives on this project.

ADMINISTRATIVE PROVISION

The conferees have agreed to an administrative provision in the House bill that amends the Legislative Branch Appropriations Act, 1998 to authorize "not to exceed" $11,017,000 to be transferred from the revolving fund.

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

Appropriates $3,052,000 for salaries and expenses, Botanic Garden instead of $3,032,000 as proposed by the House and $3,180,000 as proposed by the Senate. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following operating budget changes from FY 1998:

1. Personnel compensation and benefits	+$133,000
2. Attrition savings	−117,000
3. Uniforms	+16,000
4. Safety apparel	+4,000
5. Roof fall protection	....

ADMINISTRATIVE PROVISION

The conferees have included an administrative provision amending Section 307E(b) of the Legislative Branch Appropriations Act, 1989, which established a fund for private donations supporting a National Garden at the Botanic Garden. The amendment provides for the investment of such funds in Treasury securities or other Federally-guaranteed obligations and credit of the investments and investment proceeds to the account.

LIBRARY OF CONGRESS

Salaries and Expenses

Provides $238,373,000 for salaries and expenses, Library of Congress instead of $234,822,00 as proposed by the House and $239,176,542 as proposed by the Senate. Of this amount, $6,850,000 is made available from receipts collected by the Library as proposed by the House instead of $6,500,000 as proposed by the Senate; and $10,119,000 is to remain available until expended for acquisition of library materials as proposed by the Senate instead of $9,869,000 as proposed by the House. With respect to differences between the House and Senate bills, the conferees have agreed to the following budget changes from FY 1998:

1. Mandatory pay increases	+$6,448,000
2. Attrition savings	−1,032,000
3. Price level increases	+1,668,000
Growing workload increases:	
4. Fort Meade Storage	+551,000
5. Meeting of the Frontiers—Russia and Alaska	+2,000,000
6. Bicentennial of Lewis and Clark Expedition	+250,000
7. Law Library	+253,775
8. International legal information database (receipts)	+350,000
9. Automation	+691,771
10. Security Office	+355,331

The conferees agree with language in the House bill limiting to $350,000 the amount available from collections relating to an international legal information database. The conferees have also agreed to a provision in the Senate bill providing $2,000,000, to remain available until expended, for a four-year project to digitize collections for the "Meeting of the Frontiers" United States-Russian digital collection and to a Senate provision of $250,000, also to remain available until expended, for the Library's efforts in connection with the commemoration of the bicentennial of the Lewis and Clark expedition.

The conferees agree with the directives in the Senate report concerning full-time equivalent jobs and direct that the funds provided may only be expended within current FTE levels.

The conferees agree with language in the House report directing the Library to develop measurements of the extent of the collections security problem and with language in the Senate report urging the Library to continue efforts to assist the Senate with a legislative information retrieval system.

The conferees direct the Library to develop a strategic plan no later than January 15, 1999, coordinating all aspects of the Library's interior and exterior physical security. The plan should identify the Library's central requirements and detail how those requirements are proposed to be met in the short term and in the long term. The Library should consult with the Architect of the Capitol and include in the report those aspects of building security currently provided by the Architect. The Library should also consider the U.S. Capitol Police as a source of information and should consult with the Capitol Police for advice on the best industry practices.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

Provides $34,891,000 for salaries and expense, Copyright Office instead of $33,897,000 as proposed by the House and $35,269,000 as proposed by the Senate. The conferees have agreed to provide an additional $993,500 to the Copyright Office for theft detection devices to be inserted into materials delivered to the Copyright Office for deposit. The conferees have agreed to language in the House bill making the amounts collected under 17 U.S.C. 708(d) available until expended and subject to appropriations. With respect to differences between the House and Senate bills, the conferees have agreed to the following budget changes from FY1998:

1. Attrition savings	−$106,000
2. Workload	−346,500

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

Appropriates $46,824,000 for salaries and expenses, Books for the Blind and Physically

Handicapped as proposed by the House instead of $46,895,000 as proposed by the Senate. Of this amount, $13,744,000 shall remain available until expended.

Furniture and Furnishings

Appropriates $4,448,000 for furniture and furnishings at the Library of Congress instead of $4,178,000 as proposed by the House and $4,458,000 as proposed by the Senate. With respect to differences between the House and Senate bills, the conferees have agreed to the following budget change from FY1998:

Security equipment	+$270,000

Administrative Provisions

The conferees have agreed to a provision in the House bill authorizing the Library to receive funds from participants in and sponsors of an international legal information database for the development and maintenance of the database, subject to appropriations.

ARCHITECT OF THE CAPITOL

Congressional Cemetery

Appropriates $1,000,000 to the Architect of the Capitol for a grant, to be matched by donations, for perpetual care and maintenance of Congressional Cemetery as proposed by the House.

Library Buildings and Grounds

STRUCTURAL AND MECHANICAL CARE

Appropriates $12,672,000 for structural and mechanical care, Library buildings and grounds, Architect of the Capitol instead of $11,933,000 as proposed by the House and $12,566,000 as proposed by the Senate. Of this amount, $910,000 shall remain available until expended. With respect to object class and project differences between the House and Senate bills, the conferees have agreed to the following operating and capital budget changes from FY 1998:

Operating Budget	
1. Personnel compensation and benefits	+$299,000
2. Attrition savings	−39,000
3. Annual maintenance, price level increases	....
4. Supplies and materials, price level increases	+6,500
5. Uniforms	+43,000
6. Safety apparel	+9,000
7. Equipment, price level increases	....
Capital Budget:	
8. Install additional readers	+300,000
9. Design, roof-fall protection	....
10. Design, lightning protection, Madison Building	....
11. Bookstack lighting controls, Jefferson and Adams	+200,000
12. Exterior security improvements	+600,000

The conferees direct that the Architect of the Capitol obtain the concurrence of the Capitol Police Board in the submission of budget requests involving the physical security of the Library buildings and grounds.

Administrative Provisions

The conferees have agreed to a provision in the House bill authorizing the Architect of the Capitol to make a grant of $1,000,000 to the National Trust for Historic Preservation, to be placed in a restricted account and to be matched by donations to the Association for the Preservation of Historic Congressional Cemetery. Earnings of the account, to the extent that the grant is matched by private donations, will be available to the Association for care and maintenance of Congressional Cemetery, excluding costs of nonroutine restoration or capital projects.

The conferees have included language authorizing up to $2,500,000 for improvements to the National Audio Visual Conservation Center in Culpepper, Virginia. The conferees note that when the acquisition of the National Audio Visual Conservation Center was authorized, the Library announced a goal of funding improvements to the facility on a three-to-one private/public match over the life of the improvement project. The conferees direct the Library to develop a funding strategy, similar to that utilized for the National Digital Library, which will achieve its stated goal.

GOVERNMENT PRINTING OFFICE

Office of Superintendent of Documents

SALARIES AND EXPENSES

Appropriates $29,264,000 for salaries and expenses, Office of the Superintendent of Documents as proposed by the House instead of $29,600,000 as proposed by the Senate.

Government Printing Office Revolving Fund

The conferees agree to a 3,383 workyear limitation at the Government Printing Office instead of 3,416 as proposed by the House and 3,350 as proposed by the Senate. The conferees agree with language in the House report regarding the coordination of the implementation of a commercial off-the-shelf financial management system with the Legislative Branch Financial Managers Council and further direct that the Public Printer implement the recommendations of the recent management audit conducted by Booz-Allen and Hamilton, Inc., as appropriate, and submit an annual report. The first report is due with the submission of the fiscal year 2000 appropriation request.

The conferees agree with language in the Senate report regarding a total plan for capital upgrades and obtaining approvals of the plan by the appropriate committees.

As part of ongoing concern over the efforts of Legislative branch agencies to be Year 2000 compliant, the conferees direct the Government Printing Office to complete all assessments of its mission-critical systems, all planning for the time and resources necessary to complete critical renovation, validation and implementation activities, and take all actions necessary to make the agency Year 2000 compliant during fiscal year 1999. The conferees are particularly concerned that certain key elements of the agency's Year 2000 preparation may not be installed until May of 1999 or later, leaving the agency with little time to test mission-critical applications associated with these elements. The conferees direct GPO management to take whatever steps are necessary to prevent any major Year 2000 failures resulting from the agency's inability or unwillingness to cooperate fully in this vital endeavor.

GENERAL ACCOUNTING OFFICE

Salaries and Expenses

Appropriates $354,268,000 for salaries and expenses, General Accounting Office instead of $354,238,000 as proposed by the House and $363,298,000 as proposed by the Senate. With respect to differences between the House and Senate bills, the conferees have agreed to the following budget changes from FY1998:

1. Attrition savings	−$3,091,000
2. Other compensation	+250,000
3. Price level increases	+976,500
4. Program changes	+6,610,000

The $6,610,000 provided for program changes allows for not to exceed 50 full time equivalent (FTE) employees. The conferees expect that a minimum of one-third of the program funding increase will be used by GAO to support information technology (IT) work, particularly in support of issues related to the Year 2000 computing crisis. Any funds in excess of the amount required for additional FTE's should be allocated to program contract support. The conferees direct the Comptroller General to include in the agency's FY2000 budget presentation an accounting of how this increase has been used, including how many additional FTE's have been added and how much of the program increase has been used to acquire mission-related contract services.

Administrative Provision

The conferees have included an administrative provision that transfers unexpended balances from funds transferred by the Department of Health and Human Services to the Comptroller General for a study. The study has been completed and the funds are no longer necessary for their intended purpose.

TITLE III—GENERAL PROVISIONS

In Title III, General Provisions, section numbers have been changed to conform to the conference agreement. The conferees have agreed to include section 305, a sense of Congress provision relating to purchase of American-made products. The conferees have included authority for "buyout" incentive programs for the Architect of the Capitol and for the Government Printing Office. The conferees have amended the language of the House bill that contains these provisions. The amended language requires the Architect of the Capitol and the Government Printing Office to make payments to the Civil Service Retirement and Disability Fund equal to 15% of the annual gross salary of each employee electing voluntary separation, a provision comparable to other Federal buyout authority. In addition, each agency is required to submit a plan for utilizing this authority and to make periodic progress reports.

The Architect of the Capitol presented justification for this authority, explaining it will facilitate reengineering and reinvesting in the agency to meet both mission requirements and fiduciary responsibility. The conferees direct that before the Architect offers each buyout/earlyout program, the Architect inform the House of Representatives Committees on House Oversight and Appropriations and the Senate Committees on Rules and Administration and Appropriations of the areas to be affected by the buyout/earlyout program and the planned for result. Following each buyout/earlyout program that proceeds, but no later than July 1 of each year, the Architect must report on the annual results and compare them with the planned for results. An estimate for resulting savings due to the reengineered functions must accompany each final buyout/earlyout report.

The conferees have included a provision in the House bill that directs the Architect of the Capitol to develop and implement an energy savings strategy and a provision in the Senate bill that amends section 316 of Public Law 101–302. The conferees have included language amending the American Folklife Preservation Act to permanently authorize the Center, to restructure the Board of Trustees, to eliminate payment to Board members (excepting reimbursement for travel and subsistence while on Board business), and to eliminate the long-vacant Deputy Director position. The conference agreement amends the provision in the Senate bill regarding payments made by the Government Printing Office to the Employees' Compensation Fund. The amended language will only apply prospectively and removes the requirement for any future reimbursements by the Government Printing Office under section 8147(c) of title 5, United States Code.

TITLE IV—TRADE DEFICIT REVIEW COMMISSION

The conferees have deleted a provision in the Senate bill regarding a trade deficit review commission.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$2,287,951,800
Budget estimates of new (obligational) authority, fiscal year 1999	2,466,766,600
House bill, fiscal year 1999	1,804,689,700
Conference agreement, fiscal year 1999	2,361,488,125
Senate bill, fiscal year 1999	2,349,937,100
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+61,985,300
Budget estimates of new (obligational) authority, fiscal year 1999	−116,829,500
House bill, fiscal year 1999	+545,247,400
Senate bill, fiscal year 1999	−11,551,025

Managers on the Part of the House.

JAMES T. WALSH,
C.W. BILL YOUNG, OF FLORIDA,
RANDY "DUKE" CUNNINGHAM,
ZACH WAMP,
TOM LATHAM,
BOB LIVINGSTON,
JOSE SERRANO,
VIC FAZIO,
STENY HOYER,
DAVID OBEY:

Managers on the Part of the Senate.

ROBERT F. BENNETT,
TED STEVENS,
LARRY E. CRAIG,
THAD COCHRAN,
BYRON DORGAN,
BARBARA BOXER,
ROBERT C. BYRD,

IT IS A CLEAR CHOICE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, Congress has a little less than 1 month to conduct the people's business. I think Congress should focus on the issue of tax cuts.

Republicans believe that Americans are overtaxed. Democrats believe that Americans are not overtaxed, and some of them actually believe that Americans are not taxed enough. Republicans talk about tax cuts for all Americans, and Democrats speak in terms of targeted tax cuts, which is a great way of saying that the middle class, the backbone of America, will not be getting a tax cut.

Now, let us make a distinction between Democrats and so-called new Democrats. Democrats will raise your taxes. New Democrats will talk about cutting your taxes, but they will end up raising them once they get into office.

Mr. Speaker, the choice is clear. If you believe taxes are fundamentally a freedom issue, then Republicans are on your side. If you think the government knows best, then the Democrats are your friend. It is a clear choice.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PETRI). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each:

DEFUNDING AN ELECTED BODY IS A BLOW TO DEMOCRACY ITSELF

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, a serious step was taken last week when the House defunded an elected body that had only a token amount in the D.C. appropriation, a 100th of 1 percent amount in a $6.8 billion consensus budget that had been approved by the control board and the elected officials.

This may be because the group involved, Advisory Neighborhood Commissions, are perhaps not routinely found in other jurisdictions, and there is little understanding of the vital role they play in our urban environment.

Many members seem to think that ANCs, as we call our Advisory Neighborhood Commissions, are like civic organizations in their own home towns. In one important way, they are. The ANC commissioners are volunteers and are never paid. But, unlike traditional civic organizations, ANCs perform official government duties.

For example, they must be notified 30 days before any neighborhood action is taken. They must hold hearings and receive comments. Then they must transmit their comments to the agency involved, and then the mayor and the city council must give great weight to the comments of the ANCs. These are unusual officials. Aside from their official duties, they perform tasks that have become indispensable to maintaining the quality of life in the District of Columbia.

Let me give just a few examples. ANC commissioners cleaned streets and alleys when the city was unable to deliver services during the fiscal crisis. Commissioners notified the city of declining properties when city inspectors were unable to inspect deteriorating housing. An ANC used the notification process to require developers to include infrastructure improvements, like sidewalks, when building new housing.

Upon receiving notification for liquor license renewal, an ANC was able to force a store owner to stem public intoxication. An ANC uses its funds to operate a youth center, placing teens in jobs with neighborhood vendors.

Our ANCs have taken a 50 percent cut since the fiscal crisis began in 1994. Thus, giving them just a small amount of that back helps our neighborhoods in indescribable ways.

Ironically, these neighborhood institutions were placed in the home rule charter by the House of Representatives itself. Now, they are being defunded by the House. The Senate has not defunded them.

The House chose not to leave to chance grass roots participation in local government when it approved the charter of the District of Columbia, believing that a cadre of front-line elected officials could be the veins and arteries leading out into the neighborhoods to other parts of the government and to the mayor and the city council.

The truth is that the 37 commissions, consisting of 299 commissioners, have the most thankless job in the District. This volunteer job has so few rewards that many single-member districts are without candidates. It is a real labor of love. It is difficult enough without eviscerating ANC by depriving commissioners of the basics, such as phones and faxes.

Defunding an elected body is a blow to democracy itself. The ANC contribution to the city is an important example of the link between democratic grass roots participation and the quality of life. This contribution deserves to be applauded, not defunded.

In the District, we get much more out of the ANCs than we put in. I ask that their funding be returned.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FALEOMAVAEGA (at the request of Mr. GEPHARDT) for Friday, September 18, through Tuesday, September 22, on account of official business in the District.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Ms. NORTON) to revise and extend her remarks and include extraneous material:)

Ms. NORTON, today, for 5 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. NORTON) and to include extraneous material:)

Mr. KIND.

Ms. PELOSI.

Ms. VELÁZQUEZ.

(The following Members (at the request of Mr. BALLENGER) and to include extraneous material:)

Mrs. CUBIN.

Mr. PITTS.

Ms. ROS-LEHTINEN.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2317. An act to improve the National Wildlife Refuge System, and for other purposes; to the Committee on Resources.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a joint resolution of the House of the following title:

On September 21, 1998:

H.J. Res. 128. Making continuing appropriations for the fiscal year 1999, and for other purposes.

ADJOURNMENT

Ms. NORTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 10 minutes a.m.), under its previous order, the House adjourned until tomorrow, Wednesday, September 23, 1998, at 2 p.m.

CONFERENCE REPORT ON H.R. 3616

Mr. SPENCE submitted the following conference report and statement on the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–736)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Strom Thurmond National Defense Authorization Act for Fiscal Year 1999".

(b) FINDINGS.—Congress makes the following findings:

(1) Senator Strom Thurmond of South Carolina first became a member of the Committee on Armed Services of the United States Senate on January 19, 1959. Senator Thurmond's continuous service on that committee covers more than 75 percent of the period of the existence of the committee, which was established immediately after World War II, and more than 20 percent of the period of the existence of military and naval affairs committees of Congress, the original bodies of which were formed in 1816.

(2) Senator Thurmond came to Congress and the committee as a distinguished veteran of service, including combat service, in the Armed Forces of the United States.

(3) Senator Thurmond was commissioned as a reserve second lieutenant of infantry in 1924. He served with great distinction with the First Army in the European Theater of Operations during World War II, landing in Normandy in a glider with the 82nd Airborne Division on D-Day. He was transferred to the Pacific Theater of Operations at the end of the war in Europe and was serving in the Philippines when Japan surrendered.

(4) Having reverted to Reserve status at the end of World War II, Senator Thurmond was promoted to brigadier general in the United States Army Reserve in 1954. He served as President of the Reserve Officers Association beginning that same year and ending in 1955. Senator Thurmond was promoted to major general in the United States Army Reserve in 1959. He transferred to the Retired Reserve on January 1, 1965, after 36 years of commissioned service.

(5) The distinguished character of Senator Thurmond's military service has been recognized by awards of numerous decorations that include the Legion of Merit, the Bronze Star medal with "V" device, the Army Commendation Medal, the Belgian Cross of the Order of the Crown, and the French Croix de Guerre.

(6) Senator Thurmond has served as chairman of the Committee on Armed Services of the United States Senate since 1995 and served as the ranking minority member of the committee from 1993 to 1995. Senator Thurmond concludes his service as chairman at the end of the One Hundred Fifth Congress, but is to continue to serve the committee as a member in successive Congresses.

(7) This Act is the fortieth annual authorization bill for the Department of Defense for which Senator Thurmond has taken a major responsibility as a member of the Committee on Armed Services of the Senate.

(8) Senator Thurmond, as an Army officer and a legislator, has made matchless contributions to the national security of the United States that, in duration and in quality, are unique.

(9) It is altogether fitting and proper that this Act, the last annual authorization Act for the national defense that Senator Thurmond manages in and for the United States Senate as chairman of the Committee on Armed Services, be named in his honor, as provided in subsection (a).

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; findings.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
Sec. 106. Defense Inspector General.
Sec. 107. Chemical demilitarization program.
Sec. 108. Defense health programs.
Sec. 109. Defense Export Loan Guarantee program.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for Longbow Hellfire Missile program.
Sec. 112. Conditions for award of a second-source procurement contract for the Family of Medium Tactical Vehicles.
Sec. 113. Armored system modernization.
Sec. 114. Reactive armor tiles.
Sec. 115. Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative.

Subtitle C—Navy Programs

Sec. 121. CVN–77 nuclear aircraft carrier program.
Sec. 122. Increase in amount authorized to be excluded from cost limitation for Seawolf submarine program.
Sec. 123. Multiyear procurement authority for the Department of the Navy.
Sec. 124. Annual GAO review of F/A–18E/F aircraft program.

Subtitle D—Air Force Programs

Sec. 131. F–22 aircraft program.
Sec. 132. C–130J aircraft program.

Subtitle E—Other Matters

Sec. 141. Chemical stockpile emergency preparedness program.
Sec. 142. Alternative technologies for destruction of assembled chemical weapons.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Management responsibility for Navy mine countermeasures programs.

Sec. 212. Future aircraft carrier transition technologies.
Sec. 213. Manufacturing technology program.
Sec. 214. Sense of Congress on the Defense Science and Technology Program.
Sec. 215. Next Generation Internet Program.
Sec. 216. Crusader self-propelled artillery system program.
Sec. 217. Airborne Laser Program.
Sec. 218. Enhanced Global Positioning System program.

Subtitle C—Ballistic Missile Defense

Sec. 231. Sense of Congress on National Missile Defense coverage.
Sec. 232. Limitation on funding for the Medium Extended Air Defense System.
Sec. 233. Limitation on funding for Cooperative Ballistic Missile Defense programs.
Sec. 234. Sense of Congress with respect to Ballistic Missile Defense cooperation with Russia.
Sec. 235. Ballistic Missile Defense program elements.
Sec. 236. Restructuring of acquisition strategy for Theater High-Altitude Area Defense (THAAD) system.

Subtitle D—Other Matters

Sec. 241. Extension of authority to carry out certain prototype projects.
Sec. 242. NATO alliance ground surveillance concept definition.
Sec. 243. NATO common-funded Civil Budget.
Sec. 244. Executive agent for cooperative research program of the Department of Defense and the Department of Veterans Affairs.
Sec. 245. Review of pharmacological interventions for reversing brain injury.
Sec. 246. Pilot program for revitalizing the laboratories and test and evaluation centers of the Department of Defense.
Sec. 247. Chemical warfare defense.
Sec. 248. Landmine alternatives.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Refurbishment of M1–A1 tanks.
Sec. 312. Operation of prepositioned fleet, National Training Center, Fort Irwin, California.
Sec. 313. Berthing space at Norfolk Naval Shipyard, Virginia.
Sec. 314. NATO common-funded military budget.

Subtitle C—Environmental Provisions

Sec. 321. Settlement of claims of foreign governments for environmental cleanup of overseas sites formerly used by the Department of Defense.
Sec. 322. Authority to pay negotiated settlement for environmental cleanup of formerly used defense sites in Canada.
Sec. 323. Removal of underground storage tanks.
Sec. 324. Report regarding polychlorinated biphenyl waste under Department of Defense control overseas.
Sec. 325. Modification of deadline for submittal to Congress of annual reports on environmental activities.
Sec. 326. Submarine solid waste control.
Sec. 327. Arctic Military Environmental Cooperation Program.
Sec. 328. Sense of Congress regarding oil spill prevention training for personnel on board Navy vessels.

Subtitle D—Information Technology Issues

Sec. 331. Additional information technology responsibilities of Chief Information Officers.
Sec. 332. Defense-wide electronic mall system for supply purchases.
Sec. 333. Priority funding to ensure year 2000 compliance of information technology and national security systems.
Sec. 334. Evaluation of year 2000 compliance as part of training exercises programs.
Sec. 335. Continuity of essential operations at risk of failure because of information technology and national security systems that are not year 2000 compliant.

Subtitle E—Defense Infrastructure Support Improvement

Sec. 341. Clarification of definition of depot-level maintenance and repair.
Sec. 342. Reporting and analysis requirements before change of commercial and industrial type functions to private sector performance.
Sec. 343. Notifications of determinations of military items as being commercial items for purposes of the exception to requirements regarding core logistics capabilities.
Sec. 344. Oversight of development and implementation of automated identification technology.
Sec. 345. Contractor-operated civil engineering supply stores program.
Sec. 346. Conditions on expansion of functions performed under prime vendor contracts for depot-level maintenance and repair.
Sec. 347. Best commercial inventory practices for management of secondary supply items.
Sec. 348. Personnel reductions in Army Materiel Command.
Sec. 349. Inventory management of in-transit items.
Sec. 350. Review of Defense Automated Printing Service functions.
Sec. 351. Development of plan for establishment of core logistics capabilities for maintenance and repair of C–17 aircraft.

Subtitle F—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 361. Continuation of management and funding of Defense Commissary Agency through the Office of the Secretary of Defense.
Sec. 362. Expansion of current eligibility of Reserves for commissary benefits.
Sec. 363. Costs payable to the Department of Defense and other Federal agencies for services provided to the Defense Commissary Agency.
Sec. 364. Collection of dishonored checks presented at commissary stores.
Sec. 365. Restrictions on patron access to, and purchases in, overseas commissaries and exchange stores.
Sec. 366. Repeal of requirement for Air Force to sell tobacco products to enlisted personnel.
Sec. 367. Prohibition on consolidation or other organizational changes of Department of Defense retail systems.
Sec. 368. Defense Commissary Agency telecommunications.
Sec. 369. Survey of commissary store patrons regarding satisfaction with commissary store merchandise.

Subtitle G—Other Matters

Sec. 371. Eligibility requirements for attendance at Department of Defense domestic dependent elementary and secondary schools.
Sec. 372. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 373. Department of Defense readiness reporting system.
Sec. 374. Specific emphasis of program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 375. Condition for providing financial assistance for support of additional duties assigned to the Army National Guard.
Sec. 376. Demonstration program to improve quality of personal property shipments of members.
Sec. 377. Pilot program for acceptance and use of landing fees charged for use of domestic military airfields by civil aircraft.
Sec. 378. Strategic plan for expansion of distance learning initiatives.
Sec. 379. Public availability of operating agreements between military installations and financial institutions.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent end strength levels.
Sec. 403. Date for submission of annual manpower requirements report.
Sec. 404. Additional exemption from percentage limitation on number of lieutenant generals and vice admirals.
Sec. 405. Extension of authority for Chairman of the Joint Chiefs of Staff to designate up to 12 general and flag officer positions to be excluded from general and flag officer grade limitations.
Sec. 406. Exception for Chief, National Guard Bureau, from limitation on number of officers above major general.
Sec. 407. Limitation on daily average of personnel on active duty in grades E–8 and E–9.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Increase in number of members in certain grades authorized to serve on active duty in support of the reserves.
Sec. 415. Consolidation of strength authorizations for active status Naval Reserve flag officers of the Navy Medical Department Staff Corps.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Codification of eligibility of retired officers and former officers for consideration by special selection boards.
Sec. 502. Involuntary separation pay denied for officer discharged for failure of selection for promotion requested by the officer.

Sec. 503. Streamlined selective retention process for regular officers.
Sec. 504. Permanent applicability of limitations on years of active naval service of Navy limited duty officers in grades of commander and captain.
Sec. 505. Tenure of Chief of the Air Force Nurse Corps.
Sec. 506. Grade of Air Force Assistant Surgeon General for Dental Services.
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SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term "congressional defense committees" means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on National Security and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
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Sec. 104. Defense-wide activities.
Sec. 105. Reserve components.
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Sec. 111. Multiyear procurement authority for Longbow Hellfire Missile program.
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Subtitle E—Other Matters

Sec. 141. Chemical stockpile emergency preparedness program.
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Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Army as follows:

(1) For aircraft, $1,396,047,000.

(2) For missiles, $1,228,229,000.

(3) For weapons and tracked combat vehicles, $1,507,551,000.

(4) For ammunition, $1,016,255,000.

(5) For other procurement, $3,344,932,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) Navy.—Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Navy as follows:

(1) For aircraft, $7,642,200,000.

(2) For weapons, including missiles and torpedoes, $1,223,903,000.

(3) For shipbuilding and conversion, $6,033,480,000.

(4) For other procurement, $4,042,975,000.

(b) Marine Corps.—Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Marine Corps in the amount of $881,896,000.

(c) Navy and Marine Corps Ammunition.—Funds are hereby authorized to be appropriated for procurement of ammunition for the Navy and the Marine Corps in the amount of $463,339,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Air Force as follows:

(1) For aircraft, $8,350,617,000.

(2) For missiles, $2,210,640,000.

(3) For ammunition, $383,161,000.

(4) For other procurement, $6,950,372,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 1999 for Defense-wide procurement in the amount of $1,954,828,000.

SEC. 105. RESERVE COMPONENTS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement of aircraft, vehicles, communications equipment, and other equipment for the reserve components of the Armed Forces as follows:

(1) For the Army National Guard, $10,000,000.

(2) For the Air National Guard, $10,000,000.

(3) For the Army Reserve, $10,000,000.

(4) For the Naval Reserve, $10,000,000.

(5) For the Air Force Reserve, $10,000,000.

(6) For the Marine Corps Reserve, $10,000,000.

SEC. 106. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 1999 for procurement for the Inspector General of the Department of Defense in the amount of $1,300,000.

SEC. 107. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 1999 the amount of $803,000,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 108. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $402,387,000.

SEC. 109. DEFENSE EXPORT LOAN GUARANTEE PROGRAM.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the Department of Defense for carrying out the Defense Export Loan Guarantee Program under section 2540 of title 10, United States Code, in the total amount of $1,250,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR LONGBOW HELLFIRE MISSILE PROGRAM.

Beginning with the fiscal year 1999 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement of the AGM–114 Longbow Hellfire missile.

SEC. 112. CONDITIONS FOR AWARD OF A SECOND-SOURCE PROCUREMENT CONTRACT FOR THE FAMILY OF MEDIUM TACTICAL VEHICLES.

The Secretary of the Army may award a second-source procurement contract for the production of the Family of Medium Tactical Vehicles only after the Secretary certifies in writing to the congressional defense committees—

(1) that the total quantity of vehicles within the Family of Medium Tactical Vehicles program that the Secretary will require to be delivered (under all contracts) in any 12-month period will be sufficient to enable the prime contractor to maintain a minimum economic production level;

(2) that the total cost to the Army of the procurements under the prime and second-source contracts over the period of those contracts will be the same as or lower than the amount that would be the total cost of the procurements if only one such contract were awarded; and

(3) that the vehicles to be produced under those contracts will be produced with common components that will be interchangeable among similarly configured models.

SEC. 113. ARMORED SYSTEM MODERNIZATION.

(a) Funding.—Of the funds appropriated pursuant to the authorization of appropriations in section 101(3) for M1 Abrams Tank Modifications—

(1) $14,300,000 shall be obligated for procurements associated with the M1A1D Appliqué Integration Program, of which no more than $11,400,000 may be obligated before the end of the 30-day period beginning on the date on which the Secretary of the Army submits the report required under subsection (b); and

(2) $6,000,000 shall be obligated to develop a M1A2 risk reduction program.

(b) Report.—(1) Not later than January 31, 1999, the Secretary of the Army shall submit to the congressional defense committees a report on Army armored system modernization programs. The report shall include—

(A) an assessment of the current acquisition and fielding strategy of the Army for the M1 Abrams Tank and M2A3 Bradley Fighting Vehicle; and

(B) a description and assessment of alternatives to that strategy, including an assessment of an alternative fielding strategy that provides for placing all of the armored vehicles configured in the latest variant into one heavy corps.

(2) The assessment of each alternative acquisition and fielding strategy under paragraph (1)(B) shall include the following:

(A) The relative effects of that strategy on warfighting capabilities in terms of operational effectiveness and training and support efficiencies, taking into consideration the joint warfighting context.

(B) How that strategy would facilitate the transition to the Future Scout and Cavalry System, the Future Combat System, or other armored systems for the future force structure known as the Army After Next.

(C) How that strategy fits into the context of overall armored system modernization through 2020.

(D) Budgetary implications.

(E) Implications for the national technology and industrial base.

(F) Innovative techniques and alternatives for maintaining M1A2 System Enhancement Program production.

(3) The Secretary shall include in the report a draft of any legislation that may be required to execute a given alternative for M1A2 System Enhancement Program production.

(c) GAO Evaluation.—The Comptroller General shall review the report of the Secretary of the Army under subsection (b) and, not later than 30 days after the date on which that report is submitted to the congressional defense committees, shall submit to those committees a report providing the Comptroller General's views on the conclusions of the Secretary of the Army set forth in that report.

SEC. 114. REACTIVE ARMOR TILES.

(a) Limitation.—None of the funds authorized to be appropriated under section 101(3) or 102(b) may be obligated for the procurement of reactive armor tiles until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees the matters specified in subsection (d).

(b) Exception.—The limitation in subsection (a) does not apply to the obligation of any funds for the procurement of armor tiles for an armored vehicle for which the Secretary of the Army or, in the case of the Marine Corps, the Secretary of the Navy, had established a requirement for such tiles before the date of the enactment of this Act.

(c) Study Required.—(1) The Secretary of Defense shall contract with an entity independent of the Department of Defense to conduct a study of the operational requirements of the Army and the Marine Corps for reactive armor tiles for armored vehicles and to submit to the Secretary a report on the results of the study.

(2) The study shall include the following:

(A) A detailed assessment of the operational requirements of the Army and the Marine Corps for reactive armor tiles for each of the armored vehicles presently in use, including the requirements for each vehicle in its existing configurations and in configurations proposed for the vehicle.

(B) For each armored vehicle, an analysis of the costs and benefits of the procurement and installation of the tiles, including a comparison of those costs and benefits with the costs and benefits of any existing upgrade program for the armored vehicle.

(3) The entity carrying out the study shall request the views of the Secretary of the Army and the Secretary of the Navy.

(d) Submission to Congressional Committees.—Not later than April 1, 1999, the Secretary of Defense shall submit to the congressional defense committees—

(1) the report on the study submitted to the Secretary by the entity carrying out the study;

(2) the comments of the Secretary of the Army and the Secretary of the Navy on the study; and

(3) for each vehicle for which there is a requirement for reactive armor tiles, as indicated by the results of the study, the Secretary's recommendations as to the number of vehicles to be equipped with such tiles.

SEC. 115. EXTENSION OF AUTHORITY TO CARRY OUT ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE.

Section 193(a) of the Armament Retooling and Manufacturing Support Act of 1992 (subtitle H of title I of Public Law 102–484; 10 U.S.C. 2501 note) is amended by striking out "During fiscal years 1993 through 1998" and inserting in lieu thereof "During fiscal years 1993 through 1999".

Subtitle C—Navy Programs

SEC. 121. CVN–77 NUCLEAR AIRCRAFT CARRIER PROGRAM.

Of the amount authorized to be appropriated under section 102(a)(3) for fiscal year 1999, $124,500,000 is available for the advance procurement and advance construction of components (including nuclear components) for the CVN–77 nuclear aircraft carrier program.

SEC. 122. INCREASE IN AMOUNT AUTHORIZED TO BE EXCLUDED FROM COST LIMITATION FOR SEAWOLF SUBMARINE PROGRAM.

Section 123(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1650) is amended by striking out "$272,400,000" and inserting in lieu thereof "$557,600,000".

SEC. 123. MULTIYEAR PROCUREMENT AUTHORITY FOR THE DEPARTMENT OF THE NAVY.

(a) Authority for Specified Navy Aircraft Programs.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract for procurement for the following programs:

(1) The AV–8B aircraft program.

(2) The T–45TS aircraft program.

(3) The E–2C aircraft program.

(b) Authority for Marine Corps Medium Tactical Vehicle Replacement.—Beginning with the fiscal year 1999 program year, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear procurement contract to procure the Marine Corps Medium Tactical Vehicle Replacement.

SEC. 124. ANNUAL GAO REVIEW OF F/A–18E/F AIRCRAFT PROGRAM.

(a) Review and Report Required.—Not later than June 15 of each year, the Comptroller General shall review the F/A–18E/F aircraft program and submit to Congress a report on the results of the review. The Comptroller General shall submit to Congress with each such report a certification as to whether the Comptroller General has had access to sufficient information to make informed judgments on the matters covered by the report.

(b) Content of Report.—The report submitted on the program each year shall include the following:

(1) The extent to which engineering and manufacturing development and operational test and evaluation under the program are meeting the goals established for engineering and manufacturing development and operational test and evaluation under the program, including the performance, cost, and schedule goals.

(2) The status of modifications expected to have a significant effect on the cost or performance of the F/A–18E/F aircraft.

(c) Duration of Requirement.—No report is required under this section after the full-rate production contract is awarded under the program.

(d) Requirement to Support Annual GAO Review.—The Secretary of Defense and the prime contractors under the F/A–18E/F program shall timely provide the Comptroller General with such information on the program, including information on program performance, as the Comptroller General considers necessary to carry out this section.

Subtitle D—Air Force Programs

SEC. 131. F–22 AIRCRAFT PROGRAM.

(a) Limitation on Advance Procurement.—(1) Amounts available for the Department of Defense for any fiscal year for the F–22 aircraft program may not be obligated for advance procurement for the six Lot II F–22 aircraft before the applicable date under paragraph (2) or (3).

(2) The applicable date for the purposes of paragraph (1) is the date on which the Secretary of Defense submits a certification under subsection (b)(1) unless the Secretary submits a report under subsection (b)(2).

(3) If the Secretary submits a report under subsection (b)(2), the applicable date for the purposes of paragraph (1) is the later of—

(A) the date on which the Secretary of Defense submits the report; or

(B) the date on which the Director of Operational Test and Evaluation submits the certification required under subsection (c).

(b) Certification by Secretary of Defense.—(1) Upon the completion of 433 hours of flight testing of F–22 flight test vehicles, the Secretary of Defense shall submit to the congressional defense committees a certification of the completion of that amount of flight testing. A certification is not required under this paragraph if the Secretary submits a report under paragraph (2).

(2) If the Secretary determines that a number of hours of flight testing of F–22 flight test vehicles less than 433 hours provides the Defense Acquisition Board with a sufficient basis for deciding to proceed into production of Lot II F–22 aircraft, the Secretary may submit a report to the congressional defense committees upon the completion of that lesser number of hours of flight testing. A report under this paragraph shall contain the following:

(A) A certification of the number of hours of flight testing completed.

(B) The reasons for the Secretary's determination that the lesser number of hours is a sufficient basis for a decision by the board.

(C) A discussion of the extent to which the Secretary's determination is consistent with each decision made by the Defense Acquisition Board since January 1997 in the case of a major aircraft acquisition program that the amount of flight testing completed for the program was sufficient or not sufficient to justify a decision to proceed into low-rate initial production.

(D) A determination by the Secretary that it is more financially advantageous for the Department to proceed into production of Lot II F–22 aircraft than to delay production until completion of 433 hours of flight testing, together with the reasons for that determination.

(c) Certification by the Director of Operational Test and Evaluation.—Upon the completion of 183 hours of the flight testing of F–22 flight test vehicles provided for in the test and evaluation master plan for the F–22 aircraft program, as in effect on October 1, 1997, the Director of Operational Test and Evaluation shall submit to the congressional defense committees a certification of the completion of that flight testing.

SEC. 132. C–130J AIRCRAFT PROGRAM.

Not later than March 1, 1999, the Secretary of Defense shall review the C–130J aircraft program and submit a report on the program to the congressional defense committees. The report shall include at least the following:

(1) A discussion of the testing planned and the testing conducted under the program, including—

(A) the testing schedule intended at the beginning of the program;

(B) the testing schedule as of when the testing commenced; and

(C) an explanation of the time taken for the testing.

(2) The cost and schedule of the program, including—

(A) whether the Department has exercised or plans to exercise contract options for fiscal years 1996, 1997, 1998, and 1999;

(B) when the Department expects the aircraft to be delivered and how the delivery dates compare to the delivery dates specified in the contract;

(C) whether the Department expects to make any modification to the negotiated contract price for these aircraft, and the amount and basis for any such modification; and

(D) whether the Department expects the reported delays and overruns in the development of the aircraft to have any other impact on the cost, schedule, or performance of the aircraft.

Subtitle E—Other Matters

SEC. 141. CHEMICAL STOCKPILE EMERGENCY PREPAREDNESS PROGRAM.

(a) Assistance to State and Local Governments.—Section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 50 U.S.C. 1521), is amended by adding at the end of subsection (c) the following:

"(4)(A) In coordination with the Secretary of the Army and in accordance with agreements between the Secretary of the Army and the Director of the Federal Emergency Management Agency, the Director shall carry out a program to provide assistance to State and local governments in developing capabilities to respond to emergencies involving risks to the public health or safety within their jurisdictions that are identified by the Secretary as being risks resulting from—

"(i) the storage of lethal chemical agents and munitions referred to in subsection (a) at military installations in the continental United States; or

"(ii) the destruction of such agents and munitions at facilities referred to in paragraph (1)(B).

"(B) No assistance may be provided under this paragraph after the completion of the destruction of the United States' stockpile of lethal chemical agents and munitions.

"(C) Not later than December 15 of each year, the Director shall transmit a report to Congress on the activities carried out under this paragraph during the fiscal year preceding the fiscal year in which the report is submitted.".

(b) Program Funding.—Section 1412(f) of such Act (51 U.S.C. 1521(f)) is amended—

(1) by striking out "Identification of Funds.—Funds" and inserting in lieu thereof "Identification of Funds.—(1) Funds"; and

(2) by adding at the end the following new paragraph:

"(2) Amounts appropriated to the Secretary for the purpose of carrying out subsection (c)(4) shall be promptly made available to the Director of the Federal Emergency Management Agency.".

(c) Periodic Reports.—Section 1412(g) of such Act (50 U.S.C. 1521(g)) is amended—

(1) in paragraph (2)(B)—

(A) by striking out "and" at the end of clause (v);

(B) by striking out the period at the end of clause (vi) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new clause:

"(vii) grants to State and local governments to assist those governments in carrying out functions relating to emergency preparedness and response in accordance with subsection (c)(3).";

(2) by redesignating subparagraph (B) (as amended by paragraph (1)) and subparagraph (C) of paragraph (2) as subparagraphs (C) and (D), respectively; and

(3) by inserting after paragraph (2)(A) the following new subparagraph (B):

"(B) A site-by-site description of actions taken to assist State and local governments (either directly or through the Federal Emergency Management Agency) in carrying out functions relating to emergency preparedness and response in accordance with subsection (c)(3).".

SEC. 142. ALTERNATIVE TECHNOLOGIES FOR DESTRUCTION OF ASSEMBLED CHEMICAL WEAPONS.

(a) Program Management.—The program manager for the Assembled Chemical Weapons Assessment shall continue to manage the development and testing (including demonstration and pilot-scale testing) of technologies for the destruction of lethal chemical munitions that are potential or demonstrated alternatives to the baseline incineration program. In performing such management, the program manager shall act independently of the program manager for Chemical Demilitarization and shall report to the Under Secretary of Defense for Acquisition and Technology.

(b) Post-Demonstration Activities.—(1) The program manager for the Assembled Chemical Weapons Assessment may carry out those activities necessary to ensure that an alternative technology for the destruction of lethal chemical munitions can be implemented immediately after—

(A) the technology has been demonstrated to be successful; and

(B) the Under Secretary of Defense for Acquisition and Technology has submitted a report on the demonstration to Congress that includes a decision to proceed with the pilot-scale facility phase for an alternative technology.

(2) To prepare for the immediate implementation of any such technology, the program manager may, during fiscal years 1998 and 1999, take the following actions:

(A) Establish program requirements.

(B) Prepare procurement documentation.

(C) Develop environmental documentation.

(D) Identify and prepare to meet public outreach and public participation requirements.

(E) Prepare to award a contract for the design, construction, and operation of a pilot facility for the technology to the provider team for the technology not later than December 30, 1999.

(c) Independent Evaluation.—The Under Secretary of Defense for Acquisition and Technology shall provide for an independent evaluation of the cost and schedule of the Assembled Chemical Weapons Assessment, which shall be performed and submitted to the Under Secretary not later than September 30, 1999. The evaluation shall be performed by a nongovernmental organization qualified to make such an evaluation.

(d) Pilot Facilities Contracts.—(1) The Under Secretary of Defense for Acquisition and Technology shall determine whether to proceed with pilot-scale testing of a technology referred to in paragraph (2) in time to award a contract for the design, construction, and operation of a pilot facility for the technology to the provider team for the technology not later than December 30, 1999. If the Under Secretary determines to proceed with such testing, the Under Secretary shall (exercising the acquisition authority of the Secretary of Defense) so award a contract not later than such date.

(2) Paragraph (1) applies to an alternative technology for the destruction of lethal chemical munitions, other than incineration, that the Under Secretary—

(A) certifies in writing to Congress is—

(i) as safe and cost effective for disposing of assembled chemical munitions as is incineration of such munitions; and

(ii) is capable of completing the destruction of such munitions on or before the later of the date by which the destruction of the munitions would be completed if incineration were used or the deadline date for completing the destruction of the munitions under the Chemical Weapons Convention; and

(B) determines as satisfying the Federal and State environmental and safety laws that are applicable to the use of the technology and to the design, construction, and operation of a pilot facility for use of the technology.

(3) The Under Secretary shall consult with the National Research Council in making determinations and certifications for the purpose of paragraph (2).

(4) In this subsection, the term "Chemical Weapons Convention" means the Convention on the Prohibition of Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction, opened for signature on January 13, 1993, together with related annexes and associated documents.

(e) Plan for Pilot Program.—If the Secretary of Defense proceeds with a pilot program under section 152(f) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 214; 50 U.S.C. 1521(f)), the Secretary shall prepare a plan for the pilot program and shall submit to Congress a report on such plan (including information on the cost of, and schedule for, implementing the pilot program).

(f) Funding.—(1) Of the amount authorized to be appropriated under section 107, funds shall be available for the program manager for the Assembled Chemical Weapons Assessment for the following:

(A) Demonstrations of alternative technologies under the Assembled Chemical Weapons Assessment.

(B) Planning and preparation to proceed from demonstration of an alternative technology immediately into the development of a pilot-scale facility for the technology, including planning and preparation for—

(i) continued development of the technology leading to deployment of the technology for use;

(ii) satisfaction of requirements for environmental permits;

(iii) demonstration, testing, and evaluation;

(iv) initiation of actions to design a pilot plant;

(v) provision of support at the field office or depot level for deployment of the technology for use; and

(vi) educational outreach to the public to engender support for the deployment.

(C) The independent evaluation of cost and schedule required under subsection (c).

(2) Funds authorized to be appropriated under section 107(1) are authorized to be used for awarding contracts in accordance with subsection (d) and for taking any other action authorized in this section.

(f) Assembled Chemical Weapons Assessment Defined.—In this section, the term "Assembled Chemical Weapons Assessment" means the pilot program carried out under section 8065 of the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208; 110 Stat. 3009–101; 50 U.S.C. 1521 note).

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Management responsibility for Navy mine countermeasures programs.
Sec. 212. Future aircraft carrier transition technologies.
Sec. 213. Manufacturing technology program.
Sec. 214. Sense of Congress on the Defense Science and Technology Program.
Sec. 215. Next Generation Internet Program.
Sec. 216. Crusader self-propelled artillery system program.
Sec. 217. Airborne Laser Program.
Sec. 218. Enhanced Global Positioning System program.

Subtitle C—Ballistic Missile Defense

Sec. 231. Sense of Congress on National Missile Defense coverage.
Sec. 232. Limitation on funding for the Medium Extended Air Defense System.
Sec. 233. Limitation on funding for Cooperative Ballistic Missile Defense programs.
Sec. 234. Sense of Congress with respect to Ballistic Missile Defense cooperation with Russia.
Sec. 235. Ballistic Missile Defense program elements.
Sec. 236. Restructuring of acquisition strategy for Theater High-Altitude Area Defense (THAAD) system.

Subtitle D—Other Matters

Sec. 241. Extension of authority to carry out certain prototype projects.
Sec. 242. NATO alliance ground surveillance concept definition.
Sec. 243. NATO common-funded Civil Budget.
Sec. 244. Executive agent for cooperative research program of the Department of Defense and the Department of Veterans Affairs.
Sec. 245. Review of pharmacological interventions for reversing brain injury.
Sec. 246. Pilot program for revitalizing the laboratories and test and evaluation centers of the Department of Defense.
Sec. 247. Chemical warfare defense.
Sec. 248. Landmine alternatives.

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $4,657,012,000.

(2) For the Navy, $8,305,011,000.

(3) For the Air Force, $13,918,728,000.

(4) For Defense-wide activities, $9,127,187,000, of which—

(A) $249,106,000 is authorized for the activities of the Director, Test and Evaluation; and

(B) $29,245,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) Fiscal Year 1999.—Of the amounts authorized to be appropriated by section 201, $4,179,905,000 shall be available for basic research and applied research projects.

(b) Basic Research and Applied Research Defined.—For purposes of this section, the term "basic research and applied research" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. MANAGEMENT RESPONSIBILITY FOR NAVY MINE COUNTERMEASURES PROGRAMS.

Section 216(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993

(Public Law 102–190; 105 Stat. 1317, as amended) is amended by striking out "through 1999" and inserting in lieu thereof "through 2003".

SEC. 212. FUTURE AIRCRAFT CARRIER TRANSITION TECHNOLOGIES.

Of the funds authorized to be appropriated under section 201(2) for Carrier System Development (program element 0603512N), $50,000,000 shall be available only for research, development, test, evaluation, and incorporation into the CVN–77 nuclear aircraft carrier program of technologies designed to transition to, demonstrate enhanced capabilities for, or mitigate cost and technical risks of, the CV(X) aircraft carrier program.

SEC. 213. MANUFACTURING TECHNOLOGY PROGRAM.

(a) REQUIREMENTS RELATING TO COMPETITION.—Subsection (d)(1) of section 2525 of title 10, United States Code, is amended—

(1) by striking out "(1) Competitive" and inserting in lieu thereof "(1)(A) In accordance with the policy stated in section 2374 of this title, competitive"; and

(2) by adding at the end the following new subparagraph:

"(B) For each grant awarded and each contract, cooperative agreement, or other transaction entered into on a cost-share basis under the program, the ratio of contract recipient cost to Government cost shall be determined by competitive procedures. For a project for which the Government receives an offer from only one offeror, the contracting officer shall negotiate the ratio of contract recipient cost to Government cost that represents the best value to the Government.".

(b) REQUIREMENTS RELATING TO COST SHARE WAIVERS.—Subsection (d)(2) of such section is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by inserting "(A)" after "(2)"; and

(3) by adding at the end the following new subparagraphs:

"(B) For any grant awarded or contract, cooperative agreement, or other transaction entered into on a basis other than a cost-sharing basis because of a determination made under subparagraph (A), the transaction file for the project concerned must document the rationale for the determination.

"(C) The Secretary of Defense may delegate the authority to make determinations under subparagraph (A) only to the Under Secretary of Defense for Acquisition and Technology or a service acquisition executive, as appropriate.".

(c) COST SHARE GOAL.—Subsection (d) of such section is amended—

(1) by striking out paragraph (4); and

(2) in paragraph (3)—

(A) by striking out "At least" and inserting in lieu thereof "As a goal, at least";

(B) by striking out "shall" and inserting in lieu thereof "should"; and

(C) by adding at the end the following: "The Secretary of Defense, in coordination with the Secretaries of the military departments and upon recommendation of the Under Secretary of Defense for Acquisition and Technology, shall establish annual objectives to meet such goal.".

(d) ADDITIONAL INFORMATION TO BE INCLUDED IN FIVE-YEAR PLAN.—Subsection (e)(2) of such section is amended to read as follows:

"(2) The plan shall include the following:

"(A) An assessment of the effectiveness of the program.

"(B) An assessment of the extent to which the costs of projects are being shared by the following:

"(i) Commercial enterprises in the private sector.

"(ii) Department of Defense program offices, including weapon system program offices.

"(iii) Departments and agencies of the Federal Government outside the Department of Defense.

"(iv) Institutions of higher education.

"(v) Other institutions not operated for profit.

"(vi) Other sources.".

SEC. 214. SENSE OF CONGRESS ON THE DEFENSE SCIENCE AND TECHNOLOGY PROGRAM.

(a) FUNDING REQUIREMENTS FOR THE DEFENSE SCIENCE AND TECHNOLOGY PROGRAM BUDGET.—It is the sense of Congress that, for each of the fiscal years 2000 through 2008, it should be an objective of the Secretary of Defense to increase the budget for the Defense Science and Technology Program for the fiscal year over the budget for that program for the preceding fiscal year by a percent that is at least two percent above the rate of inflation as determined by the Office of Management and Budget.

(b) GUIDELINES FOR THE DEFENSE SCIENCE AND TECHNOLOGY PROGRAM.—

(1) RELATIONSHIP OF DEFENSE SCIENCE AND TECHNOLOGY PROGRAM TO UNIVERSITY RESEARCH.—It is the sense of Congress that the following should be key objectives of the Defense Science and Technology Program:

(A) The sustainment of research capabilities in scientific and engineering disciplines critical to the Department of Defense.

(B) The education and training of the next generation of scientists and engineers in disciplines that are relevant to future defense systems, particularly through the conduct of basic research.

(C) The continued support of the Defense Experimental Program to Stimulate Competitive Research and research programs at historically black colleges and universities and minority institutions.

(2) RELATIONSHIP OF THE DEFENSE SCIENCE AND TECHNOLOGY PROGRAM TO COMMERCIAL RESEARCH AND TECHNOLOGY.—(A) It is the sense of Congress that, in supporting projects within the Defense Science and Technology Program, the Secretary of Defense should attempt to leverage commercial research, technology, products, and processes for the benefit of the Department of Defense.

(B) It is the sense of Congress that funds made available for projects and programs of the Defense Science and Technology Program should be used only for the benefit of the Department of Defense, which includes—

(i) the development of technology that has only military applications;

(ii) the development of militarily useful, commercially viable technology; and

(iii) the adaptation of commercial technology, products, or processes for military purposes.

(3) SYNERGISTIC MANAGEMENT OF RESEARCH AND DEVELOPMENT.—It is the sense of Congress that the Secretary of Defense should have the flexibility to allocate a combination of funds available for the Department of Defense for basic and applied research and for advanced development to support any individual project or program within the Defense Science and Technology Program, but such flexibility should not change the allocation of funds in any fiscal year among basic and applied research and advanced development.

(4) MANAGEMENT OF SCIENCE AND TECHNOLOGY.—It is the sense of Congress that—

(A) management and funding for the Defense Science and Technology Program for each military department should receive a level of priority and leadership attention equal to the level received by program acquisition, and the Secretary of each military department should ensure that a senior official in the department holds the appropriate title and responsibility to ensure effective oversight and emphasis on science and technology;

(B) to ensure an appropriate long-term focus for investments, a sufficient percentage of science and technology funds should be directed toward new technology areas, and annual reviews should be conducted for ongoing research areas to ensure that those funded initiatives are either integrated into acquisition programs or discontinued when appropriate;

(C) the Secretary of each military department should take appropriate steps to ensure that sufficient numbers of officers and civilian employees in the department hold advanced degrees in technical fields; and

(D) of particular concern, the Secretary of the Air Force should take appropriate measures to ensure that sufficient numbers of scientists and engineers are maintained to address the technological challenges faced in the areas of air, space, and information technology.

(c) STUDY.—

(1) REQUIREMENT.—The Secretary of Defense, in cooperation with the National Research Council of the National Academy of Sciences, shall conduct a study on the technology base of the Department of Defense.

(2) MATTERS COVERED.—The study shall—

(A) result in recommendations on the minimum requirements for maintaining a technology base that is sufficient, based on both historical developments and future projections, to project superiority in air and space weapons systems and in information technology;

(B) address the effects on national defense and civilian aerospace industries and information technology of reducing funding below the goal described in subsection (a); and

(C) result in recommendations on the appropriate levels of staff with baccalaureate, masters, and doctorate degrees, and the optimal ratio of civilian and military staff holding such degrees, to ensure that science and technology functions of the Department of Defense remain vital.

(3) REPORT.—Not later than 120 days after the date on which the study required under paragraph (1) is completed, the Secretary shall submit to Congress a report on the results of the study.

(d) DEFINITIONS.—In this section:

(1) The term "Defense Science and Technology Program" means basic and applied research and advanced development.

(2) The term "basic and applied research" means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

(3) The term "advanced development" means work funded in program elements for defense research and development under Department of Defense category 6.3.

SEC. 215. NEXT GENERATION INTERNET PROGRAM.

(a) FUNDING.—Of the funds authorized to be appropriated under section 201(4), $53,000,000 shall be available for the Next Generation Internet program.

(b) LIMITATION.—Notwithstanding the enactment of any other provision of law after the date of the enactment of this Act, amounts may be appropriated for fiscal year 1999 for research, development, test, and evaluation by the Department of Defense for the Next Generation Internet program only pursuant to the authorization of appropriations under section 201(4).

SEC. 216. CRUSADER SELF-PROPELLED ARTILLERY SYSTEM PROGRAM.

(a) LIMITATION.—Of the amount authorized to be appropriated for the Army pursuant to section 201(1), not more than $223,000,000 may be obligated for the Crusader self-propelled artillery system program until 30 days after the date on which the Secretary of the Army submits the report required under subsection (b).

(b) REQUIREMENT FOR REPORT.—The Secretary of the Army shall submit to the congressional defense committees a report on the Crusader self-propelled artillery system. The report shall include the following:

(1) An assessment of the risks associated with the current Crusader program technology.

(2) The total requirements for the Crusader system, taking into consideration revisions in force structure resulting from the redesign of heavy and light divisions to achieve a force structure known as the Army After Next.

(3) The potential for reducing the weight of the Crusader system by as much as 50 percent.

(4) The potential for using alternative propellants for the artillery projectile for the Crusader system and the effects on the overall program schedule that would result from taking the actions and time necessary to develop mature technologies for alternative propellants.

(5) An analysis of the costs and benefits of delaying procurement of the Crusader system to avoid affordability issues associated with the current schedule and to allow for maturation of weight and propellant technologies.

(c) SUBMISSION OF REPORT.—The Secretary of the Army shall submit the report not later than March 1, 1999.

SEC. 217. AIRBORNE LASER PROGRAM.

(a) ASSESSMENT OF TECHNICAL AND OPERATIONAL ASPECTS.—The Secretary of Defense shall conduct an assessment of the technical and operational aspects of the Airborne Laser Program. In conducting the assessment, the Secretary shall establish an independent team of persons from outside the Department of Defense who are experts in relevant fields to review the technical and operational aspects of the Airborne Laser Program. The team shall assess the following:

(1) Whether additional ground testing or other forms of data collection should be completed before initial modification of a commercial aircraft to an Airborne Laser configuration.

(2) The adequacy of exit criteria for the program definition and risk reduction phase of the Airborne Laser Program.

(3) The adequacy of current Airborne Laser operational concepts.

(b) REPORT ON ASSESSMENT.—Not later than March 15, 1999, the Secretary shall submit to Congress a report on the assessment. The report shall include the Secretary's findings and any recommendations that the Secretary considers appropriate.

(c) FUNDING FOR PROGRAM.—Of the amount authorized to be appropriated under section 201(3), $235,219,000 shall be available for the Airborne Laser Program.

(d) LIMITATION.—Of the amount made available pursuant to subsection (c), not more than $185,000,000 may be obligated until 30 days after the Secretary submits the report required by subsection (b).

SEC. 218. ENHANCED GLOBAL POSITIONING SYSTEM PROGRAM.

(a) POLICY ON PRIORITY FOR DEVELOPMENT OF ENHANCED GPS SYSTEM.—The development of an enhanced Global Positioning System is an urgent national security priority.

(b) DEVELOPMENT REQUIRED.—To fulfill the requirements described in section 279(b) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 243) and section 2281 of title 10, United States Code, the Secretary of Defense shall develop an enhanced Global Positioning System in accordance with the priority declared in subsection (a). The enhanced Global Positioning System shall include the following elements:

(1) An evolved satellite system that includes increased signal power and other improvements such as regional-level directional signal enhancements.

(2) Enhanced receivers and user equipment that are capable of providing military users with direct access to encrypted Global Positioning System signals.

(3) To the extent funded by the Secretary of Transportation, additional civil frequencies and other enhancements for civil users.

(c) SENSE OF CONGRESS REGARDING FUNDING.—It is the sense of Congress that—

(1) the Secretary of Defense should ensure that the future-years defense program provides for sufficient funding to develop and deploy an enhanced Global Positioning System in accordance with the priority declared in subsection (a); and

(2) the Secretary of Transportation should provide sufficient funding to support additional civil frequencies for the Global Positioning System and other enhancements of the system for civil users.

(d) PLAN FOR DEVELOPMENT OF ENHANCED GLOBAL POSITIONING SYSTEM.—Not later than April 15, 1999, the Secretary of Defense shall submit to Congress a plan for carrying out the requirements of subsection (b).

(e) DELAYED EFFECTIVE DATE FOR LIMITATION ON PROCUREMENT OF SYSTEMS NOT GPS-EQUIPPED.—Section 152(b) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1578) is amended by striking out "2000" and inserting in lieu thereof "2005".

(f) FUNDING FROM AUTHORIZED APPROPRIATIONS FOR FISCAL YEAR 1999.—Of the amounts authorized to be appropriated under section 201(3), $44,000,000 shall be available to establish and carry out an enhanced Global Positioning System program.

Subtitle C—Ballistic Missile Defense

SEC. 231. SENSE OF CONGRESS ON NATIONAL MISSILE DEFENSE COVERAGE.

It is the sense of the Congress that—

(1) any national missile defense system deployed by the United States must provide effective defense against limited, accidental, or unauthorized ballistic missile attack for all 50 States; and

(2) the territories of the United States should be afforded effective protection against ballistic missile attack.

SEC. 232. LIMITATION ON FUNDING FOR THE MEDIUM EXTENDED AIR DEFENSE SYSTEM.

None of the funds appropriated for fiscal year 1999 for the Ballistic Missile Defense Organization may be obligated for the Medium Extended Air Defense System (MEADS) until the Secretary of Defense certifies to Congress that the future-years defense program includes sufficient programmed funding for that system to complete the design and development phase. If the Secretary does not submit such a certification by January 1, 1999, then (effective as of that date) the funds appropriated for fiscal year 1999 for the Ballistic Missile Defense Organization that are allocated for the MEADS program shall be available to support alternative programmatic and technical approaches to meeting the requirement for mobile theater missile defense that was to be met by the MEADS system.

SEC. 233. LIMITATION ON FUNDING FOR COOPERATIVE BALLISTIC MISSILE DEFENSE PROGRAMS.

Of the funds appropriated for fiscal year 1999 for the Russian-American Observational Satellite (RAMOS) program, $5,000,000 may not be obligated until the Secretary of Defense certifies to Congress that the Department of Defense has received detailed information concerning the nature, extent, and military implications of the transfer of ballistic missile technology from Russian sources to Iran.

SEC. 234. SENSE OF CONGRESS WITH RESPECT TO BALLISTIC MISSILE DEFENSE COOPERATION WITH RUSSIA.

It is the sense of Congress that, as the United States proceeds with efforts to develop defenses against ballistic missile attack, the United States should seek to foster a climate of cooperation with Russia on matters related to ballistic missile defense and that, in particular, the United States and its NATO allies should seek to cooperate with Russia in such areas as early warning of ballistic missile launches.

SEC. 235. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) BMD PROGRAM ELEMENTS.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 222 the following new section:

"§223. Ballistic missile defense programs: program elements

"(a) PROGRAM ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

"(1) The Patriot system.

"(2) The Navy Area system.

"(3) The Theater High-Altitude Area Defense system.

"(4) The Navy Theater Wide system.

"(5) The Medium Extended Air Defense System.

"(6) Joint Theater Missile Defense.

"(7) National Missile Defense.

"(8) Support Technologies.

"(9) Family of Systems Engineering and Integration.

"(10) Ballistic Missile Defense Technical Operations.

"(11) Threat and Countermeasures.

"(12) International Cooperative Programs.

"(b) TREATMENT OF MAJOR DEFENSE ACQUISITION PROGRAMS.—Amounts requested for Theater Missile Defense and National Missile Defense major defense acquisition programs shall be specified in individual, dedicated program elements, and amounts appropriated for those programs shall be available only for Ballistic Missile Defense activities.

"(c) MANAGEMENT AND SUPPORT.—The amount requested for each program element specified in subsection (a) shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 222 the following new item:

"223. Ballistic missile defense programs: program elements.".

(b) REPEAL OF SUPERSEDED PROVISION.—Section 251 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 221 note) is repealed.

SEC. 236. RESTRUCTURING OF ACQUISITION STRATEGY FOR THEATER HIGH-ALTITUDE AREA DEFENSE (THAAD) SYSTEM.

(a) ESTABLISHMENT OF COMPETITIVE CONTRACTOR.—(1) The Secretary of Defense shall take appropriate steps to implement technical and price competition for the development and production of the interceptor missile for the Theater High-Altitude Area Defense (THAAD) system.

(2) The Secretary shall take such steps as necessary to ensure that the prime contractor (as of the date of the enactment of this Act) for the THAAD system provides the cooperation needed to establish the technical and price competition required in subsection (a).

(3) The Secretary shall use the authority provided in section 2304(c)(2) of title 10, United States Code, to expedite the implementation of paragraphs (1) and (2).

(4) Of the amount made available under section 201(4) for the THAAD System, $29,600,000 shall be available to establish the technical and price competition required in paragraph (1).

(b) Cost Sharing Arrangement.—(1) The Secretary of Defense shall contractually establish with the THAAD interceptor prime contractor an appropriate arrangement for sharing between the United States and that contractor the costs for flight test failures of the interceptor missile for the THAAD system beginning with the flight test numbered 9.

(2) For purposes of paragraph (1), the term "THAAD interceptor prime contractor" means the firm that as of May 14, 1998, is the prime contractor for the interceptor missile for the Theater High-Altitude Area Defense system.

(c) Engineering and Manufacturing Development Phase for Other Elements of the THAAD System.—The Secretary of Defense may proceed with the milestone approval process for the Engineering and Manufacturing Development phase for the Battle Management and Command, Control, and Communications (BM/C^3) element of the THAAD system and for the Ground Based Radar (GBR) element for that system without regard to the stage of development of the interceptor missile for that system.

(d) Plan for Contingency Capability.—(1) The Secretary of Defense shall prepare a plan that would allow for deployment of THAAD missiles and the other elements of the THAAD system referred to in subsection (c) in response to theater ballistic missile threats that evolve before United States military forces are equipped with the objective configuration of those missiles and elements.

(2) The Secretary shall submit a report on the plan to the congressional defense committees by December 15, 1998.

(e) Limitation on Entering Engineering and Manufacturing Development Phase.—(1) The Secretary of Defense may not approve the commencement of the Engineering and Manufacturing Development phase for the interceptor missile for the THAAD system until there have been 3 successful tests of that missile.

(2) For purposes of paragraph (1), a successful test of the interceptor missile of the THAAD system is a body-to-body intercept by that missile of a ballistic missile target.

Subtitle D—Other Matters

SEC. 241. EXTENSION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

Section 845(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 10 U.S.C. 2371 note) is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

SEC. 242. NATO ALLIANCE GROUND SURVEILLANCE CONCEPT DEFINITION.

Amounts authorized to be appropriated under section 201 are available for a NATO alliance ground surveillance concept definition that is based on the Joint Surveillance Target Attack Radar System (Joint STARS) Radar Technology Insertion Program (RTIP) sensor of the United States, as follows:

(1) Of the amount authorized to be appropriated under section 201(1), $6,400,000.

(2) Of the amount authorized to be appropriated under section 201(3), $3,500,000.

SEC. 243. NATO COMMON-FUNDED CIVIL BUDGET.

Of the amount authorized to be appropriated by section 201(1), $750,000 shall be available for contributions for the common-funded Civil Budget of NATO.

SEC. 244. EXECUTIVE AGENT FOR COOPERATIVE RESEARCH PROGRAM OF THE DEPARTMENT OF DEFENSE AND THE DEPARTMENT OF VETERANS AFFAIRS.

The Secretary of Defense, acting through the Army Medical Research and Materiel Command and the Naval Operational Medicine Institute, shall be the executive agent for the use of funds available from the amount authorized to be appropriated by section 201(4) for the Cooperative Research Program of the Department of Defense and the Department of Veterans Affairs.

SEC. 245. REVIEW OF PHARMACOLOGICAL INTERVENTIONS FOR REVERSING BRAIN INJURY.

(a) Review and Report Required.—The Assistant Secretary of Defense for Health Affairs shall review research on pharmacological interventions for reversing brain injury and, not later than March 31, 1999, submit a report on the results of the review to Congress.

(b) Content of Report.—The report shall include the following:

(1) The potential for pharmacological interventions for reversing brain injury to reduce mortality and morbidity in cases of head injuries incurred in combat or resulting from exposures to chemical weapons or agents.

(2) The potential utility of such interventions for the Armed Forces.

(3) A conclusion regarding whether funding for research on such interventions should be included in the budget for the Department of Defense for fiscal year 2000.

SEC. 246. PILOT PROGRAM FOR REVITALIZING THE LABORATORIES AND TEST AND EVALUATION CENTERS OF THE DEPARTMENT OF DEFENSE.

(a) Pilot Program.—(1) The Secretary of Defense may carry out a pilot program to demonstrate improved cooperative relationships with universities and other private sector entities for the performance of research and development functions.

(2) Under the pilot program, the Secretary of Defense shall provide the director of one science and technology laboratory, and the director of one test and evaluation center, of each military department with authority for the following:

(A) To explore innovative methods for quickly, efficiently, and fairly entering into cooperative relationships with universities and other private sector entities with respect to the performance of research and development functions.

(B) To waive any restrictions on the demonstration and implementation of such methods that are not required by law.

(C) To develop or expand innovative methods of operation that provide more defense research for each dollar of cost, including to carry out such initiatives as focusing on the performance of core functions and adopting more business-like practices.

(3) In selecting the laboratories and centers for participation in the pilot program, the Secretary shall consider laboratories and centers where innovative management techniques have been demonstrated, particularly as documented under sections 1115 through 1119 of title 31, United States Code, relating to Government agency performance and results.

(4) The Secretary may carry out the pilot program at each selected laboratory and center for a period of three years beginning not later than March 1, 1999.

(b) Reports.—(1) Not later than March 1, 1999, the Secretary of Defense shall submit a report on the implementation of the pilot program to Congress. The report shall include the following:

(A) Each laboratory and center selected for the pilot program.

(B) To the extent possible, a description of the innovative concepts that are to be tested at each laboratory or center.

(C) The criteria to be used for measuring the success of each concept to be tested.

(2) Promptly after the expiration of the period for participation of a laboratory or center in the pilot program, the Secretary of Defense shall submit to Congress a final report on the participation of the laboratory or center in the pilot program. The report shall contain the following:

(A) A description of the concepts tested.

(B) The results of the testing.

(C) The lessons learned.

(D) Any proposal for legislation that the Secretary recommends on the basis of the experience at the laboratory or center under the pilot program.

(c) Commendation.—Congress commends the Secretary of Defense for the progress made by the science and technology laboratories and test and evaluation centers of the Department of Defense and encourages the Secretary to take the actions necessary to ensure continued progress for the laboratories and test and evaluation centers in developing cooperative relationships with universities and other private sector entities for the performance of research and development functions.

SEC. 247. CHEMICAL WARFARE DEFENSE.

(a) Review and Modification of Policies and Doctrines.—The Secretary of Defense shall review the policies and doctrines of the Department of Defense on chemical warfare defense and modify the policies and doctrine as appropriate to achieve the objectives set forth in subsection (b).

(b) Objectives.—The objectives for the modification of policies and doctrines of the Department of Defense on chemical warfare defense are as follows:

(1) To provide for adequate protection of personnel from any exposure to a chemical warfare agent (including chronic and low-level exposure to a chemical warfare agent) that would endanger the health of exposed personnel because of the deleterious effects of—

(A) a single exposure to the agent;

(B) exposure to the agent concurrently with other dangerous exposures, such as exposures to—

(i) other potentially toxic substances in the environment, including pesticides, other insect and vermin control agents, and environmental pollutants;

(ii) low-grade nuclear and electromagnetic radiation present in the environment;

(iii) preventive medications (that are dangerous when taken concurrently with other dangerous exposures referred to in this paragraph);

(iv) diesel fuel, jet fuel, and other hydro-carbon based fuels; and

(v) occupational hazards, including battlefield hazards; and

(C) repeated exposures to the agent, or some combination of one or more exposures to the agent and other dangerous exposures referred to in subparagraph (B), over time.

(2) To provide for—

(A) the prevention of and protection against, and the detection (including confirmation) of, exposures to a chemical warfare agent (whether intentional or inadvertent) at levels that, even if not sufficient to endanger health immediately, are greater than the level that is recognized under Department of Defense policies as being the maximum safe level of exposure to that agent for the general population; and

(B) the recording, reporting, coordinating, and retaining of information on possible exposures described in subparagraph (A), including the monitoring of the health effects of exposures on humans and animals, environmental effects, and ecological effects, and the documenting and reporting of those effects specifically by location.

(3) To provide solutions for the concerns and mission requirements that are specifically applicable for one or more of the Armed Forces in a protracted conflict when exposures to chemical agents could be complex, dynamic, and occurring over an extended period.

(c) Research Program.—The Secretary of Defense shall develop and carry out a plan to establish a research program for determining the *effects of exposures to chemical warfare agents of the type described in subsection (b). The research shall be designed to yield results that can guide the Secretary in the evolution of policy and doctrine on exposures to chemical warfare agents and to develop new risk assessment methods and instruments with respect to such exposures. The plan shall state the objectives and scope of the program and include a 5-year funding plan.*

(d) REPORT.—Not later than May 1, 1999, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the review under subsection (a) and on the research program developed under subsection (c). The report shall include the following:

(1) Each modification of chemical warfare defense policy and doctrine resulting from the review.

(2) Any recommended legislation regarding chemical warfare defense.

(3) The plan for the research program.

SEC. 248. LANDMINE ALTERNATIVES.

(a) AVAILABILITY OF FUNDS.—(1) Of the amounts authorized to be appropriated in section 201, not more than $19,200,000 shall be available for activities relating to the identification, adaptation, modification, research, and development of existing and new technologies and concepts that—

(A) would provide a combat capability that is equivalent to the combat capability provided by non-self destructing anti-personnel landmines;

(B) would provide a combat capability that is equivalent to the combat capability provided by anti-personnel submunitions used in mixed anti-tank mine systems; or

(C) would provide a combat capability that is equivalent to the combat capability provided by current mixed mine systems.

(2) Of the amount available under paragraph (1)—

(A) not more than $17,200,000 shall be made available for activities referred to in subparagraph (A) of that paragraph for the current efforts of the Army referred to as the Non-Self Destruct Alternative; and

(B) not more than $2,000,000 shall be made available for activities referred to in subparagraphs (B) or (C) of that paragraph that relate to anti-personnel submunitions used in mixed mine systems or an alternative for mixed munitions.

(b) FUNDING FOR RESEARCH INTO ALTERNATIVES TO ANTI-PERSONNEL SUBMUNITIONS USED IN MIXED MINE SYSTEMS OR AN ALTERNATIVE FOR MIXED MUNITIONS.—The Secretary shall include with the materials submitted to Congress with the budget for fiscal year 2000 under section 1105 of title 31, United States Code, an explanation of any funds requested to support a search for existing and new technologies and concepts that could provide a combat capability equivalent to the combat capability provided by anti-personnel submunitions used in mixed mine systems or an alternative to mixed munitions.

(c) STUDIES.—The Secretary of Defense shall enter into two contracts, each with an appropriate scientific organization—

(1) to carry out a study on existing and new technologies and concepts referred to in subsection (a); and

(2) to submit to the Secretary a report on the study, including any recommendations considered appropriate by the scientific organization.

(d) REPORT.—Not later than April 1 of 2000 and 2001, the Secretary shall submit to the congressional defense committees a report describing the progress made in identifying technologies and concepts referred to in subsection (a). At the same time the report is submitted, the Secretary shall transmit to such committees copies of the reports (and recommendations, if any) received by the Secretary from the scientific organizations that carried out the studies referred to in subsection (c).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.

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Sec. 311. Refurbishment of M1–A1 tanks.
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Sec. 321. Settlement of claims of foreign governments for environmental cleanup of overseas sites formerly used by the Department of Defense.
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Subtitle D—Information Technology Issues

Sec. 331. Additional information technology responsibilities of Chief Information Officers.
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Sec. 335. Continuity of essential operations at risk of failure because of information technology and national security systems that are not year 2000 compliant.

Subtitle E—Defense Infrastructure Support Improvement

Sec. 341. Clarification of definition of depot-level maintenance and repair.
Sec. 342. Reporting and analysis requirements before change of commercial and industrial type functions to private sector performance.
Sec. 343. Notifications of determinations of military items as being commercial items for purposes of the exception to requirements regarding core logistics capabilities.
Sec. 344. Oversight of development and implementation of automated identification technology.
Sec. 345. Contractor-operated civil engineering supply stores program.
Sec. 346. Conditions on expansion of functions performed under prime vendor contracts for depot-level maintenance and repair.
Sec. 347. Best commercial inventory practices for management of secondary supply items.
Sec. 348. Personnel reductions in Army Materiel Command.
Sec. 349. Inventory management of in-transit items.
Sec. 350. Review of Defense Automated Printing Service functions.
Sec. 351. Development of plan for establishment of core logistics capabilities for maintenance and repair of C–17 aircraft.

Subtitle F—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 361. Continuation of management and funding of Defense Commissary Agency through the Office of the Secretary of Defense.
Sec. 362. Expansion of current eligibility of Reserves for commissary benefits.
Sec. 363. Costs payable to the Department of Defense and other Federal agencies for services provided to the Defense Commissary Agency.
Sec. 364. Collection of dishonored checks presented at commissary stores.
Sec. 365. Restrictions on patron access to, and purchases in, overseas commissaries and exchange stores.
Sec. 366. Repeal of requirement for Air Force to sell tobacco products to enlisted personnel.
Sec. 367. Prohibition on consolidation or other organizational changes of Department of Defense retail systems.
Sec. 368. Defense Commissary Agency telecommunications.
Sec. 369. Survey of commissary store patrons regarding satisfaction with commissary store merchandise.

Subtitle G—Other Matters

Sec. 371. Eligibility requirements for attendance at Department of Defense domestic dependent elementary and secondary schools.
Sec. 372. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 373. Department of Defense readiness reporting system.
Sec. 374. Specific emphasis of program to investigate fraud, waste, and abuse within Department of Defense.
Sec. 375. Condition for providing financial assistance for support of additional duties assigned to the Army National Guard.
Sec. 376. Demonstration program to improve quality of personal property shipments of members.
Sec. 377. Pilot program for acceptance and use of landing fees charged for use of domestic military airfields by civil aircraft.
Sec. 378. Strategic plan for expansion of distance learning initiatives.
Sec. 379. Public availability of operating agreements between military installations and financial institutions.

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not *otherwise provided for, for operation and maintenance, in amounts as follows:*

(1) For the Army, $17,002,563,000.

(2) For the Navy, $21,577,702,000.

(3) For the Marine Corps, $2,528,603,000.

(4) For the Air Force, $18,690,633,000.

(5) For Defense-wide activities, $10,550,076,000.

(6) For the Army Reserve, $1,198,022,000.

(7) For the Naval Reserve, $920,639,000.

(8) For the Marine Corps Reserve, $117,893,000.

(9) For the Air Force Reserve, $1,722,796,000.

(10) For the Army National Guard, $2,564,315,000.

(11) For the Air National Guard, $3,047,433,000.

(12) For the Defense Inspector General, $130,764,000.

(13) For the United States Court of Appeals for the Armed Forces, $7,324,000.

(14) For Environmental Restoration, Army, $370,640,000.

(15) For Environmental Restoration, Navy, $274,600,000.

(16) For Environmental Restoration, Air Force, $372,100,000.

(17) For Environmental Restoration, Defense-wide, $25,091,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $195,000,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $50,000,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $725,582,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $15,000,000.

(22) For Defense Health Program, $9,617,435,000.

(23) For Cooperative Threat Reduction programs, $440,400,000.

(24) For Overseas Contingency Operations Transfer Fund, $746,900,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,076,571,000.

(2) For the National Defense Sealift Fund, $669,566,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 1999 from the Armed Forces Retirement Home Trust Fund the sum of $70,745,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) Transfer Authority.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 1999 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) Treatment of Transfers.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) Relationship to Other Transfer Authority.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. REFURBISHMENT OF M1–A1 TANKS.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $31,000,000 shall be available only for the refurbishment of up to 70 M1–A1 tanks under the AIM-XXI program.

SEC. 312. OPERATION OF PREPOSITIONED FLEET, NATIONAL TRAINING CENTER, FORT IRWIN, CALIFORNIA.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $60,200,000 shall be available only to pay costs associated with the operation of the prepositioned fleet of equipment during training rotations at the National Training Center, Fort Irwin, California.

SEC. 313. BERTHING SPACE AT NORFOLK NAVAL SHIPYARD, VIRGINIA.

Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, $6,000,000 may be available for the purpose of relocating the U.S.S. WISCONSIN, which is currently in a reserve status at the Norfolk Naval Shipyard, Virginia, to a suitable location in order to increase available berthing space at the shipyard.

SEC. 314. NATO COMMON-FUNDED MILITARY BUDGET.

Of the amount authorized to be appropriated pursuant to section 301(1) for operation and maintenance for the Army, $227,377,000 shall be available for contributions for the common-funded Military Budget of the North Atlantic Treaty Organization.

Subtitle C—Environmental Provisions

SEC. 321. SETTLEMENT OF CLAIMS OF FOREIGN GOVERNMENTS FOR ENVIRONMENTAL CLEANUP OF OVERSEAS SITES FORMERLY USED BY THE DEPARTMENT OF DEFENSE.

(a) Notice of Negotiations.—The President shall notify Congress before entering into any negotiations for the ex-gratia settlement of the claims of a government of another country against the United States for environmental cleanup of sites in that country that were formerly used by the Department of Defense.

(b) Authorization Required for Use of Funds for Payment of Settlement.—No funds may be used for any payment under an ex-gratia settlement of any claims described in subsection (a) unless the use of the funds for that purpose is specifically authorized by law or international agreement, including a treaty.

SEC. 322. AUTHORITY TO PAY NEGOTIATED SETTLEMENT FOR ENVIRONMENTAL CLEANUP OF FORMERLY USED DEFENSE SITES IN CANADA.

(a) Findings.—Congress makes the following findings with respect to the authorization of payment of settlement with Canada in subsection (b) regarding environmental cleanup at formerly used defense sites in Canada:

(1) A unique and longstanding national security alliance exists between the United States and Canada.

(2) The sites covered by the settlement were formerly used by the United States and Canada for their mutual defense.

(3) There is no formal treaty or international agreement between the United States and Canada regarding the environmental cleanup of the sites.

(4) Environmental contamination at some of the sites could pose a substantial risk to the health and safety of the United States citizens residing in States near the border between the United States and Canada.

(5) The United States and Canada reached a negotiated agreement for an ex-gratia reimbursement of Canada in full satisfaction of claims of Canada relating to environmental contamination which agreement was embodied in an exchange of Notes between the Government of the United States and the Government of Canada.

(6) There is a unique factual basis for authorizing a reimbursement of Canada for environmental cleanup at sites in Canada after the United States departure from such sites.

(7) The basis for and authorization of such reimbursement does not extend to similar claims by other nations.

(8) The Government of Canada is committed to spending the entire $100,000,000 of the reimbursement authorized in subsection (b) in the United States, which will benefit United States industry and United States workers.

(b) Authority To Make Payments.—(1) Subject to subsection (c), the Secretary of Defense may, using funds specified under subsection (d), make a payment described in paragraph (2) for each fiscal year through fiscal year 2008 for purposes of the ex-gratia reimbursement of Canada in full satisfaction of any and all claims asserted against the United States by Canada for environmental cleanup of sites in Canada that were formerly used for the mutual defense of the United States and Canada.

(2) A payment referred to in paragraph (1) is a payment of $10,000,000, in constant fiscal year 1996 dollars, into the Foreign Military Sales Trust Account for purposes of Canada.

(c) Condition on Authority for Subsequent Fiscal Years.—A payment may be made under subsection (b) for a fiscal year after fiscal year 1999 only if the Secretary of Defense submits to Congress with the budget for such fiscal year under section 1105 of title 31, United States Code, evidence that the cumulative amount expended by the Government of Canada for environmental cleanup activities in Canada during any fiscal years before such fiscal year in which a payment under that subsection was authorized was an amount equal to or greater than the aggregate amount of the payments under that subsection during such fiscal years.

(d) Source of Funds.—(1) The payment under subsection (b) for fiscal year 1998 shall be made from amounts appropriated pursuant to section 301(5) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1669).

(2) The payment under subsection (b) for fiscal year 1999 shall be made from amounts appropriated pursuant to section 301(5).

(3) For a fiscal year after fiscal year 1999, a payment may be made under subsection (b) from amounts appropriated pursuant to the authorization of appropriations for the Department of Defense for such fiscal year for Operation and Maintenance, Defense-Wide.

SEC. 323. REMOVAL OF UNDERGROUND STORAGE TANKS.

The Secretary of the Army may use funds available pursuant to the authorization of appropriations in section 301(18) (relating to environmental restoration of formerly used defense sites) for the removal of underground storage tanks to the extent that, and in accordance with such criteria as, the Secretary determines appropriate for the use of such funds.

SEC. 324. REPORT REGARDING POLYCHLORINATED BIPHENYL WASTE UNDER DEPARTMENT OF DEFENSE CONTROL OVERSEAS.

(a) Report Required.—(1) Not later than March 1, 1999, the Secretary of Defense shall submit to the committees specified in paragraph (2) a report on the status of foreign-manufactured polychlorinated biphenyl waste. The Secretary shall prepare the report in consultation with the Administrator of the Environmental Protection Agency and the Secretary of State.

(2) The committees referred to in paragraph (1) are the following:

(A) The Committee on Armed Services and the Committee on Environment and Public Works of the Senate.

(B) The Committee on National Security, the Committee on Commerce, and the Committee on Transportation and Infrastructure of the House of Representatives.

(b) ELEMENTS OF REPORT.—The report under subsection (a) shall include the following:

(1) The identity of each foreign country from which the Secretary of Defense anticipates that the Department of Defense will need to transport foreign-manufactured polychlorinated biphenyl waste into the customs territory of the United States.

(2) For each foreign country identified under paragraph (1), an inventory of the type, concentrations, and estimated quantity of foreign-manufactured polychlorinated biphenyl waste involved, the reasons why disposal of the polychlorinated biphenyl waste in the foreign country is not available, the identity of other locations or facilities where disposal of the polychlorinated biphenyl waste in an environmentally sound manner is available, and the availability of alternative technologies and mobile units for polychlorinated biphenyl waste treatment or disposal.

(3) An accounting of all foreign-manufactured polychlorinated biphenyl waste that exists as of the date of the enactment of this Act and as of the date of the report.

(4) An estimate of the volume of foreign-manufactured polychlorinated biphenyl waste that is likely to be generated annually in each of the next five calendar years, and the basis for each such estimate.

(5) A description of any hazards to human health or the environment posed by foreign-manufactured polychlorinated biphenyl waste.

(6) A description of any international or domestic legal impediments that the Department has experienced in disposing of foreign-manufactured polychlorinated biphenyl waste in an environmentally sound manner.

(7) A description of any efforts undertaken by the Department to seek relief from legal impediments to the disposal of foreign-manufactured polychlorinated biphenyl waste, including the relief available pursuant to section 6(e) or 22 of the Toxic Substances Control Act (15 U.S.C. 2605(e), 2621).

(8) The identity of the possible disposal or treatment facilities in the United States that would be used if foreign-manufactured polychlorinated biphenyl waste were transported into the customs territory of the United States, and the method of disposal or treatment at each such facility.

(9) A description of Department policy and practice concerning procurement or purchase of foreign-manufactured polychlorinated biphenyls or materials containing foreign-manufactured polychlorinated biphenyls.

(c) RECOMMENDATIONS.—The report shall also include such recommendations as the Secretary of Defense, with the concurrence of the Administrator of the Environmental Protection Agency and the Secretary of State, considers necessary regarding changes to United States law to allow for the disposal, in an environmentally sound manner, of foreign-manufactured polychlorinated biphenyl waste, together with a statement of whether and how such changes would be consistent with international law, including the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal and the Protocol to the Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants.

(d) DEFINITIONS.—In this section:

(1) The term "polychlorinated biphenyl waste" means—

(A) polychlorinated biphenyls; and

(B) materials containing polychlorinated biphenyls;

that are ready for disposal.

(2) The term "foreign-manufactured polychlorinated biphenyl waste" means polychlorinated biphenyl waste that is owned by the Department of Defense and situated outside of the United States and that consists of—

(A) polychlorinated biphenyls; or

(B) materials containing polychlorinated biphenyls;

that were manufactured outside of the United States.

SEC. 325. MODIFICATION OF DEADLINE FOR SUBMITTAL TO CONGRESS OF ANNUAL REPORTS ON ENVIRONMENTAL ACTIVITIES.

Section 2706 of title 10, United States Code, is amended by striking out "not later than 30 days" each place it appears in subsections (a), (b), (c), and (d) and inserting in lieu thereof "not later than 45 days".

SEC. 326. SUBMARINE SOLID WASTE CONTROL.

(a) SOLID WASTE DISCHARGE REQUIREMENTS.—Subsection (c)(2) of section 3 of the Act to Prevent Pollution from Ships (33 U.S.C. 1902) is amended—

(1) in subparagraph (A), by adding at the end the following:

"(iii) With regard to a submersible, non-plastic garbage that has been compacted and weighted to ensure negative buoyancy."; and

(2) in subparagraph (B)(ii), by striking out "subparagraph (A)(ii)" and inserting in lieu thereof "clauses (ii) and (iii) of subparagraph (A)".

(b) CONFORMING AMENDMENT.—Subsection (e)(3)(A) of that section is amended by striking out "garbage that contains more than the minimum amount practicable of".

SEC. 327. ARCTIC MILITARY ENVIRONMENTAL COOPERATION PROGRAM.

(a) ACTIVITIES UNDER PROGRAM.—(1) Subject to paragraph (2), activities under the Arctic Military Environmental Cooperation Program of the Department of Defense shall include cooperative activities on environmental matters in the Arctic region with the military departments and agencies of other countries, including the Russian Federation.

(2) Activities under the Arctic Military Environmental Cooperation Program may not include any activities for purposes for which funds for Cooperative Threat Reduction programs have been denied or are prohibited, including the purposes for which funds are prohibited by section 1503 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2732).

(b) PRIOR NOTICE TO CONGRESS OF OBLIGATION OF FUNDS.—The Secretary of Defense shall submit to the congressional defense committees a report at least 15 days before the obligation of any funds for the Arctic Military Environmental Cooperation Program. Each such report shall specify—

(1) the amount of the proposed obligation;

(2) the activities for which the Secretary plans to obligate such funds; and

(3) the terms of the implementing agreement between the United States and the foreign government concerning the activity to be undertaken, including the financial and other responsibilities of each government.

(c) AVAILABILITY OF FISCAL YEAR 1999 FUNDS.—(1) Of the amount authorized to be appropriated by section 301(5), $4,000,000 shall be available for carrying out the Arctic Military Environmental Cooperation Program.

(2) Amounts available for the Arctic Military Environmental Cooperation Program under paragraph (1) may not be obligated or expended for that Program until 45 days after the date on which the Secretary of Defense submits to the congressional defense committees a plan for the Program under paragraph (3).

(3) The plan for the Arctic Military Environmental Cooperation Program under this paragraph shall include the following:

(A) A statement of the overall goals and objectives of the Program.

(B) A statement of the proposed activities under the Program and the relationship of such activities to the national security interests of the United States.

(C) An assessment of the compatibility of the activities set forth under subparagraph (B) with the purposes of the Cooperative Threat Reduction programs of the Department of Defense (including with any prohibitions and limitations applicable to such programs).

(D) An estimate of the funding to be required and requested in future fiscal years for the activities set forth under subparagraph (B).

(E) A proposed termination date for the Program.

SEC. 328. SENSE OF CONGRESS REGARDING OIL SPILL PREVENTION TRAINING FOR PERSONNEL ON BOARD NAVY VESSELS.

(a) FINDINGS.—Congress makes the following findings:

(1) There have been six significant oil spills in Puget Sound, Washington, in 1998, five at Puget Sound Naval Shipyard (including three from the U.S.S. Kitty Hawk, one from the U.S.S. Carl Vinson, and one from the U.S.S. Sacramento) and one at Naval Station Everett from the U.S.S. Paul F. Foster.

(2) Navy personnel on board vessels, and not shipyard employees, were primarily responsible for a majority of these oil spills at Puget Sound Naval Shipyard.

(3) Oil spills have the potential to damage the local environment, killing microscopic organisms, contributing to air pollution, harming plants and marine animals, and increasing overall pollution levels in Puget Sound.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of the Navy should take immediate action to significantly reduce the risk of vessel oil spills, including the minimization of fuel oil transfers, the assurance of proper training and qualifications of all Naval personnel in occupations that may contribute to or minimize the risk of shipboard oil spills, and the improvement of liaison with local authorities concerning oil spill prevention and response activities.

Subtitle D—Information Technology Issues

SEC. 331. ADDITIONAL INFORMATION TECHNOLOGY RESPONSIBILITIES OF CHIEF INFORMATION OFFICERS.

(a) IN GENERAL.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

"§2223. Information technology: additional responsibilities of Chief Information Officers

"(a) ADDITIONAL RESPONSIBILITIES OF CHIEF INFORMATION OFFICER OF DEPARTMENT OF DEFENSE.—In addition to the responsibilities provided for in chapter 35 of title 44 and in section 5125 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1425), the Chief Information Officer of the Department of Defense shall—

"(1) review and provide recommendations to the Secretary of Defense on Department of Defense budget requests for information technology and national security systems;

"(2) ensure the interoperability of information technology and national security systems throughout the Department of Defense;

"(3) ensure that information technology and national security systems standards that will apply throughout the Department of Defense are prescribed; and

"(4) provide for the elimination of duplicate information technology and national security systems within and between the military departments and Defense Agencies.

"(b) ADDITIONAL RESPONSIBILITIES OF CHIEF INFORMATION OFFICER OF MILITARY DEPARTMENTS.—In addition to the responsibilities provided for in chapter 35 of title 44 and in section 5125 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1425), the Chief Information Officer of a military department, with respect to the military department concerned, shall—

"(1) review budget requests for all information technology and national security systems;

"(2) ensure that information technology and national security systems are in compliance with standards of the Government and the Department of Defense;

"(3) ensure that information technology and national security systems are interoperable with other relevant information technology and national security systems of the Government and the Department of Defense; and

"(4) coordinate with the Joint Staff with respect to information technology and national security systems.

"(c) DEFINITIONS.—In this section:

"(1) The term 'Chief Information Officer' means the senior official designated by the Secretary of Defense or a Secretary of a military department pursuant to section 3506 of title 44.

"(2) The term 'information technology' has the meaning given that term by section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

"(3) The term 'national security system' has the meaning given that term by section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2223. Information technology: additional responsibilities of Chief Information Officers.".

(b) EFFECTIVE DATE.—Section 2223 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1998.

SEC. 332. DEFENSE-WIDE ELECTRONIC MALL SYSTEM FOR SUPPLY PURCHASES.

(a) ELECTRONIC MALL SYSTEM DEFINED.—In this section, the term "electronic mall system" means an electronic system for displaying, ordering, and purchasing supplies and materiel available from sources within the Department of Defense and from the private sector.

(b) DEVELOPMENT AND MANAGEMENT.—(1) Using systems and technology available in the Department of Defense as of the date of the enactment of this Act, the Joint Electronic Commerce Program Office of the Department of Defense shall develop a single, defense-wide electronic mall system, which shall provide a single, defense-wide electronic point of entry and a single view, access, and ordering capability for all Department of Defense electronic catalogs. The Secretary of each military department and the head of each Defense Agency shall provide to the Joint Electronic Commerce Program Office the necessary and requested data to ensure compliance with this paragraph.

(2) The Defense Logistics Agency, under the direction of the Joint Electronic Commerce Program Office, shall be responsible for maintaining the defense-wide electronic mall system developed under paragraph (1).

(c) ROLE OF CHIEF INFORMATION OFFICER.—The Chief Information Officer of the Department of Defense shall be responsible for—

(1) overseeing the elimination of duplication and overlap among Department of Defense electronic catalogs; and

(2) ensuring that such catalogs utilize technologies and formats compliant with the requirements of subsection (b).

(d) IMPLEMENTATION.—Within 180 days after the date of the enactment of this Act, the Chief Information Officer shall develop and provide to the congressional defense committees—

(1) an inventory of all existing and planned electronic mall systems in the Department of Defense; and

(2) a schedule for ensuring that each such system is compliant with the requirements of subsection (b).

SEC. 333. PRIORITY FUNDING TO ENSURE YEAR 2000 COMPLIANCE OF INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.

(a) FUNDS FOR COMPLETION OF YEAR 2000 CONVERSION.—None of the funds authorized to be appropriated pursuant to this Act may (except as provided in subsection (b)) be obligated or expended on the development or modernization of any information technology or national security system of the Department of Defense in use by the Department of Defense (whether or not the system is a mission critical system) if the date-related data processing capability of that system does not meet certification level 1a, 1b, or 2 (as prescribed in the April 1997 publication of the Department of Defense entitled "Year 2000 Management Plan").

(b) EXCEPTION FOR CERTAIN INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.—The limitation in subsection (a) does not apply to an obligation or expenditure for an information technology or national security system that is reported to the Office of the Secretary of Defense by October 1, 1998, in accordance with the preparation instructions for the May 1998 Department of Defense quarterly report on the status of year 2000 compliance, if—

(1) the obligation or expenditure is directly related to ensuring that the reported system achieves year 2000 compliance;

(2) the system is being developed and fielded to replace, before January 1, 2000, a noncompliant system or a system to be terminated in accordance with the May 1998 Department of Defense quarterly report on the status of year 2000 compliance; or

(3) the obligation or expenditure is required for a particular change that is specifically required by law or that is specifically directed by the Secretary of Defense.

(c) UNALLOCATED REDUCTIONS OF FUNDS NOT TO APPLY TO MISSION CRITICAL SYSTEMS.—Funds authorized to be appropriated pursuant to this Act for mission critical systems are not subject to any unallocated reduction of funds made by or otherwise applicable to funds authorized to be appropriated pursuant to this Act.

(d) CURRENT SERVICES OPERATIONS NOT AFFECTED.—Subsection (a) does not prohibit the obligation or expenditure of funds for current services operations of information technology and national security systems.

(e) WAIVER AUTHORITY.—The Secretary of Defense may waive subsection (a) on a case-by-case basis with respect to an information technology or national security system if the Secretary provides the congressional defense committees with written notice of the waiver, including the reasons for the waiver and a timeline for the testing and certification of the system as year 2000 compliant.

(f) REQUIRED REPORT.—(1) Not later than December 1, 1998, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) an executable strategy to be used throughout the Department of Defense to test information technology and national security systems for year 2000 compliance (to include functional capability tests and military exercises);

(B) the plans of the Department of Defense for ensuring that adequate resources (such as testing facilities, tools, and personnel) are available to ensure that all mission critical systems achieve year 2000 compliance; and

(C) the criteria and process to be used to certify a system as year 2000 compliant.

(2) The report shall also include—

(A) an updated list of all mission critical systems; and

(B) guidelines for developing contingency plans for the functioning of each information technology or national security system in the event of a year 2000 problem in any such system.

(g) CAPABILITY CONTINGENCY PLANS.—Not later than December 30, 1998, the Secretary of Defense shall have in place contingency plans to ensure continuity of operations for every critical mission or function of the Department of Defense that is dependent on an information technology or national security system.

(h) INSPECTOR GENERAL EVALUATION.—The Inspector General of the Department of Defense shall selectively audit information technology and national security systems certified as year 2000 compliant to evaluate the ability of systems to successfully operate during the actual year 2000, including the ability of the systems to access and transmit information from point of origin to point of termination.

(i) DEFINITIONS.—For purposes of this section:

(1) The term "information technology" has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term "national security system" has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term "development or modernization" has the meaning given that term in paragraph E of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R), but does not include any matter covered by subparagraph 3 of that paragraph.

(4) The term "current services" has the meaning given that term in paragraph C of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R).

(5) The term "mission critical system" means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 334. EVALUATION OF YEAR 2000 COMPLIANCE AS PART OF TRAINING EXERCISES PROGRAMS.

(a) REPORT ON EVALUATION PLAN.—Not later than December 15, 1998, the Secretary of Defense shall submit to Congress a plan for the execution of a simulated year 2000 as part of military exercises described in subsection (c) in order to evaluate, in an operational environment, the extent to which information technology and national security systems involved in those exercises will successfully operate during the actual year 2000, including the ability of those systems to access and transmit information from point of origin to point of termination.

(b) EVALUATION OF COMPLIANCE IN SELECTED EXERCISES.—In conducting the military exercises described in subsection (c), the Secretary of Defense shall ensure that—

(1) at least 25 of those exercises (referred to in this section as "year 2000 simulation exercises") are conducted so as to include a simulated year 2000 in accordance with the plan submitted under subsection (a);

(2) at least two of those exercises are conducted by the commander of each unified or specified combatant command; and

(3) all mission critical systems that are expected to be used if the Armed Forces are involved in a conflict in a major theater of war are tested in at least two exercises.

(c) COVERED MILITARY EXERCISES.—A military exercise referred to in this section is a military exercise conducted by the Department of Defense, during the period beginning on January 1, 1999, and ending on September 30, 1999—

(1) under the training exercises program known as the "CJCS Exercise Program";

(2) at the Naval Strike and Air Warfare Center, the Army National Training Center, or the Air Force Air Warfare Center; or

(3) as part of Naval Carrier Group fleet training or Marine Corps Expeditionary Unit training.

(d) Alternative Testing Method.—In the case of an information technology or national security system for which a simulated year 2000 test as part of a military exercise described in subsection (c) is not feasible or presents undue risk, the Secretary of Defense shall test the system using a functional end-to-end test or through a Defense Major Range and Test Facility Base. The Secretary shall include the plans for these tests in the plan required by subsection (a). Tests under this subsection are in addition to the 25 tests required by subsection (b).

(e) Authority for Exclusion of Systems Not Capable of Performing Reliably in Year 2000 Simulation.—(1) In carrying out a year 2000 simulation exercise, the Secretary of Defense may exclude a particular information technology or national security system from the year 2000 simulation phase of the exercise if the Secretary determines that the system would be incapable of performing reliably during the year 2000 simulation phase of the exercise. In such a case, the system excluded shall be replaced in accordance with the year 2000 contingency plan for the system.

(2) If the Secretary of Defense excludes an information technology or national security system from the year 2000 simulation phase of an exercise as provided in paragraph (1), the Secretary shall notify Congress of that exclusion not later than two weeks before commencing that exercise. The notice shall include a list of each information technology or national security system excluded from the exercise, a description of how the exercise will use the year 2000 contingency plan for each such system, and a description of the effect that continued year 2000 noncompliance of each such system would have on military readiness.

(3) An information technology or national security system with cryptological applications that is not capable of having its internal clock adjusted forward to a simulated later time is exempt from the year 2000 simulation phase of an exercise under this section.

(f) Comptroller General Review.—Not later than January 30, 1999, the Comptroller General shall review the report and plan submitted under subsection (a) and submit to Congress a briefing evaluating the methodology to be used under the plan to simulate the year 2000 and describing the potential information that will be collected as a result of implementation of the plan, the adequacy of the planned tests, and the impact that the plan will have on military readiness.

(g) Definitions.—For the purposes of this section:

(1) The term "information technology" has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term "national security system" has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term "mission critical system" means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 335. CONTINUITY OF ESSENTIAL OPERATIONS AT RISK OF FAILURE BECAUSE OF INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS THAT ARE NOT YEAR 2000 COMPLIANT.

(a) Report Required.—Not later than March 31, 1999, the Secretary of Defense and the Director of Central Intelligence shall jointly submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the plans of the Department of Defense and the intelligence community for ensuring the continuity of performance of essential operations that are at risk of failure because of information technology and national security systems that are not year 2000 compliant.

(b) Content.—The report shall contain, at a minimum, the following:

(1) A prioritization of mission critical systems to ensure that the most critical systems have the highest priority for efforts to reprogram information technology and national security systems to be year 2000 compliant.

(2) A discussion of the private and other public information and support systems relied on by the national security community, including the intelligence community, and the efforts under way to ensure that those systems are year 2000 compliant.

(3) The efforts under way to repair the underlying operating systems and infrastructure.

(4) The plans for comprehensive testing of Department of Defense systems, including simulated operational tests in mission areas.

(5) A comprehensive contingency plan, for the entire national security community, which provides for resolving emergencies resulting from a system that is not year 2000 compliant and includes provision for the creation of crisis action teams for use in resolving such emergencies.

(6) A discussion of the efforts undertaken to ensure the continued reliability of service on the systems used by the President and other leaders of the United States for communicating with the leaders of other nations.

(7) A discussion of the vulnerability of allied armed forces to the failure of systems that are not, or have critical components that are not, year 2000 compliant, together with an assessment of the potential problems for interoperability among the Armed Forces of the United States and allied armed forces because of the potential for failure of such systems.

(8) An estimate of the total cost of making information technology and national security systems of the Department of Defense and the intelligence community year 2000 compliant.

(9) The countries that have critical computer-based systems any disruption of which, due to not being year 2000 compliant, would cause a significant potential national security risk to the United States.

(10) A discussion of the cooperative arrangements between the United States and other nations to assist those nations in identifying and correcting (to the extent necessary to meet national security interests of the United States) any problems in their communications and strategic systems, or other systems identified by the Secretary of Defense, that make the systems not year 2000 compliant.

(11) A discussion of the threat posed to the national security interests of the United States from any potential failure of strategic systems of foreign countries that are not year 2000 compliant.

(c) International Cooperative Arrangements.—The Secretary of Defense, with the concurrence of the Secretary of State, may enter into a cooperative arrangement with a representative of any foreign government to provide for the United States to assist the foreign government in identifying and correcting (to the extent necessary to meet national security interests of the United States) any problems in communications, strategic, or other systems of that foreign government that render the systems not year 2000 compliant.

(d) Definitions.—In this section:

(1) The term "year 2000 compliant", with respect to an information technology or national security system of the United States or a computer-based system of a foreign government, means that the system correctly recognizes dates in years after 1999 as being dates after 1999 for the purposes of system functions for which the correct date is relevant to the performance of the functions, consistent with certification level 1a, 1b, or 2 (as prescribed in the April 1997 publication of the Department of Defense entitled "Year 2000 Management Plan").

(2) The term 'information technology' has the meaning given that term by section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(3) The term 'national security system' has the meaning given that term by section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452).

Subtitle E—Defense Infrastructure Support Improvement

SEC. 341. CLARIFICATION OF DEFINITION OF DEPOT-LEVEL MAINTENANCE AND REPAIR.

Section 2460(a) of title 10, United States Code, is amended by inserting before the period at the end of the first sentence the following: "or the location at which the maintenance or repair is performed".

SEC. 342. REPORTING AND ANALYSIS REQUIREMENTS BEFORE CHANGE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS TO PRIVATE SECTOR PERFORMANCE.

(a) In General.—Section 2461 of title 10, United States Code, is amended—

(1) by redesignating subsections (c) and (g) as subsections (g) and (h), respectively, and transferring subsection (g), as so redesignated, to appear after subsection (f); and

(2) by striking out subsections (a) and (b) and inserting in lieu thereof the following new subsections:

"(a) Reporting and Analysis Requirements as Precondition to Change in Performance.—A commercial or industrial type function of the Department of Defense that, as of October 1, 1980, was being performed by Department of Defense civilian employees may not be changed to performance by the private sector until the Secretary of Defense fully complies with the reporting and analysis requirements specified in subsections (b) and (c).

"(b) Notification and Elements of Analysis.—(1) Before commencing to analyze a commercial or industrial type function described in subsection (a) for possible change to performance by the private sector, the Secretary of Defense shall submit to Congress a report containing the following:

"(A) The function to be analyzed for possible change.

"(B) The location at which the function is performed by Department of Defense civilian employees.

"(C) The number of civilian employee positions potentially affected.

"(D) The anticipated length and cost of the analysis.

"(E) A certification that a proposed performance of the commercial or industrial type function by persons who are not civilian employees of the Department of Defense is not a result of a decision by an official of a military department or Defense Agency to impose predetermined constraints or limitations on such employees in terms of man years, end strengths, full-time equivalent positions, or maximum number of employees.

"(2) The duty to prepare a report under paragraph (1) may be delegated. A report prepared below the major command or claimant level of a military department, or below the equivalent level in a Defense Agency, pursuant to any such delegation shall be reviewed at the major command, claimant level, or equivalent level, as the case may be, before submission to Congress.

"(3) An analysis of a commercial or industrial type function for possible change to performance by the private sector shall include the following:

"(A) An examination of the cost of performance of the function by Department of Defense civilian employees and by one or more private contractors to demonstrate whether change to performance by the private sector will result in savings to the Government over the life of the contract, including in the examination the following:

"(i) The cost to the Government, estimated by the Secretary of Defense (based on offers received), for performance of the function by the private sector.

"(ii) The estimated cost to the Government of Department of Defense civilian employees performing the function.

"(iii) In addition to the costs referred to in clause (i), an estimate of all other costs and expenditures that the Government would incur because of the award of such a contract.

"(B) An examination of the potential economic effect of performance of the function by the private sector on the following:

"(i) Employees of the Department of Defense who would be affected by such a change in performance.

"(ii) The local community and the Government, if more than 75 employees of the Department of Defense perform the function.

"(C) An examination of the effect of performance of the function by the private sector on the military mission associated with the performance of the function.

"(4)(A) A representative individual or entity at a facility where a commercial or industrial type function is analyzed for possible change in performance may submit to the Secretary of Defense an objection to the analysis on the grounds that the report required by paragraph (1) has not been submitted or that the certification required by paragraph (1)(E) is not included in the report submitted as a condition for the analysis. The objection shall be in writing and shall be submitted within 90 days after the following date:

"(i) In the case of a failure to submit the report when required, the date on which the representative individual or an official of the representative entity authorized to pose the objection first knew or should have known of that failure.

"(ii) In the case of a failure to include the certification in a submitted report, the date on which the report was submitted to Congress.

"(B) If the Secretary determines that the report required by paragraph (1) was not submitted or that the required certification was not included in the submitted report, the commercial or industrial type function covered by the analysis to which objected may not be the subject of a solicitation of offers for, or award of, a contract until, respectively, the report is submitted or a report containing the certification in full compliance with the certification requirement is submitted.

"(c) NOTIFICATION OF DECISION.—(1) If, as a result of the completion of the examinations under subsection (b)(3), a decision is made to change the commercial or industrial type function that was the subject of the analysis to performance by the private sector, the Secretary of Defense shall submit to Congress a report describing that decision. The report shall contain the following:

"(A) An indication that the examinations required under subsection (b)(3) have been completed.

"(B) The Secretary's certification that the Government calculation of the cost of performance of the function by Department of Defense civilian employees is based on an estimate of the most cost effective manner for performance of the function by Department of Defense civilian employees.

"(C) The Secretary's certification that the examination required by subsection (b)(3)(A) as part of the analysis demonstrates that the performance of the function by the private sector will result in savings to the Government over the life of the contract.

"(D) The Secretary's certification that the entire analysis is available for examination.

"(E) A schedule for completing the change to performance of the function by the private sector.

"(2) The change of the function to contractor performance may not begin until after the submission of the report required by this subsection.".

(b) DEFINITION OF SMALL FUNCTION FOR WAIVER PURPOSES.—Subsection (d) of section 2461 of title 10, United States Code, is amended by striking out "20" and inserting in lieu thereof "50".

(c) CONFORMING AMENDMENTS.—(1) Subsections (d) and (e) of section 2461 of title 10, United States Code, are amended by inserting "and subsection (g)" after "Subsections (a) through (c)".

(2) Subsections (e)(2) and (f)(1) of such section are amended by striking out "converted" and inserting in lieu thereof "changed".

(3) Subsection (f)(2) of such section is amended by striking out "conversion" and inserting in lieu thereof "change".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, but the amendments shall not apply with respect to a conversion of a function of the Department of Defense to performance by a private contractor concerning which the Secretary of Defense provided to Congress, before the date of the enactment of this Act, a notification under paragraph (1) of section 2461(a) of title 10, United States Code, as in effect on the day before the date of the enactment of this Act.

SEC. 343. NOTIFICATIONS OF DETERMINATIONS OF MILITARY ITEMS AS BEING COMMERCIAL ITEMS FOR PURPOSES OF THE EXCEPTION TO REQUIREMENTS REGARDING CORE LOGISTICS CAPABILITIES.

(a) REQUIREMENT.—Section 2464 of title 10, United States Code, is amended by adding at the end the following:

"(c) NOTIFICATION OF DETERMINATIONS REGARDING CERTAIN COMMERCIAL ITEMS.—The first time that a weapon system or other item of military equipment described in subsection (a)(3) is determined to be a commercial item for the purposes of the exception contained in that subsection, the Secretary of Defense shall submit to Congress a notification of the determination, together with the justification for the determination. The justification for the determination shall include, at a minimum, the following:

"(1) The estimated percentage of commonality of parts of the version of the item that is sold or leased in the commercial marketplace and the Government's version of the item.

"(2) The value of any unique support and test equipment and tools that are necessary to support the military requirements if the item were maintained by the Government.

"(3) A comparison of the estimated life cycle logistics support costs that would be incurred by the Government if the item were maintained by the private sector with the estimated life cycle logistics support costs that would be incurred by the Government if the item were maintained by the Government.".

(b) APPLICABILITY.—Subsection (c) of section 2464 of title 10, United States Code (as added by subsection (a)), shall apply with respect to determinations made after the date of the enactment of this Act.

SEC. 344. OVERSIGHT OF DEVELOPMENT AND IMPLEMENTATION OF AUTOMATED IDENTIFICATION TECHNOLOGY.

(a) DEFINITIONS.—In this section:

(1) The term "automated identification technology program" means a program in the Department of Defense, including any pilot program, employing one or more of the following technologies:

(A) Magnetic stripe.

(B) Bar codes, both linear and two-dimensional (including matrix symbologies).

(C) Smart Card.

(D) Optical memory.

(E) Personal computer memory card international association carriers.

(F) Any other established or emerging automated identification technology, including biometrics and radio frequency identification.

(2) The term "Smart Card" means a credit card size device that contains one or more integrated-circuits.

(b) ESTABLISHMENT OF AUTOMATED IDENTIFICATION TECHNOLOGY OFFICE.—(1) The Secretary of Defense shall establish an Automated Identification Technology Office within the Department of Defense that shall be responsible for—

(A) overseeing the development and implementation of all automated identification technology programs in the Department; and

(B) coordinating automated identification technology programs with the Joint Staff, the Secretaries of the military departments, and the directors of the Defense Agencies.

(2) After the date of the enactment of this Act, funds appropriated for the Department of Defense may not be obligated for an automated identification technology program unless the program has been reviewed and approved by the Automated Identification Technology Office. Pending the establishment of the Automated Identification Technology Office, the review and approval of a program by the Smartcard Technology Office of the Defense Human Resources Field Activity of the Department of Defense shall be sufficient to satisfy the requirements of this paragraph even if the approval was given before the date of the enactment of this Act.

(3) As part of its oversight responsibilities, the Automated Identification Technology Office shall establish standards designed—

(A) to ensure the compatibility and interoperability of automated identification technology programs in the Department of Defense; and

(B) to identify and terminate redundant, infeasible, or uneconomical automated identification technology programs.

(c) FUNDING FOR INCREASED USE OF SMART CARDS.—(1) Of the funds available for the Navy for fiscal year 1999 for operation and maintenance, the Secretary of the Navy shall allocate sufficient amounts, up to $25,000,000, for the purpose of making significant progress toward ensuring that Smart Cards with a multi-application, multi-technology automated reading capability are issued and used throughout the Navy and the Marine Corps for purposes for which Smart Cards are suitable.

(2) Not later than June 30, 1999, the Secretary of the Navy shall equip with Smart Card technology at least one carrier battle group, one carrier air wing, and one amphibious readiness group (including the Marine Corps units embarked on the vessels of such battle and readiness groups) in each of the United States Atlantic Command and the United States Pacific Command.

(3) None of the funds appropriated pursuant to any authorization of appropriations in this Act may be expended after June 30, 1999, for the procurement of the Joint Uniformed Services Identification card for members of the Navy or the Marine Corps or for the issuance of such

card to such members, until the Secretary of the Navy certifies in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that the Secretary has completed the issuance of Smart Cards in accordance with paragraph (2).

(d) DEFENSE-WIDE PLAN.—Not later than March 31, 1999, the Secretary of Defense shall submit to the congressional defense committees a plan for the use of Smart Card technology by each military department. The Secretary shall include in the plan an estimate of the costs of the plan, the savings to be derived from carrying out the plan, and a description of the ways in which the Department of Defense will review and revise business practices to take advantage of Smart Card technology.

SEC. 345. CONTRACTOR-OPERATED CIVIL ENGINEERING SUPPLY STORES PROGRAM.

(a) DEFINITIONS.—In this section:

(1) The term "contractor-operated civil engineering supply store" means a Government-owned facility that, as of the date of the enactment of this Act, is operated by a contractor under the contractor-operated civil engineering supply store program of the Department of the Air Force (known as the "COCESS program") for the purpose of—

(A) maintaining inventories of civil engineering supplies on behalf of a military department; and

(B) furnishing such supplies to the department as needed.

(2) The term "civil engineering supplies" means parts and supplies needed for the repair and maintenance of military installations.

(b) FINDINGS.—Congress finds the following:

(1) In 1970, the Strategic Air Command of the Air Force began to use contractor-operated civil engineering supply stores to improve the efficiency and effectiveness of materials management and relieve the Air Force from having to maintain large inventories of civil engineering supplies.

(2) Contractor-operated civil engineering supply stores are designed to support the civil engineering and public works efforts of the Armed Forces through the provision of quality civil engineering supplies at competitive prices and within a reasonable period of time.

(3) Through the use of a contractor-operated civil engineering supply store, a guaranteed inventory level of civil engineering supplies is maintained at a military installation, which ensures that urgently needed civil engineering supplies are available on site.

(4) The contractor operating the contractor-operated civil engineering supply store is an independent business organization whose customer is a military department and the Armed Forces and who is subject to all the rules of private business and the regulations of the Government.

(5) The use of contractor-operated civil engineering supply stores ensures the best price and best buy for the Government.

(6) Ninety-five percent of the cost savings realized through the use of contractor-operated civil engineering supply stores is due to savings in the cost of actually procuring supplies.

(7) In the past 30 years, private contractors have never lost a cost comparison conducted pursuant to the criteria set forth in Office of Management and Budget Circular A–76 for the provision of civil engineering supplies to the Government.

(c) CONDITIONS ON MULTI-FUNCTION CONTRACTS.—A civil engineering supplies function that is performed, as of the date of the enactment of this Act, by a contractor-operated civil engineering supply store may not be combined with another supply function or any service function, including any base operating support function, for purposes of competition or contracting, until 60 days after the date on which the Secretary of Defense submits to Congress a report—

(1) notifying Congress of the proposed combined competition or contract; and

(2) explaining why a combined competition or contract is the best method by which to achieve cost savings and efficiencies to the Government.

(d) GAO REVIEWS.—Not later than 50 days after the date on which the Secretary of Defense submits a report to Congress under subsection (c), the Comptroller General shall review the report and submit to Congress a briefing regarding whether the cost savings and efficiencies identified in the report are achievable.

(e) RELATIONSHIP TO OTHER LAWS.—If a civil engineering supplies function covered by subsection (c) is proposed for combination with a supply or service function that is subject to the study and reporting requirements of section 2461 of title 10, United States Code, the Secretary of Defense may include the report required under subsection (c) as part of the report under such section.

SEC. 346. CONDITIONS ON EXPANSION OF FUNCTIONS PERFORMED UNDER PRIME VENDOR CONTRACTS FOR DEPOT-LEVEL MAINTENANCE AND REPAIR.

(a) CONDITIONS ON EXPANDED USE.—The Secretary of Defense or the Secretary of a military department, as the case may be, may not enter into a prime vendor contract for depot-level maintenance and repair of a weapon system or other military equipment described in section 2464(a)(3) of title 10, United States Code, before the end of the 30-day period beginning on the date on which the Secretary submits to Congress a report, specific to the proposed contract, that—

(1) describes the competitive procedures to be used to award the prime vendor contract; and

(2) contains an analysis of costs and benefits that demonstrates that use of the prime vendor contract will result in savings to the Government over the life of the contract.

(b) DEFINITIONS.—In this section:

(1) The term "prime vendor contract" means an innovative contract that gives a defense contractor the responsibility to manage, store, and distribute inventory, manage and provide services, or manage and perform research, on behalf of the Department of Defense on a frequent, regular basis, for users within the Department on request. The term includes contracts commonly referred to as prime vendor support contracts, flexible sustainment contracts, and direct vendor delivery contracts.

(2) The term "depot-level maintenance and repair" has the meaning given such term in section 2460 of title 10, United States Code.

(c) RELATIONSHIP TO OTHER LAWS.—Nothing in this section shall be construed to exempt a prime vendor contract from the requirements of section 2461 of title 10, United States Code, or any other provision of chapter 146 of such title.

SEC. 347. BEST COMMERCIAL INVENTORY PRACTICES FOR MANAGEMENT OF SECONDARY SUPPLY ITEMS.

(a) DEVELOPMENT AND SUBMISSION OF SCHEDULE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of each military department shall submit to Congress a schedule for implementing within the military department, for secondary supply items managed by that military department, inventory practices identified by the Secretary as being the best commercial inventory practices for the acquisition and distribution of such supply items consistent with military requirements. The schedule shall provide for the implementation of such practices to be completed not later than five years after the date of the enactment of this Act.

(b) DEFINITION.—For purposes of this section, the term "best commercial inventory practice" includes cellular repair processes, use of third-party logistics providers, and any other practice that the Secretary of the military department determines will enable the military department to reduce inventory levels while improving the responsiveness of the supply system to user needs.

(c) GAO REPORTS ON MILITARY DEPARTMENT AND DEFENSE LOGISTICS AGENCY SCHEDULES.—(1) Not later than 240 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report evaluating the extent to which the Secretary of each military department has complied with the requirements of this section.

(2) Not later than 18 months after the date on which the Director of the Defense Logistics Agency submits to Congress a schedule for implementing best commercial inventory practices under section 395 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1718; 10 U.S.C. 2458 note), the Comptroller General shall submit to Congress an evaluation of the extent to which best commercial inventory practices are being implemented in the Defense Logistics Agency in accordance with that schedule.

SEC. 348. PERSONNEL REDUCTIONS IN ARMY MATERIEL COMMAND.

Not later than March 31, 1999, the Comptroller General shall submit to the congressional defense committees a report concerning—

(1) the effect that the quadrennial defense review's proposed personnel reductions in the Army Materiel Command will have on workload and readiness if implemented; and

(2) the projected cost savings from such reductions and the manner in which such savings are expected to be achieved.

SEC. 349. INVENTORY MANAGEMENT OF IN-TRANSIT ITEMS.

(a) REQUIREMENT FOR PLAN.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a comprehensive plan to ensure visibility over all in-transit end items and secondary items.

(b) END ITEMS.—The plan required by subsection (a) shall address the specific mechanisms to be used to enable the Department of Defense to identify at any time the quantity and location of all end items.

(c) SECONDARY ITEMS.—The plan required by subsection (a) shall address the following problems with Department of Defense management of inventories of in-transit secondary items:

(1) The vulnerability of in-transit secondary items to loss through fraud, waste, and abuse.

(2) Loss of oversight of in-transit secondary items, including any loss of oversight when items are being transported by commercial carriers.

(3) Loss of accountability for in-transit secondary items due to either a delay of delivery of the items or a lack of notification of a delivery of the items.

(d) CONTENT OF PLAN.—The plan shall include for subsection (b) and for each of the problems described in subsection (c) the following information:

(1) The actions to be taken by the Department.

(2) Statements of objectives.

(3) Performance measures and schedules.

(4) An identification of any resources necessary for implementing the required actions, together with an estimate of the annual costs.

(e) GAO REVIEWS.—(1) Not later than 60 days after the date on which the Secretary of Defense submits the plan to Congress, the Comptroller General shall review the plan and submit to Congress any comments that the Comptroller General considers appropriate regarding the plan.

(2) The Comptroller General shall monitor any implementation of the plan and, not later than one year after the date referred to in paragraph (1), submit to Congress an assessment of the extent to which the plan has been implemented.

SEC. 350. REVIEW OF DEFENSE AUTOMATED PRINTING SERVICE FUNCTIONS.

(a) Review Required.—The Secretary of Defense shall provide for a review of the functions of the Defense Automated Printing Service in accordance with this section and shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives the matters required under subsection (f) not later than March 31, 1999.

(b) Performance by Independent Entity.—The Secretary of Defense shall select the General Accounting Office, an experienced entity in the private sector, or any other entity outside the Department of Defense to perform the review under this section. The Comptroller General shall perform the review if the Secretary selects the Comptroller General to do so.

(c) Consultation.—Regardless of the entity selected by the Secretary under subsection (b) to perform the review, the entity shall perform the review in consultation with persons in the private sector who have expertise and experience in performing in the private sector functions similar to the functions performed by the Defense Automated Printing Service. If such a person obtains any privileged information (as defined by the Secretary of Defense) as a result of participating in the review, the person may not receive a contract, either through the Department of Defense or the Government Printing Office, to provide services for the Department of Defense similar to the functions performed by the Defense Automated Printing Service for a one-year period beginning on the date the report is submitted to the Secretary of Defense under subsection (e).

(d) Elements of Review.—In performing the review under this section, the entity selected under subsection (b) shall specifically address the following:

(1) The functions performed by the Defense Automated Printing Service.

(2) The functions of the Defense Automated Printing Service that are inherently national security functions and, as such, need to be performed within the Department of Defense.

(3) The functions of the Defense Automated Printing Service that are appropriate for transfer to another appropriate entity to perform, including a private sector entity.

(4) The appropriate management structure of the Defense Automated Printing Service, the effectiveness of the current structure of the Defense Automated Printing Service in supporting current and future customer requirements, and any plans to address any deficiencies in supporting such requirements.

(5) The current and future requirements of customers of the Defense Automated Printing Service.

(6) The best business practices that are used by the Defense Automated Printing Service and other best business practices that could be used by the Defense Automated Printing Service.

(7) Options for maximizing the Defense Automated Printing Service structure and services to provide the most cost effective service to its customers.

(e) Report on Results of Review.—The entity performing the review under this section shall submit to the Secretary of Defense a report that sets forth the results of the review. In addition to specifically addressing the matters specified in subsection (d), the report shall also include the following:

(1) A list of all sites where functions of the Defense Automated Printing Service are performed by the Defense Automated Printing Service.

(2) The total number of the personnel employed by the Defense Automated Printing Service and the locations where the personnel perform the duties as employees.

(3) For each site identified under paragraph (1), an assessment of each type of equipment at the site.

(4) The types and explanation of the networking and technology integration linking all of the sites referred to in paragraph (1).

(5) For each function of the Defense Automated Printing Service determined to be an inherently national security function under subsection (d)(2), a detailed justification for the determination.

(6) For each function of the Defense Automated Printing Service determined to be appropriate for transfer under subsection (d)(3), a detailed assessment of the costs or savings associated with the transfer.

(f) Review and Comments of Secretary of Defense.—(1) After reviewing the report submitted under subsection (e), the Secretary of Defense shall submit the report to Congress. The Secretary shall include with the report the following:

(1) The Secretary's comments and recommendations regarding the report.

(2) A plan to transfer to another appropriate entity, or contract with another appropriate entity for, the performance of the functions of the Defense Automated Printing Service that—

(A) are not identified in the review as being inherently national security functions; and

(B) the Secretary believes should be transferred or contracted for performance outside the Department of Defense in accordance with law.

(3) Any recommended legislation and any administrative action that is necessary for transferring or contracting for the performance of the functions.

(g) Extension of Requirement for Competitive Procurement of Services.—Section 351(a) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 266), as amended by section 351(a) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2490) and section 387(a)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1713), is further amended by striking out "1998" and inserting in lieu thereof "1999".

SEC. 351. DEVELOPMENT OF PLAN FOR ESTABLISHMENT OF CORE LOGISTICS CAPABILITIES FOR MAINTENANCE AND REPAIR OF C–17 AIRCRAFT.

(a) Plan Required.—Not later than March 1, 1999, the Secretary of the Air Force shall submit to Congress a plan for the establishment of the core logistics capabilities for the C–17 aircraft consistent with the requirements of section 2464 of title 10, United States Code.

(b) Effect on Existing Contract.—After March 1, 1999, the Secretary of the Air Force may not extend the Interim Contract for the C–17 Flexible Sustainment Program before the end of the 60-day period beginning on the date on which the plan required by subsection (a) is received by Congress.

(c) Comptroller General Review.—During the period specified in subsection (b), the Comptroller General shall review the plan required under subsection (a) and submit to Congress a report evaluating the merits of the plan.

Subtitle F—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 361. CONTINUATION OF MANAGEMENT AND FUNDING OF DEFENSE COMMISSARY AGENCY THROUGH THE OFFICE OF THE SECRETARY OF DEFENSE.

(a) Management and Funding Responsibilities.—Section 192 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) Special Rule for Defense Commissary Agency.—Notwithstanding the results of any periodic review under subsection (c) with regard to the Defense Commissary Agency, the Secretary of Defense may not transfer to the Secretary of a military department the responsibility to manage and fund the provision of services and supplies provided by the Defense Commissary Agency unless the transfer of the management and funding responsibility is specifically authorized by a law enacted after the date of the enactment of this subsection.".

(b) Governing Board.—Section 2482 of such title is amended by adding at the end the following new subsection:

"(c) Governing Board.—(1) Notwithstanding section 192(d) of this title, the Secretary of Defense shall establish a governing board for the commissary system to provide advice to the Secretary regarding the prudent operation of the commissary system and to assist in the overall supervision of the Defense Commissary Agency. The Secretary may authorize the board to have such supervisory authority as the Secretary considers appropriate to permit the board to carry out its responsibilities.

"(2) The Secretary of Defense shall determine the membership of the governing board, which shall include, at a minimum, appropriate representatives from each military department.

"(3) The governing board shall be accountable only to the Secretary of Defense and to the civilian officer of the Department of Defense who is assigned the responsibility for the overall supervision of the Defense Commissary Agency pursuant to section 192(a) of this title. The Director of the Defense Commissary Agency shall be accountable to and report to the board.".

SEC. 362. EXPANSION OF CURRENT ELIGIBILITY OF RESERVES FOR COMMISSARY BENEFITS.

(a) Days of Eligibility for Ready Reserve Members With 50 Creditable Points.—Section 1063 of title 10, United States Code, is amended—

(1) by striking out subsection (b); and

(2) in subsection (a)—

(A) by striking out "(1)";

(B) by striking out "12 days of eligibility" and inserting in lieu thereof "24 days of eligibility"; and

(C) by striking out "(2) Paragraph (1)" and inserting in lieu thereof "(b) Effect of Compensation or Type of Duty.—Subsection (a)".

(b) Days of Eligibility for Reserve Retirees Under Age 60.—Section 1064 of such title is amended by striking out "for 12 days each calendar year" and inserting in lieu thereof "for 24 days each calendar year".

(c) Eligibility of Members of National Guard Serving in Federally Declared Disaster.—Chapter 54 of such title is amended by inserting after section 1063 the following new section:

"§ 1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster

"(a) Eligibility of Members.—A member of the National Guard who, although not in Federal service, is called or ordered to duty in response to a federally declared disaster shall be permitted to use commissary stores and MWR retail facilities during the period of such duty on the same basis as members of the armed forces on active duty.

"(b) Eligibility of Dependents.—A dependent of a member of the National Guard who is permitted under subsection (a) to use commissary stores and MWR retail facilities shall be permitted to use such stores and facilities, during the same period as the member, on the same basis as dependents of members of the armed forces on active duty.

"(c) DEFINITIONS.—In this section:

"(1) FEDERALLY DECLARED DISASTER.—The term 'federally declared disaster' means a disaster or other situation for which a Presidential declaration of major disaster is issued under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170).

"(2) MWR RETAIL FACILITIES.—The term 'MWR retail facilities' has the meaning given that term in section 1065(e) of this title.".

(d) SECTION HEADINGS.—(1) The heading of section 1063 of such title is amended to read as follows:

"§ 1063. Use of commissary stores: members of Ready Reserve with at least 50 creditable points".

(2) The heading of section 1064 of such title is amended to read as follows:

"§ 1064. Use of commissary stores: persons qualified for retired pay under chapter 1223 but under age 60".

(e) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 54 of such title is amended by striking out the items relating to sections 1063 and 1064 and inserting in lieu thereof the following items:

"1063. Use of commissary stores: members of Ready Reserve with at least 50 creditable points.

"1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster.

"1064. Use of commissary stores: persons qualified for retired pay under chapter 1223 but under age 60.".

SEC. 363. COSTS PAYABLE TO THE DEPARTMENT OF DEFENSE AND OTHER FEDERAL AGENCIES FOR SERVICES PROVIDED TO THE DEFENSE COMMISSARY AGENCY.

(a) LIMITATION.—Section 2482(b)(1) of title 10, United States Code, is amended by adding at the end the following: "However, the Defense Commissary Agency may not pay for any such service provided by the United States Transportation Command any amount that exceeds the price at which the service could be procured through full and open competition, as such term is defined in section 4(6) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(6)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to services provided or obtained on or after the date of the enactment of this Act.

SEC. 364. COLLECTION OF DISHONORED CHECKS PRESENTED AT COMMISSARY STORES.

Section 2486 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) COLLECTION OF DISHONORED CHECKS.—(1) The Secretary of Defense may impose a charge for the collection of a check accepted at a commissary store that is not honored by the financial institution on which the check is drawn. The imposition and amounts of charges shall be consistent with practices of commercial grocery stores regarding dishonored checks.

"(2)(A) The following persons are liable to the United States for the amount of a check referred to in paragraph (1) that is returned unpaid to the United States, together with any charge imposed under that paragraph:

"(i) The person who presented the check.

"(ii) Any person whose status and relationship to the person who presented the check provide the basis for that person's eligibility to make purchases at a commissary store.

"(B) Any amount for which a person is liable under subparagraph (A) may be collected by deducting and withholding such amount from any amounts payable to that person by the United States.

"(3) Amounts collected as charges imposed under paragraph (1) shall be credited to the commissary trust revolving fund.

"(4) Appropriated funds may be used to pay any costs incurred in the collection of checks and charges referred to in paragraph (1). An appropriation account charged a cost under the preceding sentence shall be reimbursed the amount of that cost out of funds in the commissary trust revolving fund.

"(5) In this subsection, the term 'commissary trust revolving fund' means the trust revolving fund maintained by the Department of Defense for surcharge collections and proceeds of sales of commissary stores.".

SEC. 365. RESTRICTIONS ON PATRON ACCESS TO, AND PURCHASES IN, OVERSEAS COMMISSARIES AND EXCHANGE STORES.

(a) AUTHORITY TO IMPOSE RESTRICTIONS; LIMITATIONS ON AUTHORITY.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2492. Overseas commissary and exchange stores: access and purchase restrictions

"(a) GENERAL AUTHORITY.—(1) The Secretary of Defense may establish restrictions on the ability of eligible patrons of commissary and exchange stores located outside of the United States to purchase certain merchandise items (or the quantity of certain merchandise items) otherwise included within an authorized merchandise category if the Secretary determines that such restrictions are necessary to prevent the resale of such merchandise in violation of treaty obligations of the United States or host nation laws (to the extent such laws are not inconsistent with United States laws).

"(2) In establishing a quantity or other restriction, the Secretary—

"(A) may not discriminate among the various categories of eligible patrons of the commissary and exchange system; and

"(B) shall ensure that the restriction is consistent with the purpose of the overseas commissary and exchange system to provide reasonable access for eligible patrons to purchase merchandise items made in the United States.

"(b) CONTROLLED ITEM LISTS.—For each location outside the United States that is served by the commissary system or the exchange system, the Secretary of Defense may maintain a list of controlled merchandise items, except that, after the date of the enactment of this section, the Secretary may not change the list to add a merchandise item unless, before making the change, the Secretary submits to Congress a notice of the proposed addition and the reasons for the addition of the item.

"(c) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report describing the host nation laws and the treaty obligations of the United States, and the conditions within host nations, that necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2492. Overseas commissary and exchange stores: access and purchase restrictions.".

SEC. 366. REPEAL OF REQUIREMENT FOR AIR FORCE TO SELL TOBACCO PRODUCTS TO ENLISTED PERSONNEL.

(a) REPEAL.—Section 9623 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 939 of such title is amended by striking out the item relating to section 9623.

SEC. 367. PROHIBITION ON CONSOLIDATION OR OTHER ORGANIZATIONAL CHANGES OF DEPARTMENT OF DEFENSE RETAIL SYSTEMS.

(a) DEFENSE RETAIL SYSTEMS DEFINED.—For purposes of this section, the term "defense retail systems" means the defense commissary system and exchange stores and other revenue-generating facilities operated by nonappropriated fund activities of the Department of Defense for the morale, welfare, and recreation of members of the Armed Forces.

(b) PROHIBITION.—The operation and administration of the defense retail systems may not be consolidated or otherwise merged unless the consolidation or merger is specifically authorized by a law enacted after the date of the enactment of this Act.

(c) EFFECT ON EXISTING STUDY.—Nothing in this section shall be construed to prohibit the study of defense retail systems, known as the "Joint Exchange Due Diligence Study", which is underway on the date of the enactment of this Act pursuant to a contract awarded by the Department of the Navy on April 21, 1998, except that any recommendation contained in the completed study regarding the operation or administration of the defense retail systems may not be implemented unless implementation of the recommendation is specifically authorized by a law enacted after the date of the enactment of this Act.

SEC. 368. DEFENSE COMMISSARY AGENCY TELECOMMUNICATIONS.

(a) USE OF FTS2000/2001.—The Secretary of Defense shall prescribe in regulations authority for the Defense Commissary Agency to meet its telecommunication requirements by obtaining telecommunication services and related items under the FTS2000/2001 contract.

(b) REPORT.—Upon the initiation of telecommunication service for the Defense Commissary Agency under the FTS2000/2001 contract, the Secretary of Defense shall submit to Congress a notification that the service has been initiated.

(c) DEFINITION.—In this section, the term "FTS2000/2001 contract" means the contract for the provision of telecommunication services for the Federal Government that was entered into by the Defense Information Technology Contract Organization.

SEC. 369. SURVEY OF COMMISSARY STORE PATRONS REGARDING SATISFACTION WITH COMMISSARY STORE MERCHANDISE.

(a) PATRON SURVEY.—The Secretary of Defense shall enter into a contract with a commercial survey firm to conduct a survey of eligible patrons of the commissary store system to determine patron satisfaction with the merchandise sold in commissary stores, including patron views on product quality, prices, assortment, and such other matters as the Secretary considers appropriate.

(b) SURVEY LOCATION.—The survey shall be conducted at not less than three military installations in the United States of each of the Armed Forces (other than the Coast Guard).

(c) REPORT ON RESULTS.—The survey shall be completed, and the results submitted to the Secretary of Defense, the Committee on Armed Services of the Senate, and the Committee on National Security of the House of Representatives, not later than February 28, 1999.

Subtitle G—Other Matters

SEC. 371. ELIGIBILITY REQUIREMENTS FOR ATTENDANCE AT DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT ELEMENTARY AND SECONDARY SCHOOLS.

(a) DEPENDENTS OF MEMBERS RESIDING IN CERTAIN AREAS.—Subsection (a) of section 2164 of title 10, United States Code, is amended—

(1) by designating the first sentence as paragraph (1);

(2) by designating the second sentence as paragraph (2); and

(3) by adding at the end of paragraph (2) (as so designated) the following new sentence: "If a member of the armed forces is assigned to a remote location or is assigned to an unaccompanied tour of duty, a dependent of the member who resides, on or off a military installation, in a territory, commonwealth, or possession of the United States, as authorized by the member's orders, may be enrolled in an educational program provided by the Secretary under this subsection.".

(b) WAIVER OF FIVE-YEAR ATTENDANCE LIMITATION.—Subsection (c)(2) of such section is amended by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) At the discretion of the Secretary, a dependent referred to in subparagraph (A) may be enrolled in the program for more than five consecutive school years if the dependent is otherwise qualified for enrollment, space is available in the program, and the Secretary will be reimbursed for the educational services provided. Any such extension shall cover only one school year at a time.".

(c) CUSTOMS SERVICE EMPLOYEE DEPENDENTS IN PUERTO RICO.—(1) Subsection (c)(1) of such section is amended—

(A) by inserting "(A)" after "(1)"; and

(B) by adding at the end the following new subparagraph:

"(B) A dependent of a United States Customs Service employee who resides in Puerto Rico, but not on a military installation, may enroll in an educational program provided by the Secretary pursuant to subsection (a) in Puerto Rico in accordance with the same rules as apply to a dependent of a Federal employee residing in permanent living quarters on a military installation.".

(2) Subsection (c)(2) of such section is further amended by adding at the end the following new subparagraph:

"(D) Subparagraph (A) shall not apply to a dependent covered by paragraph (1)(B). No requirement under this paragraph for reimbursement for educational services provided for the dependent shall apply with respect to the dependent, except that the Secretary may require the United States Customs Service to reimburse the Secretary for the cost of the educational services provided for the dependent.".

(3) The amendments made by this subsection shall apply with respect to academic years beginning on or after the date of the enactment of this Act.

SEC. 372. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 1999.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities—

(1) $30,000,000 shall be available only for the purpose of providing educational agencies assistance (as defined in subsection (d)(1)) to local educational agencies; and

(2) $5,000,000 shall be available only for the purpose of making educational agencies payments (as defined in subsection (d)(2)) to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 1999, the Secretary of Defense shall—

(1) notify each local educational agency that is eligible for educational agencies assistance for fiscal year 1999 of that agency's eligibility for such assistance and the amount of such assistance for which that agency is eligible; and

(2) notify each local educational agency that is eligible for an educational agencies payment for fiscal year 1999 of that agency's eligibility for such payment and the amount of the payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under paragraphs (1) and (2) of subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term "educational agencies assistance" means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term "educational agencies payments" means payments authorized under section 386(d) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(3) The term "local educational agency" has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 373. DEPARTMENT OF DEFENSE READINESS REPORTING SYSTEM.

(a) ESTABLISHMENT OF SYSTEM.—(1) Chapter 2 of title 10, United States Code, is amended by inserting after section 116 the following new section:

"§117. Readiness reporting system: establishment; reporting to congressional committees

"(a) REQUIRED READINESS REPORTING SYSTEM.—The Secretary of Defense shall establish a comprehensive readiness reporting system for the Department of Defense. The readiness reporting system shall measure in an objective, accurate, and timely manner the capability of the armed forces to carry out—

"(1) the National Security Strategy prescribed by the President in the most recent annual national security strategy report under section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

"(2) the defense planning guidance provided by the Secretary of Defense pursuant to section 113(g) of this title; and

"(3) the National Military Strategy prescribed by the Chairman of the Joint Chiefs of Staff.

"(b) READINESS REPORTING SYSTEM CHARACTERISTICS.—In establishing the readiness reporting system, the Secretary shall ensure—

"(1) that the readiness reporting system is applied uniformly throughout the Department of Defense;

"(2) that information in the readiness reporting system is continually updated, with any change in the overall readiness status of a unit, an element of the training establishment, or an element of defense infrastructure, that is required to be reported as part of the readiness reporting system, being reported within 24 hours of the event necessitating the change in readiness status; and

"(3) that sufficient resources are provided to establish and maintain the system so as to allow reporting of changes in readiness status as required by this section.

"(c) CAPABILITIES.—The readiness reporting system shall measure such factors relating to readiness as the Secretary prescribes, except that the system shall include the capability to do each of the following:

"(1) Measure, on a monthly basis, the capability of units (both as elements of their respective armed force and as elements of joint forces) to conduct their assigned wartime missions.

"(2) Measure, on a quarterly basis, the capability of training establishments to provide trained and ready forces for wartime missions.

"(3) Measure, on a quarterly basis, the capability of defense installations and facilities and other elements of Department of Defense infrastructure, both in the United States and abroad, to provide appropriate support to forces in the conduct of their wartime missions.

"(4) Measure, on a monthly basis, critical warfighting deficiencies in unit capability.

"(5) Measure, on a quarterly basis, critical warfighting deficiencies in training establishments and defense infrastructure.

"(6) Measure, on a monthly basis, the level of current risk based upon the readiness reporting system relative to the capability of forces to carry out their wartime missions.

"(d) QUARTERLY AND MONTHLY JOINT READINESS REVIEWS.—(1) The Chairman of the Joint Chiefs of Staff shall—

"(A) on a quarterly basis, conduct a joint readiness review; and

"(B) on a monthly basis, review any changes that have been reported in readiness since the previous joint readiness review.

"(2) The Chairman shall incorporate into both the joint readiness review required under paragraph (1)(A) and the monthly review required under paragraph (1)(B) the current information derived from the readiness reporting system and shall assess the capability of the armed forces to execute their wartime missions based upon their posture at the time the review is conducted. The Chairman shall submit to the Secretary of Defense the results of each review under paragraph (1), including the deficiencies in readiness identified during that review.

"(e) SUBMISSION TO CONGRESSIONAL COMMITTEES.—The Secretary shall each month submit to the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on National Security and the Committee on Appropriations of the House of Representatives a report in writing containing the results of the most recent joint readiness review or monthly review conducted under subsection (d), including the current information derived from the readiness reporting system. Each such report shall be submitted in unclassified form and may, as the Secretary determines necessary, also be submitted in classified form.

"(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section. In those regulations, the Secretary shall prescribe the units that are subject to reporting in the readiness reporting system, what type of equipment is subject to such reporting, and the elements of the training establishment and of defense infrastructure that are subject to such reporting.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 116 the following new item:

"117. Readiness reporting system: establishment; reporting to congressional committees.".

(b) IMPLEMENTATION.—The Secretary of Defense shall establish and implement the readiness reporting system required by section 117 of title 10, United States Code, as added by subsection (a), so as to ensure that the capabilities required by subsection (c) of that section are attained not later than January 15, 2000.

(c) IMPLEMENTATION PLAN.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a report setting forth the Secretary's plan for implementation of section 117 of title 10, United States Code, as added by subsection (a).

(d) REPEAL OF QUARTERLY READINESS REPORT REQUIREMENT.—(1) Effective January 15, 2000, or the date on which the first report of the Secretary of Defense is submitted under section 117(e) of title 10, United States Code, as added by subsection (a), whichever is later, the Secretary of Defense shall cease to submit reports under section 482 of title 10, United States Code.

(2) Effective June 1, 2001—

(A) section 482 of title 10, United States Code, is repealed; and

(B) the table of sections at the beginning of chapter 23 of such title is amended by striking out the item relating to that section.

SEC. 374. SPECIFIC EMPHASIS OF PROGRAM TO INVESTIGATE FRAUD, WASTE, AND ABUSE WITHIN DEPARTMENT OF DEFENSE.

Section 392 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 113 note) is amended by inserting before the period the following: "and any fraud, waste, and abuse occurring in connection with overpayments made to vendors by the Department of Defense, including overpayments identified under section 354 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2461 note)".

SEC. 375. CONDITION FOR PROVIDING FINANCIAL ASSISTANCE FOR SUPPORT OF ADDITIONAL DUTIES ASSIGNED TO THE ARMY NATIONAL GUARD.

(a) COMPETITIVE SOURCE SELECTION.—Section 113(b) of title 32, United States Code, is amended to read as follows:

"(b) COVERED ACTIVITIES.—(1) Except as provided in paragraph (2), financial assistance may be provided for the performance of an activity by the Army National Guard under subsection (a) only if—

"(A) the activity is carried out in the performance of a responsibility of the Secretary of the Army under paragraph (6), (10), or (11) of section 3013(b) of title 10; and

"(B) the Army National Guard was selected to perform the activity under competitive procedures that permit all qualified public-sector and private-sector sources to submit offers and be considered for selection to perform the activity on the basis of the offers.

"(2) Paragraph (1)(B) does not apply to an activity that, on the date of the enactment of this subsection, was performed for the Federal Government by employees of the Federal Government or employees of a State.".

(b) PROSPECTIVE APPLICABILITY.—Subsection (b)(1)(B) of section 113 of title 32, United States Code (as added by subsection (a) of this section), does not apply to—

(1) financial assistance provided under that section before October 1, 1998; or

(2) financial assistance for an activity that, before May 9, 1998, the Secretary of the Army identified in writing as being under consideration for supporting with financial assistance under that section.

SEC. 376. DEMONSTRATION PROGRAM TO IMPROVE QUALITY OF PERSONAL PROPERTY SHIPMENTS OF MEMBERS.

(a) DEFINITION.—In this section, the term "current demonstration program" means the pilot program to improve the movement of household goods of members of the Armed Forces that is identified in the re-engineering pilot solicitation of the Military Traffic Management Command designated as DAMTO1–97–R–3001.

(b) COMPLETION OF CURRENT DEMONSTRATION PROGRAM.—The Secretary of Defense shall complete the current demonstration program to improve the quality of personal property shipments within the Department of Defense not later than October 1, 1999.

(c) EVALUATIONS OF CURRENT AND ALTERNATIVE DEMONSTRATIONS.—(1) Not later than August 31, 1999, the Secretary of Defense shall submit to Congress a report evaluating the following:

(A) Whether the current demonstration program, as implemented, meets the goals for the current demonstration program previously agreed upon between the Department of Defense and representatives of private sector entities involved in the transportation of household goods for members of the Armed Forces, as such goals are contained in the report of the Comptroller General designated as report "NSIAD 97–49".

(B) Whether the demonstration program contained in the proposal prepared for the Secretary of Defense by private sector entities involved in the transportation of household goods for members of the Armed Forces as an alternative to the current demonstration program would, if implemented, be likely to meet the goals for the current demonstration program.

(2) The Secretary shall also submit to Congress interim reports regarding the progress of the current demonstration program not later than January 15, 1999, and April 15, 1999.

(d) PROHIBITION.—The Secretary of Defense may not exercise any option with respect to the current demonstration program that would have the effect of extending the current demonstration program after October 1, 1999, or otherwise continue the current demonstration program after that date, until the end of the 30-day period beginning on the date on which the Secretary submits the report required under subsection (c)(1).

SEC. 377. PILOT PROGRAM FOR ACCEPTANCE AND USE OF LANDING FEES CHARGED FOR USE OF DOMESTIC MILITARY AIRFIELDS BY CIVIL AIRCRAFT.

(a) PILOT PROGRAM AUTHORIZED.—The Secretary of each military department may carry out a pilot program during fiscal years 1999 and 2000 to demonstrate the use of landing fees as a source of funding for the operation and maintenance of airfields of that department. No fee may be charged under the pilot program for a landing after September 30, 2000.

(b) UNIFORM LANDING FEES.—The Secretary of Defense shall prescribe the landing fees, which shall be uniform for the military departments, that may be imposed under a pilot program carried out under this section.

(c) USE OF PROCEEDS.—Amounts received for a fiscal year in payment of landing fees imposed under the pilot program for use of a military airfield shall be credited to the appropriation that is available for that fiscal year for the operation and maintenance of the military airfield, shall be merged with amounts in the appropriation to which credited, and shall be available for that military airfield for the same period and purposes as the appropriation is available.

(d) REPORT.—Not later than March 31, 2000, the Secretary of Defense shall submit to Congress a report on the pilot programs carried out under this section by the Secretaries of the military departments. The report shall specify the amounts of fees received and retained by each military department under its pilot program as of December 31, 1999.

SEC. 378. STRATEGIC PLAN FOR EXPANSION OF DISTANCE LEARNING INITIATIVES.

(a) PLAN REQUIRED.—The Secretary of Defense shall develop a strategic plan for guiding and expanding distance learning initiatives within the Department of Defense. The plan shall provide for an expansion of such initiatives over five consecutive fiscal years beginning with fiscal year 2000.

(b) CONTENT OF PLAN.—The strategic plan shall contain, at a minimum, the following:

(1) A statement of measurable goals and objectives and outcome-related performance indicators (consistent with section 1115 of title 31, United States Code, relating to agency performance plans) for the development and execution of distance learning initiatives throughout the Department of Defense.

(2) A detailed description of how distance learning initiatives are to be developed and managed within the Department of Defense.

(3) An assessment of the estimated costs and the benefits associated with developing and maintaining an appropriate infrastructure for distance learning.

(4) A statement of planned expenditures for the investments necessary to build and maintain that infrastructure.

(5) A description of the mechanisms that are to be used to supervise the development and coordination of the distance learning initiatives of the Department of Defense.

(c) RELATIONSHIP TO EXISTING INITIATIVE.—In developing the strategic plan, the Secretary may take into account the ongoing collaborative effort among the Department of Defense, other Federal agencies, and private industry that is known as the Advanced Distribution Learning initiative. However, the Secretary shall ensure that the strategic plan is specifically focused on the training and education goals and objectives of the Department of Defense.

(d) SUBMISSION TO CONGRESS.—The Secretary of Defense shall submit the strategic plan to Congress not later than March 1, 1999.

SEC. 379. PUBLIC AVAILABILITY OF OPERATING AGREEMENTS BETWEEN MILITARY INSTALLATIONS AND FINANCIAL INSTITUTIONS.

With respect to an agreement between the commander of a military installation in the United States (or the designee of such an installation commander) and a financial institution that permits, allows, or otherwise authorizes the provision of financial services by the financial institution on the military installation, nothing in the terms or nature of such an agreement shall be construed to exempt the agreement from the provisions of sections 552 and 552a of title 5, United States Code.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent end strength levels.
Sec. 403. Date for submission of annual manpower requirements report.
Sec. 404. Additional exemption from percentage limitation on number of lieutenant generals and vice admirals.
Sec. 405. Extension of authority for Chairman of the Joint Chiefs of Staff to designate up to 12 general and flag officer positions to be excluded from general and flag officer grade limitations.
Sec. 406. Exception for Chief, National Guard Bureau, from limitation on number of officers above major general.
Sec. 407. Limitation on daily average of personnel on active duty in grades E–8 and E–9.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Increase in number of members in certain grades authorized to serve on active duty in support of the reserves.
Sec. 415. Consolidation of strength authorizations for active status Naval Reserve flag officers of the Navy Medical Department Staff Corps.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 1999, as follows:

(1) The Army, 480,000.

(2) The Navy, 372,696.

(3) The Marine Corps, 172,200.

(4) The Air Force, 370,882.

SEC. 402. REVISION IN PERMANENT END STRENGTH LEVELS.

(a) REVISED END STRENGTH FLOORS.—Subsection (b) of section 691 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "495,000" and inserting in lieu thereof "480,000";

(2) in paragraph (2), by striking out "390,802" and inserting in lieu thereof "372,696";

(3) in paragraph (3), by striking out "174,000" and inserting in lieu thereof "172,200"; and

(4) in paragraph (4), by striking out "371,577" and inserting in lieu thereof "370,802".

(b) REVISION TO FLEXIBILITY AUTHORITY FOR THE ARMY.—Subsection (e) of such section is amended by striking out "1 percent or, in the case of the Army, by not more than 1.5 percent," and inserting in lieu thereof "0.5 percent."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1998.

SEC. 403. DATE FOR SUBMISSION OF ANNUAL MANPOWER REQUIREMENTS REPORT.

Section 115a(a) of title 10, United States Code, is amended—

(1) by striking out ", not later than February 15 of each fiscal year," in the first sentence; and

(2) by striking out "The report shall be in writing and" in the second sentence and inserting in lieu thereof "The report, which shall be in writing, shall be submitted each year not later than 45 days after the date on which the President submits to Congress the budget for the next fiscal year under section 1105 of title 31. The report".

SEC. 404. ADDITIONAL EXEMPTION FROM PERCENTAGE LIMITATION ON NUMBER OF LIEUTENANT GENERALS AND VICE ADMIRALS.

Section 525(b)(4)(B) of title 10, United States Code, is amended by striking out "six" and inserting in lieu thereof "seven".

SEC. 405. EXTENSION OF AUTHORITY FOR CHAIRMAN OF THE JOINT CHIEFS OF STAFF TO DESIGNATE UP TO 12 GENERAL AND FLAG OFFICER POSITIONS TO BE EXCLUDED FROM GENERAL AND FLAG OFFICER GRADE LIMITATIONS.

Section 526(b)(2) of title 10, United States Code, is amended by striking out "October 1, 1998" and inserting in lieu thereof "October 1, 2002".

SEC. 406. EXCEPTION FOR CHIEF, NATIONAL GUARD BUREAU, FROM LIMITATION ON NUMBER OF OFFICERS ABOVE MAJOR GENERAL.

Section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(6) An officer while serving as Chief of the National Guard Bureau is in addition to the number that would otherwise be permitted for that officer's armed force for officers serving on active duty in grades above major general under paragraph (1).".

SEC. 407. LIMITATION ON DAILY AVERAGE OF PERSONNEL ON ACTIVE DUTY IN GRADES E-8 AND E-9.

(a) FISCAL YEAR BASIS FOR APPLICATION OF LIMITATION.—The first sentence of section 517(a) of title 10, United States Code, is amended—

(1) by striking out "a calendar year" and inserting in lieu thereof "a fiscal year"; and

(2) by striking out "January 1 of that year" and inserting in lieu thereof "the first day of that fiscal year".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1999, as follows:

(1) The Army National Guard of the United States, 357,223.

(2) The Army Reserve, 208,003.

(3) The Naval Reserve, 90,843.

(4) The Marine Corps Reserve, 40,018.

(5) The Air National Guard of the United States, 106,992.

(6) The Air Force Reserve, 74,243.

(7) The Coast Guard Reserve, 8,000.

(b) WAIVER AUTHORITY.—The Secretary of Defense may vary an end strength authorized by subsection (a) by not more than 2 percent.

(c) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 1999, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 21,986.

(2) The Army Reserve, 12,807.

(3) The Naval Reserve, 15,590.

(4) The Marine Corps Reserve, 2,362.

(5) The Air National Guard of the United States, 10,931.

(6) The Air Force Reserve, 992.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 1999 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 5,395.

(2) For the Army National Guard of the United States, 23,125.

(3) For the Air Force Reserve, 9,761.

(4) For the Air National Guard of the United States, 22,408.

SEC. 414. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO SERVE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table in section 12011(a) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,219	1,071	791	140
Lieutenant Colonel or Commander	1,524	520	713	90
Colonel or Navy Captain	438	188	297	30".

(b) SENIOR ENLISTED MEMBERS.—The table in section 12012(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	623	202	395	20
E–8	2,585	429	997	94".

(c) EFFECTIVE DATE.—The amendments made by this section shall take efffect on October 1, 1998.

SEC. 415. CONSOLIDATION OF STRENGTH AUTHORIZATIONS FOR ACTIVE STATUS NAVAL RESERVE FLAG OFFICERS OF THE NAVY MEDICAL DEPARTMENT STAFF CORPS.

Section 12004(c) of title 10, United States Code, is amended—

(1) in the table in paragraph (1)—

(A) by striking out the item relating to the Medical Corps and inserting in lieu thereof the following:

"Medical Department staff corps .... 9"; and

(B) by striking out the items relating to the Dental Corps, the Nurse Corps, and the Medical Service Corps; and

(2) by adding at the end the following:

"(4)(A) For the purposes of paragraph (1), the Medical Department staff corps referred to in the table are as follows:

"(i) The Medical Corps.

"(ii) The Dental Corps.

"(iii) The Nurse Corps.

"(iv) The Medical Service Corps.

"(B) Each of the Medical Department staff corps is authorized one rear admiral (lower half) within the strength authorization distributed to the Medical Department staff corps under paragraph (1). The Secretary of the Navy shall distribute the remainder of the strength authorization for the Medical Department staff corps under that paragraph among those staff corps as the Secretary determines appropriate to meet the needs of the Navy.".

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 1999 a total of $70,592,286,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 1999.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Codification of eligibility of retired officers and former officers for consideration by special selection boards.
Sec. 502. Involuntary separation pay denied for officer discharged for failure of selection for promotion requested by the officer.
Sec. 503. Streamlined selective retention process for regular officers.
Sec. 504. Permanent applicability of limitations on years of active naval service of Navy limited duty officers in grades of commander and captain.

Sec. 505. Tenure of Chief of the Air Force Nurse Corps.
Sec. 506. Grade of Air Force Assistant Surgeon General for Dental Services.
Sec. 507. Review regarding allocation of Naval Reserve Officers' Training Corps scholarships among participating colleges and universities.

Subtitle B—Reserve Component Matters

Sec. 511. Use of Reserves for emergencies involving weapons of mass destruction.
Sec. 512. Service required for retirement of National Guard officer in higher grade.
Sec. 513. Reduced time-in-grade requirement for reserve general and flag officers involuntarily transferred from active status.
Sec. 514. Active status service requirement for promotion consideration for Army and Air Force reserve component brigadier generals.
Sec. 515. Composition of selective early retirement boards for rear admirals of the Naval Reserve and major generals of the Marine Corps Reserve.
Sec. 516. Authority for temporary waiver for certain Army Reserve officers of baccalaureate degree requirement for promotion of reserve officers.
Sec. 517. Furnishing of burial flags for deceased members and former members of the Selected Reserve.

Subtitle C—Military Education and Training

Sec. 521. Separate housing for male and female recruits during recruit basic training.
Sec. 522. After-hours privacy for recruits during basic training.
Sec. 523. Sense of the House of Representatives relating to small unit assignments by gender during recruit basic training.
Sec. 524. Extension of reporting dates for Commission on Military Training and Gender-Related Issues.
Sec. 525. Improved oversight of innovative readiness training.

Subtitle D—Decorations, Awards, and Commendations

Sec. 531. Study of new decorations for injury or death in line of duty.
Sec. 532. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 533. Commendation and commemoration of the Navy and Marine Corps personnel who served in the United States Navy Asiatic Fleet from 1910–1942.
Sec. 534. Appreciation for service during World War I and World War II by members of the Navy assigned on board merchant ships as the Naval Armed Guard Service.
Sec. 535. Sense of Congress regarding the heroism, sacrifice, and service of the military forces of South Vietnam, other nations, and indigenous groups in connection with the United States Armed Forces during the Vietnam conflict.
Sec. 536. Sense of Congress regarding the heroism, sacrifice, and service of former South Vietnamese commandos in connection with United States Armed Forces during the Vietnam conflict.
Sec. 537. Prohibition on members of Armed Forces entering correctional facilities to present decorations to persons who have committed serious violent felonies.

Subtitle E—Administration of Agencies Responsible for Review and Correction of Military Records

Sec. 541. Personnel freeze.
Sec. 542. Professional staff.
Sec. 543. Ex parte communications.
Sec. 544. Timeliness standards.
Sec. 545. Scope of correction of military records.

Subtitle F—Reports

Sec. 551. Report on personnel retention.
Sec. 552. Report on process for selection of members for service on courts-martial.
Sec. 553. Report on prisoners transferred from United States Disciplinary Barracks, Fort Leavenworth, Kansas, to Federal Bureau of Prisons.
Sec. 554. Review and report regarding the distribution of National Guard full-time support among the States.

Subtitle G—Other Matters

Sec. 561. Two-year extension of certain force drawdown transition authorities relating to personnel management and benefits.
Sec. 562. Leave without pay for suspended academy cadets and midshipmen.
Sec. 563. Continued eligibility under Voluntary Separation Incentive program for members who involuntarily lose membership in a reserve component.
Sec. 564. Reinstatement of definition of financial institution in authorities for reimbursement of defense personnel for Government errors in direct deposit of pay.
Sec. 565. Increase in maximum amount for College Fund program.
Sec. 566. Central Identification Laboratory, Hawaii.
Sec. 567. Military funeral honors for veterans.
Sec. 568. Status in the Naval Reserve of cadets at the Merchant Marine Academy.
Sec. 569. Repeal of restriction on civilian employment of enlisted members.
Sec. 570. Transitional compensation for abused dependent children not residing with the spouse or former spouse of a member convicted of dependent abuse.
Sec. 571. Pilot program for treating GED and home school diploma recipients as high school graduates for determinations of eligibility for enlistment in the Armed Forces.
Sec. 572. Sense of Congress concerning New Parent Support Program and military families.
Sec. 573. Advancement of Benjamin O. Davis, Junior, to grade of general on the retired list of the Air Force.
Sec. 574. Sense of the House of Representatives concerning adherence by civilians in military chain of command to the standard of exemplary conduct required of commanding officers and others in authority in the Armed Forces.

Subtitle A—Officer Personnel Policy

SEC. 501. CODIFICATION OF ELIGIBILITY OF RETIRED OFFICERS AND FORMER OFFICERS FOR CONSIDERATION BY SPECIAL SELECTION BOARDS.

(a) Persons Not Considered by Promotion Boards Due to Administrative Error.—Subsection (a) of section 628 of title 10, United States Code, is amended—

(1) by striking out paragraph (1) (and the subsection designation at the beginning of that paragraph) and inserting in lieu thereof the following:

"(a) Persons Not Considered by Promotion Boards Due to Administrative Error.—(1) If the Secretary of the military department concerned determines that because of administrative error a person who should have been considered for selection for promotion by a promotion board was not so considered, the Secretary shall convene a special selection board under this subsection to determine whether that person (whether or not then on active duty) should be recommended for promotion.";

(2) in paragraph (2), by striking out "the officer as his record" in the first sentence and inserting in lieu thereof "the person whose name was referred to it for consideration as that record"; and

(3) in paragraph (3), by striking out "an officer in a grade" and all that follows through "the officer" and inserting in lieu thereof "a person whose name was referred to it for consideration for selection for appointment to a grade other than a general officer or flag officer grade, the person".

(b) Persons Considered by Promotion Boards in Unfair Manner.—Subsection (b) of such section is amended—

(1) by striking out paragraph (1) and inserting in lieu thereof the following:

"(b) Persons Considered by Promotion Boards in Unfair Manner.—(1) If the Secretary of the military department concerned determines, in the case of a person who was considered for selection for promotion by a promotion board but was not selected, that there was material unfairness with respect to that person, the Secretary may convene a special selection board under this subsection to determine whether that person (whether or not then on active duty) should be recommended for promotion. In order to determine that there was material unfairness, the Secretary must determine that—

"(A) the action of the promotion board that considered the person was contrary to law or involved material error of fact or material administrative error; or

"(B) the board did not have before it for its consideration material information.";

(2) in paragraph (2), by striking out "the officer as his record" in the first sentence and inserting in lieu thereof "the person whose name was referred to it for consideration as that record"; and

(3) in paragraph (3)—

(A) by striking out "an officer" and inserting in lieu thereof "a person"; and

(B) by striking out "the officer" and inserting in lieu thereof "the person".

(c) Conforming Amendments.—(1) Subsection (c) of such section is amended—

(A) by inserting "Reports of Boards.—" after "(c)";

(B) by striking out "officer" both places it appears in paragraph (1) and inserting in lieu thereof "person"; and

(C) in paragraph (2), by adding the following new sentence at the end: "However, in the case of a board convened under this section to consider a warrant officer or former warrant officer, the provisions of sections 576(d) and 576(f) of this title (rather than the provisions of section 617(b) and 618 of this title) apply to the report and proceedings of the board in the same manner as they apply to the report and proceedings of a selection board convened under section 573 of this title.".

(2) Subsection (d)(1) of such section is amended—

(A) by inserting "Appointment of Persons Selected by Boards.—" after "(d)";

(B) by striking out "an officer" and inserting in lieu thereof "a person";

(C) by striking out "such officer" and inserting in lieu thereof "that person";

(D) by striking out "the next higher grade" the second place it appears and inserting in lieu thereof "that grade"; and

(E) by adding at the end the following: "However, in the case of a board convened under this section to consider a warrant officer or former warrant officer, if the report of that board, as approved by the Secretary concerned, recommends that warrant officer or former warrant officer for promotion to the next higher grade, that person shall, as soon as practicable, be appointed to the next higher grade in accordance with provisions of section 578(c) of this title (rather than subsections (b), (c), and (d) of section 624 of this title).".

(3) Subsection (d)(2) of such section is amended—

(A) by striking out "An officer who is promoted" and inserting in lieu thereof "A person who is appointed";

(B) by striking out "such promotion" and inserting in lieu thereof "that appointment"; and

(C) by adding at the end the following new sentence: "In the case of a person who is not on the active-duty list when appointed to the next higher grade, placement of that person on the active-duty list pursuant to the preceding sentence shall be only for purposes of determination of eligibility of that person for consideration for promotion by any subsequent special selection board under this section.".

(d) APPLICABILITY TO DECEASED PERSONS.—Subsection (e) of such section is amended to read as follows:

"(e) DECEASED PERSONS.—If a person whose name is being considered for referral to a special selection board under this section dies before the completion of proceedings under this section with respect to that person, this section shall be applied to that person posthumously.".

(e) RECODIFICATION OF ADMINISTRATIVE MATTERS.—Such section is further amended by adding at the end the following::

"(f) CONVENING OF BOARDS.—A board convened under this section—

"(1) shall be convened under regulations prescribed by the Secretary of Defense;

"(2) shall be composed in accordance with section 612 of this title or, in the case of board to consider a warrant officer or former warrant officer, in accordance with section 573 of this title and regulations prescribed by the Secretary of the military department concerned; and

"(3) shall be subject to the provisions of section 613 of this title.

"(g) PROMOTION BOARD DEFINED.—In this section, the term 'promotion board' means a selection board convened by the Secretary of a military department under section 573(a) or 611(a) of this title.".

(f) RATIFICATION OF CODIFIED PRACTICE.—The consideration by a special selection board convened under section 628 of title 10, United States Code, before the date of the enactment of this Act of a person who, at the time of consideration, was a retired officer or former officer of the Armed Forces (including a deceased retired or former officer) is hereby ratified.

SEC. 502. INVOLUNTARY SEPARATION PAY DENIED FOR OFFICER DISCHARGED FOR FAILURE OF SELECTION FOR PROMOTION REQUESTED BY THE OFFICER.

(a) INELIGIBILITY FOR SEPARATION PAY.—Section 1174(a) of title 10, United States Code, is amended by adding at the end the following:

"(3) Notwithstanding paragraphs (1) and (2), an officer discharged under any provision of chapter 36 of this title for twice failing of selection for promotion to the next higher grade is not entitled to separation pay under this section if either (or both) of those failures of selection for promotion was by the action of a selection board to which the officer submitted a request in writing not to be selected for promotion or who otherwise directly caused his nonselection through written communication to the Board under section 614(b) of this title.".

(b) REPORT OF SELECTION BOARD TO NAME OFFICERS REQUESTING NONSELECTION.—Section 617 of such title is amended by adding at the end the following:

"(c) A selection board convened under section 611(a) of this title shall include in its report to the Secretary concerned the name of any regular officer considered and not recommended for promotion by the board who submitted to the board a request not to be selected for promotion or who otherwise directly caused his nonselection through written communication to the Board under section 614(b) of this title.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to selection boards convened under section 611(a) of title 10, United States Code, on or after the date of the enactment of this Act.

SEC. 503. STREAMLINED SELECTIVE RETENTION PROCESS FOR REGULAR OFFICERS.

(a) REPEAL OF REQUIREMENT FOR DUPLICATIVE BOARD.—Section 1183 of title 10, United States Code, is repealed.

(b) CONFORMING AMENDMENTS.—(1) Section 1182(c) of such title is amended by striking out "send the record of proceedings to a board of review convened under section 1183 of this title" and inserting in lieu thereof "recommend to the Secretary concerned that the officer not be retained on active duty".

(2) Section 1184 of such title is amended by striking out "board of review convened under section 1183 of this title" and inserting in lieu thereof "board of inquiry convened under section 1182 of this title".

*(c) CLERICAL AMENDMENTS.—(1) The heading for section 1184 of such title is amended by striking out "**review**" and inserting in lieu thereof "**inquiry**".*

(2) The table of sections at the beginning of chapter 60 of such title is amended by striking out the items relating to sections 1183 and 1184 and inserting in lieu thereof the following:

"1184. Removal of officer: action by Secretary upon recommendation of board of inquiry.".

SEC. 504. PERMANENT APPLICABILITY OF LIMITATIONS ON YEARS OF ACTIVE NAVAL SERVICE OF NAVY LIMITED DUTY OFFICERS IN GRADES OF COMMANDER AND CAPTAIN.

(a) COMMANDERS.—Section 633 of title 10, United States Code, is amended—

(1) by striking out "Except an officer" and all that follows through "or section 6383 of this title applies" and inserting in lieu thereof "Except an officer of the Navy or Marine Corps who is an officer designated for limited duty to whom section 5596(e) or 6383 of this title applies"; and

(2) by striking out the second sentence.

(b) CAPTAINS.—Section 634 of such title is amended—

(1) by inserting "an officer of the Navy who is designated for limited duty to whom section 6383(a)(4) of this title applies and except" in the first sentence after "Except"; and

(2) by striking out the second sentence.

(c) YEARS OF ACTIVE NAVAL SERVICE.—Section 6383(a) of such title is amended by striking out paragraph (5).

(d) LIMITATIONS ON SELECTIVE RETENTIONS.—Section 6383(k) of such title is amended by striking out the last sentence.

SEC. 505. TENURE OF CHIEF OF THE AIR FORCE NURSE CORPS.

Section 8069(b) of title 10, United States Code, is amended by striking out ", but not for more than three years, and may not be reappointed to the same position" in the last sentence.

SEC. 506. GRADE OF AIR FORCE ASSISTANT SURGEON GENERAL FOR DENTAL SERVICES.

Section 8081 of title 10, United States Code, is amended—

(1) in the first sentence, by striking out "major" and inserting in lieu thereof "lieutenant colonel"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "An appointee who holds a lower regular grade shall be appointed in the regular grade of brigadier general. The Assistant Surgeon General for Dental Services serves at the pleasure of the Secretary.".

SEC. 507. REVIEW REGARDING ALLOCATION OF NAVAL RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS AMONG PARTICIPATING COLLEGES AND UNIVERSITIES.

(a) REVIEW.—The Secretary of the Navy should review the process and criteria used to determine the number of Naval Reserve Officer Training Corps (NROTC) scholarship recipients who attend each college and university participating in the NROTC program and how those scholarships are allocated to those schools.

(b) PURPOSE OF REVIEW.—The review should seek to determine—

(1) whether the method used by the Navy to allocate NROTC scholarships could be changed so as to increase the likelihood that scholarship awardees attend the school of their choice while maintaining the Navy's capability to attain the objectives of the Naval ROTC program to meet the annual requirement for newly commissioned Navy ensigns and Marine Corps second lieutenants, as well as the overall needs of the officer corps of the Department of the Navy; and

(2) within the determination under paragraph (1), whether the likelihood of a scholarship awardee who wants to attend a school of choice in the student's State of residence can be increased.

(c) MATTERS REVIEWED.—The matters reviewed should include the following:

(1) The factors and criteria considered in the process of determining the allocation of NROTC scholarships to host colleges and universities.

(2) Historical data indicating the extent to which NROTC scholarship recipients attend colleges and universities they have indicated a preference to attend, as opposed to attending solely or mainly in order to receive an NROTC scholarship.

(3) The extent to which the process used by the Navy to allocate NROTC scholarships to participating colleges and universities contributes to optimizing resources available for the operation of the NROTC program and improving the professional education of NROTC midshipmen.

(4) The effects that eliminating the controlled allocation of scholarships to host colleges and universities, entirely or by State, would have on the NROTC program.

(d) CONSULTATION REQUIREMENT.—In carrying out a review under subsection (a), the Secretary should consult with officials of interested associations and of colleges and universities which host ROTC units and such other officials as the Secretary considers appropriate.

Subtitle B—Reserve Component Matters

SEC. 511. USE OF RESERVES FOR EMERGENCIES INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) ORDER TO ACTIVE DUTY.—(1) Section 12304 of title 10, United States Code, is amended—

(A) in subsection (a), by inserting "or that it is necessary to provide assistance referred to in subsection (b)" after "to augment the active forces for any operational mission";

(B) in subsection (b)—

(i) by striking out "(b)" and inserting in lieu thereof "(c) LIMITATIONS.—(1)"; and

(ii) by striking out ", or to provide" and inserting in lieu thereof "or, except as provided in subsection (b), to provide";

(C) by redesignating subsection (c) as paragraph (2); and

(D) by inserting after subsection (a) the following new subsection (b):

"(b) Support for Responses to Certain Emergencies.—The authority under subsection (a) includes authority to order a unit or member to active duty to provide assistance in responding to an emergency involving a use or threatened use of a weapon of mass destruction.".

(2) Subsection (i) of such section is amended to read as follows:

"(i) Definitions.—In this section:

"(1) The term 'Individual Ready Reserve mobilization category' means, in the case of any reserve component, the category of the Individual Ready Reserve described in section 10144(b) of this title.

"(2) The term 'weapon of mass destruction' has the meaning given that term in section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1)).".

(3) Such section is further amended—

(A) in subsection (a), by inserting "Authority.—" after "(a)";

(B) in subsection (d), by inserting "Exclusion From Strength Limitations.—" after "(d)";

(C) in subsection (e), by inserting "Policies and Procedures.—" after "(e)";

(D) in subsection (f), by inserting "Notification of Congress.—" after "(f)";

(E) in subsection (g), by inserting "Termination of Duty.—" after "(g)"; and

(F) in subsection (h), by inserting "Relationship to War Powers Resolution.—" after "(h)".

(b) Use of Active Guard and Reserve Personnel.—(1) Section 12310 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) A Reserve on active duty as described in subsection (a), or a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32 in connection with functions referred to in subsection (a), may, subject to paragraph (3), perform duties in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction (as defined in section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1))).

"(2) The costs of the pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for a Reserve performing duties under the authority of paragraph (1) shall be paid from the appropriation that is available to pay such costs for other members of the reserve component of that Reserve who are performing duties as described in subsection (a).

"(3) A Reserve may perform duties described in paragraph (1) only—

"(A) while assigned to the Department of Defense Consequence Management Program Integration Office; or

"(B) while assigned to a reserve component rapid assessment element team and performing those duties within the geographical limits of the United States, its territories and possessicns, the District of Columbia, and the Commonwealth of Puerto Rico.

"(4) The number of Reserves on active duty who are performing duties described in paragraph (1) at the same time may not exceed 228. Reserves on active duty who are performing duties described in paragraph (1) shall be counted against the annual end strength authorizations required by section 115(a)(1)(B) and 115(a)(2) of this title. The justification material for the defense budget request for a fiscal year shall identify the number and component of the Reserves programmed to be performing duties described in paragraph (1) during that fiscal year.

"(5) A reserve component rapid assessment element team, and any Reserve assigned to such a team, may not be used to respond to an emergency described in paragraph (1) unless the Secretary of Defense has certified to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives that that team, or that Reserve, possesses the requisite skills, training, and equipment to be proficient in all mission requirements.

"(6) If the Secretary of Defense submits to Congress any request for the enactment of legislation to modify the requirements of paragraph (3) or to increase the number of personnel authorized by paragraph (4), the Secretary shall provide with the request—

"(A) justification for each such requested modification or for the requested additional personnel and explain the need for the increase in the context of existing or projected similar capabilities at the local, State, and Federal levels; and

"(B) the Secretary's plan for sustaining the qualifications of the personnel and teams described in paragraph (3)(B).".

(2) The Secretary of Defense may not submit to Congress earlier than 90 days after the date of the receipt by Congress of the report required by section 1411 of this Act a request for the enactment of legislation to modify the requirements of paragraph (3), or to increase the number of personnel authorized by paragraph (4), of section 12310(c) of title 10, United States Code, as added by paragraph (1).

SEC. 512. SERVICE REQUIRED FOR RETIREMENT OF NATIONAL GUARD OFFICER IN HIGHER GRADE.

(a) Revision of Requirement.—Subparagraph (E) of section 1370(d)(3) of title 10, United States Code, is amended to read as follows:

"(E) To the extent authorized by the Secretary of the military department concerned, a person who, after having been found qualified for Federal recognition in a higher grade by a board under section 307 of title 32, serves in a position for which that grade is the minimum authorized grade and is appointed as a reserve officer in that grade may be credited for the purposes of subparagraph (A) as having served in that grade. The period of the service for which credit is afforded under the preceding sentence may only be the period for which the person served in the position after the Senate provides advice and consent for the appointment.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply with respect to appointments to higher grades that take effect after that date.

SEC. 513. REDUCED TIME-IN-GRADE REQUIREMENT FOR RESERVE GENERAL AND FLAG OFFICERS INVOLUNTARILY TRANSFERRED FROM ACTIVE STATUS.

(a) Minimum Service in Active Status.—Section 1370(d)(3) of title 10, United States Code, as amended by section 511, is further amended by adding at the end the following new subparagraph:

"(F) A person covered by subparagraph (A) who has completed at least six months of satisfactory service in a grade above colonel or (in the case of the Navy) captain and, while serving in an active status in such grade, is involuntarily transferred (other than for cause) from active status may be credited with satisfactory service in the grade in which serving at the time of such transfer, notwithstanding failure of the person to complete three years of service in that grade.".

(b) Effective Date.—Subparagraph (F) of such section, as added by subsection (a), shall take effect on the date of the enactment of this Act and shall apply with respect to transfers referred to in such subparagraph that are made on or after that date.

SEC. 514. ACTIVE STATUS SERVICE REQUIREMENT FOR PROMOTION CONSIDERATION FOR ARMY AND AIR FORCE RESERVE COMPONENT BRIGADIER GENERALS.

Section 14301 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) A reserve component brigadier general of the Army or the Air Force who is in an inactive status is eligible (notwithstanding subsection (a)) for consideration for promotion to major general by a promotion board convened under section 14101(a) of this title if the officer—

"(1) has been in an inactive status for less than one year as of the date of the convening of the promotion board; and

"(2) had continuously served for at least one year on the reserve active status list or the active duty list (or a combination of both) immediately before the officer's most recent transfer to an inactive status.".

SEC. 515. COMPOSITION OF SELECTIVE EARLY RETIREMENT BOARDS FOR REAR ADMIRALS OF THE NAVAL RESERVE AND MAJOR GENERALS OF THE MARINE CORPS RESERVE.

(a) In General.—Section 14705(b) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(b) Boards.—"; and

(2) by adding at the end the following:

"(2) In the case of such a board convened to consider officers in the grade of rear admiral or major general, the Secretary of the Navy may appoint the board without regard to section 14102(b) of this title. In doing so, however, the Secretary shall ensure that—

"(A) each regular commissioned officer appointed to the board holds a grade higher than the grade of rear admiral or major general; and

"(B) at least one member of the board is a reserve officer who holds the grade of rear admiral or major general.".

(b) Technical Amendments.—Paragraph (1) of such section, as designated by subsection (a)(1), is amended—

(1) by inserting "of officers" after "consideration"; and

(2) by inserting "continuation" after "shall convene a".

SEC. 516. AUTHORITY FOR TEMPORARY WAIVER FOR CERTAIN ARMY RESERVE OFFICERS OF BACCALAUREATE DEGREE REQUIREMENT FOR PROMOTION OF RESERVE OFFICERS.

(a) Waiver Authority for Army OCS Graduates.—The Secretary of the Army may waive the applicability of section 12205(a) of title 10, United States Code, to any officer who before the date of the enactment of this Act was commissioned through the Army Officer Candidate School. Any such waiver shall be made on a case-by-case basis, considering the individual circumstances of the officer involved, and may continue in effect for no more than two years after the waiver is granted. The Secretary may provide for such a waiver to be effective before the date of the waiver, as appropriate in an individual case.

(b) Expiration of Authority.—A waiver under this section may not be granted after September 30, 2000.

SEC. 517. FURNISHING OF BURIAL FLAGS FOR DECEASED MEMBERS AND FORMER MEMBERS OF THE SELECTED RESERVE.

Section 2301 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(f)(1) The Secretary shall furnish a flag to drape the casket of each deceased member or former member of the Selected Reserve (as ±described in section 10143 of title 10) who is not otherwise eligible for a flag under this section or section 1482(a) of title 10—

"(A) who completed at least one enlistment as a member of the Selected Reserve or, in the case of an officer, completed the period of initial obligated service as a member of the Selected Reserve;

"(B) who was discharged before completion of the person's initial enlistment as a member of the Selected Reserve or, in the case of an officer, period of initial obligated service as a member of the Selected Reserve, for a disability incurred or aggravated in line of duty; or

"(C) who died while a member of the Selected Reserve.

"(2) A flag may not be furnished under subparagraphs (A) or (B) of paragraph (1) in the case of a person whose last discharge from service in the Armed Forces was under conditions less favorable than honorable.

"(3) After the burial, a flag furnished under paragraph (1) shall be given to the next of kin or to such other person as the Secretary considers appropriate.".

Subtitle C—Military Education and Training

SEC. 521. SEPARATE HOUSING FOR MALE AND FEMALE RECRUITS DURING RECRUIT BASIC TRAINING.

(a) ARMY.—(1) Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

"§4319. Recruit basic training: separate housing for male and female recruits

"(a) PHYSICALLY SEPARATE HOUSING.—(1) The Secretary of the Army shall provide for housing male recruits and female recruits separately and securely from each other during basic training.

"(2) To meet the requirements of paragraph (1), the sleeping areas and latrine areas provided for male recruits shall be physically separated from the sleeping areas and latrine areas provided for female recruits by permanent walls, and the areas for male recruits and the areas for female recruits shall have separate entrances.

"(3) The Secretary shall ensure that, when a recruit is in an area referred to in paragraph (2), the area is supervised by one or more persons who are authorized and trained to supervise the area.

"(b) ALTERNATIVE SEPARATE HOUSING.—If male recruits and female recruits cannot be housed as provided under subsection (a) by October 1, 2001, at a particular installation, the Secretary of the Army shall require (on and after that date) that male recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for males and that female recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for females.

"(c) CONSTRUCTION PLANNING.—In planning for the construction of housing to be used for housing recruits during basic training, the Secretary of the Army shall ensure that the housing is to be constructed in a manner that facilitates the housing of male recruits and female recruits separately and securely from each other.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training program of the Army that constitutes the basic training of new recruits.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4319. Recruit basic training: separate housing for male and female recruits.".

(3) The Secretary of the Army shall implement section 4319 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(b) NAVY AND MARINE CORPS.—(1) Part III of subtitle C of title 10, United States Code, is amended by inserting after chapter 601 the following new chapter:

"CHAPTER 602—TRAINING GENERALLY

"Sec.

"6931. Recruit basic training: separate housing for male and female recruits.

"§6931. Recruit basic training: separate housing for male and female recruits

"(a) PHYSICALLY SEPARATE HOUSING.—(1) The Secretary of the Navy shall provide for housing male recruits and female recruits separately and securely from each other during basic training.

"(2) To meet the requirements of paragraph (1), the sleeping areas and latrine areas provided for male recruits shall be physically separated from the sleeping areas and latrine areas provided for female recruits by permanent walls, and the areas for male recruits and the areas for female recruits shall have separate entrances.

"(3) The Secretary shall ensure that, when a recruit is in an area referred to in paragraph (2), the area is supervised by one or more persons who are authorized and trained to supervise the area.

"(b) ALTERNATIVE SEPARATE HOUSING.—If male recruits and female recruits cannot be housed as provided under subsection (a) by October 1, 2001, at a particular installation, the Secretary of the Navy shall require (on and after that date) that male recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for males and that female recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for females.

"(c) CONSTRUCTION PLANNING.—In planning for the construction of housing to be used for housing recruits during basic training, the Secretary of the Navy shall ensure that the housing is to be constructed in a manner that facilitates the housing of male recruits and female recruits separately and securely from each other.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training programs of the Navy and Marine Corps that constitute the basic training of new recruits.".

(2) The tables of chapters at the beginning of subtitle C, and at the beginning of part III of subtitle C, of such title are amended by inserting after the item relating to chapter 601 the following new item:

"602. Training Generally .... 6931".

(3) The Secretary of the Navy shall implement section 6931 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(c) AIR FORCE.—(1) Chapter 901 of title 10, United States Code, is amended by adding at the end the following new section:

"§9319. Recruit basic training: separate housing for male and female recruits

"(a) PHYSICALLY SEPARATE HOUSING.—(1) The Secretary of the Air Force shall provide for housing male recruits and female recruits separately and securely from each other during basic training.

"(2) To meet the requirements of paragraph (1), the sleeping areas and latrine areas provided for male recruits shall be physically separated from the sleeping areas and latrine areas provided for female recruits by permanent walls, and the areas for male recruits and the areas for female recruits shall have separate entrances.

"(3) The Secretary shall ensure that, when a recruit is in an area referred to in paragraph (2), the area is supervised by one or more persons who are authorized and trained to supervise the area.

"(b) ALTERNATIVE SEPARATE HOUSING.—If male recruits and female recruits cannot be housed as provided under subsection (a) by October 1, 2001, at a particular installation, the Secretary of the Air Force shall require (on and after that date) that male recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for males and that female recruits in basic training at such installation be housed in barracks or other troop housing facilities that are only for females.

"(c) CONSTRUCTION PLANNING.—In planning for the construction of housing to be used for housing recruits during basic training, the Secretary of the Air Force shall ensure that the housing is to be constructed in a manner that facilitates the housing of male recruits and female recruits separately and securely from each other.

"(d) BASIC TRAINING DEFINED.—In this section, the term 'basic training' means the initial entry training program of the Air Force that constitutes the basic training of new recruits.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"9319. Recruit basic training: separate housing for male and female recruits.".

(3) The Secretary of the Air Force shall implement section 9319 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(d) GAO REVIEW OF COSTS OF SEPARATE HOUSING FACILITIES FOR MALE AND FEMALE RECRUITS DURING RECRUIT BASIC TRAINING.—Not later than March 1, 1999, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the costs that would be incurred by each of the military departments if required to provide housing for male and female recruits during basic training in separate structures. The report shall be prepared separately for each of the Army, Navy, and Air Force and shall be based on reviews and cost analyses prepared independently of the Department of Defense.

SEC. 522. AFTER-HOURS PRIVACY FOR RECRUITS DURING BASIC TRAINING.

(a) ARMY.—(1) Chapter 401 of title 10, United States Code, is amended by adding after section 4319, as added by section 521(a)(1), the following new section:

"§4320. Recruit basic training: privacy

"The Secretary of the Army shall require that access by drill sergeants and other training personnel to a living area in which recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to drill sergeants and other training personnel who are of the same sex as the recruits housed in that living area or to superiors in the chain of command of those recruits who, if not of the same sex as the recruits housed in that living area, are accompanied by a member (other than a recruit) who is of the same sex as the recruits housed in that living area.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 4319, as added by section 521(a)(2), the following new item:

"4320. Recruit basic training: privacy.".

(3) The Secretary of the Army shall implement section 4320 of title 10, United States Code, as

added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(b) Navy.—(1) Chapter 602 of title 10, United States Code, as added by section 521(b)(1), is amended by adding at the end the following new section:

"§ 6932. Recruit basic training: privacy

"The Secretary of the Navy shall require that access by recruit division commanders and other training personnel to a living area in which Navy recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to recruit division commanders and other training personnel who are of the same sex as the recruits housed in that living area or to superiors in the chain of command of those recruits who, if not of the same sex as the recruits housed in that living area, are accompanied by a member (other than a recruit) who is of the same sex as the recruits housed in that living area.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"6932. Recruit basic training: privacy.".

(3) The Secretary of the Navy shall implement section 6932 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

(c) Air Force.—(1) Chapter 901 of title 10, United States Code, is amended by adding after section 9319, as added by section 521(c)(1), the following new section:

"§ 9320. Recruit basic training: privacy

"The Secretary of the Air Force shall require that access by military training instructors and other training personnel to a living area in which recruits are housed during basic training shall be limited after the end of the training day, other than in the case of an emergency or other exigent circumstance, to military training instructors and other training personnel who are of the same sex as the recruits housed in that living area or to superiors in the chain of command of those recruits who, if not of the same sex as the recruits housed in that living area, are accompanied by a member (other than a recruit) who is of the same sex as the recruits housed in that living area.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 9319, as added by section 521(c)(2), the following new item:

"9320. Recruit basic training: privacy.".

(3) The Secretary of the Air Force shall implement section 9320 of title 10, United States Code, as added by paragraph (1), as rapidly as feasible and shall ensure that the provisions of that section are applied to all recruit basic training classes beginning not later than the first such class that enters basic training on or after April 15, 1999.

SEC. 523. SENSE OF THE HOUSE OF REPRESENTATIVES RELATING TO SMALL UNIT ASSIGNMENTS BY GENDER DURING RECRUIT BASIC TRAINING.

It is the sense of the House of Representatives that the Secretary of each military department should require that during recruit basic training male recruits and female recruits be assigned to separate units at the small unit levels designated by the different services as platoons, divisions, or flights, as recommended in the report of the Federal Advisory Committee on Gender-Integrated Training and Related Issues, chaired by Nancy Kassebaum-Baker, that was submitted to the Secretary of Defense on December 16, 1997.

SEC. 524. EXTENSION OF REPORTING DATES FOR COMMISSION ON MILITARY TRAINING AND GENDER-RELATED ISSUES.

(a) First Report.—Subsection (e)(1) of section 562 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1754) is amended by striking out "April 15, 1998" and inserting in lieu thereof "October 15, 1998".

(b) Final Report.—Subsection (e)(2) of such section is amended by striking out "September 16, 1998" and inserting in lieu thereof "March 15, 1999".

SEC. 525. IMPROVED OVERSIGHT OF INNOVATIVE READINESS TRAINING.

(a) In General.—Section 2012 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(j) Oversight and Cost Accounting.—The Secretary of Defense shall establish a program to improve the oversight and cost accounting of training projects conducted in accordance with this section. The program shall include measures to accomplish the following:

"(1) Ensure that each project that is proposed to be conducted in accordance with this section (regardless of whether additional funding from the Secretary of Defense is sought) is requested in writing, reviewed for full compliance with this section, and approved in advance of initiation by the Secretary of the military department concerned and, in the case of a project that seeks additional funding from the Secretary of Defense, by the Secretary of Defense.

"(2) Ensure that each project that is conducted in accordance with this section is required to provide, within a specified period following completion of the project, an after-action report to the Secretary of Defense.

"(3) Require that each application for a project to be conducted in accordance with this section include an analysis and certification that the proposed project would not result in a significant increase in the cost of training (as determined in accordance with procedures prescribed by the Secretary of Defense).

"(4) Determine the total program cost for each project, including both those costs that are borne by the military departments from their own accounts and those costs that are borne by defense-wide accounts.

"(5) Provide for oversight of project execution to ensure that a training project under this section is carried out in accordance with the proposal for that project as approved.".

(b) Implementation.—The Secretary of Defense may not initiate any project under section 2012 of title 10, United States Code, after October 1, 1998, until the program required by subsection (i) of that section (as added by subsection (a)) has been established.

Subtitle D—Decorations, Awards, and Commendations

SEC. 531. STUDY OF NEW DECORATIONS FOR INJURY OR DEATH IN LINE OF DUTY.

(a) Study of Need and Criteria for New Decoration.—(1) The Secretary of Defense shall carry out a study of the need for, and the the appropriate criteria for, two possible new decorations.

(2) The first such decoration would, if implemented, be awarded to members of the Armed Forces who, while serving under competent authority in any capacity with the Armed Forces, are killed or injured in the line of duty as a result of noncombat circumstances occurring—

(A) as a result of an international terrorist attack against the United States or a foreign nation friendly to the United States;

(B) while engaged in, training for, or traveling to or from a peacetime or contingency operation; or

(C) while engaged in, training for, or traveling to or from service outside the territory of the United States as part of a peacekeeping force.

(3) The second such decoration would, if implemented, be awarded to civilian nationals of the United States who, while serving under competent authority in any capacity with the Armed Forces, are killed or injured in the line of duty under circumstances which, if they were members of the Armed Forces, would qualify them for award of the Purple Heart or the medal described in paragraph (2).

(b) Recommendation to Congress.—Not later than July 31, 1999, the Secretary shall submit to Congress a report setting forth the Secretary's recommendation concerning the need for, and propriety of, each of the possible new decorations referred to in subsection (a).

(c) Coordination.—The Secretary shall carry out this section in coordination with the Secretaries of the military departments and the Secretary of Transportation with regard to the Coast Guard.

SEC. 532. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) Waiver.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary of the military department concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) Distinguished-Service Cross.—Subsection (a) applies to the award of the Distinguished-Service Cross of the Army as follows:

(1) To Isaac Camacho of El Paso, Texas, for extraordinary heroism in actions at Camp Hiep Hoa in Vietnam on November 24, 1963, while serving as a member of the Army.

(2) To Bruce P. Crandall of Mesa, Arizona, for extraordinary heroism in actions at Landing Zone X-Ray in Vietnam on November 14, 1965, while serving as a member of the Army.

(3) To Leland B. Fair of Jessieville, Arkansas, for extraordinary heroism in actions in the Philippine Islands on July 4, 1945, while serving as a member of the Army.

(c) Distinguished-Service Medal.—Subsection (a) applies to the award of the Distinguished-Service Medal of the Army to Richard P. Sakakida of Fremont, California, for exceptionally meritorious service while a prisoner of war in the Philippine Islands from May 7, 1942, to September 14, 1945, while serving as a member of the Army.

(d) Navy Cross.—Subsection (a) applies to the posthumous award of the Navy Cross to Joseph F. Keenan for extraordinary heroism in actions on March 26–27, 1953, while serving as a member of the Navy.

(e) Silver Star Medal.—Subsection (a) applies to the award of the Silver Star Medal of the Navy to Andrew A. Bernard of Methuen, Massachusetts, for gallantry in action on November 24, 1943, while serving as a member of the Navy.

(f) Distinguished Flying Cross.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual (not covered by section 573(d) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1757)) concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate, before the date

of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 533. COMMENDATION AND COMMEMORATION OF THE NAVY AND MARINE CORPS PERSONNEL WHO SERVED IN THE UNITED STATES NAVY ASIATIC FLEET FROM 1910–1942.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States established the Asiatic Fleet of the Navy in 1910 to protect United States nationals, policies, and possessions in the Far East.

(2) The sailors and Marines of the Asiatic Fleet ensured the safety of United States and foreign nationals and provided humanitarian assistance in that region during the Chinese civil war, the Yangtze Flood of 1931, and the outbreak of Sino-Japanese hostilities.

(3) In 1940, due to deteriorating political relations and increasing tensions between the United States and Japan, a reinforced Asiatic Fleet began concentrating on the defense of the Philippines and engaged in extensive training to ensure maximum operational readiness for any eventuality.

(4) Following the declaration of war against Japan in December 1941, the warships, submarines, and aircraft of the Asiatic Fleet courageously fought many battles against superior Japanese forces.

(5) The Asiatic Fleet directly suffered the loss of 22 vessels, 1,826 men killed or missing in action, and 518 men captured and imprisoned under the worst of conditions, with many of them dying while held as prisoners of war.

(b) CONGRESSIONAL COMMENDATION.—Congress—

(1) commends the Navy and Marine Corps personnel who served in the Asiatic Fleet of the United States Navy during the period from 1910 to 1942; and

(2) honors those who gave their lives in the line of duty while serving in the Asiatic Fleet.

(c) COMMEMORATION OF UNITED STATES NAVY ASIATIC FLEET.—The President is authorized and requested to issue a proclamation designating an appropriate commemoration of the United States Navy Asiatic Fleet and calling upon the people of the United States to observe such commemoration with appropriate programs, ceremonies, and activities.

SEC. 534. APPRECIATION FOR SERVICE DURING WORLD WAR I AND WORLD WAR II BY MEMBERS OF THE NAVY ASSIGNED ON BOARD MERCHANT SHIPS AS THE NAVAL ARMED GUARD SERVICE.

(a) FINDINGS.—Congress makes the following findings:

(1) The Navy established a special force during both World War I and World War II, known as the Naval Armed Guard Service, to protect merchant ships of the United States from enemy attack by stationing members of the Navy and weapons on board those ships.

(2) Members of the Naval Armed Guard Service served on 6,236 merchant ships during World War II, of which 710 were sunk by enemy action.

(3) Over 144,900 members of the Navy served in the Naval Armed Guard Service during World War II as officers, gun crewmen, signalmen, and radiomen, of whom 1,810 were killed in action.

(4) The efforts of the members of the Naval Armed Guard Service played a significant role in the safe passage of United States merchant ships to their destinations in the Soviet Union and various locations in western Europe and the Pacific Theater.

(5) The efforts of the members of the Navy who served in the Naval Armed Guard Service have been largely overlooked due to the rapid disbanding of the service after World War II and lack of adequate records.

(6) Recognition of the service of the naval personnel who served in the Naval Armed Guard Service is highly warranted and long overdue.

(b) SENSE OF THE CONGRESS.—Congress expresses its appreciation, and the appreciation of the American people, for the dedicated service performed during World War I and World War II by members of the Navy assigned as gun crews on board merchant ships as part of the Naval Armed Guard Service.

SEC. 535. SENSE OF CONGRESS REGARDING THE HEROISM, SACRIFICE, AND SERVICE OF THE MILITARY FORCES OF SOUTH VIETNAM, OTHER NATIONS, AND INDIGENOUS GROUPS IN CONNECTION WITH THE UNITED STATES ARMED FORCES DURING THE VIETNAM CONFLICT.

(a) FINDINGS.—Congress finds the following:

(1) South Vietnam, Australia, South Korea, Thailand, New Zealand, and the Philippines contributed military forces, together with the United States, during military operations conducted in Southeast Asia during the Vietnam conflict.

(2) Indigenous groups, such as the Hmong, Nung, Montagnard, Kahmer, Hoa Hao, and Cao Dai contributed military forces, together with the United States, during military operations conducted in Southeast Asia during the Vietnam conflict.

(3) The contributions of these combat forces continued through long years of armed conflict.

(4) As a result, in addition to the United States casualties exceeding 210,000, this willingness to participate in the Vietnam conflict resulted in the death and wounding of more than 1,000,000 military personnel from South Vietnam and 16,000 from other allied nations.

(5) The service of the Vietnamese, indigenous groups, and other allied nations was repeatedly marked by exceptional heroism and sacrifice, with particularly noteworthy contributions being made by the Vietnamese airborne, commando, infantry and ranger units, the Republic of Korea marines, the Capital and White Horse divisions, the Royal Thai Army Black Panther Division, the Royal Australian Regiment, the New Zealand "V" force, and the 1st Philippine Civic Action Group.

(b) SENSE OF CONGRESS.—Congress recognizes and honors the members and former members of the military forces of South Vietnam, the Republic of Korea, Thailand, Australia, New Zealand, and the Philippines, as well as members of the Hmong, Nung, Montagnard, Kahmer, Hoa Hao, and Cao Dai, for their heroism, sacrifice, and service in connection with United States Armed Forces during the Vietnam conflict.

SEC. 536. SENSE OF CONGRESS REGARDING THE HEROISM, SACRIFICE, AND SERVICE OF FORMER SOUTH VIETNAMESE COMMANDOS IN CONNECTION WITH UNITED STATES ARMED FORCES DURING THE VIETNAM CONFLICT.

(a) FINDINGS.—Congress finds the following:

(1) South Vietnamese commandos were recruited by the United States as part of OPLAN 34A or its predecessor or OPLAN 35 from 1961 to 1970.

(2) The commandos conducted covert operations in North Vietnam during the Vietnam conflict.

(3) Many of the commandos were captured and imprisoned by North Vietnamese forces, some for as long as 20 years.

(4) The commandos served and fought proudly during the Vietnam conflict.

(5) Many of the commandos lost their lives serving in operations conducted by the United States during the Vietnam conflict.

(6) Many of the Vietnamese commandos now reside in the United States.

(b) SENSE OF CONGRESS—Congress recognizes and honors the former South Vietnamese commandos for their heroism, sacrifice, and service in connection with United States Armed Forces during the Vietnam conflict.

SEC. 537. PROHIBITION ON MEMBERS OF ARMED FORCES ENTERING CORRECTIONAL FACILITIES TO PRESENT DECORATIONS TO PERSONS WHO HAVE COMMITTED SERIOUS VIOLENT FELONIES.

(a) PROHIBITION.—Chapter 57 of title 10, United States Code, is amended by adding at the end the following new section:

"§1132. Presentation of decorations: prohibition on entering correctional facilities for presentation to prisoners convicted of serious violent felonies

"(a) PROHIBITION.—A member of the armed forces may not enter a Federal, State, local, or foreign correctional facility to present a decoration to a person who is incarcerated due to conviction of a serious violent felony.

"(b) DEFINITIONS.—In this section:

"(1) The term 'decoration' means any decoration or award that may be presented or awarded to a member of the armed forces.

"(2) The term 'serious violent felony' has the meaning given that term in section 3559(c)(2)(F) of title 18.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by adding at the end the following new item:

"1132. Presentation of decorations: prohibition on entering correctional facilities for presentation to prisoners convicted of serious violent felonies.".

Subtitle E—Administration of Agencies Responsible for Review and Correction of Military Records

SEC. 541. PERSONNEL FREEZE.

(a) LIMITATION.—During fiscal years 1999, 2000, and 2001, the Secretary of a military department may not carry out any reduction in the number of military and civilian personnel assigned to duty with the service review agency for that military department below the baseline number for that agency until—

(1) the Secretary submits to Congress a report that describes the reduction proposed to be made, provides the Secretary's rationale for that reduction, and specifies the number of such personnel that would be assigned to duty with that agency after the reduction; and

(2) a period of 90 days has elapsed after the date on which such report is submitted.

(b) BASELINE NUMBER.—The baseline number for a service review agency under this section is—

(1) for purposes of the first report with respect to a service review agency under this section, the number of military and civilian personnel assigned to duty with that agency as of October 1, 1997; and

(2) for purposes of any subsequent report with respect to a service review agency under this section, the number of such personnel specified in the most recent report with respect to that agency under this section.

(c) SERVICE REVIEW AGENCY DEFINED.—In this section, the term "service review agency" means—

(1) with respect to the Department of the Army, the Army Review Boards Agency;

(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.

SEC. 542. PROFESSIONAL STAFF.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1555. Professional staff

"(a) The Secretary of each military department shall assign to the staff of the service review agency of that military department at least one attorney and at least one physician. Such assignments shall be made on a permanent, full-time basis and may be made from members of the armed forces or civilian employees.

"(b) Personnel assigned pursuant to subsection (a)—

"(1) shall work under the supervision of the director or executive director (as the case may be) of the service review agency; and

"(2) shall be assigned duties as advisers to the director or executive director or other staff members on legal and medical matters, respectively, that are being considered by the agency.

"(c) In this section, the term 'service review agency' means—

"(1) with respect to the Department of the Army, the Army Review Boards Agency;

"(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

"(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1555. Professional staff.".

(b) Effective Date.—Section 1555 of title 10, United States Code, as added by subsection (a), shall take effect 180 days after the date of the enactment of this Act.

SEC. 543. EX PARTE COMMUNICATIONS.

(a) In General.—(1) Chapter 79 of title 10, United States Code, is amended by adding after section 1555, as added by section 542(a)(1), the following new section:

"§ 1556. Ex parte communications prohibited

"(a) In General.—The Secretary of each military department shall ensure that an applicant seeking corrective action by the Army Review Boards Agency, the Air Force Review Boards Agency, or the Board for Correction of Naval Records, as the case may be, is provided a copy of all correspondence and communications (including summaries of verbal communications) to or from the agency or board, or a member of the staff of the agency or board, with an entity or person outside the agency or board that pertain directly to the applicant's case or have a material effect on the applicant's case.

"(b) Exceptions.—Subsection (a) does not apply to the following:

"(1) Classified information.

"(2) Information the release of which is otherwise prohibited by law or regulation.

"(3) Any record previously provided to the applicant or known to be possessed by the applicant.

"(4) Any correspondence that is purely administrative in nature.

"(5) Any military record that is (or may be) provided to the applicant by the Secretary of the military department or other source.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to 1555, as added by section 542(a)(2), the following new item:

"1556. Ex parte communications prohibited.".

(b) Effective Date.—Section 1556 of title 10, United States Code, as added by subsection (a), shall apply with respect to correspondence and communications made 60 days or more after the date of the enactment of this Act.

SEC. 544. TIMELINESS STANDARDS.

(a) In General.—Chapter 79 of title 10, United States Code, is amended by adding after section 1556, as added by section 543(a)(1), the following new section:

"§ 1557. Timeliness standards for disposition of applications before Corrections Boards

"(a) Ten-Month Clearance Percentage.—Of the applications received by a Corrections Board during a period specified in the following table, the percentage on which final action by the Corrections Board must be completed within 10 months of receipt (other than for those applications considered suitable for administrative correction) is as follows:

"For applications received during—	The percentage on which final Correction Board action must be completed within 10 months of receipt is—
the period of fiscal years 2001 and 2002.	50
the period of fiscal years 2003 and 2004.	60
the period of fiscal years 2005, 2006, and 2007.	70
the period of fiscal years 2008, 2009, and 2010.	80
the period of any fiscal year after fiscal year 2010.	90.

"(b) Clearance Deadline for All Applications.—Effective October 1, 2002, final action by a Corrections Board on all applications received by the Corrections Board (other than those applications considered suitable for administrative correction) shall be completed within 18 months of receipt.

"(c) Waiver Authority.—The Secretary of the military department concerned may exclude an individual application from the timeliness standards prescribed in subsections (a) and (b) if the Secretary determines that the application warrants a longer period of consideration. The authority of the Secretary of a military department under this subsection may not be delegated.

"(d) Failure To Meet Timeliness Standards Not To Affect Any Individual Application.—Failure of a Corrections Board to meet the applicable timeliness standard for any period of time under subsection (a) or (b) does not confer any presumption or advantage with respect to consideration by the board of any application.

"(e) Reports on Failure To Meet Timeliness Standards.—The Secretary of the military department concerned shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report not later than June 1 following any fiscal year during which the Corrections Board of that Secretary's military department was unable to meet the applicable timeliness standard for that fiscal year under subsections (a) and (b). The report shall specify the reasons why the standard could not be met and the corrective actions initiated to ensure compliance in the future. The report shall also specify the number of waivers granted under subsection (c) during that fiscal year.

"(f) Corrections Board Defined.—In this section, the term 'Corrections Board' means—

"(1) with respect to the Department of the Army, the Army Board for Correction of Military Records;

"(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

"(3) with respect to the Department of the Air Force, the Air Force Board for Correction of Military Records.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1556, as added by section 543(a)(2), the following new item:

"1557. Timeliness standards for disposition of applications before Corrections Boards.".

SEC. 545. SCOPE OF CORRECTION OF MILITARY RECORDS.

(a) Payment of Claims Arising From Correction.—Subsection (c) of section 1552 of title 10, United States Code, is amended in the first sentence by inserting before the period the following: ", or on account of his or another's service as a civilian employee".

(b) Definition of Military Record.—Such section is further amended by adding at the end the following new subsection:

"(g) In this section, the term 'military record' means a document or other record that pertains to (1) an individual member or former member of the armed forces, or (2) at the discretion of the Secretary of the military department concerned, any other military matter affecting a member or former member of the armed forces, an employee or former employee of that military department, or a dependent or current or former spouse of any such person. Such term does not include records pertaining to civilian employment matters (such as matters covered by title 5 and chapters 81, 83, 87, 108, 373, 605, 607, 643, and 873 of this title).".

(c) Report.—The Secretary of Defense shall submit to Congress, not later than March 31, 1999, a report on the effect of the six-year bar to retroactive benefits contained in section 3702 of title 31, United States Code, and the Secretary's recommendation as to whether it is appropriate for the Secretaries of the military departments to have authority to waive that limitation in selected cases involving implementation of decisions of the Secretary of a military department under chapter 79 of title 10, United States Code. The report shall be prepared in consultation with the Secretaries of the military departments.

Subtitle F—Reports

SEC. 551. REPORT ON PERSONNEL RETENTION.

(a) Report Required.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report containing information on the retention of members of the Armed Forces on active duty in the combat, combat support, and combat service support forces of the Army, Navy, Air Force, and Marine Corps.

(b) Required Information.—The Secretary shall include in the report information on retention of members with military occupational specialties (or the equivalent) in combat, combat support, or combat service support positions in each of the Army, Navy, Air Force, and Marine Corps. Such information shall be shown by pay grade and shall be aggregated by enlisted grades and officers grades and shall be shown by military occupational specialty (or the equivalent). The report shall set forth separately (in numbers and as a percentage) the number of members separated during each such fiscal year who terminate service in the Armed Forces completely and the number who separate from active duty by transferring into a reserve component.

(c) Years Covered by Report.—The report shall provide the information required in the report, shown on a fiscal year basis, for each of fiscal years 1989 through 1998.

SEC. 552. REPORT ON PROCESS FOR SELECTION OF MEMBERS FOR SERVICE ON COURTS-MARTIAL.

(a) Report Required.—Not later than April 15, 1999, the Secretary of Defense shall submit to Congress a report on the method of selection of members of the Armed Forces to serve on courts-martial.

(b) Consideration of Alternatives.—In preparing the report, the Secretary shall examine alternatives, including random selection, to the current system of selection of members of courts-martial by the convening authority. Any alternative examined by the Secretary shall be consistent with the provisions relating to service on courts-martial specified in section 825(d) of title

10, United States Code (article 25(d) of the Uniform Code of Military Justice). The Secretary shall include in the report the Secretary's evaluation of each alternative examined.

(c) VIEWS OF CODE COMMITTEE.—In preparing the report under subsection (a), the Secretary shall obtain the views of the members of the committee referred to in section 946 of such title (known as the "Code Committee").

SEC. 553. REPORT ON PRISONERS TRANSFERRED FROM UNITED STATES DISCIPLINARY BARRACKS, FORT LEAVENWORTH, KANSAS, TO FEDERAL BUREAU OF PRISONS.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report, to be prepared by the General Counsel of the Department of Defense, concerning the decision of the Secretary of the Army in 1994 to transfer approximately 500 prisoners from the United States Disciplinary Barracks, Fort Leavenworth, Kansas, to the Federal Bureau of Prisons.

(b) MATTERS TO BE INCLUDED.—The Secretary shall include in the report the following:

(1) A description of the basis for the selection of prisoners to be transferred, particularly in light of the fact that many of the prisoners transferred are minimum or medium security prisoners, who are considered to have the best chance for rehabilitation, and whether the transfer of those prisoners indicates a change in Department of Defense policy regarding the rehabilitation of military prisoners.

(2) A comparison of the historical recidivism rates of prisoners released from the United States Disciplinary Barracks and the Federal Bureau of Prisons, together with a description of any plans of the Army to track the parole and recidivism rates of prisoners transferred to the Federal Bureau of Prisons and whether it has tracked those factors for previous transferees.

(3) A description of the projected future flow of prisoners into the new United States Disciplinary Barracks being constructed at Fort Leavenworth, Kansas, and whether the Secretary of the Army plans to automatically send new prisoners to the Federal Bureau of Prisons without serving at the United States Disciplinary Barracks if that Barracks is at capacity and whether the Memorandum of Understanding between the Federal Bureau of Prisons and the Army covers that possibility.

(4) A description of the cost of incarcerating a prisoner in the Federal Bureau of Prisons compared to the United States Disciplinary Barracks and the assessment of the Secretary as to the extent to which the transfer of prisoners to the Federal Bureau of Prisons by the Secretary of the Army is made in order to shift a budgetary burden.

(c) MONITORING.—During fiscal years 1999 through 2003, the Secretary of the Army shall track the parole and recidivism rates of prisoners transferred from the United States Disciplinary Barracks, Fort Leavenworth, Kansas, to the Federal Bureau of Prisons.

SEC. 554. REVIEW AND REPORT REGARDING THE DISTRIBUTION OF NATIONAL GUARD FULL-TIME SUPPORT AMONG THE STATES.

(a) REQUIREMENT FOR REVIEW.—The Chief of the National Guard Bureau shall review the process used for allocating and distributing all categories of full-time support personnel among the States for the National Guard of the States.

(b) PURPOSE OF REVIEW.—The purpose of the review is to determine whether that allocation and distribution process provides for adequately meeting the full-time support personnel requirements of the National Guard in the case of those States that have fewer than 16 National Guard units categorized in readiness tiers I, II, and III.

(c) MATTERS TO BE REVIEWED.—The matters reviewed shall include the following:

(1) The factors considered for the process of determining the distribution among the States of full-time support personnel, including the weights assigned to those factors.

(2) The extent to which that process results in full-time support personnel levels for the units of the States described in subsection (b) that are at the levels necessary to optimize the preparedness of those units to meet the mission requirements applicable to those units.

(3) The effects that full-time support personnel at levels determined under that process will have on the National Guard of those States in the future, including the effects on all categories of full-time support personnel, and unit readiness, recruitment, and continued use of existing National Guard armories and other facilities.

(d) REPORT.—Not later than March 15, 1999, the Chief of the National Guard Bureau shall submit to the Secretary of Defense a report on the results of the review. Not later than April 30, 1999, the Secretary shall transmit the report, and the Secretary's evaluation of and comments on the report, to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

Subtitle G—Other Matters

SEC. 561. TWO-YEAR EXTENSION OF CERTAIN FORCE DRAWDOWN TRANSITION AUTHORITIES RELATING TO PERSONNEL MANAGEMENT AND BENEFITS.

(a) EARLY RETIREMENT AUTHORITY FOR ACTIVE FORCE MEMBERS.—Section 4403(i) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1293 note) is amended by striking out "October 1, 1999" and inserting in lieu thereof "October 1, 2001".

(b) SSB AND VSI.—Sections 1174a(h) and 1175(d)(3) of title 10, United States Code, are amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(c) SELECTIVE EARLY RETIREMENT BOARDS.—Section 638a(a) of such title is amended by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001".

(d) TIME-IN-GRADE REQUIREMENT FOR RETENTION OF GRADE UPON VOLUNTARY RETIREMENT.—Section 1370(a)(2)(A) of such title is amended by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001".

(e) MINIMUM COMMISSIONED SERVICE FOR VOLUNTARY RETIREMENT AS AN OFFICER.—Sections 3911(b), 6323(a)(2), and 8911(b) of such title are amended by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001".

(f) TRAVEL, TRANSPORTATION, AND STORAGE BENEFITS.—Sections 404(c)(1)(C), 404(f)(2)(B)(v), 406(a)(2)(B)(v), and 406(g)(1)(C) of title 37, United States Code, and section 503(c) of the National Defense Authorization Act for Fiscal Year 1991 (37 U.S.C. 406 note) are amended by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001".

(g) EDUCATIONAL LEAVE FOR PUBLIC AND COMMUNITY SERVICE.—Section 4463(f) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143a note) is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(h) TRANSITIONAL HEALTH BENEFITS.—Section 1145 of title 10, United States Code, is amended—

(1) in subsections (a)(1) and (c)(1), by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001"; and

(2) in subsection (e), by striking out "during the five-year period beginning on October 1, 1994" and inserting in lieu thereof "during the period beginning on October 1, 1994, and ending on September 30, 2001".

(i) TRANSITIONAL COMMISSARY AND EXCHANGE BENEFITS.—Section 1146 of such title is amended—

(1) by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001"; and

(2) by striking out "during the five-year period beginning on October 1, 1994" and inserting in lieu thereof "during the period beginning on October 1, 1994, and ending on September 30, 2001".

(j) TRANSITIONAL USE OF MILITARY HOUSING.—Section 1147(a) of such title is amended—

(1) in paragraph (1), by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001"; and

(2) in paragraph (2), by striking out "during the five-year period beginning on October 1, 1994" and inserting in lieu thereof "during the period beginning on October 1, 1994, and ending on September 30, 2001".

(k) CONTINUED ENROLLMENT OF DEPENDENTS IN DEFENSE DEPENDENTS' EDUCATION SYSTEM.—Section 1407(c)(1) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 926(c)(1)) is amended by striking out "during the nine-year period beginning on October 1, 1990" and inserting in lieu thereof "during the period beginning on October 1, 1990, and ending on September 30, 2001".

(l) FORCE REDUCTION TRANSITION PERIOD DEFINITION.—Section 4411 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(m) TEMPORARY SPECIAL AUTHORITY FOR FORCE REDUCTION PERIOD RETIREMENTS.—Section 4416(b)(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 12681 note) is amended by striking out "October 1, 1999" and inserting in lieu thereof "October 1, 2001".

(n) RETIRED PAY FOR NON-REGULAR SERVICE.—(1) Section 12731(f) of title 10, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2001".

(2) Section 12731a of such title is amended in subsections (a)(1)(B) and (b) by striking out "October 1, 1999" and inserting in lieu thereof "October 1, 2001".

(o) REDUCTION OF TIME-IN-GRADE REQUIREMENT FOR RETENTION OF GRADE UPON VOLUNTARY RETIREMENT.—Section 1370(d) of such title is amended by adding at the end the following new paragraph:

"(5) The Secretary of Defense may authorize the Secretary of a military department to reduce the three-year period required by paragraph (3)(A) to a period not less than two years in the case of retirements effective during the period beginning on the date of the enactment of this paragraph and ending on September 30, 2001. The number of reserve commissioned officers of an armed force in the same grade for whom a reduction is made during any fiscal year in the period of service-in-grade otherwise required under this paragraph may not exceed the number equal to two percent of the strength authorized for that fiscal year for reserve commissioned

officers of that armed force in an active status in that grade.''.

(p) AFFILIATION WITH GUARD AND RESERVE UNITS; WAIVER OF CERTAIN LIMITATIONS.—Section 1150(a) of such title is amended by striking out ''during the nine-year period beginning on October 1, 1990'' and inserting in lieu thereof ''during the period beginning on October 1, 1990, and ending on September 30, 2001''.

(q) RESERVE MONTGOMERY GI BILL.—Section 16133(b)(1)(B) of such title is amended by striking out ''September 30, 1999'' and inserting in lieu thereof ''September 30, 2001''.

SEC. 562. LEAVE WITHOUT PAY FOR SUSPENDED ACADEMY CADETS AND MIDSHIPMEN.

(a) AUTHORITY.—Section 702 of title 10, United States Code, is amended—

(1) by designating the second sentence of subsection (b) as subsection (d);

(2) by redesignating subsection (b) as subsection (c); and

(3) by inserting after subsection (a) the following new subsection (b):

''(b) INVOLUNTARY LEAVE WITHOUT PAY FOR SUSPENDED ACADEMY CADETS AND MIDSHIPMEN.—(1) Under regulations prescribed under subsection (d), the Secretary concerned may place an academy cadet or midshipman on involuntary leave for any period during which the Superintendent of the Academy at which the cadet or midshipman is admitted has suspended the cadet or midshipman from duty at the Academy—

''(A) pending separation from the Academy;

''(B) pending return to the Academy to repeat an academic semester or year; or

''(C) for other good cause.

''(2) A cadet or midshipman placed on involuntary leave under paragraph (1) is not entitled to any pay under section 230(c) of title 37 for the period of the leave.

''(3) Return of an academy cadet or midshipman to a pay status at the Academy concerned from involuntary leave status under paragraph (1) does not restore any entitlement of the cadet or midshipman to pay for the period of the involuntary leave.''.

(b) DEFINITION.—Such section is further amended—

(1) in subsection (c) (as redesignated by subsection (a)(2)), by striking out ''cadets at'' and all that follows through ''Naval Academy,'' and inserting in lieu thereof ''academy cadets or midshipmen''; and

(2) by adding at the end the following new subsection:

''(e) DEFINITION.—In this section, the term 'academy cadet or midshipman' means—

''(1) a cadet of the United States Military Academy;

''(2) a midshipman of the United States Naval Academy;

''(3) a cadet of the United States Air Force Academy; or

''(4) a cadet of the United States Coast Guard Academy.''.

(c) SUBSECTION HEADINGS.—Such section is further amended—

(1) in subsection (a), by inserting ''GRADUATION LEAVE.—'' after ''(a)'';

(2) in subsection (c) (as redesignated by subsection (a)(2)), by inserting ''INAPPLICABLE LEAVE PROVISIONS.—'' after ''(c)''; and

(3) in subsection (d) (as designated by subsection (a)(1)), by inserting ''REGULATIONS.—'' after ''(d)''.

SEC. 563. CONTINUED ELIGIBILITY UNDER VOLUNTARY SEPARATION INCENTIVE PROGRAM FOR MEMBERS WHO INVOLUNTARILY LOSE MEMBERSHIP IN A RESERVE COMPONENT.

(a) PERIOD OF ELIGIBILITY.—Subsection (a) of section 1175 of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(a)'';

(2) by striking out '', for the period of time the member serves in a reserve component''; and

(3) by adding at the end the following:

''(2)(A) Except as provided in subparagraph (B), a financial incentive provided a member under this section shall be paid for the period equal to twice the number of years of service of the member, computed as provided in subsection (e)(5).

''(B) If, before the expiration of the period otherwise applicable under subparagraph (A) to a member receiving a financial incentive under this section, the member is separated from a reserve component or is transferred to the Retired Reserve, the period for payment of a financial incentive to the member under this section shall terminate on the date of the separation or transfer unless—

''(i) the separation or transfer is required by reason of the age or number of years of service of the member;

''(ii) the separation or transfer is required by reason of the failure of selection for promotion or the medical disqualification of the member, except in a case in which the Secretary of Defense or the Secretary of Transportation determines that the basis for the separation or transfer is a result of a deliberate action taken by the member with the intent to avoid retention in the Ready Reserve or Standby Reserve; or

''(iii) in the case of a separation, the member is separated from the reserve component for appointment or enlistment in or transfer to another reserve component of an armed force for service in the Ready Reserve or Standby Reserve of that armed force.''.

(b) REPEAL OF SUPERSEDED PROVISION.—Subsection (e)(1) of such section is amended by striking out the second sentence.

(c) EFFECTIVE DATE.—The amendments made by this section apply with respect to any person provided a voluntary separation incentive under section 1175 of title 10, United States Code (whether before, on, or after the date of the enactment of this Act).

SEC. 564. REINSTATEMENT OF DEFINITION OF FINANCIAL INSTITUTION IN AUTHORITIES FOR REIMBURSEMENT OF DEFENSE PERSONNEL FOR GOVERNMENT ERRORS IN DIRECT DEPOSIT OF PAY.

(a) MEMBERS OF THE ARMED FORCES.—Paragraph (1) of section 1053(d) of title 10, United States Code, is amended to read as follows:

''(1) The term 'financial institution' means a bank, savings and loan association, or similar institution or a credit union chartered by the United States or a State.''.

(b) CIVILIAN PERSONNEL.—Paragraph (1) of section 1594(d) of such title is amended to read as follows:

''(1) The term 'financial institution' means a bank, savings and loan association, or similar institution or a credit union chartered by the United States or a State.''.

SEC. 565. INCREASE IN MAXIMUM AMOUNT FOR COLLEGE FUND PROGRAM.

(a) INCREASE IN MAXIMUM RATE FOR ACTIVE COMPONENT MONTGOMERY GI BILL SUPPLEMENT.—Section 3015(d) of title 38, United States Code, is amended—

(1) by inserting '', at the time the individual first becomes a member of the Armed Forces,'' after ''Secretary of Defense, may''; and

(2) by striking out ''$400'' and all that follows through ''that date'' and inserting in lieu thereof ''$950 per month''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1998, and shall apply with respect to individuals who first become members of the Armed Forces on or after that date.

SEC. 566. CENTRAL IDENTIFICATION LABORATORY, HAWAII.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Central Identification Laboratory, Hawaii, of the Department of the Army is an important element of the Department of Defense and is critical to the full accounting of members of the Armed Forces who have been classified as POW/MIAs or are otherwise unaccounted for.

(b) REQUIRED STAFFING LEVEL.—The Secretary of Defense shall provide sufficient personnel to fill all authorized personnel positions of the Central Identification Laboratory, Hawaii, Department of the Army. Those personnel shall be drawn from members of the Army, Navy, Air Force, and Marine Corps and from civilian personnel, as appropriate, considering the proportion of POW/MIAs from each service.

(c) JOINT MANNING PLAN.—The Secretary of Defense shall develop and implement, not later than March 31, 2000, a joint manning plan to ensure the appropriate participation of the four services in the staffing of the Central Identification Laboratory, Hawaii, as required by subsection (b).

(d) LIMITATION ON REDUCTIONS.—The Secretary of the Army may not carry out any personnel reductions (in authorized or assigned personnel) at the Central Identification Laboratory, Hawaii, until the joint manning plan required by subsection (c) is implemented.

SEC. 567. MILITARY FUNERAL HONORS FOR VETERANS.

(a) CONFERENCE ON PRACTICES CONCERNING MILITARY HONORS AT FUNERALS FOR VETERANS.—(1) The Secretary of Defense, in consultation with the Secretary of Veterans Affairs, shall convene and preside over a conference, to be completed not later than December 31, 1998, for the purpose of determining means of improving and increasing the availability of military funeral honors for veterans. The Secretary of Veterans Affairs shall also participate in the conference.

(2) The Secretaries shall invite and encourage the participation at the conference of appropriate representatives of veterans service organizations.

(3) The conference shall perform the following:

(A) Review current policies and practices of the military departments and the Department of Veterans Affairs relating to the provision of military funeral honors for veterans.

(B) Consider alternative methods for providing military funeral honors for veterans and develop new strategies for providing those honors.

(C) Determine what resources may be available outside the Department of Defense that could be used to provide military funeral honors for veterans.

(D) Analyze the costs associated with providing military funeral honors for veterans, including the costs associated with using personnel and other resources for that purpose.

(E) Assess trends in the rate of death of veterans.

(F) Propose, consider, and determine means of improving and increasing the availability of military funeral honors for veterans.

(4) Not later than March 31, 1999, the Secretary of Defense shall submit to Congress a report on the conference. The report shall set forth any modifications to Department of Defense directives on military funeral honors adopted as a result of the conference and include any recommendations for legislation that the Secretary considers appropriate as a result of the conference.

(b) HONOR GUARD DETAILS AT FUNERALS OF VETERANS.—(1) Chapter 75 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1491. Honor guard details at funerals of veterans

''(a) AVAILABILITY.—The Secretary of a military department shall, upon request, provide an *honor guard detail (or ensure that an honor guard detail is provided) for the funeral of any veteran that occurs after December 31, 1999.*

"(b) COMPOSITION OF HONOR GUARD DETAILS.—The Secretary of each military department shall ensure that an honor guard detail for the funeral of a veteran consists of not less than three persons and (unless a bugler is part of the detail) has the capability to play a recorded version of Taps.

"(c) PERSONS FORMING HONOR GUARDS.—An honor guard detail may consist of members of the armed forces or members of veterans organizations or other organizations approved for purposes of this section under regulations prescribed by the Secretary of Defense. The Secretary of a military department may provide transportation, or reimbursement for transportation, and expenses for a person who participates in an honor guard detail under this section and is not a member of the armed forces or an employee of the United States.

"(d) REGULATIONS.—The Secretary of Defense shall by regulation establish a system for selection of units of the armed forces and other organizations to provide honor guard details. The system shall place an emphasis on balancing the funeral detail workload among the units and organizations providing honor guard details in an equitable manner as they are able to respond to requests for such details in terms of geographic proximity and available resources. The Secretary shall provide in such regulations that the armed force in which a veteran served shall not be considered to be a factor when selecting the military unit or other organization to provide an honor guard detail for the funeral of the veteran.

"(e) ANNUAL REPORT.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report not later than January 31 of each year beginning with 2001 and ending with 2005 on the experience of the Department of Defense under this section. Each such report shall provide data on the number of funerals supported under this section, the cost for that support, shown by manpower and other cost factors, and the number and costs of funerals supported by each participating organization. The data in the report shall be presented in a standard format, regardless of military department or other organization.

"(f) VETERAN DEFINED.—In this section, the term 'veteran' has the meaning given that term in section 101(2) of title 38.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1491. Honor guard details at funerals of veterans.".

(c) TREATMENT OF PERFORMANCE OF HONOR GUARD FUNCTIONS BY RESERVES.—(1) Chapter 1215 of title 10, United States Code, is amended by adding at the end the following new section:

"§12552. Funeral honor guard functions: prohibition of treatment as drill or training

"Performance by a Reserve of honor guard functions at the funeral of a veteran may not be considered to be a period of drill or training otherwise required.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"12552. Funeral honor guard functions: prohibition of treatment as drill or training.".

(d) REPEAL OF LIMITATION ON AVAILABILITY OF FUNDS FOR HONOR GUARD FUNCTIONS BY NATIONAL GUARD.—Section 114 of title 32, United States Code, is amended—

(1) by striking out "(a)"; and

(2) by striking out subsection (b).

(e) VETERANS SERVICE ORGANIZATION DEFINED.—In this section, the term "veterans service organization" means any organization recognized by the Secretary of Veterans Affairs under section 5902 of title 38, United States Code.

SEC. 568. STATUS IN THE NAVAL RESERVE OF CADETS AT THE MERCHANT MARINE ACADEMY.

Section 1303(c) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1295(c)), is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "may" and inserting in lieu thereof "shall"; and

(3) by adding at the end the following:

"(2) The Secretary of the Navy shall provide for cadets of the Academy who are midshipmen in the United States Naval Reserve to be issued an identification card (referred to as a "military ID card") and to be entitled to all rights and privileges in accordance with the same eligibility criteria as apply to other members of the Ready Reserve of the reserve components of the Armed Forces.

"(3) The Secretary of the Navy shall carry out paragraphs (1) and (2) in coordination with the Secretary.".

SEC. 569. REPEAL OF RESTRICTION ON CIVILIAN EMPLOYMENT OF ENLISTED MEMBERS.

(a) REPEAL.—Section 974 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 49 of such title is amended by striking out the item relating to section 974.

SEC. 570. TRANSITIONAL COMPENSATION FOR ABUSED DEPENDENT CHILDREN NOT RESIDING WITH THE SPOUSE OR FORMER SPOUSE OF A MEMBER CONVICTED OF DEPENDENT ABUSE.

(a) ENTITLEMENT NOT CONDITIONED ON FORFEITURE OF SPOUSAL COMPENSATION.—Subsection (d) of section 1059 of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking out "(except as otherwise provided in this subsection)"; and

(B) by inserting before the period the following: ", including an amount (determined under subsection (f)(2)) for each, if any, dependent child of the individual described in subsection (b) who resides in the same household as that spouse or former spouse";

(2) in paragraph (2)—

(A) by striking out "(but for subsection (g)) would be eligible" and inserting in lieu thereof "is or, but for subsection (g), would be eligible"; and

(B) by striking out "such compensation" and inserting in lieu thereof "compensation under this section"; and

(3) in paragraph (4), by striking out "For purposes of paragraphs (2) and (3)" and inserting in lieu thereof "For purposes of this subsection".

(b) AMOUNT OF PAYMENT.—Subsection (f)(2) of such section is amended by striking out "has custody of a dependent child or children of the member" and inserting in lieu thereof "has custody of a dependent child of the member who resides in the same household as that spouse or former spouse".

(c) PROSPECTIVE APPLICABILITY.—No benefits shall accrue by reason of the amendments made by this section for any month that begins before the date of the enactment of this Act.

SEC. 571. PILOT PROGRAM FOR TREATING GED AND HOME SCHOOL DIPLOMA RECIPIENTS AS HIGH SCHOOL GRADUATES FOR DETERMINATIONS OF ELIGIBILITY FOR ENLISTMENT IN THE ARMED FORCES.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish a pilot program to assess whether the Armed Forces could better meet recruiting requirements by treating GED recipients and home school diploma recipients as having graduated from high school with a high school diploma for the purpose of determining the eligibility of those persons to enlist in the Armed Forces. The Secretary of each military department shall administer the pilot program for the armed force or armed forces under the jurisdiction of that Secretary.

(b) PERSONS ELIGIBLE UNDER THE PILOT PROGRAM AS HIGH SCHOOL GRADUATES.—Under the pilot program, a person shall be treated as having graduated from high school with a high school diploma for the purpose described in subsection (a) if—

(1) the person has completed a general education development program while participating in the National Guard Challenge Program under section 509 of title 32, United States Code, and is a GED recipient; or

(2) the person is a home school diploma recipient and provides a transcript demonstrating completion of high school to the military department involved under the pilot program.

(c) GED AND HOME SCHOOL DIPLOMA RECIPIENTS.—For the purposes of this section—

(1) a person is a GED recipient if the person, after completing a general education development program, has obtained certification of high school equivalency by meeting State requirements and passing a State approved exam that is administered for the purpose of providing an appraisal of the person's achievement or performance in the broad subject matter areas usually required for high school graduates; and

(2) a person is a home school diploma recipient if the person has received a diploma for completing a program of education through the high school level at a home school, without regard to whether the home school is treated as a private school under the law of the State in which located.

(d) ANNUAL LIMIT ON NUMBER.—Not more than 1,250 GED recipients and home school diploma recipients enlisted by an armed force during a fiscal year may be treated under the pilot program as having graduated from high school with a high school diploma.

(e) DURATION OF PILOT PROGRAM.—The pilot program shall be in effect during the period beginning on October 1, 1998, and ending on September 30, 2003.

(f) REPORT.—Not later than February 1, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the pilot program. The report shall include the following, set forth separately for GED recipients and home school diploma recipients:

(1) The assessment of the Secretary of Defense, and any assessment of any of the Secretaries of the military departments, regarding the value of, and any necessity for, authority to treat GED recipients and home school diploma recipients as having graduated from high school with a high school diploma for the purpose of determining the eligibility of those persons to enlist in the Armed Forces.

(2) A comparison (shown by armed force and by each fiscal year of the pilot program) of the performance of the persons who enlisted during the fiscal year as GED or home school diploma recipients treated under the pilot program as having graduated from high school with a high school diploma with the performance of the persons who enlisted in that armed force during the same fiscal year after having graduated from high school with a high school diploma, with respect to the following:

(A) Attrition.

(B) Discipline.

(C) Adaptability to military life.

(D) Aptitude for mastering the skills necessary for technical specialties.

(E) Reenlistment rates.

(g) STATE DEFINED.—For purposes of this section, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories of the United States.

SEC. 572. SENSE OF CONGRESS CONCERNING NEW PARENT SUPPORT PROGRAM AND MILITARY FAMILIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the New Parent Support Program that was begun as a pilot program of the Marine Corps at Camp Pendleton, California, has been an effective tool in curbing family violence within the military community;

(2) such program is a model for future New Parent Support Programs throughout the Marine Corps, Navy, Army, and Air Force; and

(3) in light of the pressures and strains placed upon military families and the benefits of the New Parent Support Program in helping "at-risk" families, the Department of Defense should seek ways to ensure that in future fiscal years funds are made available for New Parent Support Programs for the Army, Navy, Air Force, and Marine Corps in amounts sufficient to meet requirements for those programs.

(b) REPORT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the New Parent Support Program of the Department of Defense. The Secretary shall include in the report the following:

(1) A description of how the Army, Navy, Air Force, and Marine Corps are each implementing a New Parent Support Program and how each such program is organized.

(2) A description of how the implementation of programs for the Army, Navy, and Air Force compare to the fully implemented Marine Corps program.

(3) The number of installations that the four Armed Forces have each scheduled to receive support for the New Parent Support Program.

(4) The number of installations delayed in providing the program.

(5) The number of programs terminated.

(6) The number of programs with reduced support.

(7) The funding provided for those programs for each of the four Armed Forces for each of fiscal years 1994 through 1999 and the amount projected to be provided for those programs for fiscal year 2000 and, if the amount provided for any of those programs for any such year is less that the amount needed to fully fund that program for that year, an explanation of the reasons for the shortfall.

SEC. 573. ADVANCEMENT OF BENJAMIN O. DAVIS, JUNIOR, TO GRADE OF GENERAL ON THE RETIRED LIST OF THE AIR FORCE.

(a) AUTHORITY.—The President is authorized to advance Lieutenant General Benjamin O. Davis, Junior, United States Air Force, retired, to the grade of general on the retired list of the Air Force.

(b) ADDITIONAL BENEFITS NOT TO ACCRUE.—An advancement of Benjamin O. Davis, Junior, to the grade of general on the retired list of the Air Force under subsection (a) shall not increase or change the compensation or benefits from the United States to which any person is now or may in the future be entitled based upon the military service of the said Benjamin O. Davis, Junior.

SEC. 574. SENSE OF THE HOUSE OF REPRESENTATIVES CONCERNING ADHERENCE BY CIVILIANS IN MILITARY CHAIN OF COMMAND TO THE STANDARD OF EXEMPLARY CONDUCT REQUIRED OF COMMANDING OFFICERS AND OTHERS IN AUTHORITY IN THE ARMED FORCES.

It is the sense of the House of Representatives that civilians in the military chain of command (as provided in section 162(b) of title 10, United States Code) should (in the same manner as is required by law of commanding officers and others in authority in the Armed Forces)—

(1) show in themselves a good example of virtue, honor, and patriotism and subordinate themselves to those ideals;

(2) be vigilant in inspecting the conduct of all persons who are placed under their command;

(3) guard against and put an end to all dissolute and immoral practices and correct, according to the laws and regulations of the Armed Forces, all persons who are guilty of them; and

(4) take all necessary and proper measures, under the laws, regulations, and customs of the Armed Forces, to promote and safeguard the morale, the physical well-being, and the general welfare of the officers and enlisted persons under their command or charge.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 1999.
Sec. 602. Rate of pay for cadets and midshipmen at the service academies.
Sec. 603. Basic allowance for housing outside the United States.
Sec. 604. Basic allowance for subsistence for reserves.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Three-month extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. Three-month extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Three-month extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Increased hazardous duty pay for aerial flight crewmembers in certain pay grades.
Sec. 615. Aviation career incentive pay and aviation officer retention bonus.
Sec. 616. Diving duty special pay for divers having diving duty as a nonprimary duty.
Sec. 617. Hardship duty pay.
Sec. 618. Selective reenlistment bonus eligibility for Reserve members performing active Guard and Reserve duty.
Sec. 619. Repeal of ten percent limitation on certain selective reenlistment bonuses.
Sec. 620. Increase in maximum amount authorized for Army enlistment bonus.
Sec. 621. Equitable treatment of Reserves eligible for special pay for duty subject to hostile fire or imminent danger.
Sec. 622. Retention incentives initiative for critically short military occupational specialties.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Payments for movements of household goods arranged by members.
Sec. 632. Exception to maximum weight allowance for baggage and household effects.
Sec. 633. Travel and transportation allowances for travel performed by members in connection with rest and recuperative leave from overseas stations.
Sec. 634. Storage of baggage of certain dependents.
Sec. 635. Commercial travel of Reserves at Federal supply schedule rates for attendance at inactive-duty training assemblies.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Sec. 641. Paid-up coverage under Survivor Benefit Plan.
Sec. 642. Survivor Benefit Plan open enrollment period.
Sec. 643. Effective date of court-required former spouse Survivor Benefit Plan coverage effectuated through elections and deemed elections.
Sec. 644. Presentation of United States flag to members of the Armed Forces upon retirement.
Sec. 645. Recovery, care, and disposition of remains of medically retired member who dies during hospitalization that begins while on active duty.
Sec. 646. Revision to computation of retired pay for certain members.
Sec. 647. Elimination of backlog of unpaid retired pay.

Subtitle E—Other Matters

Sec. 651. Definition of possessions of the United States for pay and allowances purposes.
Sec. 652. Accounting of advance payments.
Sec. 653. Reimbursement of rental vehicle costs when motor vehicle transported at Government expense is late.
Sec. 654. Education loan repayment program for health professions officers serving in Selected Reserve.
Sec. 655. Federal employees' compensation coverage for students participating in certain officer candidate programs.
Sec. 656. Relationship of enlistment bonuses to eligibility to receive Army college fund supplement under Montgomery GI Bill Educational Assistance Program.
Sec. 657. Authority to provide financial assistance for education of certain defense dependents overseas.
Sec. 658. Clarifications concerning payments to certain persons captured or interned by North Vietnam.

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 1999.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Except as provided in subsection (b), the adjustment to become effective during fiscal year 1999 required by section 1009 of title 37, United States Code, in the rate of monthly basic pay authorized members of the uniformed services by section 203(a) of such title shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 1999, the rates of basic pay of members of the uniformed services shall be increased by the greater of—

(1) 3.6 percent; or

(2) the percentage increase determined under subsection (c) of section 1009 of title 37, United States Code, by which the monthly basic pay of members would be adjusted under subsection (a) of that section on that date in the absence of subsection (a) of this section.

SEC. 602. RATE OF PAY FOR CADETS AND MIDSHIPMEN AT THE SERVICE ACADEMIES.

(a) INCREASED RATE.—Section 203(c) of title 37, United States Code, is amended by striking out "$558.04" and inserting in lieu thereof "$600.00".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on January 1, 1999.

SEC. 603. BASIC ALLOWANCE FOR HOUSING OUTSIDE THE UNITED STATES.

(a) Payment of Certain Expenses Related to Overseas Housing.—Section 403(c) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(3)(A) In the case of a member of the uniformed services authorized to receive an allowance under paragraph (1), the Secretary concerned may make a lump-sum payment to the member for required deposits and advance rent, and for expenses relating thereto, that are—

"(i) incurred by the member in occupying private housing outside of the United States; and

"(ii) authorized or approved under regulations prescribed by the Secretary concerned.

"(B) Expenses for which a member may be reimbursed under this paragraph may include losses relating to housing that are sustained by the member as a result of fluctuations in the relative value of the currencies of the United States and the foreign country in which the housing is located.

"(C) The Secretary concerned shall recoup the full amount of any deposit or advance rent payments made by the Secretary under subparagraph (A), including any gain resulting from currency fluctuations between the time of payment and the time of recoupment.".

(b) Conforming Amendment.—Section 405 of title 37, United States Code, is amended by striking out subsection (c).

(c) Retroactive Application.—The reimbursement authority provided by section 403(c)(3)(B) of title 37, United States Code, as added by subsection (a), applies with respect to losses relating to housing that are sustained, on or after July 1, 1997, by a member of the uniformed services as a result of fluctuations in the relative value of the currencies of the United States and the foreign country in which the housing is located.

SEC. 604. BASIC ALLOWANCE FOR SUBSISTENCE FOR RESERVES.

(a) In General.—Section 402 of title 37, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection:

"(e) Special Rule for Certain Enlisted Reserve Members.—Unless entitled to basic pay under section 204 of this title, an enlisted member of a reserve component may receive, at the discretion of the Secretary concerned, rations in kind, or a part thereof, when the member's instruction or duty periods, as described in section 206(a) of this title, total at least eight hours in a calendar day. The Secretary concerned may provide an enlisted member who could be provided rations in kind under the preceding sentence with a commutation when rations in kind are not available.".

(b) Application During Transitional Period.—Section 602(d)(1) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 37 U.S.C. 402 note) is amended by adding at the end the following new subparagraph:

"(D) Special rule for certain enlisted reserve members.—Unless entitled to basic pay under section 204 of title 37, United States Code, an enlisted member of a reserve component (as defined in section 101(24) of such title) may receive, at the discretion of the Secretary concerned (as defined in section 101(5) of such title), rations in kind, or a part thereof, when the member's instruction or duty periods (as described in section 206(a) of such title) total at least eight hours in a calendar day. The Secretary concerned may provide an enlisted member who could be provided rations in kind under the preceding sentence with a commutation when rations in kind are not available.".

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. THREE-MONTH EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) Special Pay for Health Professionals in Critically Short Wartime Specialties.—Section 302g(f) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(b) Selected Reserve Reenlistment Bonus.—Section 308b(f) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(c) Selected Reserve Enlistment Bonus.—Section 308c(e) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(d) Special Pay for Enlisted Members Assigned to Certain High Priority Units.—Section 308d(c) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(e) Selected Reserve Affiliation Bonus.—Section 308e(e) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(f) Ready Reserve Enlistment and Reenlistment Bonus.—Section 308h(g) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(g) Prior Service Enlistment Bonus.—Section 308i(f) of title 37, United States Code, as redesignated by section 622, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(h) Repayment of Education Loans for Certain Health Professionals Who Serve in the Selected Reserve.—Section 16302(d) of title 10, United States Code, is amended by striking out "October 1, 1999" and inserting in lieu thereof "January 1, 2000".

SEC. 612. THREE-MONTH EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) Nurse Officer Candidate Accession Program.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(b) Accession Bonus for Registered Nurses.—Section 302d(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(c) Incentive Special Pay for Nurse Anesthetists.—Section 302e(a)(1) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

SEC. 613. THREE-MONTH EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) Aviation Officer Retention Bonus.—Section 301b(a) of title 37, United States Code, is amended by striking out "September 30, 1999," and inserting in lieu thereof "December 31, 1999,".

(b) Reenlistment Bonus for Active Members.—Section 308(g) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(c) Enlistment Bonuses for Members With Critical Skills.—Sections 308a(c) and 308f(c) of title 37, United States Code, are each amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(d) Special Pay for Nuclear-Qualified Officers Extending Period of Active Service.—Section 312(e) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(e) Nuclear Career Accession Bonus.—Section 312b(c) of title 37, United States Code, is amended by striking out "September 30, 1999" and inserting in lieu thereof "December 31, 1999".

(f) Nuclear Career Annual Incentive Bonus.—Section 312c(d) of title 37, United States Code, is amended by striking out "October 1, 1999" and inserting in lieu thereof "October 1, 1998, and the 15-month period beginning on that date and ending on December 31, 1999".

SEC. 614. INCREASED HAZARDOUS DUTY PAY FOR AERIAL FLIGHT CREWMEMBERS IN CERTAIN PAY GRADES.

(a) Rates.—The table in section 301(b) of title 37, United States Code, is amended by striking out the items relating to pay grades E–4, E–5, E–6, E–7, E–8, and E–9, and inserting in lieu thereof the following:

"E–9	240
E–8	240
E–7	240
E–6	215
E–5	190
E–4	165".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1998, and shall apply with respect to months beginning on or after that date.

SEC. 615. AVIATION CAREER INCENTIVE PAY AND AVIATION OFFICER RETENTION BONUS.

(a) Definition of Aviation Service.—(1) Section 301a(a)(6) of title 37, United States Code, is amended—

(A) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) The term 'aviation service' means service performed by an officer (except a flight surgeon or other medical officer) while holding an aeronautical rating or designation or while in training to receive an aeronautical rating or designation.".

(2) Section 301b(j) of such title is amended by striking out paragraph (1) and inserting in lieu thereof the following new paragraph:

"(1) The term 'aviation service' means service performed by an officer (except a flight surgeon or other medical officer) while holding an aeronautical rating or designation or while in training to receive an aeronautical rating or designation.".

(b) Amount of Incentive Pay.—Subsection (b) of section 301a of such title is amended to read as follows:

"(b)(1) A member who satisfies the requirements described in subsection (a) is entitled to monthly incentive pay as follows:

"Years of aviation service (including flight training) as an officer:	Monthly rate
2 or less	$125
Over 2	$156
Over 3	$188
Over 4	$206

"Years of aviation service (including flight training) as an officer:	Monthly rate
Over 6	$650
Over 14	$840
Over 22	$585
Over 23	$495
Over 24	$385
Over 25	$250

"(2) An officer in a pay grade above O–6 is entitled, until the officer completes 25 years of aviation service, to be paid at the rates set forth in the table in paragraph (1), except that—

"(A) an officer in pay grade O–7 may not be paid at a rate greater than $200 a month; and

"(B) an officer in pay grade O–8 or above may not be paid at a rate greater than $206 a month.

"(3) For a warrant officer with over 22, 23, 24, or 25 years of aviation service who is qualified under subsection (a), the rate prescribed in the table in paragraph (1) for officers with over 14 years of aviation service shall continue to apply to the warrant officer.".

(c) References to Aviation Service.—(1) Section 301a of such title is further amended—

(A) in subsection (a)(4)—

(i) by striking out "22 years of the officer's service as an officer" and inserting in lieu thereof "22 years of aviation service of the officer"; and

(ii) by striking out "25 years of service as an officer (as computed under section 205 of this title)" and inserting in lieu thereof "25 years of aviation service"; and

(B) in subsection (d), by striking out "subsection (b)(1) or (2), as the case may be, for the performance of that duty by a member of corresponding years of aviation or officer service, as appropriate," and inserting in lieu thereof "subsection (b) for the performance of that duty by a member with corresponding years of aviation service".

(2) Section 301b(b)(5) of such title is amended by striking out "active duty" and inserting in lieu thereof "aviation service".

(d) Conforming Amendment.—Section 615 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1787) is repealed.

SEC. 616. DIVING DUTY SPECIAL PAY FOR DIVERS HAVING DIVING DUTY AS A NONPRIMARY DUTY.

(a) Eligibility for Maintaining Proficiency.—Section 304(a)(3) of title 37, United States Code, is amended to read as follows:

"(3) either—

"(A) actually performs diving duty while serving in an assignment for which diving is a primary duty; or

"(B) meets the requirements to maintain proficiency as described in paragraph (2) while serving in an assignment that includes diving duty other than as a primary duty.".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on October 1, 1998, and shall apply with respect to months beginning on or after that date.

SEC. 617. HARDSHIP DUTY PAY.

(a) Duty for Which Pay Authorized.—Section 305 of title 37, United States Code, is amended—

(1) in subsection (a), by striking out "on duty at a location" and all that follows through the period at the end of the subsection and inserting in lieu thereof "performing duty in the United States or outside the United States that is designated by the Secretary of Defense as hardship duty.";

(2) by striking out subsections (b) and (c);

(3) in subsection (d), by striking out "hardship duty location pay" and inserting in lieu thereof "hardship duty pay"; and

(4) by redesignating subsection (d) as subsection (b).

(b) Conforming Amendment.—Section 907(d) of such title is amended by striking out "duty at a hardship duty location" and inserting in lieu thereof "hardship duty".

(c) Clerical Amendments.—(1) The heading for section 305 of such title is amended to read as follows:

"§305. Special pay: hardship duty pay".

(2) The item relating to such section in the table of sections at the beginning of chapter 5 of such title is amended to read as follows:

"305. Special pay: hardship duty pay.".

SEC. 618. SELECTIVE REENLISTMENT BONUS ELIGIBILITY FOR RESERVE MEMBERS PERFORMING ACTIVE GUARD AND RESERVE DUTY.

Section 308(a)(1)(D) of title 37, United States Code, is amended to read as follows:

"(D) reenlists or voluntarily extends the member's enlistment for a period of at least three years—

"(i) in a regular component of the service concerned; or

"(ii) in a reserve component of the service concerned, if the member is performing active Guard and Reserve duty (as defined in section 101(d)(6) of title 10).".

SEC. 619. REPEAL OF TEN PERCENT LIMITATION ON CERTAIN SELECTIVE REENLISTMENT BONUSES.

Section 308(b) of title 37, United States Code, is amended—

(1) by striking out paragraph (2); and

(2) by striking out "(1)" after "(b)".

SEC. 620. INCREASE IN MAXIMUM AMOUNT AUTHORIZED FOR ARMY ENLISTMENT BONUS.

Section 308f(a) of title 37, United States Code, is amended by striking out "$4,000" and inserting in lieu thereof "$6,000".

SEC. 621. EQUITABLE TREATMENT OF RESERVES ELIGIBLE FOR SPECIAL PAY FOR DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER.

Section 310(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following new paragraph:

"(2) A member of a reserve component who is eligible for special pay under this section for a month shall receive the full amount authorized in subsection (a) for that month regardless of the number of days during that month on which the member satisfies the eligibility criteria specified in such subsection.".

SEC. 622. RETENTION INCENTIVES INITIATIVE FOR CRITICALLY SHORT MILITARY OCCUPATIONAL SPECIALTIES.

(a) Requirement for New Incentives.—The Secretary of Defense shall establish and provide for members of the Armed Forces qualified in critically short military occupational specialties a series of new incentives that the Secretary considers potentially effective for increasing the rates at which those members are retained in the Armed Forces for service in such specialties.

(b) Critically Short Military Occupational Specialties.—For the purposes of this section, a military occupational specialty is a critically short military occupational specialty for an Armed Force if the number of members retained in that Armed Force in fiscal year 1998 for service in that specialty is less than 50 percent of the number of members of that Armed Force that were projected to be retained in that Armed Force for service in the specialty by the Secretary of the military department concerned as of October 1, 1997.

(c) Incentives.—It is the sense of Congress that, among the new incentives established and provided under this section, the Secretary of Defense should include the following incentives:

(1) Family support and leave allowances.

(2) Increased special reenlistment or retention bonuses.

(3) Repayment of educational loans.

(4) Priority of selection for assignment to preferred permanent duty station or for extension at permanent duty station.

(5) Modified leave policies.

(6) Special consideration for Government housing or additional housing allowances.

(d) Relationship to Other Incentives.—Incentives provided under this section are in addition to any special pay or other benefit that is authorized under any other provision of law.

(e) Reports.—(1) Not later than December 1, 1998, the Secretary of Defense shall submit to the congressional defense committees a report that identifies, for each of the Armed Forces, the critically short military occupational specialties to which incentives under this section are to apply.

(2) Not later than April 15, 1999, the Secretary of Defense shall submit to the congressional defense committees a report that specifies, for each of the Armed Forces, the incentives that are to be provided under this section.

Subtitle C—Travel and Transportation Allowances

SEC. 631. PAYMENTS FOR MOVEMENTS OF HOUSEHOLD GOODS ARRANGED BY MEMBERS.

(a) Monetary Allowance Authorized.—Subsection (b)(1) of section 406 of title 37, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking out ", or reimbursement therefor,"; and

(B) by inserting after the second sentence the following new sentence: "Alternatively, the member may be paid reimbursement or a monetary allowance under subparagraph (F)."; and

(2) by adding at the end the following new subparagraph:

"(F) A member entitled to transportation of baggage and household effects under subparagraph (A) may, as an alternative to the provision of transportation, be paid reimbursement or, at the member's request, a monetary allowance in advance for the cost of transportation of the baggage and household effects. The monetary allowance may be paid only if the amount of the allowance does not exceed the cost that would be incurred by the Government under subparagraph (A) for the transportation of the baggage and household effects. Appropriations available to the Department of Defense, the Department of Transportation, and the Department of Health and Human Services for providing transportation of baggage or household effects of members of the uniformed services shall be available to pay a reimbursement or monetary allowance under this subparagraph. The Secretary concerned may prescribe the manner in which the risk of liability for damage, destruction, or loss of baggage or household effects arranged, packed, crated, or loaded by a member is allocated among the member, the United States, and any contractor when a reimbursement or monetary allowance is elected under this subparagraph.".

(b) Repeal of Superseded Provision.—(1) Such section is further amended—

(A) by striking out subsection (j); and

(B) by redesignating subsections (k), (l), and (m) as subsections (j), (k), and (l), respectively.

(2) Section 2634(d) of title 10, United States Code, is amended by striking out "section 406(k)" and inserting in lieu thereof "section 406(j)".

SEC. 632. EXCEPTION TO MAXIMUM WEIGHT ALLOWANCE FOR BAGGAGE AND HOUSEHOLD EFFECTS.

Section 406(b)(1)(D) of title 37, United States Code, is amended in the second sentence by inserting before the period the following: ", unless the additional weight allowance in excess of such maximum is intended to permit the shipping of consumables that cannot be reasonably obtained at the new station of the member".

SEC. 633. TRAVEL AND TRANSPORTATION ALLOWANCES FOR TRAVEL PERFORMED BY MEMBERS IN CONNECTION WITH REST AND RECUPERATIVE LEAVE FROM OVERSEAS STATIONS.

(a) Provision of Transportation.—Section 411c of title 37, United States Code, is amended by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) When the transportation authorized by subsection (a) is provided by the Secretary concerned, the Secretary may use Government or commercial carriers. The Secretary concerned may limit the amount of payments made to members under subsection (a).".

(b) Clerical Amendments.—(1) The heading of such section is amended to read as follows:

"§411c. Travel and transportation allowances: travel performed in connection with rest and recuperative leave from certain stations in foreign countries".

(2) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"411c. Travel and transportation allowances: travel performed in connection with rest and recuperative leave from certain stations in foreign countries.".

SEC. 634. STORAGE OF BAGGAGE OF CERTAIN DEPENDENTS.

Section 430(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following new paragraph:

"(2) At the option of the member, in lieu of the transportation of baggage of a dependent child under paragraph (1) from the dependent's school in the continental United States, the Secretary concerned may pay or reimburse the member for costs incurred to store the baggage at or in the vicinity of the school during the dependent's annual trip between the school and the member's duty station. The amount of the payment or reimbursement may not exceed the cost that the Government would incur to transport the baggage.".

SEC. 635. COMMERCIAL TRAVEL OF RESERVES AT FEDERAL SUPPLY SCHEDULE RATES FOR ATTENDANCE AT INACTIVE-DUTY TRAINING ASSEMBLIES.

(a) Authority.—Chapter 1217 of title 10, United States Code is amended by adding at the end the following new section:

"§ 12603. Attendance at inactive-duty training assemblies: commercial travel at Federal supply schedule rates

"(a) Federal Supply Schedule Travel.—Commercial travel under Federal supply schedules is authorized for the travel of a Reserve to the location of inactive duty training to be performed by the Reserve and from that location upon completion of the training.

"(b) Regulations.—The Secretary of Defense shall prescribe in regulations such requirements, conditions, and restrictions for travel under the authority of subsection (a) as the Secretary considers appropriate. The regulations shall include policies and procedures for preventing abuses of that travel authority.

"(c) Reimbursement Not Authorized.—A Reserve is not entitled to Government reimbursement for the cost of travel authorized under subsection (a).

"(d) Treatment of Transportation as Use by Military Departments.—For the purposes of section 201(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)), travel authorized under subsection (a) shall be treated as transportation for the use of a military department.".

(b) Clerical Amendment.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"12603. Attendance at inactive-duty training assemblies: commercial travel at Federal supply schedule rates.".

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 641. PAID-UP COVERAGE UNDER SURVIVOR BENEFIT PLAN.

Section 1452 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(j) Coverage Paid Up at 30 Years and Age 70.—Effective October 1, 2008, no reduction may be made under this section in the retired pay of a participant in the Plan for any month after the later of—

"(1) the 360th month for which the participant's retired pay is reduced under this section; and

"(2) the month during which the participant attains 70 years of age.".

SEC. 642. SURVIVOR BENEFIT PLAN OPEN ENROLLMENT PERIOD.

(a) Persons Not Currently Participating in Survivor Benefit Plan.—

(1) Election of SBP coverage.—An eligible retired or former member may elect to participate in the Survivor Benefit Plan during the open enrollment period specified in subsection (d).

(2) Election of supplemental annuity coverage.—An eligible retired or former member who elects under paragraph (1) to participate in the Survivor Benefit Plan may also elect during the open enrollment period to participate in the Supplemental Survivor Benefit Plan.

(3) Eligible retired or former member.—For purposes of paragraphs (1) and (2), an eligible retired or former member is a member or former member of the uniformed services who on the day before the first day of the open enrollment period is not a participant in the Survivor Benefit Plan and—

(A) is entitled to retired pay; or

(B) would be entitled to retired pay under chapter 1223 of title 10, United States Code (or chapter 67 of such title as in effect before October 5, 1994), but for the fact that such member or former member is under 60 years of age.

(4) Status under SBP of persons making elections.—

(A) Standard annuity.—A person making an election under paragraph (1) by reason of eligibility under paragraph (3)(A) shall be treated for all purposes as providing a standard annuity under the Survivor Benefit Plan.

(B) Reserve-component annuity.—A person making an election under paragraph (1) by reason of eligibility under paragraph (3)(B) shall be treated for all purposes as providing a reserve-component annuity under the Survivor Benefit Plan.

(b) Manner of Making Elections.—

(1) In general.—An election under this section must be made in writing, signed by the person making the election, and received by the Secretary concerned before the end of the open enrollment period. Except as provided in paragraph (2), any such election shall be made subject to the same conditions, and with the same opportunities for designation of beneficiaries and specification of base amount, that apply under the Survivor Benefit Plan or the Supplemental Survivor Benefit Plan, as the case may be. A person making an election under subsection (a) to provide a reserve-component annuity shall make a designation described in section 1448(e) of title 10, United States Code.

(2) Election must be voluntary.—An election under this section is not effective unless the person making the election declares the election to be voluntary. An election to participate in the Survivor Benefit Plan under this section may not be required by any court. An election to participate or not to participate in the Survivor Benefit Plan is not subject to the concurrence of a spouse or former spouse of the person.

(c) Effective Date for Elections.—Any such election shall be effective as of the first day of the first calendar month following the month in which the election is received by the Secretary concerned.

(d) Open Enrollment Period Defined.—The open enrollment period is the one-year period beginning on March 1, 1999.

(e) Effect of Death of Person Making Election Within Two Years of Making Election.—If a person making an election under this section dies before the end of the two-year period beginning on the effective date of the election, the election is void and the amount of any reduction in retired pay of the person that is attributable to the election shall be paid in a lump sum to the person who would have been the deceased person's beneficiary under the voided election if the deceased person had died after the end of such two-year period.

(f) Applicability of Certain Provisions of Law.—The provisions of sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to a person making an election, and to an election, under this section in the same manner as if the election were made under the Survivor Benefit Plan or the Supplemental Survivor Benefit Plan, as the case may be.

(g) Premiums for Open Enrollment Election.—

(1) Premiums to be charged.—The Secretary of Defense shall prescribe in regulations premiums which a person electing under this section shall be required to pay for participating in the Survivor Benefit Plan pursuant to the election. The total amount of the premiums to be paid by a person under the regulations shall be equal to the sum of—

(A) the total amount by which the retired pay of the person would have been reduced before the effective date of the election if the person had elected to participate in the Survivor Benefit Plan (for the same base amount specified in the election) at the first opportunity that was afforded the member to participate under chapter 73 of title 10, United States Code;

(B) interest on the amounts by which the retired pay of the person would have been so reduced, computed from the dates on which the retired pay would have been so reduced at such rate or rates and according to such methodology as the Secretary of Defense determines reasonable; and

(C) any additional amount that the Secretary determines necessary to protect the actuarial soundness of the Department of Defense Military Retirement Fund against any increased risk for the fund that is associated with the election.

(2) Premiums to be credited to retirement fund.—Premiums paid under the regulations shall be credited to the Department of Defense Military Retirement Fund.

(h) Definitions.—In this section:

(1) The term "Survivor Benefit Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code.

(2) The term "Supplemental Survivor Benefit Plan" means the program established under subchapter III of chapter 73 of title 10, United States Code.

(3) The term "retired pay" includes retainer pay paid under section 6330 of title 10, United States Code.

(4) The terms "uniformed services" and "Secretary concerned" have the meanings given those terms in section 101 of title 37, United States Code.

(5) The term "Department of Defense Military Retirement Fund" means the Department of Defense Military Retirement Fund established under section 1461(a) of title 10, United States Code.

SEC. 643. EFFECTIVE DATE OF COURT-REQUIRED FORMER SPOUSE SURVIVOR BENEFIT PLAN COVERAGE EFFECTUATED THROUGH ELECTIONS AND DEEMED ELECTIONS.

(a) ELIMINATION OF DISPARITY IN EFFECTIVE DATE PROVISIONS.—Section 1448(b)(3) of title 10, United States Code, is amended—

(1) in subparagraph (C)—

(A) by striking out the second sentence; and

(B) by striking out "EFFECTIVE DATE," in the heading; and

(2) by adding at the end the following new subparagraph:

"(E) EFFECTIVE DATE OF ELECTION.—An election under this paragraph is effective as of—

"(i) the first day of the first month following the month in which the election is received by the Secretary concerned; or

"(ii) in the case of a person required (as described in section 1450(f)(3)(B) of this title) to make the election by reason of a court order or filing the date of which is on or after the date of the enactment of the subparagraph, the first day of the first month which begins after the date of that court order or filing.".

(b) CONFORMITY BY CROSS REFERENCE.—Section 1450(f)(3)(D) of such title is amended by striking out "the first day of the first month which begins after the date of the court order or filing involved" and inserting in lieu thereof "the day referred to in section 1448(b)(3)(E)(ii) of this title".

SEC. 644. PRESENTATION OF UNITED STATES FLAG TO MEMBERS OF THE ARMED FORCES UPON RETIREMENT.

(a) ARMY.—(1) Chapter 353 of title 10, United States Code, is amended by inserting after the table of sections the following new section:

"§3681. Presentation of United States flag upon retirement

"(a) PRESENTATION OF FLAG.—Upon the release of a member of the Army from active duty for retirement, the Secretary of the Army shall present a United States flag to the member.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—A member is not eligible for a presentation of a flag under subsection (a) if the member has previously been presented a flag under this section or section 6141 or 8681 of this title or section 516 of title 14.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 3684 the following new item:

"3681. Presentation of United States flag upon retirement.".

(b) NAVY AND MARINE CORPS.—(1) Chapter 561 of title 10, United States Code, is amended by inserting after the table of sections the following new section:

"§6141. Presentation of United States flag upon retirement

"(a) PRESENTATION OF FLAG.—Upon the release of a member of the Navy or Marine Corps from active duty for retirement or transfer to the Fleet Reserve or the Fleet Marine Corps Reserve, the Secretary of the Navy shall present a United States flag to the member.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—A member is not eligible for a presentation of a flag under subsection (a) if the member has previously been presented a flag under this section or section 3681 or 8681 of this title or section 516 of title 14.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 6151 the following new item:

"6141. Presentation of United States flag upon retirement.".

(c) AIR FORCE.—(1) Chapter 853 of title 10, United States Code, is amended by inserting after the table of sections the following new section:

"§8681. Presentation of United States flag upon retirement

"(a) PRESENTATION OF FLAG.—Upon the release of a member of the Air Force from active duty for retirement, the Secretary of the Air Force shall present a United States flag to the member.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—A member is not eligible for a presentation of a flag under subsection (a) if the member has previously been presented a flag under this section or section 3681 or 6141 of this title or section 516 of title 14.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under this section shall be at no cost to the recipient.".

(2) The table of sections at the beginning of such chapter is amended by inserting before the item relating to section 8684 the following new item:

"8681. Presentation of United States flag upon retirement.".

(d) COAST GUARD.—(1) Chapter 13 of title 14, United States Code, is amended by adding at the end the following new section:

"§516. Presentation of United States flag upon retirement

"(a) PRESENTATION OF FLAG.—Upon the release of a member of the Coast Guard from active duty for retirement, the Secretary of Transportation shall present a United States flag to the member.

"(b) MULTIPLE PRESENTATIONS NOT AUTHORIZED.—A member is not eligible for a presentation of a flag under subsection (a) if the member has previously been presented a flag under this section or section 3681, 6141, and 8681 of title 10.

"(c) NO COST TO RECIPIENT.—The presentation of a flag under his section shall be at no cost to the recipient.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"516. Presentation of United States flag upon retirement.".

(e) EFFECTIVE DATE.—Sections 3681, 6141, and 8681 of title 10, United States Code (as added by this section), and section 516 of title 14, United States Code (as added by subsection (d)), shall apply with respect to releases from active duty described in those sections on or after October 1, 1998.

SEC. 645. RECOVERY, CARE, AND DISPOSITION OF REMAINS OF MEDICALLY RETIRED MEMBER WHO DIES DURING HOSPITALIZATION THAT BEGINS WHILE ON ACTIVE DUTY.

(a) IN GENERAL.—Paragraph (7) of section 1481(a) of title 10, United States Code, is amended to read as follows:

"(7) A person who—

"(A) dies as a retired member of an armed force under the Secretary's jurisdiction during a continuous hospitalization of the member as a patient in a United States hospital that began while the member was on active duty for a period of more than 30 days; or

"(B) is not covered by subparagraph (A) and, while in a retired status by reason of eligibility to retire under chapter 61 of this title, dies during a continuous hospitalization of the person that began while the person was on active duty as a Regular of an armed force under the Secretary's jurisdiction.".

(b) REPEAL OF OBSOLETE TERMINOLOGY.—Paragraph (1) of such section is amended by striking out ", or a member of an armed force without component,".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to deaths occurring on or after the date of the enactment of this Act.

SEC. 646. REVISION TO COMPUTATION OF RETIRED PAY FOR CERTAIN MEMBERS.

Section 1406(i) of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2);

"(2) EXCEPTION FOR MEMBERS REDUCED IN GRADE OR WHO DO NOT SERVE SATISFACTORILY.—Paragraph (1) does not apply in the case of a member who, while or after serving in a position specified in that paragraph and by reason of conduct occurring on or after the date of the enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999—

"(A) in the case of an enlisted member, is reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or other administrative process; or

"(B) in the case an officer, is not certified by the Secretary of Defense under section 1370(c) of this title as having served on active duty satisfactorily in the grade of general or admiral, as the case may be, while serving in that position.".

SEC. 647. ELIMINATION OF BACKLOG OF UNPAID RETIRED PAY.

(a) REQUIREMENT.—The Secretary of the Army shall take such actions as are necessary to eliminate, by December 31, 1998, the backlog of unpaid retired pay for members and former members of the Army (including members and former members of the Army Reserve and the Army National Guard).

(b) REPORT.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Army shall submit to Congress a report on the backlog of unpaid retired pay. The report shall include the following:

(1) The actions taken under subsection (a).

(2) The extent of the remaining backlog.

(3) A discussion of any additional actions that are necessary to ensure that retired pay is paid in a timely manner.

Subtitle E—Other Matters

SEC. 651. DEFINITION OF POSSESSIONS OF THE UNITED STATES FOR PAY AND ALLOWANCES PURPOSES.

Section 101(2) of title 37, United States Code, is amended by striking out "the Canal Zone,".

SEC. 652. ACCOUNTING OF ADVANCE PAYMENTS.

Section 1006(e) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) Notwithstanding any other provision of law, an obligation for an advance of pay made pursuant to this section shall be recorded as an obligation only in the fiscal year in which the entitlement of the member to the pay accrues.

"(B) Current appropriations available for advance payments under this section may be transferred to the prior fiscal year appropriation available for the same purpose in the amount of any unliquidated advance payments that remain at the end of such prior fiscal year. Such unliquidated advance payments shall then be credited to the current appropriation.".

SEC. 653. REIMBURSEMENT OF RENTAL VEHICLE COSTS WHEN MOTOR VEHICLE TRANSPORTED AT GOVERNMENT EXPENSE IS LATE.

(a) TRANSPORTATION IN CONNECTION WITH CHANGE OF PERMANENT STATION.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection:

"(g) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this section does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the member's use, or for the use of the dependent for whom the delayed vehicle was transported. The amount reimbursed may not exceed $30 per day, and the rental period for which reimbursement may be provided expires after seven days or on the date on which the delayed vehicle arrives at the authorized destination (whichever occurs first).".

(b) Transportation in Connection With Other Moves.—Section 406(h) of title 37, United States Code, is amended by adding at the end the following new paragraph:

"(3) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this subsection does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the dependent's use. The amount reimbursed may not exceed $30 per day, and the rental period for which reimbursement may be provided expires after seven days or on the date on which the delayed vehicle arrives at the authorized destination (whichever occurs first).".

(c) Transportation in Connection With Departure Allowances for Dependents.—Section 405a(b) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following new paragraph:

"(2) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under paragraph (1) does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the member for expenses incurred after that date to rent a motor vehicle for the dependent's use. The amount reimbursed may not exceed $30 per day, and the rental period for which reimbursement may be provided expires after seven days or on the date on which the delayed vehicle arrives at the authorized destination (whichever occurs first).".

(d) Transportation in Connection With Effects of Missing Persons.—Section 554 of title 37, United States Code, is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection:

"(i) If a motor vehicle of a member (or a dependent of the member) that is transported at the expense of the United States under this section does not arrive at the authorized destination of the vehicle by the designated delivery date, the Secretary concerned shall reimburse the dependent for expenses incurred after that date to rent a motor vehicle for the dependent's use. The amount reimbursed may not exceed $30 per day, and the rental period for which reimbursement may be provided expires after seven days or on the date on which the delayed vehicle arrives at the authorized destination (whichever occurs first).".

(e) Application of Amendments.—(1) Reimbursement for motor vehicle rental expenses may not be provided under the amendments made by this section until after the date on which the Secretary of Defense submits to Congress a report containing a certification that the Department of Defense has in place and operational a system to recover the cost of providing such reimbursement from commercial carriers that are responsible for the delay in the delivery of the motor vehicles of members of the Armed Forces and their dependents. The Secretary of Defense shall prepare the report in consultation with the Secretary of Transportation, with respect to the Coast Guard.

(2) The amendments shall apply with respect to rental expenses described in such amendments that are incurred on or after the date of the submission of the report. The report shall be submitted not later than six months after the date of the enactment of this Act and shall include, in addition to the certification, a description of the system to be used to recover from commercial carriers the costs incurred under such amendments.

SEC. 654. EDUCATION LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONS OFFICERS SERVING IN SELECTED RESERVE.

(a) Eligible Persons.—Subsection (b)(2) of section 16302 of title 10, United States Code, is amended by inserting ", or is enrolled in a program of education leading to professional qualifications," after "possesses professional qualifications".

(b) Increased Benefits.—Subsection (c) of such section is amended—

(1) in paragraph (2), by striking out "$3,000" and inserting in lieu thereof "$20,000"; and

(2) in paragraph (3), by striking out "$20,000" and inserting in lieu thereof "$50,000".

SEC. 655. FEDERAL EMPLOYEES' COMPENSATION COVERAGE FOR STUDENTS PARTICIPATING IN CERTAIN OFFICER CANDIDATE PROGRAMS.

(a) Periods of Coverage.—Subsection (a)(2) of section 8140 of title 5, United States Code, is amended to read as follows:

"(2) during the period of the member's attendance at training or a practice cruise under chapter 103 of title 10, beginning when the authorized travel to the training or practice cruise begins and ending when authorized travel from the training or practice cruise ends.".

(b) Line of Duty.—Subsection (b) of such section is amended to read as follows:

"(b) For the purpose of this section, an injury, disability, death, or illness of a member referred to in subsection (a) may be considered as incurred or contracted in line of duty only if the injury, disability, or death is incurred, or the illness is contracted, by the member during a period described in that subsection. Subject to review by the Secretary of Labor, the Secretary of the military department concerned (under regulations prescribed by that Secretary), shall determine whether an injury, disability, or death was incurred, or an illness was contracted, by a member in line of duty.".

(c) Clarification of Casualties Covered.—Subsection (a) of such section, as amended by subsection (a) of this section, is further amended by inserting ", or an illness contracted," after "death incurred" in the matter preceding paragraph (1).

(d) Effective Date and Applicability.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act and apply with respect to injuries, illnesses, disabilities, and deaths incurred or contracted on or after that date.

SEC. 656. RELATIONSHIP OF ENLISTMENT BONUSES TO ELIGIBILITY TO RECEIVE ARMY COLLEGE FUND SUPPLEMENT UNDER MONTGOMERY GI BILL EDUCATIONAL ASSISTANCE PROGRAM.

(a) Enlistement Bonuses and GI Bill Supplement Not Exclusive.—Section 3015(d) of title 38, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following:

"(2) In the case of an individual who after October 7, 1997, receives an enlistment bonus under section 308a or 308f of title 37, receipt of that bonus does not affect the eligibility of that individual for an increase under paragraph (1) in the rate of the basic educational assistance allowance applicable to that individual, and the Secretary concerned may provide such an increase for that individual (and enter into an agreement with that individual that the United States agrees to make payments pursuant to such an increase) without regard to any provision of law (enacted before, on, or after the date of the enactment of this paragraph) that limits the authority to make such payments.".

(b) Repeal of Related Limitations.—(1) Section 8013(a) of the Department of Defense Appropriations Act, 1998 (111 Stat. 1222), is amended—

(A) by striking out "on or after the date of enactment of this Act—" and all that follows through "nor shall any amounts" and inserting in lieu thereof "after October 7, 1997, enlists in the armed services for a period of active duty of less than three years, nor shall any amounts"; and

(B) in the first proviso, by striking out "in the case of a member covered by clause (1),".

(2) Section 8013(a) of the Department of Defense Appropriations Act, 1999, is amended—

(A) by striking out "of this Act—" and all that follows through "nor shall any amounts" and inserting in lieu thereof "of this Act, enlists in the armed services for a period of active duty of less that three years, nor shall any amounts"; and

(B) in the first proviso, by striking out "in the case of a member covered by clause (1),".

(3) The amendments made by paragraph (2) shall take effect on the later of the following:

(A) The date of the enactment of this Act.

(B) The date of the enactment of the Department of Defense Appropriations Act, 1999.

SEC. 657. AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE FOR EDUCATION OF CERTAIN DEFENSE DEPENDENTS OVERSEAS.

Section 1407(b) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 926(b)) is amended—

(1) by striking out "(b) Under such circumstances as he may by regulation prescribe, the Secretary of Defense" and inserting in lieu thereof "(b) Tuition and Assistance When Schools Unavailable.—(1) Under such circumstances as the Secretary of Defense may prescribe in regulations, the Secretary"; and

(2) by adding at the end the following new paragraph:

"(2)(A) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service of the Navy, may provide financial assistance to sponsors of dependents in overseas areas where schools operated by the Secretary of Defense under subsection (a) are not reasonably available in order to assist the sponsors to defray the costs incurred by the sponsors for the attendance of the dependents at schools in such areas other than schools operated by the Secretary of Defense.

"(B) The Secretary of Defense and the Secretary of Transportation shall each prescribe regulations relating to the availability of financial assistance under subparagraph (A). Such regulations shall, to the maximum extent practicable, be consistent with Department of State regulations relating to the availability of financial assistance for the education of dependents of Department of State personnel overseas.".

SEC. 658. CLARIFICATIONS CONCERNING PAYMENTS TO CERTAIN PERSONS CAPTURED OR INTERNED BY NORTH VIETNAM.

(a) ELIGIBILE SURVIVORS.—Subsection (b) of section 657 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201; 110 Stat. 2585) is amended by adding at the end the following new paragraphs:

"(3) If there is no surviving spouse or surviving child, to the parents of the decedent, in equal shares, or, if one parent of the decedent has died, to the surviving parent.

"(4) If there is no surviving spouse, surviving child, or surviving parent, to the surviving siblings by blood of the decedent, in equal shares.".

(b) PERMITTED RECIPIENTS OF PAYMENT DISBURSEMENT.—Subsection (f)(1) of such section is amended by striking out "The actual disbursement" and inserting in lieu thereof "Notwithstanding any agreement (including a power of attorney) to the contrary, the actual disbursement".

TITLE VII—HEALTH CARE PROVISIONS

Subtitle A—Health Care Services

Sec. 701. Dependents' dental program.
Sec. 702. Expansion of dependent eligibility under retiree dental program.
Sec. 703. Plan for redesign of military pharmacy system.
Sec. 704. Transitional authority to provide continued health care coverage for certain persons unaware of loss of CHAMPUS eligibility.

Subtitle B—TRICARE Program

Sec. 711. Payment of claims for provision of health care under the TRICARE program for which a third party may be liable.
Sec. 712. TRICARE Prime automatic enrollments and retiree payment options.
Sec. 713. System for tracking data and measuring performance in meeting TRICARE access standards.
Sec. 714. Establishment of appeals process for claimcheck denials.
Sec. 715. Reviews relating to accessibility of health care under TRICARE.

Subtitle C—Health Care Services For Medicare-Eligible Department of Defense Beneficiaries

Sec. 721. Demonstration project to include certain covered beneficiaries within Federal Employees Health Benefits Program.
Sec. 722. TRICARE as Supplement to Medicare demonstration.
Sec. 723. Implementation of redesign of pharmacy system.
Sec. 724. Comprehensive evaluation of implementation of demonstration projects and TRICARE pharmacy redesign.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Sec. 731. Process for waiving informed consent requirement for administration of certain drugs to members of Armed Forces for purposes of a particular military operation.
Sec. 732. Health benefits for abused dependents of members of the Armed Forces.
Sec. 733. Provision of health care at military entrance processing stations and elsewhere outside medical treatment facilities.
Sec. 734. Professional qualifications of physicians providing military health care.

Subtitle E—Other Matters

Sec. 741. Enhanced Department of Defense Organ and Tissue Donor program.
Sec. 742. Authorization to establish a Level 1 Trauma Training Center.
Sec. 743. Authority to establish center for study of post-deployment health concerns of members of the Armed Forces.
Sec. 744. Report on implementation of enrollment-based capitation for funding for military medical treatment facilities.
Sec. 745. Joint Department of Defense and Department of Veterans Affairs reports relating to interdepartmental cooperation in the delivery of medical care.
Sec. 746. Report on research and surveillance activities regarding lyme disease and other tick-borne diseases.

Subtitle A—Health Care Services

SEC. 701. DEPENDENTS' DENTAL PROGRAM.

(a) PREMIUM INCREASE.—Section 1076a(b)(2) of title 10, United States Code, is amended—

(A) by inserting "(A)" after "(2)"; and

(B) by adding at the end the following:

"(B) Effective as of January 1 of each year, the amount of the premium required under subparagraph (A) shall be increased by the percent equal to the lesser of—

"(i) the percent by which the rates of basic pay of members of the uniformed services are increased on such date; or

"(ii) the sum of one-half percent and the percent computed under section 5303(a) of title 5 for the increase in rates of basic pay for statutory pay systems for pay periods beginning on or after such date.".

(2) The amendment made by subparagraph (B) of paragraph (1) shall take effect on January 1, 1999, and shall apply to months after 1998 as if such subparagraph had been in effect since December 31, 1993.

(b) LIMITATION ON REDUCTION OF BENEFITS.—Section 1076a is further amended by adding at the end the following new subsection:

"(j) LIMITATION ON REDUCTION OF BENEFITS.—The Secretary of Defense may not reduce benefits provided under this section until—

"(1) the Secretary provides notice of the Secretary's intent to reduce such benefits to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate; and

"(2) one year has elapsed following the date of such notice.".

SEC. 702. EXPANSION OF DEPENDENT ELIGIBILITY UNDER RETIREE DENTAL PROGRAM.

(a) IN GENERAL.—Subsection (b) of section 1076c of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) Eligible dependents of a member described in paragraph (1) or (2) who is not enrolled in the plan and who—

"(A) is enrolled under section 1705 of title 38 to receive dental care from the Secretary of Veterans Affairs;

"(B) is enrolled in a dental plan that—

"(i) is available to the member as a result of employment by the member that is separate from the military service of the member; and

"(ii) is not available to dependents of the member as a result of such separate employment by the member; or

"(C) is prevented by a medical or dental condition from being able to obtain benefits under the plan.".

(b) CONFORMING AMENDMENT.—Subsection (f)(3) of such section is amended by striking out "(b)(4)" and inserting in lieu thereof "(b)(5)".

SEC. 703. PLAN FOR REDESIGN OF MILITARY PHARMACY SYSTEM.

(a) PLAN REQUIRED.—The Secretary of Defense shall submit to Congress a plan that would provide for a system-wide redesign of the military and contractor retail and mail-order pharmacy system of the Department of Defense by incorporating "best business practices" of the private sector. The Secretary shall work with contractors of TRICARE retail pharmacy and national mail-order pharmacy programs to develop a plan for the redesign of the pharmacy system that—

(1) may include a plan for an incentive-based formulary for military medical treatment facilities and contractors of TRICARE retail pharmacies and the national mail-order pharmacy; and

(2) shall include a plan for each of the following:

(A) A uniform formulary for such facilities and contractors.

(B) A centralized database that integrates the patient databases of pharmacies of military medical treatment facilities and contractor retail and mail-order programs to implement automated prospective drug utilization review systems.

(C) A system-wide drug benefit for covered beneficiaries under chapter 55 of title 10, United States Code, who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.).

(b) SUBMISSION OF PLAN.—The Secretary shall submit the plan required under subsection (a) not later than March 1, 1999.

(c) SUSPENSION OF IMPLEMENTATION OF PROGRAM.—The Secretary shall suspend any plan to establish a national retail pharmacy program for the Department of Defense until—

(1) the plan required under subsection (a) is submitted; and

(2) the Secretary implements cost-saving reforms with respect to the military and contractor retail and mail order pharmacy system.

SEC. 704. TRANSITIONAL AUTHORITY TO PROVIDE CONTINUED HEALTH CARE COVERAGE FOR CERTAIN PERSONS UNAWARE OF LOSS OF CHAMPUS ELIGIBILITY.

(a) TRANSITIONAL COVERAGE.—The administering Secretaries may continue eligibility of a person described in subsection (b) for health care coverage under the Civilian Health and Medical Program of the Uniformed Services based on a determination that such continuation is appropriate to assure health care coverage for any such person who may have been unaware of the loss of eligibility to receive health benefits under that program.

(b) PERSONS ELIGIBLE.—A person shall be eligible for transitional health care coverage under subsection (a) if the person—

(1) is a person described in paragraph (1) of subsection (d) of section 1086 of title 10, United States Code;

(2) in the absence of such paragraph, would be eligible for health benefits under such section; and

(3) satisfies the criteria specified in subparagraphs (A) and (B) of paragraph (2) of such subsection.

(c) EXTENT OF TRANSITIONAL AUTHORITY.—The authority to continue eligibility under this section shall apply with respect to health care services provided between October 1, 1998, and July 1, 1999.

(d) DEFINITION.—In this section, the term "administering Secretaries" has the meaning given that term in section 1072(3) of title 10, United States Code.

Subtitle B—TRICARE Program

SEC. 711. PAYMENT OF CLAIMS FOR PROVISION OF HEALTH CARE UNDER THE TRICARE PROGRAM FOR WHICH A THIRD PARTY MAY BE LIABLE.

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1095a the following new section:

"§ 1095b. TRICARE program: contractor payment of certain claims

"(a) PAYMENT OF CLAIMS.—(1) The Secretary of Defense may authorize a contractor under the TRICARE program to pay a claim described in paragraph (2) before seeking to recover from a third-party payer the costs incurred by the contractor to provide health care services that are the basis of the claim to a beneficiary under such program.

"(2) A claim under this paragraph is a claim—

"(A) that is submitted to the contractor by a provider under the TRICARE program for payment for services for health care provided to a covered beneficiary; and

"(B) that is identified by the contractor as a claim for which a third-party payer may be liable.

"(b) RECOVERY FROM THIRD-PARTY PAYERS.—A contractor for the provision of health care services under the TRICARE program that pays a claim described in subsection (a)(2) shall have the right to collect from the third-party payer the costs incurred by such contractor on behalf of the covered beneficiary. The contractor shall have the same right to collect such costs under this subsection as the right of the United States to collect costs under section 1095 of this title.

"(c) DEFINITION OF THIRD-PARTY PAYER.—In this section, the term 'third-party payer' has the meaning given that term in section 1095(h) of this title, except that such term excludes primary medical insurers.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1095a the following new item:

"1095b. TRICARE program: contractor payment of certain claims.".

SEC. 712. TRICARE PRIME AUTOMATIC ENROLLMENTS AND RETIREE PAYMENT OPTIONS.

(a) PROCEDURES.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1097 the following new section:

"§ 1097a. TRICARE Prime: automatic enrollments; payment options

"(a) AUTOMATIC ENROLLMENT OF CERTAIN DEPENDENTS.—Each dependent of a member of the uniformed services in grade E4 or below who is entitled to medical and dental care under section 1076(a)(2)(A) of this title and resides in the catchment area of a facility of a uniformed service offering TRICARE Prime shall be automatically enrolled in TRICARE Prime at the facility. The Secretary concerned shall provide written notice of the enrollment to the member. The enrollment of a dependent of the member may be terminated by the member or the dependent at any time.

"(b) AUTOMATIC RENEWAL OF ENROLLMENTS OF COVERED BENEFICIARIES.—(1) An enrollment of a covered beneficiary in TRICARE Prime shall be automatically renewed upon the expiration of the enrollment unless the renewal is declined.

"(2) Not later than 15 days before the expiration date for an enrollment of a covered beneficiary in TRICARE Prime, the Secretary concerned shall—

"(A) transmit a written notification of the pending expiration and renewal of enrollment to the covered beneficiary or, in the case of a dependent of a member of the uniformed services, to the member; and

"(B) afford the beneficiary or member, as the case may be, an opportunity to decline the renewal of enrollment.

"(c) PAYMENT OPTIONS FOR RETIREES.—A member or former member of the uniformed services eligible for medical care and dental care under section 1074(b) of this title may elect to have any fee payable by the member or former member for an enrollment in TRICARE Prime withheld from the member's retired pay, retainer pay, or equivalent pay, as the case may be, or to be paid from a financial institution through electronic transfers of funds. The fee shall be paid in accordance with the election. A member may elect under this section to pay the fee in full at the beginning of the enrollment period or to make payments on a monthly or quarterly basis.

"(d) REGULATIONS AND EXCEPTIONS.—The Secretary of Defense shall prescribe regulations, including procedures, to carry out this section. Regulations prescribed to carry out the automatic enrollment requirements under this section may include such exceptions to the automatic enrollment procedures as the Secretary determines appropriate for the effective operation of TRICARE Prime.

"(e) DEFINITIONS.—In this section:

"(1) The term 'TRICARE Prime' means the managed care option of the TRICARE program.

"(2) The term 'catchment area', with respect to a facility of a uniformed service, means the service area of the facility, as designated under regulations prescribed by the administering Secretaries.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1097 the following new item:

1097a. TRICARE Prime: automatic enrollments; payment options.".

(b) DEADLINE FOR IMPLEMENTATION.—The regulations required under subsection (d) of section 1097a of title 10, United States Code (as added by subsection (a)), shall be prescribed to take effect not later than September 30, 1999. The section shall be applied under TRICARE Prime on and after the date on which the regulations take effect.

SEC. 713. SYSTEM FOR TRACKING DATA AND MEASURING PERFORMANCE IN MEETING TRICARE ACCESS STANDARDS.

(a) REQUIREMENT TO ESTABLISH SYSTEM.—(1) The Secretary of Defense shall establish a system—

(A) to track data regarding access of covered beneficiaries under chapter 55 of title 10, United States Code, to primary health care under the TRICARE program; and

(B) to measure performance in increasing such access against the primary care access standards established by the Secretary under the TRICARE program.

(2) In implementing the system described in paragraph (1), the Secretary shall collect data on the timeliness of appointments and precise waiting times for appointments in order to measure performance in meeting the primary care access standards established under the TRICARE program.

(b) DEADLINE FOR ESTABLISHMENT.—The Secretary shall establish the system described in subsection (a) not later than April 1, 1999.

SEC. 714. ESTABLISHMENT OF APPEALS PROCESS FOR CLAIMCHECK DENIALS.

(a) ESTABLISHMENT OF APPEALS PROCESS.—Not later than January 1, 1999, the Secretary of Defense shall establish an appeals process in cases of denials through the ClaimCheck computer software system (or any other claims processing system that may be used by the Secretary) of claims by civilian providers for payment for health care services provided under the TRICARE program.

(b) REPORT.—Not later than March 1, 1999, the Secretary shall submit to Congress a report on the implementation of this section.

SEC. 715. REVIEWS RELATING TO ACCESSIBILITY OF HEALTH CARE UNDER TRICARE.

(a) REVIEW OF REHABILITATIVE SERVICES FOR HEAD INJURIES.—The Secretary of Defense shall review policies under the TRICARE program (including a review of the TRICARE policy manual) to determine if policies addressing the availability of rehabilitative services for TRICARE patients suffering from head injuries are adequate and appropriately address consideration of certification by an attending physician that such services would be beneficial for such a patient.

(b) REVIEW OF ADEQUACY OF PROVIDER NETWORK.—The Secretary of Defense shall review the administration of the TRICARE Prime health plans to determine whether, for each region covered by such a plan, there is a sufficient number, distribution, and variety of qualified participating health care providers to ensure that covered health care services, including specialty services and rehabilitative services, are accessible in the vicinity of the residence of the enrollees and available in a timely manner to such enrollees, regardless of where such enrollees are located within the TRICARE region.

(c) REPORT.—Not later than April 1, 1999, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the results of the reviews required by subsections (a) and (b), together with a description of any actions taken or directed as a result of those reviews.

Subtitle C—Health Care Services For Medicare-Eligible Department of Defense Beneficiaries

SEC. 721. DEMONSTRATION PROJECT TO INCLUDE CERTAIN COVERED BENEFICIARIES WITHIN FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM.

(a) FEHBP DEMONSTRATION PROJECT.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1108. Health care coverage through Federal Employees Health Benefits program: demonstration project

"(a) FEHBP OPTION DEMONSTRATION.—The Secretary of Defense, after consulting with the other administering Secretaries, shall enter into an agreement with the Office of Personnel Management to conduct a demonstration project (in this section referred to as the 'demonstration project') under which eligible beneficiaries described in subsection (b) and residing within one of the areas covered by the demonstration project may enroll in health benefits plans offered through the Federal Employees Health Benefits program under chapter 89 of title 5. The number of eligible beneficiaries and family members of such beneficiaries under subsection (b)(2) who may be enrolled in health benefits plans during the enrollment period under subsection (d)(2) may not exceed 66,000.

"(b) ELIGIBLE BENEFICIARIES; COVERAGE.—(1) An eligible beneficiary under this subsection is—

"(A) a member or former member of the uniformed services described in section 1074(b) of this title who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

"(B) an individual who is an unremarried former spouse of a member or former member described in section 1072(2)(F) or 1072(2)(G));

"(C) an individual who is—

"(i) a dependent of a deceased member or former member described in section 1076(b) or 1076(a)(2)(B) of this title or of a member who died while on active duty for a period of more than 30 days; and

"(ii) a member of family as defined in section 8901(5) of title 5; or

"(D) an individual who is—

"(i) a dependent of a living member or former member described in section 1076(b)(1) of this title who is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act, regardless of the member's or former member's eligibility for such hospital insurance benefits; and

"(ii) a member of family as defined in section 8901(5) of title 5.

"(2) Eligible beneficiaries may enroll in a Federal Employees Health Benefit plan under chapter 89 of title 5 under this section for self-only coverage or for self and family coverage which includes any dependent of the member or former member who is a family member for purposes of such chapter.

"(3) A person eligible for coverage under this subsection shall not be required to satisfy any eligibility criteria specified in chapter 89 of title 5 (except as provided in paragraph (1)(C) or (1)(D)) as a condition for enrollment in health benefits plans offered through the Federal Employees Health Benefits program under the demonstration project.

"(4) For purposes of determining whether an individual is a member of family under paragraph (5) of section 8901 of title 5 for purposes of paragraph (1)(C) or (1)(D), a member or former member described in section 1076(b) or 1076(a)(2)(B) of this title shall be deemed to be an employee under such section.

"(5) An eligible beneficiary who is eligible to enroll in the Federal Employees Health Benefits program as an employee under chapter 89 of title 5 is not eligible to enroll in a Federal Employees Health Benefits plan under this section.

"(c) Area of Demonstration Project.—The Secretary of Defense and the Director of the Office of Personnel Management shall jointly identify and select the geographic areas in which the demonstration project will be conducted. The Secretary and the Director shall establish at least six, but not more than ten, such demonstration areas. In establishing the areas, the Secretary and Director shall include—

"(1) an area that includes the catchment area of one or more military medical treatment facilities;

"(2) an area that is not located in the catchment area of a military medical treatment facility;

"(3) an area in which there is a Medicare Subvention Demonstration project area under section 1896 of title XVIII of the Social Security Act (42 U.S.C. 1395ggg); and

"(4) not more than one area for each TRICARE region.

"(d) Duration of Demonstration Project.—(1) The Secretary of Defense shall conduct the demonstration project during three contract years under the Federal Employees Health Benefits program.

"(2) Eligible beneficiaries shall, as provided under the agreement pursuant to subsection (a), be permitted to enroll in the demonstration project during an open enrollment period for the year 2000 (conducted in the fall of 1999). The demonstration project shall terminate on December 31, 2002.

"(e) Prohibition Against Use of MTFs and Enrollment Under TRICARE.—Covered beneficiaries under this chapter who are provided coverage under the demonstration project shall not be eligible to receive care at a military medical treatment facility or to enroll in a heath care plan under the TRICARE program.

"(f) Term of Enrollment in Project.—(1) Subject to paragraphs (2) and (3), the period of enrollment of an eligible beneficiary who enrolls in the demonstration project during the open enrollment period for the year 2000 shall be three years unless the beneficiary disenrolls before the termination of the project.

"(2) A beneficiary who elects to enroll in the project, and who subsequently discontinues enrollment in the project before the end of the period described in paragraph (1), shall not be eligible to reenroll in the project.

"(3) An eligible beneficiary enrolled in a Federal Employees Health Benefits plan under this section may change health benefits plans and coverage in the same manner as any other Federal Employees Health Benefits program beneficiary may change such plans.

"(g) Effect of Cancellation.—The cancellation by an eligible beneficiary of coverage under the Federal Employee Health Benefits program shall be irrevocable during the term of the demonstration project.

"(h) Separate Risk Pools; Charges.—(1) The Director of the Office of Personnel Management shall require health benefits plans under chapter 89 of title 5 that participate in the demonstration project to maintain a separate risk pool for purposes of establishing premium rates for eligible beneficiaries who enroll in such a plan in accordance with this section.

"(2) The Director shall determine total subscription charges for self only or for family coverage for eligible beneficiaries who enroll in a health benefits plan under chapter 89 of title 5 in accordance with this section. The subscription charges shall include premium charges paid to the plan and amounts described in section 8906(c) of title 5 for administrative expenses and contingency reserves.

"(i) Government Contributions.—The Secretary of Defense shall be responsible for the Government contribution for an eligible beneficiary who enrolls in a health benefits plan under chapter 89 of title 5 in accordance with this section, except that the amount of the contribution may not exceed the amount of the Government contribution which would be payable if the electing beneficiary were an employee (as defined for purposes of such chapter) enrolled in the same health benefits plan and level of benefits.

"(j) Report Requirements.—(1) The Secretary of Defense and the Director of the Office of Personnel Management shall jointly submit to Congress two reports containing the information described in paragraph (2). The first report shall be submitted not later than the date that is 15 months after the date that the Secretary begins to implement the demonstration project. The second report shall be submitted not later than December 31, 2002.

"(2) The reports required by paragraph (1) shall include the following:

"(A) Information on the number of eligible beneficiaries who elect to participate in the demonstration project.

"(B) An analysis of the percentage of eligible beneficiaries who participate in the demonstration project as compared to the percentage of covered beneficiaries under this chapter who elect to enroll in a health care plan under such chapter.

"(C) Information on eligible beneficiaries who elect to participate in the demonstration project and did not have Medicare Part B coverage before electing to participate in the project.

"(D) An analysis of the enrollment rates and cost of health services provided to eligible beneficiaries who elect to participate in the demonstration project as compared with similarly situated enrollees in the Federal Employees Health Benefits program under chapter 89 of title 5.

"(E) An analysis of how the demonstration project affects the accessibility of health care in military medical treatment facilities, and a description of any unintended effects on the treatment priorities in those facilities in the demonstration area.

"(F) An analysis of any problems experienced by the Department of Defense in managing the demonstration project.

"(G) A description of the effects of the demonstration project on medical readiness and training of the armed forces at military medical treatment facilities located in the demonstration area, and a description of the probable effects that making the project permanent would have on the medical readiness and training.

"(H) An examination of the effects that the demonstration project, if made permanent, would be expected to have on the overall budget of the Department of Defense, the budget of the Office of Personnel and Management, and the budgets of individual military medical treatment facilities.

"(I) An analysis of whether the demonstration project affects the cost to the Department of Defense of prescription drugs or the accessibility, availability, and cost of such drugs to eligible beneficiaries.

"(J) Any additional information that the Secretary of Defense or the Director of the Office of Personnel Management consider appropriate to assist Congress in determining the viability of expanding the project to all Medicare-eligible members of the uniformed services and their dependents.

"(K) Recommendations on whether eligible beneficiaries—

"(i) should be given more than one chance to enroll in a the demonstration project under this section;

"(ii) should be eligible to enroll in the project only during the first year following the date that the eligible beneficiary becomes eligible to receive hospital insurance benefits under part A of title XVIII of the Social Security Act; or

"(iii) should be eligible to enroll in the project only during the two-year period following the date on which the beneficiary first becomes eligible to enroll in the project.

"(k) Comptroller General Report.—Not later than December 31, 2002, the Comptroller General shall submit to Congress a report addressing the same matters required to be addressed under subsection (j)(2). The report shall describe any limitations with respect to the data contained in the report as a result of the size and design of the demonstration project.

"(l) Application of Medigap Protections to Demonstration Project Enrollees.—(1) Subject to paragraph (2), the provisions of section 1882(s)(3) (other than clauses (i) through (iv) of subparagraph (B)) and 1882(s)(4) of the Social Security Act shall apply to enrollment (and termination of enrollment) in the demonstration project under this section, in the same manner as they apply to enrollment (and termination of enrollment) with a Medicare+Choice organization in a Medicare+Choice plan.

"(2) In applying paragraph (1)—

"(A) any reference in clause (v) or (vi) of section 1882(s)(3)(B) of such Act to 12 months is deemed a reference to 36 months; and

"(B) the notification required under section 1882(s)(3)(D) of such Act shall be provided in a manner specified by the Secretary of Defense in consultation with the Director of the Office of Personnel Management.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1108. Health care coverage through Federal Employees Health Benefits program: demonstration project.".

(b) Conforming Amendments.—Chapter 89 of title 5, United States Code, is amended—

(1) in section 8905—

(A) by redesignating subsections (d) through (f) as subsections (e) through (g), respectively; and

(B) by inserting after subsection (c) the following new subsection:

"(d) An individual whom the Secretary of Defense determines is an eligible beneficiary under subsection (b) of section 1108 of title 10 may enroll, as part of the demonstration project under such section, in a health benefits plan under this chapter in accordance with the agreement under subsection (a) of such section between the Secretary and the Office and applicable regulations under this chapter.";

(2) in section 8906(b)—

(A) in paragraph (1), by striking "paragraphs (2) and (3)" and inserting in lieu thereof "paragraphs (2), (3), and (4)"; and

(B) by adding at the end the following new paragraph:

"(4) In the case of persons who are enrolled in a health benefits plan as part of the demonstration project under section 1108 of title 10, the Government contribution shall be subject to the limitation set forth in subsection (i) of that section.";

(3) in section 8906(g)—

(A) in paragraph (1), by striking "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)"; and

(B) by adding at the end the following new paragraph:

"(3) The Government contribution for persons enrolled in a health benefits plan as part of the demonstration project under section 1108 of title 10 shall be paid as provided in subsection (i) of that section."; and

(4) in section 8909, by adding at the end the following new subsection:

"(g) The fund described in subsection (a) is available to pay costs that the Office incurs for activities associated with implementation of the demonstration project under section 1108 of title 10.".

SEC. 722. TRICARE AS SUPPLEMENT TO MEDICARE DEMONSTRATION.

(a) In General.—(1) The Secretary of Defense shall, after consultation with the other administering Secretaries, carry out a demonstration project in order to assess the feasibility and advisability of providing medical care coverage under the TRICARE program to the individuals described in subsection (c). The demonstration project shall be known as the "TRICARE Senior Supplement".

(2) The Secretary shall commence the demonstration project not later than January 1, 2000, and shall terminate the demonstration project not later than December 31, 2002.

(3) Under the demonstration project, the Secretary shall permit eligible individuals described in subsection (c) to enroll in the TRICARE program.

(4) Payment for care and services received by eligible individuals who enroll in the TRICARE program under the demonstration project shall be made as follows:

(A) First, under title XVIII of the Social Security Act, but only to the extent that payment for such care and services is provided for under that title.

(B) Second, under the TRICARE program, but only to the extent that payment for such care and services is provided under that program and is not provided for under subparagraph (A).

(C) Third, by the eligible individual concerned, but only to the extent that payment for such care and services is not provided for under subparagraphs (A) or (B).

(5)(A) The Secretary shall require each eligible individual who enrolls in the TRICARE program under the demonstration project to pay an enrollment fee. The Secretary shall provide, to the extent feasible, the option of payment of the enrollment fee through electronic transfers of funds and through withholding of such payment from the pay of a member or former member of the Armed Forces, and shall provide the option that payment of the enrollment fee be made in full at the beginning of the enrollment period or that payments be made on a monthly or quarterly basis.

(B) The amount of the enrollment fee charged an eligible individual under subparagraph (A) for self only or family enrollment in any year may not exceed the amount equal to 75 percent of the total subscription charges in that year for self-only or family, respectively, fee-for-service coverage under the health benefits plan under the Federal Employees Health Benefits program under chapter 89 of title 5, United States Code, that is most similar in coverage to the TRICARE program.

(6) A covered beneficiary who enrolls in TRICARE Senior Supplement under this subsection shall not be eligible to receive health care at a facility of the uniformed services during the period such.enrollment is in effect.

(b) Evaluation; Review.—(1) The Secretary shall provide for an evaluation of the demonstration project conducted under this subsection by an appropriate person or entity that is independent of the Department of Defense. The evaluation shall include the following:

(A) An analysis of the costs of the demonstration project to the United States and to the eligible individuals who participate in such demonstration project.

(B) An assessment of the extent to which the demonstration project satisfies the requirements of such eligible individuals for the health care services available under the demonstration project.

(C) An assessment of the effect, if any, of the demonstration project on military medical readiness.

(D) A description of the rate of the enrollment in the demonstration project of the individuals who were eligible to enroll in the demonstration project.

(E) An assessment of whether the demonstration project provides the most suitable model for a program to provide adequate health care services to the population of individuals consisting of the eligible individuals.

(F) An evaluation of any other matters that the Secretary considers appropriate.

(2) The Comptroller General shall review the evaluation conducted under paragraph (1). In carrying out the review, the Comptroller General shall—

(A) assess the validity of the processes used in the evaluation; and

(B) assess the validity of any findings under the evaluation, including any limitations with respect to the data contained in the evaluation as a result of the size and design of the demonstration project.

(3)(A) The Secretary shall submit a report on the results of the evaluation under paragraph (1), together with the evaluation, to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than December 31, 2002.

(B) The Comptroller General shall submit a report on the results of the review under paragraph (2) to the committees referred to in subparagraph (A) not later than February 15, 2003.

(c) Eligible Individuals.—(1) An individual is eligible to participate under this section if the individual is a member or former member of the uniformed services described in section 1074(b) of title 10, United States Code, a dependent of the member described in section 1076(a)(2)(B) or 1076(b) of that title, or a dependent of a member of the uniformed services who died while on active duty for a period of more than 30 days, who—

(A) is 65 years of age or older;

(B) is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

(C) is enrolled in the supplemental medical insurance program under part B of such title XVIII (42 U.S.C. 1395j et seq.); and

(D) resides in an area selected by the Secretary under subsection (c).

(c) Areas of Implementation.—(1) The Secretary shall carry out the demonstration project under this section in two separate areas selected by the Secretary.

(2) The areas selected by the Secretary under paragraph (1) shall be as follows:

(A) One area shall be an area outside the catchment area of a military medical treatment facility in which—

(i) no eligible organization has a contract in effect under section 1876 of the Social Security Act (42 U.S.C. 1395mm) and no Medicare+Choice organization has a contract in effect under part C of title XVIII of that Act (42 U.S.C. 1395w–21); or

(ii) the aggregate number of enrollees with an eligible organization with a contract in effect under section 1876 of that Act or with a Medicare+Choice organization with a contract in effect under part C of title XVIII of that Act is less than 2.5 percent of the total number of individuals in the area who are entitled to hospital insurance benefits under part A of title XVIII of that Act.

(B) The other area shall be an area outside the catchment area of a military medical treatment facility in which—

(i) at least one eligible organization has a contract in effect under section 1876 of that Act or one Medicare+Choice organization has a contract in effect under part C of title XVIII of that Act; and

(ii) the aggregate number of enrollees with an eligible organization with a contract in effect under section 1876 of that Act or with a Medicare+Choice organization with a contract in effect under part C of title XVIII of that Act exceeds 10 percent of the total number of individuals in the area who are entitled to hospital insurance benefits under part A of title XVIII of that Act.

(d) Definitions.—In this section:

(1) The term "administering Secretaries" has the meaning given that term in section 1072(3) of title 10, United States Code.

(2) The term "TRICARE program" has the meaning given that term in section 1072(7) of title 10, United States Code.

SEC. 723. IMPLEMENTATION OF REDESIGN OF PHARMACY SYSTEM.

(a) In General.—Not later than October 1, 1999, the Secretary of Defense shall implement, with respect to eligible individuals described in subsection (e) who reside in an area selected under subsection (f), the redesign of the pharmacy system under TRICARE (including the mail-order and retail pharmacy benefit under TRICARE) to incorporate "best business practices" of the private sector in providing pharmaceuticals, as developed under the plan described in section 703.

(b) Collection of Premiums and Other Charges.—The Secretary of Defense may collect from eligible individuals described in subsection (e) who participate in the redesigned pharmacy system any premiums, deductibles, copayments, or other charges that the Secretary would otherwise collect from individuals similar to such individuals.

(c) Evaluation.—The Secretary shall provide for an evaluation of the implementation of the redesign .of the pharmacy system under TRICARE under this section by an appropriate person or entity that is independent of the Department of Defense. The evaluation shall include the following:

(1) An analysis of the costs of the implementation of the redesign of the pharmacy system under TRICARE and to the eligible individuals who participate in the system.

(2) An assessment of the extent to which the implementation of such system satisfies the requirements of the eligible individuals for the health care services available under TRICARE.

(3) An assessment of the effect, if any, of the implementation of the system on military medical readiness.

(4) A description of the rate of the participation in the system of the individuals who were eligible to participate.

(5) An evaluation of any other matters that the Secretary considers appropriate.

(d) Reports.—The Secretary shall submit two reports on the results of the evaluation under subsection (c), together with the evaluation, to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The first report shall be submitted not later than December 31, 2000, and the second report shall be submitted not later than December 31, 2002.

(e) Eligible Individuals.—(1) An individual is eligible to participate under this section if the individual is a member or former member of the uniformed services described in section 1074(b) of title 10, United States Code, a dependent of the member described in section 1076(a)(2)(B) or 1076(b) of that title, or a dependent of a member of the uniformed services who died while on active duty for a period of more than 30 days, who—

(A) is 65 years of age or older;

(B) is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.);

(C) except as provided in paragraph (2), is enrolled in the supplemental medical insurance program under part B of such title XVIII (42 U.S.C. 1395j et seq.); and

(D) resides in an area selected by the Secretary under subsection (f).

(2) Paragraph (1)(C) shall not apply in the case of an individual who at the time of attaining the age of 65 lived within 100 miles of the catchment area of a military medical treatment facility.

(f) Areas of Implementation.—(1) The Secretary shall carry out the implementation of the redesign of the pharmacy system under TRICARE in two separate areas selected by the Secretary.

(2) The areas selected by the Secretary under paragraph (1) shall be as follows:

(A) One area shall be an area outside the catchment area of a military medical treatment facility in which—

(i) no eligible organization has a contract in effect under section 1876 of the Social Security Act (42 U.S.C. 1395mm) and no Medicare+Choice organization has a contract in effect under part C of title XVIII of that Act (42 U.S.C. 1395w–21); or

(ii) the aggregate number of enrollees with an eligible organization with a contract in effect under section 1876 of that Act or with a Medicare+Choice organization with a contract in effect under part C of title XVIII of that Act is less than 2.5 percent of the total number of individuals in the area who are entitled to hospital insurance benefits under part A of title XVIII of that Act.

(B) The other area shall be an area outside the catchment area of a military medical treatment facility in which—

(i) at least one eligible organization has a contract in effect under section 1876 of that Act or one Medicare+Choice organization has a contract in effect under part C of title XVIII of that Act; and

(ii) the aggregate number of enrollees with an eligible organization with a contract in effect under section 1876 of that Act or with a Medicare+Choice organization with a contract in effect under part C of title XVIII of that Act exceeds 10 percent of the total number of individuals in the area who are entitled to hospital insurance benefits under part A of title XVIII of that Act.

SEC. 724. COMPREHENSIVE EVALUATION OF IMPLEMENTATION OF DEMONSTRATION PROJECTS AND TRICARE PHARMACY REDESIGN.

Not later than March 31, 2003, the Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing a comprehensive comparative analysis of the FEHBP demonstration project conducted under section 1108 of title 10, United States Code (as added by section 721), the TRICARE Senior Supplement under section 722, and the redesign of the TRICARE pharmacy system under section 723. The comprehensive analysis shall incorporate the findings of the evaluation submitted under section 723(c) and the report submitted under subsection (j) of such section 1108.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

SEC. 731. PROCESS FOR WAIVING INFORMED CONSENT REQUIREMENT FOR ADMINISTRATION OF CERTAIN DRUGS TO MEMBERS OF ARMED FORCES FOR PURPOSES OF A PARTICULAR MILITARY OPERATION.

(a) Limitation and Waiver.—(1) Section 1107 of title 10, United States Code, is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following new subsection (f):

"(f) Limitation and Waiver.—(1) In the case of the administration of an investigational new drug or a drug unapproved for its applied use to a member of the armed forces in connection with the member's participation in a particular military operation, the requirement that the member provide prior consent to receive the drug in accordance with the prior consent requirement imposed under section 505(i)(4) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)(4)) may be waived only by the President. The President may grant such a waiver only if the President determines, in writing, that obtaining consent—

"(A) is not feasible;

"(B) is contrary to the best interests of the member; or

"(C) is not in the interests of national security.

"(2) In making a determination to waive the prior consent requirement on a ground described in subparagraph (A) or (B) of paragraph (1), the President shall apply the standards and criteria that are set forth in the relevant FDA regulations for a waiver of the prior consent requirement on that ground.

"(3) The Secretary of Defense may request the President to waive the prior consent requirement with respect to the administration of an investigational new drug or a drug unapproved for its applied use to a member of the armed forces in connection with the member's participation in a particular military operation. With respect to any such administration—

"(A) the Secretary may not delegate to any other official the authority to request the President to waive the prior consent requirement for the Department of Defense; and

"(B) if the President grants the requested waiver, the Secretary shall submit to the chairman and ranking minority member of each congressional defense committee a notification of the waiver, together with the written determination of the President under paragraph (1) and the Secretary's justification for the request or requirement under subsection (a) for the member to receive the drug covered by the waiver.

"(4) In this subsection:

"(A) The term 'relevant FDA regulations' means the regulations promulgated under section 505(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)).

"(B) The term 'prior consent requirement' means the requirement included in the relevant FDA regulations pursuant to section 505(i)(4) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(i)(4)).

"(C) The term 'congressional defense committee' means each of the following:

"(i) The Committee on Armed Services and the Committee on Appropriations of the Senate.

"(ii) The Committee on National Security and the Committee on Appropriations of the House of Representatives.".

(2) Subsection (f) of section 1107 of title 10, United States Code (as added by paragraph (1)), shall apply to the administration of an investigational new drug or a drug unapproved for its applied use to a member of the Armed Forces in connection with the member's participation in a particular military operation on or after the date of the enactment of this Act.

(3) A waiver of the requirement for prior consent imposed under the regulations required under paragraph (4) of section 505(i) of the Federal Food, Drug, and Cosmetic Act (or under any antecedent provision of law or regulations) that has been granted under that section (or antecedent provision of law or regulations) before the date of the enactment of this Act for the administration of a drug to a member of the Armed Forces in connection with the member's participation in a particular military operation may be applied in that case after that date only if—

(A) the Secretary of Defense personally determines that the waiver is justifiable on each ground on which the waiver was granted;

(B) the President concurs in that determination in writing; and

(C) the Secretary submits to the chairman and ranking minority member of each congressional committee referred to in section 1107(f)(4)(C) of title 10, United States Code (as added by paragraph (1))—

(i) a notification of the waiver;

(ii) the President's written concurrence; and

(iii) the Secretary's justification for the request or for the requirement under subsection 1107(a) of such title for the member to receive the drug covered by the waiver.

(b) Time and Form of Notice.—(1) Subsection (b) of such section is amended by striking out ", if practicable" and all that follows through "first administered to the member".

(2) Subsection (c) of such section is amended by striking out "unless the Secretary of Defense determines" and all that follows through "alternative method".

SEC. 732. HEALTH BENEFITS FOR ABUSED DEPENDENTS OF MEMBERS OF THE ARMED FORCES.

Section 1076(e) of title 10, United States Code, is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Subject to paragraph (3), the administering Secretary shall furnish an abused dependent of a former member of a uniformed service described in paragraph (4), during that period that the abused dependent is in receipt of transitional compensation under section 1059 of this title, with medical and dental care, including mental health services, in facilities of the uniformed services in accordance with the same eligibility and benefits as were applicable for that abused dependent during the period of active service of the former member."; and

(2) in paragraph (3)—

(A) by adding "and" at the end of subparagraph (A);

(B) by striking "; and" at the end of subparagraph (B) and inserting a period; and

(C) by striking subparagraph (C).

SEC. 733. PROVISION OF HEALTH CARE AT MILITARY ENTRANCE PROCESSING STATIONS AND ELSEWHERE OUTSIDE MEDICAL TREATMENT FACILITIES.

(a) EXTENSION OF AUTHORIZATION FOR USE OF PERSONAL SERVICES CONTRACTS.—Section 1091(a)(2) of title 10, United States Code, is amended in the second sentence by striking out "the end of the one-year period beginning on the date of the enactment of this paragraph" and inserting in lieu thereof "December 31, 2000".

(b) TEST OF ALTERNATIVE PROCESS FOR CONDUCTING MEDICAL SCREENINGS FOR ENLISTMENT QUALIFICATION.—(1) The Secretary of Defense shall conduct a test to—

(A) determine whether the use of an alternative to the system currently used by the Department of Defense of employing fee-basis physicians for determining the medical qualifications for enlistment of applicants for military service would reduce the number of disqualifying medical conditions that are detected during the initial entry training of such applicants;

(B) determine whether any savings or cost avoidance may be achieved through use of an alternative system as a result of any increased detection of disqualifying medical conditions before entry by applicants into initial entry training; and

(C) compare the capability of an alternative system to meet or exceed the cost, responsiveness, and timeliness standards of the system currently used by the Department.

(2) The alternative system described in paragraph (1) may include the system used under the TRICARE system, the health-care system of the Department of Veterans Affairs, or any other system, or combination of systems, considered appropriate by the Secretary.

(3) Not later than March 1, 2000, the Secretary shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the results and findings of the test conducted under paragraph (1).

SEC. 734. PROFESSIONAL QUALIFICATIONS OF PHYSICIANS PROVIDING MILITARY HEALTH CARE.

(a) REQUIREMENT FOR UNRESTRICTED LICENSE.—Section 1094(a)(1) of title 10, United States Code, is amended by adding at the end the following: "In the case of a physician, the physician may not provide health care as a physician under this chapter unless the current license is an unrestricted license that is not subject to limitation on the scope of practice ordinarily granted to other physicians for a similar specialty by the jurisdiction that granted the license.".

(b) SATISFACTION OF CONTINUING MEDICAL EDUCATION REQUIREMENTS.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1094 the following new section:

"§1094a. Continuing medical education requirements: system for monitoring physician compliance

"The Secretary of Defense shall establish a mechanism for ensuring that each person under the jurisdiction of the Secretary of a military department who provides health care under this chapter as a physician satisfies the continuing medical education requirements applicable to the physician.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1094 the following new item:

"1094a. Continuing medical education requirements: system for monitoring physician compliance.".

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall take effect on October 1, 1999.

(2) The system required by section 1094a of title 10, United States Code (as added by subsection (b)), shall take effect on the date that is three years after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 741. ENHANCED DEPARTMENT OF DEFENSE ORGAN AND TISSUE DONOR PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) Organ and tissue transplantation is one of the most remarkable medical success stories in the history of medicine.

(2) Each year, the number of people waiting for organ or tissue transplantation increases. It is estimated that there are approximately 39,000 patients, ranging in age from babies to those in retirement, awaiting transplants of kidneys, hearts, livers, and other solid organs.

(3) The Department of Defense has made significant progress in increasing the awareness of the importance of organ and tissue donations among members of the Armed Forces.

(4) The inclusion of organ and tissue donor elections in the Defense Enrollment Eligibility Reporting System (DEERS) central database represents a major step in ensuring that organ and tissue donor elections are a matter of record and are accessible in a timely manner.

(b) RESPONSIBILITIES REGARDING ORGAN AND TISSUE DONATION.—(1) Chapter 55 of title 10, United States Code, is amended by adding after section 1108, as added by section 721(a)(1), the following new section:

"§1109. Organ and tissue donor program

"(a) RESPONSIBILITIES OF THE SECRETARY OF DEFENSE.—The Secretary of Defense shall ensure that the advanced systems developed for recording armed forces members' personal data and information (such as the SMARTCARD, MEDITAG, and Personal Information Carrier) include the capability to record organ and tissue donation elections.

"(b) RESPONSIBILITIES OF THE SECRETARIES OF THE MILITARY DEPARTMENTS.—(1) The Secretaries of the military departments shall ensure that—

"(1) appropriate information about organ and tissue donation is provided—

"(A) to each officer candidate during initial training; and

"(B) to each recruit—

"(i) after completion by the recruit of basic training; and

"(ii) before arrival of the recruit at the first duty assignment of the recruit;

"(2) members of the armed forces are given recurring, specific opportunities to elect to be organ or tissue donors during service in the armed forces and upon retirement; and

"(3) members of the armed forces electing to be organ or tissue donors are encouraged to advise their next of kin concerning the donation decision and any subsequent change of that decision.

"(c) RESPONSIBILITIES OF THE SURGEONS GENERAL OF THE MILITARY DEPARTMENTS.—The Surgeons General of the military departments shall ensure that—

"(1) appropriate training is provided to enlisted and officer medical personnel to facilitate the effective operation of organ and tissue donation activities under garrison conditions and, to the extent possible, under operational conditions; and

"(2) medical logistical activities can, to the extent possible without jeopardizing operational requirements, support an effective organ and tissue donation program.".

(2) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 1108, as added by section 721(a)(2), the following new item:

"1109. Organ and tissue donor program.".

(c) REPORT.—Not later than September 1, 1999, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the implementation of section 1109 of title 10, United States Code (as added by subsection (b).

SEC. 742. AUTHORIZATION TO ESTABLISH A LEVEL 1 TRAUMA TRAINING CENTER.

The Secretary of the Army is hereby authorized to establish a Level 1 Trauma Training Center (as designated by the American College of Surgeons) in order to provide the Army with a trauma center capable of training forward surgical teams.

SEC. 743. AUTHORITY TO ESTABLISH CENTER FOR STUDY OF POST-DEPLOYMENT HEALTH CONCERNS OF MEMBERS OF THE ARMED FORCES.

The Secretary of Defense is hereby authorized to establish a center devoted to a longitudinal study to evaluate data on the health conditions of members of the Armed Forces upon their return from deployment on military operations for purposes of ensuring the rapid identification of any trends in diseases, illnesses, or injuries among such members as a result of such operations.

SEC. 744. REPORT ON IMPLEMENTATION OF ENROLLMENT-BASED CAPITATION FOR FUNDING FOR MILITARY MEDICAL TREATMENT FACILITIES.

(a) REPORT REQUIRED.—The Secretary of Defense shall submit to Congress a report on the potential impact of using an enrollment-based capitation methodology to allocate funds for military medical treatment facilities. The report shall address the following:

(1) A description of the plans of the Secretary to implement an enrollment-based capitation methodology for military medical treatment facilities and with respect to contracts for the delivery of health care under the TRICARE program.

(2) The justifications for implementing an enrollment-based capitation methodology without first conducting a demonstration project for implementation of such methodology.

(3) The impact that implementation of an enrollment based capitation methodology would have on the provision of space-available care at military medical treatment facilities, particularly in the case of care for—

(A) military retirees entitled who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(B) covered beneficiaries under chapter 55 of title 10, United States Code, who reside outside the catchment area of a military medical treatment facility.

(4) The impact that implementation of an enrollment-based capitation methodology would have with respect to the pharmacy benefits provided at military medical treatment facilities, given that the enrollment-based capitation methodology would fund military medical treatment facilities based on the number of members at such facilities enrolled in TRICARE Prime, but all covered beneficiaries may fill prescriptions at military medical treatment facility pharmacies.

(5) An explanation of how additional funding will be provided for a military medical treatment facility if an enrollment-based capitation methodology is implemented to ensure that space-available care and pharmacy coverage can be provided to covered beneficiaries who are not enrolled at the military medical treatment facility, and the amount of funding that will be available.

(6) An explanation of how implementation of an enrollment-based capitation methodology would impact the provision of uniform benefits under TRICARE Prime, and how the Secretary

would ensure, if such methodology were implemented, that the provision of health care under TRICARE Prime would not be bifurcated between the provision of such care at military medical treatment facilities and the provision of such care from civilian providers.

(b) DEADLINE FOR SUBMISSION.—The Secretary shall submit the report required by subsection (a) not later than March 1, 1999.

SEC. 745. JOINT DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS REPORTS RELATING TO INTERDEPARTMENTAL COOPERATION IN THE DELIVERY OF MEDICAL CARE.

(a) FINDINGS.—Congress makes the following findings:

(1) The military health care system of the Department of Defense and the Veterans Health Administration of the Department of Veterans Affairs are national institutions that collectively manage more than 1,500 hospitals, clinics, and health care facilities worldwide to provide services to more than 11,000,000 beneficiaries.

(2) In the post-Cold War era, these institutions are in a profound transition that involves challenging opportunities.

(3) During the period from 1988 to 1998, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third.

(4) During the two years since 1996, the Department of Veterans Affairs has revitalized its structure by decentralizing authority into 22 Veterans Integrated Service Networks.

(5) In the face of increasing costs of medical care, increased demands for health care services, and increasing budgetary constraints, the Department of Defense and the Department of Veterans Affairs have embarked on a variety of dynamic and innovative cooperative programs ranging from shared services to joint venture operations of medical facilities.

(6) In 1984, there was a combined total of 102 Department of Veterans Affairs and Department of Defense facilities with sharing agreements. By 1997, that number had grown to 420. During the six years from fiscal year 1992 through fiscal year 1997, shared services increased from slightly over 3,000 services to more than 6,000 services, ranging from major medical and surgical services, laundry, blood, and laboratory services to unusual speciality care services.

(7) The Department of Defense and the Department of Veterans Affairs are conducting four health care joint ventures in New Mexico, Nevada, Texas, and Oklahoma, and are planning to conduct four more such ventures in Alaska, Florida, Hawaii, and California.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Department of Defense and the Department of Veterans Affairs should be commended for the cooperation between the two departments in the delivery of medical care, of which the cooperation involved in the establishment and operation of the Department of Defense and the Department of Veterans Affairs Executive Council is a praiseworthy example;

(2) the Department of Defense and the Department of Veterans Affairs are encouraged to continue to explore new opportunities to enhance the availability and delivery of medical care to beneficiaries by further enhancing the cooperative efforts of the departments; and

(3) enhanced cooperation between the Department of Defense and the Department of Veterans Affairs is encouraged regarding—

(A) the general areas of access to quality medical care, identification and elimination of impediments to enhanced cooperation, and joint research and program development; and

(B) the specific areas in which there is significant potential to achieve progress in cooperation in a short term, including computerization of patient records systems, participation of the Department of Veterans Affairs in the TRICARE program, pharmaceutical programs, and joint physical examinations.

(c) JOINT SURVEY OF POPULATIONS SERVED.—(1) The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a survey of their respective medical care beneficiary populations to identify, by category of beneficiary (defined as the Secretaries consider appropriate), the expectations of, requirements for, and behavior patterns of the beneficiaries with respect to medical care. The two Secretaries shall develop the protocol for the survey jointly, but shall obtain the services of an entity independent of the Department of Defense and the Department of Veterans Affairs to carry out the survey.

(2) The survey shall include the following:

(A) Demographic characteristics, economic characteristics, and geographic location of beneficiary populations with regard to catchment or service areas.

(B) The types and frequency of care required by veterans, retirees, and dependents within catchment or service areas of Department of Defense and Department of Veterans Affairs medical facilities and outside those areas.

(C) The numbers of, characteristics of, and types of medical care needed by the veterans, retirees, and dependents who, though eligible for medical care in Department of Defense or Department of Veterans Affairs treatment facilities or through other federally funded medical programs, choose not to seek medical care from those facilities or under those programs, and the reasons for that choice.

(D) The obstacles or disincentives for seeking medical care from such facilities or under such programs that are perceived by veterans, retirees, and dependents.

(E) Any other matters that the Secretary of Defense and the Secretary of Veterans Affairs consider appropriate for the survey.

(3) The Secretary of Defense or the Secretary of Veterans Affairs may waive the survey requirements under this subsection with respect to information that can be better obtained from a source other than the survey.

(4) The Secretary of Defense and the Secretary of Veterans Affairs shall submit a report on the results of the survey to the appropriate committees of Congress. The report shall contain the matters described in paragraph (2) and any proposals for legislation that the Secretaries recommend for enhancing Department of Defense and Department of Veterans Affairs cooperative efforts with respect to the delivery of medical care.

(d) REVIEW OF LAW AND POLICIES.—(1) The Secretary of Defense and the Secretary of Veterans Affairs shall jointly conduct a review to identify impediments to cooperation between the Department of Defense and the Department of Veterans Affairs regarding the delivery of medical care. The matters reviewed shall include the following:

(A) All laws, policies, and regulations, and any attitudes of beneficiaries of the health care systems of the two departments, that have the effect of preventing the establishment, or limiting the effectiveness, of cooperative health care programs of the departments.

(B) The requirements and practices involved in the credentialling and licensure of health care providers.

(C) The perceptions of beneficiaries in a variety of categories (defined as the Secretaries consider appropriate) regarding the various Federal health care systems available for their use.

(D) The types and frequency of medical services furnished by the Department of Defense and the Department of Veterans Affairs through cooperative arrangements to each category of beneficiary (including active-duty members, retirees, dependents, veterans in the health-care eligibility categories referred to as Category A and Category C, and persons authorized to receive medical care under section 1713 of title 38, United States Code) of the other department.

(E) The extent to which health care facilities of the Department of Defense and Department of Veterans Affairs have sufficient capacity, or could jointly or individually create sufficient capacity, to provide services to beneficiaries of the other department without diminution of access or services to their primary beneficiaries.

(F) The extent to which the recruitment of scarce medical specialists and allied health personnel by the Department of Defense and the Department of Veterans Affairs could be enhanced through cooperative arrangements for providing health care services.

(G) The obstacles and disincentives to providing health care services through cooperative arrangements between the Department of Defense and the Department of Veterans Affairs.

(2) The Secretaries shall jointly submit a report on the results of the review to the appropriate committees of Congress. The report shall include any proposals for legislation that the Secretaries recommend for eliminating or reducing impediments to interdepartmental cooperation that are identified during the review.

(e) PARTICIPATION IN TRICARE.—(1) The Secretary of Defense shall review the TRICARE program to identify opportunities for increased participation by the Department of Veterans Affairs in that program. The ongoing collaboration between Department of Defense officials and Department of Veterans Affairs officials regarding increased participation shall be included among the matters reviewed.

(2) The Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to the appropriate committees of Congress a semiannual report on the status of the review under this subsection and on efforts to increase the participation of the Department of Veterans Affairs in the TRICARE program. No report is required under this paragraph after the submission of a semiannual report in which the Secretaries declare that the Department of Veterans Affairs is participating in the TRICARE program to the extent that can reasonably be expected to be attained.

(f) PHARMACEUTICAL BENEFITS AND PROGRAMS.—(1) The Department of Defense-Department of Veterans Affairs Federal Pharmacy Executive Steering Committee shall—

(A) undertake a comprehensive examination of existing pharmaceutical benefits and programs for beneficiaries of Department of Defense medical care programs, including matters relating to the purchasing, distribution, and dispensing of pharmaceuticals and the management of mail order pharmaceuticals programs; and

(B) review the existing methods for contracting for and distributing medical supplies and services.

(2) The committee shall submit a report on the results of the examination to the appropriate committees of Congress.

(g) STANDARDIZATION OF PHYSICAL EXAMINATIONS FOR DISABILITY.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly submit to the appropriate committees of Congress a report on the status of the efforts of the Department of Defense and the Department of Veterans Affairs to standardize physical examinations administered by the two departments for the purpose of determining or rating disabilities.

(h) APPROPRIATE COMMITTEES OF CONGRESS DEFINED.—For the purposes of this section, the appropriate committees of Congress are as follows:

(1) The Committee on Armed Services and the Committee on Veterans' Affairs of the Senate.

(2) The Committee on National Security and the Committee on Veterans' Affairs of the House of Representatives.

(i) DEADLINES FOR SUBMISSION OF REPORTS.—(1) The report required by subsection (c)(3) shall be submitted not later than January 1, 2000.

(2) The report required by subsection (d)(2) shall be submitted not later than March 1, 1999.

(3) The semiannual report required by subsection (e)(2) shall be submitted not later than March 1 and September 1 of each year.

(4) The report on the examination required under subsection (f) shall be submitted not later than 60 days after the completion of the examination.

(5) The report required by subsection (g) shall be submitted not later than March 1, 1999.

SEC. 746. REPORT ON RESEARCH AND SURVEILLANCE ACTIVITIES REGARDING LYME DISEASE AND OTHER TICK-BORNE DISEASES.

Not later than April 1, 1999, the Secretary of Defense shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report on the current and recommended levels of research and surveillance activities regarding Lyme disease and other tick-borne diseases among members of the Armed Forces. The report shall include the following:

(1) An analysis of the current and projected threat to the operational readiness of the Armed Forces posed by Lyme disease and other tick-borne diseases in the United States and in overseas locations at which members of the Armed Forces might be deployed.

(2) A review of the current research efforts being implemented to prevent the contraction of Lyme disease and other tick-borne diseases by members of the Armed Forces, and to enhance the early identification of such diseases once they have been contracted.

(3) An assessment of the adequacy of existing and projected funding levels for research and surveillance activities relating to Lyme disease and other tick-borne diseases among members of the Armed Forces.

(4) The recommended funding levels necessary to address the threats posed to the operational readiness of the Armed Forces by Lyme disease and other tick-borne diseases.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Sec. 801. Limitation on use of price preference upon achievement of contract goal for small and disadvantaged businesses.
Sec. 802. Distribution of assistance under the Procurement Technical Assistance Cooperative Agreement Program.
Sec. 803. Defense commercial pricing management improvement.
Sec. 804. Modification of senior executives covered by limitation on allowability of compensation for certain contractor personnel.
Sec. 805. Separate determinations of exceptional waivers of truth in negotiation requirements for prime contracts and subcontracts.
Sec. 806. Procurement of conventional ammunition.
Sec. 807. Para-aramid fibers and yarns.
Sec. 808. Clarification of responsibility for submission of information on prices previously charged for property or services offered.
Sec. 809. Amendments and study relating to procurement from firms in industrial base for production of small arms.

Subtitle B—Other Matters

Sec. 811. Eligibility of involuntarily downgraded employee for membership in an acquisition corps.
Sec. 812. Time for submission of annual report relating to Buy American Act.
Sec. 813. Procurement of travel services for official and unofficial travel under one contract.
Sec. 814. Department of Defense purchases through other agencies.
Sec. 815. Supervision of defense acquisition university structure by Under Secretary of Defense for Acquisition and Technology.
Sec. 816. Pilot programs for testing program manager performance of product support oversight responsibilities for life cycle of acquisition programs.
Sec. 817. Scope of protection of certain information from disclosure.
Sec. 818. Plan for rapid transition from completion of small business innovation research into defense acquisition programs.
Sec. 819. Five-year authority for Secretary of the Navy to exchange certain items.
Sec. 820. Permanent authority for use of major range and test facility installations by commercial entities.
Sec. 821. Inventory exchange authorized for certain fuel delivery contract.

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

SEC. 801. LIMITATION ON USE OF PRICE PREFERENCE UPON ACHIEVEMENT OF CONTRACT GOAL FOR SMALL AND DISADVANTAGED BUSINESSES.

Section 2323(e)(3) of title 10, United States Code, is amended—

(1) by inserting "(A)" after "(3)";

(2) by inserting ", except as provided in subparagraph (B)," after "the head of an agency may" in the first sentence; and

(3) by adding at the end the following:

"(B)(i) The Secretary of Defense may not exercise the authority under subparagraph (A) to enter into a contract for a price exceeding fair market cost if the regulations implementing that authority are suspended under clause (ii) with respect to that contract.

"(ii) At the beginning of each fiscal year, the Secretary shall determine, on the basis of the most recent data, whether the Department of Defense achieved the 5 percent goal described in subsection (a) during the fiscal year to which the data relates. Upon determining that the Department achieved the goal for the fiscal year to which the data relates, the Secretary shall issue a suspension, in writing, of the regulations that implement the authority under subparagraph (A). Such a suspension shall be in effect for the one-year period beginning 30 days after the date on which the suspension is issued and shall apply with respect to contracts awarded pursuant to solicitations issued during that period.

"(iii) For purposes of clause (ii), the term 'most recent data' means data relating to the most recent fiscal year for which data are available.".

SEC. 802. DISTRIBUTION OF ASSISTANCE UNDER THE PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM.

(a) CORRECTION OF DESCRIPTION OF GEOGRAPHIC UNIT.—(1) Section 2413(c) of title 10, United States Code, is amended by striking out "region" and inserting in lieu thereof "district".

(2) Section 2415 of such title is amended—

(A) by striking out "region" and inserting in lieu thereof "district" each place it appears; and

(B) by striking out "regions" and inserting in lieu thereof "districts".

(b) TECHNICAL AMENDMENT.—Section 2415 of such title is amended by striking out "Defense Contract Administrative Services" and inserting in lieu thereof "Department of Defense contract administrative services".

SEC. 803. DEFENSE COMMERCIAL PRICING MANAGEMENT IMPROVEMENT.

(a) MODIFICATION OF PRICING REGULATIONS FOR CERTAIN COMMERCIAL ITEMS EXEMPT FROM COST OR PRICING DATA CERTIFICATION REQUIREMENTS.—(1) The Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405, 421) shall be revised to clarify the procedures and methods to be used for determining the reasonableness of prices of exempt commercial items (as defined in subsection (d)).

(2) The regulations shall, at a minimum, provide specific guidance on—

(A) the appropriate application and precedence of such price analysis tools as catalog-based pricing, market-based pricing, historical pricing, parametric pricing, and value analysis;

(B) the circumstances under which contracting officers should require offerors of exempt commercial items to provide—

(i) information on prices at which the offeror has previously sold the same or similar items; or

(ii) other information other than certified cost or pricing data;

(C) the role and responsibility of Department of Defense support organizations in procedures for determining price reasonableness; and

(D) the meaning and appropriate application of the term "purposes other than governmental purposes" in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(3) This subsection shall cease to be effective one year after the date on which final regulations prescribed pursuant to paragraph (1) take effect.

(b) UNIFIED MANAGEMENT OF PROCUREMENT OF EXEMPT COMMERCIAL ITEMS.—The Secretary of Defense shall develop and implement procedures to ensure that, whenever appropriate, a single item manager or contracting officer is responsible for negotiating and entering into all contracts from a single contractor for the procurement of exempt commercial items or for the procurement of items in a category of exempt commercial items.

(c) COMMERCIAL PRICE TREND ANALYSIS.—(1) The Secretary of Defense shall develop and implement procedures that, to the maximum extent that is practicable and consistent with the efficient operation of the Department of Defense, provide for the collection and analysis of information on price trends for categories of exempt commercial items described in paragraph (2).

(2) A category of exempt commercial items referred to in paragraph (1) consists of exempt commercial items—

(A) that are in a single Federal Supply Group or Federal Supply Class, are provided by a single contractor, or are otherwise logically grouped for the purpose of analyzing information on price trends; and

(B) for which there is a potential for the price paid to be significantly higher (on a percentage basis) than the prices previously paid in procurements of the same or similar items for the Department of Defense, as determined by the head of the procuring Department of Defense agency or the Secretary of the procuring military department on the basis of criteria prescribed by the Secretary of Defense.

(3) The head of a Department of Defense agency or the Secretary of a military department shall take appropriate action to address any unreasonable escalation in prices being paid for items procured by that agency or military department as identified in an analysis conducted pursuant to paragraph (1).

(4) Not later than April 1 of each of fiscal years 2000, 2001, and 2002, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the analyses of price trends that were conducted for categories of exempt commercial items during the preceding fiscal year under the procedures prescribed pursuant to paragraph (1). The report shall include a description of the actions taken to identify and address any unreasonable price escalation for the categories of items.

(d) Exempt Commercial Items Defined.—For the purposes of this section, the term "exempt commercial item" means a commercial item that is exempt under subsection (b)(1)(B) of section 2306a of title 10, United States Code, or subsection (b)(1)(B) of section 304A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b), from the requirements for submission of certified cost or pricing data under that section.

SEC. 804. MODIFICATION OF SENIOR EXECUTIVES COVERED BY LIMITATION ON ALLOWABILITY OF COMPENSATION FOR CERTAIN CONTRACTOR PERSONNEL.

(a) Armed Services Acquisitions.—Section 2324(l)(5) of title 10, United States Code, is amended to read as follows:

"(5) The term 'senior executives', with respect to a contractor, means the five most highly compensated employees in management positions at each home office and each segment of the contractor.".

(b) Civilian Agency Acquisitions.—Section 306(m)(2) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 256(m)(2)) is amended to read as follows:

"(2) The term 'senior executives', with respect to a contractor, means the five most highly compensated employees in management positions at each home office and each segment of the contractor.".

(c) Conforming Amendments.—(1) Section 39(c)(2) of the Office of Federal Procurement Policy Act (41 U.S.C. 435(c)(2)) is amended to read as follows:

"(2) The term 'senior executives', with respect to a contractor, means the five most highly compensated employees in management positions at each home office and each segment of the contractor.".

(2) Section 808(g)(2) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1838) is amended by striking out "senior executive" and inserting in lieu thereof "senior executives".

(d) Effective Date.—The amendments made by this section shall apply with respect to costs of compensation of senior executives incurred after January 1, 1999, under covered contracts (as defined in section 2324(l) of title 10, United States Code, and section 306(l) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C.256(l)) entered into before, on, or after the date of the enactment of this Act.

SEC. 805. SEPARATE DETERMINATIONS OF EXCEPTIONAL WAIVERS OF TRUTH IN NEGOTIATION REQUIREMENTS FOR PRIME CONTRACTS AND SUBCONTRACTS.

(a) Armed Services Acquisitions.—Section 2306a(a)(5) of title 10, United States Code, is amended to read as follows:

"(5) A waiver of requirements for submission of certified cost or pricing data that is granted under subsection (b)(1)(C) in the case of a contract or subcontract does not waive the requirement under paragraph (1)(C) for submission of cost or pricing data in the case of subcontracts under that contract or subcontract unless the head of the procuring activity granting the waiver determines that the requirement under that paragraph should be waived in the case of such subcontracts and justifies in writing the reasons for the determination.".

(b) Civilian Agency Acquisitions.—Section 304A(a)(5) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(a)(5)) is amended to read as follows:

"(5) A waiver of requirements for submission of certified cost or pricing data that is granted under subsection (b)(1)(C) in the case of a contract or subcontract does not waive the requirement under paragraph (1)(C) for submission of cost or pricing data in the case of subcontracts under that contract or subcontract unless the head of the procuring activity granting the waiver determines that the requirement under that paragraph should be waived in the case of such subcontracts and justifies in writing the reasons for the determination.".

SEC. 806. PROCUREMENT OF CONVENTIONAL AMMUNITION.

(a) Authority.—The official in the Department of Defense designated as the single manager for conventional ammunition in the Department shall have the authority to restrict the procurement of conventional ammunition to sources within the national technology and industrial base in accordance with the authority in section 2304(c) of title 10, United States Code.

(b) Requirement.—The official in the Department of Defense designated as the single manager for conventional ammunition in the Department of Defense shall limit a specific procurement of ammunition to sources within the national technology and industrial base in accordance with section 2304(c)(3) of title 10, United States Code, in any case in which that manager determines that such limitation is necessary to maintain a facility, producer, manufacturer, or other supplier available for furnishing an essential item of ammunition or ammunition component in cases of national emergency or to achieve industrial mobilization.

(c) Conventional Ammunition Defined.—For purposes of this section, the term "conventional ammunition" has the meaning given that term in Department of Defense Directive 5160.65, dated March 8, 1995.

SEC. 807. PARA-ARAMID FIBERS AND YARNS.

(a) Authority.—The Secretary of Defense may procure articles containing para-aramid fibers and yarns manufactured in a foreign country referred to in subsection (d) if the Secretary determines that—

(1) procuring articles that contain only para-aramid fibers and yarns manufactured from suppliers within the national technology and industrial base would result in sole-source contracts or subcontracts for the supply of such para-aramid fibers and yarns; and

(2) such sole-source contracts or subcontracts would not be in the best interests of the Government or consistent with the objectives of section 2304 of title 10, United States Code.

(b) Submission to Congress.—Not later than 30 days after making a determination under subsection (a), the Secretary shall submit to Congress a copy of the determination.

(c) Applicability to Subcontracts.—The authority under subsection (a) applies with respect to subcontracts under Department of Defense contracts as well as to such contracts.

(d) Foreign Countries Covered.—The authority under subsection (a) applies with respect to a foreign country that—

(1) is a party to a defense memorandum of understanding entered into under section 2531 of this title; and

(2) permits United States firms that manufacture para-aramid fibers and yarns to compete with foreign firms for the sale of para-aramid fibers and yarns in that country, as determined by the Secretary of Defense.

(e) Definition.—In this section, the term "national technology and industrial base" has the meaning given that term in section 2500 of title 10, United States Code.

SEC. 808. CLARIFICATION OF RESPONSIBILITY FOR SUBMISSION OF INFORMATION ON PRICES PREVIOUSLY CHARGED FOR PROPERTY OR SERVICES OFFERED.

(a) Armed Services Procurements.—Section 2306a(d)(1) of title 10, United States Code, is amended by striking out "the data submitted shall" in the second sentence and inserting in lieu thereof the following: "the contracting officer shall require that the data submitted".

(b) Civilian Agency Procurements.—Section 304A(d)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)(1)), is amended by striking out "the data submitted shall" in the second sentence and inserting in lieu thereof the following: "the contracting officer shall require that the data submitted".

(c) Eligibility for Contracts and Subcontracts To Be Conditioned on Compliance.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation shall be amended to provide that an offeror's compliance with a requirement to submit data for a contract or subcontract in accordance with section 2306a(d)(1) of title 10, United States Code, or section 304A(d)(1) of the Federal Property and Administrative Services Act of 1949 shall be a condition for the offeror to be eligible to enter into the contract or subcontract, subject to such exceptions as the Federal Acquisition Regulatory Council determines appropriate.

(d) Criteria for Certain Determinations.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation shall be amended to include criteria for contracting officers to apply for determining the specific price information that an offeror should be required to submit under section 2306a(d) of title 10, United States Code, or section 304A(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)).

SEC. 809. AMENDMENTS AND STUDY RELATING TO PROCUREMENT FROM FIRMS IN INDUSTRIAL BASE FOR PRODUCTION OF SMALL ARMS.

(a) Requirement To Limit Procurements to Certain Sources.—Subsection (a) of section 2473 of title 10, United States Code, is amended—

(1) in the heading, by striking out the first word and inserting in lieu thereof "Requirement";

(2) by striking out "To the extent that the Secretary of Defense determines necessary to preserve the small arms production industrial base, the Secretary may" and inserting in lieu thereof "In order to preserve the small arms production industrial base, the Secretary of Defense shall"; and

(3) by inserting before the period at the end the following: ", unless the Secretary determines, with regard to a particular procurement, that such requirement is not necessary to preserve the small arms production industrial base".

(b) Specification of Included Repair Parts.—Subsection (b) of such section is amended in paragraph (1) by inserting before the period the following: ", including repair parts consisting of barrels, receivers, and bolts".

(c) Applicability of Requirement.—Such section is further amended—

(1) in subsection (b), by striking out "Subsection" and inserting in lieu thereof "Subject to subsection (d), subsection"; and

(2) by adding at the end the following new subsection:

"(d) APPLICABILITY.—This section applies only to procurements of covered property and services involving the following small arms:

"(1) M16 series rifle.

"(2) MK19 grenade machine gun.

"(3) M4 series carbine.

"(4) M240 series machine gun.

"(5) M249 squad automatic weapon.".

(d) SUBMISSION OF CERTIFIED COST OR PRICING DATA.—Such section is further amended by adding at the end the following new subsection:

"(e) SUBMISSION OF CERTIFIED COST OR PRICING DATA.—If a procurement under subsection (a) is a procurement of a commercial item, the Secretary may, notwithstanding section 2306a(b)(1)(B) of this title, require the submission of certified cost or pricing data under section 2306a(a) of this title.".

(e) STUDY.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall conduct a study, to be carried out by the Army Science Board, to examine whether the requirements of section 2473 of title 10, United States Code, should be extended to small arms (as specified in subsection (d) of such section) and the parts manufactured under a contract with the Department of Defense to produce such small arms.

(f) AUTHORITY TO EXTEND REQUIREMENTS OF SECTION 2473.—Based upon recommendations of the Army Science Board resulting from the study conducted under subsection (e), the Secretary of the Army may apply the requirements of section 2473 of title 10, United States Code, to the small arms and parts referred to in subsection (e).

Subtitle B—Other Matters

SEC. 811. ELIGIBILITY OF INVOLUNTARILY DOWNGRADED EMPLOYEE FOR MEMBERSHIP IN AN ACQUISITION CORPS.

Section 1732(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Paragraph (1) of subsection (b) shall not apply to an employee who—

"(A) having previously served in a position within a grade referred to in subparagraph (A) of that paragraph, is currently serving in the same position within a grade below GS–13 of the General Schedule, or in another position within that grade, by reason of a reduction in force or the closure or realignment of a military installation, or for any other reason other than by reason of an adverse personnel action for cause; and

"(B) except as provided in paragraphs (1) and (2), satisfies the educational, experience, and other requirements prescribed under paragraphs (2), (3), and (4) of that subsection.".

SEC. 812. TIME FOR SUBMISSION OF ANNUAL REPORT RELATING TO BUY AMERICAN ACT.

Section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2611; 41 U.S.C. 10b–3) is amended by striking out "90 days" and inserting in lieu thereof "60 days".

SEC. 813. PROCUREMENT OF TRAVEL SERVICES FOR OFFICIAL AND UNOFFICIAL TRAVEL UNDER ONE CONTRACT.

(a) AUTHORITY.—Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§2646. Travel services: procurement for official and unofficial travel under one contract

"(a) AUTHORITY.—The head of an agency may enter into a contract for travel-related services that provides for the contractor to furnish services for both official travel and unofficial travel.

"(b) CREDITS, DISCOUNTS, COMMISSIONS, FEES.—(1) A contract entered into under this section may provide for credits, discounts, or commissions or other fees to accrue to the Department of Defense. The accrual and amounts of credits, discounts, or commissions or other fees may be determined on the basis of the volume (measured in the number or total amount of transactions or otherwise) of the travel-related sales that are made by the contractor under the contract.

"(2) The evaluation factors applicable to offers for a contract under this section may include a factor that relates to the estimated aggregate value of any credits, discounts, commissions, or other fees that would accrue to the Department of Defense for the travel-related sales made under the contract.

"(3) Commissions or fees received by the Department of Defense as a result of travel-related sales made under a contract entered into under this section shall be distributed as follows:

"(A) For amounts relating to sales for official travel, credit to appropriations available for official travel for the fiscal year in which the amounts were charged.

"(B) For amounts relating to sales for unofficial travel, deposit in nonappropriated fund accounts available for morale, welfare, and recreation programs.

"(c) DEFINITIONS.—In this section:

"(1) The term 'head of an agency' has the meaning given that term in section 2302(1) of this title.

"(2) The term 'official travel' means travel at the expense of the Federal Government.

"(3) The term 'unofficial travel' means personal travel or other travel that is not paid for or reimbursed by the Federal Government out of appropriated funds.

"(d) INAPPLICABILITY TO COAST GUARD AND NASA.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy, nor to the National Aeronautics and Space Administration.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2646. Travel services: procurement for official and unofficial travel under one contract.".

SEC. 814. DEPARTMENT OF DEFENSE PURCHASES THROUGH OTHER AGENCIES.

(a) EXTENSION OF REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall revise the regulations issued pursuant to section 844 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1720; 31 U.S.C. 1535 note) to—

(1) cover any purchase described in subsection (b) that is greater than the micro-purchase threshold; and

(2) provide for a streamlined method of compliance for any such purchase that is not greater than the simplified acquisition threshold.

(b) DESCRIPTION OF PURCHASES.—A purchase referred to in subsection (a) is a purchase of goods or services for one agency of the Department of Defense by any other agency under a task or delivery order contract entered into by the other agency under section 2304a of title 10, United States Code, or section 303H of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h).

(c) DEFINITIONS.—In this section:

(1) The term "micro-purchase threshold" has the meaning provided in section 32 of the Office of Federal Procurement Policy Act (41 U.S.C. 428).

(2) The term "simplified acquisition threshold" has the meaning provided in section 4 of such Act (41 U.S.C. 403).

(d) TERMINATION.—This section shall cease to be effective one year after the date on which final regulations prescribed pursuant to subsection (a) take effect.

SEC. 815. SUPERVISION OF DEFENSE ACQUISITION UNIVERSITY STRUCTURE BY UNDER SECRETARY OF DEFENSE FOR ACQUISITION AND TECHNOLOGY.

Section 1702 of title 10, United States Code, is amended by adding at the end the following: "The Under Secretary shall prescribe policies and requirements for the educational programs of the defense acquisition university structure established under section 1746 of this title.".

SEC. 816. PILOT PROGRAMS FOR TESTING PROGRAM MANAGER PERFORMANCE OF PRODUCT SUPPORT OVERSIGHT RESPONSIBILITIES FOR LIFE CYCLE OF ACQUISITION PROGRAMS.

(a) DESIGNATION OF PILOT PROGRAMS.—The Secretary of Defense, acting through the Secretaries of the military departments, shall designate 10 acquisition programs of the military departments as pilot programs on program manager responsibility for product support.

(b) RESPONSIBILITIES OF PROGRAM MANAGERS.—The program manager for each acquisition program designated as a pilot program under this section shall have the responsibility for ensuring that the product support functions for the program are properly carried out over the entire life cycle of the program.

(c) REPORT.—Not later than February 1, 1999, the Secretary of Defense shall submit to the congressional defense committees a report on the pilot programs. The report shall contain the following:

(1) A description of the acquisition programs designated as pilot programs under subsection (a).

(2) For each such acquisition program, the specific management actions taken to ensure that the program manager has the responsibility for oversight of the performance of the product support functions.

(3) Any proposed change to law, policy, regulation, or organization that the Secretary considers desirable, and determines feasible to implement, for ensuring that the program managers are fully responsible under the pilot programs for the performance of all such responsibilities.

SEC. 817. SCOPE OF PROTECTION OF CERTAIN INFORMATION FROM DISCLOSURE.

Section 2371(i)(2)(A) of title 10, United States Code, is amended by striking out "cooperative agreement that includes a clause described in subsection (d)" and inserting in lieu thereof "cooperative agreement for performance of basic, applied, or advanced research authorized by section 2358 of this title".

SEC. 818. PLAN FOR RAPID TRANSITION FROM COMPLETION OF SMALL BUSINESS INNOVATION RESEARCH INTO DEFENSE ACQUISITION PROGRAMS.

(a) PLAN REQUIRED.—(1) Not later than February 1, 1999, the Secretary of Defense, in consultation with the Administrator of the Small Business Administration, shall develop a plan for facilitating the rapid transition into Department of Defense acquisition programs of successful first phase and second phase activities under the Small Business Innovation Research program under section 9 of the Small Business Act (15 U.S.C. 638).

(2) The Secretary shall submit the plan developed under paragraph (1) to—

(A) the Committee on Armed Services and the Committee on Small Business of the Senate; and

(B) the Committee on National Security and the Committee on Small Business of the House of Representatives.

(b) CONDITIONS.—The plan developed under subsection (a) shall—

(1) be consistent with the Small Business Innovation Research program and with the provisions of division D of the Clinger-Cohen Act of

1996 (division D of Public Law 104–106; 110 Stat. 642) and the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3243) that are applicable to the Department of Defense; and

(2) provide for favorable consideration, in the acquisition planning process, for funding projects under the Small Business Innovation Research program that have successfully completed the second phase or are subject to a third phase agreement entered into pursuant to section 9(r) of the Small Business Act (15 U.S.C. 638(r)).

SEC. 819. FIVE-YEAR AUTHORITY FOR SECRETARY OF THE NAVY TO EXCHANGE CERTAIN ITEMS.

(a) BARTER AUTHORITY.—The Secretary of the Navy may enter into a barter agreement to convey trucks and other tactical vehicles in exchange for the repair and remanufacture of ribbon bridges for the Marine Corps. The Secretary shall enter into any such agreement in accordance with section 201(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(c)), and the regulations issued under such section, except that the requirement that the items to be exchanged be similar shall not apply to the authority provided under this subsection.

(b) PERIOD OF AUTHORITY.—The authority to enter into agreements under subsection (a) and to make exchanges under any such agreement is effective during the five-year period beginning on October 1, 1998.

SEC. 820. PERMANENT AUTHORITY FOR USE OF MAJOR RANGE AND TEST FACILITY INSTALLATIONS BY COMMERCIAL ENTITIES.

(a) PERMANENT AUTHORITY.—Subsection (g) of section 2681 of title 10, United States Code, is repealed.

(b) REPEAL OF EXECUTED REPORTING REQUIREMENT.—Subsection (h) of such section is repealed.

SEC. 821. INVENTORY EXCHANGE AUTHORIZED FOR CERTAIN FUEL DELIVERY CONTRACT.

(a) EXCHANGE OF BARRELS AUTHORIZED.—(1) The Secretary of Defense shall provide, under a contract described in subsection (f), that the contract may be performed, during the period described in paragraph (2), by means of delivery of fuel obtained by the refiner concerned in an inventory exchange of barrels of fuel, in any case in which—

(A) the refiner is unable to physically deliver fuel in compliance with the contract requirements because of ice conditions in Cook Inlet, as determined by the Coast Guard; and

(B) the Secretary determines that such inability will result in an inequity to the refiner.

(2) The period referred to in paragraph (1) is the period beginning on the date of the enactment of this Act and ending on February 28, 1999.

(b) LIMITATION.—The number of barrels of fuel exchanged pursuant to a contract described in subsection (f) may contain up to 15 percent of the total quantity of fuel required to be delivered under the contract.

(c) EFFECT ON STATUS AS SMALL DISADVANTAGED BUSINESS.—Nothing in this section, and no action taken pursuant to this section, may be construed as affecting the status of the refiner as a small disadvantaged business.

(d) EFFECT ON CONTRACTUAL OBLIGATIONS.—Nothing in this section may be construed as affecting the requirement of a refiner to fulfill its contractual obligations under a contract described in subsection (e), other than as provided under subsection (b).

(e) SMALL DISADVANTAGED BUSINESS DEFINED.—For the purposes of this section, the term 'small disadvantaged business' means a socially and economically disadvantaged small business concern, a small business concern owned and controlled by socially and economically disadvantaged individuals, and a qualified HUBZone small business concern, as those terms are defined in sections 8(a)(4)(A), 8(d)(3)(C), and 3(p) of the Small Business Act (15 U.S.C. 637(a)(4)(A)), 637(d)(3)(C), and 632(p)), respectively.

(f) APPLICABILITY.—This section applies to any contract between the Defense Energy Supply Center of the Department of Defense and a refiner that qualifies as a small disadvantaged business for the delivery of fuel by barge to Defense Energy Supply Point-Anchorage.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Subtitle A—Department of Defense Officers and Organization

Sec. 901. Reduction in number of Assistant Secretary of Defense positions.
Sec. 902. Repeal of statutory requirement for position of Assistant Secretary of Defense for Command, Control, Communications, and Intelligence.
Sec. 903. Independent task force on transformation and Department of Defense organization.
Sec. 904. Authority to expand the National Defense University.
Sec. 905. Center for Hemispheric Defense Studies.
Sec. 906. Restructuring of administration of Fisher Houses.
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Sec. 911. Improved accounting for defense contract services.
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Subtitle C—Joint Warfighting Experimentation

Sec. 921. Findings concerning joint warfighting experimentation.
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Subtitle D—Other Matters

Sec. 931. Further reductions in defense acquisition and support workforce.
Sec. 932. Limitation on operation and support funds for the Office of the Secretary of Defense.
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Sec. 934. Repeal of requirement relating to assignment of tactical airlift mission to Reserve components.
Sec. 935. Consultation with Marine Corps on major decisions directly concerning Marine Corps aviation.

Subtitle A—Department of Defense Officers and Organization

SEC. 901. REDUCTION IN NUMBER OF ASSISTANT SECRETARY OF DEFENSE POSITIONS.

(a) REDUCTION TO NINE POSITIONS.—Section 138(a) of title 10, United States Code, is amended by striking out "ten" and insert in lieu thereof "nine".

(b) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking out "(10)" after 'Assistant Secretaries of Defense" and inserting in lieu thereof "(9)".

SEC. 902. REPEAL OF STATUTORY REQUIREMENT FOR POSITION OF ASSISTANT SECRETARY OF DEFENSE FOR COMMAND, CONTROL, COMMUNICATIONS, AND INTELLIGENCE.

Section 138(b) of title 10, United States Code is amended by striking out paragraph (3).

SEC. 903. INDEPENDENT TASK FORCE ON TRANSFORMATION AND DEPARTMENT OF DEFENSE ORGANIZATION.

(a) FINDINGS.—Congress finds the following:

(1) The post-Cold War era is marked by geopolitical uncertainty and by accelerating technological change, particularly with regard to information technologies.

(2) The combination of that geopolitical uncertainty and accelerating technological change portends a transformation in the conduct of war, particularly in ways that are likely to increase the effectiveness of joint operations.

(3) The Department of Defense must be organized appropriately in order to fully exploit the opportunities offered by, and to meet the challenges posed by, this anticipated transformation in the conduct of war.

(4) The basic organization of the Department of Defense was established by the National Security Act of 1947 and the 1949 amendments to that Act.

(5) The Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99–433) dramatically improved the capability of the Department of Defense to carry out operations involving joint forces, but did not specifically address issues pertaining to the development of joint operations.

(6) In the future, the ability to achieve improved operations of joint forces, particularly under rapidly changing technological conditions, will depend on improved force development for joint operations.

(b) INDEPENDENT TASK FORCE ON TRANSFORMATION AND DEPARTMENT OF DEFENSE ORGANIZATION.—The Secretary of Defense shall establish a task force of the Defense Science Board to examine the current organization of the Department of Defense with regard to the appropriateness of that organization for preparing for a transformation in the conduct of war. The task force shall be established not later than November 1, 1998.

(c) DUTIES OF THE TASK FORCE.—The task force shall assess, and shall make recommendations for the appropriate organization of, the Office of the Secretary of Defense, the Joint Chiefs of Staff, the individual Armed Forces, and the executive parts of the military departments for the purpose of preparing the Department of Defense for a transformation in the conduct of war. In making those assessments and developing those recommendations, the task force shall review the following:

(1) The general organization of the Department of Defense, including whether responsibility and authority for issues relating to a transformation in the conduct of war are appropriately allocated, especially among the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the individual Armed Forces.

(2) The joint requirements process and the requirements processes for each of the Armed Forces, including the establishment of measures

of effectiveness and methods for resource allocation.

(3) The process and organizations responsible for doctrinal development, including the appropriate relationship between joint force and service doctrine and doctrinal development organizations.

(4) The current programs and organizations under the Office of the Secretary of Defense, the Joint Chiefs of Staff and the Armed Forces devoted to innovation and experimentation related to a transformation in the conduct of war, including the appropriateness of—

(A) conducting joint field tests;

(B) establishing a separate unified command as a joint forces command to serve, as its sole function, as the trainer, provider, and developer of forces for joint operations and for conducting joint warfighting experimentation;

(C) establishing a separate Joint Concept Development Center to monitor exercises and develop measures of effectiveness, analytical concepts, models, and simulations appropriate for understanding the transformation in the conduct of war;

(D) establishing a Joint Battle Laboratory to conduct joint experimentation and to integrate the similar efforts of the Armed Forces; and

(E) establishing an Assistant Secretary of Defense responsible for transformation in the conduct of war.

(5) Joint training establishments and training establishments of the Armed Forces, including those devoted to professional military education, and the appropriateness of establishing national training centers.

(6) Other issues relating to a transformation in the conduct of war that the Secretary considers appropriate.

(d) Report.—The task force shall submit to the Secretary of Defense a report containing its assessments and recommendations not later than February 1, 1999. The Secretary shall submit the report to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate not later than March 1, 1999, together with the recommendations and comments of the Secretary of Defense.

SEC. 904. AUTHORITY TO EXPAND THE NATIONAL DEFENSE UNIVERSITY.

Section 2165(b) of title 10, United States Code, is amended by adding at the end the following:

"(7) Any other educational institution of the Department of Defense that the Secretary considers appropriate and designates as an institution of the university.".

SEC. 905. CENTER FOR HEMISPHERIC DEFENSE STUDIES.

(a) Funding for Center.—Section 2165 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c) Source of Funds for Center for Hemispheric Defense Studies.—Funds available for the payment of personnel expenses under the Latin American cooperation authority set forth in section 1050 of this title are also available for the costs of the operation of the Center for Hemispheric Defense Studies.".

(b) Conforming Amendment.—Section 1050 of such title is amended by inserting "Secretary of Defense or the" before "Secretary of a military department".

SEC. 906. RESTRUCTURING OF ADMINISTRATION OF FISHER HOUSES.

(a) Administration as Nonappropriated Fund Instrumentality.—(1) Chapter 147 of title 10, United States Code, is amended by inserting after section 2492 (as added by section 365) the following new section:

"§2493. Fisher Houses: administration as nonappropriated fund instrumentality

"(a) Fisher Houses and Suites Defined.—In this section:

"(1) The term 'Fisher House' means a housing facility that—

"(A) is located in proximity to a health care facility of the Army, the Air Force, or the Navy;

"(B) is available for residential use on a temporary basis by patients of that health care facility, members of the families of such patients, and others providing the equivalent of familial support for such patients; and

"(C) is constructed and donated by—

"(i) the Zachary and Elizabeth M. Fisher Armed Services Foundation; or

"(ii) another source, if the Secretary of the military department concerned designates the housing facility as a Fisher House.

"(2) The term 'Fisher Suite' means one or more rooms that—

"(A) meet the requirements of subparagraphs (A) and (B) of paragraph (1);

"(B) are constructed, altered, or repaired and donated by a source described in subparagraph (C) of that paragraph; and

"(C) are designated by the Secretary of the military department concerned as a Fisher Suite.

"(b) Nonappropriated Fund Instrumentality.—The Secretary of each military department shall administer all Fisher Houses and Fisher Suites associated with health care facilities of that military department as a nonappropriated fund instrumentality of the United States.

"(c) Governance.—The Secretary of each military department shall establish a system for the governance of the nonappropriated fund instrumentality required by subsection (b) for that military department.

"(d) Central Fund.—The Secretary of each military department shall establish a single fund as the source of funding for the operation, maintenance, and improvement of all Fisher Houses and Fisher Suites of the nonappropriated fund instrumentality required by subsection (b) for that military department.

"(e) Acceptance of Contributions; Imposition of Fees.—(1) The Secretary of a military department may—

"(A) accept money, property, and services donated for the support of a Fisher House or Fisher Suite associated with health care facilities of that military department; and

"(B) may impose fees relating to the use of such Fisher Houses and Fisher Suites.

"(2) All monetary donations, and the proceeds of the disposal of any other donated property, accepted by the Secretary of a military department under this subsection shall be credited to the fund established under subsection (d) for the Fisher Houses and Fisher Suites associated with health care facilities of that military department and shall be available to that Secretary to support all such Fisher Houses and Fisher Suites.

"(f) Annual Report.—Not later than January 15 of each year, the Secretary of each military department shall submit to Congress a report describing the operation of Fisher Houses and Fisher Suites associated with health care facilities of that military department. The report shall include, at a minimum, the following:

"(1) The amount in the fund established by that Secretary under subsection (d) as of October 1 of the previous year.

"(2) The operation of the fund during the preceding fiscal year, including—

"(A) all gifts, fees, and interest credited to the fund; and

"(B) all disbursements from the fund.

"(3) The budget for the operation of the Fisher Houses and Fisher Suites for the fiscal year in which the report is submitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2492 (as added by section 365) the following new item:

"2493. Fisher Houses: administration as nonappropriated fund instrumentality.".

(b) Establishment of Funds.—Not later than 90 days after the date of the enactment of this Act, the Secretary of each military department shall—

(1) establish the fund required under section 2493(d) of title 10, United States Code (as added by subsection (a)); and

(2) close the Fisher House Trust Fund established for that department under section 2221 of such title and transfer the amounts in the closed fund to the newly established fund.

(c) Funding Transition.—(1) Of the amount authorized to be appropriated pursuant to section 301(2) for operation and maintenance for the Navy, the Secretary of the Navy shall transfer to the fund established by that Secretary under section 2493(d) of title 10, United States Code (as added by subsection (a)), such amount as that Secretary considers appropriate for establishing in the fund a corpus sufficient for operating Fisher Houses and Fisher Suites associated with health care facilities of the Department of the Navy.

(2) Of the amount authorized to be appropriated pursuant to section 301(4) for operation and maintenance for the Air Force, the Secretary of the Air Force shall transfer to the fund established by that Secretary under section 2493(d) of title 10, United States Code (as added by subsection (a)), such amount as that Secretary considers appropriate for establishing in the fund a corpus sufficient for operating Fisher Houses and Fisher Suites associated with health care facilities of the Department of the Air Force.

(d) Reporting Requirements.—The Secretary of each military department, upon completing the actions required of the Secretary under subsections (b) and (c), shall submit to Congress a report containing—

(1) the certification of that Secretary that those actions have been completed; and

(2) a statement of the amount deposited in the fund established by that Secretary under section 2493(d) of title 10, United States Code (as added by subsection (a)).

(e) Availability of Transferred Amounts.—Amounts transferred under subsection (b) or (c) to a fund established under section 2493(d) of title 10, United States Code (as added by subsection (a)), shall be available without fiscal year limitation for the purposes for which the fund is established and shall be administered as nonappropriated funds.

(f) Conforming Repeals.—(1) Section 2221 of title 10, United States Code, and the item relating to that section in the table of sections at the beginning of chapter 131 of such title, are repealed.

(2) Section 1321(a) of title 31, United States Code, is amended by striking out paragraphs (92), (93), and (94).

(3) The amendments made by this subsection shall take effect 90 days after the date of the enactment of this Act.

SEC. 907. MANAGEMENT REFORM FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION ACTIVITIES.

(a) Analysis and Plan for Reform of Management of RDTE Activities.—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition and Technology, shall analyze the structures and processes of the Department of Defense for management of its laboratories and test and evaluation centers. Taking into consideration the results of that analysis, the Secretary shall develop a plan for improving the management of those laboratories and centers. The plan shall include such reorganizations and reforms as the Secretary considers appropriate.

(2) The analysis under paragraph (1) shall include an analysis of each of the following with respect to Department of Defense laboratories and test and evaluation centers:

(A) Opportunities to improve efficiency and reduce duplication of efforts by those laboratories and centers by designating a lead agency or executive agent by area or function or other methods of streamlining management.

(B) Reform of the management processes of those laboratories and centers that would reduce costs and increase efficiency in the conduct of research, development, test, and evaluation activities.

(C) Opportunities for those laboratories and centers to enter into partnership arrangements with laboratories in industry, academia, and other Federal agencies that demonstrate leadership, initiative, and innovation in research, development, test, and evaluation activities.

(D) The extent to which there is disseminated within those laboratories and centers information regarding initiatives that have successfully improved efficiency through reform of management processes and other means.

(E) Any cost savings that can be derived directly from reorganization of management structures of those laboratories and centers.

(F) Options for reinvesting any such cost savings in those laboratories and centers.

(3) The Secretary shall submit the plan required under paragraph (1) to the congressional defense committees not later than 180 days after the date of the enactment of this Act.

(b) Cost-Based Management Information System.—(1) The Secretary of Defense shall develop a plan, including a schedule, for establishing a cost-based management information system for Department of Defense laboratories and test and evaluation centers. The system shall provide for accurately identifying and comparing the costs of operating each laboratory and each center.

(2) In preparing the plan, the Secretary shall assess the feasibility and desirability of establishing a common methodology for assessing costs. The Secretary shall consider the use of a revolving fund as one potential methodology.

(3) The Secretary shall submit the plan required under paragraph (1) to the congressional defense committees not later than 90 days after the date of the enactment of this Act.

Subtitle B—Department of Defense Financial Management

SEC. 911. IMPROVED ACCOUNTING FOR DEFENSE CONTRACT SERVICES.

(a) In General.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2211 the following new section:

"§ 2212. Obligations for contract services: reporting in budget object classes

"(a) Limitation on Reporting in Miscellaneous Services Object Class.—The Secretary of Defense shall ensure that, in reporting to the Office of Management and Budget (pursuant to OMB Circular A–11 (relating to preparation and submission of budget estimates)) obligations of the Department of Defense for any period of time for contract services, no more than 15 percent of the total amount of obligations so reported is reported in the miscellaneous services object class.

"(b) Definition of Reporting Categories for Advisory and Assistance Services.—In carrying out section 1105(g) of title 31 for the Department of Defense (and in determining what services are to be reported to the Office of Management and Budget in the advisory and assistance services object class), the Secretary of Defense shall apply to the terms used for the definition of 'advisory and assistance services' in paragraph (2)(A) of that section the following meanings (subject to the authorized exemptions):

"(1) Management and Professional Support Services.—The term 'management and professional support services' (used in clause (i) of section 1105(g)(2)(A) of title 31) means services that provide engineering or technical support, assistance, advice, or training for the efficient and effective management and operation of organizations, activities, or systems. Those services—

"(A) are closely related to the basic responsibilities and mission of the using organization; and

"(B) include efforts that support or contribute to improved organization or program management, logistics management, project monitoring and reporting, data collection, budgeting, accounting, auditing, and administrative or technical support for conferences and training programs.

"(2) Studies, Analyses, and Evaluations.—The term 'studies, analyses, and evaluations' (used in clause (ii) of section 1105(g)(2)(A) of title 31) means services that provide organized, analytic assessments to understand or evaluate complex issues to improve policy development, decisionmaking, management, or administration and that result in documents containing data or leading to conclusions or recommendations. Those services may include databases, models, methodologies, and related software created in support of a study, analysis, or evaluation.

"(3) Engineering and Technical Services.—The term 'engineering and technical services' (used in clause (iii) of section 1105(g)(2)(A) of title 31) means services that take the form of advice, assistance, training, or hands-on training necessary to maintain and operate fielded weapon systems, equipment, and components (including software when applicable) at design or required levels of effectiveness.

"(c) Proper Classification of Advisory and Assistance Services.—Before the submission to the Office of Management and Budget of the proposed Department of Defense budget for inclusion in the President's budget for a fiscal year pursuant to section 1105 of title 31, the Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall conduct a review of Department of Defense services expected to be performed as contract services during the fiscal year for which that budget is to be submitted in order to ensure that those services that are advisory and assistance services (as defined in accordance with subsection (b)) are in fact properly classified, in accordance with that subsection, in the advisory and assistance services object class.

"(d) Report to Congress.—The Secretary shall submit to Congress each year, not later than 30 days after the date on which the budget for the next fiscal year is submitted pursuant to section 1105 of title 31, a report containing the information derived from the review under subsection (c).

"(e) Assessment by Comptroller General.—(1) The Comptroller General shall conduct a review of the report of the Secretary of Defense under subsection (d) each year and shall—

"(A) assess the methodology used by the Secretary in obtaining the information submitted to Congress in that report; and

"(B) assess the information submitted to Congress in that report.

"(2) Not later than 120 days after the date on which the Secretary submits to Congress the report required under subsection (d) for any year, the Comptroller General shall submit to Congress the Comptroller General's report containing the results of the review for that year under paragraph (1).

"(f) Definitions.—In this section:

"(1) The term 'contract services' means all services that are reported to the Office of Management and Budget pursuant to OMB Circular A–11 (relating to preparation and submission of budget estimates) in budget object classes that are designated in the Object Class 25 series.

"(2) The term 'advisory and assistance services object class' means those contract services constituting the budget object class that is denominated 'Advisory and Assistance Service and designated (as the date of the enactment of this section) as Object Class 25.1 (or any similar object class established after the date of the enactment of this section for the reporting of obligations for advisory and assistance contract services).

"(3) The term 'miscellaneous services object class' means those contract services constituting the budget object class that is denominated 'Other Services (services not otherwise specified in the 25 series)' and designated (as the date of the enactment of this section) as Object Class 25.2 (or any similar object class established after the date of the enactment of this section for the reporting of obligations for miscellaneous or unspecified contract services).

"(4) The term 'authorized exemptions' means those exemptions authorized (as of the date of the enactment of this section) under Department of Defense Directive 4205.2, captioned 'Acquiring and Managing Contracted Advisory and Assistance Services (CAAS)' and issued by the Under Secretary of Defense for Acquisition and Technology on February 10, 1992, such exemptions being set forth in Enclosure 3 to that directive (captioned 'CAAS Exemptions').".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2211 the following new item:

"2212. Obligations for contract services: reporting in budget object classes.".

(b) Transition.—For the budget for fiscal year 2000, and the reporting of information to the Office of Management and Budget in connection with the preparation of that budget, section 2212 of title 10, United States Code, as added by subsection (a), shall be applied by substituting "30 percent" in subsection (a) for "15 percent".

(c) Initial Classification of Advisory and Assistance Services.—Not later than February 1, 1999, the Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall conduct a review of Department of Defense services performed or expected to be performed as contract services during fiscal year 1999 in order to ensure that those services that are advisory and assistance services (as defined in accordance with subsection (b) of section 2212 of title 10, United States Code, as added by subsection (a)) are in fact properly classified, in accordance with that subsection, in the advisory and assistance services object class (as defined in subsection (f)(2) of that section).

(d) Fiscal Year 1999 Reduction.—The total amount that may be obligated by the Secretary of Defense for contracted advisory and assistance services from amounts appropriated for fiscal year 1999 is the amount programmed for those services resulting from the review referred to in subsection (c) reduced by $240,000,000.

SEC. 912. REPORT ON DEPARTMENT OF DEFENSE FINANCIAL MANAGEMENT IMPROVEMENT PLAN.

Not later than 60 days after the date on which the Secretary of Defense submits the first biennial financial management improvement plan required by section 2222 of title 10, United States Code, the Comptroller General shall submit to Congress an analysis of the plan. The analysis shall include a discussion of the content of the plan and the extent to which the plan—

(1) complies with the requirements of such section 2222; and

(2) is a workable plan for addressing the financial management problems of the Department of Defense.

SEC. 913. STUDY OF FEASIBILITY OF PERFORMANCE OF DEPARTMENT OF DEFENSE FINANCE AND ACCOUNTING FUNCTIONS BY PRIVATE SECTOR SOURCES OR OTHER FEDERAL SOURCES.

(a) STUDY REQUIRED.—(1) The Secretary of Defense shall carry out a study of the feasibility and advisability of selecting on a competitive basis the source or sources for performing the finance and accounting functions of the Department of Defense from among the Defense Finance and Accounting Service of the Department of Defense and non-DFAS sources.

(2) For the purposes of this section, the term "non-DFAS sources" means—

(A) the military departments;

(B) Federal agencies outside the Department of Defense; and

(C) private sector sources.

(b) REPORT.—Not later than October 1, 1999, the Secretary shall submit to Congress a report in writing on the results of the study. The report shall include the following:

(1) A discussion of how the finance and accounting functions of the Department of Defense are performed, including the necessary operations, the operations actually performed, the personnel required for the operations, and the core competencies that are necessary for the performance of those functions.

(2) A comparison of the performance of the finance and accounting functions by the Defense Finance and Accounting Service with the performance of finance and accounting functions by non-DFAS sources that exemplify the best finance and accounting practices and results, together with a comparison of the costs of the performance of those functions by the Defense Finance and Accounting Service and the estimated costs of the performance of those functions by non-DFAS sources.

(3) The finance and accounting functions, if any, that are appropriate for performance by non-DFAS sources, together with a concept of operations that—

(A) specifies the mission;

(B) identifies the finance and accounting operations to be performed;

(C) describes the work force that is necessary to perform those operations;

(D) discusses where the operations are to be performed;

(E) describes how the operations are to be performed; and

(F) discusses the relationship between how the operations are to be performed and the mission.

(4) An analysis of how Department of Defense programs or processes would be affected by the performance of the finance and accounting functions of the Department of Defense by one or more non-DFAS source.

(5) The status of the efforts within the Department of Defense to consolidate and eliminate redundant finance and accounting systems and to better integrate the automated and manual systems of the department that provide input to financial management or accounting systems of the department.

(6) A description of a feasible and effective process for selecting, on a competitive basis, sources to perform the finance and accounting functions of the Department of Defense from among the Defense Finance and Accounting Service and non-DFAS sources, including a discussion of the selection criteria the Secretary considers appropriate.

(7) An analysis of the costs and benefits of the various policies and actions recommended.

(8) A discussion of any findings, analyses, and recommendations on the performance of the finance and accounting functions of the Department of Defense that have been made by the Task Force on Defense Reform appointed by the Secretary of Defense on May 14, 1997.

(9) Any additional information and recommendations the Secretary considers appropriate.

(c) MARKET RESEARCH.—In carrying out the study, the Secretary shall conduct market research to determine whether or not an efficient and competitive domestic market for finance and accounting services exists. In conducting that research, the Secretary shall consider whether the domestic market for finance and accounting services could be reasonably expected to generate responsive private sector competitors for the provision of the finance and accounting services, or a portion of such services, of the Department of Defense and whether there are any substantial barriers to entry or expansion in that market. In conducting such research, the Secretary shall consider not only the current state of the domestic market for finance and accounting services, but also the potential effects that the entry of the Department of Defense as a large, long-term consumer of such services might have on that market.

SEC. 914. LIMITATION ON REORGANIZATION AND CONSOLIDATION OF OPERATING LOCATIONS OF THE DEFENSE FINANCE AND ACCOUNTING SERVICE.

(a) LIMITATION.—The Secretary of Defense may not close any operating location of the Defense Finance and Accounting Service before the date that is 90 days after the date on which the Secretary submits to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives the plan required by subsection (b).

(b) PLAN REQUIRED.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a strategic plan for improving the financial management operations at each of the operating locations of the Defense Finance and Accounting Service.

(c) CONTENT OF PLAN.—The plan shall include the following:

(1) The workloads that it is necessary to perform at those operating locations each fiscal year.

(2) The capacity and number of operating locations that are necessary for performing those workloads.

(3) A discussion of the costs and benefits that could result from reorganizing the operating locations of the Defense Finance and Accounting Service on the basis of function performed, together with the Secretary's assessment of the feasibility of carrying out such a reorganization.

(d) SUBMITTAL OF PLAN.—The plan shall be submitted to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives not later than January 15, 1999.

SEC. 915. ANNUAL REPORT ON RESOURCES ALLOCATED TO SUPPORT AND MISSION ACTIVITIES.

(a) REQUIREMENT.—Section 113 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(l) The Secretary shall include in the annual report to Congress under subsection (c) the following:

"(1) A comparison of the amounts provided in the defense budget for support and for mission activities for each of the preceding five fiscal years.

"(2) A comparison of the number of military and civilian personnel, shown by major occupational category, assigned to support positions and to mission positions for each of the preceding five fiscal years.

"(3) An accounting, shown by service and by major occupational category, of the number of military and civilian personnel assigned to support positions during each of the preceding five fiscal years.

"(4) A listing of the number of military and civilian personnel assigned to management headquarters and headquarters support activities as a percentage of military end-strength for each of the preceding five fiscal years.".

(b) REPORT ON TERMINOLOGY.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth the definitions of the terms "support" and "mission" that the Secretary proposes to use for purposes of the report requirement under section 113(l) of title 10, United States Code, as added by subsection (a).

Subtitle C—Joint Warfighting Experimentation

SEC. 921. FINDINGS CONCERNING JOINT WARFIGHTING EXPERIMENTATION.

Congress makes the following findings:

(1) The assessments of the Quadrennial Defense Review and the National Defense Panel provide a compelling argument—

(A) that the security environment in the early 21st century will include fundamentally different military challenges than the security environment in the late 20th century; and

(B) reinforce the premise of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 that future warfare will require more effective joint operational concepts.

(2) Joint experimentation is necessary for—

(A) integrating advances in technology with changes in organizational structure and joint operational concepts; and

(B) determining the interdependent aspects of joint warfare that are key for transforming the conduct of military operations to meet future challenges successfully.

(3) It is essential that an energetic and innovative organization be established in the Department of Defense with the authority (subject to the authority and guidance of the Secretary of Defense and Chairman of the Joint Chiefs of Staff) to design and implement a process of joint experimentation to investigate and test technologies and alternative forces and concepts in field environments under realistic conditions against the full range of future challenges to assist in developing and validating new joint warfighting concepts and transforming the Armed Forces to meet the threats to national security anticipated for the early 21st century.

SEC. 922. SENSE OF CONGRESS CONCERNING JOINT WARFIGHTING EXPERIMENTATION.

(a) DESIGNATION OF COMMANDER TO HAVE JOINT WARFIGHTING EXPERIMENTATION MISSION.—It is the sense of Congress that the initiative of the Secretary of Defense to designate the commander of a combatant command to have the mission of joint warfighting experimentation is a key step in exploiting the potential of advanced technologies, new organizational structures, and new joint operational concepts to transform the conduct of military operations by the Armed Forces.

(b) RESOURCES AND AUTHORITY OF COMMANDER.—It is, further, the sense of Congress that the commander of the combatant command referred to in subsection (a) should be provided with appropriate and sufficient resources for joint warfighting experimentation and with the appropriate authority to execute the commander's assigned responsibilities and that such authority should include the following:

(1) Planning, preparing, and conducting the program of joint warfighting experimentation, which program should include analyses, simulations, wargames, experiments, advanced concept technology demonstrations, joint exercises conducted in virtual and field environments, and, as a particularly critical aspect, assessments of "red team" vulnerability.

(2) Developing scenarios and measures of effectiveness to meet the operational challenges expected to be encountered in the early 21st century and assessing the effectiveness of current and new organizational structures, operational concepts, and technologies in addressing those challenges.

(3) Integrating and testing in joint experimentation the systems and concepts that result from warfighting experimentation conducted by the Armed Forces and the Defense Agencies.

(4) Coordinating with each of the Armed Forces and Defense Agencies regarding the development and acquisition of equipment (including surrogate or real technologies, platforms, and systems), supplies, and services necessary for joint experimentation.

(5) Providing the Secretary of Defense and the Chairman of the Joint Chiefs of Staff with recommendations, based on the conduct of joint warfighting experimentation, for—

(A) improving interoperability;

(B) reducing unnecessary redundancy;

(C) synchronizing technology fielding;

(D) developing joint operational concepts;

(E) prioritizing the most promising joint capabilities for future experimentation; and

(F) prioritizing joint requirements and acquisition programs.

(6) Making recommendations to the Chairman of the Joint Chiefs of Staff on mission needs statements and operational requirements documents.

(c) CONGRESSIONAL REVIEW.—It is, further, the sense of Congress that Congress—

(1) should review the adequacy of the process of transformation to meet future challenges to the national security; and

(2) if progress is determined inadequate, should consider legislation to—

(A) establish an appropriate organization to conduct the mission described in subsection (a); and

(B) provide to the commander given the responsibility for that mission appropriate and sufficient resources for joint warfighting experimentation and the appropriate authority to execute that commander's assigned responsibilities for that mission, including the authorities specified in subsection (b).

SEC. 923. REPORTS ON JOINT WARFIGHTING EXPERIMENTATION.

(a) INITIAL REPORT.—(1) The commander of the combatant command assigned by the Secretary of Defense to have the mission for joint warfighting experimentation shall submit to the Secretary an initial report on the implementation of joint experimentation. Not later than April 1, 1999, the Secretary shall submit that report, together with any comments that the Secretary considers appropriate and any comments that the Chairman of the Joint Chiefs of Staff considers appropriate, to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

(2) The report of the commander under paragraph (1) shall include the commander's assessment of the following:

(A) The authority and responsibilities of the commander as described in section 922(b).

(B) The organization of the commander's combatant command, and of its staff, for carrying out the joint warfighting experimentation mission.

(C) The process established for tasking forces to participate in experimentation and the commander's specific authority over those forces, including forces designated as joint experimentation forces.

(D) The resources provided for initial implementation of joint warfighting experimentation, the process for providing those resources to the commander, the categories of the funding, and the authority of the commander for budget execution.

(E) The process established for the development and acquisition of the materiel, supplies, services, and equipment necessary for the conduct of joint warfighting experimentation.

(F) The process established for designing, preparing, and conducting joint experiments.

(G) The role assigned the commander for—

(i) integrating and testing in joint warfighting experimentation the systems that emerge from warfighting experimentation by the Armed Forces or the Defense Agencies;

(ii) assessing the effectiveness of organizational structures, operational concepts, and technologies; and

(iii) assisting the Secretary of Defense and Chairman of the Joint Chiefs of Staff to prioritize requirements or acquisition programs.

(b) ANNUAL REPORT.—(1) Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

"§485. Joint warfighting experimentation

"(a) ANNUAL REPORT.—The commander of the combatant command assigned by the Secretary of Defense to have the mission for joint warfighting experimentation shall submit to the Secretary an annual report on the conduct of joint experimentation activities for the fiscal year ending in the year of the report. Not later than December 1 of each year, the Secretary shall submit that report, together with any comments that the Secretary considers appropriate and any comments that the Chairman of the Joint Chiefs of Staff considers appropriate, to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

"(b) MATTERS TO BE INCLUDED.—Each report under this section shall include, for the fiscal year covered by the report, the following:

"(1) Any changes in the assessments of the matters described in section 923(a)(2) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 since the preparation of the assessments of those matters set forth in the latest report submitted under this section.

"(2) A description of the conduct of joint experimentation activities, including the number of activities, the forces involved, the national security challenges addressed, the operational concepts assessed, and the scenarios and measures of effectiveness used.

"(3) An assessment of the results of joint warfighting experimentation within the Department of Defense.

"(4) With respect to joint warfighting experimentation, any recommendations that the commander considers appropriate regarding—

"(A) the development or acquisition of advanced technologies;

"(B) changes in organizational structure, operational concepts, or joint doctrine;

"(C) the conduct of experiments;

"(D) the adequacy of resources; or

"(E) changes in authority of the commander to develop or acquire materiel, supplies, services, or equipment directly for the conduct of joint warfighting experimentation.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"485. Joint warfighting experimentation.".

(c) FIRST ANNUAL REPORT.—The first report under section 485 of title 10, United States Code, as added by subsection (b), shall be made with respect to fiscal year 1999. In the case of the report under that section for fiscal year 1999, the reference in subsection (b)(1) of that section to the most recent report under that section shall be treated as referring to the report under subsection (a) of this section.

Subtitle D—Other Matters

SEC. 931. FURTHER REDUCTIONS IN DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) REDUCTION OF DEFENSE ACQUISITION AND SUPPORT WORKFORCE.—The Secretary of Defense shall accomplish reductions in defense acquisition and support personnel positions during fiscal year 1999 so that the total number of such personnel as of October 1, 1999, is less than the total number of such personnel as of October 1, 1998, by at least the applicable number determined under subsection (b).

(b) REQUIRED REDUCTION.—(1) The applicable number for purposes of subsection (a) is 25,000. However, the Secretary of Defense may specify a lower number, which may not be less than 12,500, as the applicable number for purposes of subsection (a) if the Secretary determines, and certifies to Congress not later than May 1, 1999, that an applicable number greater than the number specified by the Secretary would be inconsistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(2) The Secretary shall include with such a certification a report setting forth a detailed explanation of each of the matters certified. The report shall include—

(A) a detailed explanation of all matters incorporated in the Secretary's determination;

(B) a definition of the components of the defense acquisition and support positions; and

(C) the allocation of the reductions under this section among the occupational elements of those positions.

(3) The authority of the Secretary under paragraph (1) may only be delegated to the Deputy Secretary of Defense.

(c) LIMITATION ON REDUCTION OF CORE ACQUISITION WORKFORCE.—The Secretary shall implement this section so that the core defense acquisition workforce identified by the Secretary in the report submitted pursuant to section 912(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1860) is reduced proportionally no more than the other occupational elements included as defense acquisition and support positions in that report.

(d) DEFENSE ACQUISITION AND SUPPORT PERSONNEL DEFINED.—For purposes of this section, the term "defense acquisition and support personnel" means military and civilian personnel (other than civilian personnel who are employed at a maintenance depot) who are assigned to, or employed in, acquisition organizations of the Department of Defense (as specified in Department of Defense Instruction numbered 5000.58 dated January 14, 1992), and any other organizations which the Secretary may determine to have a predominantly acquisition mission.

SEC. 932. LIMITATION ON OPERATION AND SUPPORT FUNDS FOR THE OFFICE OF THE SECRETARY OF DEFENSE.

Of the amount available for fiscal year 1999 for operation and support activities of the Office of the Secretary of Defense, not more than 90 percent may be obligated until each of the following reports has been submitted:

(1) The report required to be submitted to the congressional defense committees by section 904(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2619).

(2) The reports required to be submitted to Congress by sections 911(b) and 911(c) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1858, 1859).

SEC. 933. CLARIFICATION AND SIMPLIFICATION OF RESPONSIBILITIES OF INSPECTORS GENERAL REGARDING WHISTLEBLOWER PROTECTIONS.

(a) ROLES OF INSPECTORS GENERAL OF THE ARMED FORCES.—(1) Subsection (c) of section 1034 of title 10, United States Code, is amended—

(A) by striking out paragraph (1) and inserting in lieu thereof the following:

"(1) If a member of the armed forces submits to an Inspector General an allegation that a personnel action prohibited by subsection (b) has been taken (or threatened) against the member with respect to a communication described in paragraph (2), the Inspector General shall take the action required under paragraph (3)."; and

(B) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3)(A) An Inspector General receiving an allegation as described in paragraph (1) shall expeditiously determine whether there is sufficient evidence to warrant an investigation of the allegation.

"(B) If the Inspector General receiving such an allegation is an Inspector General within a military department, that Inspector General shall promptly notify the Inspector General of the Department of Defense of the allegation. Such notification shall be made in accordance with regulations prescribed under subsection (h).

"(C) If an allegation under paragraph (1) is submitted to an Inspector General within a military department and if the determination of that Inspector General under subparagraph (A) is that there is not sufficient evidence to warrant an investigation of the allegation, that Inspector General shall forward the matter to the Inspector General of the Department of Defense for review.

"(D) Upon determining that an investigation of an allegation under paragraph (1) is warranted, the Inspector General making the determination shall expeditiously investigate the allegation. In the case of a determination made by the Inspector General of the Department of Defense, that Inspector General may delegate responsibility for the investigation to an appropriate Inspector General within a military department.

"(E) In the case of an investigation under subparagraph (D) within the Department of Defense, the results of the investigation shall be determined by, or approved by, the Inspector General of the Department of Defense (regardless of whether the investigation itself is conducted by the Inspector General of the Department of Defense or by an Inspector General within a military department).

"(4) Neither an initial determination under paragraph (3)(A) nor an investigation under paragraph (3)(D) is required in the case of an allegation made more than 60 days after the date on which the member becomes aware of the personnel action that is the subject of the allegation.

"(5) The Inspector General of the Department of Defense, or the Inspector General of the Department of Transportation (in the case of a member of the Coast Guard when the Coast Guard is not operating as a service in the Navy), shall ensure that the Inspector General conducting the investigation of an allegation under this subsection is outside the immediate chain of command of both the member submitting the allegation and the individual or individuals alleged to have taken the retaliatory action.".

(2) Subsection (d) of such section is amended—

(A) by inserting "receiving the allegation" after "the Inspector General" the first place it appears; and

(B) by adding at the end the following: "In the case of an allegation received by the Inspector General of the Department of Defense, the Inspector General may delegate that responsibility to the Inspector General of the armed force concerned.".

(b) MISMANAGEMENT COVERED BY PROTECTED COMMUNICATIONS.—Subsection (c)(2)(B) of such section is amended by striking out "Mismanagement" and inserting in lieu thereof "Gross mismanagement".

(c) SIMPLIFIED REPORTING AND NOTICE REQUIREMENTS.—(1) Paragraph (1) of subsection (e) of such section is amended—

(A) by striking out "Not later than 30 days after completion of an investigation under subsection (c) or (d)," and inserting in lieu thereof "After completion of an investigation under subsection (c) or (d) or, in the case of an investigation under subsection (c) by an Inspector General within a military department, after approval of the report of that investigation under subsection (c)(3)(E),"

(B) by striking out "the Inspector General shall submit a report on" and inserting in lieu thereof "the Inspector General conducting the investigation shall submit a report on";

(C) by inserting "shall transmit a copy of the report on the results of the investigation to" before "the member of the armed forces"; and

(D) by adding at the end the following new sentence: "The report shall be transmitted to the Secretary, and the copy of the report shall be transmitted to the member, not later than 30 days after the completion of the investigation or, in the case of an investigation under subsection (c) by an Inspector General within a military department, after approval of the report of that investigation under subsection (c)(3)(E).".

(2) Paragraph (2) of such subsection is amended—

(A) by striking out "submitted" after "In the copy of the report" and inserting in lieu thereof "transmitted"; and

(B) by adding at the end the following new sentence: "However, the copy need not include summaries of interviews conducted, nor any document acquired, during the course of the investigation. Such items shall be transmitted to the member, if the member requests the items, with the copy of the report or after the transmittal to the member of the copy of the report, regardless of whether the request for those items is made before or after the copy of the report is transmitted to the member.".

(3) Paragraph (3) of such subsection is amended by striking out "90 days" and inserting in lieu thereof "180 days".

(d) REPEAL OF POST-INVESTIGATION INTERVIEW REQUIREMENT.—Subsection (h) of such section is repealed.

(e) DEFINITION OF INSPECTOR GENERAL DEFINED.—Subsection (j)(2) of such section is amended—

(1) by redesignating subparagraph (B) as subparagraph (G) and, in that subparagraph, by striking out "an officer" and inserting in lieu thereof "An officer";

(2) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) The Inspector General of the Department of Defense.

"(B) The Inspector General of the Department of Transportation, in the case of a member of the Coast Guard when the Coast Guard is not operating as a service in the Navy.

"(C) The Inspector General of the Army, in the case of a member of the Army.

"(D) The Naval Inspector General, in the case of a member of the Navy.

"(E) The Inspector General of the Air Force, in the case of a member of the Air Force.

"(F) The Deputy Naval Inspector General for Marine Corps Matters, in the case of a member of the Marine Corps."; and

(3) in the matter preceding subparagraph (A), by striking out "means—" and inserting in lieu thereof "means the following:".

(f) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Subsections (i) and (j) of such section are redesignated as subsections (h) and (i), respectively.

(2) Subsection (b)(1)(B)(ii) of such section is amended by striking out "subsection (j))" and inserting in lieu thereof "subsection (i)) or any other Inspector General appointed under the Inspector General Act of 1978".

SEC. 934. REPEAL OF REQUIREMENT RELATING TO ASSIGNMENT OF TACTICAL AIRLIFT MISSION TO RESERVE COMPONENTS.

Section 1438 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1689), as amended by section 1023 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1460), is repealed.

SEC. 935. CONSULTATION WITH MARINE CORPS ON MAJOR DECISIONS DIRECTLY CONCERNING MARINE CORPS AVIATION.

(a) IN GENERAL.—Chapter 503 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 5026. Consultation with Commandant of the Marine Corps on major decisions directly concerning Marine Corps aviation

"The Secretary of the Navy shall ensure that the views of the Commandant of the Marine Corps are given appropriate consideration before a major decision is made by an element of the Department of the Navy outside the Marine Corps on a matter that directly concerns Marine Corps aviation.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"5026. Consultation with Commandant of the Marine Corps on major decisions directly concerning Marine Corps aviation.".

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Incorporation of classified annex.
Sec. 1003. Authorization of prior emergency supplemental appropriations for fiscal year 1998.
Sec. 1004. Authorization of appropriations for Bosnia peacekeeping operations for fiscal year 1999.
Sec. 1005. Partnership for Peace Information Management System.
Sec. 1006. United States contribution to NATO common-funded budgets in fiscal year 1999.
Sec. 1007. Liquidity of working-capital funds.
Sec. 1008. Termination of authority to manage working-capital funds and certain activities through the Defense Business Operations Fund.
Sec. 1009. Clarification of authority to retain recovered costs of disposals in working-capital funds.
Sec. 1010. Crediting of amounts recovered from third parties for loss or damage to personal property shipped or stored at Government expense.

Subtitle B—Naval Vessels and Shipyards

Sec. 1011. Revision to requirement for continued listing of two Iowa-class battleships on the Naval Vessel Register.
Sec. 1012. Transfer of U.S.S. NEW JERSEY.
Sec. 1013. Homeporting of the U.S.S. IOWA in San Francisco, California.

Sec. 1014. Sense of Congress concerning the naming of an LPD–17 vessel.
Sec. 1015. Reports on naval surface fire-support capabilities.
Sec. 1016. Long-term charter of three vessels in support of submarine rescue, escort, and towing.
Sec. 1017. Transfer of obsolete Army tugboat.

Subtitle C—Counter Drug Activities and Other Assistance for Civilian Law Enforcement

Sec. 1021. Department of Defense support to other agencies for counter-drug activities.
Sec. 1022. Department of Defense support of National Guard drug interdiction and counter-drug activities.
Sec. 1023. Department of Defense counter-drug activities in transit zone.

Subtitle D—Miscellaneous Report Requirements and Repeals

Sec. 1031. Repeal of unnecessary and obsolete reporting provisions.
Sec. 1032. Report regarding use of tagging system to identify hydrocarbon fuels used by Department of Defense.

Subtitle E—Armed Forces Retirement Home

Sec. 1041. Appointment of Director and Deputy Director of the Naval Home.
Sec. 1042. Revision of inspection requirements relating to Armed Forces Retirement Home.
Sec. 1043. Clarification of land conveyance authority, Armed Forces Retirement Home.

Subtitle F—Matters Relating to Defense Property

Sec. 1051. Plan for improved demilitarization of excess and surplus defense property.
Sec. 1052. Transfer of F–4 Phantom II aircraft to foundation.

Subtitle G—Other Department of Defense Matters

Sec. 1061. Pilot program on alternative notice of receipt of legal process for garnishment of Federal pay for child support and alimony.
Sec. 1062. Training of special operations forces with friendly foreign forces.
Sec. 1063. Research grants competitively awarded to service academies.
Sec. 1064. Department of Defense use of frequency spectrum.
Sec. 1065. Department of Defense aviation accident investigations.
Sec. 1066. Investigation of actions relating to 174th Fighter Wing of New York Air National Guard.
Sec. 1067. Program to commemorate 50th anniversary of the Korean War.
Sec. 1068. Designation of America's National Maritime Museum.
Sec. 1069. Technical and clerical amendments.

Subtitle H—Other Matters

Sec. 1071. Act constituting presidential approval of vessel war risk insurance requested by the Secretary of Defense.
Sec. 1072. Extension and reauthorization of Defense Production Act of 1950.
Sec. 1073. Requirement that burial flags furnished by the Secretary of Veterans Affairs be wholly produced in the United States.
Sec. 1074. Sense of Congress concerning tax treatment of principal residence of members of Armed Forces while away from home on active duty.
Sec. 1075. Clarification of State authority to tax compensation paid to certain employees.

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 1999 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. INCORPORATION OF CLASSIFIED ANNEX.

(a) STATUS OF CLASSIFIED ANNEX.—The Classified Annex prepared by the committee of conference to accompany the conference report on the bill H.R. 3616 of the One Hundred Fifth Congress and transmitted to the President is hereby incorporated into this Act.

(b) CONSTRUCTION WITH OTHER PROVISIONS OF ACT.—The amounts specified in the Classified Annex are not in addition to amounts authorized to be appropriated by other provisions of this Act.

(c) LIMITATION ON USE OF FUNDS.—Funds appropriated pursuant to an authorization contained in this Act that are made available for a program, project, or activity referred to in the Classified Annex may only be expended for such program, project, or activity in accordance with such terms, conditions, limitations, restrictions, and requirements as are set out for that program, project, or activity in the Classified Annex.

(d) DISTRIBUTION OF CLASSIFIED ANNEX.—The President shall provide for appropriate distribution of the Classified Annex, or of appropriate portions of the annex, within the executive branch of the Government.

SEC. 1003. AUTHORIZATION OF PRIOR EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1998.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 1998 in the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174).

SEC. 1004. AUTHORIZATION OF APPROPRIATIONS FOR BOSNIA PEACEKEEPING OPERATIONS FOR FISCAL YEAR 1999.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 1999 for incremental costs of the Armed Forces for Bosnia peacekeeping operations in the total amount of $1,858,600,000, as follows:

(1) For military personnel, in addition to the amounts authorized to be appropriated in title IV of this Act:

(A) For the Army, $297,700,000.
(B) For the Navy, $9,700,000.
(C) For the Marine Corps, $2,700,000.
(D) For the Air Force, $33,900,000.
(E) For the Naval Reserve, $2,200,000.

(2) For operation and maintenance for the Overseas Contingency Operations Transfer Fund, in addition to the total amount authorized to be appropriated for that fund in section 301(24) of this Act, $1,512,400,000.

(b) DESIGNATION AS EMERGENCY.—Funds authorized to be appropriated in accordance with subsection (a) are designated as emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(c) LIMITATION.—(1) Funds available for the Department of Defense for fiscal year 1999 for military personnel for the Army, Navy, Marine Corps, Air Force, or Naval Reserve or for operation and maintenance for the Overseas Contingency Operations Transfer Fund may not be obligated or expended for Bosnia peacekeeping operations in excess of the amount authorized to be appropriated for that purpose under subsection (a).

(2) The President may waive the limitation in paragraph (1) after submitting to Congress the following:

(A) The President's written certification that the waiver is necessary in the national security interests of the United States.

(B) The President's written certification that exercising the waiver will not adversely affect the readiness of United States military forces.

(C) A report setting forth the following:

(i) The reasons that the waiver is necessary in the national security interests of the United States.

(ii) The specific reasons that additional funding is required for the continued presence of United States military forces participating in, or supporting, Bosnia peacekeeping operations for fiscal year 1999.

(iii) A discussion of the impact on the military readiness of United States Armed Forces of the continuing deployment of United States military forces participating in, or supporting, Bosnia peacekeeping operations.

(D) A supplemental appropriations request for the Department of Defense for such amounts as are necessary for the additional fiscal year 1999 costs associated with United States military forces participating in, or supporting, Bosnia peacekeeping operations.

(d) TRANSFER AUTHORITY.—The Secretary of Defense may transfer amounts of authorizations made available to the Department of Defense in subsection (a)(2) for fiscal year 1999 to any of the authorizations for that fiscal year in section 301. Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred. The transfer authority under this subsection is in addition to any other transfer authority provided in this Act.

(e) BOSNIA PEACEKEEPING OPERATIONS DEFINED.—For the purposes of this section, the term "Bosnia peacekeeping operations"—

(1) means the operation designated as Operation Joint Forge and any other operation involving the participation of any of the Armed Forces in peacekeeping or peace enforcement activities in and around the Republic of Bosnia and Herzegovina; and

(2) includes, with respect to Operation Joint Forge or any such other operation, each activity that is directly related to the support of the operation.

SEC. 1005. PARTNERSHIP FOR PEACE INFORMATION SYSTEM MANAGEMENT.

Funds authorized to be appropriated under titles II and III of this Act shall be available for *the Partnership for Peace Information Management System as follows:*

(1) Of the amount authorized to be appropriated under section 201(4) for Defense-wide activities, $2,000,000.

(2) Of the amount authorized to be appropriated under section 301(5) for Defense-wide activities, $3,000,000.

SEC. 1006. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 1999.

(a) FISCAL YEAR 1999 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 1999 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 1998, of funds appropriated for fiscal years before fiscal year 1999 for payments for those budgets.

(2) The amount authorized to be appropriated under section 301(1) that is available for contributions for the NATO common-funded military budget under section 314.

(3) The amount authorized to be appropriated under section 201 that is available for contribution for the NATO common-funded civil budget under section 243.

(4) The total amount of the contributions authorized to be made under section 2501.

(c) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term "common-funded budgets of NATO" means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term "fiscal year 1998 baseline limitation" means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1007. LIQUIDITY OF WORKING-CAPITAL FUNDS.

(a) INCREASED CASH BALANCES.—The Secretary of Defense shall administer the working-capital funds of the Department of Defense during fiscal year 1999 so as to ensure that the total amount of the cash balances in such funds on September 30, 1999, exceeds the total amount of the cash balances in such funds on September 30, 1998, by $1,300,000,000.

(b) ACTIONS REGARDING UNBUDGETED LOSSES.—The Under Secretary of Defense (Comptroller) shall take such actions regarding unbudgeted losses for the working-capital funds as may be necessary in order to ensure that such unbudgeted losses do not preclude the Secretary of Defense from achieving the increase in cash balances in working-capital funds required under subsection (a).

(c) WAIVER.—(1) The Secretary of Defense may waive the requirements of this section upon certifying to Congress, in writing, that the waiver is necessary to meet requirements associated with—

(A) a contingency operation (as defined in section 101(a)(13) of title 10, United States Code); or

(B) an operation of the Armed Forces that commenced before October 1, 1998, and continues during fiscal year 1999.

(2) The waiver authority under paragraph (1) may not be delegated to any official other than the Deputy Secretary of Defense.

(3) The waiver authority under paragraph (1) does not apply to the limitation in subsection (d) or the limitation in section 2208(l)(3) of title 10, United States Code (as added by subsection (e)).

(d) FISCAL YEAR 1999 LIMITATION ON ADVANCE BILLINGS.—(1) The total amount of the advance billings rendered or imposed for the working-capital funds of the Department of Defense and the Defense Business Operations Fund in fiscal year 1999—

(A) for the Department of the Navy, may not exceed $400,000,000; and

(B) for the Department of the Air Force, may not exceed $400,000,000.

(2) In paragraph (1), the term "advance billing" has the meaning given such term in section 2208(l) of title 10, United States Code.

(e) PERMANENT LIMITATION ON ADVANCE BILLINGS.—(1) Section 2208(l) of title 10, United States Code, is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph (3):

"(3) The total amount of the advance billings rendered or imposed for all working-capital funds of the Department of Defense in a fiscal year may not exceed $1,000,000,000.".

(2) Section 2208(l)(3) of such title, as added by paragraph (1), applies to fiscal years after fiscal year 1999.

(f) SEMIANNUAL REPORT.—(1) The Under Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(A) not later than May 1, 1999, a report on the administration of this section for the six-month period ending on March 31, 1999; and

(B) not later than November 1, 1999, a report on the administration of this section for the six-month period ending on September 30, 1999.

(2) Each report shall include, for the period covered by the report, the following:

(A) The profit and loss status of each working-capital fund activity.

(B) The actions taken by the Secretary of each military department to use assessments of surcharges to correct for unbudgeted losses.

SEC. 1008. TERMINATION OF AUTHORITY TO MANAGE WORKING-CAPITAL FUNDS AND CERTAIN ACTIVITIES THROUGH THE DEFENSE BUSINESS OPERATIONS FUND.

(a) REVISION OF CERTAIN DBOF PROVISIONS AND REENACTMENT TO APPLY TO WORKING-CAPITAL FUNDS GENERALLY.—Section 2208 of title 10, United States Code, is amended by adding at the end the following:

"(m) CAPITAL ASSET SUBACCOUNTS.—Amounts charged for depreciation of capital assets shall be credited to a separate capital asset subaccount established within a working-capital fund.

"(n) SEPARATE ACCOUNTING, REPORTING, AND AUDITING OF FUNDS AND ACTIVITIES.—The Secretary of Defense, with respect to the working-capital funds of each Defense Agency, and the Secretary of each military department, with respect to the working-capital funds of the military department, shall provide for separate accounting, reporting, and auditing of funds and activities managed through the working-capital funds.

"(o) CHARGES FOR GOODS AND SERVICES PROVIDED THROUGH THE FUND.—(1) Charges for goods and services provided for an activity through a working-capital fund shall include the following:

"(A) Amounts necessary to recover the full costs of the goods and services provided for that activity.

"(B) Amounts for depreciation of capital assets, set in accordance with generally accepted accounting principles.

"(2) Charges for goods and services provided through a working-capital fund may not include the following:

"(A) Amounts necessary to recover the costs of a military construction project (as defined in section 2801(b) of this title), other than a minor construction project financed by the fund pursuant to section 2805(c)(1) of this title.

"(B) Amounts necessary to cover costs incurred in connection with the closure or realignment of a military installation.

"(C) Amounts necessary to recover the costs of functions designated by the Secretary of Defense as mission critical, such as ammunition handling safety, and amounts for ancillary tasks not directly related to the mission of the function or activity managed through the fund.

"(p) PROCEDURES FOR ACCUMULATION OF FUNDS.—The Secretary of Defense, with respect to each working-capital fund of a Defense Agency, and the Secretary of a military department, with respect to each working-capital fund of the military department, shall establish billing procedures to ensure that the balance in that working-capital fund does not exceed the amount necessary to provide for the working-capital requirements of that fund, as determined by the Secretary.

"(q) ANNUAL REPORTS AND BUDGET.—The Secretary of Defense, with respect to each working-capital fund of a Defense Agency, and the Secretary of each military department, with respect to each working-capital fund of the military department, shall annually submit to Congress, at the same time that the President submits the budget under section 1105 of title 31, the following:

"(1) A detailed report that contains a statement of all receipts and disbursements of the fund (including such a statement for each subaccount of the fund) for the fiscal year ending in the year preceding the year in which the budget is submitted.

"(2) A detailed proposed budget for the operation of the fund for the fiscal year for which the budget is submitted.

"(3) A comparison of the amounts actually expended for the operation of the fund for the fiscal year referred to in paragraph (1) with the amount proposed for the operation of the fund for that fiscal year in the President's budget.

"(4) A report on the capital asset subaccount of the fund that contains the following information:

"(A) The opening balance of the subaccount as of the beginning of the fiscal year in which the report is submitted.

"(B) The estimated amounts to be credited to the subaccount in the fiscal year in which the report is submitted.

"(C) The estimated amounts of outlays to be paid out of the subaccount in the fiscal year in which the report is submitted.

"(D) The estimated balance of the subaccount at the end of the fiscal year in which the report is submitted.

"(E) A statement of how much of the estimated balance at the end of the fiscal year in which the report is submitted will be needed to pay outlays in the immediately following fiscal year that are in excess of the amount to be credited to the subaccount in the immediately following fiscal year.".

(b) REPEAL OF AUTHORITY TO MANAGE THROUGH THE DEFENSE BUSINESS OPERATIONS FUND.—Section 2216a of title 10, United States Code, and the item relating to that section in the table of sections at the beginning of chapter 131 of such title, are repealed.

SEC. 1009. CLARIFICATION OF AUTHORITY TO RETAIN RECOVERED COSTS OF DISPOSALS IN WORKING-CAPITAL FUNDS.

Section 2210(a) of title 10, United States Code, is amended to read as follows:

"(a)(1) A working-capital fund established pursuant to section 2208 of this title may retain so much of the proceeds of disposals of property referred to in paragraph (2) as is necessary to recover the expenses incurred by the fund in disposing of such property. Proceeds from the sale or disposal of such property in excess of amounts necessary to recover the expenses may be credited to current applicable appropriations of the Department of Defense.

"(2) Paragraph (1) applies to disposals of supplies, material, equipment, and other personal property that were not financed by stock funds established under section 2208 of this title.".

SEC. 1010. CREDITING OF AMOUNTS RECOVERED FROM THIRD PARTIES FOR LOSS OR DAMAGE TO PERSONAL PROPERTY SHIPPED OR STORED AT GOVERNMENT EXPENSE.

(a) In General.—(1) Chapter 163 of title 10, United States Code, is amended by adding at the end the following new section:

"§2739. Amounts recovered from third parties for loss or damage to personal property shipped or stored at Government expense: crediting to appropriations

"(a) Crediting of Collections.—Any qualifying military department third-party collection shall be credited to the appropriate current appropriation. Amounts so credited shall be merged with the funds in that appropriation and shall be available for the same period and purposes as the funds with which merged.

"(b) Appropriate Current Appropriation.—For purposes of subsection (a), the appropriate current appropriation with respect to a qualifying military department third-party collection is the appropriation currently available, as of the date of the collection, for the payment of claims by that military department for loss or damage of personal property shipped or stored at Government expense.

"(c) Qualifying Military Department Third-party Collections.—For purposes of subsection (a), a qualifying military department third-party collection is any amount that a military department collects under sections 3711, 3716, 3717, and 3721 of title 31 from a third party for a loss or damage to personal property that occurred during shipment or storage of the property at Government expense and for which the Secretary of the military department paid the owner in settlement of a claim.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2739. Amounts recovered from third parties for loss or damage to personal property shipped or stored at Government expense: crediting to appropriations.".

(b) Effective Date.—Section 2739 of title 10, United States Code, as added by subsection (a), applies with respect to amounts collected by a military department on or after the date of the enactment of this Act.

Subtitle B—Naval Vessels and Shipyards

SEC. 1011. REVISION TO REQUIREMENT FOR CONTINUED LISTING OF TWO IOWA-CLASS BATTLESHIPS ON THE NAVAL VESSEL REGISTER.

In carrying out section 1011 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 421), the Secretary of the Navy shall list on the Naval Vessel Register, and maintain on that register, the following two Iowa-class battleships: the U.S.S. IOWA (BB–61) and the U.S.S. WISCONSIN (BB–64).

SEC. 1012. TRANSFER OF U.S.S. NEW JERSEY.

The Secretary of the Navy shall strike the U.S.S. NEW JERSEY (BB–62) from the Naval Vessel Register and shall transfer that vessel to a non-for-profit entity in accordance with section 7306 of title 10, United States Code. The Secretary shall require as a condition of the transfer of that vessel that the transferee locate the vessel in the State of New Jersey.

SEC. 1013. HOMEPORTING OF THE U.S.S. IOWA IN SAN FRANCISCO, CALIFORNIA.

It is the sense of Congress that the U.S.S. IOWA (BB–61) should be homeported at the Port of San Francisco, California.

SEC. 1014. SENSE OF CONGRESS CONCERNING THE NAMING OF AN LPD–17 VESSEL.

It is the sense of Congress that, consistent with section 1018 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 425), the Secretary of the Navy should name the next vessel of the LPD–17 class of amphibious vessels to be named after the date of the enactment of this Act as the U.S.S. Clifton B. Cates, in honor of former Commandant of the Marine Corps Clifton B. Cates (1893–1970), a native of Tennessee whose distinguished career of service in the Marine Corps included combat service in World War I so heroic that he became the most decorated Marine Corps officer of that war, exemplary combat leadership in the Pacific theater during World War II from Guadalcanal to Tinian and Iwo Jima and beyond, and appointment in 1948 as the 19th Commandant of the Marine Corps with the rank of lieutenant general, a position from which he led the efficient and alacritous response of the Marine Corps to the invasion of the Republic of South Korea by Communist North Korea.

SEC. 1015. REPORTS ON NAVAL SURFACE FIRE-SUPPORT CAPABILITIES.

(a) Navy Report.—(1) Not later than March 31, 1999, the Secretary of the Navy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on battleship readiness for meeting requirements of the Armed Forces for naval surface fire support.

(2) The report shall contain the following:

(A) The reasons for the Secretary's failure to comply with the requirements of section 1011 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 421) until February 1998.

(B) The requirements for specialized air-naval gunfire liaison units.

(C) The plans of the Navy for retaining and maintaining 16-inch ammunition for the main guns of battleships.

(D) The plans of the Navy for retaining the hammerhead crane essential for lifting battleship turrets.

(E) An estimate of the cost of reactivating Iowa-class battleships for listing on the Naval Vessel Register, restoring the vessels to seaworthiness with operational capabilities necessary to meet requirements for naval surface fire-support, and maintaining the battleships in that condition for continued listing on the register, together with an estimate of the time necessary to reactivate and restore the vessels to that condition.

(F) An assessment of the short-term costs and the long-term costs associated with alternative methods for executing the naval surface fire-support mission of the Navy, including the alternative of reactivating two battleships.

(3) The Secretary shall act through the Director of Expeditionary Warfare Division (N85) of the Office of the Chief of Naval Operations in preparing the report.

(b) GAO Report.—(1) The Comptroller General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the naval surface fire-support capabilities of the Navy.

(2) The report shall contain the following:

(A) An assessment of the extent of the compliance by the Secretary of the Navy with the requirements of section 1011 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 421).

(B) The plans of the Navy for executing the naval surface fire-support mission of the Navy.

(C) An assessment of the short-term costs and the long-term costs associated with the plans.

(D) An analysis of the assessment required under subsection (a)(2)(F).

SEC. 1016. LONG-TERM CHARTER OF THREE VESSELS IN SUPPORT OF SUBMARINE RESCUE, ESCORT, AND TOWING.

The Secretary of the Navy may enter into contracts in accordance with section 2401 of title 10, United States Code, for the charter through September 30, 2003, of the following vessels:

(1) The CAROLYN CHOUEST (United States official number D102057).

(2) The KELLIE CHOUEST (United States official number D1038519).

(3) The DOLORES CHOUEST (United States official number D600288).

SEC. 1017. TRANSFER OF OBSOLETE ARMY TUGBOAT.

In carrying out section 1023 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1876), the Secretary of the Army may substitute the obsolete, decommissioned tugboat Attleboro (LT–1977) for the tugboat Normandy (LT–1971) as one of the two obsolete tugboats authorized to be transferred by the Secretary under that section.

Subtitle C—Counter Drug Activities and Other Assistance for Civilian Law Enforcement

SEC. 1021. DEPARTMENT OF DEFENSE SUPPORT TO OTHER AGENCIES FOR COUNTER-DRUG ACTIVITIES.

(a) Continuation of Authority.—Subsection (a) of section 1004 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 374 note) is amended by striking out "through 1999" and inserting in lieu thereof "through 2002".

(b) Bases and Facilities Support.—Subsection (b)(4) of such section is amended—

(1) by striking out "unspecified minor construction" and inserting in lieu thereof "an unspecified minor military construction project";

(2) by inserting "of the Department of Defense or any Federal, State, or local law enforcement agency" after "counter-drug activities"; and

(3) by inserting before the period at the end the following: "or counter-drug activities of a foreign law enforcement agency outside the United States".

(c) Congressional Notification of Facilities Projects.—Such section is further amended by adding at the end the following new section:

"(h) Congressional Notification of Facilities Projects.—(1) When a decision is made to carry out a military construction project described in paragraph (2), the Secretary of Defense shall submit to the congressional defense committees written notice of the decision, including the justification for the project and the estimated cost of the project. The project may be commenced only after the end of the 21-day period beginning on the date on which the written notice is received by Congress.

"(2) Paragraph (1) applies to an unspecified minor military construction project that—

"(A) is intended for the modification or repair of a Department of Defense facility for the purpose set forth in subsection (b)(4); and

"(B) has an estimated cost of more than $500,000.".

SEC. 1022. DEPARTMENT OF DEFENSE SUPPORT OF NATIONAL GUARD DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES.

(a) Procurement of Equipment.—Subsection (a)(3) of section 112 of title 32, United States Code, is amended—

(1) by striking out "and leasing of equipment" and inserting in lieu thereof "and equipment, and the leasing of equipment,"; and

(2) by adding at the end the following new sentence: "However, the use of such funds for the procurement of equipment may not exceed $5,000 per purchase order, unless approval for procurement of equipment in excess of that amount is granted in advance by the Secretary of Defense.".

(b) Training and Readiness.—Subsection (b)(2) of such section is amended to read as follows:

"(2)(A) A member of the National Guard serving on full-time National Guard duty under orders authorized under paragraph (1) shall participate in the training required under section 502(a) of this title in addition to the duty performed for the purpose authorized under that paragraph. The pay, allowances, and other benefits of the member while participating in the training shall be the same as those to which the member is entitled while performing duty for the purpose of carrying out drug interdiction and counter-drug activities. The member is not entitled to additional pay, allowances, or other benefits for participation in training required under section 502(a)(1) of this title.

"(B) Appropriations available for the Department of Defense for drug interdiction and counter-drug activities may be used for paying costs associated with a member's participation in training described in subparagraph (A). The appropriation shall be reimbursed in full, out of appropriations available for paying those costs, for the amounts paid. Appropriations available for paying those costs shall be available for making the reimbursements.

"(C) To ensure that the use of units and personnel of the National Guard of a State pursuant to a State drug interdiction and counter-drug activities plan does not degrade the training and readiness of such units and personnel, the following requirements shall apply in determining the drug interdiction and counter-drug activities that units and personnel of the National Guard of a State may perform:

"(i) The performance of the activities may not adversely affect the quality of that training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit.

"(ii) National Guard personnel will not degrade their military skills as a result of performing the activities.

"(iii) The performance of the activities will not result in a significant increase in the cost of training.

"(iv) In the case of drug interdiction and counter-drug activities performed by a unit organized to serve as a unit, the activities will support valid unit training requirements.".

(c) Assistance to Youth and Charitable Organizations.—Subsection (b)(3) of such section is amended to read as follows:

"(3) A unit or member of the National Guard of a State may be used, pursuant to a State drug interdiction and counter-drug activities plan approved by the Secretary of Defense under this section, to provide services or other assistance (other than air transportation) to an organization eligible to receive services under section 508 of this title if—

"(A) the State drug interdiction and counter-drug activities plan specifically recognizes the organization as being eligible to receive the services or assistance;

"(B) in the case of services, the performance of the services meets the requirements of paragraphs (1) and (2) of subsection (a) of section 508 of this title; and

"(C) the services or assistance is authorized under subsection (b) or (c) of such section or in the State drug interdiction and counter-drug activities plan".

(d) Definition of Drug Interdiction and Counter-drug Activities.—Subsection (i)(1) of such section is amended by inserting after "drug interdiction and counter-drug law enforcement activities" the following: ", including drug demand reduction activities,".

(e) Conforming Amendments.—Subsection (a) of such section is further amended—

(1) by striking out "for—" and inserting in lieu thereof "for the following:";

(2) by striking out "the" at the beginning of paragraphs (1), (2), and (3) and inserting in lieu thereof "The";

(3) in paragraph (1), by striking out the semicolon at the end and inserting in lieu thereof a period; and

(4) in paragraph (2), by striking out "; and" and inserting in lieu thereof a period.

SEC. 1023. DEPARTMENT OF DEFENSE COUNTER-DRUG ACTIVITIES IN TRANSIT ZONE.

(a) Sense of Congress Regarding Priority of Drug Interdiction and Counter-Drug Activities.—It is the sense of Congress that the Secretary of Defense should—

(1) ensure that the international drug interdiction and counter-drug activities of the Department of Defense are accorded adequate resources within the budget allocation of the Department to execute the drug interdiction and counter-drug mission under the Global Military Force Policy of the Department; and

(2) make such changes to that policy as the Secretary considers necessary.

(b) Support for Counter-Drug Operation Caper Focus.—(1) During fiscal year 1999, the Secretary of Defense shall make available, to the maximum extent practicable, such surface vessels, maritime patrol aircraft, and personnel of the Navy as may be necessary to conduct the final phase of the counter-drug operation known as Caper Focus, which targets the maritime movement of cocaine on vessels in the eastern Pacific Ocean.

(2) Of the amount authorized to be appropriated pursuant to section 301(20) for drug interdiction and counter-drug activities, $10,500,000 shall be available for the purpose of conducting the counter-drug operation known as Caper Focus.

(c) Patrol Coastal Craft for Drug Interdiction by Southern Command.—Of the amount authorized to be appropriated pursuant to section 301(20) for drug interdiction and counter-drug activities, $14,500,000 shall be available for the purpose of equipping and operating six of the Cyclone-class coastal defense ships of the Department of Defense in the Caribbean Sea and eastern Pacific Ocean in support of the drug interdiction efforts of the United States Southern Command.

(d) Resulting Availability of Funds for Counterproliferation and Counterterrorism Activities.—(1) In light of subsection (c), of the amount authorized to be appropriated pursuant to section 301(5) for the Special Operations Command, $4,500,000 shall be available for the purpose of increased training and related operations in support of the activities of the Special Operations Command regarding counterproliferation of weapons of mass destruction and counterterrorism.

(2) The amount made available under this subsection is in addition to other funds authorized to be appropriated under section 301(5) for the Special Operations Command for such purpose.

Subtitle D—Miscellaneous Report Requirements and Repeals

SEC. 1031. REPEAL OF UNNECESSARY AND OBSOLETE REPORTING PROVISIONS.

(a) Health and Medical Care Studies and Demonstrations.—Section 1092(a) of title 10, United States Code, is amended by striking out paragraph (3).

(b) Executed Requirement for Biannual Reports on Alternative Utilization of Military Facilities.—Section 2819 of the National Defense Authorization Act, Fiscal Year 1989 (10 U.S.C. 2391 note), relating to the Commission on Alternative Utilization of Military Facilities, is repealed.

SEC. 1032. REPORT REGARDING USE OF TAGGING SYSTEM TO IDENTIFY HYDROCARBON FUELS USED BY DEPARTMENT OF DEFENSE.

(a) Report Required.—Not later than March 30, 1999, the Secretary of Defense shall submit to Congress a report evaluating the following:

(1) The feasibility of tagging hydrocarbon fuels used by the Department of Defense for the purposes of analyzing and identifying such fuels.

(2) The deterrent effect of such tagging on the theft and misuse of fuels purchased by the Department.

(3) The extent to which such tagging would assist in determining the source of surface and underground pollution in locations having separate fuel storage facilities of the Department and of civilian companies.

(b) System Elements.—In preparing the report, the Secretary shall ensure that any tagging system for the Department of Defense considered by the Secretary satisfies the following requirements:

(1) The tagging system would not harm the environment.

(2) Each chemical that would be used in the tagging system is—

(A) approved for use under the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(B) substantially similar to the fuel to which added, as determined in accordance with criteria established by the Environmental Protection Agency for the introduction of additives into hydrocarbon fuels.

(3) The tagging system would permit a determination if a tag is present and a determination if the concentration of a tag has changed in order to facilitate identification of tagged fuels and detection of dilution of tagged fuels.

(4) The tagging system would not impair or degrade the suitability of tagged fuels for their intended use.

(c) Recommendations.—The report shall include any recommendations for legislation relating to the tagging of hydrocarbon fuels by the Department of Defense that the Secretary considers appropriate.

Subtitle E—Armed Forces Retirement Home

SEC. 1041. APPOINTMENT OF DIRECTOR AND DEPUTY DIRECTOR OF THE NAVAL HOME.

(a) Appointment and Qualifications of Director and Deputy Director.—Subsection (a) of section 1517 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 417) is amended—

(1) in paragraph (2)—

(A) by striking out "Each Director" and inserting in lieu thereof "The Director of the United States Soldiers' and Airmen's Home"; and

(B) by striking out subparagraph (B) and inserting in lieu thereof the following:

"(B) meet the requirements of paragraph (4).";

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs (3) and (4):

"(3) The Director, and any Deputy Director, of the Naval Home shall be appointed by the Secretary of Defense from among persons recommended by the Secretaries of the military departments who—

"(A) in the case of the position of Director, are commissioned officers of the Armed Forces serving on active duty in a pay grade above O-5;

"(B) in the case of the position of Deputy Director, are commissioned officers of the Armed Forces serving on active duty in a pay grade above O–4; and

"(C) meet the requirements of paragraph (4).

"(4) Each Director shall have appropriate leadership and management skills, an appreciation and understanding of the culture and norms associated with military service, and significant military background.".

(b) TERM OF DIRECTOR AND DEPUTY DIRECTOR.—Subsection (c) of such section is amended—

(1) by striking out "(c) TERM OF DIRECTOR.—" and all that follows through "A Director" in the second sentence and inserting in lieu thereof "(c) TERMS OF DIRECTORS.—(1) The term of office of the Director of the United States Soldiers' and Airmen's Home shall be five years. The Director"; and

(2) by adding at the end the following new paragraph:

"(2) The Director and the Deputy Director of the Naval Home shall serve at the pleasure of the Secretary of Defense.".

(c) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

"(g) DEFINITIONS.—In this section:

"(1) The term 'United States Soldiers' and Airmen's Home' means the separate facility of the Retirement Home that is known as the United States Soldiers' and Airmen's Home.

"(2) The term 'Naval Home' means the separate facility. of the Retirement Home that is known as the Naval Home.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1998.

SEC. 1042. REVISION OF INSPECTION REQUIREMENTS RELATING TO ARMED FORCES RETIREMENT HOME.

(a) INSPECTION BY INSPECTORS GENERAL OF THE MILITARY DEPARTMENTS.—Section 1518 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 418) is amended to read as follows:

"SEC. 1518. INSPECTION OF RETIREMENT HOME.

"(a) TRIENNIAL INSPECTION.—Every three years the Inspector General of a military department shall inspect the Retirement Home, including the records of the Retirement Home.

"(b) ALTERNATING DUTY AMONG INSPECTORS GENERAL.—The duty to inspect the Retirement Home shall alternate among the Inspector General of the Army, the Naval Inspector General, and the Inspector General of the Air Force on such schedule as the Secretary of Defense shall direct.

"(c) REPORTS.—Not later than 45 days after completing an inspection under subsection (a), the Inspector General carrying out the inspection shall submit to the Retirement Home Board, the Secretary of Defense, and Congress a report describing the results of the inspection and containing such recommendations as the Inspector General considers appropriate.".

(b) FIRST INSPECTION.—The first inspection under section 1518 of the Armed Forces Retirement Home Act of 1991, as amended by subsection (a), shall be carried out during fiscal year 1999.

SEC. 1043. CLARIFICATION OF LAND CONVEYANCE AUTHORITY, ARMED FORCES RETIREMENT HOME.

Section 1053 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2650) is amended—

(1) in subsection (a), by striking out "may convey, by sale or otherwise," and inserting in lieu thereof "shall convey by sale"; and

(2) by striking out subsection (b) and inserting in lieu thereof the following new subsection (b):

"(b) MANNER, TERMS AND CONDITIONS OF DISPOSAL.—(1) The sale under subsection (a) shall be made to a neighboring nonprofit organization from whose extensive educational and charitable services the public benefits and has benefited from for more than 100 years, or an entity or entities related to such organization, and whose substantial investment in the neighborhood is consistent with the continued existence and purpose of the Armed Forces Retirement Home.

"(2) As consideration for the real property conveyance under subsection (a), the purchaser selected under paragraph (1) shall pay to the United States an amount equal to the fair market value of the real property at its highest and best economic use, as determined by the Armed Forces Retirement Home Board, based on an independent appraisal.".

Subtitle F—Matters Relating to Defense Property

SEC. 1051. PLAN FOR IMPROVED DEMILITARIZATION OF EXCESS AND SURPLUS DEFENSE PROPERTY.

(a) PLAN REQUIRED.—Not later than March 1, 1999, the Secretary of Defense shall submit to Congress a plan to address the problems with the sale or other disposal of excess and surplus defense materials identified in the report submitted to Congress by the Secretary of Defense on June 5, 1998, pursuant to section 1067 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1896). The plan shall provide for the following:

(1) Implementation for all appropriate Department personnel of the mandatory demilitarization training specified in Department of Defense revised manual 4160.21–M–1.

(2) Improvement of oversight of the performance of demilitarization functions and the maintenance of demilitarization codes throughout the life cycle of defense materials.

(3) Assignment of accurate demilitarization codes and the issuance of accurate demilitarization execution instructions during the system planning phases of the acquisition process.

(4) Implementation of such recommendations of the Defense Science Board task force appointed by the Under Secretary of Defense for Acquisition and Technology to consider the control of military excess and surplus property as the Secretary of Defense considers to be appropriate.

(b) DEMILITARIZATION TRAINING.—In connection with the demilitarization training that is required to be addressed in the plan, the Secretary shall indicate the time frame for full implementation of such training and the number of Department of Defense personnel to be trained.

(c) CENTRALIZED DEMILITARIZATION FUNCTIONS.—In connection with the matters specified in paragraphs (2) and (3) of subsection (a) that are required to be addressed in the plan, the Secretary shall consider options for the centralization of demilitarization functions and responsibilities in a single office or agency. The Secretary shall specify in the plan the responsible office or agency, and indicate the time frame for centralizing demilitarization functions and responsibilities, unless the Secretary determines that it is not practical or appropriate to centralize demilitarization functions and responsibilities, in which case the Secretary shall provide the reasons for the determination.

(d) DRAFT LEGISLATION.—The Secretary shall include in the plan any draft legislation that the Secretary considers appropriate to clarify the authority of the Government to recover critical and sensitive defense property that has been inadequately demilitarized.

(e) RELATED REPORTS.—(1) The Secretary shall submit with the plan—

(A) a copy of recommendations of the Defense Science Board task force referred to in subsection (a)(4); and

(B) a copy of the report prepared by an independent contractor in accordance with the Secretary's report referred to in subsection (a), at the request of the Defense Logistics Agency, to address options for centralizing demilitarization responsibilities, including a central demilitarization office and a central system for coding and maintaining demilitarization codes through the life cycle of the property involved.

(2) With respect to the report of the independent contractor described in paragraph (1)(B), the Secretary shall provide an evaluation of the recommendations contained in the report and any plans by the Secretary for implementing the recommendations.

SEC. 1052. TRANSFER OF F–4 PHANTOM II AIRCRAFT TO FOUNDATION.

(a) AUTHORITY.—The Secretary of the Air Force may convey, without consideration, to the Collings Foundation, Stow, Massachusetts (in this section referred to as the "foundation"), all right, title, and interest of the United States in and to one surplus F–4 Phantom II aircraft. The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The Secretary may not convey ownership of the aircraft under subsection (a) until the Secretary determines that the foundation has altered the aircraft in such manner as the Secretary determines necessary to ensure that the aircraft does not have any capability for use as a platform for launching or releasing munitions or any other combat capability that it was designed to have. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON BREACH OF CONDITIONS.—The Secretary shall include in the instrument of conveyance of the aircraft—

(1) a condition that the foundation not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary;

(2) a condition that the foundation operate and maintain the aircraft in compliance with all applicable limitations and maintenance requirements imposed by the Administrator of the Federal Aviation Administration; and

(3) a condition that if the Secretary determines at any time that the foundation has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, or has failed to comply with the condition set forth in paragraph (2), all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance of an aircraft authorized by this section shall be made at no cost to the United States. Any costs associated with such conveyance, costs of determining compliance with subsection (b), and costs of operation and maintenance of the aircraft conveyed shall be borne by the foundation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) CLARIFICATION OF LIABILITY.—Notwithstanding any other provision of law, upon the conveyance of ownership of the F–4 Phantom II

aircraft to the foundation under subsection (a), the United States shall not be liable for any death, injury, loss, or damage that results from any use of that aircraft by any person other than the United States.

Subtitle G—Other Department of Defense Matters

SEC. 1061. PILOT PROGRAM ON ALTERNATIVE NOTICE OF RECEIPT OF LEGAL PROCESS FOR GARNISHMENT OF FEDERAL PAY FOR CHILD SUPPORT AND ALIMONY.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall conduct a pilot program on alternative notice procedures for withholding or garnishment of pay for the payment of child support and alimony under section 459 of the Social Security Act (42 U.S.C. 659).

(b) PURPOSE.—The purpose of the pilot program is to test the efficacy of providing notice in accordance with subsection (c) to the person whose pay is to be withheld or garnished.

(c) AUTHORIZATION OF ALTERNATIVE TO PROVIDING COPY OF NOTICE OR SERVICE RECEIVED BY THE SECRETARY.—(1) Under the pilot program, whenever the Secretary of Defense (acting through the DOD section 459 agent) provides a section 459 notice to an individual, the Secretary may include as part of that notice the information specified in subsection (e) in lieu of sending with that notice a copy (otherwise required pursuant to the parenthetical phrase in section 459(c)(2)(A) of the Social Security Act) of the notice or service received by the DOD section 459 agent with respect to that individual's child support or alimony payment obligations.

(2) Under the pilot program, whenever the Secretary of Defense (acting through the DOD section 5520a agent) provides a section 5520a notice to an individual, the Secretary may include as part of that notice the information specified in subsection (e) in lieu of sending with that notice a copy (otherwise required pursuant to the second parenthetical phrase in section 5520a(c) of the title 5, United States Code) of the legal process received by the DOD section 5520a agent with respect to that individual.

(d) DEFINITIONS.—For purposes of this section:

(1) DOD SECTION 459 AGENT.—The term "DOD section 459 agent" means the agent or agents designated by the Secretary of Defense under subsection (c)(1)(A) of section 459 of the Social Security Act (42 U.S.C. 659) to receive orders and accept service of process in matters related to child support or alimony.

(2) SECTION 459 NOTICE.—The term "section 459 notice" means, with respect to the Department of Defense, the notice required by subsection (c)(2)(A) of section 459 of the Social Security Act (42 U.S.C. 659) to be sent to an individual in writing upon the receipt by the DOD section 459 agent of notice or service with respect to the individual's child support or alimony payment obligations.

(3) DOD SECTION 5520A AGENT.—The term "DOD section 5520a agent" means a person who is designated by law or regulation to accept service of process to which the Department of Defense is subject under section 5520a of title 5, United States Code (including the regulations promulgated under subsection (k) of that section).

(4) SECTION 5520A NOTICE.—The term "section 5520a notice" means, with respect to the Department of Defense, the notice required by subsection (c) of section 5520a of title 5, United States Code, to be sent in writing to an employee (or, pursuant to the regulations promulgated under subsection (k) of that section, to a member of the Armed Forces) upon the receipt by the DOD section 5520a agent of legal process covered by that section.

(e) ALTERNATIVE REQUIREMENTS.—The information referred to in subsection (c) that is to be included as part of a section 459 notice or section 5520a notice sent to an individual (in lieu of sending with that notice a copy of the notice or service received by the DOD section 459 agent or the DOD section 5520a agent) is the following:

(1) A description of the pertinent court order, notice to withhold, or other order, process, or interrogatory received by the DOD section 459 agent or the DOD section 5520a agent.

(2) The identity of the court or judicial forum involved and (in the case of a notice or process concerning the ordering of a support or alimony obligation) the case number, the amount of the obligation, and the name of the beneficiary.

(3) Information on how the individual may obtain from the Department of Defense a copy of the notice, service, or legal process, including an address and telephone number that the individual may be contact for the purpose of obtaining such a copy.

(f) PERIOD OF PILOT PROGRAM.—The Secretary shall commence the pilot program not later than 90 days after the date of the enactment of this Act. The pilot program shall terminate on September 30, 2001.

(g) REPORT.—Not later than January 1, 2001, the Secretary shall submit to Congress a report describing the experience of the Department of Defense under the authority provided by this section. The report shall include the following:

(1) The number of section 459 notices provided by the DOD section 459 agent during the period the authority provided by this section was in effect.

(2) The number of individuals who requested the DOD section 459 agent to provide to them a copy of the actual notice or service.

(3) Any complaint the Secretary received by reason of not having provided the actual notice or service in the section 459 notice.

(4) The number of section 5520a notices provided by the DOD section 5520a agent during the period the authority provided by this section was in effect.

(5) The number of individuals who requested the DOD section 5520a agent to provide to them a copy of the actual legal process.

(6) Any complaint the Secretary received by reason of not having provided the actual legal process in the section 5520a notice.

SEC. 1062. TRAINING OF SPECIAL OPERATIONS FORCES WITH FRIENDLY FOREIGN FORCES.

(a) REQUIREMENT FOR PRIOR APPROVAL OF SECRETARY OF DEFENSE.—Subsection (c) of section 2011 of title 10, United States Code, is amended by inserting after the first sentence the following new sentence: "The regulations shall require that training activities may be carried out under this section only with the prior approval of the Secretary of Defense.".

(b) ELEMENTS OF ANNUAL REPORT.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

"(5) A summary of the expenditures under this section resulting from the training for which expenses were paid under this section.

"(6) A discussion of the unique military training benefit to United States special operations forces derived from the training activities for which expenses were paid under this section.".

SEC. 1063. RESEARCH GRANTS COMPETITIVELY AWARDED TO SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—(1) Chapter 403 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4358. Grants for faculty research for scientific, literary, and educational purposes: acceptance; authorized grantees

"(a) ACCEPTANCE OF RESEARCH GRANTS.—The Secretary of the Army may authorize the Superintendent of the Academy to accept qualifying research grants under this section. Any such grant may only be accepted if the work under the grant is to be carried out by a professor or instructor of the Academy for a scientific, literary, or educational purpose.

"(b) QUALIFYING GRANTS.—A qualifying research grant under this section is a grant that is awarded on a competitive basis by an entity referred to in subsection (c) for a research project with a scientific, literary, or educational purpose.

"(c) ENTITIES FROM WHICH GRANTS MAY BE ACCEPTED.—A grant may be accepted under this section only from a corporation, fund, foundation, educational institution, or similar entity that is organized and operated primarily for scientific, literary, or educational purposes.

"(d) ADMINISTRATION OF GRANT FUNDS.—The Secretary shall establish an account for administering funds received as research grants under this section. The Superintendent shall use the funds in the account in accordance with applicable regulations and the terms and conditions of the grants received.

"(e) RELATED EXPENSES.—Subject to such limitations as may be provided in appropriations Acts, appropriations available for the Academy may be used to pay expenses incurred by the Academy in applying for, and otherwise pursuing, award of a qualifying research grant.

"(f) REGULATIONS.—The Secretary of the Army shall prescribe regulations for the administration of this section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4358. Grants for faculty research for scientific, literary, and educational purposes: acceptance; . authorized grantees.".

(b) UNITED STATES NAVAL ACADEMY.—(1) Chapter 603 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6977. Grants for faculty research for scientific, literary, and educational purposes: acceptance; authorized grantees

"(a) ACCEPTANCE OF RESEARCH GRANTS.—The Secretary of the Navy may authorize the Superintendent of the Academy to accept qualifying research grants under this section. Any such grant may only be accepted if the work under the grant is to be carried out by a professor or instructor of the Academy for a scientific, literary, or educational purpose.

"(b) QUALIFYING GRANTS.—A qualifying research grant under this section is a grant that is awarded on a competitive basis by an entity referred to in subsection (c) for a research project with a scientific, literary, or educational purpose.

"(c) ENTITIES FROM WHICH GRANTS MAY BE ACCEPTED.—A grant may be accepted under this section only from a corporation, fund, foundation, educational institution, or similar entity that is organized and operated primarily for scientific, literary, or educational purposes.

"(d) ADMINISTRATION OF GRANT FUNDS.—The Secretary shall establish an account for administering funds received as research grants under this section. The Superintendent shall use the funds in the account in accordance with applicable regulations and the terms and conditions of the grants received.

"(e) RELATED EXPENSES.—Subject to such limitations as may be provided in appropriations Acts, appropriations available for the Academy may be used to pay expenses incurred by the Academy in applying for, and otherwise pursuing, award of a qualifying research grant.

"(f) REGULATIONS.—The Secretary of the Navy shall prescribe regulations for the administration of this section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"6977. Grants for faculty research for scientific, literary, and educational purposes: acceptance; authorized grantees.".

SEC. 1064. DEPARTMENT OF DEFENSE USE OF FREQUENCY SPECTRUM.

(a) FINDING.—Congress finds that the report submitted to Congress by the Secretary of Defense on April 2, 1998, regarding the reallocation of the frequency spectrum used or dedicated to the Department of Defense and the intelligence community does not include a discussion of the costs to the Department of Defense that are associated with past and potential future reallocations of the frequency spectrum, although such a discussion was to be included in the report as directed in connection with the enactment of the National Defense Authorization Act for Fiscal Year 1998.

(b) ADDITIONAL REPORT.—The Secretary of Defense shall, not later than October 31, 1998, submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report that discusses the costs referred to in subsection (a).

(c) RELOCATION OF FEDERAL FREQUENCIES.—Section 113(g)(1) of the National Telecommunications and Information Administration Organization Act (47 U.S.C. 923(g)(1)) is amended—

(1) by striking out "(1) IN GENERAL.—In order" and inserting in lieu thereof the following:

"(1) IN GENERAL.—

"(A) AUTHORITY OF FEDERAL ENTITIES TO ACCEPT COMPENSATION.—In order";

(2) in subparagraph (A), as so designated, by striking out the second, third, and fourth sentences and inserting in lieu thereof the following: "Any such Federal entity which proposes to so relocate shall notify the NTIA, which in turn shall notify the Commission, before the auction concerned of the marginal costs anticipated to be associated with such relocation or with modifications necessary to accommodate prospective licensees. The Commission in turn shall notify potential bidders of the estimated relocation or modification costs based on the geographic area covered by the proposed licenses before the auction."; and

(3) by adding at the end the following:

"(B) REQUIREMENT TO COMPENSATE FEDERAL ENTITIES.—Any person on whose behalf a Federal entity incurs costs under subparagraph (A) shall compensate the Federal entity in advance for such costs. Such compensation may take the form of a cash payment or in-kind compensation.

"(C) DISPOSITION OF PAYMENTS.—

"(i) PAYMENT BY ELECTRONIC FUNDS TRANSFER.—A person making a cash payment under this paragraph shall make the cash payment by depositing the amount of the payment by electronic funds transfer in the account of the Federal entity concerned in the Treasury of the United States or in another account as authorized by law.

"(ii) AVAILABILITY.—Subject to the provisions of authorization Acts and appropriations Acts, amounts deposited under this subparagraph shall be available to the Federal entity concerned to pay directly the costs of relocation under this paragraph, to repay or make advances to appropriations or funds which do or will initially bear all or part of such costs, or to refund excess sums when necessary.

"(D) APPLICATION TO CERTAIN OTHER RELOCATIONS.—The provisions of this paragraph also apply to any Federal entity that operates a Federal Government station assigned to used electromagnetic spectrum identified for reallocation under subsection (a) if before August 5, 1997, the Commission has not identified that spectrum for service or assigned licenses or otherwise authorized service for that spectrum.

"(E) IMPLEMENTATION PROCEDURES.—The NTIA and the Commission shall develop procedures for the implementation of this paragraph, which procedures shall include a process for resolving any differences that arise between the Federal Government and commercial licensees regarding estimates of relocation or modification costs under this paragraph.

"(F) INAPPLICABILITY TO CERTAIN RELOCATIONS.—With the exception of the band of frequencies located at 1710–1755 megahertz, the provisions of this paragraph shall not apply to Federal spectrum identified for reallocation in the first reallocation report submitted to the President and Congress under subsection (a).".

(d) REPORTS ON COSTS OF RELOCATIONS.—The head of each department or agency of the Federal Government shall include in the annual budget submission of such department or agency to the Director of the Office of Management and Budget a report assessing the costs to be incurred by such department or agency as a result of any frequency relocations of such department or agency that are anticipated under section 113 of the National Telecommunications Information Administration Organization Act (47 U.S.C. 923) as of the date of such report.

SEC. 1065. DEPARTMENT OF DEFENSE AVIATION ACCIDENT INVESTIGATIONS.

(a) REPORT REQUIRED.—Not later than March 31, 1999, the Secretary of Defense shall submit to Congress a report on the roles of the Office of the Secretary of Defense and of the Joint Staff in the investigation of Department of Defense aviation accidents.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) An assessment of whether the Office of the Secretary of Defense and the Joint Staff should have more direct involvement in the investigation of military aviation accidents.

(2) The advisability of the Office of the Secretary of Defense, the Joint Staff, or another Department of Defense entity independent of the military departments supervising the conduct of aviation accident investigations.

(3) An assessment of the minimum training and experience required for aviation accident investigation board presidents and board members.

(4) An assessment whether or not the procedures for sharing the results of military aviation accident investigations among the military departments should be improved.

(5) An assessment of the advisability of centralized training and instruction for military aircraft accident investigators.

(c) UNIFORM REGULATIONS FOR PROVISION OF ACCIDENT INVESTIGATION UPDATE INFORMATION.—The Secretary of Defense shall prescribe regulations, which shall be applied uniformly across the Department of Defense, establishing procedures by which the military departments shall provide to the family members of any person involved in a military aviation accident periodic update reports on the conduct and progress of investigations into the accident.

SEC. 1066. INVESTIGATION OF ACTIONS RELATING TO 174TH FIGHTER WING OF NEW YORK AIR NATIONAL GUARD.

(a) INVESTIGATION.—The Inspector General of the Department of Defense shall conduct a new investigation into the circumstances that led to the December 1, 1995, grounding of the 174th Fighter Wing of the New York Air National Guard. The investigation shall review those circumstances, examine the administrative and disciplinary actions taken against members of that wing, and determine whether those administrative and disciplinary measures were appropriate.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Inspector General shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the results of the investigation under subsection (a).

SEC. 1067. PROGRAM TO COMMEMORATE 50TH ANNIVERSARY OF THE KOREAN WAR.

(a) LIMITATION ON EXPENDITURES.—Subsection (f) of section 1083 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1918; 10 U.S.C. 113 note) is amended to read as follows:

"(f) LIMITATION ON EXPENDITURES.—The total amount expended by the Department of Defense to carry out the commemorative program for fiscal year 1999 may not exceed $1,820,000.".

(b) REDESIGNATION OF COMMEMORATION ACCOUNT.—The account in the Treasury known as the "Department of Defense Korean Conflict Commemoration Account" is redesignated as the "Department of Defense Korean War Commemoration Account".

(c) OTHER REFERENCES TO KOREAN WAR.—Such section is further amended—

(1) in the section heading, by striking out "Korean conflict" and inserting in lieu thereof "Korean War";

(2) by striking out "Korean conflict" each place it appears and inserting in lieu thereof "Korean War";

(3) in subsection (c), by striking out "names 'The Department of Defense Korean Conflict Commemoration'," and inserting in lieu thereof "name the 'Department of Defense Korean War Commemoration',"; and

(4) in subsection (d)(1), by striking out "Korean Conflict" and inserting in lieu thereof "Korean War".

(d) CROSS REFERENCES.—Any reference to the Department of Defense Korean Conflict Commemoration or the Department of Defense Korean Conflict Commemoration Account in any law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the Department of Defense Korean War Commemoration or the Department of Defense Korean War Commemoration Account, respectively.

SEC. 1068. DESIGNATION OF AMERICA'S NATIONAL MARITIME MUSEUM.

(a) IN GENERAL.—America's National Maritime Museum is comprised of those museums designated by law to be museums of America's National Maritime Museum on the basis that they—

(1) house a collection of maritime artifacts clearly representing the Nation's maritime heritage; and

(2) provide outreach programs to educate the public about the Nation's maritime heritage.

(b) INITIAL DESIGNATION OF MUSEUMS.—The following museums (meeting the criteria specified in subsection (a)) are hereby designated as museums of America's National Maritime Museum:

(1) The Mariners' Museum, located at 100 Museum Drive, Newport News, Virginia.

(2) The South Street Seaport Museum, located at 207 Front Street, New York, New York.

(c) FUTURE DESIGNATION OF OTHER MUSEUMS NOT PRECLUDED.—The designation of the museums referred to in subsection (b) as museums of America's National Maritime Museum does not preclude the designation by law after the date of the enactment of this Act of any other museum that meets the criteria specified in subsection (a) as a museum of America's National Maritime Museum.

(d) REFERENCE TO MUSEUMS.—Any reference in any law, map, regulation, document, paper, or other record of the United States to a museum designated by law to be a museum of America's

National Maritime Museum shall be deemed to be a reference to that museum as a museum of America's National Maritime Museum.

SEC. 1069. TECHNICAL AND CLERICAL AMENDMENTS.

(a) Title 10, United States Code.—Title 10, United States Code, is amended as follows:

(1) The item relating to section 484 in the table of sections at the beginning of chapter 23 is amended to read as follows:

"484. Annual report on aircraft inventory.".

(2) Section 517(a) is amended by striking out "Except as provided in section 307 of title 37, the" and inserting in lieu thereof "The".

(3) The item relating to section 2302c in the table of sections at the beginning of chapter 137 is amended to read as follows:

"2302c. Implementation of electronic commerce capability.".

(4) The table of subchapters at the beginning of chapter 148 is amended—

(A) by striking out "2491" in the item relating to subchapter I and inserting in lieu thereof "2500"; and

(B) by striking out the item relating to subchapter IV and inserting in lieu thereof the following:

"IV. Manufacturing Technology .... 2521".

(5) The subchapter heading for subchapter IV of chapter 148 is amended to read as follows:

"SUBCHAPTER IV—MANUFACTURING TECHNOLOGY"

(6) Section 7045(c) is amended by striking out "the" after "are subject to".

(7) Section 7572(b) is repealed.

(8) Section 12683(b)(2) is amended by striking out "; or" at the end and inserting in lieu thereof a period.

(b) Public Law 105–85.—Effective as of November 18, 1997, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) is amended as follows:

(1) Section 389(g) (111 Stat. 1715) is amended by striking out "Secretary of Defense" and inserting in lieu thereof "Comptroller General".

(2) Section 1006(a) (111 Stat. 1869) is amended by striking out "or" in the quoted matter and inserting in lieu thereof "and".

(3) Section 3133(b)(3) (111 Stat. 2036) is amended by striking out "III" and inserting in lieu thereof "XIV".

(c) Defense Against Weapons of Mass Destruction Act of 1996.—The Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201) is amended as follows:

(1) Section 1423(b)(4) (50 U.S.C. 2332(b)(4); 110 Stat. 2726) is amended by striking out "(22 U.S.C. 2156a(c))" and inserting in lieu thereof "(42 U.S.C. 2139a(c))".

(2) Section 1441(b)(2) (50 U.S.C. 2351(b)(2); 110 Stat. 2727) is amended by striking out "established under section 1342" and inserting in lieu thereof "of the National Security Council".

(3) Section 1444 (50 U.S.C. 2354; 110 Stat. 2730) is amended by striking out "1341" and "1342" and inserting in lieu thereof "1441" and "1442", respectively.

(4) Section 1453(1) (50 U.S.C. 2363(1); 110 Stat. 2730) is amended by striking out "the National Defense Authorization Act for Fiscal Years 1993 and 1994" and inserting in lieu thereof "title XIV of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C. 5901 et seq.)".

(d) Other Acts.—

(1) Section 18(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)) is amended by striking out the period at the end of subparagraph (A) and inserting in lieu thereof a semicolon.

(2) Section 3(c)(2) of Public Law 101–533 (22 U.S.C. 3142(c)(2)) is amended by striking out "included in the most recent plan submitted to the Congress under section 2506 of title 10" and inserting in lieu thereof "identified in the most recent assessment prepared under section 2505 of title 10".

(e) Coordination With Other Amendments.—For purposes of applying amendments made by provisions of this Act other than provisions of this section, this section shall be treated as having been enacted immediately before the other provisions of this Act.

Subtitle H—Other Matters

SEC. 1071. ACT CONSTITUTING PRESIDENTIAL APPROVAL OF VESSEL WAR RISK INSURANCE REQUESTED BY THE SECRETARY OF DEFENSE.

(a) In General.—Section 1205(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1285(b)), is amended by adding at the end the following new sentence: "The signature of the President (or of an official designated by the President) on the agreement shall be treated as an expression of the approval required under section 1202(a) to provide the insurance.".

(b) Effective Date.—The amendment made by subsection (a) shall apply only to a signature of the President (or of an official designated by the President) on or after the date of the enactment of this Act.

SEC. 1072. EXTENSION AND REAUTHORIZATION OF DEFENSE PRODUCTION ACT OF 1950.

(a) Extension of Termination Date.—Section 717(a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking "September 30, 1998" and inserting "September 30, 1999".

(b) Extension of Authorization.—Section 711(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2161(b)) is amended by striking "and 1998" and inserting "1998, and 1999".

SEC. 1073. REQUIREMENT THAT BURIAL FLAGS FURNISHED BY THE SECRETARY OF VETERANS AFFAIRS BE WHOLLY PRODUCED IN THE UNITED STATES.

(a) Requirement.—Section 2301 of title 38, United States Code, as amended by section 517, is further amended by adding at the end the following new subsection:

"(g)(1) The Secretary may not procure any flag for the purposes of this section that is not wholly produced in the United States.

"(2)(A) The Secretary may waive the requirement of paragraph (1) if the Secretary determines—

"(i) that the requirement cannot be reasonably met; or

"(ii) that compliance with the requirement would not be in the national interest of the United States.

"(B) The Secretary shall submit to Congress in writing notice of a determination under subparagraph (A) not later than 30 days after the date on which such determination is made.

"(3) For the purpose of paragraph (1), a flag shall be considered to be wholly produced in the United States only if—

"(A) the materials and components of the flag are entirely grown, manufactured, or created in the United States;

"(B) the processing (including spinning, weaving, dyeing, and finishing) of such materials and components is entirely performed in the United States; and

"(C) the manufacture and assembling of such materials and components into the flag is entirely performed in the United States.".

(b) Effective Date.—Subsection (g) of section 2301 of title 38, United States Code, as added by subsection (a), shall apply to flags procured by the Secretary of Veterans Affairs for the purposes of section 2301 of title 38, United States Code, after the end of the 30-day period beginning on the date of the enactment of this Act.

SEC. 1074. SENSE OF CONGRESS CONCERNING TAX TREATMENT OF PRINCIPAL RESIDENCE OF MEMBERS OF ARMED FORCES WHILE AWAY FROM HOME ON ACTIVE DUTY.

It is the sense of Congress that a member of the Armed Forces should be treated for purposes of section 121 of the Internal Revenue Code of 1986 as using property as a principal residence during any continuous period that the member is serving on active duty for 180 days or more with the Armed Forces, but only if the member used the property as a principal residence for any period during or immediately before that period of active duty.

SEC. 1075. CLARIFICATION OF STATE AUTHORITY TO TAX COMPENSATION PAID TO CERTAIN EMPLOYEES.

(a) Limitation on State Authority To Tax Compensation Paid to Individuals Performing Services at Fort Campbell, Kentucky.—

(1) In general.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following:

"§ 115. Limitation on State authority to tax compensation paid to individuals performing services at Fort Campbell, Kentucky

"Pay and compensation paid to an individual for personal services at Fort Campbell, Kentucky, shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.".

(2) Conforming amendment.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following:

"115. Limitation on State authority to tax compensation paid to individuals performing services at Fort Campbell, Kentucky.".

(3) Effective date.—The amendments made by this subsection shall apply to pay and compensation paid after the date of the enactment of this Act.

(b) Clarification of State Authority To Tax Compensation Paid to Certain Federal Employees.—

(1) In general.—Section 111 of title 4, United States Code, is amended—

(A) by inserting "(a) General Rule.—" before "The United States" the first place it appears; and

(B) by adding at the end the following:

"(b) Treatment of Certain Federal Employees Employed at Federal Hydroelectric Facilities Located on the Columbia River.—Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

"(1) which is owned by the United States;

"(2) which is located on the Columbia River; and

"(3) portions of which are within the States of Oregon and Washington,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.

"(c) Treatment of Certain Federal Employees Employed at Federal Hydroelectric Facilities Located on the Missouri River.—Pay or compensation paid by the United States for personal services as an employee of the United States at a hydroelectric facility—

"(1) which is owned by the United States;

"(2) which is located on the Missouri River; and

"(3) portions of which are within the States of South Dakota and Nebraska,

shall be subject to taxation by the State or any political subdivision thereof of which such employee is a resident.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to pay and compensation paid after the date of the enactment of this Act.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL

Sec. 1101. Defense Advanced Research Projects Agency experimental personnel management program for technical personnel.
Sec. 1102. Maximum pay rate comparability for faculty members of the United States Air Force Institute of Technology.
Sec. 1103. Authority for release to Coast Guard of drug test results of civil service mariners of the Military Sealift Command.
Sec. 1104. Limitations on back pay awards.
Sec. 1105. Restoration of annual leave accumulated by civilian employees at installations in the Republic of Panama to be closed pursuant to the Panama Canal Treaty of 1977.
Sec. 1106. Repeal of program providing preference for employment of military spouses in military child care facilities.
Sec. 1107. Observance of certain holidays at duty posts outside the United States.
Sec. 1108. Continuation of random drug testing program for certain Department of Defense employees.
Sec. 1109. Department of Defense employee voluntary early retirement authority.

SEC. 1101. DEFENSE ADVANCED RESEARCH PROJECTS AGENCY EXPERIMENTAL PERSONNEL MANAGEMENT PROGRAM FOR TECHNICAL PERSONNEL.

(a) PROGRAM AUTHORIZED.—During the five-year period beginning on the date of the enactment of this Act, the Secretary of Defense may carry out a program of experimental use of the special personnel management authority provided in subsection (b) in order to facilitate recruitment of eminent experts in science or engineering for research and development projects administered by the Defense Advanced Research Projects Agency.

(b) SPECIAL PERSONNEL MANAGEMENT AUTHORITY.—Under the program, the Secretary may—

(1) appoint scientists and engineers from outside the civil service and uniformed services (as such terms are defined in section 2101 of title 5, United States Code) to not more than 20 scientific and engineering positions in the Defense Advanced Research Projects Agency without regard to any provision of title 5, United States Code, governing the appointment of employees in the civil service;

(2) prescribe the rates of basic pay for positions to which employees are appointed under paragraph (1) at rates not in excess of the maximum rate of basic pay authorized for senior-level positions under section 5376 of title 5, United States Code, notwithstanding any provision of such title governing the rates of pay or classification of employees in the executive branch; and

(3) pay any employee appointed under paragraph (1) payments in addition to basic pay within the limit applicable to the employee under subsection (d)(1).

(c) LIMITATION ON TERM OF APPOINTMENT.—(1) Except as provided in paragraph (2), the service of an employee under an appointment under subsection (b)(1) may not exceed four years.

(2) The Secretary may, in the case of a particular employee, extend the period to which service is limited under paragraph (1) by up to two years if the Secretary determines that such action is necessary to promote the efficiency of the Defense Advanced Research Projects Agency.

(d) LIMITATIONS ON ADDITIONAL PAYMENTS.—(1) The total amount of the additional payments paid to an employee under subsection (b)(3) for any 12-month period may not exceed the least of the following amounts:

(A) $25,000.

(B) The amount equal to 25 percent of the employee's annual rate of basic pay.

(C) The amount of the limitation that is applicable for a calendar year under section 5307(a)(1) of title 5, United States Code.

(2) An employee appointed under subsection (b)(1) is not eligible for any bonus, monetary award, or other monetary incentive for service except for payments authorized under subsection (b)(3).

(e) PERIOD OF PROGRAM.—(1) The program authorized under this section shall terminate at the end of the five-year period referred to in subsection (a).

(2) After the termination of the program—

(A) no appointment may be made under paragraph (1) of subsection (b);

(B) a rate of basic pay prescribed under paragraph (2) of that subsection may not take effect for a position; and

(C) no period of service may be extended under subsection (c)(1).

(f) SAVINGS PROVISIONS.—In the case of an employee who, on the day before the termination of the program, is serving in a position pursuant to an appointment under subsection (b)(1)—

(1) the termination of the program does not terminate the employee's employment in that position before the expiration of the lesser of—

(A) the period for which the employee was appointed; or

(B) the period to which the employee's service is limited under subsection (c), including any extension made under paragraph (2) of that subsection before the termination of the program; and

(2) the rate of basic pay prescribed for the position under subsection (b)(2) may not be reduced for so long (within the period applicable to the employee under paragraph (1)) as the employee continues to serve in the position without a break in service.

(g) ANNUAL REPORT.—(1) Not later than October 15 of each year, beginning in 1999 and ending in 2004, the Secretary of Defense shall submit a report on the program to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives. The report submitted in a year shall cover the 12-month period ending on the day before the anniversary, in that year, of the date of the enactment of this Act.

(2) The annual report shall contain, for the period covered by the report, the following:

(A) A detailed discussion of the exercise of authority under this section.

(B) The sources from which individuals appointed under subsection (b)(1) were recruited.

(C) The methodology used for identifying and selecting such individuals.

(D) Any additional information that the Secretary considers helpful for assessing the utility of the authority under this section.

SEC. 1102. MAXIMUM PAY RATE COMPARABILITY FOR FACULTY MEMBERS OF THE UNITED STATES AIR FORCE INSTITUTE OF TECHNOLOGY.

Section 9314(b)(2)(B) of title 10, United States Code, is amended by striking out "section 5306(e)" and inserting in lieu thereof "section 5373".

SEC. 1103. AUTHORITY FOR RELEASE TO COAST GUARD OF DRUG TEST RESULTS OF CIVIL SERVICE MARINERS OF THE MILITARY SEALIFT COMMAND.

(a) IN GENERAL.—Chapter 643 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7479. Civil service mariners of Military Sealift Command: release of drug test results to Coast Guard

"(a) RELEASE OF DRUG TEST RESULTS TO COAST GUARD.—The Secretary of the Navy may release to the Commandant of the Coast Guard the results of a drug test of any employee of the Department of the Navy who is employed in any capacity on board a vessel of the Military Sealift Command. Any such release shall be in accordance with the standards and procedures applicable to the disclosure and reporting to the Coast Guard of drug tests results and drug test records of individuals employed on vessels documented under the laws of the United States.

"(b) WAIVER.—The results of a drug test of an employee may be released under subsection (a) without the prior written consent of the employee that is otherwise required under section 503(e) of the Supplemental Appropriations Act, 1987 (5 U.S.C. 7301 note).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7479. Civil service mariners of Military Sealift Command: release of drug test results to Coast Guard.".

SEC. 1104. LIMITATIONS ON BACK PAY AWARDS.

(a) In General.—Section 5596(b) of title 5, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) The pay, allowances, or differentials granted under this section for the period for which an unjustified or unwarranted personnel action was in effect shall not exceed that authorized by the applicable law, rule, regulations, or collective bargaining agreement under which the unjustified or unwarranted personnel action is found, except that in no case may pay, allowances, or differentials be granted under this section for a period beginning more than 6 years before the date of the filing of a timely appeal or, absent such filing, the date of the administrative determination.".

(b) CONFORMING AMENDMENT.—Section 7121 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(h) Settlements and awards under this chapter shall be subject to the limitations in section 5596(b)(4) of this title.".

SEC. 1105. RESTORATION OF ANNUAL LEAVE ACCUMULATED BY CIVILIAN EMPLOYEES AT INSTALLATIONS IN THE REPUBLIC OF PANAMA TO BE CLOSED PURSUANT TO THE PANAMA CANAL TREATY OF 1977.

Section 6304(d)(3)(A) of title 5, United States Code, is amended by inserting "the closure of an installation of the Department of Defense in the Republic of Panama in accordance with the Panama Canal Treaty of 1977," after "2687 note) during any period,".

SEC. 1106. REPEAL OF PROGRAM PROVIDING PREFERENCE FOR EMPLOYMENT OF MILITARY SPOUSES IN MILITARY CHILD CARE FACILITIES.

Section 1792 of title 10, United States Code, is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 1107. OBSERVANCE OF CERTAIN HOLIDAYS AT DUTY POSTS OUTSIDE THE UNITED STATES.

Section 6103(b) of title 5, United States Code, is amended by inserting after paragraph (2) the following new paragraph:

"(3) Instead of a holiday that is designated under subsection (a) to occur on a Monday, for an employee at a duty post outside the United States whose basic workweek is other than Monday through Friday, and for whom Monday is a regularly scheduled workday, the legal public holiday is the first workday of the workweek in which the Monday designated for the observance of such holiday under subsection (a) occurs.".

SEC. 1108. CONTINUATION OF RANDOM DRUG TESTING PROGRAM FOR CERTAIN DEPARTMENT OF DEFENSE EMPLOYEES.

(a) CONTINUATION OF EXISTING PROGRAM.—The Secretary of Defense shall continue to actively carry out the drug testing program, originally required by section 3(a) of Executive Order 12564 (51 Fed. Reg. 32889; September 15, 1986), involving civilian employees of the Department of Defense who are considered to be employees in sensitive positions. The Secretary shall comply with the drug testing procedures prescribed pursuant to section 4 of the Executive Order.

(b) TESTING UPON REASONABLE SUSPICION OF ILLEGAL DRUG USE.—The Secretary of Defense shall ensure that the drug testing program referred to in subsection (a) authorizes the testing of a civilian employee of the Department of Defense for illegal drug use when there is a reasonable suspicion that the employee uses illegal drugs.

(c) NOTIFICATION TO APPLICANTS.—The Secretary of Defense shall notify persons who apply for employment with the Department of Defense that, as a condition of employment by the Department, the person may be required to submit to drug testing under the drug testing program required by Executive Order 12564 (51 Fed. Reg. 32889; September 15, 1986) pursuant to the terms of the Executive Order.

(d) DEFINITIONS.—In this section, the terms "illegal drugs" and "employee in a sensitive position" have the meanings given such terms in section 7 of Executive Order 12564 (51 Fed. Reg. 32889; September 15, 1986).

SEC. 1109. DEPARTMENT OF DEFENSE EMPLOYEE VOLUNTARY EARLY RETIREMENT AUTHORITY.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8336 of title 5, United States Code, is amended—

(1) in subsection (d)(2), by inserting "except in the case of an employee described in subsection (o)(1)," after "(2)"; and

(2) by adding at the end the following:

"(o)(1) An employee of the Department of Defense who is separated from the service under conditions described in paragraph (2) after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity.

"(2) Paragraph (1) applies to an employee who—

"(A) has been employed continuously by the Department of Defense for more than 30 days before the date on which the Secretary concerned requests the determinations required under in subparagraph (D)(i);

"(B) is serving under an appointment that is not limited by time;

"(C) has not received a decision notice of involuntary separation for misconduct or unacceptable performance that is pending decision; and

"(D) is separated from the service voluntarily during a period in which—

"(i) the Department of Defense or the military department or subordinate organization within the Department of Defense or military department in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function, and employees comprising a significant percentage of the employees serving in that department or organization are to be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53, or comparable provisions of law), as determined by the Office of Personnel Management (under regulations prescribed by the Office) upon the request of the Secretary concerned; and

"(ii) the employee is within the scope of an offer of voluntary early retirement (as defined by organizational unit, occupational series or level, geographical location, any other similar factor that the Office of Personnel Management determines appropriate, or any combination of such definitions of scope), as determined by the Secretary concerned under regulations prescribed by the Office.

"(3) In this subsection, the term 'Secretary concerned' means—

"(A) the Secretary of Defense, with respect to an employee of the Department of Defense not employed in a position in a military department;

"(B) the Secretary of the Army, with respect to an employee of the Department of the Army;

"(C) the Secretary of the Navy, with respect to an employee of the Department of the Navy; and

"(D) the Secretary of the Air Force, with respect to an employee of the Department of the Air Force.".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8414 of such title is amended—

(1) in subsection (b)(1)(B), by inserting "except in the case of an employee described in subsection (d)(1)," after "(B)"; and

(2) by adding at the end the following:

"(d)(1) An employee of the Department of Defense who is separated from the service under conditions described in paragraph (2) after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an annuity.

"(2) Paragraph (1) applies to an employee who—

"(A) has been employed continuously by the Department of Defense for more than 30 days before the date on which the Secretary concerned requests the determinations required under subparagraph (D)(i);

"(B) is serving under an appointment that is not limited by time;

"(C) has not received a decision notice of involuntary separation for misconduct or unacceptable performance that is pending decision; and

"(D) is separated from the service voluntarily during a period in which—

"(i) the Department of Defense or the military department or subordinate organization within the Department of Defense or military department in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function, and employees comprising a significant percentage of the employees serving in that department or organization are to be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53, or comparable provisions of law), as determined by the Office of Personnel Management (under regulations prescribed by the Office) upon the request of the Secretary concerned; and

"(ii) the employee is within the scope of an offer of voluntary early retirement (as defined by organizational unit, occupational series or level, geographical location, any other similar factor that the Office of Personnel Management determines appropriate, or any combination of such definitions of scope), as determined by the Secretary concerned under regulations prescribed by the Office.

"(3) In this subsection, the term 'Secretary concerned' means—

"(A) the Secretary of Defense, with respect to an employee of the Department of Defense not employed in a position in a military department;

"(B) the Secretary of the Army, with respect to an employee of the Department of the Army;

"(C) the Secretary of the Navy, with respect to an employee of the Department of the Navy; and

"(D) the Secretary of the Air Force, with respect to an employee of the Department of the Air Force.".

(c) CONFORMING AMENDMENTS.—(1) Section 8339(h) of such title is amended by striking out "or (j)" in the first sentence and inserting in lieu thereof "(j), or (o)".

(2) Section 8464(a)(1)(A)(i) of such title is amended by striking out "or (b)(1)(B)" and inserting in lieu thereof ", (b)(1)(B), or (d)".

(d) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section—

(1) shall take effect on October 1, 2000; and

(2) shall apply with respect to an approval for voluntary early retirement made on or after that date.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

Sec. 1201. Findings.
Sec. 1202. Sense of Congress.
Sec. 1203. Presidential reports.
Sec. 1204. Secretary of Defense reports on operations in Bosnia and Herzegovina.
Sec. 1205. Definitions.

Subtitle B—Matters Relating to Contingency Operations

Sec. 1211. Report on involvement of Armed Forces in contingency and ongoing operations.
Sec. 1212. Submission of report on objectives of a contingency operation with requests for funding for the operation.

Subtitle C—Matters Relating to NATO and Europe

Sec. 1221. Limitation on United States share of costs of NATO expansion.
Sec. 1222. Report on military capabilities of an expanded NATO alliance.
Sec. 1223. Reports on the development of the European security and defense identity.

Subtitle D—Other Matters

Sec. 1231. Limitation on assignment of United States forces for certain United Nations purposes.
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Sec. 1233. Defense burdensharing.
Sec. 1234. Transfer of excess UH–1 Huey and AH–1 Cobra helicopters to foreign countries.
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Sec. 1236. Repeal of landmine moratorium.
Sec. 1237. Application of authorities under the International Emergency Economic Powers Act to Communist Chinese military companies.

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

SEC. 1201. FINDINGS.

Congress makes the following findings:

(1) The contributions of the people of the United States and other nations have, in large

measure, resulted in the suspension of fighting and alleviated the suffering of the people of Bosnia and Herzegovina since December 1995.

(2) The United States has expended approximately $9,500,000,000 between 1992 and mid-1998 just in support of the United States military operations in Bosnia to achieve those results.

(3) Efforts to restore the economy and political structure in Bosnia and Herzegovina have achieved some success in accordance with the Dayton Accords.

(4) On March 3, 1998, the President certified to Congress (A) that the continued presence of United States forces in Bosnia and Herzegovina after June 30, 1998, was required in order to meet the national security interests of the United States, and (B) that United States Armed Forces will not serve as, or be used as, civil police in Bosnia and Herzegovina.

(5) With that certification, the President submitted to Congress a report stating that the goal of the military presence in Bosnia and Herzegovina is to establish the conditions under which implementation of the Dayton Accords can continue without the support of a major NATO-led military force and setting forth the criteria for determining when that goal has been accomplished.

(6) Since the administration has not specified how long achievement of that goal is expected to take, the mission of United States ground combat forces in Bosnia and Herzegovina is essentially of indefinite duration.

(7) The NATO operations plan for the Stabilization Force (Operations Plan 10407, which went into effect on June 20, 1998, after approval by allied foreign ministers) incorporates all of the benchmarks set forth in the report referred to in paragraph (5) and states that the Stabilization Force will develop detailed criteria for assessing progress in achieving those benchmarks in close coordination with key international organizations participating in civilian implementation of the Dayton Accords.

(8) The military representatives of NATO member nations have been tasked by the North Atlantic Council to provide estimates of the time likely to be required for implementation of the Dayton Accords.

(9) NATO has decided to conduct formal reviews when appropriate (but at intervals of not more than six months) to assess the security situation and the progress being made in the implementation of the civil aspects of the Dayton Accords. Those reviews will enable the Alliance to make decisions as to reductions in the size or the Stabilization Force, leading to its eventual full withdrawal.

(10) NATO has approved the creation of a multinational specialized unit of gendarmes or paramilitary police composed of European security forces to help promote public security in Bosnia and Herzegovina as a part of the post-June 1998 mission for the Stabilization Force.

(11) The limit established for spending by the United States for the defense discretionary budget category for fiscal year 1998 in the Balanced Budget and Emergency Deficit Control Act of 1985 does not take into account the continued deployment of United States forces in Bosnia and Herzegovina after June 30, 1998, leading to the request by the President for emergency supplemental appropriations for the Bosnia and Herzegovina mission through September 30, 1998.

(12) Amounts for Department of Defense operations in Bosnia and Herzegovina during fiscal year 1999 were not included in the budget of the President for fiscal year 1999, as submitted to Congress on February 2, 1998.

(13) The President requested $1,858,600,000 in emergency appropriations in his March 4, 1998, amendment to the fiscal year 1999 budget to cover the shortfall in funding in fiscal year 1999 for the costs of extending the mission in Bosnia.

SEC. 1202. SENSE OF CONGRESS.

(a) SENSE OF CONGRESS CONCERNING UNITED STATES FORCES AND ACCOMPLISHMENT OF TASKS IN BOSNIA AND HERZEGOVINA.—It is the sense of Congress that—

(1) United States ground combat forces should not remain in Bosnia and Herzegovina indefinitely in view of the worldwide commitments of the Armed Forces of the United States;

(2) the President should work with NATO allies and the other nations whose military forces are participating in the NATO-led Stabilization Force to withdraw United States ground combat forces from Bosnia and Herzegovina within a reasonable period of time, consistent with the safety of those forces and the accomplishment of the Stabilization Force's military tasks;

(3) a NATO-led force without the participation of United States ground combat forces in Bosnia and Herzegovina might be suitable for a follow-on force for Bosnia and Herzegovina if the European Security and Defense Identity is not sufficiently developed or is otherwise considered inappropriate for such a mission; and

(4) the United States may decide to provide appropriate support to a Western European Union-led or NATO-led follow-on force for Bosnia and Herzegovina, including command and control, intelligence, logistics, and, if necessary, a ready reserve force in the region.

(b) SENSE OF CONGRESS CONCERNING PRESIDENTIAL ACTIONS.—It is the sense of Congress that the President—

(1) should inform the European NATO allies of the expression of the sense of Congress in subsection (a) and should strongly urge them to undertake preparations for establishing a Western European Union-led or a NATO-led force as a follow-on force to the Stabilization Force if needed to maintain peace and stability in Bosnia and Herzegovina; and

(2) should consult closely with the congressional leadership and the congressional defense committees with respect to the progress being made toward achieving a sustainable peace in Bosnia and Herzegovina and the progress being made toward a reduction and ultimate withdrawal of United States ground combat forces from Bosnia and Herzegovina.

(c) SENSE OF CONGRESS CONCERNING DEFENSE BUDGET.—It is the sense of Congress that—

(1) the President should include in the budget for the Department of Defense that the President submits to Congress under section 1105(a) of title 31, United States Code, for each fiscal year sufficient amounts to pay for any proposed continuation of the participation of United States forces in NATO operations in Bosnia and Herzegovina during that fiscal year; and

(2) amounts included in the budget for the purpose stated in paragraph (1) should be over and above the defense discretionary estimates as identified in the Bipartisan Budget Agreement of May 16, 1997 and the fiscal year 1998 concurrent budget resolution and not be transferred from amounts in the budget of any other agency of the executive branch, but instead should be an overall increase in the budget for the Department of Defense and the discretionary spending limits in the Balanced Budget Act of 1997.

SEC. 1203. PRESIDENTIAL REPORTS.

(a) REQUIRED REPORTS.—The President shall ensure that the semiannual reports required by section 7(b) of the general provisions of chapter I of the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174; 112 Stat. 64) are submitted to Congress in a timely manner as long as United States ground combat forces continue to participate in the Stabilization Force (SFOR). In addition, whenever the President submits to Congress a request for funds for continued operations of United States forces in Bosnia and Herzegovina, the President shall submit a supplemental report providing information to update Congress on developments since the last semiannual report.

(b) REQUIRED INFORMATION.—In addition to the information required by the section referred to in subsection (a) to be included in a report under that section, each report under that section or under subsection (a) shall include the following:

(1) The expected duration of the deployment of United States ground combat forces in Bosnia and Herzegovina in support of implementation of the benchmarks set forth in the President's report of March 3, 1998 (referred to in section 1201(5)) for achieving a sustainable peace process.

(2) The percentage of those benchmarks that have been completed as of the date of the report, the percentage that are expected to be completed within the next reporting period, and the expected time for completion of the remaining tasks.

(3) The status of the NATO force of gendarmes or paramilitary police, including the mission of the force, the composition of the force, and the extent, if any, to which members of the Armed Forces of the United States are participating (or are to participate) in the force.

(4) The military and nonmilitary missions that the President has directed for United States forces in Bosnia and Herzegovina, including a specific discussion of—

(A) the mission of those forces, if any, in connection with the pursuit and apprehension of war criminals;

(B) the mission of those forces, if any, in connection with civilian police functions;

(C) the mission of those forces, if any, in connection with the resettlement of refugees; and

(D) the missions undertaken by those forces, if any, in support of international and local civilian authorities.

(5) An assessment of the risk for the United States forces in Bosnia and Herzegovina, including, for each mission identified pursuant to paragraph (4), the assessment of the Chairman of the Joint Chiefs of Staff regarding the nature and level of risk of the mission for the safety and well-being of United States military personnel.

(6) An assessment of the cost to the United States, by fiscal year, of carrying out the missions identified pursuant to paragraph (4) and a detailed projection of any additional funding that will be required by the Department of Defense to meet mission requirements for those operations for the remainder of the fiscal year.

(7) A joint assessment by the Secretary of Defense and the Secretary of State of the status of planning for—

(A) the assumption of all remaining military missions inside Bosnia and Herzegovina by European military and paramilitary forces; and

(B) the establishment and support of a forward-based United States rapid response force outside of Bosnia and Herzegovina that would be capable of deploying rapidly to defeat military threats to a European follow-on force inside Bosnia and Herzegovina and of providing whatever logistical, intelligence, and air support is needed to ensure that a European follow-on force is fully capable of accomplishing its missions under the Dayton Accords.

SEC. 1204. SECRETARY OF DEFENSE REPORTS ON OPERATIONS IN BOSNIA AND HERZEGOVINA.

(a) REPORT ON EFFECTS ON CAPABILITIES OF UNITED STATES MILITARY FORCES.—Not later than December 15, 1998, the Secretary of Defense shall submit to the congressional defense committees a report on the effects of military operations in Bosnia and Herzegovina and the Balkans region on the capabilities of United States military forces. The report shall, in particular, describe the effects of those operations on the

capability of United States military forces to conduct successfully two nearly simultaneous major theater wars as specified in current Defense Planning Guidance and in accordance with the deployment timelines called for in the war plans of the commanders of the unified combatant commands.

(b) ADDITIONAL REPORTS.—Whenever the number of United States ground combat forces in Bosnia and Herzegovina increases or decreases by 20 percent or more compared to the number of such forces as of the most recent previous report under this section, the Secretary shall submit an additional report as specified in subsection (a). Any such additional report shall be submitted within 30 days of the date on which the requirement to submit the report becomes effective under the preceding sentence.

(c) MATTERS TO BE INCLUDED.—The Secretary shall include in each report under this section information with respect to the effects of military operations in Bosnia and Herzegovina and the Balkans region on the capabilities of United States military forces to conduct successfully two nearly simultaneous major theater wars as specified in current Defense Planning Guidance and in accordance with the deployment timelines called for in the war plans of the commanders of the unified combatant commands. Such information shall include information on the effects of those operations on anticipated deployment plans for major theater wars in Southwest Asia or on the Korean peninsula, including the following:

(1) Deficiencies or delays in deployment of strategic lift, logistics support and infrastructure, ammunition (including precision guided munitions), support forces, intelligence assets, follow-on forces used for planned counteroffensives, and similar forces.

(2) Additional planned reserve component mobilization, including specific units to be ordered to active duty and required dates for activation of presidential call-up authority.

(3) Specific plans and timelines for redeployment of United States forces from Bosnia and Herzegovina, the Balkans region, or supporting forces in the region, to both the first and second major theater war.

(4) Preventative actions or deployments involving United States forces in Bosnia and Herzegovina and the Balkans region that would be taken in the event of a single theater war to deter the outbreak of a second theater war.

(5) Specific plans and timelines to replace forces deployed to Bosnia and Herzegovina, the Balkans region, or the surrounding region to maintain United States military presence.

(6) An assessment, undertaken in consultation with the Chairman of the Joint Chiefs of Staff and the commanders of the unified combatant commands, of the level of increased risk to successful conduct of the major theater wars and the maintenance of security and stability in Bosnia and Herzegovina and the Balkans region, by the requirement to redeploy forces from Bosnia and the Balkans in the event of a major theater war.

SEC. 1205. DEFINITIONS.

As used in this subtitle:

(1) DAYTON PEACE ACCORDS.—The term "Dayton Peace Accords" means the General Framework Agreement for Peace in Bosnia and Herzegovina, initialed by the parties in Dayton, Ohio, on November 21, 1995, and signed in Paris on December 14, 1995.

(2) STABILIZATION FORCE.—The term "Stabilization Force" means the NATO-led force in Bosnia and Herzegovina and other countries in the region (referred to as "SFOR"), authorized under United Nations Security Council Resolution 1088 (December 12, 1996).

(3) NATO.—The term "NATO" means the North Atlantic Treaty Organization.

Subtitle B—Matters Relating to Contingency Operations

SEC. 1211. REPORT ON INVOLVEMENT OF ARMED FORCES IN CONTINGENCY AND ONGOING OPERATIONS.

(a) REPORT REQUIRED.—Not later than January 31, 1999, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the involvement of the Armed Forces in major contingency operations and major ongoing operations since the end of the Persian Gulf War. The report shall include the following:

(1) A discussion of the effects of the involvement of the Armed Forces in those operations on retention of personnel in the Armed Forces, shown in the aggregate and separately for officers and enlisted personnel.

(2) The extent to which the use of combat support and combat service support personnel and equipment of the Armed Forces in those operations has resulted in shortages of Armed Forces personnel and equipment in other regions of the world.

(3) The accounts from which funds have been drawn to pay for those operations and the specific programs for which those funds were available until diverted to pay for those operations.

(4) For each such operation—

(A) a statement of the vital interests of the United States that are involved in the operation or, if none, the interests of the United States that are involved in the operation and a characterization of those interests;

(B) a statement of what clear and distinct objectives guide the activities of United States forces in the operation; and

(C) a statement of what the President has identified on the basis of those objectives as the date, or the set of conditions, that defines the end of the operation.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may also be submitted in a classified form if necessary.

(c) MAJOR OPERATION DEFINED.—For the purposes of this section, a contingency operation or an ongoing operation is a major contingency operation or a major ongoing operation, respectively, if the operation involves the deployment of more than 500 members of the Armed Forces.

SEC. 1212. SUBMISSION OF REPORT ON OBJECTIVES OF A CONTINGENCY OPERATION WITH REQUESTS FOR FUNDING FOR THE OPERATION.

(a) FINDINGS.—Congress makes the following findings:

(1) On May 3, 1994, the President issued Presidential Decision Directive 25 declaring that American participation in United Nations and other peace operations would depend in part on whether the role of United States forces is tied to clear objectives and an endpoint for United States participation can be identified.

(2) Between that date and mid-1998, the President and other executive branch officials have obligated or requested appropriations of approximately $9,400,000,000 for military-related operations throughout Bosnia and Herzegovina without providing to Congress, in conjunction with the budget submission for any fiscal year, a strategic plan for such operations under the criteria set forth in that Presidential Decision Directive.

(3) Between November 27, 1995, and mid-1998 the President has established three deadlines, since elapsed, for the termination of United States military-related operations throughout Bosnia and Herzegovina.

(4) On December 17, 1997, the President announced that United States ground combat forces would remain in Bosnia and Herzegovina for an unknown period of time.

(5) Approximately 47,880 United States military personnel (excluding personnel serving in units assigned to the Republic of Korea) have participated in 14 international contingency operations between fiscal years 1991 and 1998.

(6) The 1998 posture statements of the Navy and Air Force included declarations that the pace of military operations over fiscal year 1997 adversely affected the readiness of non-deployed forces, personnel retention rates, and spare parts inventories of the Navy and Air Force.

(b) INFORMATION TO BE REPORTED WITH FUNDING REQUESTS.—Section 113 of title 10, United States Code, is amended by adding after subsection (l), as added by section 915, the following new subsection:

"(m) INFORMATION TO ACCOMPANY FUNDING REQUEST FOR CONTINGENCY OPERATION.—Whenever the President submits to Congress a request for appropriations for costs associated with a contingency operation that involves, or likely will involve, the deployment of more than 500 members of the armed forces, the Secretary of Defense shall submit to Congress a report on the objectives of the operation. The report shall include a discussion of the following:

"(1) What clear and distinct objectives guide the activities of United States forces in the operation.

"(2) What the President has identified on the basis of those objectives as the date, or the set of conditions, that defines the endpoint of the operation.".

Subtitle C—Matters Relating to NATO and Europe

SEC. 1221. LIMITATION ON UNITED STATES SHARE OF COSTS OF NATO EXPANSION.

(a) LIMITATION.—The United States share of defined NATO expansion costs may not exceed the lesser of—

(1) the amount equal to 25 percent of those costs; or

(2) $2,000,000,000.

(b) DEFINED NATO EXPANSION COSTS.—For purposes of subsection (a), the term "defined NATO expansion costs" means the commonly funded costs of the North Atlantic Treaty Organization (NATO) during fiscal years 1999 through 2011 for enlargement of NATO due to the admission to NATO of Poland, Hungary, and the Czech Republic.

SEC. 1222. REPORT ON MILITARY CAPABILITIES OF AN EXPANDED NATO ALLIANCE.

(a) REPORT.—The Secretary of Defense shall prepare a report, in both classified and unclassified form, on the planned future military capabilities of the North Atlantic Treaty Organization (NATO) with the anticipated accession of Poland, the Czech Republic, and Hungary to the NATO alliance. The report shall set forth the following:

(1) An assessment of the tactical, operational, and strategic military requirements, including interoperability, reinforcement, and force modernization issues, as well as strategic and territorial issues, that are raised by the inclusion of Poland, the Czech Republic, and Hungary in the NATO alliance.

(2) The minimum military requirements to be satisfied by those countries before accession to the NATO alliance in April 1999.

(3) The improvements to common alliance military assets that are necessary as a result of expanding the NATO alliance to include those nations.

(4) The improvements to national capabilities of current NATO members that would be necessitated by the inclusion of those nations in the alliance.

(5) The necessary improvements to national capabilities of the military forces of those new member nations.

(6) Any additional necessary improvements to common alliance military assets of the military forces of those new members for which funds are not planned to be included in the NATO budget.

(7) The additional requirements, related to NATO expansion, that the United States would agree to assist each new member nation to meet on a bilateral basis.

(b) MATTERS TO BE INCLUDED.—The report shall include the following:

(1) An assessment of the tactical and operational capabilities of the military forces of Poland, the Czech Republic, and Hungary.

(2) An assessment of the ability of each such new member nation to meet the minimum military requirements upon accession to the NATO alliance in April 1999, and the ability of that nation to provide logistical, command and control, and other vital infrastructure required for alliance defense (as specified in Article V of the NATO Charter), including a description in general terms of alliance plans for reinforcing each new NATO member nation during a crisis or war and detailing means for deploying both United States and other NATO forces from current member states and from the continental United States or other United States bases worldwide and, in particular, describing plans for ground reinforcement of Hungary.

(3) An assessment of the ability of the current and new alliance members to deploy and sustain combat forces in alliance defense missions conducted in the territory of any of the new member nations, as specified in Article V of the NATO Charter.

(4) A description of projected defense programs through 2009 (shown on an annual basis and cumulatively) of each current and new alliance member nation—

(A) including planned investments in capabilities pursuant to Article V to ensure that—

(i) the nation's military force structure, defense planning, command structures, and force goals promote NATO's capacity to project power when the security of a NATO member is threatened; and

(ii) NATO members possess national military capabilities to rapidly deploy forces over long distances, sustain operations for extended periods, and operate jointly with the United States in high intensity conflicts as well as potential alliance contingency operations;

(B) showing both planned national efforts as well as planned alliance common efforts; and

(C) describing any deficiencies in investments by current or new alliance member nations.

(5) A detailed comparison and description of the differences in scope, methodology, and assessments of common alliance or national responsibilities, or any other factor related to alliance capabilities between (A) the report on alliance expansion costs prepared by the Department of Defense (in the report submitted to Congress in February 1998 entitled "Report to the Congress on the Military Requirements and Costs of NATO Enlargement"), and (B) the report on alliance expansion costs prepared by NATO collectively and referred to as the "NATO estimate", issued at Brussels in November 1997.

(6) Any other factor that, in the judgment of the Secretary of Defense, bears upon the strategic, operational, or tactical military capabilities of an expanded NATO alliance.

(c) SUBMISSION OF REPORT.—The report shall be submitted to Congress not later than March 15, 1999.

SEC. 1223. REPORTS ON THE DEVELOPMENT OF THE EUROPEAN SECURITY AND DEFENSE IDENTITY.

(a) REQUIREMENT FOR REPORTS.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives in accordance with this section reports on the development of the European Security and Defense Identity (ESDI) within the NATO Alliance that would enable the Western European Union (WEU), with the consent of the NATO Alliance, to assume the political control and strategic direction of NATO assets and capabilities made available by the Alliance.

(b) REPORTS TO BE SUBMITTED.—The reports required to be submitted under subsection (a) are as follows:

(1) An initial report, submitted not later than December 15, 1998, that contains a discussion of the actions taken, and the plans for future actions, to build the European Security and Defense Identity, together with the matters required under subsection (c).

(2) A semiannual report on the progress made toward establishing the European Security and Defense Identity, submitted not later than June 15 and December 15 of each year after 1998.

(c) CONTENT OF REPORTS.—The Secretary shall include in each report under this section the following:

(1) A discussion of the arrangements between NATO and the Western European Union for the release, transfer, monitoring, return, and recall of NATO assets and capabilities.

(2) A discussion of the development of such planning and other capabilities by the Western European Union that are necessary to provide political control and strategic direction of NATO assets and capabilities.

(3) A discussion of the development of terms of reference for the Deputy Supreme Allied Commander, Europe, with respect to the European Security and Defense Identity.

(4) A discussion of the arrangements for the assignment or appointment of NATO officers to serve in two positions concurrently (commonly referred to as "dual-hatting").

(5) A discussion of the development of the Combined Joint Task Force (CJTF) concept, including lessons-learned from the NATO-led Stabilization Force in Bosnia.

(6) Identification within the NATO Alliance of the types of separable but not separate capabilities, assets, and support assets for Western European Union-led operations.

(7) Identification of separable but not separate headquarters, headquarters elements, and command positions for command and conduct of Western European Union-led operations.

(8) The conduct by NATO, at the request of and in coordination with the Western European Union, of military planning and exercises for illustrative missions.

(9) A discussion of the arrangements between NATO and the Western European Union for the sharing of information, including intelligence.

(10) Such other information as the Secretary considers useful for a complete understanding of the establishment of the European Security and Defense Identity within the NATO Alliance.

(d) TERMINATION OF REPORTING REQUIREMENT.—The requirement to submit reports under subsection (b)(2) terminates upon the submission by the Secretary under that subsection of a report in which the Secretary states that the European Security and Defense Identity has been fully established.

Subtitle D—Other Matters

SEC. 1231. LIMITATION ON ASSIGNMENT OF UNITED STATES FORCES FOR CERTAIN UNITED NATIONS PURPOSES.

(a) LIMITATION ON PARTICIPATION IN UNITED NATIONS RAPIDLY DEPLOYABLE MISSION HEADQUARTERS.—If members of the Armed Forces are assigned during fiscal year 1999 to the United Nations Rapidly Deployable Mission Headquarters, the number of members so assigned may not exceed eight at any time during that year.

(b) PROHIBITION.—No funds available to the Department of Defense may be used—

(1) for a monetary contribution to the United Nations for the establishment of a standing international force under the United Nations; or

(2) to assign or detail any member of the Armed Forces to duty with a United Nations Stand By Force.

SEC. 1232. PROHIBITION ON RESTRICTION OF ARMED FORCES UNDER KYOTO PROTOCOL TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE.

(a) IN GENERAL.—Notwithstanding any other provision of law, no provision of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or any regulation issued pursuant to such protocol, shall restrict the training or operations of the United States Armed Forces or limit the military equipment procured by the United States Armed Forces.

(b) WAIVER.—A provision of law may not be construed as modifying or superseding the provisions of subsection (a) unless that provision of law—

(1) specifically refers to this section; and

(2) specifically states that such provision of law modifies or supersedes the provisions of this section.

(c) MATTERS NOT AFFECTED.—Nothing in this section shall be construed to preclude the Department of Defense from implementing any measure to achieve efficiencies or for any other reason independent of the Kyoto Protocol.

SEC. 1233. DEFENSE BURDENSHARING.

(a) REVISED GOALS FOR EFFORTS TO INCREASE ALLIED BURDENSHARING.—Effective October 1, 1998, subsection (a) of section 1221 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1935; 22 U.S.C. 1928 note) is amended—

(1) in paragraph (2), by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 1999";

(2) in paragraph (3)—

(A) by striking out "economic" and all that follows through "rights" and inserting in lieu thereof "governmental accountability and transparency, economic stabilization and development, defense economic conversion, respect for the rule of law and internationally recognized human rights, and humanitarian relief efforts)"; and

(B) by striking out "at least to a level commensurate to that of the United States by September 30, 1998" and inserting in lieu thereof "to provide such foreign assistance at an annual rate that is not less than one percent of its gross domestic product, by September 30, 1999"; and

(3) in paragraph (4)—

(A) by striking out "amount of";

(B) by striking out ", or would be prepared to contribute," and inserting in lieu thereof "or has pledged to contribute"; and

(C) by inserting before the period at the end the following: "by 10 percent by September 30, 1999".

(b) REVISED REQUIREMENT FOR REPORT ON PROGRESS IN INCREASING ALLIED BURDENSHARING.—Subsection (c) of such section is amended—

(1) by striking out "March 1, 1998" in the matter preceding paragraph (1) and inserting in lieu thereof "March 1, 1999"; and

(2) in paragraph (3), by striking out "March 1, 1996" and all that follows through the semicolon and inserting in lieu thereof "October 1, 1996, and ending on September 30, 1997, and during the period beginning on October 1, 1997, and ending on September 30, 1998, or, in the case of any nation for which the data for such periods is inadequate, the difference between the amounts for the latest periods for which adequate data is available;".

(c) EXTENSION OF DEADLINE FOR REPORT REGARDING NATIONAL SECURITY BASES FOR FORWARD DEPLOYMENT AND BURDENSHARING RELATIONSHIPS.—Subsection (d)(2) of such section is

amended by striking out "March 1, 1998" and inserting in lieu thereof "March 1, 1999".

SEC. 1234. TRANSFER OF EXCESS UH–1 HUEY AND AH–1 COBRA HELICOPTERS TO FOREIGN COUNTRIES.

(a) IN GENERAL.—Chapter 153 of title 10, United States Code, is amended by adding at the end the following new section:

"§2581. Excess UH–1 Huey and AH–1 Cobra helicopters: requirements for transfer to foreign countries

"(a) REQUIREMENTS.—(1) Before an excess UH–1 Huey helicopter or AH–1 Cobra helicopter is transferred on a grant or sales basis to a foreign country for the purpose of flight operations by that country, the Secretary of Defense shall make all reasonable efforts to ensure that the helicopter receives, to the extent necessary, maintenance and repair equivalent to the depot-level maintenance and repair (as defined in section 2460 of this title) that the helicopter would need were the helicopter to remain in operational use with the armed forces. Any such maintenance and repair work shall be performed at no cost to the Department of Defense.

"(2) The Secretary shall make all reasonable efforts to ensure that maintenance and repair work described in paragraph (1) is performed in the United States.

"(b) EXCEPTION.—Subsection (a) does not apply with respect to salvage helicopters provided to the foreign country solely as a source for spare parts.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2581. Excess UH–1 Huey and AH–1 Cobra helicopters: requirements for transfer to foreign countries.".

SEC. 1235. TRANSFERS OF NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) TRANSFERS BY GRANT.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) To the Government of Argentina, the NEWPORT class tank landing ship NEWPORT (LST 1179).

(2) To the Government of Greece—

(A) the KNOX class frigate HEPBURN (FF 1055); and

(B) the ADAMS class guided missile destroyers STRAUSS (DDG 16), SEMMS (DDG 18), and WADDELL (DDG 24).

(3) To the Government of Portugal, the STALWART class ocean surveillance ship ASSURANCE (T-AGOS 5).

(4) To the Government of Turkey, the KNOX class frigates PAUL (FF 1080), MILLER (FF 1091), and W.S. SIMMS (FF 1059).

(b) TRANSFERS BY SALE.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the NEWPORT class tank landing ships CAYUGA (LST 1186) and PEORIA (LST 1183).

(2) To the Government of Chile—

(A) the NEWPORT class tank landing ship SAN BERNARDINO (LST 1189); and

(B) the auxiliary repair dry dock WATERFORD (ARD 5).

(3) To the Government of Greece—

(A) the OAK RIDGE class medium dry dock ALAMAGORDO (ARDM 2); and

(B) the KNOX class frigates VREELAND (FF 1068) and TRIPPE (FF 1075).

(4) To the Government of Mexico—

(A) the auxiliary repair dock SAN ONOFRE (ARD 30); and

(B) the KNOX class frigate PHARRIS (FF 1094).

(5) To the Government of the Philippines, the STALWART class ocean surveillance ship TRIUMPH (T-AGOS 4).

(6) To the Government of Spain, the NEWPORT class tank landing ships HARLAN COUNTY (LST 1196) and BARNSTABLE COUNTY (LST 1197).

(7) To the Taipai Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act)—

(A) the KNOX class frigates PEARY (FF 1073), JOSEPH HEWES (FF 1078), COOK (FF 1083), BREWTON (FF 1086), KIRK (FF 1987), and BARBEY (FF 1088);

(B) the NEWPORT class tank landing ships MANITOWOC (LST 1180) and SUMTER (LST 1181);

(C) the floating dry dock COMPETENT (AFDM 6); and

(D) the ANCHORAGE class dock landing ship PENSACOLA (LSD 38).

(8) To the Government of Turkey—

(A) the OLIVER HAZARD PERRY class guided missile frigates MAHLON S. TISDALE (FFG 27), REID (FFG 30), and DUNCAN (FFG 10); and

(B) the KNOX class frigates REASONER (FF 1063), FANNING (FF 1076), BOWEN (FF 1079), MCCANDLESS (FF 1084), DONALD BEARY (FF 1085), AINSWORTH (FF 1090), THOMAS C. HART (FF 1092), and CAPODANNO (FF 1093).

(9) To the Government of Venezuela, the medium auxiliary floating dry dock bearing hull number AFDM 2.

(c) TRANSFERS ON A COMBINED LEASE-SALE BASIS.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796, 2761) and in accordance with subsection (d) as follows:

(1) To the Government of Brazil, the CIMARRON class oiler MERRIMACK (AO 179).

(2) To the Government of Greece, the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(d) CONDITIONS RELATING TO COMBINED LEASE-SALE TRANSFERS.—A transfer of a vessel on a combined lease-sale basis authorized by subsection (c) shall be made in accordance with the following requirements:

(1) The Secretary may initially transfer the vessel by lease, with lease payments suspended for the term of the lease, if the country entering into the lease for the vessel simultaneously enters into a foreign military sales agreement for the transfer of title to the vessel.

(2) The Secretary may not deliver to the purchasing country title to the vessel until the purchase price of the vessel under such a foreign military sales agreement is paid in full.

(3) Upon payment of the purchase price in full under such a sales agreement and delivery of title to the recipient country, the Secretary shall terminate the lease.

(4) If the purchasing country fails to make full payment of the purchase price in accordance with the sales agreement by the date required under the sales agreement—

(A) the sales agreement shall be immediately terminated;

(B) the suspension of lease payments under the lease shall be vacated; and

(C) the United States shall be entitled to retain all funds received on or before the date of the termination under the sales agreement, up to the amount of the lease payments due and payable under the lease and all other costs required by the lease to be paid to that date.

(5) If a sales agreement is terminated pursuant to paragraph (4), the United States shall not be required to pay any interest to the recipient country on any amount paid to the United States by the recipient country under the sales agreement and not retained by the United States under the lease.

(e) REQUIREMENT FOR PROVISION IN ADVANCE IN AN APPROPRIATIONS ACT.—Authority to transfer vessels on a sale basis under subsection (b) or a combined lease-sale basis under subsection (c) is effective only to the extent that authority to effectuate such transfers, together with appropriations to cover the associated cost (as defined in section 502 of the Congressional Budget of 1974 (2 U.S.C. 661a)), are provided in advance in an appropriations Act.

(f) AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN COSTS OF TRANSFERS.—There is established in the Treasury of the United States a special account to be known as the Defense Vessels Transfer Program Account. There is hereby authorized to be appropriated into that account such sums as may be necessary for the costs (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of the lease-sale transfers authorized by subsection (c). Funds in that account are available only for the purpose of covering those costs.

(g) NOTIFICATION OF CONGRESS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Navy shall submit to Congress, for each naval vessel that is to be transferred under this section before January 1, 1999, the notifications required under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) and section 525 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2413).

(h) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(i) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)) in the case of a transfer authorized to be made on a grant basis under subsection (a)).

(j) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(k) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1236. REPEAL OF LANDMINE MORATORIUM.

Section 580 of the Foreign Operations Appropriations Act, 1996 (Public Law 104–107; 110 Sat 751), is repealed.

SEC. 1237. APPLICATION OF AUTHORITIES UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT TO COMMUNIST CHINESE MILITARY COMPANIES.

(a) PRESIDENTIAL AUTHORITY.—

(1) IN GENERAL.—The President may exercise IEEPA authorities (other than authorities relating to importation), without regard to section 202

of the International Emergency Economic Powers Act (50 U.S.C. 1701) in the case of any commercial activity in the United States by a person that is on the list published under subsection (b).

(2) PENALTIES.—The penalties set forth in section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) apply to violations of any license, order, or regulation issued under paragraph (1).

(3) IEEPA AUTHORITIES.—For purposes of paragraph (1), the term "IEEPA authorities" means the authorities set forth in section 203(a) of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)).

(b) DETERMINATION AND PUBLICATION OF COMMUNIST CHINESE MILITARY COMPANIES OPERATING IN UNITED STATES.—

(1) INITIAL DETERMINATION AND PUBLICATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall make a determination of those persons operating directly or indirectly in the United States or any of its territories and possessions that are Communist Chinese military companies and shall publish a list of those persons in the Federal Register.

(2) REVISIONS TO LIST.—The Secretary of Defense shall make additions or deletions to the list published under paragraph (1) on an ongoing basis based on the latest information available.

(3) CONSULTATION.—The Secretary of Defense shall consult with the following officers in carrying out paragraphs (1) and (2):

(A) The Attorney General.

(B) The Director of Central Intelligence.

(C) The Director of the Federal Bureau of Investigation.

(4) COMMUNIST CHINESE MILITARY COMPANY.—For purposes of making the determination required by paragraph (1) and of carrying out paragraph (2), the term "Communist Chinese military company" means—

(A) any person identified in the Defense Intelligence Agency publication numbered VP–1920–271–90, dated September 1990, or PC–1921–57–95, dated October 1995, and any update of those publications for the purposes of this section; and

(B) any other person that—

(i) is owned or controlled by the People's Liberation Army; and

(ii) is engaged in providing commercial services, manufacturing, producing, or exporting.

(c) PEOPLE'S LIBERATION ARMY.—For purposes of this section, the term "People's Liberation Army" means the land, naval, and air military services, the police, and the intelligence services of the Communist Government of the People's Republic of China, and any member of any such service or of such police.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction Programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Prohibition on use of funds for specified purposes.
Sec. 1304. Limitation on use of funds for chemical weapons destruction activities in Russia.
Sec. 1305. Limitation on use of funds for biological weapons proliferation prevention activities in Russia.
Sec. 1306. Cooperative counter proliferation program.
Sec. 1307. Requirement to submit summary of amounts requested by project category.
Sec. 1308. Report on biological weapons programs in Russia.
Sec. 1309. Report on individuals with expertise in former Soviet weapons of mass destruction programs.

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—(1) For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note) (as amended by paragraph (2)).

(2) Section 1501(b)(3) of such Act is amended by inserting "materials, " after "components,".

(b) FISCAL YEAR 1999 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term "fiscal year 1999 Cooperative Threat Reduction funds" means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the amounts authorized to be appropriated to the Department of Defense for fiscal year 1999 in section 301(23), $440,400,000 shall be available to carry out Cooperative Threat Reduction programs, of which not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $142,400,000.

(2) For strategic nuclear arms elimination in Ukraine, $47,500,000.

(3) For activities to support warhead dismantlement processing in Russia, $9,400,000.

(4) For activities associated with chemical weapons destruction in Russia, $88,400,000.

(5) For weapons transportation security in Russia, $10,300,000.

(6) For planning, design, and construction of a storage facility for Russian fissile material, $60,900,000.

(7) For weapons storage security in Russia, $41,700,000.

(8) For development of a cooperative program with the Government of Russia to eliminate the production of weapons grade plutonium at Russian reactors, $29,800,000.

(9) For biological weapons proliferation prevention activities in Russia, $2,000,000.

(10) For activities designated as Other Assessments/Administrative Support $8,000,000.

(b) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) If the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may, subject to paragraphs (2) and (3), obligate amounts for the purposes stated in any of the paragraphs of subsection (a) in excess of the amount specified for those purposes in that paragraph. However, the total amount obligated for the purposes stated in the paragraphs in subsection (a) may not by reason of the use of the authority provided in the preceding sentence exceed the sum of the amounts specified in those paragraphs.

(2) An obligation for the purposes stated in any of the paragraphs in subsection (a) in excess of the amount specified in that paragraph may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts appropriated for the purposes stated in any of paragraphs (3) through (10) of subsection (a) in excess of 115 percent of the amount stated in those paragraphs.

SEC. 1303. PROHIBITION ON USE OF FUNDS FOR SPECIFIED PURPOSES.

(a) IN GENERAL.—No fiscal year 1999 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs for any prior fiscal year and remaining available for obligation, may be obligated or expended for any of the following purposes:

(1) Conducting with Russia any peacekeeping exercise or other peacekeeping-related activity.

(2) Provision of housing.

(3) Provision of assistance to promote environmental restoration.

(4) Provision of assistance to promote job retraining.

(b) LIMITATION WITH RESPECT TO DEFENSE CONVERSION ASSISTANCE.—None of the funds appropriated pursuant to this Act may be obligated or expended for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion.

SEC. 1304. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION ACTIVITIES IN RUSSIA.

(a) LIMITATION.—Subject to the limitation in section 1405(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1961), no funds authorized to be appropriated for Cooperative Threat Reduction programs under this Act or any other Act may be obligated or expended for chemical weapons destruction activities in Russia (including activities for the planning, design, or construction of a chemical weapons destruction facility or for the dismantlement of an existing chemical weapons production facility) until the President submits to Congress a written certification described in subsection (b).

(b) PRESIDENTIAL CERTIFICATION.—A certification under this subsection is either of the following certifications by the President:

(1) A certification that—

(A) Russia is making reasonable progress toward the implementation of the Bilateral Destruction Agreement;

(B) the United States and Russia have made substantial progress toward the resolution, to the satisfaction of the United States, of outstanding compliance issues under the Wyoming Memorandum of Understanding and the Bilateral Destruction Agreement; and

(C) Russia has fully and accurately declared all information regarding its unitary and binary chemical weapons, chemical weapons facilities, and other facilities associated with chemical weapons.

(2) A certification that the national security interests of the United States could be undermined by a policy of the United States not to carry out chemical weapons destruction activities under Cooperative Threat Reduction programs for which funds are authorized to be appropriated under this Act or any other Act for fiscal year 1999.

(b) DEFINITIONS.—In this section:

(1) The term "Bilateral Destruction Agreement" means the Agreement Between the United States of America and the Union of Soviet Socialist Republics on Destruction and Non-production of Chemical Weapons and on Measures to Facilitate the Multilateral Convention on Banning Chemical Weapons signed on June 1, 1990.

(2) The term "Wyoming Memorandum of Understanding" means the Memorandum of Understanding Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

SEC. 1305. LIMITATION ON USE OF FUNDS FOR BIOLOGICAL WEAPONS PROLIFERATION PREVENTION ACTIVITIES IN RUSSIA.

No fiscal year 1999 Cooperative Threat Reduction funds may be obligated or expended for biological weapons proliferation prevention activities in Russia until 15 days after the date on which the Secretary submits to the congressional defense committees a report on—

(1) whether Cooperative Threat Reduction funds provided for cooperative research activities at biological research institutes in Russia have been used—

(A) to support activities to develop new strains of anthrax; or

(B) for any purpose inconsistent with the objectives of providing such funds; and

(2) the new strains of anthrax alleged to have been developed at a biological research institute in Russia and any efforts by the United States to examine such strains.

SEC. 1306. COOPERATIVE COUNTER PROLIFERATION PROGRAM.

(a) In General.—Of the amount authorized to be appropriated in section 1302 (other than the amounts authorized to be appropriated in subsections (a)(1) and (a)(2) of that section) and subject to the limitations in that section and subsection (b), the Secretary of Defense may provide a country of the former Soviet Union with emergency assistance for removing or obtaining from that country—

(1) weapons of mass destruction; or

(2) materials, equipment, or technology related to the development or delivery of weapons of mass destruction.

(b) Certification Required.—(1) The Secretary may not provide assistance under subsection (a) until 15 days after the date that the Secretary submits to the congressional defense committees a certification in writing that the weapons, materials, equipment, or technology described in that subsection meet each of the following requirements:

(A) The weapons, materials, equipment, or technology are at risk of being sold or otherwise transferred to a restricted foreign state or entity.

(B) The transfer of the weapons, materials, equipment, or technology would pose a significant near-term threat to the national security interests of the United States or would significantly advance a foreign country's weapon program that threatens the national security interests of the United States.

(C) Other options for securing or otherwise preventing the transfer of the weapons, materials, equipment, or technology have been considered and rejected as ineffective or inadequate.

(2) The 15-day notice requirement in paragraph (1) may be waived if the Secretary determines that compliance with the requirement would compromise the national security interests of the United States. In such case, the Secretary shall promptly notify the congressional defense committees of the circumstances regarding such determination in advance of providing assistance under subsection (a) and shall submit the certification required not later than 30 days after providing such assistance.

(c) Content of Certifications.—Each certification required under subsection (b) shall contain information on the following with respect to the assistance being provided:

(1) The specific assistance provided and the purposes for which the assistance is being provided.

(2) The sources of funds for the assistance.

(3) Whether any assistance is being provided by any other Federal department or agency.

(4) The options considered and rejected for preventing the transfer of the weapons, materials, equipment, or technology, as described in subsection (b)(1)(C).

(5) Whether funding was requested by the Secretary from other Federal departments or agencies.

(6) Any additional information that the Secretary determines is relevant to the assistance being provided.

(d) Additional Sources of Funding.—The Secretary may request assistance and accept funds from other Federal departments or agencies in carrying out this section.

(e) Definitions.—In this section:

(1) The term "restricted foreign state or entity", with respect to weapons, materials, equipment, or technology covered by a certification or notification of the Secretary of Defense under subsection (b), means—

(A) any foreign country the government of which has repeatedly provided support for acts of international terrorism, as determined by the Secretary of State under section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371); or

(B) any foreign state or entity that the Secretary of Defense determines would constitute a military threat to the United States, its allies, or interests, if that foreign state or entity were to possess the weapons, materials, equipment, or technology.

(2) The term "weapon of mass destruction" has the meaning given that term in section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 50 U.S.C. 2302(1)).

SEC. 1307. REQUIREMENT TO SUBMIT SUMMARY OF AMOUNTS REQUESTED BY PROJECT CATEGORY.

(a) Summary Required.—The Secretary of Defense shall submit to Congress as part of the Secretary's annual budget request to Congress—

(1) a descriptive summary, with respect to the appropriations requested for Cooperative Threat Reduction programs for the fiscal year after the fiscal year in which the summary is submitted, of the amounts requested for each project category under each Cooperative Threat Reduction program element; and

(2) a descriptive summary, with respect to appropriations for Cooperative Threat Reduction programs for the fiscal year in which the list is submitted and the previous fiscal year, of the amounts obligated or expended, or planned to be obligated or expended, for each project category under each Cooperative Threat Reduction program element.

(b) Description of Purpose and Intent.—The descriptive summary required under subsection (a) shall include a narrative description of each program and project category under each Cooperative Threat Reduction program element that explains the purpose and intent of the funds requested.

SEC. 1308. REPORT ON BIOLOGICAL WEAPONS PROGRAMS IN RUSSIA.

(a) Report.—Not later than March 1, 1999, the Secretary of Defense shall submit to the congressional defense committees a report, in classified and unclassified forms, containing—

(1) an assessment of the extent of compliance by Russia with international agreements relating to the control of biological weapons; and

(2) a detailed evaluation of the potential political and military costs and benefits of collaborative biological pathogen research efforts by the United States and Russia.

(b) Content of Report.—The report required under subsection (a) shall include the following:

(1) An evaluation of the extent of the control and oversight by the Government of Russia over the military and civilian-military biological warfare programs formerly controlled or overseen by states of the former Soviet Union.

(2) The extent and scope of continued biological warfare research, development, testing, and production in Russia, including the sites where such activity is occurring and the types of activity being conducted.

(3) An assessment of compliance by Russia with the terms of the Biological Weapons Convention.

(4) An identification and assessment of the measures taken by Russia to comply with the obligations assumed under the Joint Statement on Biological Weapons, agreed to by the United States, the United Kingdom, and Russia on September 14, 1992.

(5) A description of the extent to which Russia has permitted individuals from the United States or other countries to visit military and nonmilitary biological research, development, testing, and production sites in order to resolve ambiguities regarding activities at such sites.

(6) A description of the information provided by Russia about its biological weapons dismantlement efforts to date.

(7) An assessment of the accuracy and comprehensiveness of declarations by Russia regarding its biological weapons activities.

(8) An identification of collaborative biological research projects carried out by the United States and Russia for which Cooperative Threat Reduction funds have been used.

(9) An evaluation of the political and military utility of prior, existing, and prospective cooperative biological pathogen research programs carried out between the United States and Russia, and an assessment of the impact of such programs on increasing Russian military transparency with respect to biological weapons activities.

(10) An assessment of the political and military utility of the long-term collaborative program advocated by the National Academy of Sciences in its October 27, 1997 report, "Controlling Dangerous Pathogens: A Blueprint for U.S.-Russian Cooperation".

SEC. 1309. REPORT ON INDIVIDUALS WITH EXPERTISE IN FORMER SOVIET WEAPONS OF MASS DESTRUCTION PROGRAMS.

Not later than January 31, 1999, the Secretary of Defense, in consultation with the Secretary of State, the Secretary of Energy, and any other appropriate officials, shall submit to the congressional defense committees a report on the number of individuals in the former Soviet Union who have significant expertise in the research, development, production, testing, and operational employment of ballistic missiles and weapons of mass destruction. The report shall contain the following:

(1) A listing of the specific expertise of the individuals, by category and discipline.

(2) An assessment of which categories of expertise would pose the greatest risks to the security of the United States if that expertise were transferred to potentially hostile states.

(3) An estimate, by category, of the number of the individuals in paragraph (1) who are fully or partly employed at the time the report is submitted by the military-industrial complex of the former Soviet Union, the number of such individuals who are fully employed at the time the report is submitted by commercial ventures outside the military-industrial complex of the former Soviet Union, and the number of such individuals who are unemployed and underemployed at the time the report is submitted.

(4) An identification of the nature, scope, and cost of activities conducted by the United States and other countries to assist in the employment in nonproliferation and nonmilitary-related endeavors and enterprises of individuals involved in the weapons complex of the former Soviet Union, and which categories of individuals are being targeted in these efforts.

(5) An assessment of whether the activities identified under paragraph (4) should be reduced, maintained, or expanded.

TITLE XIV—DOMESTIC PREPAREDNESS FOR DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

Sec. 1401. Short title.

Sec. 1402. Domestic preparedness for response to threats of terrorist use of weapons of mass destruction.
Sec. 1403. Report on domestic emergency preparedness.
Sec. 1404. Threat and risk assessments.
Sec. 1405. Advisory panel to assess domestic response capabilities for terrorism involving weapons of mass destruction.

SEC. 1401. SHORT TITLE.

This title may be cited as the "Defense Against Weapons of Mass Destruction Act of 1998".

SEC. 1402. DOMESTIC PREPAREDNESS FOR RESPONSE TO THREATS OF TERRORIST USE OF WEAPONS OF MASS DESTRUCTION.

(a) ENHANCED RESPONSE CAPABILITY.—In light of the continuing potential for terrorist use of weapons of mass destruction against the United States and the need to develop a more fully coordinated response to that threat on the part of Federal, State, and local agencies, the President shall act to increase the effectiveness at the Federal, State, and local level of the domestic emergency preparedness program for response to terrorist incidents involving weapons of mass destruction by utilizing the President's existing authorities to develop an integrated program that builds upon the program established under the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2714; 50 U.S.C. 2301 et seq.).

(b) REPORT.—Not later than January 31, 1999, the President shall submit to Congress a report containing information on the actions taken at the Federal, State, and local level to develop an integrated program to prevent and respond to terrorist incidents involving weapons of mass destruction.

SEC. 1403. REPORT ON DOMESTIC EMERGENCY PREPAREDNESS.

Section 1051 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1889; 31 U.S.C. 1113 note) is amended by adding at the end the following new subsection:

"(c) ANNEX ON DOMESTIC EMERGENCY PREPAREDNESS PROGRAM.—As part of the annual report submitted to Congress under subsection (b), the President shall include an annex which provides the following information on the domestic emergency preparedness program for response to terrorist incidents involving weapons of mass destruction (as established under section 1402 of the Defense Against Weapons of Mass Destruction Act of 1998):

"(1) Information on program responsibilities for each participating Federal department, agency, and bureau.

"(2) A summary of program activities performed during the preceding fiscal year for each participating Federal department, agency, and bureau.

"(3) A summary of program obligations and expenditures during the preceding fiscal year for each participating Federal department, agency, and bureau.

"(4) A summary of the program plan and budget for the current fiscal year for each participating Federal department, agency, and bureau.

"(5) The program budget request for the following fiscal year for each participating Federal department, agency, and bureau.

"(6) Recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction that have been made by the advisory panel to assess the capabilities of domestic response to terrorism involving weapons of mass destruction (as established under section 1405 of the Defense Against Weapons of Mass Destruction Act of 1998), and actions taken as a result of such recommendations.

"(7) Additional program measures and legislative authority for which congressional action may be required.".

SEC. 1404. THREAT AND RISK ASSESSMENTS.

(a) REQUIREMENT TO DEVELOP METHODOLOGIES.—The Attorney General, in consultation with the Director of the Federal Bureau of Investigation and representatives of appropriate Federal, State, and local agencies, shall develop and test methodologies for assessing the threat and risk of terrorist employment of weapons of mass destruction against cities and other local areas. The results of the tests may be used to determine the training and equipment requirements under the program developed under section 1402. The methodologies required by this subsection shall be developed using cities or local areas selected by the Attorney General, acting in consultation with the Director of the Federal Bureau of Investigation and appropriate representatives of Federal, State, and local agencies.

(b) REQUIRED COMPLETION DATE.—The requirements in subsection (a) shall be completed not later than one year after the date of the enactment of this Act.

SEC. 1405. ADVISORY PANEL TO ASSESS DOMESTIC RESPONSE CAPABILITIES FOR TERRORISM INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) REQUIREMENT FOR PANEL.—The Secretary of Defense, in consultation with the Attorney General, the Secretary of Energy, the Secretary of Health and Human Services, and the Director of the Federal Emergency Management Agency, shall enter into a contract with a federally funded research and development center to establish a panel to assess the capabilities for domestic response to terrorism involving weapons of mass destruction.

(b) COMPOSITION OF PANEL; SELECTION.—(1) The panel shall be composed of members who shall be private citizens of the United States with knowledge and expertise in emergency response matters.

(2) Members of the panel shall be selected by the federally funded research and development center in accordance with the terms of the contract established pursuant to subsection (a).

(c) PROCEDURES FOR PANEL.—The federally funded research and development center shall be responsible for establishing appropriate procedures for the panel, including procedures for selection of a panel chairman.

(d) DUTIES OF PANEL.—The panel shall—

(1) assess Federal agency efforts to enhance domestic preparedness for incidents involving weapons of mass destruction;

(2) assess the progress of Federal training programs for local emergency responses to incidents involving weapons of mass destruction;

(3) assess deficiencies in programs for response to incidents involving weapons of mass destruction, including a review of unfunded communications, equipment, and planning requirements, and the needs of maritime regions;

(4) recommend strategies for ensuring effective coordination with respect to Federal agency weapons of mass destruction response efforts, and for ensuring fully effective local response capabilities for weapons of mass destruction incidents; and

(5) assess the appropriate roles of State and local government in funding effective local response capabilities.

(e) DEADLINE TO ENTER INTO CONTRACT.—The Secretary of Defense shall enter into the contract required under subsection (a) not later than 60 days after the date of the enactment of this Act.

(f) DEADLINE FOR SELECTION OF PANEL MEMBERS.—Selection of panel members shall be made not later than 30 days after the date on which the Secretary enters into the contract required by subsection (a).

(g) INITIAL MEETING OF THE PANEL.—The panel shall conduct its first meeting not later than 30 days after the date that all the selections to the panel have been made.

(h) REPORTS.—(1) Not later than 6 months after the date of the first meeting of the panel, the panel shall submit to the President and to Congress an initial report setting forth its findings, conclusions, and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction.

(2) Not later than December 15 of each year, beginning in 1999 and ending in 2001, the panel shall submit to the President and to the Congress a report setting forth its findings, conclusions, and recommendations for improving Federal, State, and local domestic emergency preparedness to respond to incidents involving weapons of mass destruction.

(i) COOPERATION OF OTHER AGENCIES.—(1) The panel may secure directly from the Department of Defense, the Department of Energy, the Department of Health and Human Services, the Department of Justice, and the Federal Emergency Management Agency, or any other Federal department or agency information that the panel considers necessary for the panel to carry out its duties.

(2) The Attorney General, the Secretary of Defense, the Secretary of Energy, the Secretary of Health and Human Services, the Director of the Federal Emergency Management Agency, and any other official of the United States shall provide the panel with full and timely cooperation in carrying out its duties under this section.

(j) FUNDING.—The Secretary of Defense shall provide the funds necessary for the panel to carry out its duties from the funds available to the Department of Defense for weapons of mass destruction preparedness initiatives.

(k) COMPENSATION OF PANEL MEMBERS.—(1) Members of the panel shall serve without pay by reason of their work on the panel.

(2) Members of the panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter 57 of title 5, United States Code, while away from their homes or regular place of business in performance of services for the panel.

(l) TERMINATION OF THE PANEL.—The panel shall terminate three years after the date of the appointment of the member selected as chairman of the panel.

(m) DEFINITION.—In this section, the term "weapon of mass destruction" has the meaning given that term in section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1)).

TITLE XV—MATTERS RELATING TO ARMS CONTROL, EXPORT CONTROLS, AND COUNTER-PROLIFERATION

Subtitle A—Arms Control Matters

Sec. 1501. One-year extension of limitation on retirement or dismantlement of strategic nuclear delivery systems.
Sec. 1502. Transmission of executive branch reports providing Congress with classified summaries of arms control developments.
Sec. 1503. Report on adequacy of emergency communications capabilities between United States and Russia.
Sec. 1504. Russian nonstrategic nuclear weapons.

Subtitle B—Satellite Export Controls

Sec. 1511. Sense of Congress.
Sec. 1512. Certification of exports of missile equipment or technology to China.

Sec. 1513. Satellite controls under the United States Munitions List.
Sec. 1514. National security controls on satellite export licensing.
Sec. 1515. Report on export of satellites for launch by People's Republic of China.
Sec. 1516. Related items defined.

Subtitle C—Other Export Control Matters

Sec. 1521. Authority for export control activities of the Department of Defense.
Sec. 1522. Release of export information by Department of Commerce to other agencies for purpose of national security assessment.
Sec. 1523. Nuclear export reporting requirement.
Sec. 1524. Execution of objection authority within the Department of Defense.

Subtitle D—Counterproliferation Matters

Sec. 1531. One-year extension of counterproliferation authorities for support of United Nations Special Commission on Iraq.
Sec. 1532. Sense of Congress on nuclear tests in South Asia.
Sec. 1533. Report on requirements for response to increased missile threat in Asia-Pacific region.

Subtitle A—Arms Control Matters

SEC. 1501. ONE-YEAR EXTENSION OF LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.

Section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85; 111 Stat. 1948) is amended—

(1) in subsections (a), (b), and (c)(2), by striking out "during fiscal year 1998" and inserting in lieu thereof "during the strategic delivery systems retirement limitation period" ;

(2) in subsection (c)(1), by striking out "during fiscal year 1998";

(3) in subsection (d)(1)—

(A) by striking out "for fiscal year 1998"; and

(B) by striking out "during fiscal year 1998"; and

(4) by adding at the end the following new subsection:

"(g) STRATEGIC DELIVERY SYSTEMS RETIREMENT LIMITATION PERIOD.—For purposes of this section, the term "strategic delivery systems retirement limitation period" means the period of fiscal years 1998 and 1999.".

SEC. 1502. TRANSMISSION OF EXECUTIVE BRANCH REPORTS PROVIDING CONGRESS WITH CLASSIFIED SUMMARIES OF ARMS CONTROL DEVELOPMENTS.

(a) REPORTING REQUIREMENT.—The Director of the Arms Control and Disarmament Agency (or the Secretary of State, if the Arms Control and Disarmament Agency becomes an element of the Department of State) shall transmit to the Committee on National Security of the House of Representatives on a periodic basis reports containing classified summaries of arms control developments.

(b) CONTENTS OF REPORTS.—The reports required by subsection (a) shall include information reflecting the activities of forums established to consider issues relating to treaty implementation and treaty compliance.

SEC. 1503. REPORT ON ADEQUACY OF EMERGENCY COMMUNICATIONS CAPABILITIES BETWEEN UNITED STATES AND RUSSIA.

Not later than three months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the status and adequacy of current direct communications capabilities between the governments of the United States and Russia. The report shall identify each existing direct communications link between those governments and each such link that is designed to be used, or is available to be used, in an emergency situation. The Secretary shall describe in the report any shortcomings with the existing communications capabilities and shall include such proposals as the Secretary considers appropriate to improve those capabilities. In considering improvements to propose, the Secretary shall assess the feasibility and desirability of establishing a direct communications link between the commanders of appropriate United States unified and specified commands, including the United States Space Command and the United States Strategic Command, and their Russian counterparts.

SEC. 1504. RUSSIAN NONSTRATEGIC NUCLEAR WEAPONS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The 7,000 to 12,000 or more nonstrategic (or "tactical") nuclear weapons estimated by the United States Strategic Command to be in the Russian arsenal may present the greatest threat of sale or theft of a nuclear warhead in the world today.

(2) As the number of deployed strategic warheads in the Russian and United States arsenals declines to just a few thousand under the START accords, Russia's vast superiority in tactical nuclear warheads—many of which have yields equivalent to strategic nuclear weapons—could become strategically destabilizing.

(3) While the United States has unilaterally reduced its inventory of tactical nuclear weapons by nearly 90 percent since the end of the Cold War, Russia is behind schedule in implementing the steep tactical nuclear arms reductions pledged by former Soviet President Gorbachev in 1991 and Russian President Yeltsin in 1992, perpetuating the dangers from Russia's tactical nuclear stockpile.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should call on Russia to expedite reduction of its tactical nuclear arsenal in accordance with the promises made in 1991 and 1992.

(c) REPORT.—Not later than March 15, 1999, the Secretary of Defense shall submit to Congress a report on the nonstrategic nuclear weapons of Russia. The report shall include—

(1) estimates regarding the current numbers, types, yields, viability, and locations of those weapons;

(2) an assessment of the strategic implications of Russia's nonstrategic arsenal, including the potential use of those weapons in a strategic role or the use of their components in strategic nuclear systems and the potential of Russian superiority in tactical nuclear weapons to destabilize the overall nuclear balance as strategic nuclear weapons are sharply reduced under the START accords;

(3) an assessment of the extent of the current threat of theft, sale, or unauthorized use of the warheads of those weapons, including an analysis of Russian command and control as it concerns the use of tactical nuclear weapons;

(4) a summary of past, current, and planned efforts to work cooperatively with Russia to account for, secure, and reduce Russia's stockpile of tactical nuclear weapons and associated fissile material;

(5) a summary of how the United States would prevent, or plans to cope militarily with, scenarios in which a deterioration in relations with Moscow causes Russia to redeploy tactical nuclear weapons or in which Russia threatens to employ, or actually employs, tactical nuclear weapons in a local or regional conflict involving the United States or allies of the United States; and

(6) an assessment of the steps that could be taken by the United States to enhance military preparedness in order (A) to deter any potential attempt by Russia to possibly exploit its advantage in tactical nuclear weapons through coercive "nuclear diplomacy" or on the battlefield, or (B) to counter Russia if Russia should make such an attempt to exploit its advantage in tactical nuclear weapons.

(d) VIEWS.—The Secretary of Defense shall include in the report under subsection (c) the views of the Director of Central Intelligence and of the commander of the United States Strategic Command.

Subtitle B—Satellite Export Controls

SEC. 1511. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) United States business interests must not be placed above United States national security interests;

(2) United States foreign policy and the policies of the United States regarding commercial relations with other countries should affirm the importance of observing and adhering to the Missile Technology Control Regime (MTCR);

(3) the United States should encourage universal observance of the Guidelines to the Missile Technology Control Regime;

(4) the exportation or transfer of advanced communication satellites and related technologies from United States sources to foreign recipients should not increase the risks to the national security of the United States;

(5) due to the military sensitivity of the technologies involved, it is in the national security interests of the United States that United States satellites and related items be subject to the same export controls that apply under United States law and practices to munitions;

(6) the United States should not issue any blanket waiver of the suspensions contained in section 902 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246), regarding the export of satellites of United States origin intended for launch from a launch vehicle owned by the People's Republic of China;

(7) the United States should pursue policies that protect and enhance the United States space launch industry; and

(8) the United States should not export to the People's Republic of China missile equipment or technology that would improve the missile or space launch capabilities of the People's Republic of China.

SEC. 1512. CERTIFICATION OF EXPORTS OF MISSILE EQUIPMENT OR TECHNOLOGY TO CHINA.

The President shall certify to the Congress at least 15 days in advance of any export to the People's Republic of China of missile equipment or technology (as defined in section 74 of the Arms Export Control Act (22 U.S.C. 2797c)) that—

(1) such export is not detrimental to the United States space launch industry; and

(2) the missile equipment or technology, including any indirect technical benefit that could be derived from such export, will not measurably improve the missile or space launch capabilities of the People's Republic of China.

SEC. 1513. SATELLITE CONTROLS UNDER THE UNITED STATES MUNITIONS LIST.

(a) CONTROL OF SATELLITES ON THE UNITED STATES MUNITIONS LIST.—Notwithstanding any other provision of law, all satellites and related items that are on the Commerce Control List of dual-use items in the Export Administration Regulations (15 C.F.R. Part 730 et seq.) on the date of the enactment of this Act shall be transferred to the United States Munitions List and controlled under section 38 of the Arms Export Control Act (22 U.S.C. 2778).

(b) DEFENSE TRADE CONTROLS REGISTRATION FEES.—Section 45 of the State Department Basic

Authorities Act of 1956 (22 U.S.C. 2717) is amended—

(1) in subsection (a)—

(A) by striking out "$700,000" and inserting in lieu thereof "100 percent"; and

(B) by striking out "(a) DEFENSE TRADE CONTROLS REGISTRATION FEES.—"; and

(2) by striking out subsection (b).

(c) EFFECTIVE DATE.—(1) Subsection (a) shall take effect on March 15, 1999, and shall not apply to any export license issued before such effective date or to any export license application made under the Export Administration Regulations before such effective date.

(2) The amendments made by subsection (b) shall be effective as of October 1, 1998.

(d) REPORT.—Not later than January 1, 1999, the Secretary of State, in consultation with the Secretary of Defense and the Secretary of Commerce, shall submit to Congress a report containing—

(1) a detailed description of the plans of the Department of State to implement the requirements of this section, including any organizational changes that are required and any Executive orders or regulations that may be required;

(2) an identification and explanation of any steps that should be taken to improve the license review process for exports of the satellites and related items described in subsection (a), including measures to shorten the timelines for license application reviews, and any measures relating to the transparency of the license review process and dispute resolution procedures;

(3) an evaluation of the adequacy of resources available to the Department of State, including fiscal and personnel resources, to carry out the additional activities required by this section; and

(4) any recommendations for additional actions, including possible legislation, to improve the export licensing process under the Arms Export Control Act for the satellites and related items described in subsection (a).

SEC. 1514. NATIONAL SECURITY CONTROLS ON SATELLITE EXPORT LICENSING.

(a) ACTIONS BY THE PRESIDENT.—Notwithstanding any other provision of law, the President shall take such actions as are necessary to implement the following requirements for improving national security controls in the export licensing of satellites and related items:

(1) MANDATORY TECHNOLOGY CONTROL PLANS.—All export licenses shall require a technology transfer control plan approved by the Secretary of Defense and an encryption technology transfer control plan approved by the Director of the National Security Agency.

(2) MANDATORY MONITORS AND REIMBURSEMENT.—

(A) MONITORING OF PROPOSED FOREIGN LAUNCH OF SATELLITES.—In any case in which a license is approved for the export of a satellite or related items for launch in a foreign country, the Secretary of Defense shall monitor all aspects of the launch in order to ensure that no unauthorized transfer of technology occurs, including technical assistance and technical data. The costs of such monitoring services shall be fully reimbursed to the Department of Defense by the person or entity receiving such services. All reimbursements received under this subparagraph shall be credited to current appropriations available for the payment of the costs incurred in providing such services.

(B) CONTENTS OF MONITORING.—The monitoring under subparagraph (A) shall cover, but not be limited to—

(i) technical discussions and activities, including the design, development, operation, maintenance, modification, and repair of satellites, satellite components, missiles, other equipment, launch facilities, and launch vehicles;

(ii) satellite processing and launch activities, including launch preparation, satellite transportation, integration of the satellite with the launch vehicle, testing and checkout prior to launch, satellite launch, and return of equipment to the United States;

(iii) activities relating to launch failure, delay, or cancellation, including post-launch failure investigations; and

(iv) all other aspects of the launch.

(3) MANDATORY LICENSES FOR CRASH-INVESTIGATIONS.—In the event of the failure of a launch from a foreign country of a satellite of United States origin—

(A) the activities of United States persons or entities in connection with any subsequent investigation of the failure are subject to the controls established under section 38 of the Arms Export Control Act, including requirements for licenses issued by the Secretary of State for participation in that investigation;

(B) officials of the Department of Defense shall monitor all activities associated with the investigation to insure against unauthorized transfer of technical data or services; and

(C) the Secretary of Defense shall establish and implement a technology transfer control plan for the conduct of the investigation to prevent the transfer of information that could be used by the foreign country to improve its missile or space launch capabilities.

(4) MANDATORY NOTIFICATION AND CERTIFICATION.—All technology transfer control plans for satellites or related items shall require any United States person or entity involved in the export of a satellite of United States origin or related items to notify the Department of Defense in advance of all meetings and interactions with any foreign person or entity providing launch services and require the United States person or entity to certify after the launch that it has complied with this notification requirement.

(5) MANDATORY INTELLIGENCE COMMUNITY REVIEW.—The Secretary of Commerce and the Secretary of State shall provide to the Secretary of Defense and the Director of Central Intelligence copies of all export license applications and technical assistance agreements submitted for approval in connection with launches in foreign countries of satellites to verify the legitimacy of the stated end-user or end-users.

(6) MANDATORY SHARING OF APPROVED LICENSES AND AGREEMENTS.—The Secretary of State shall provide copies of all approved export licenses and technical assistance agreements associated with launches in foreign countries of satellites to the Secretaries of Defense and Energy, the Director of Central Intelligence, and the Director of the Arms Control and Disarmament Agency.

(7) MANDATORY NOTIFICATION TO CONGRESS ON LICENSES.—Upon issuing a license for the export of a satellite or related items for launch in a foreign country, the head of the department or agency issuing the license shall so notify Congress.

(8) MANDATORY REPORTING ON MONITORING ACTIVITIES.—The Secretary of Defense shall provide to Congress an annual report on the monitoring of all launches in foreign countries of satellites of United States origin.

(9) ESTABLISHING SAFEGUARDS PROGRAM.—The Secretary of Defense shall establish a program for recruiting, training, and maintaining a staff dedicated to monitoring launches in foreign countries of satellites and related items of United States origin.

(b) EXCEPTION.—This section shall not apply to the export of a satellite or related items for launch in, or by nationals of, a country that is a member of the North Atlantic Treaty Organization or that is a major non-NATO ally of the United States.

(c) EFFECTIVE DATE.—The President shall take the actions required by subsection (a) not later than 45 days after the date of the enactment of this Act.

SEC. 1515. REPORT ON EXPORT OF SATELLITES FOR LAUNCH BY PEOPLE'S REPUBLIC OF CHINA.

(a) REQUIREMENT FOR REPORT.—Each report to Congress submitted pursuant to subsection (b) of section 902 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (22 U.S.C. 2151 note; Public Law 101–246) to waive the restrictions contained in subsection (a) of that section on the export to the People's Republic of China of any satellite of United States origin or related items shall be accompanied by a detailed justification setting forth the following:

(1) A detailed description of all militarily sensitive characteristics integrated within, or associated with, the satellite.

(2) An estimate of the number of United States civilian contract personnel expected to be needed in country to carry out the proposed satellite launch.

(3)(A) A detailed description of the United States Government's plan to monitor the proposed satellite launch to ensure that no unauthorized transfer of technology occurs, together with an estimate of the number of officers and employees of the United States that are expected to be needed in country to carry out monitoring of the proposed satellite launch; and

(B) the estimated cost to the Department of Defense of monitoring the proposed satellite launch and the amount of such cost that is to be reimbursed to the department.

(4) The reasons why the proposed satellite launch is in the national security interest of the United States.

(5) The impact of the proposed export on employment in the United States, including the number of new jobs created in the United States, on a State-by-State basis, as a direct result of the proposed export.

(6) The number of existing jobs in the United States that would be lost, on a State-by-State basis, as a direct result of the proposed export not being licensed.

(7) The impact of the proposed export on the balance of trade between the United States and the People's Republic of China and on reducing the current United States trade deficit with the People's Republic of China.

(8) The impact of the proposed export on the transition of the People's Republic of China from a nonmarket economy to a market economy and the long-term economic benefit to the United States.

(9) The impact of the proposed export on opening new markets to United States-made products through the purchase by the People's Republic of China of United States-made goods and services not directly related to the proposed export.

(10) The impact of the proposed export on reducing acts, policies, and practices that constitute significant trade barriers to United States exports or foreign direct investment in the People's Republic of China by United States nationals.

(11) The increase that will result from the proposed export in the overall market share of the United States for goods and services in comparison to Japan, France, Germany, the United Kingdom, and Russia.

(12) The impact of the proposed export on the willingness of the People's Republic of China to modify its commercial and trade laws, practices, and regulations to make United States-made goods and services more accessible to that market.

(13) The impact of the proposed export on the willingness of the People's Republic of China to reduce formal and informal trade barriers and tariffs, duties, and other fees on United States-made goods and services entering that country.

(b) MILITARILY SENSITIVE CHARACTERISTICS DEFINED.—In this section, the term "militarily *sensitive characteristics" includes antijamming capability, antennas, crosslinks, baseband processing, encryption devices, radiation-hardened devices, propulsion systems, pointing accuracy, kick motors, and other such characteristics as are specified by the Secretary of Defense.*

SEC. 1516. RELATED ITEMS DEFINED.

In this subtitle, the term "related items" means the satellite fuel, ground support equipment, test equipment, payload adapter or interface hardware, replacement parts, and non-embedded solid propellant orbit transfer engines described in the report submitted to Congress by the Department of State on February 6, 1998, pursuant to section 38(f) of the Arms Export Control Act (22 U.S.C. 2778(f)).

Subtitle C—Other Export Control Matters

SEC. 1521. AUTHORITY FOR EXPORT CONTROL ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) FUNCTIONS OF THE UNDER SECRETARY FOR POLICY.—Section 134(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary shall have responsibility for supervising and directing activities of the Department of Defense relating to export controls.".

(b) ESTABLISHMENT OF DEPUTY UNDER SECRETARY FOR TECHNOLOGY SECURITY POLICY.—(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 134a the following new section:

"§ 134b. Deputy Under Secretary of Defense for Technology Security Policy

"(a) There is in the Office of the Under Secretary of Defense for Policy a Deputy Under Secretary of Defense for Technology Security Policy.

"(b) The Deputy Under Secretary serves as the Director of the Defense Technology Security Administration (or any successor organization charged with similar responsibilities).

"(c) The principal duties of the Deputy Under Secretary are—

"(1) assisting the Under Secretary of Defense for Policy in supervising and directing the activities of the Department of Defense relating to export controls; and

"(2) assisting the Under Secretary of Defense for Policy in developing policies and positions regarding the appropriate export control policies and procedures that are necessary to protect the national security interests of the United States.

"(d) The Deputy Under Secretary shall perform such additional duties and exercise such authority as the Secretary of Defense may prescribe.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 134a the following new item:

"134b. Deputy Under Secretary of Defense for Technology Security Policy.".

(c) TIME FOR IMPLEMENTATION.—The Secretary of Defense shall complete the actions necessary to implement the amendment made by subsection (a) and to establish the office of Deputy Under Secretary of Defense for Technology Security Policy in accordance with section 134b of title 10, United States Code, as added by subsection (b), not later than 60 days after the date of the enactment of this Act.

(d) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the plans of the Secretary for implementing the amendments made by subsections (a) and (b). The report shall include the following:

(1) A description of any organizational changes that are to be made within the Department of Defense to implement those amendments.

(2) A description of the role of the Chairman of the Joint Chiefs of Staff in the export control activities of the Department of Defense after those subsections are implemented, together with a discussion of how that role compares to the Chairman's role in those activities before the implementation of those subsections.

SEC. 1522. RELEASE OF EXPORT INFORMATION BY DEPARTMENT OF COMMERCE TO OTHER AGENCIES FOR PURPOSE OF NATIONAL SECURITY ASSESSMENT.

(a) RELEASE OF EXPORT INFORMATION.—The Secretary of Commerce shall, upon the written request of an official specified in subsection (c), transmit to that official any information relating to exports that is held by the Department of Commerce and is requested by that official for the purpose of assessing national security risks. The Secretary shall transmit such information within 10 business days after receiving such a request.

(b) NATURE OF INFORMATION.—The information referred to in subsection (a) includes information concerning—

(1) export licenses issued by the Department of Commerce;

(2) exports that were carried out under an export license issued by the Department of Commerce; and

(3) exports from the United States that were carried out without an export license.

(c) REQUESTING OFFICIALS.—The officials referred to in subsection (a) are the Secretary of State, the Secretary of Defense, the Secretary of Energy, and the Director of Central Intelligence. Each of those officials may delegate to any other official within their respective departments and agency the authority to request information under subsection (a).

SEC. 1523. NUCLEAR EXPORT REPORTING REQUIREMENT.

(a) NOTIFICATION OF CONGRESS.—The President shall notify Congress upon the granting of a license by the Nuclear Regulatory Commission for the export or reexport of any nuclear-related technology or equipment, including source material, special nuclear material, or equipment or material especially designed or prepared for the processing, use, or production of special nuclear material.

(b) APPLICABILITY.—The requirements of this section shall apply only to an export or reexport to a country that—

(1) the President has determined is a country that has detonated a nuclear explosive device; and

(2) is not a member of the North Atlantic Treaty Organization.

SEC. 1524. EXECUTION OF OBJECTION AUTHORITY WITHIN THE DEPARTMENT OF DEFENSE.

Section 1211 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1932) is amended by adding at the end the following new subsection:

"(g) DELEGATION OF OBJECTION AUTHORITY WITHIN THE DEPARTMENT OF DEFENSE.—For the purposes of the Department of Defense, the authority to issue an objection referred to in subsection (a) shall be executed for the Secretary of Defense by an official at the Assistant Secretary level within the office of the Under Secretary of Defense for Policy. In implementing subsection (a), the Secretary of Defense shall ensure that Department of Defense procedures maximize the ability of the Department of Defense to be able to issue an objection within the 10–day period specified in subsection (c).".

Subtitle D—Counterproliferation Matters

SEC. 1531. ONE-YEAR EXTENSION OF COUNTERPROLIFERATION AUTHORITIES FOR SUPPORT OF UNITED NATIONS SPECIAL COMMISSION ON IRAQ.

(a) AMOUNT AUTHORIZED FOR FISCAL YEAR 1999.—The total amount of assistance for fiscal year 1999 provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) that is provided for activities of the Department of Defense in support of the United Nations Special Commission on Iraq, may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking out "1998" and inserting in lieu thereof "1999".

SEC. 1532. SENSE OF CONGRESS ON NUCLEAR TESTS IN SOUTH ASIA.

The Congress—

(1) strongly condemns the decisions by the Governments of India and Pakistan to conduct nuclear tests in May 1998;

(2) calls for the Governments of India and Pakistan to commit not to conduct any additional nuclear tests;

(3) urges the Governments of India and Pakistan to take immediate steps to reduce tensions between the two countries;

(4) urges India and Pakistan to engage in high-level dialogue aimed at reducing the likelihood of armed conflict, enacting confidence and security building measures, and resolving areas of dispute;

(5) commends all nations to take steps which will reduce tensions in South Asia, including appropriate measures to prevent the transfer of technology that could further exacerbate the arms race in South Asia, and thus avoid further deterioration of security there;

(6) calls upon the President, leaders of all nations, and the United Nations to encourage a diplomatic, negotiated solution between the governments of India and Pakistan to promote peace and stability in South Asia and resolve the current impasse;

(7) encourages United States diplomatic leadership in assisting the governments of India and Pakistan to seek a negotiated resolution of their 50-year conflict over the disputed territory in Kashmir;

(8) urges India and Pakistan to take immediate, binding, and verifiable steps to roll back their nuclear programs and come into compliance with internationally accepted norms regarding the proliferation of weapons of mass destruction; and

(9) urges the United States to reevaluate its bilateral relationship with India and Pakistan, in light of the new regional security realities in South Asia, with the goal of preventing further nuclear and ballistic missile proliferation, diffusing long-standing regional rivalries between India and Pakistan, and securing commitments from India and Pakistan which, if carried out, could result in a calibrated lifting of United States sanctions imposed under the Arms Export Control Act and the Nuclear Proliferation Prevention Act of 1994.

SEC. 1533. REPORT ON REQUIREMENTS FOR RESPONSE TO INCREASED MISSILE THREAT IN ASIA-PACIFIC REGION.

(a) STUDY.—The Secretary of Defense shall carry out a study of the architecture requirements for the establishment and operation of a theater ballistic missile defense system in the Asia-Pacific region that would have the capability to protect key regional allies of the United States.

(b) REPORT.—(1) Not later than January 1, 1999, the Secretary shall submit to the Committee on National Security of the House of Representatives and the Committee on Armed Services of the Senate a report containing—

(A) the results of the study conducted under subsection (a);

(B) the factors used to obtain such results; and

(C) a description of any United States missile defense system currently deployed or under development that could be transferred to key allies of the United States in the Asia-Pacific region to provide for their self-defense against limited ballistic missile attacks.

(2) The report shall be submitted in both classified and unclassified form.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the "Military Construction Authorization Act for Fiscal Year 1999".

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out fiscal year 1998 projects.

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$3,550,000
	Fort Rucker	$14,300,000
	Redstone Arsenal	$1,550,000
Alaska	Fort Wainwright	$22,600,000
California	Fort Irwin	$14,800,000
Georgia	Fort Benning	$28,600,000
Hawaii	Schofield Barracks	$71,000,000
Illinois	Rock Island Arsenal	$5,300,000
Indiana	Crane Army Ammunition Activity	$7,100,000
Kansas	Fort Riley	$41,000,000
Kentucky	Blue Grass Army Depot	$5,300,000
	Fort Campbell	$75,000,000
	Fort Knox	$23,000,000
Louisiana	Fort Polk	$8,300,000
Maryland	Fort Detrick	$3,550,000
	Fort Meade	$5,300,000
Missouri	Fort Leonard Wood	$28,200,000
New Jersey	Fort Monmouth	$7,600,000
	Picatinny Arsenal	$8,400,000
New York	Fort Drum	$4,650,000
	United States Military Academy, West Point	$85,000,000
North Carolina.	Fort Bragg	$95,900,000
Oklahoma	Fort Sill	$13,800,060
	McAlester Army Ammunition Plant	$10,800,000
Texas	Fort Bliss	$4,100,000
	Fort Hood	$32,500,000
	Fort Sam Houston	$27,300,000
Utah	Tooele Army Depot	$3,900,000
Virginia	National Ground Intelligence Center, Charlottesville	$46,200,000
	Fort Eustis	$41,181,000
	Fort Myer	$6,200,000
Washington	Fort Lewis	$18,200,000
CONUS Classified.	Classified Location	$4,600,000
	Total	$768,781,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	80th Area Support Group.	$6,300,000
Germany	Schweinfurt	$18,000,000
	Wurzburg	$4,250,000
Korea	Camp Casey	$21,400,000
	Camp Castle	$18,226,000
	Camp Humphreys	$8,500,000
	Camp Stanley	$5,800,000
Kwajalein	Kwajalein Atoll	$48,600,000
	Total	$131,076,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State	Installation or location	Purpose	Amount
Alabama	Redstone Arsenal.	118 Units	$14,000,000
Hawaii	Schofield Barracks.	64 Units	$14,700,000
North Carolina.	Fort Bragg	170 Units	$19,800,000
Texas	Fort Hood	154 Units	$21,600,000
Virginia	Fort Lee	80 Units	$13,000,000
		Total	$83,100,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $6,350,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(5)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $48,479,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,098,713,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $609,781,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $95,076,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $12,500,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $64,269,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $137,929,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,097,697,000.

(6) For the construction of the missile software engineering annex, phase II, Redstone Arsenal, Alabama, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105-85; 111 Stat. 1966), $13,600,000.

(7) For the construction of a disciplinary barracks, phase II, Fort Leavenworth, Kansas, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $29,000,000.

(8) For the construction of the whole barracks complex renewal, Fort Sill, Oklahoma, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $20,500,000.

(9) For rail yard expansion at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $23,000,000.

(10) For the construction of an aerial gunnery range at Fort Drum, New York, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998, $9,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $16,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a multipurpose digital training range at Fort Knox, Kentucky);

(3) $15,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a railhead facility at Fort Hood, Texas);

(4) $73,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a cadet development center at the United States Military Academy, West Point, New York);

(5) $36,000,000 (the balance of the amount authorized under section 2101(b) for the construction of a powerplant on Roi Namur Island at Kwajalein Atoll, Kwajalein);

(6) $3,500,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks complex renewal at Fort Wainwright, Alaska);

(7) $24,500,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks complex renewal at Fort Riley, Kansas); and

(8) $27,000,000 (the balance of the amount authorized under section 2101(a) for the construction of the whole barracks complex renewal at Fort Campbell, Kentucky).

(c) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (10) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $2,639,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes;

(2) $3,000,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(3) $8,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1998 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1967) is amended—

(1) in the item relating to Fort Drum, New York, by striking out "$24,400,000" in the amount column and inserting in lieu thereof "$24,900,000";

(2) in the item relating to Fort Sill, Oklahoma, by striking out "$25,000,000" in the amount column and inserting in lieu thereof "$28,500,000"; and

(3) by striking out the amount identified as the total in the amount column and inserting in lieu thereof "$602,750,000".

(b) CONFORMING AMENDMENTS.—Section 2104 of that Act (111 Stat. 1968) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking out "$2,010,466,000" and inserting in lieu thereof "$2,013,966,000"; and

(B) in paragraph (1), by striking out "$435,350,000" and inserting in lieu thereof "$438,850,000"; and

(2) in subsection (b)(8), by striking out "$8,500,000" and inserting in lieu thereof "$9,000,000".

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Authorization to accept road construction project, Marine Corps Base, Camp Lejeune, North Carolina.

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma.	$11,010,000
	Naval Observatory Detachment, Flagstaff	$990,000
California	Marine Corps Air Station, Miramar	$29,570,000
	Marine Corps Base, Camp Pendleton	$40,430,000
	Naval Air Station, Lemoore.	$20,640,000
	Naval Air Warfare Center Weapons Division, China Lake.	$10,140,000
	Naval Facility, San Clemente Island	$8,350,000
	Naval Submarine Base, San Diego.	$11,400,000
Connecticut	Naval Submarine Base, New London	$11,330,000
District of Columbia.	Naval District, Washington.	$790,000
Florida	Naval Air Station, Key West.	$3,730,000
	Naval Air Station, Jacksonville.	$1,500,000
	Naval Air Station, Whiting Field.	$1,400,000
	Naval Station, Mayport.	$6,163,000
Georgia	Marine Corps Logistics Base, Albany	$2,800,000
	Naval Submarine Base, Kings Bay	$2,550,000
Hawaii	Fleet and Industrial Supply Center, Pearl Harbor	$9,730,000
	Marine Corps Air Station, Kaneohe Bay	$46,410,000
	Naval Communications & Telecommunications Area Master Station Eastern Pacific, Wahiawa	$1,970,000
	Naval Shipyard, Pearl Harbor.	$11,400,000
	Naval Station, Pearl Harbor.	$18,180,000
	Naval Submarine Base, Pearl Harbor	$8,060,000
	Navy Public Works Center, Pearl Harbor	$28,967,000
Illinois	Naval Training Center, Great Lakes	$19,950,000
Indiana	Naval Surface Warfare Center, Crane	$11,110,000
Maryland	Naval Surface Warfare Center, Indian Head Division, Indian Head	$13,270,000
	United States Naval Academy	$4,300,000
Mississippi	Naval Air Station, Meridian.	$3,280,000
	Naval Construction Battalion Center, Gulfport	$10,670,000
North Carolina.	Marine Corps Air Station, Cherry Point	$6,040,000
	Marine Corps Base, Camp LeJeune	$14,600,000
Pennsylvania	Naval Surface Warfare Center Ship Systems Engineering Station, Philadelphia	$2,410,000
	Naval Inventory Control Point, Mechanicsburg	$1,600,000
	Naval Inventory Control Point, Philadelphia	$1,550,000
Rhode Island	Naval Education and Training Center, Newport	$5,630,000
	Naval Undersea Warfare Center Division, Newport	$9,140,000
South Carolina.	Marine Corps Air Station, Beaufort	$1,770,000
	Marine Corps Reserve Detachment, Parris Island	$15,990,000
	Naval Weapons Station, Charleston	$9,737,000
Texas	Naval Station, Ingleside.	$12,200,000
Virginia	Fleet and Industrial Supply Center, Norfolk (Craney Island)	$1,770,000
	Fleet Training Center, Norfolk.	$5,700,000
	Naval Air Station, Oceana.	$6,400,000
	Naval Shipyard, Norfolk, Portsmouth	$6,180,000
	Naval Station, Norfolk	$45,530,000
	Naval Surface Warfare Center, Dahlgren	$15,680,000
	Tactical Training Group Atlantic, Dam Neck	$2,430,000
Washington	Naval Shipyard, Puget Sound.	$4,300,000
	Strategic Weapons Facility Pacific, Bremerton	$2,750,000
	Total	$521,497,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Greece	Naval Support Activity, Souda Bay	$5,260,000
Guam	Naval Activities, Guam	$10,310,000
Italy	Naval Support Activity, Naples.	$18,270,000
United Kingdom.	Joint Maritime Communications Center, St. Mawgan	$2,010,000
	Total	$35,850,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	162 Units	$30,379,000
Hawaii	Navy Public Works Center, Pearl Harbor	150 Units	$29,125,000
		Total	$59,504,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $15,618,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $227,791,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,812,476,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $503,997,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $35,850,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,900,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $60,846,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $302,913,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $915,293,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $13,500,000 (the balance of the amount authorized under section 2202(a) for the construction of a berthing pier at Naval Station, Norfolk, Virginia); and

(3) $4,000,000 (the balance of the amount authorized under section 2201(a) for the construction of a bachelor enlisted quarters at Marine Corps Air Station, Kaneohe Bay, Hawaii).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $7,323,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes;

(2) $3,000,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(3) $6,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2205. AUTHORIZATION TO ACCEPT ROAD CONSTRUCTION PROJECT, MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA.

The Secretary of the Navy may accept from the State of North Carolina a road construction project valued at approximately $2,000,000, which is to be constructed at Marine Corps Base, Camp Lejeune, North Carolina, in accordance with plans and specifications acceptable to the Secretary.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base.	$19,398,000
Alaska	Eielson Air Force Base	$4,352,000
Arizona	Luke Air Force Base	$3,400,000
Arkansas	Little Rock Air Force Base.	$1,500,000
California	Edwards Air Force Base.	$10,361,000
	Travis Air Force Base	$4,250,000
	Vandenberg Air Force Base.	$18,709,000
Colorado	Falcon Air Force Station.	$9,601,000
	United States Air Force Academy	$4,413,000
District of Columbia.	Bolling Air Force Base	$2,948,000
Florida	Eglin Air Force Base	$20,437,000
	Eglin Auxiliary Field 9	$3,837,000
	MacDill Air Force Base	$9,808,000
	Tyndall Air Force Base	$3,600,000
Georgia	Robins Air Force Base	$11,894,000
Hawaii	Hickam Air Force Base	$5,890,000
Idaho	Mountain Home Air Force Base	$17,897,000
Kansas	McConnell Air Force Base.	$4,450,000
Louisiana	Barksdale Air Force Base.	$9,300,000
Maryland	Andrews Air Force Base.	$4,448,000
Massachusetts.	Hanscom Air Force Base.	$10,000,000
Mississippi	Columbus Air Force Base.	$5,700,000
	Keesler Air Force Base	$35,526,000
Montana	Malmstrom Air Force Base.	$7,900,000
Nevada	Indian Springs Air Force Auxiliary Air Field	$15,013,000
	Nellis Air Force Base	$6,378,000
New Jersey	McGuire Air Force Base.	$6,044,000
New Mexico	Holloman Air Force Base.	$11,100,000
	Kirtland Air Force Base.	$8,574,000
North Carolina.	Seymour Johnson Air Force Base	$6,100,000
North Dakota	Grand Forks Air Force Base.	$11,486,000
	Minot Air Force Bae	$8,500,000
Ohio	Wright-Patterson Air Force Base	$22,000,000
Oklahoma	Altus Air Force Base	$9,300,000
	Tinker Air Force Base	$24,985,000
	Vance Air Force Base	$6,223,000
South Carolina.	Charleston Air Force Base.	$24,330,000
South Dakota	Ellsworth Air Force Base.	$6,500,000
Tennessee	Arnold Air Force Base	$11,600,000
Texas	Dyess Air Force Base	$4,750,000
	Goodfellow Air Force Base.	$7,300,000
	Lackland Air Force Base.	$14,930,000
	Laughlin Air Force Base.	$7,315,000
	Randolph Air Force Base.	$3,166,000
Utah	Hill Air Force Base	$2,600,000
Washington	Fairchild Air Force Base.	$15,220,000
	McChord Air Force Base.	$51,847,000
	Total	$514,880,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Spangdahlem Air Base	$9,501,000
Korea	Kunsan Air Base	$5,958,000
	Osan Air Base	$7,496,000
Turkey	Incirlik Air Base	$2,949,000
United Kingdom.	Royal Air Force, Lakenheath.	$15,838,000
	Royal Air Force, Mildenhall.	$24,960,000
	Total	$66,702,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or location	Purpose	Amount
Alabama	Maxwell Air Force Base	143 Units.	$16,300,000
Alaska	Eielson Air Force Base	46 Units	$12,932,000
California	Edwards Air Force Base	48 Units	$12,580,000
	Vandenberg Air Force Base	95 Units	$18,499,000
Delaware	Dover Air Force Base.	55 Units	$8,998,000
Florida	MacDill Air Force Base.	48 Units	$7,609,000
	Patrick Air Force Base.	46 Units	$9,692,000
	Tyndall Air Force Base.	122 Units.	$14,500,000
Mississippi	Columbus Air Force Base.	52 Units	$6,800,000
	Keesler Air Force Base.	52 Units	$6,800,000
Montana	Malmstrom Air Force Base.	50 Units	$10,000,000
Nebraska	Offutt Air Force Base	Ancillary Facility	$870,000
	Offutt Air Force Base	Ancillary Facility	$900,000
	Offutt Air Force Base	90 Units	$12,212,000
Nevada	Nellis Air Force Base	28 Units	$5,000,000
New Mexico	Kirtland Air Force Base	37 Units	$6,400,000
Ohio	Wright-Patterson Air Force Base	40 Units	$5,600,000

Air Force: Family Housing—Continued

State	Installation or location	Purpose	Amount
Texas	*Dyess Air Force Base.*	*64 Units*	*$9,415,000*
	Sheppard Air Force Base	*65 Units*	*$7,000,000*
Washington	*Fairchild Air Force Base*	*Ancillary Facility*	*$1,692,000*
	Fairchild Air Force Base	*14 Units*	*$2,300,000*
		Total	*$176,099,000*

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,342,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $104,108,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,679,978,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $514,880,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $66,702,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $8,135,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $38,092,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $291,549,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $785,204,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $10,584,000, which represents the combination of project savings in military family housing construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes;

(2) $2,000,000,000, which represents the combination of savings in military family housing support resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes; and

(3) $12,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Improvements to military family housing units.
Sec. 2403. Energy conservation projects.
Sec. 2404. Authorization of appropriations, Defense Agencies.
Sec. 2405. Repeal of fiscal year 1997 authorization of appropriations for certain military housing improvement program.
Sec. 2406. Modification of authority to carry out certain fiscal year 1995 projects.
Sec. 2407. Modification of authority to carry out fiscal year 1990 project.

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Chemical Demilitarization	*Aberdeen Proving Ground, Maryland* ..	*$186,350,000*
	Newport Army Depot, Indiana	*$191,550,000*
Defense Logistics Agency	*Defense Fuel Support Point, Fort Sill, Oklahoma*	*$3,500,000*
	Defense Fuel Support Point, Jacksonville Annex, Mayport, Florida	*$11,020,000*
	Defense Fuel Support Point, Jacksonville, Florida	*$11,000,000*
	Defense General Supply Center, Richmond (DLA), Virginia	*$10,500,000*
	Defense Fuel Supply Center, Camp Shelby, Mississippi	*$5,300,000*
	Defense Fuel Supply Center, Elmendorf Air Force Base, Alaska	*$19,500,000*
	Defense Fuel Supply Center, Pope Air Force Base, North Carolina	*$4,100,000*
	Various Locations	*$1,300,000*
Defense Medical Facilities Office ..	*Barksdale Air Force Base, Louisiana*	*$3,450,000*
	Beale Air Force Base, California	*$3,500,000*
	Carlisle Barracks, Pennsylvania	*$4,678,000*
	Cheatham Annex, Virginia.	*$11,300,000*
	Edwards Air Force Base, California	*$6,000,000*
	Eglin Air Force Base, Florida.	*$9,200,000*
	Fort Bragg, North Carolina.	*$6,500,000*
	Fort Hood, Texas	*$14,100,000*
	Fort Stewart/Hunter Army Air Field, Georgia	*$10,400,000*
	Grand Forks Air Force Base, North Dakota	*$5,600,000*
	Holloman Air Force Base, New Mexico ...	*$1,300,000*
	Keesler Air Force Base, Mississippi	*$700,000*
	Marine Corps Air Station, Camp Pendleton, California.. ..	*$6,300,000*
	McChord Air Force Base, Washington ...	*$20,000,000*
	Moody Air Force Base, Georgia	*$11,000,000*
	Naval Air Station, Pensacola, Florida ..	*$25,400,000*
	Naval Hospital, Bremerton, Washington ..	*$28,000,000*
	Naval Hospital, Great Lakes, Illinois	*$7,100,000*
	Naval Station, San Diego, California	*$1,350,000*
	Naval Submarine Base, Bangor, Washington	*$5,700,000*
	Travis Air Force Base, California	*$1,700,000*
Defense Education Activity	*Marine Corps Base, Camp LeJeune, North Carolina*	*$16,900,000*
	United States Military Academy, West Point, New York	*$2,840,000*
National Security Agency	*Fort Meade, Maryland*	*$668,000*
Special Operations Command	*Eglin Auxiliary Field 3, Florida*	*$7,310,000*
	Elgin Auxiliary Field 9, Florida	*$2,400,000*
	Fort Campbell, Kentucky.	*$15,000,000*
	MacDill Air Force Base, Florida	*$8,400,000*
	Naval Amphibious Base, Coronado, California	*$3,600,000*
	Stennis Space Center, Mississippi	*$5,500,000*
	Total	*$690,016,000*

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	*Lajes Field, Azores, Portugal*	*$7,700,000*
Defense Medical Facilities Office ..	*Naval Air Station, Sigonella, Italy*	*$5,300,000*

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
	Royal Air Force, Lakenheath, United Kingdom	$10,800,000
Defense Education Activity	Fort Buchanan, Puerto Rico.	$8,805,000
	Naval Activities, Guam	$13,100,000
Special Operations Command	Naval Station, Roosevelt Roads, Puerto Rico	$9,600,000
	Total	$55,305,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriation in section 2404(a)(11)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $345,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(9), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $2,223,260,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $369,966,000.

(2) For military construction projects outside the United States authorized by section 2401(a), $55,305,000.

(3) For construction of the Ammunition Demilitarization Facility, Pine Bluff Arsenal, Arkansas authorized by section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of this Act, $16,500,000.

(4) For construction of the Ammunition Demilitarization Facility, Umatilla Army Depot, Oregon, authorized by section 2401 of the Military Construction Authorization Act for Fiscal Year 1995, as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996, section 2408 of the Military Construction Authorization Act for Fiscal Year 1998, and section 2406 of this Act, $50,950,000.

(5) For military construction projects at Portsmouth Naval Hospital, Virginia, hospital replacement, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 106 Stat. 1640), as amended by section 2407 of this Act, $17,954,000.

(6) For unspecified minor construction projects under section 2805 of title 10, United States Code, $13,394,000.

(7) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $4,890,000.

(8) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $41,005,000.

(9) For energy conservation projects authorized by section 2403, $46,950,000.

(10) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $1,630,902,000.

(11) For military family housing functions:

(A) For improvement of military family housing and facilities, $345,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $36,899,000 of which not more than $31,139,000 may be obligated or expended for the leasing of military family housing units worldwide.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(b) Limitation of Total Cost of Construction Projects.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $162,050,000 (the balance of the amount authorized under section 2401(a) for the construction of the Ammunition Demilitarization Facility at Newport Army Depot, Indiana); and

(3) $158,000,000 (the balance of the amount authorized under section 2401(a) for the construction of the Ammunition Demilitarization Facility at Aberdeen Proving Ground, Maryland).

(c) Adjustment.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (11) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $63,800,000 (of which $50,500,000 represents savings from military construction for chemical demilitarization), which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2405. REPEAL OF FISCAL YEAR 1997 AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN MILITARY HOUSING IMPROVEMENT PROGRAM.

(a) Authorization of Appropriations.—Section 2406(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2778) is amended—

(1) by striking out "$3,379,703,000" and inserting in lieu thereof "$3,374,703,000"; and

(2) in paragraph (14), by striking out subparagraph (D).

(b) Credit and Use of Funds.—Section 2404 of that Act (110 Stat. 2777) is amended—

(1) in subsection (a)—

(A) by striking out "(1)" before "Of"; and

(B) by striking out paragraph (2); and

(2) in subsection (b)—

(A) by striking out "(1)" before "The";

(B) by striking out "subsection (a)(1)" and inserting in lieu thereof "subsection (a)"; and

(C) by striking out paragraph (2).

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1995 PROJECTS.

The table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539) and section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), under the agency heading relating to Chemical Weapons and Munitions Destruction, is amended—

(1) in the item relating to Pine Bluff Arsenal, Arkansas, by striking out $134,000,000" in the amount column and inserting in lieu thereof "$154,400,000"; and

(2) in the item relating to Umatilla Army Depot, Oregon, by striking out "$187,000,000" in the amount column and inserting in lieu thereof "$193,377,000".

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1990 PROJECT.

(a) Increase.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 100–189; 103 Stat. 1640) is amended in the item relating to Portsmouth Naval Hospital, Virginia, by striking out "$330,000,000" and inserting in lieu thereof "$351,354,000".

(b) Conforming Amendment.—Section 2405(b)(2) of that Act (103 Stat. 1642) is amended by striking out "$321,500,000" and inserting in lieu thereof "$342,854,000".

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1998, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $154,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Modification of authority to carry out fiscal year 1998 project.

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) Authorization of Appropriations.—There are authorized to be appropriated for fiscal years beginning after September 30, 1998, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $142,403,000; and

(B) for the Army Reserve, $102,119,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $31,621,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $169,801,000; and

(B) for the Air Force Reserve, $34,371,000.

(b) ADJUSTMENT.—(1) The amount authorized to be appropriated pursuant to subsection (a)(1)(A) is reduced by $2,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

(2) The amount authorized to be appropriated pursuant to subsection (a)(3)(A) is reduced by $4,000,000, which represents the combination of project savings in military construction resulting from favorable bids, reduced overhead costs, and cancellations due to force structure changes.

SEC. 2602. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1998 PROJECT.

Section 2603 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1983) is amended to read as follows:

"SEC. 2603. ARMY RESERVE CONSTRUCTION PROJECT, SALT LAKE CITY, UTAH.

"With regard to the military construction project for the Army Reserve concerning construction of a reserve center and organizational maintenance shop at an appropriate site in, or in the vicinity of, Salt Lake City, Utah, to be carried out using funds appropriated pursuant to the authorization of appropriations in section 2601(a)(1)(B), the Secretary of the Army shall enter into an agreement with the State of Utah under which the State agrees to provide financial or in-kind contributions in connection with the project.".

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1996 projects.
Sec. 2703. Extension of authorization of fiscal year 1995 project.
Sec. 2704. Effective date.

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2001; or

(2) the date of enactment of an Act authorizing funds for military construction for fiscal year 2002.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before the later of—

(1) October 1, 2001; or

(2) the date of enactment of an Act authorizing funds for fiscal year 2002 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1996 PROJECTS.

(a) EXTENSIONS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 541), authorizations for the projects set forth in the tables in subsection (b), as provided in section 2201, 2202, 2302, or 2601 of that Act, shall remain in effect until October 1, 1999, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1996 Project Authorizations

State	Installation or location	Project	Amount
Puerto Rico	Naval Station Roosevelt Roads	Housing Office.	$710,000
California	Camp Pendleton.	Family Housing Construction (138 units)	$20,000,000

Air Force: Extension of 1996 Project Authorization

State	Installation or location	Project	Amount
Texas	Lackland Air Force Base	Family Housing (67 units)	$6,200,000

Army National Guard: Extension of 1996 Project Authorizations

State	Installation or location	Project	Amount
Mississippi	Camp Shelby.	Multipurpose Range Complex (Phase I)	$5,000,000
Missouri	National Guard Training Site, Jefferson City	Multipurpose Range	$2,236,000

SEC. 2703. EXTENSION OF AUTHORIZATION OF FISCAL YEAR 1995 PROJECT.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3046), the authorization for the project set forth in the table in subsection (b), as provided in section 2201 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1985), shall remain in effect until October 1, 1999, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Navy: Extension of 1995 Project Authorization

State	Installation or location	Project	Amount
Maryland	Indian Head Naval Surface Warfare Center	Denitrification/Acid Mixing Facility	$6,400,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 1998; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Architectural and engineering services and construction design.
Sec. 2802. Expansion of Army overseas family housing lease authority.
Sec. 2803. Definition of ancillary supporting facilities under alternative authority for acquisition and improvement of military housing.
Sec. 2804. Purchase of build-to-lease family housing at Eielson Air Force Base, Alaska.
Sec. 2805. Report relating to improvement of housing for unaccompanied members.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Exceptions to real property transaction reporting requirements for war and certain emergency and other operations.
Sec. 2812. Restoration of Department of Defense lands used by another Federal agency.
Sec. 2813. Outdoor recreation development on military installations for disabled veterans, military dependents with disabilities, and other persons with disabilities.
Sec. 2814. Report on leasing and other alternative uses of non-excess military property.
Sec. 2815. Report on implementation of utility system conveyance authority.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Applicability of property disposal laws to leases at installations to be closed or realigned under base closure laws.
Sec. 2822. Elimination of waiver authority regarding prohibition against certain conveyances of property at Naval Station, Long Beach, California.
Sec. 2823. Payment of stipulated penalties assessed under CERCLA in connection with McClellan Air Force Base, California.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Modification of land conveyance, Army Reserve Center, Youngstown, Ohio.
Sec. 2832. Release of interests in real property, former Kennebec Arsenal, Augusta, Maine.

Sec. 2833. Release, waiver, or conveyance of interests in real property, former Redstone Army Arsenal property, Alabama.
Sec. 2834. Conveyance of utility systems, Lone Star Army Ammunition Plant, Texas.
Sec. 2835. Conveyance of water rights and related interests, Rocky Mountain Arsenal, Colorado, for purposes of acquisition of perpetual contracts for water.
Sec. 2836. Land conveyance, Army Reserve Center, Massena, New York.
Sec. 2837. Land conveyance, Army Reserve Center, Ogdensburg, New York.
Sec. 2838. Land conveyance, Army Reserve Center, Jamestown, Ohio.
Sec. 2839. Land conveyance, Army Reserve Center, Peoria, Illinois.
Sec. 2840. Land conveyance, Army Reserve Center, Bridgton, Maine.
Sec. 2841. Land conveyance, Fort Sheridan, Illinois.
Sec. 2842. Land conveyance, Skaneateles, New York.
Sec. 2843. Land conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana.
Sec. 2844. Land conveyance, Volunteer Army Ammunition Plant, Chattanooga, Tennessee.
Sec. 2845. Land conveyance, Stewart Amy Sub-Post, New Windsor, New York.

PART II—NAVY CONVEYANCES

Sec. 2851. Conveyance of easement, Marine Corps Base, Camp Pendleton, California.
Sec. 2852. Land exchange, Naval Reserve Readiness Center, Portland, Maine.
Sec. 2853. Land conveyance, Naval and Marine Corps Reserve facility, Youngstown, Ohio.
Sec. 2854. Land conveyance, Naval Air Reserve Center, Minneapolis, Minnesota.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. Modification of land conveyance, Eglin Air Force Base, Florida.
Sec. 2862. Modification of land conveyance, Finley Air Force Station, North Dakota.
Sec. 2863. Land conveyance, Lake Charles Air Force Station, Louisiana.
Sec. 2864. Land conveyance, Air Force Housing Facility, La Junta, Colorado.

Subtitle E—Other Matters

Sec. 2871. Modification of authority relating to Department of Defense Laboratory Revitalization Demonstration Program.
Sec. 2872. Repeal of prohibition on joint use of Gray Army Airfield, Fort Hood, Texas, with civil aviation.
Sec. 2873. Modification of demonstration project for purchase of fire, security, police, public works, and utility services from local government agencies.
Sec. 2874. Designation of building containing Navy and Marine Corps Reserve Center, Augusta, Georgia.

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN.

(a) INCREASE IN THRESHOLD FOR NOTICE TO CONGRESS.—Subsection (b) of section 2807 of title 10, United States Code, is amended by striking out "$300,000" and inserting in lieu thereof "$500,000".

(b) AVAILABILITY OF APPROPRIATIONS.—Subsection (d) of that section is amended by striking out "study, planning, design, architectural, and engineering services" and inserting in lieu thereof "architectural and engineering services and construction design".

SEC. 2802. EXPANSION OF ARMY OVERSEAS FAMILY HOUSING LEASE AUTHORITY.

(a) ALTERNATIVE MAXIMUM UNIT AMOUNTS.—Section 2828(e) of title 10, United States Code, is amended—

(1) in paragraph (2), by inserting, ", and the Secretary of the Army may lease not more than 500 units of family housing in Italy," after "family housing in Italy";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following new paragraph (3):

"(3) In addition to the 450 units of family housing referred to in paragraph (1) for which the maximum lease amount is $25,000 per unit per year, the Secretary of the Army may lease not more than 800 units of family housing in Korea subject to that maximum lease amount.".

(b) CONFORMING AMENDMENT.—Paragraph (4) of that section, as redesignated by subsection (a)(2) of this section, is amended by striking out "and (2)" and inserting in lieu thereof ", (2), and (3)".

SEC. 2803. DEFINITION OF ANCILLARY SUPPORTING FACILITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

Section 2871(1) of title 10, United States Code, is amended by inserting after "including" the following: "facilities to provide or support elementary or secondary education,".

SEC. 2804. PURCHASE OF BUILD-TO-LEASE FAMILY HOUSING AT EIELSON AIR FORCE BASE, ALASKA.

(a) AUTHORITY TO PURCHASE.—The Secretary of the Air Force may purchase the entire interest of the developer in the military family housing project at Eielson Air Force Base, Alaska, described in subsection (b) if the Secretary determines that the purchase is in the best economic interests of the Air Force.

(b) DESCRIPTION OF PROJECT.—The military family housing project referred to in this section is the 366-unit military family housing project at Eielson Air Force Base that was constructed by the developer and is being leased by the Secretary under the authority of former subsection (g) of section 2828 of title 10, United States Code (now section 2835 of such title), as added by section 801 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 97 Stat. 782).

(c) PURCHASE PRICE.—The purchase price to be paid by the Secretary under this section for the interest of the developer in the military family housing project may not exceed an amount equal to the amount of the outstanding indebtedness of the developer to the lender for the project that would have remained at the time of the purchase under this section if the developer had paid down its indebtedness to the lender for the project in accordance with the original debt instruments for the project.

(d) TIME FOR PURCHASE.—(1) Subject to paragraph (2), the Secretary may elect to make the purchase authorized by subsection (a) at any time during or after the term of the lease for the military family housing project.

(2) The Secretary may not make the purchase until 30 days after the date on which the Secretary notifies the congressional defense committees of the Secretary's election to make the purchase under paragraph (1).

SEC. 2805. REPORT RELATING TO IMPROVEMENT OF HOUSING FOR UNACCOMPANIED MEMBERS.

(a) REPORT REQUIRED.—(1) Not later than April 1, 1999, the Secretary of Defense shall submit to Congress a report on—

(A) the plans of each of the military departments to improve the condition, suitability, and availability of housing for members of the Armed Forces who are unaccompanied by dependents; and

(B) the costs associated with the implementation of the plans.

(2) The Secretary of Defense shall prepare the report in consultation with the Secretaries of the military departments.

(b) ELEMENTS.—The report under subsection (a) shall include the following:

(1) The plans and programs of each of the military departments to improve housing on military installations for unaccompanied members of the Armed Forces, including an assessment of the requirement, a schedule to implement such plans and programs, and an explanation of the standards used to determine the adequacy, suitability, and availability of housing outside of military installations.

(2) A justification for the initiative to build single occupancy rooms with a shared bath (commonly known as the "1 Plus 1 Initiative"), including—

(A) a description of the manner in which the initiative is designed to enhance the quality of life for enlisted members and the retention of such members in adequate numbers; and

(B) an assessment of the analysis and data used in the justification to implement the initiative.

(3) The cost for each military department of implementing the initiative, including the amount of funds, by fiscal year, authorized and appropriated for military construction and real property maintenance obligated or expended on the improvement of military housing for unaccompanied members beginning on October 1, 1996, and the amount of funds required to be expended to ensure the suitability of such housing for unaccompanied members.

(4) An explanation of the difference in cost between—

(A) upgrading existing military housing to the standard proposed in the initiative; and

(B) rehabilitating such housing within existing standards.

(5) An assessment of the viability and utility of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code, to contribute to the improvement of the condition, suitability, and availability of housing for unaccompanied members, especially members in junior grades.

(6) The views of the Chief of Staff of the Army, the Chief of Naval Operations, the Chief of Staff of the Air Force, the Commandant of the Marine Corps, the Commandant of the Coast Guard, and each of the senior enlisted members of the Armed Forces regarding the initiative referred to in paragraph (2) and regarding any alternatives to the initiative having the potential of enhancing the quality of life for unaccompanied members, improving the readiness of the Armed Forces, and improving the retention of enlisted members in adequate numbers.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. EXCEPTIONS TO REAL PROPERTY TRANSACTION REPORTING REQUIREMENTS FOR WAR AND CERTAIN EMERGENCY AND OTHER OPERATIONS.

(a) EXCEPTIONS.—Section 2662 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(g) EXCEPTIONS FOR TRANSACTIONS FOR WAR AND CERTAIN EMERGENCY AND OTHER OPERATIONS.—(1) The reporting requirement set forth in subsection (a) shall not apply with respect to a real property transaction otherwise covered by that subsection, and the reporting requirement set forth in subsection (e) shall not apply with respect to a real property transaction otherwise covered by that subsection, if the Secretary concerned determines that the transaction is made as a result of any of the following:

"(A) A declaration of war.

"(B) A declaration of a national emergency by the President pursuant to the National Emergencies Act (50 U.S.C. 1601 et seq.).

"(C) A declaration of an emergency or major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

"(D) The use of the militia or the armed forces after a proclamation to disperse under section 334 of this title.

"(E) A contingency operation.

"(2) The reporting requirement set forth in subsection (a) shall not apply with respect to a real property transaction otherwise covered by that subsection if the Secretary concerned determines that—

"(A) an event listed in paragraph (1) is imminent; and

"(B) the transaction is necessary for purposes of preparation for such event.

"(3) Not later than 30 days after entering into a real property transaction covered by paragraph (1) or (2), the Secretary concerned shall submit to the committees named in subsection (a) a report on the transaction. The report shall set forth any facts or information which would otherwise have been submitted in a report on the transaction under subsection (a) or (e), as the case may be, but for the operation of paragraph (1) or (2).".

(b) Stylistic Amendments.—That section is further amended—

(1) in subsection (a), by inserting "General Notice and Wait Requirements.—" after "(a)";

(2) in subsection (b), by inserting "Annual Reports on Certain Minor Transactions.—" after "(b)";

(3) in subsection (c), by inserting "Geographic Scope; Excepted Projects.—" after "(c)";

(4) in subsection (d), by inserting "Statements of Compliance in Transaction Instruments.—" after "(d)";

(5) in subsection (e), by inserting "Notice and Wait Regarding Leases of Space for DoD by GSA.—" after "(e)"; and

(6) in subsection (f), by inserting "Reports on Transactions Involving Intelligence Components.—" after "(f)".

SEC. 2812. RESTORATION OF DEPARTMENT OF DEFENSE LANDS USED BY ANOTHER FEDERAL AGENCY.

(a) Restoration as Term of Agreement.—Section 2691 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) As a condition of any lease, permit, license, or other grant of access entered into by the Secretary of a military department with another Federal agency authorizing the agency to use lands under the control of the Secretary, the Secretary may require the agency to agree to remove any improvements and to take any other action necessary in the judgment of the Secretary to restore the land used by the agency to its condition before its use by the agency.

"(2) In lieu of performing any removal or restoration work under paragraph (1), a Federal agency may elect, with the consent of the Secretary, to reimburse the Secretary for the costs incurred by the military department in performing such removal or restoration work.".

(b) Clerical Amendments.—(1) The heading of such section is amended to read as follows:

"§2691. Restoration of land used by permit or lease".

(2) The table of sections at the beginning of chapter 159 of title 10, United States Code, is amended by striking the item relating to section 2691 and inserting in lieu thereof the following new item:

"2691. Restoration of land used by permit or lease.".

SEC. 2813. OUTDOOR RECREATION DEVELOPMENT ON MILITARY INSTALLATIONS FOR DISABLED VETERANS, MILITARY DEPENDENTS WITH DISABILITIES, AND OTHER PERSONS WITH DISABILITIES.

(a) Access Enhancement.—Section 103 of the Sikes Act (16 U.S.C. 670c) is amended by adding at the end the following new subsections:

"(b) Access for Disabled Veterans, Military Dependents With Disabilities, and Other Persons With Disabilities.—(1) In developing facilities and conducting programs for public outdoor recreation at military installations, consistent with the primary military mission of the installations, the Secretary of Defense shall ensure, to the extent reasonably practicable, that outdoor recreation opportunities (including fishing, hunting, trapping, wildlife viewing, boating, and camping) made available to the public also provide access for persons described in paragraph (2) when topographic, vegetative, and water resources allow access for such persons without substantial modification to the natural environment.

"(2) Persons referred to in paragraph (1) are the following:

"(A) Disabled veterans.

"(B) Military dependents with disabilities.

"(C) Other persons with disabilities, when access to a military installation for such persons and other civilians is not otherwise restricted.

"(3) The Secretary of Defense shall carry out this subsection in consultation with the Secretary of Veterans Affairs, national service, military, and veterans organizations, and sporting organizations in the private sector that participate in outdoor recreation projects for persons described in paragraph (2).

"(c) Acceptance of Donations.—In connection with the facilities and programs for public outdoor recreation at military installations, in particular the requirement under subsection (b) to provide access for persons described in paragraph (2) of such subsection, the Secretary of Defense may accept—

"(1) the voluntary services of individuals and organizations; and

"(2) donations of property, whether real or personal.

"(d) Treatment of Volunteers.—A volunteer under subsection (c) shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

"(1) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, the volunteer shall be considered to be a Federal employee; and

"(2) for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, the volunteer shall be considered to be an employee, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply.".

(b) Conforming Amendment.—Such section is further amended by striking out "SEC. 103." and inserting in lieu thereof the following:

"SEC. 103. PROGRAM FOR PUBLIC OUTDOOR RECREATION.

"(a) Program Authorized.—".

SEC. 2814. REPORT ON LEASING AND OTHER ALTERNATIVE USES OF NON-EXCESS MILITARY PROPERTY.

(a) Report Required.—Not later than March 15, 1999, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report regarding the authority of the military departments and Defense Agencies to lease to the private sector nonexcess real and personal property. The Secretary shall prepare the report in consultation with the Secretaries of the military departments and the Director of the Office of Management and Budget.

(b) Required Elements of Report.—The report shall set forth the following:

(1) The number and purpose of all leases entered into under sections 2667 and 2667a of title 10, United States Code, other than leases under section 2667(f) of that title, during the five-year period ending on the date of the enactment of this Act.

(2) The types and amounts of payments received under the leases specified in paragraph (1) and the costs, if any, foregone as a result of the leases.

(3) An assessment of the positive and negative aspects of leasing real property and surplus capacity at military installations to the private sector, including the potential effect of the use of the leases on force protection and the military functions of the installations.

(4) An assessment of the current efforts of the Department of Defense to identify for the private sector any surplus capacity at military installations that could be leased or otherwise used by the private sector.

(5) An assessment of the proposal of the Secretary of the Air Force to reduce infrastructure costs at Brooks Air Force Base, Texas, using the authority provided in section 2667 of title 10, United States Code, and the proposal of the Secretary of the Navy regarding the potential for development of Ford Island as part of Naval Complex, Pearl Harbor, Hawaii.

(6) An assessment (including an economic analysis) of the ability of the military departments and Defense Agencies to reduce the quantity of real property leased by them through the relocation of activities located in such leased space to property of a military installation, or another Federal agency, that is unutilized or underutilized, while also lowering operational and maintenance costs and minimizing the need for new construction.

(c) Additional Elements of Report.—In the event that the Secretary of Defense considers the authority under section 2667 or 2667a of title 10, United States Code, to be insufficient, the Secretary shall also include in the report—

(1) a proposal for authority to conduct a pilot project based on the assessment made under subsection (b)(5) or for such general legislative authority as the Secretary considers appropriate to enhance the ability of the Department of Defense to utilize surplus capacity at military installations in order to improve military readiness, achieve cost savings with respect to such installations, or decrease the cost of operating such installations;

(2) an estimate of the income that could accrue to the Department of Defense as a result of the implementation of enhanced authority proposed under paragraph (1) during the five-year period beginning on the date of such implementation; and

(3) an assessment of the extent to which any such income should be reserved for the use of the installations exercising such authority and of the extent to which installations would be likely to enter into such leases if they cannot retain such income.

SEC. 2815. REPORT ON IMPLEMENTATION OF UTILITY SYSTEM CONVEYANCE AUTHORITY.

Not later than March 1, 1999, the Secretary of Defense, in consultation with the Secretaries of the military departments, shall submit to Congress a report containing—

(1) the criteria to be used by the Secretary of a military department to select utility systems, and related improvements, easements, and rights-of-way, under the jurisdiction of the Secretary, for conveyance to a municipal, private,

regional, district, or cooperative utility company or other entity under the authority of section 2688 of title 10, United States Code;

(2) an assessment of the need to include, as part of the conveyance authority under such section, authority for the Secretary to convey real property associated with a utility system conveyed under such section; and

(3) a description of the manner in which the Secretary will ensure that any conveyance under such section does not adversely affect the national security of the United States.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. APPLICABILITY OF PROPERTY DISPOSAL LAWS TO LEASES AT INSTALLATIONS TO BE CLOSED OR REALIGNED UNDER BASE CLOSURE LAWS.

Section 2667(f)(1) of title 10, United States Code, is amended by inserting after "subsection (a)(3)" the following: "or the Federal Property and Administrative Services Act of 1949 (to the extent such Act is inconsistent with this subsection)".

SEC. 2822. ELIMINATION OF WAIVER AUTHORITY REGARDING PROHIBITION AGAINST CERTAIN CONVEYANCES OF PROPERTY AT NAVAL STATION, LONG BEACH, CALIFORNIA.

Section 2826 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 2001) is amended by striking out subsection (e).

SEC. 2823. PAYMENT OF STIPULATED PENALTIES ASSESSED UNDER CERCLA IN CONNECTION WITH MCCLELLAN AIR FORCE BASE, CALIFORNIA.

(a) SOURCE OF PAYMENT.—Notwithstanding subsection (b) of section 2906 of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), the Secretary of Defense may use amounts in the Department of Defense Base Closure Account 1990 established under subsection (a) of such section to pay stipulated penalties assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against McClellan Air Force Base, California.

(b) AMOUNT OF PAYMENT.—The amount expended under the authority of subsection (a) may not exceed $15,000.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2831. MODIFICATION OF LAND CONVEYANCE, ARMY RESERVE CENTER, YOUNGSTOWN, OHIO.

Section 2861(b) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 573) is amended by striking out "retain" and all that follows through the period at the end and inserting in lieu thereof "develop the parcel for educational purposes.".

SEC. 2832. RELEASE OF INTERESTS IN REAL PROPERTY, FORMER KENNEBEC ARSENAL, AUGUSTA, MAINE.

(a) AUTHORITY TO RELEASE.—The Secretary of the Army may release, without consideration, all right, title, and interest of the United States in and to the real property described in subsection (b).

(b) COVERED PROPERTY.—The real property referred to in subsection (a) is the parcel of real property consisting of approximately 40 acres located in Augusta, Maine, and formerly known as the Kennebec Arsenal, which parcel was conveyed by the Secretary of War to the State of Maine under the provisions of the Act entitled "An Act Authorizing the Secretary of War to convey the Kennebec Arsenal property, situated in Augusta, Maine, to the State of Maine for public purposes", approved March 3, 1905 (33 Stat. 1270), as amended by section 771 of the Department of Defense Appropriations Act, 1981 (Public Law 96–527; 94 Stat. 3093).

(c) INSTRUMENT OF RELEASE.—The Secretary of the Army shall execute and file in the appropriate office a deed of release, amended deed, or other appropriate instrument effectuating the release of interests authorized by this section.

SEC. 2833. RELEASE, WAIVER, OR CONVEYANCE OF INTERESTS IN REAL PROPERTY, FORMER REDSTONE ARMY ARSENAL PROPERTY, ALABAMA.

(a) RELEASE AUTHORIZED.—The Secretary of the Army may release, without consideration and to such extent as the Secretary considers appropriate to protect the interests of the United States, the reversionary interests of the United States in the real property described in subsection (b), which were retained by the United States when the property was conveyed to the Alabama Space Science Exhibit Commission, an agency of the State of Alabama. The release shall be executed in the manner provided in this section.

(b) DESCRIPTION OF PROPERTY.—The real property referred to in this section is the real property conveyed to the Alabama Space Science Exhibit Commission under the authority of the following provisions of law:

(1) The first section of Public Law 90–276 (82 Stat. 68).

(2) Section 813 of the Military Construction Authorization Act, 1980 (Public Law 96–125; 93 Stat. 952).

(3) Section 813 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 97 Stat. 790).

(c) RELEASE, WAIVER, OR CONVEYANCE OF OTHER RIGHTS, TERMS, AND CONDITIONS.—As part of the release under subsection (a), the Secretary may release, waive, or convey, without consideration and to such extent as the Secretary considers appropriate to protect the interests of the United States—

(1) any and all other rights retained by the United States in and to the real property described in subsection (b) when the property was conveyed to the Alabama Space Science Exhibit Commission; and

(2) any and all terms and conditions and restrictions on the use of the real property imposed as part of the conveyances described in subsection (b).

(d) CONDITIONS ON RELEASE, WAIVER, OR CONVEYANCE.—(1) The Secretary may execute the release under subsection (a) or a release, waiver, or conveyance under subsection (c) only after—

(A) the Secretary approves of the master plan prepared by the Alabama Space Science Exhibit Commission, as such plan may exist or be revised from time to time, for development of the real property described in subsection (b); and

(B) the installation commander at Redstone Arsenal, Alabama, certifies to the Secretary that the release, waiver, or conveyance is consistent with the master plan.

(2) A new facility or structure may not be constructed on the real property described in subsection (b) unless the facility or structure is included in the master plan, which has been approved and certified as provided in paragraph (1).

(e) INSTRUMENT OF RELEASE, WAIVER, OR CONVEYANCE.—In making a release, waiver, or conveyance authorized by this section, the Secretary shall execute and file in the appropriate office or offices a deed of release, amended deed, or other appropriate instrument effectuating the release, waiver, or conveyance.

(f) EFFECT OF RELEASE.—Except as provided in subsection (g), upon release of any reversionary interest under this section, the right, title and interest of the Alabama Space Science Exhibit Commission in and to the real property described in subsection (b) shall, to the extent of the release, no longer be subject to the conditions prescribed in the provisions of law specified in such subsection. Except as provided in subsection (g), the Alabama Space Science Exhibit Commission may use the real property for any such purpose or purposes as it considers appropriate consistent with the master plan approved and certified as provided in subsection (d), and the real property may be conveyed by the Alabama Space Science Exhibit Commission without restriction and unencumbered by any claims or rights of the United States with respect to the property, subject to such rights, terms, and conditions of the United States previously imposed on the real property and not released, waived, or conveyed by the Secretary under subsection (c).

(g) EXCEPTIONS.—(1) Conveyance of the drainage and utility easement reserved to the United States pursuant to section 813(b)(3) of the Military Construction Authorization Act, 1984 (Public Law 98–115; 97 Stat. 791), is not authorized under this section.

(2) In no event may title to any portion of the real property described in subsection (b) be conveyed by the Alabama Space Science Exhibit Commission or any future deed holder of the real property to any person other than an agency, instrumentality, political subdivision, municipal corporation, or public corporation of the State of Alabama. Any deed conveying title to any portion of the real property described in subsection (b) shall restrict the further use of the conveyed property to purposes and uses consistent with the master plan approved and certified as provided in subsection (d), unless otherwise approved by the Secretary.

(3) Paragraph (2) does not prevent the Alabama Space Science Exhibit Commission or any future deed holder of the real property described in subsection (b) from giving a mortgage with respect to any portion of the real property to any person, except that any such mortgage shall provide that the further use of the real property shall be restricted to purposes and uses consistent with the master plan approved and certified as provided in subsection (d), unless otherwise approved by the Secretary.

SEC. 2834. CONVEYANCE OF UTILITY SYSTEMS, LONE STAR ARMY AMMUNITION PLANT, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey all right, title, and interest of the United States in and to any utility system, or part thereof, including any real property associated with such system, at the Lone Star Army Ammunition Plant, Texas, to the redevelopment authority for the Red River Army Depot, Texas, in conjunction with the disposal of property at the Depot under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the redevelopment authority shall pay to the United States an amount equal to the fair market value of the conveyed utility system and any real property conveyed as part of the conveyance, as determined by an independent appraisal satisfactory to the Secretary and paid for by the redevelopment authority.

(c) RULE OF CONSTRUCTION.—Nothing in subsection (a) may be construed to prohibit or otherwise limit the Secretary from conveying any utility system referred to in that subsection under any other provision of law, including section 2688 of title 10, United States Code.

(d) UTILITY SYSTEM DEFINED.—In this section, the term "utility system" has the meaning given that term in section 2688(g) of title 10, United States Code.

SEC. 2835. CONVEYANCE OF WATER RIGHTS AND RELATED INTERESTS, ROCKY MOUNTAIN ARSENAL, COLORADO, FOR PURPOSES OF ACQUISITION OF PERPETUAL CONTRACTS FOR WATER.

(a) CONVEYANCE AUTHORIZED.—Subject to subsection (c), the Secretary of the Army may convey any and all interest of the United States in the water rights and related rights at Rocky Mountain Arsenal, Colorado, described in subsection (b) to the City and County of Denver, Colorado, acting through its Board of Water Commissioners.

(b) COVERED WATER RIGHTS AND RELATED RIGHTS.—The water rights and related rights authorized to be conveyed under subsection (a) are the following:

(1) Any and all interest in 300 acre rights to water from Antero Reservoir as set forth in Antero Reservoir Contract No. 382 dated August 22, 1923, for 160 acre rights; Antero Reservoir Contract No. 383 dated August 22, 1923, for 50 acre rights; Antero Reservoir Contract No. 384 dated October 30, 1923, for 40 acre rights; Antero Reservoir Contract No. 387 dated March 3, 1923, for 50 acre rights; and Supplemental Contract No. 382–383–384–387 dated July 24, 1932, defining the amount of water to be delivered under the 300 acre rights in the prior contracts as 220 acre feet.

(2) Any and all interest in the 305 acre rights of water from the High Line Canal, diverted at its headgate on the South Platte River and delivered to the Fitzsimons Army Medical Center and currently subject to cost assessments pursuant to Denver Water Department contract #001990.

(3) Any and all interest in the 2,603.55 acre rights of water from the High Line Canal, diverted at its headgate on the South Platte River and delivered to the Rocky Mountain Arsenal in Adams County, Colorado, and currently subject to cost assessments by the Denver Water Department, including 680 acre rights transferred from Lowry Field to the Rocky Mountain Arsenal by the October 5, 1943, agreement between the City and County of Denver, acting by and through its Board of Water Commissioners, and the United States of America.

(4) Any and all interest in 4,058.34 acre rights of water not currently subject to cost assessments by the Denver Water Department.

(5) A new easement for the placement of water lines approximately 50 feet wide inside the Southern boundary of Rocky Mountain Arsenal and across the Reserve Center along the northern side of 56th Avenue.

(6) A permanent easement for utilities where Denver has an existing temporary easement near the southern and western boundaries of Rocky Mountain Arsenal.

(c) CONSIDERATION.—(1) The Secretary of the Army may make the conveyance under subsection (a) only if the Board of Water Commissioners, on behalf of the City and County of Denver, Colorado—

(A) enters into a permanent contract with the Secretary of the Army for purposes of ensuring the delivery of nonpotable water and potable water to Rocky Mountain Arsenal; and

(B) enters into a permanent contract with the Secretary of the Interior for purposes of ensuring the delivery of nonpotable water and potable water to Rocky Mountain Arsenal National Wildlife Refuge, Colorado.

(2) Section 2809(e) of title 10, United States Code, shall not operate to limit the term of the contract entered into under paragraph (1)(A).

(d) REQUIREMENT RELATING TO CONVEYANCE.—The Secretary of the Army may not make the conveyance authorized by subsection (a) until the execution of the proposed agreement provided for under subsection (c) between the City and County of Denver, Colorado, acting through its Board of Water Commissioners, the South Adams County Water and Sanitation District, the United States Fish and Wildlife Service, and the Army.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. LAND CONVEYANCE, ARMY RESERVE CENTER, MASSENA, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Village of Massena, New York (in this section referred to as the "Village"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of the Army Reserve Center in Massena, New York, for the purpose of permitting the Village to develop the parcel for public benefit, including the development of municipal office space.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Village.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND CONVEYANCE, ARMY RESERVE CENTER, OGDENSBURG, NEW YORK.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Ogdensburg, New York (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of the Army Reserve Center in Ogdensburg, New York, for the purpose of permitting the City to develop the parcel for public benefit, including the development of municipal office space.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2838. LAND CONVEYANCE, ARMY RESERVE CENTER, JAMESTOWN, OHIO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Greeneview Local School District of Jamestown, Ohio, all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 5693 Plymouth Road in Jamestown, Ohio, and contains an Army Reserve Center, for the purpose of permitting the Greeneview Local School District to retain and use the conveyed property for educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Greeneview Local School District.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, ARMY RESERVE CENTER, PEORIA, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Peoria School District #150 of Peoria, Illinois (in this section referred to as the "School District"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of the Army Reserve Center located at 1429 Northmoor Road in Peoria, Illinois, for the purpose of permitting the School District to develop the parcel for educational and transportation purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the School District.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2840. LAND CONVEYANCE, ARMY RESERVE CENTER, BRIDGTON, MAINE.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Town of Bridgton, Maine (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 3.65 acres and containing the Army Reserve Center in Bridgton, Maine, for the purpose of permitting the Town to develop the parcel for public benefit, including the development of municipal office space.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(c) Reversionary Interest.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2841. LAND CONVEYANCE, FORT SHERIDAN, ILLINOIS.

(a) Conveyance Authorized.—The Secretary of the Army may convey to the City of Lake Forest, Illinois (in this section referred to as the "City"), all right, title, and interest, of the United States in and to all or some portion of the parcel of real property, including improvements thereon, at the former Fort Sheridan, Illinois, consisting of approximately 14 acres and known as the northern Army Reserve enclave area.

(b) Consideration.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to not less than the fair market value of the real property to be conveyed, as determined by the Secretary.

(c) Use of Proceeds.—In such amounts as are provided in advance in appropriations Acts, the Secretary may use the funds paid by the City under subsection (b) to provide for the construction of replacement facilities and for the relocation costs for Reserve units and activities affected by the conveyance.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) Notice and Wait.—The Secretary may not make the conveyance authorized by subsection (a) until 21 days after the date on which the Secretary submits to the congressional defense committees a certification that the relocation of the Reserve units and activities affected by the conveyance is consistent with an approved master plan for the consolidation of Reserve activities in, or in the vicinity of, Chicago, Illinois.

(f) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2842. LAND CONVEYANCE, SKANEATELES, NEW YORK.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Town of Skaneateles, New York (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 147.10 acres in Skaneateles, New York, and commonly known as the "Federal Farm", for the purpose of permitting the Town to develop the parcel for public benefit, including for recreational purposes.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(c) Reversionary Interest.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 2843. LAND CONVEYANCE, INDIANA ARMY AMMUNITION PLANT, CHARLESTOWN, INDIANA.

(a) Conveyance Authorized.—The Secretary of the Army may convey to the Indiana Army Ammunition Plant Reuse Authority (in this section referred to as the "Reuse Authority") all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4660 acres located at the Indiana Army Ammunition Plant, Charlestown, Indiana, for the purpose of developing the parcel as an industrial park to replace all or part of the economic activity lost at the inactivated plant.

(b) Consideration.—Except as provided in subsection (d), as consideration for the conveyance under subsection (a), the Reuse Authority shall pay to the Secretary an amount equal to the fair market value of the conveyed property as of the time of the conveyance, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(c) Time for Payment.—The consideration required under subsection (b) shall be paid by the Reuse Authority at the end of the 10-year period beginning on the date on which the conveyance under subsection (a) is completed.

(d) Effect of Reconveyance or Lease.—(1) If, during the 10-year period specified in subsection (c), the Reuse Authority reconveys all or any part of the property conveyed under subsection (a), the Reuse Authority shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the Reuse Authority, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(2) The Secretary may treat a lease of the property within such 10-year period as a reconveyance if the Secretary determines that the lease is being used to avoid application of paragraph (1).

(e) Deposit of Proceeds.—The Secretary shall deposit any proceeds received under subsection (b) or (d) in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(f) Administrative Expenses.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the Reuse Authority or other persons to cover administrative expenses incurred by the Secretary in making the conveyance. Amounts received under this subsection for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(g) Description of Property.—The property to be conveyed under subsection (a) includes the administrative area of the Indiana Army Ammunition Plant as well as open space in the southern end of the plant. The exact acreage and legal description of the property to be conveyed shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Reuse Authority.

(h) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

(i) Additional Conveyance for Recreational Purposes.—Section 2858(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106; 110 Stat. 571), as amended by section 2838 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105-85; 111 Stat. 2006), is further amended by adding at the end the following new paragraph:

"(3) The Secretary may also convey to the State, without consideration, another parcel of real property at the Indiana Army Ammunition Plant consisting of approximately 2,000 acres of additional riverfront property in order to connect the parcel conveyed under paragraph (2) with the parcels of Charlestown State Park conveyed to the State under paragraph (1) and title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).".

SEC. 2844. LAND CONVEYANCE, VOLUNTEER ARMY AMMUNITION PLANT, CHATTANOOGA, TENNESSEE.

(a) Conveyance Authorized.—The Secretary of the Army may convey to Hamilton County, Tennessee (in this section referred to as the "County"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 1033 acres located at the Volunteer Army Ammunition Plant, Chattanooga, Tennessee, for the purpose of developing the parcel as an industrial park to replace all or part of the economic activity lost at the inactivated plant.

(b) Consideration.—Except as provided in subsection (d), as consideration for the conveyance under subsection (a), the County shall pay to the Secretary an amount equal to the fair market value of the conveyed property as of the time of the conveyance, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(c) Time for Payment.—The consideration required under subsection (b) shall be paid by

the County at the end of the 10-year period beginning on the date on which the conveyance under subsection (a) is completed.

(d) Effect of Reconveyance or Lease.—(1) If the County reconveys all or any part of the conveyed property during the 10-year period specified in subsection (c), the County shall pay to the United States an amount equal to the fair market value of the reconveyed property as of the time of the reconveyance, excluding the value of any improvements made to the property by the County, determined by the Secretary in accordance with Federal appraisal standards and procedures.

(2) The Secretary may treat a lease of the property within such 10-year period as a reconveyance if the Secretary determines that the lease is being used to avoid application of paragraph (1).

(e) Deposit of Proceeds.—The Secretary shall deposit any proceeds received under subsection (b) or (d) in the special account established pursuant to section 204(h)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)(2)).

(f) Effect on Existing Leases.—The conveyance of the real property under subsection (a) shall not affect the terms or length of any contract entered into by the Secretary before the date of the enactment of this Act with regard to the property to be conveyed.

(g) Administrative Expenses.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the County or other persons to cover administrative expenses incurred by the Secretary in making the conveyance. Amounts received under this subsection for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund, or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(h) Description of Property.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(i) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2845. LAND CONVEYANCE, STEWART ARMY SUB-POST, NEW WINDSOR, NEW YORK.

(a) Conveyance Authorized.—The Secretary of the Army may convey, without consideration, to the Town of New Windsor, New York (in this section referred to as the "Town"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 291 acres at the Stewart Army Sub-Post in New Windsor, New York, for the purpose of permitting the Town to develop the parcel for economic purposes.

(b) Exclusion.—The real property to be conveyed under subsection (a) does not include any portion of the approximately 89.2-acre parcel at Stewart Army Sub-Post that is proposed for transfer to the jurisdiction and control of the Marine Corps or the approximately 22-acre parcel at Stewart Army Sub-Post that is proposed for transfer to the jurisdiction and control of the Army Reserve.

(c) Conditions of Conveyance.—The conveyance authorized by subsection (a) may only be made subject to the following conditions:

(1) The Town must agree to provide connections to the local wastewater and sewage treatment system for all existing and future improvements to the parcels of real property referred to in subsection (b).

(2) The Town must agree to provide wastewater and sewage treatment service to such parcels at a rate established by the appropriate Federal or State regulatory authority.

(d) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Town.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2851. CONVEYANCE OF EASEMENT, MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA.

(a) Easement Authorized.—The Secretary of the Navy may grant an easement, in perpetuity, to the Foothill/Eastern Transportation Corridor Agency (in this section referred to as the "Agency") over a parcel of real property at Marine Corps Base, Camp Pendleton, California, consisting of approximately 340 acres to permit the recipient of the easement to construct, operate, and maintain a restricted access highway. The area covered by the easement shall include slopes and all necessary incidents thereto.

(b) Consideration.—As consideration for the grant of an easement under subsection (a), the Agency shall pay to the United States an amount equal to the fair market value of the easement, as determined by an independent appraisal satisfactory to the Secretary and paid for by the Agency.

(c) Use of Proceeds.—In such amounts as are provided in advance in appropriation Acts, the Secretary shall use the funds paid by the Agency under subsection (b) to carry out one or more of the following programs at Camp Pendleton:

(1) Enhancement of access from Red, White, and Green Beaches under Interstate Route 5 and railroad crossings to inland areas.

(2) Improvement of roads and bridge structures in the range and training area.

(3) Realignment of Basilone Road.

(d) Description of Property.—The exact acreage and legal description of the easement to be granted under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Agency.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the grant of an easement under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2852. LAND EXCHANGE, NAVAL RESERVE READINESS CENTER, PORTLAND, MAINE.

(a) Conveyance Authorized.—(1) The Secretary of the Navy may convey to the Gulf of Maine Aquarium Development Corporation, Portland, Maine (in this section referred to as the "Corporation"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 3.72 acres in Portland, Maine, and containing the Naval Reserve Readiness Center, Portland, Maine, for the purpose of permitting the Corporation to use the parcel for economic development and as the site for an aquarium and marine research facility.

(2) As part of the conveyance under paragraph (1), the Secretary shall also convey to the Corporation any interest of the United States in the submerged lands adjacent to the real property conveyed under that paragraph that is appurtenant to the real property conveyed under that paragraph.

(b) Provision of Replacement Facilities.—As consideration for the conveyance authorized by subsection (a), the Corporation shall design and construct such facilities as the Secretary determines appropriate for the Naval Reserve to replace the facilities conveyed under that subsection.

(c) Location of Replacement Facilities.—(1) To provide a location for the replacement facilities required under subsection (b), the Corporation shall—

(A) convey to the United States all right, title, and interest in and to a parcel of real property determined by the Secretary to be an appropriate location for such facilities; or

(B) design and construct such facilities on such parcel of real property under the jurisdiction of the Secretary as the Secretary shall specify.

(2) The Secretary shall select the alternative provided under paragraph (1) to be used by the Corporation.

(d) Notice and Wait.—The Secretary may not make the conveyance authorized by subsection (a) until 21 days after the date on which the Secretary submits to the congressional defense committees a report specifying the terms and conditions under which the conveyance will occur.

(e) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a)(1), of any interest to be conveyed under subsection (a)(2), and of the real property, if any, to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Corporation.

(f) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2853. LAND CONVEYANCE, NAVAL AND MARINE CORPS RESERVE FACILITY, YOUNGSTOWN, OHIO.

(a) Conveyance Authorized.—The Secretary of the Navy may convey, without consideration, to the City of Youngstown, Ohio (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 315 East Laclede Avenue in Youngstown, Ohio, and is the location of a Naval and Marine Corps Reserve facility, for the purpose of permitting the City to use the parcel for educational purposes.

(b) Description of Property.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) Reversionary Interest.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms

and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2854. LAND CONVEYANCE, NAVAL AIR RESERVE CENTER, MINNEAPOLIS, MINNESOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota (in this section referred to as the "Commission"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 32 acres located in Minneapolis, Minnesota, and comprising the Naval Air Reserve Center, Minneapolis, Minnesota, for the purpose of facilitating the expansion of the Minneapolis-St. Paul International Airport.

(b) ALTERNATIVE LEASE AUTHORITY.—In lieu of the conveyance authorized by subsection (a), the Secretary may elect to lease the property referred to in that subsection to the Commission if the Secretary determines that a lease of the property would better serve the interests of the United States.

(c) PROVISION OF REPLACEMENT FACILITIES.—As consideration for the conveyance under subsection (a), or the lease under subsection (b), the Commission shall—

(1) provide for such facilities as the Secretary considers appropriate for the Naval Reserve to replace the facilities conveyed or leased under this section;

(2) assume the costs of designing and constructing such replacement facilities, as may be acceptable to the Secretary; and

(3) assume any costs incurred by the Secretary in relocating the operations of the Naval Air Reserve Center to such replacement facilities.

(d) LOCATION OF REPLACEMENT FACILITIES.—To provide a location for the replacement facilities required under subsection (c), the Commission may—

(1) convey to the United States all right, title, and interest in and to a parcel of real property determined by the Secretary to be an appropriate location for such facilities, if the Secretary elects to make the conveyance authorized by subsection (a); or

(2) lease to the United States a parcel of real property determined by the Secretary to be an appropriate location for such facilities, if the Secretary elects to make the lease authorized by subsection (b).

(e) AVAILABILITY OF REPLACEMENT FACILITIES.—The Secretary may not make the conveyance authorized by subsection (a), or enter into the lease authorized by subsection (b), until the replacement facilities required by subsection (c) are available for the relocation of the operations of the Naval Air Reserve Center.

(f) AGREEMENT RELATING TO CONVEYANCE.—(1) If the Secretary determines to proceed with the conveyance authorized by subsection (a), or the lease authorized by subsection (b), the Secretary and the Commission shall enter into an agreement specifying the terms and conditions under which the conveyance or lease will occur.

(2) The Secretary may not enter into the agreement under paragraph (1) until 21 days after the date on which the Secretary submits to the congressional defense committees a report specifying the terms and conditions under which the conveyance or lease will occur.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed to the Commission under subsection (a), or leased to the Commission under subsection (b), and the exact acreage and legal description of the real property to be conveyed or leased under subsection (d) to the United States, shall be determined by surveys satisfactory to the Secretary. The cost of the surveys shall be borne by the Commission.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a), or the lease under subsection (b), as the Secretary considers appropriate to protect the interests of the United States.

PART III—AIR FORCE CONVEYANCES

SEC. 2861. MODIFICATION OF LAND CONVEYANCE, EGLIN AIR FORCE BASE, FLORIDA.

Section 809(c) of the Military Construction Authorization Act, 1979 (Public Law 95–356; 92 Stat. 587), as amended by section 2826 of the Military Construction Authorization Act, 1989 (division B of Public Law 100–456; 102 Stat. 2123), is further amended by striking out "and a third parcel containing forty-two acres" and inserting in lieu thereof ", a third parcel containing forty-two acres, a fourth parcel containing approximately 3.43 acres, and a fifth parcel containing approximately 0.56 acres".

SEC. 2862. MODIFICATION OF LAND CONVEYANCE, FINLEY AIR FORCE STATION, NORTH DAKOTA.

Section 2835 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3063) is amended—

(1) by striking out subsections (a), (b), and (c) and inserting in lieu thereof the following new subsections:

"(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the City of Finley, North Dakota (in this section referred to as the 'City'), all right, title, and interest of the United States in and to the parcels of real property, including improvements thereon, in the vicinity of Finley, North Dakota, described in subsection (b), for the purpose of permitting the City to use the parcels for economic development.

"(b) COVERED PARCELS.—The parcels of real property authorized for conveyance under subsection (a) are as follows:

"(1) A parcel of approximately 14 acres that served as the support complex of the Finley Air Force Station and Radar Site.

"(2) A parcel of approximately 57 acres known as the Finley Air Force Station Complex.

"(3) A parcel of approximately 6 acres that includes a well site and wastewater treatment system.

"(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing."; and

(2) in subsections (d) and (e), by striking out "subsection (a)(1)" and inserting in lieu thereof "subsection (a)".

SEC. 2863. LAND CONVEYANCE, LAKE CHARLES AIR FORCE STATION, LOUISIANA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to McNeese State University of Louisiana (in this section referred to as the "University"), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.38 acres at Lake Charles Air Force Station, Louisiana, for the purpose of permitting the University to use the parcel for educational purposes and agricultural research.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the University.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2864. LAND CONVEYANCE, AIR FORCE HOUSING FACILITY, LA JUNTA, COLORADO.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the City of La Junta, Colorado (in this section referred to as the "City"), all right, title, and interest of the United States in and to the unused Air Force housing facility, consisting of approximately 28 acres and improvements thereon, located within the southern-most boundary of the City, for the purpose of permitting the City to develop the conveyed property for housing and educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) REVERSIONARY INTEREST.—During the five-year period beginning on the date the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed real property is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2871. MODIFICATION OF AUTHORITY RELATING TO DEPARTMENT OF DEFENSE LABORATORY REVITALIZATION DEMONSTRATION PROGRAM.

(a) PROGRAM REQUIREMENTS.—Subsection (c) of section 2892 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 590; 10 U.S.C. 2805 note) is amended to read as follows:

"(c) PROGRAM REQUIREMENTS.—(1) Not later than 30 days before commencing the program, the Secretary shall establish procedures for the review and approval of requests from Department of Defense laboratories for construction under the program.

"(2) The laboratories at which construction may be carried out under the program may not include Department of Defense laboratories that are contractor-owned.".

(b) Report.—Subsection (d) of that section is amended to read as follows:

"(d) Report.—Not later than February 1, 2003, the Secretary shall submit to Congress a report on the program. The report shall include the Secretary's conclusions and recommendation regarding the desirability of making the authority set forth under subsection (b) permanent.".

(c) Extension.—Subsection (g) of that section is amended by striking out "September 30, 1998" and inserting in lieu thereof "September 30, 2003".

SEC. 2872. REPEAL OF PROHIBITION ON JOINT USE OF GRAY ARMY AIRFIELD, FORT HOOD, TEXAS, WITH CIVIL AVIATION.

Section 319 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99–661; 100 Stat. 3855) is repealed.

SEC. 2873. MODIFICATION OF DEMONSTRATION PROJECT FOR PURCHASE OF FIRE, SECURITY, POLICE, PUBLIC WORKS, AND UTILITY SERVICES FROM LOCAL GOVERNMENT AGENCIES.

Section 816 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2820), as amended by section 352 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2491), is further amended—

(1) in subsection (a), by striking out ", beginning October 1, 1994,";

(2) in subsection (b), by striking out "and 1998" and inserting in lieu thereof "through 2000"; and

(3) by adding at the end the following new subsection:

"(c) Duration of Project.—The authority to purchase or receive services under the demonstration project shall expire on September 30, 2000.".

SEC. 2874. DESIGNATION OF BUILDING CONTAINING NAVY AND MARINE CORPS RESERVE CENTER, AUGUSTA, GEORGIA.

The building containing the Navy and Marine Corps Reserve Center located at 2869 Central Avenue in Augusta, Georgia, shall be known and designated as the "A. James Dyess Building".

TITLE XXIX—JUNIPER BUTTE RANGE WITHDRAWAL

Sec. 2901. Short title.
Sec. 2902. Withdrawal and reservation.
Sec. 2903. Map and legal description.
Sec. 2904. Agency agreement.
Sec. 2905. Right-of-way grants.
Sec. 2906. Indian sacred sites.
Sec. 2907. Actions concerning ranching operations in withdrawn area.
Sec. 2908. Management of withdrawn and reserved lands.
Sec. 2909. Integrated natural resource management plan.
Sec. 2910. Memorandum of understanding.
Sec. 2911. Maintenance of roads.
Sec. 2912. Management of withdrawn and acquired mineral resources.
Sec. 2913. Hunting, fishing, and trapping.
Sec. 2914. Water rights.
Sec. 2915. Duration of withdrawal.
Sec. 2916. Environmental remediation of relinquished withdrawn lands or upon termination of withdrawal.
Sec. 2917. Delegation of authority.
Sec. 2918. Hold harmless.
Sec. 2919. Authorization of appropriations.

SEC. 2901. SHORT TITLE.

This title may be cited as the "Juniper Butte Range Withdrawal Act".

SEC. 2902. WITHDRAWAL AND RESERVATION.

(a) Withdrawal.—Subject to valid existing rights and except as otherwise provided in this title, the lands at the Juniper Butte Range, Idaho, referred to in subsection (c), are withdrawn from all forms of appropriation under the public land laws, including the mining laws and the mineral and geothermal leasing laws but not the Act of July 31, 1947 (commonly known as the Materials Act of 1947; 30 U.S.C. 601 et seq.).

(b) Reserved Uses.—The lands withdrawn under subsection (a) are reserved for use by the Secretary of the Air Force for—

(1) a high hazard training area;

(2) dropping non-explosive training ordnance with spotting charges;

(3) electronic warfare and tactical maneuvering and air support; and

(4) other defense-related purposes consistent with the purposes specified in paragraphs (1), (2), and (3), including continued natural resource management and environmental remediation in accordance with section 2916.

(c) Site Development Plans.—(1) Site development plans shall be prepared before construction.

(2) Site development plans shall be incorporated in the integrated natural resource management plan developed under section 2909.

(3) Except in the case of any minimal improvements, development on the withdrawn lands of any facilities beyond those proposed and analyzed in the Environmental Impact Statement concerning Enhanced Training in Idaho, prepared by the Secretary of the Air Force, the Record of Decision dated March 10, 1998, concerning Enhanced Training in Idaho, prepared by the Secretary of the Air Force, and the site development plans shall be contingent upon review and approval of the Idaho State Director of the Bureau of Land Management.

(d) General Description.—(1) The public lands withdrawn and reserved by this section comprise approximately 11,300 acres of public land in Owhyee County, Idaho, as generally depicted on the map entitled "Juniper Butte Range Withdrawal—Proposed", dated June 1998, that will be filed in accordance with section 2903.

(2) The withdrawal is for an approximately 10,600-acre tactical training range, a 640-acre no-drop target site, four 5-acre no-drop target sites and nine 1-acre electronic threat emitter sites.

SEC. 2903. MAP AND LEGAL DESCRIPTION.

(a) In General.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior shall—

(1) publish in the Federal Register a notice containing the legal description of the lands withdrawn and reserved by this title; and

(2) file a map or maps and the legal description of the lands withdrawn and reserved by this title with the Committee on Energy and Natural Resources of the Senate and with the Committee on Resources of the House of Representatives.

(b) Incorporation by Reference.—Such maps and legal description shall have the same force and effect as if included in this title.

(c) Correction of Errors.—The Secretary of the Interior may correct clerical and typographical errors in such map or maps and legal description.

(d) Availability.—Copies of such map or maps and the legal description shall be available for public inspection in the following offices:

(1) The office of the Idaho State Director of the Bureau of Land Management.

(2) The offices of the managers of the Lower Snake River District, Bureau Field Office and Jarbidge Field Office of the Bureau of Land Management.

(3) The Office of the commander of Mountain Home Air Force Base, Idaho.

(e) Utilization of Air Force Descriptions and Maps.—To the extent practicable, the Secretary of the Interior shall adopt the legal description and maps prepared by the Secretary of the Air Force in support of this title.

(f) Reimbursement of Costs.—The Secretary of the Air Force shall reimburse the Secretary of the Interior for the costs incurred by the Department of the Interior in implementing this section.

SEC. 2904. AGENCY AGREEMENT.

(a) Findings.—Congress makes the following findings:

(1) The Bureau of Land Management and the Air Force have agreed upon additional mitigation measures associated with this land withdrawal as specified in the "ENHANCED TRAINING IN IDAHO Memorandum of Understanding Between The Bureau of Land Management and The United States Air Force" dated June 11, 1998.

(2) This agreement specifies that these mitigation measures will be adopted as part of the Air Force's Record of Decision for Enhanced Training in Idaho.

(3) Congress endorses this collaborative effort between the agencies and directs that the agreement be implemented.

(b) Modification.—The parties may, in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), mutually agree to modify the mitigation measures specified in the agreement in light of experience gained through the actions called for in the agreement or as a result of changed military circumstances.

(c) Construction.—Neither the agreement, any modification thereof, nor this section creates any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by a party against the United States, its agencies, its officers, or any person.

SEC. 2905. RIGHT-OF-WAY GRANTS.

In addition to the withdrawal under section 2902 and in accordance with all applicable laws, the Secretary of the Interior shall process and grant the Secretary of the Air Force rights-of-way using the Department of the Interior regulations and policies in effect at the time of filing applications for the one-quarter acre electronic warfare threat emitter sites, roads, powerlines, and other ancillary facilities as described and analyzed in the Enhanced Training in Idaho Final Environmental Impact Statement, dated January 1998.

SEC. 2906. INDIAN SACRED SITES.

(a) Management.—(1) In the management of the Federal lands withdrawn and reserved by this title, the Air Force shall, to the extent practicable and not clearly inconsistent with essential agency functions—

(A) accommodate access to and ceremonial use of Indian sacred sites by Indian religious practitioners; and

(B) avoid adversely affecting the integrity of such sacred sites.

(2) The Secretary of the Air Force shall maintain the confidentiality of such sites where appropriate.

(b) Consultation.—The commander of Mountain Home Air Force Base, Idaho, shall regularly consult with the Tribal Chairman of the Shoshone-Paiute Tribes of the Duck Valley Reservation to assure that tribal government rights and concerns are fully considered during the development of the Juniper Butte Range.

(c) Definitions.—In this section:

(1) The term "sacred site" shall mean any specific, discrete, narrowly delineated location on Federal land that is identified by an Indian tribe, or Indian individual determined to be an appropriately authoritative representative of an Indian religion, as sacred by virtue of its established religious significance to, or ceremonial use by, an Indian religion but only to the extent that the tribe or appropriately authoritative representative of an Indian religion has informed the Air Force of the existence of such a site.

(2) The term "Indian tribe" means an Indian or Alaska Native tribe, band, nation, pueblo, village, or community that the Secretary of the Interior acknowledges to exist as an Indian tribe pursuant to the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a–1).

(3) The term "Indian" refers to a member of an Indian tribe.

SEC. 2907. ACTIONS CONCERNING RANCHING OPERATIONS IN WITHDRAWN AREA.

(a) AUTHORITY TO CONCLUDE AND IMPLEMENT AGREEMENTS.—The Secretary of the Air Force is authorized and directed to, upon such terms and conditions as the Secretary of the Air Force considers just and in the national interest, conclude and implement agreements with the grazing permittees to provide appropriate consideration, including future grazing arrangements.

(b) IMPLEMENTATION.—(1) Upon the conclusion of these agreements, the Assistant Secretary of the Interior for Land and Minerals Management shall grant rights-of-way and approvals and take such actions as are necessary to implement promptly this title and the agreements with the grazing permittees.

(2) The Secretary of the Air Force and the Secretary of the Interior shall allow the grazing permittees for lands withdrawn and reserved by this title to continue their activities on the lands in accordance with the permits and their applicable regulations until the Secretary of the Air Force has fully implemented the agreement with the grazing permittees under this section.

(3) Upon the implementation of these agreements, the Bureau of Land Management is authorized and directed, subject to the limitations included in this section, to terminate grazing on the lands withdrawn.

SEC. 2908. MANAGEMENT OF WITHDRAWN AND RESERVED LANDS.

(a) IN GENERAL.—Except as provided in section 2916(d), during the withdrawal and reservation of any lands under this title, the Secretary of the Air Force shall manage such lands for purposes relating to the uses set forth in section 2902(b).

(b) MANAGEMENT ACCORDING TO PLAN.—The lands withdrawn and reserved by this title shall be managed in accordance with the provisions of this title under the integrated natural resources management plan prepared under section 2909.

(c) AUTHORITY TO CLOSE LAND.—(1) If the Secretary of the Air Force determines that military operations, public safety, or the interests of national security require the closure to public use of any road, trail, or other portion of the lands withdrawn by this title that are commonly in public use, the Secretary of the Air Force may take such action.

(2) Closures under paragraph (1) shall be limited to the minimum areas and periods required for the purposes specified in this subsection.

(3) During closures, the Secretary of the Air Force shall keep appropriate warning notices posted and take appropriate steps to notify the public about the closures.

(d) LEASE AUTHORITY.—The Secretary of the Air Force may enter into leases for State lands with the State of Idaho in support of the Juniper Butte Range and operations at the Juniper Butte Range.

(e) PREVENTION AND SUPPRESSION OF FIRE.—(1) The Secretary of the Air Force shall take appropriate precautions to prevent and suppress brush fires and range fires that occur within the boundaries of the Juniper Butte Range, as well as brush and range fires occurring outside the boundaries of the Range resulting from military activities.

(2) Notwithstanding section 2465 of title 10, United States Code, the Secretary of the Air Force may obligate funds appropriated or otherwise available to the Secretary to enter into contracts for fire-fighting.

(3)(A) The memorandum of understanding under section 2910 shall provide for the Bureau of Land Management to assist the Secretary of the Air Force in the suppression of the fires described in paragraph (1).

(B) The memorandum of understanding shall provide that the Secretary of the Air Force reimburse the Bureau of Land Management for any costs incurred by the Bureau of Land Management under this paragraph.

(f) USE OF MINERAL MATERIALS.—Notwithstanding any other provision of this title or the Act of July 31, 1947 (commonly known as the Materials Act of 1947; 30 U.S.C. 601 et seq.), the Secretary of the Air Force may use, from the lands withdrawn and reserved by this title, sand, gravel, or similar mineral material resources of the type subject to disposition under the Act of July 31, 1947, when the use of such resources is required for construction needs of the Juniper Butte Range.

SEC. 2909. INTEGRATED NATURAL RESOURCE MANAGEMENT PLAN.

(a) REQUIREMENT.—(1)(A) Not later than 2 years after the date of the enactment of this Act, the Secretary of the Air Force shall, in cooperation with the Secretary of the Interior, the State of Idaho, and Owyhee County, Idaho, develop an integrated natural resources management plan to address the management of the resources of the lands withdrawn and reserved by this title during their withdrawal and reservation under this title.

(B) Additionally, the integrated natural resource management plan shall address mitigation and monitoring activities by the Air Force for State and Federal lands affected by military training activities associated with the Juniper Butte Range.

(C) The foregoing will be done cooperatively between the Air Force, the Bureau of Land Management, the State of Idaho, and Owyhee County, Idaho.

(2) Except as otherwise provided under this title, the integrated natural resources management plan under this section shall be developed in accordance with, and meet the requirements of, section 101 of the Sikes Act (16 U.S.C. 670a).

(3)(A) Site development plans shall be prepared before construction of facilities.

(B) Such plans shall be reviewed by the Bureau of Land Management, for Federal lands, and the State of Idaho, for State lands, for consistency with the proposal assessed in the Enhanced Training in Idaho Environmental Impact Statement.

(C) The portion of such development plans describing reconfigurable or replacement targets may be conceptual.

(b) ELEMENTS.—The integrated natural resources management plan under subsection (a) shall—

(1) include provisions for the proper management and protection of the natural, cultural, and other resources and values of the lands withdrawn and reserved by this title and for the use of such resources in a manner consistent with the uses set forth in section 2902(b);

(2) permit livestock grazing at the discretion of the Secretary of the Air Force in accordance with section 2907 or any other authorities relating to livestock grazing that are available to that Secretary;

(3) permit fencing, water pipeline modifications and extensions, and the construction of aboveground water reservoirs, and the maintenance and repair of these items on the lands withdrawn and reserved by this title, and on other lands under the jurisdiction of the Bureau of Land Management; and

(4) otherwise provide for the management by the Secretary of the Air Force of any lands withdrawn and reserved by this title while retained under the jurisdiction of that Secretary under this title.

(c) PERIODIC REVIEW.—The Secretary of the Air Force shall, in cooperation with the Secretary of the Interior and the State of Idaho, review the adequacy of the provisions of the integrated natural resources management plan developed under this section at least once every 5 years after the effective date of the plan.

SEC. 2910. MEMORANDUM OF UNDERSTANDING.

(a) REQUIREMENT.—The Secretary of the Air Force, the Secretary of the Interior, and the Governor of the State of Idaho shall jointly enter into a memorandum of understanding to implement the integrated natural resources management plan required under section 2909.

(b) TERM.—The memorandum of understanding under subsection (a) shall apply to any lands withdrawn and reserved by this title until their relinquishment by the Secretary of the Air Force under this title.

(c) MODIFICATION.—The memorandum of understanding under subsection (a) may be modified by agreement of all the parties specified in that subsection.

SEC. 2911. MAINTENANCE OF ROADS.

The Secretary of the Air Force shall enter into agreements with the Owyhee County Highway District, Idaho, and the Three Creek Good Roads Highway District, Idaho, under which the Secretary of the Air Force shall pay the costs of road maintenance incurred by such districts that are attributable to operations of the Department of the Air Force associated with the Juniper Butte Range.

SEC. 2912. MANAGEMENT OF WITHDRAWN AND ACQUIRED MINERAL RESOURCES.

Except as provided in subsection 2908(f), the Secretary of the Interior shall manage all withdrawn and acquired mineral resources within the boundaries of the Juniper Butte Range in accordance with the Act of February 28, 1958 (commonly known as the Engle Act; 43 U.S.C. 155 et seq.).

SEC. 2913. HUNTING, FISHING, AND TRAPPING.

All hunting, fishing, and trapping on the lands withdrawn and reserved by this title shall be conducted in accordance with section 2671 of title 10, United States Code.

SEC. 2914. WATER RIGHTS.

(a) LIMITATION.—The Secretary of the Air Force shall not seek or obtain any water rights associated with any water pipeline modified or extended, or aboveground water reservoir constructed, for purposes of consideration under section 2907.

(b) NEW RIGHTS.—(1) Nothing in this title shall be construed to establish a reservation in favor of the United States with respect to any water or water right on the lands withdrawn and reserved by this title.

(2) Nothing in this title shall be construed to authorize the appropriation of water on the lands withdrawn and reserved by this title by the United States after the date of the enactment of this Act unless such appropriation is carried out in accordance with the laws of the State of Idaho.

(c) APPLICABILITY.—This section may not be construed to affect any water rights acquired by the United States before the date of the enactment of this Act.

SEC. 2915. DURATION OF WITHDRAWAL.

(a) TERMINATION—(1) Except as otherwise provided in this section and section 2916, the withdrawal and reservation made by this title shall terminate 25 years after the date of the enactment of this Act.

(2) At the time of termination, the previously withdrawn lands shall not be open to the general land laws, including the mining laws and the mineral and geothermal leasing laws, until the Secretary of the Interior publishes in the Federal Register an appropriate order which shall state the date upon which such lands shall be opened.

(b) RELINQUISHMENT.—(1) If the Secretary of the Air Force determines under subsection (c) that the Air Force has no continuing military need for any lands withdrawn and reserved by this title, the Secretary of the Air Force shall submit to the Secretary of the Interior a notice of intent to relinquish jurisdiction over such lands to the Secretary of the Interior.

(2) The Secretary of the Interior may accept jurisdiction over any lands covered by a notice of intent to relinquish jurisdiction under paragraph (1) if the Secretary of the Interior determines that the Secretary of the Air Force has completed the environmental review required under section 2916(a) and the conditions under section 2916(c) have been met.

(3) If the Secretary of the Interior decides to accept jurisdiction over lands under paragraph (2) before the date of termination, as provided for in subsection (a)(1), the Secretary of the Interior shall publish in the Federal Register an appropriate order which shall—

(A) revoke the withdrawal and reservation of such lands under this title;

(B) constitute official acceptance of administrative jurisdiction over the lands by the Secretary of the Interior; and

(C) state the date upon which such lands shall be opened to the operation of the general land laws, including the mining laws and the mineral and geothermal leasing laws, if appropriate.

(4) The Secretary of the Interior shall manage any lands relinquished under this subsection as multiple use status lands.

(5) If the Secretary of the Interior declines pursuant to subsection (b)(2) to accept jurisdiction of any parcel of land proposed for relinquishment, that parcel shall remain under the continued administration of the Secretary of the Air Force pursuant to section 2916(d).

(c) EXTENSION.—(1) In the case of any lands withdrawn and reserved by this title that the Air Force proposes to include in a notice of extension because of continued military need under paragraph (2), the Secretary of the Air Force shall, before issuing the notice under paragraph (2)—

(A) evaluate the environmental effects of the extension of the withdrawal and reservation of such lands in accordance with all applicable laws and regulations; and

(B) hold at least one public meeting in the State of Idaho regarding that evaluation.

(2)(A) Not later than 2 years before the termination of the withdrawal and reservation of lands by this title under subsection (a), the Secretary of the Air Force shall notify Congress and the Secretary of the Interior as to whether or not the Air Force has a continuing military need for any of the lands withdrawn and reserved by this title, and not previously relinquished under this section, after the termination date as specified in subsection (a).

(B)(i) The Secretary of the Air force shall specify in the notice under subparagraph (A) the duration of any extension or further extension of withdrawal and reservation of such lands under this title.

(ii) The duration of each extension or further extension under clause (i) shall not exceed 25 years.

(C) The notice under subparagraph (A) shall be published in the Federal Register and a newspaper of local distribution with the opportunity for comments, within a 60-day period, which shall be provided to the Secretary of the Air Force and the Secretary of the Interior.

(3)(A) Subject to subparagraph (B), in the case of any lands withdrawn and reserved by this title that are covered by a notice of extension under subsection (c)(2), the withdrawal and reservation of such lands shall extend under the provisions of this title after the termination date otherwise provided for under subsection (a) for such period as is specified in the notice under subsection (c)(2).

(B) Subparagraph (A) shall not apply with respect to any lands covered by a notice referred to in that paragraph until 90 legislative days after the date on which the notice with respect to such lands is submitted to Congress under paragraph (2).

SEC. 2916. ENVIRONMENTAL REMEDIATION OF RELINQUISHED WITHDRAWN LANDS OR UPON TERMINATION OF WITHDRAWAL.

(a) ENVIRONMENTAL REVIEW.—(1) Before submitting under section 2915 a notice of an intent to relinquish jurisdiction over lands withdrawn and reserved by this title, and in all cases not later than 2 years before the date of termination of withdrawal and reservation, the Secretary of the Air Force shall, in consultation with the Secretary of the Interior, complete a review that fully characterizes the environmental conditions of such lands (including any water and air associated with such lands) in order to identify any contamination on such lands.

(2) The Secretary of the Air Force shall submit to the Secretary of the Interior a copy of the review prepared with respect to any lands under paragraph (1). The Secretary of the Air Force shall also submit at the same time any notice of intent to relinquish jurisdiction over such lands under section 2915.

(3) The Secretary of the Air Force shall submit a copy of any such review to Congress.

(b) ENVIRONMENTAL REMEDIATION OF LANDS.—The Secretary of the Air Force shall, in accordance with applicable State and Federal law, carry out and complete environmental remediation—

(1) before relinquishing jurisdiction to the Secretary of the Interior over any lands identified in a notice of intent to relinquish under section 2915(b); or

(2) before the date of termination of the withdrawal and reservation, except as provided under subsection (d).

(c) POSTPONEMENT OF RELINQUISHMENT.—The Secretary of the Interior shall not accept jurisdiction over any lands that are the subject of activities under subsection (b) until the Secretary of the Interior determines that environmental conditions on the lands are such that—

(1) all necessary environmental remediation has been completed by the Secretary of the Air Force;

(2) the lands are safe for nonmilitary uses; and

(3) the lands could be opened consistent with the Secretary of the Interior's public land management responsibilities.

(d) JURISDICTION WHEN WITHDRAWAL TERMINATES.—If the determination required by section (c) cannot be achieved for any parcel of land subject to the withdrawal and reservation before the termination date of the withdrawal and reservation, the Secretary of the Air Force shall retain administrative jurisdiction over such parcels of land notwithstanding the termination date for the limited purposes of—

(1) environmental remediation activities under subsection (b); and

(2) any activities relating to the management of such lands after the termination of the withdrawal reservation for military purposes that are provided for in the integrated natural resources management plan under section 2909.

(e) EFFECT ON OTHER LAWS.—Nothing in this title shall affect, or be construed to affect, the obligations, if any, of the Secretary of the Air Force to decontaminate lands withdrawn by this title pursuant to applicable law, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) and the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

SEC. 2917. DELEGATION OF AUTHORITY.

(a) DEPARTMENT OF THE AIR FORCE FUNCTIONS.—Except for executing the agreement referred to in section 2907, the Secretary of the Air Force may delegate that Secretary's functions under this title.

(b) DEPARTMENT OF THE INTERIOR FUNCTIONS.—(1) Except as provided in paragraph (2), the Secretary of the Interior may delegate that Secretary's functions under this title.

(2) The order referred to in section 2915(b)(3) may be approved and signed only by the Secretary of the Interior, the Deputy Secretary of the Interior, or an Assistant Secretary of the Interior.

(3) The approvals granted by the Bureau of Land Management shall be pursuant to the decisions of the Secretary of the Interior, or the Assistant Secretary for Land and Minerals Management.

SEC. 2918. HOLD HARMLESS.

Any party conducting any mining, mineral, or geothermal leasing activity on lands withdrawn and reserved by this title shall indemnify the United States against any costs, fees, damages, or other liabilities (including costs of litigation) incurred by the United States and arising from or relating to such mining activities, including costs of mineral materials disposal, whether arising under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.), the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.), or otherwise.

SEC. 2919. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

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Sec. 3102. Defense environmental restoration and waste management.
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Sec. 3159. Panel to assess the reliability, safety, and security of the United States nuclear stockpile.
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Sec. 3162. Sense of Congress regarding treatment of Formerly Utilized Sites Remedial Action Program under a nondefense discretionary budget function.
Sec. 3163. Reports relating to tritium production.

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for weapons activities in carrying out programs necessary for national security in the amount of $4,511,600,000, to be allocated as follows:

(1) STOCKPILE STEWARDSHIP.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $2,148,375,000, to be allocated as follows:

(A) For core stockpile stewardship, $1,591,375,000, to be allocated as follows:

(i) For operation and maintenance, $1,475,832,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $115,543,000, to be allocated as follows:

Project 99–D–102, rehabilitation of maintenance facility, Lawrence Livermore National Laboratory, Livermore, California, $6,500,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,000,000.

Project 99–D–104, protection of real property (roof reconstruction, Phase II), Lawrence Livermore National Laboratory, Livermore, California, $7,300,000.

Project 99–D–105, central health physics calibration facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $3,900,000.

Project 99–D–106, model validation and system certification test center, Sandia National Laboratories, Albuquerque, New Mexico, $1,600,000.

Project 99–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 99–D–108, renovate existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 97–D–102, dual-axis radiographic hydrotest facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $36,000,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $20,423,000.

Project 96–D–103, ATLAS, Los Alamos National Laboratory, Los Alamos, New Mexico, $6,400,000.

Project 96–D–104, processing and environmental technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $18,920,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,700,000.

(B) For inertial fusion, $498,000,000, to be allocated as follows:

(i) For operation and maintenance, $213,800,000.

(ii) For the following plant project (including maintenance, restoration, planning, construction, acquisition, and modification of facilities, and land acquisition related thereto), $284,200,000, to be allocated as follows:

Project 96–D–111, national ignition facility, Lawrence Livermore National Laboratory, Livermore, California, $284,200,000.

(C) For technology partnership and education, $59,000,000, to be allocated as follows:

(i) For technology partnership, $50,000,000.

(ii) For education, $9,000,000.

(2) STOCKPILE MANAGEMENT.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,113,225,000, to be allocated as follows:

(A) For operation and maintenance, $2,014,303,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $98,922,000, to be allocated as follows:

Project 99–D–122, rapid reactivation, various locations, $11,200,000.

Project 99–D–123, replace mechanical utility systems, Y–12 Plant, Oak Ridge, Tennessee, $1,900,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $1,000,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $13,700,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant consolidation, Amarillo, Texas, $1,108,000.

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $9,700,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Site, Aiken, South Carolina, $27,500,000.

Project 98–D–124, stockpile management restructuring initiative, Y–12 Plant consolidation, Oak Ridge, Tennessee, $10,700,000.

Project 97–D–122, nuclear materials storage facility renovation, Los Alamos National Laboratory, Los Alamos, New Mexico, $3,764,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $6,400,000.

Project 96–D–122, sewage treatment quality upgrade, Pantex Plant, Amarillo, Texas, $3,700,000.

Project 95–D–102, chemistry and metallurgy research building upgrades, Los Alamos National Laboratory, Los Alamos, New Mexico, $5,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $3,250,000.

(3) PROGRAM DIRECTION.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for program direction in carrying out weapons activities necessary for national security programs in the amount of $250,000,000.

(b) ADJUSTMENTS.—

(1) CONSTRUCTION.—The total amount authorized to be appropriated pursuant to paragraphs (1)(A)(ii), (1)(B)(ii), and (2)(B) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by $13,600,000.

(2) NON-CONSTRUCTION.—The total amount authorized to be appropriated pursuant to paragraphs (1)(A)(i), (1)(B)(i), (1)(C), (2)(A), and (3) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by $178,900,000, to be derived from use of prior year balances.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for environmental restoration and waste management in carrying out programs necessary for national security in the amount of $5,446,143,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7274n) in the amount of $1,038,240,000.

(2) SITE PROJECT AND COMPLETION.—For site project and completion in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,067,253,000, to be allocated as follows:

(A) For operation and maintenance, $868,090,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $199,163,000, to be allocated as follows:

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $2,745,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering Laboratory, Idaho, $950,000.

Project 98–D–401, H-tank farm storm water systems upgrade, Savannah River Site, Aiken, South Carolina, $3,120,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $26,814,000.

Project 98–D–700, road rehabilitation, Idaho National Engineering Laboratory, Idaho, $7,710,000.

Project 97–D–450, Actinide packaging and storage facility, Savannah River Site, Aiken, South Carolina, $79,184,000.

Project 97–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $7,000,000.

Project 96–D–406, spent nuclear fuels canister storage and stabilization facility, Richland, Washington, $38,680,000.

Project 96–D–408, waste management upgrades, Kansas City Plant, Kansas City, Missouri, and Savannah River Site, Aiken, South Carolina, $4,512,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $11,544,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $8,000,000.

Project 95–D–456, security facilities consolidation, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $485,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $3,667,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $4,752,000.

(3) Post-2006 completion.—For post-2006 project completion in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,744,451,000, to be allocated as follows:

(A) For operation and maintenance, $2,663,195,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,256,000, to be allocated as follows:

Project 99–D–403, privatization phase I infrastructure support, Richland, Washington, $14,800,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $22,723,000.

Project 96–D–408, waste management upgrades, Richland, Washington, $171,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $32,860,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $10,702,000.

(4) Science and technology.—For science and technology in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $250,000,000.

(5) Program direction.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $346,199,000.

(b) Adjustment.—The total amount authorized to be appropriated pursuant to paragraphs (1), (2)(A), (3)(A), (4), and (5) of subsection (a) is the sum of the amounts authorized to be appropriated in those paragraphs, reduced by $94,100,000, to be derived from use of prior year balances.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) In General.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for other defense activities in carrying out programs necessary for national security in the amount of $1,716,160,000, to be allocated as follows:

(1) Nonproliferation and national security.—For nonproliferation and national security, $699,300,000, to be allocated as follows:

(A) For verification and control technology, $503,500,000, to be allocated as follows:

(i) For nonproliferation and verification research and development, $210,000,000.

(ii) For arms control, $256,900,000.

(iii) For intelligence, $36,600,000.

(B) For nuclear safeguards and security, $53,200,000.

(C) For security investigations, $30,000,000.

(D) For emergency management, $23,700,000.

(E) For program direction, $88,900,000.

(2) Worker and community transition assistance.—For worker and community transition assistance, $40,000,000, to be allocated as follows:

(A) For worker and community transition, $36,000,000.

(B) For program direction, $4,000,000.

(3) Fissile materials control and disposition.—For fissile materials control and disposition, $168,960,000, to be allocated as follows:

(A) For operation and maintenance, $111,372,000.

(B) For program direction, $4,588,000.

(C) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $53,000,000, to be allocated as follows:

Project 99–D–141, pit disassembly and conversion facility, various locations, $25,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility, various locations, $28,000,000.

(4) Environment, safety, and health.—For environment, safety, and health, defense, $89,000,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $84,231,000.

(B) For program direction, $4,769,000.

(5) Office of hearings and appeals.—For the Office of Hearings and Appeals, $2,400,000.

(6) International nuclear safety.—For international nuclear safety, $35,000,000.

(7) Naval reactors.—For naval reactors, $681,500,000, to be allocated as follows:

(A) For naval reactors development, $661,400,000, to be allocated as follows:

(i) For operation and maintenance, $639,600,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $21,800,000, to be allocated as follows:

GPN–101 general plant projects, various locations, $9,000,000.

Project 98–D–200, site laboratory/facility upgrade, various locations, $7,000,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $5,800,000.

(B) For program direction, $20,100,000.

(b) Adjustment.—(1) The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in paragraphs (1) through (7) of subsection (a) reduced by $2,000,000.

(2) The amount authorized to be appropriated pursuant to subsection(a)(1)(C) is reduced by $20,000,000 to reflect an offset provided by user organizations for security investigations.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $190,000,000.

SEC. 3105. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

(a) In General.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1999 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $286,857,000, to be allocated as follows:

Project 99–PVT–1, remote handled transuranic waste transportation, Carlsbad, New Mexico, $19,605,000.

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $30,000,000.

Project 98–PVT–5, waste disposal, Oak Ridge, Tennessee, $50,000,000.

Project 97–PVT–1, tank waste remediation system phase I, Hanford, Washington, $100,000,000.

Project 97–PVT–2, advanced mixed waste treatment facility, Idaho Falls, Idaho, $87,252,000.

(b) Adjustment.—The amount authorized to be appropriated in subsection (a) is the sum of the amounts authorized to be appropriated for the projects set forth in that subsection, reduced by $32,000,000 for use of prior year balances of funds for defense environmental management privatization.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) In General.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) Report.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) Limitations.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) In General.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $5,000,000.

(b) Report to Congress.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) In General.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than five percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than five percent by a transfer under such paragraph.

(c) LIMITATION.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including those funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2001.

SEC. 3129. TRANSFERS OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term "program or project" means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102.

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of enactment of this Act.

(2) The term "defense environmental management funds" means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 1998, and ending on September 30, 1999.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. PERMANENT EXTENSION OF FUNDING PROHIBITION RELATING TO INTERNATIONAL COOPERATIVE STOCKPILE STEWARDSHIP.

Section 3133(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2036) is amended by striking out "for fiscal year 1998" and inserting in lieu thereof "for any fiscal year".

SEC. 3132. SUPPORT OF BALLISTIC MISSILE DEFENSE ACTIVITIES OF THE DEPARTMENT OF DEFENSE.

(a) FUNDS TO CARRY OUT CERTAIN BALLISTIC MISSILE DEFENSE ACTIVITIES.—Of the amounts authorized to be appropriated to the Department of Energy pursuant to section 3101, $30,000,000 shall be available for research, development, and demonstration activities to support the mission of the Ballistic Missile Defense Organization of the Department of Defense, including the following activities:

(1) Technology development, concept demonstration, and integrated testing to improve reliability and reduce risk in hit-to-kill interceptors for missile defense.

(2) Support for science and engineering teams to address technical problems identified by the Director of the Ballistic Missile Defense Organization as critical to acquisition of a theater missile defense capability.

(b) MEMORANDUM OF UNDERSTANDING.—The activities referred to in subsection (a) shall be *carried out under the memorandum of understanding entered into by the Secretary of Energy and the Secretary of Defense for the use of national laboratories for ballistic missile defense programs, as required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2034).*

(c) METHOD OF FUNDING.—Funds for activities referred to in subsection (a) may be provided—

(1) by direct payment from funds available pursuant to subsection (a); or

(2) in the case of such an activity carried out by a national laboratory but paid for by the Ballistic Missile Defense Organization, through a method under which the Secretary of Energy waives any requirement for the Department of Defense to pay any indirect expenses (including overhead and federal administrative charges) of the Department of Energy or its contractors.

SEC. 3133. NONPROLIFERATION ACTIVITIES.

(a) INITIATIVES FOR PROLIFERATION PREVENTION.—Of the amount authorized to be appropriated by section 3103(a)(1)(A)(ii), up to $20,000,000 may be used for the Initiatives for Proliferation Prevention program.

(b) NUCLEAR CITIES INITIATIVE.—(1) Funds authorized under this title may not be obligated or expended for the purpose of implementing the Nuclear Cities Initiative until—

(A) the Secretary of Energy submits to the congressional defense committees the report described in paragraph (2); and

(B) a period of 20 legislative days has expired following the date on which the report is submitted to Congress.

(2) The Secretary of Energy shall prepare a report on the Nuclear Cities Initiative. The report shall describe—

(A) the objectives of the initiative;

(B) methods and processes for the implementation of the initiative;

(C) a program timeline for the initiative with milestones; and

(D) the funding requirements for the initiative through its completion.

(3) For purposes of this section, the term "Nuclear Cities Initiative" means the initiative arising pursuant to the March 1998 discussion between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

(4) For purposes of paragraph (1)(B), a legislative day is a day on which both Houses of Congress are in session.

SEC. 3134. LICENSING OF CERTAIN MIXED OXIDE FUEL FABRICATION AND IRRADIATION FACILITIES.

(a) LICENSE REQUIREMENT.—Section 202 of the Energy Reorganization Act of 1974 (42 U.S.C. 5842) is amended by adding at the end the following new paragraph:

"(5) Any facility under a contract with and for the account of the Department of Energy that is utilized for the express purpose of fabricating mixed plutonium-uranium oxide nuclear reactor fuel for use in a commercial nuclear reactor licensed under such Act, other than any such facility that is utilized for research, development, demonstration, testing, or analysis purposes.".

(b) AVAILABILITY OF FUNDS FOR LICENSING BY NRC.—Section 210 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1981 (42 U.S.C. 7272) shall not apply to any licensing activities required pursuant to section 202(5) of the Energy Reorganization Act of 1974 (42 U.S.C. 5842), as added by subsection (a).

(c) APPLICABILITY OF OCCUPATIONAL SAFETY AND HEALTH REQUIREMENTS TO ACTIVITIES UNDER LICENSE.—Any activities carried out under a license required pursuant to section 202(5) of the Energy Reorganization Act of 1974 (42 U.S.C. 5842), as added by subsection (a), shall be subject to regulation under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

SEC. 3135. CONTINUATION OF PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

The Secretary of Energy shall continue operations and maintain a high state of readiness at the F–canyon and H–canyon facilities at the Savannah River Site, Aiken, South Carolina, and shall provide technical staff necessary to operate and so maintain such facilities.

SEC. 3136. AUTHORITY FOR DEPARTMENT OF ENERGY FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS TO PARTICIPATE IN MERIT-BASED TECHNOLOGY RESEARCH AND DEVELOPMENT PROGRAMS.

(a) AUTHORITY.—Section 217(f)(1) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2695) is amended—

(1) by inserting "(A)" after "(1)";

(2) by inserting "or of the Department of Energy" after "the Department of Defense"; and

(3) by adding at the end the following new subparagraph:

"(B) A federally funded research and development center of the Department of Energy described in subparagraph (A) may respond to solicitations and announcements described in that subparagraph only for activities conducted by the center under contract with or on behalf of the Department of Defense.".

(b) CONFORMING AMENDMENT.—Section 217(f)(2) of such Act is amended by inserting "(A)" after "(1)".

SEC. 3137. ACTIVITIES OF DEPARTMENT OF ENERGY FACILITIES.

(a) RESEARCH AND ACTIVITIES ON BEHALF OF NON-DEPARTMENT PERSONS AND ENTITIES.—(1) The Secretary of Energy may conduct research and other activities referred to in paragraph (2) at facilities of the Department of Energy on behalf of other departments and agencies of the Government, agencies of State and local governments, and private persons and entities.

(2) The research and other activities that may be conducted under paragraph (1) are those which the Secretary is authorized to conduct by law, including research and activities authorized under the following provisions of law:

(A) The Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

(B) The Energy Reorganization Act of 1974 (42 U.S.C. 5811 et seq.).

(C) The Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.).

(b) CHARGES.—(1) The Secretary shall impose on the department, agency, or person or entity for which research and other activities are carried out under subsection (a) a charge for such research and activities in carrying out such research and activities, which shall include—

(A) the direct cost incurred in carrying out such research and activities; and

(B) the overhead cost, including site-wide indirect costs, associated with such research and activities.

(2)(A) Subject to subparagraph (B), the Secretary shall also impose on the department, agency, or person or entity concerned a Federal administrative charge (which includes any depreciation and imputed interest charges) in an amount not to exceed 3 percent of the full cost incurred in carrying out the research and activities concerned.

(B) The Secretary may waive the imposition of the Federal administrative charge required by subparagraph (A) in the case of research and other activities conducted on behalf of small business concerns, institutions of higher education, non-profit entities, and State and local governments.

(3) Not later than two years after the date of the enactment of this Act, the Secretary shall terminate any waiver of charges under section 33 of the Atomic Energy Act of 1954 (42 U.S.C. 2053) that were made before such date, unless the Secretary determines that such waiver should be continued.

(c) PILOT PROGRAM OF REDUCED FACILITY OVERHEAD CHARGES.—(1) The Secretary may, with the cooperation of participating contractors of the contractor-operated facilities of the Department, carry out a pilot program under which the Secretary and such contractors reduce the facility overhead charges imposed under this section for research and other activities conducted under this section.

(2) The Secretary shall carry out the pilot program at contractor-operated facilities selected by the Secretary in consultation with the contractors concerned.

(3) The Secretary shall determine the facility overhead charges to be imposed under the pilot program at a facility based on a joint review by the Secretary and the contractor for the facility of all items included in the overhead costs of the facility in order to determine which items are appropriately incurred as facility overhead charges by the contractor in carrying out research and other activities at such facility under this section.

(4) The Secretary shall commence carrying out the pilot program under this subsection not later than October 1, 1999, and shall terminate the pilot program on September 30, 2003.

(5) Not later than January 31, 2003, the Secretary shall submit to Congress an interim report on the results of the pilot program under this subsection. The report shall include any recommendations for the extension or expansion of the pilot program, including the establishment of multiple rates of overhead charges for various categories of persons and entities seeking research and other activities in contractor-operated facilities of the Department.

(d) APPLICABILITY WITH RESPECT TO USER FEE PRACTICE.—This section does not apply to the practice of the Department of Energy with respect to user fees at Department facilities.

SEC. 3138. HANFORD OVERHEAD AND SERVICE CENTER COSTS.

(a) TARGET FOR REDUCTION OF COSTS.—The Secretary of Energy shall establish a target for the overhead and service center costs for the Project Hanford Management Contractor for fiscal year 1999 that is less than the established baseline for such costs for that fiscal year.

(b) USE OF FUNDS RESULTING FROM REDUCTION.—If the actual overhead and service center costs for that contractor for fiscal year 1999 are less than the established baseline for such costs for that fiscal year, the Secretary, to the extent consistent with fiscal year 1999 appropriations, shall use an amount equal to the difference between the baseline and such actual costs to perform additional clean-up work at Hanford in order to reduce the most threatening environmental risks at Hanford and to comply with applicable laws and regulations and the Tri-Party Agreement among the Department of Energy, the Environmental Protection Agency, and the State of Washington.

(c) REVIEW.—The Director of the Defense Contract Audit Agency shall review the Project Hanford Management Contract for compliance with cost accounting standards promulgated pursuant to section 26(f) of the Office of Federal Procurement Policy Act (42 U.S.C. 422(f)). The review shall include the following:

(1) An identification and assessment of methods for calculating overhead costs.

(2) A description of activities the costs of which are allocated to—

(A) all accounts at the Hanford site other than overhead accounts; or

(B) other contracts under which work is performed at the Hanford site.

(3) A description of service center costs, including—

(A) computer service and information management costs and other support service costs; and

(B) costs of any activity which is paid for on a per-unit basis.

(4) An identification and assessment of all fees, awards, or other profit on overhead or service center costs that are not attributed to performance on a single project or contract.

(5) An identification and assessment of all contracts awarded without competition.

(6) An identification and assessment of any other costs that the Director considers necessary or appropriate to present a full and complete review of Hanford costs.

(d) REPORT.—Not later than March 1, 1999, the Director of the Defense Contract Audit Agency shall submit to the congressional defense committees a report on the results of the review under subsection (c).

SEC. 3139. HANFORD WASTE TANK CLEANUP PROGRAM REFORMS.

(a) ESTABLISHMENT OF OFFICE OF RIVER PROTECTION.—The Secretary of Energy shall establish an office at the Hanford Reservation, Richland, Washington, to be known as the "Office of River Protection" (in this section referred to as the "Office").

(b) MANAGEMENT AND RESPONSIBILITIES OF OFFICE.—(1) The Office shall be headed by a senior official of the Department of Energy, who shall report to the Assistant Secretary of Energy for Environmental Management.

(2) The head of the Office shall be responsible for managing all aspects of the Tank Waste Remediation System (also referred to as the Hanford Tank Farm operations), including those portions under privatization contracts, of the Department of Energy at Hanford.

(c) DEPARTMENT RESPONSIBILITIES.—The Secretary shall provide the manager of the Office with the resources and personnel necessary to manage the tank waste privatization program at Hanford in an efficient and streamlined manner.

(d) INTEGRATED MANAGEMENT PLAN.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committees on Commerce and on National Security of the House of Representatives an integrated management plan for all aspects of the Hanford Tank Farm operations, including the roles, responsibilities, and reporting relationships of the Office.

(e) REPORT.—Not later than two years after the commencement of operations of the Office, the Secretary shall submit to the committees referred to in subsection (d) a report describing—

(1) any progress in or resulting from the utilization of the Tank Waste Remediation System; and

(2) any improvements in the management structure of the Department at Hanford with respect to the Tank Waste Remediation System as a result of the Office.

(f) TERMINATION.—(1) The Office shall terminate five years after the commencement of operations under this section unless the Secretary determines that termination on that date would disrupt effective management of the Hanford Tank Farm operations.

(2) The Secretary shall notify, in writing, the committees referred to in subsection (d) of a determination under paragraph (1).

SEC. 3140. HANFORD HEALTH INFORMATION NETWORK.

Of the funds authorized to be appropriated or otherwise made available to the Department of Energy by section 3102, $1,500,000 shall be available for activities relating to the Hanford Health Information Network established pursuant to the authority in section 3138 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 104 Stat. 1834), as amended by section 3138(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3087).

SEC. 3141. HAZARDOUS MATERIALS MANAGEMENT AND EMERGENCY RESPONSE TRAINING PROGRAM.

The Secretary of Energy may enter into partnership arrangements with Federal and non-Federal entities to share the costs of operating the hazardous materials management and hazardous materials emergency response training program authorized under section 3140(a) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 3088). Such arrangements may include the exchange of equipment and services, in lieu of payment for the training program.

SEC. 3142. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated or otherwise made available to the Department of Energy by this title, up to $5,000,000 shall be made available for payment by the Secretary of Energy to the educational foundation chartered to enhance educational activities in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico (in this section referred to as the "Foundation").

(b) USE OF FUNDS.—(1) The Foundation shall utilize funds provided under subsection (a) as a contribution to an endowment fund for the Foundation.

(2) The Foundation shall use the income generated from investments in the endowment fund that are attributable to the payment made under subsection (a) to fund programs to support the educational needs of children in public schools in the vicinity of Los Alamos National Laboratory.

SEC. 3143. RELOCATION OF NATIONAL ATOMIC MUSEUM, ALBUQUERQUE, NEW MEXICO.

The Secretary of Energy shall submit to the congressional defense committees a plan for the relocation of the National Atomic Museum in Albuquerque, New Mexico.

SEC. 3144. TRITIUM PRODUCTION.

The Secretary of Energy may not obligate or expend any funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1999 to implement a final decision on the technology to be utilized for tritium production, made pursuant to section 3135 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2037), until October 1, 1999.

Subtitle D—Other Matters

SEC. 3151. STUDY AND PLAN RELATING TO WORKER AND COMMUNITY TRANSITION ASSISTANCE.

(a) STUDY BY THE GENERAL ACCOUNTING OFFICE.—

(1) STUDY REQUIREMENT.—The Comptroller General shall conduct a study on the effects of workforce restructuring plans for defense nuclear facilities developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h).

(2) MATTERS COVERED BY STUDY.—The study shall cover the four-year period preceding the date of the enactment of this Act and shall include the following:

(A) An analysis of the number of jobs created by any employee retraining, education, and reemployment assistance and any community impact assistance provided in each workforce restructuring plan developed pursuant to section 3161 of the National Defense Authorization Act for Fiscal Year 1993.

(B) An analysis of other benefits provided pursuant to such plans, including any assistance provided to community reuse organizations.

(C) A description of the funds expended, and the funds obligated but not expended, pursuant to such plans as of the date of the report.

(D) A description of the criteria used since October 23, 1992, in providing assistance pursuant to such plans.

(E) A comparison of any similar benefits provided—

(i) pursuant to such a plan to employees whose employment at the defense nuclear facility covered by the plan is terminated; and

(ii) to employees whose employment at a facility where more than 50 percent of the revenues are derived from contracts with the Department of Defense has been terminated as a result of cancellation, termination, or completion of contracts with the Department of Defense and the employees whose employment is terminated constitute more than 15 percent of the employees at that facility.

(F) A comparison of—

(i) involuntary separation benefits provided to employees of Department of Energy contractors and subcontractors under such plans; and

(ii) involuntary separation benefits provided to employees of the Federal Government.

(G) A comparison of costs to the Federal Government (including costs of involuntary separation benefits) for—

(i) involuntary separations of employees of Department of Energy contractors and subcontractors; and

(ii) involuntary separations of employees of contractors and subcontractors of other Federal Government departments and agencies.

(H) A description of the length of service and hiring dates of employees of Department of Energy contractors and subcontractors provided benefits under such plans in the two-year period preceding the date of the enactment of this Act.

(3) REPORT ON STUDY.—The Comptroller General shall submit a report to Congress on the results of the study not later than March 31, 1999.

(4) DEFINITION.—In this section, the term "defense nuclear facility" has the meaning provided the term "Department of Energy defense nuclear facility" in section 3163 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 42 U.S.C. 7274j).

(b) PLAN FOR TERMINATION OF WORKER AND COMMUNITY TRANSITION PROGRAM.—Not later than July 1, 1999, the Secretary of Energy shall submit to the congressional defense committees a plan to terminate the Office of Worker and Community Transition. The plan shall include—

(1) a description of how the authority of the Office would be terminated; and

(2) a description of how the responsibility to manage downsizing of the contractor workforce of the Department of Energy would be transferred to other offices or programs within the Department.

SEC. 3152. EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 3161(c)(1) of the National Defense Authorization Act for Fiscal Year 1995 (42 U.S.C. 7231 note) is amended by striking out "September 30, 1999" and inserting in lieu thereof "September 30, 2000".

SEC. 3153. REQUIREMENT FOR PLAN TO MODIFY EMPLOYMENT SYSTEM USED BY DEPARTMENT OF ENERGY IN DEFENSE ENVIRONMENTAL MANAGEMENT PROGRAMS.

(a) PLAN REQUIREMENT.—Not later than February 1, 1999, the Secretary of Energy shall submit to Congress a report containing a plan to

modify the Federal employment system used within the defense environmental management programs of the Department of Energy to allow for workforce restructuring in those programs.

(b) SPECIFIED ELEMENTS OF PLAN.—The plan shall address strategies to recruit and hire—

(1) individuals with a high degree of scientific and technical competence in the areas of nuclear and toxic waste remediation and environmental restoration; and

(2) individuals with the necessary skills to manage large construction and environmental remediation projects.

(c) LEGISLATIVE CHANGES.—The plan shall include an identification of the provisions of Federal law that would need to be changed to allow the Secretary of Energy to restructure the Department of Energy defense environmental management workforce to hire individuals described in subsection (b), while staying within any numerical limitations required by law (including section 3161 of Public Law 103–337 (42 U.S.C. 7231 note)) on employment of such individuals.

SEC. 3154. DEPARTMENT OF ENERGY NUCLEAR MATERIALS COURIERS.

(a) MAXIMUM AGE FOR ENTRY INTO NUCLEAR MATERIALS COURIER FORCE.—Section 3307 of title 5, United States Code, is amended—

(1) in subsection (a), by striking "and (d)" and inserting "(d), (e), and (f)"; and

(2) by adding at the end the following:

"(f) The Secretary of Energy may determine and fix the maximum age limit for an original appointment to a position as a nuclear materials courier, as defined by section 8331(27) or 8401(33).".

(b) DEFINITION FOR PURPOSES OF CIVIL SERVICE RETIREMENT SYSTEM.—Section 8331 of title 5, United States Code, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding at the end the following:

"(27) 'Nuclear materials courier'—

"(A) means an employee of the Department of Energy, the duties of whose position are primarily to transport, and provide armed escort and protection during transit of, nuclear weapons, nuclear weapon components, strategic quantities of special nuclear materials or other materials related to national security; and

"(B) includes an employee who is transferred directly to a supervisory or administrative position within the same Department of Energy organization, after performing duties referred to in subparagraph (A) for at least 3 years.".

(c) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS UNDER CSRS.—(1) Subsection (a)(1) of section 8334 of title 5, United States Code, is amended by striking "or member of the Capitol Police," and inserting "member of the Capitol Police, or nuclear materials courier,".

(2) Subsection (c) of that section is amended by adding after the item for a Member of the Capitol Police the following new item:

"Nuclear materials courier.	*7 ....*	*October 1, 1977 to the day before the date of enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.*
	7.5	*The date of enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 to December 31, 1998.*
	7.75	*January 1, 1999 to December 31, 1999.*
	7.9	*January 1, 2000 to December 31, 2000.*
	8	*January 1, 2001 to December 31, 2002.*
	7.5	*After December 31, 2002.".*

(3) Notwithstanding subsection (a)(1) or (k)(1) of section 8334 of title 5, United States Code, or section 7001(a) of Public Law 105–33, during the period beginning on the effective date provided for under subsection (n)(1) and ending on September 30, 2002, the Department of Energy shall deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund on behalf of each nuclear materials courier from whose basic pay a deduction is made under such subsection (a)(1) during that period an amount equal to 9.01 percent of such basic pay, in lieu of the agency contributions otherwise required under such subsection (a)(1) during that period.

(d) MANDATORY SEPARATION UNDER CSRS.—Section 8335(b) of title 5, United States Code, is amended in the second sentence—

(1) by inserting "or nuclear materials courier" after "law enforcement officer"; and

(2) by inserting "or courier, as the case may be," after "that officer".

(e) IMMEDIATE RETIREMENT UNDER CSRS.—Section 8336(c)(1) of title 5, United States Code, is amended by striking "or firefighter" and inserting ", firefighter, or nuclear materials courier".

(f) DEFINITION FOR PURPOSES OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8401 of title 5, United States Code, is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and"; and

(3) by adding at the end the following:

"(33) 'Nuclear materials courier' has the meaning given that term in section 8331(27).".

(g) IMMEDIATE RETIREMENT UNDER FERS.—Section 8412(d) of title 5, United States Code, is amended by striking "or firefighter" each place it appears in paragraphs (1) and (2) and inserting "firefighter, or nuclear materials courier".

(h) COMPUTATION OF BASIC ANNUITY UNDER FERS.—Section 8415(g) of title 5, United States Code, is amended by inserting "nuclear materials courier," after "firefighter,".

(i) DEDUCTIONS AND CONTRIBUTIONS UNDER FERS.—(1) Section 8422(a)(3) of title 5, United States Code, is amended by adding after the item relating to a law enforcement officer, firefighter, member of the Capitol Police, or air traffic controller the following new item:

"Nuclear materials courier.	*7 ....*	*January 1, 1987 to the day before the date of enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.*
	7.5	*The date of enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 to December 31, 1998.*
	7.75	*January 1, 1999 to December 31, 1999.*
	7.9	*January 1, 2000 to December 31, 2000.*
	8	*January 1, 2001 to December 31, 2001.*
	7.5	*After December 31, 2002.".*

(2) Contributions under subsections (a) and (b) of section 8423 of title 5, United States Code, shall not be reduced as a result of that portion of the amendment made by paragraph (1) requiring employee deductions at a rate in excess of 7.5 percent for the period beginning on January 1, 1999, and ending on December 31, 2002.

(j) AGENCY CONTRIBUTIONS UNDER FERS.—Paragraphs (1)(B)(i) and (3)(A) of section 8423(a) of title 5, United States Code, are each amended by inserting "nuclear materials couriers," after "firefighters,".

(k) MANDATORY SEPARATION UNDER FERS.—Section 8425(b) of title 5, United States Code, is amended by inserting "or nuclear materials courier" after "law enforcement officer" both places it appears in the second sentence.

(l) PAYMENTS.—(1) The Department of Energy shall pay into the Civil Service Retirement and Disability Fund an amount determined by the Director of the Office of Personnel Management to be necessary to reimburse the Fund for any estimated increase in the unfunded liability of the Fund resulting from the amendments related to the Civil Service Retirement System under this section, and for any estimated increase in the supplemental liability of the Fund resulting from the amendments related to the Federal Employees Retirement System under this section.

(2) The Department shall pay the amount so determined in five equal annual installments with interest computed at the rate used in the most recent valuation of the Federal Employees Retirement System.

(3) The Department shall make payments under this subsection from amounts available for weapons activities of the Department.

(m) APPLICABILITY.—Subsections (b) through (l) shall apply only to an individual who is employed as a nuclear materials courier, as defined by section 8331(27) or 8401(33) of title 5, United States Code (as amended by this section), after the later of—

(1) September 30, 1998; or

(2) the date of the enactment of this Act.

(n) EFFECTIVE DATES.—(1) Except as provided in paragraph (2), the amendments made by this section shall take effect at the beginning of the first pay period that begins after the later of—

(A) October 1, 1998; or

(B) the date of the enactment of this Act.

(2)(A) The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(B) The amendments made by subsections (d) and (k) shall take effect one year after the date of the enactment of this Act.

SEC. 3155. INCREASE IN MAXIMUM RATE OF PAY FOR SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL RESPONSIBLE FOR SAFETY AT DEFENSE NUCLEAR FACILITIES.

Section 3161(a)(2) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 42 U.S.C. 7231 note) is amended by striking out "level IV of the Executive Schedule under section 5315" and inserting in lieu thereof "level III of the Executive Schedule under section 5314".

SEC. 3156. EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) EXTENSION.—Notwithstanding subsection (c)(2)(D) of section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (Public Law 104–208; 110 Stat. 3009–383; 5 U.S.C. 5597 note), the Department of Energy may pay voluntary separation incentive payments to qualifying employees who voluntarily separate (whether by retirement or resignation) before January 1, 2001.

(b) EXERCISE OF AUTHORITY.—The Department shall pay voluntary separation incentive payments under subsection (a) in accordance with the provisions of such section 663.

SEC. 3157. REPEAL OF FISCAL YEAR 1998 STATEMENT OF POLICY ON STOCKPILE STEWARDSHIP PROGRAM.

Section 3156 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2045; 42 U.S.C. 2121 note) is repealed.

SEC. 3158. REPORT ON STOCKPILE STEWARDSHIP CRITERIA.

(a) REQUIREMENT FOR CRITERIA.—The Secretary of Energy shall develop clear and specific criteria for judging whether the science-based tools being used by the Department of Energy for determining the safety and reliability of the nuclear weapons stockpile are performing in a manner that will provide an adequate degree of certainty that the stockpile is safe and reliable.

(b) COORDINATION WITH SECRETARY OF DEFENSE.—The Secretary of Energy, in developing

the criteria required by subsection (a), shall coordinate with the Secretary of Defense.

(c) REPORT.—Not later than March 1, 2000, the Secretary of Energy shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the efforts by the Department of Energy to develop the criteria required by subsection (a). The report shall include—

(1) a description of the information needed to determine that the nuclear weapons stockpile is safe and reliable and the relationship of the science-based tools to the collection of that information; and

(2) a description of the criteria required by subsection (a) to the extent they have been developed as of the date of the submission of the report.

SEC. 3159. PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

(a) REQUIREMENT FOR PANEL.—The Secretary of Defense, in consultation with the Secretary of Energy, shall enter into a contract with a federally funded research and development center to establish a panel for the assessment of the certification process for the reliability, safety, and security of the United States nuclear stockpile.

(b) COMPOSITION AND ADMINISTRATION OF PANEL.—(1) The panel shall consist of private citizens of the United States with knowledge and expertise in the technical aspects of design, manufacture, and maintenance of nuclear weapons.

(2) The federally funded research and development center shall be responsible for establishing appropriate procedures for the panel, including selection of a panel chairman.

(c) DUTIES OF PANEL.—Each year the panel shall review and assess the following:

(1) The annual certification process, including the conclusions and recommendations resulting from the process, for the safety, security, and reliability of the nuclear weapons stockpile of the United States, as carried out by the directors of the national weapons laboratories.

(2) The long-term adequacy of the process of certifying the safety, security, and reliability of the nuclear weapons stockpile of the United States.

(3) The adequacy of the criteria established by the Secretary of Energy pursuant to section 3158 for achieving the purposes for which those criteria are established.

(d) REPORT.—Not later than October 1 of each year, beginning with 1999, the panel shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report setting forth its findings and conclusions resulting from the review and assessment carried out for the year covered by the report. The report shall be submitted in classified and unclassified form.

(e) COOPERATION OF OTHER AGENCIES.—(1) The panel may secure directly from the Department of Energy, the Department of Defense, or any of the national weapons laboratories or plants or any other Federal department or agency information that the panel considers necessary to carry out its duties.

(2) For carrying out its duties, the panel shall be provided full and timely cooperation by the Secretary of Energy, the Secretary of Defense, the Commander of United States Strategic Command, the Directors of the Los Alamos National Laboratory, the Lawrence Livermore National Laboratory, the Sandia National Laboratories, the Savannah River Site, the Y–12 Plant, the Pantex Facility, and the Kansas City Plant, and any other official of the United States that the chairman of the panel determines as having information described in paragraph (1).

(3) The Secretary of Energy and the Secretary of Defense shall each designate at least one officer or employee of the Department of Energy and the Department of Defense, respectively, to serve as a liaison officer between the department and the panel.

(f) FUNDING.—The Secretary of Defense and the Secretary of Energy shall each contribute 50 percent of the amount of funds that are necessary for the panel to carry out its duties. Funds available for the Department of Energy for atomic energy defense activities shall be available for the Department of Energy contribution.

(g) TERMINATION OF PANEL.—The panel shall terminate three years after the date of the appointment of the member designated as chairman of the panel.

(h) INITIAL IMPLEMENTATION.—The Secretary of Defense shall enter into the contract required under subsection (a) not later than 60 days after the date of the enactment of this Act. The panel shall convene its first meeting not later than 30 days after the date as of which all members of the panel have been appointed.

SEC. 3160. INTERNATIONAL COOPERATIVE INFORMATION EXCHANGE.

(a) FINDINGS.—Congress finds the following:

(1) Currently in the post-cold war world, there are new opportunities to facilitate international political and scientific cooperation on cost-effective, advanced, and innovative nuclear management technologies.

(2) There is increasing public interest in monitoring and remediation of nuclear waste.

(3) It is in the best interest of the United States to explore and develop options with the international community to facilitate the exchange of evolving advanced nuclear wastes technologies.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Energy, in consultation with the Secretary of State, the Secretary of Defense, the Administrator of the Environmental Protection Agency, and other officials as appropriate, should prepare and submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report containing the following:

(1) An assessment of whether the United States should encourage the establishment of an international project to facilitate the international exchange of information (including costs data) relating to nuclear waste technologies, including technologies for solid and liquid radioactive wastes and contaminated soils and sediments.

(2) An assessment of whether such a project could be funded privately through industry, public interest, and scientific organizations and administered by an international nongovernmental organization, with operations in the United States, Russia, and other countries that have an interest in developing such technologies.

(3) A description of the Federal programs that facilitate the exchange of such information and of any added benefit of consolidating such programs into such a project.

(4) Recommendations for any legislation that the Secretary of Energy believes would be required to enable such a project to be undertaken.

SEC. 3161. PROTECTION AGAINST INADVERTENT RELEASE OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.

(a) PLAN FOR PROTECTION AGAINST RELEASE.—The Secretary of Energy and the Archivist of the United States shall, after consultation with the members of the National Security Council and in consultation with the Secretary of Defense and the heads of other appropriate Federal agencies, develop a plan to prevent the inadvertent release of records containing Restricted Data or Formerly Restricted Data during the automatic declassification of records under Executive Order 12958 (50 U.S.C. 435 note).

(b) PLAN ELEMENTS.—The plan under subsection (a) shall include the following:

(1) The actions to be taken in order to ensure that records subject to Executive Order 12958 are reviewed on a page-by-page basis for Restricted Data and Formerly Restricted Data unless they have been determined to be highly unlikely to contain Restricted Data or Formerly Restricted Data.

(2) The criteria and process by which documents are determined to be highly unlikely to contain Restricted Data or Formerly Restricted Data.

(3) The actions to be taken in order to ensure proper training, supervision, and evaluation of personnel engaged in declassification under that Executive Order so that such personnel recognize Restricted Data and Formerly Restricted Data.

(4) The extent to which automated declassification technologies will be used under that Executive Order to protect Restricted Data and Formerly Restricted Data from inadvertent release.

(5) Procedures for periodic review and evaluation by the Secretary of Energy, in consultation with the Director of the Information Security Oversight Office of the National Archives and Records Administration, of compliance by Federal agencies with the plan.

(6) Procedures for resolving disagreements among Federal agencies regarding declassification procedures and decisions under the plan.

(7) The funding, personnel, and other resources required to carry out the plan.

(8) A timetable for implementation of the plan.

(c) LIMITATION ON DECLASSIFICATION OF CERTAIN RECORDS.—(1) Effective on the date of the enactment of this Act and except as provided in paragraph (3), a record referred to in subsection (a) may not be declassified unless the agency having custody of the record reviews the record on a page-by-page basis to ensure that the record does not contain Restricted Data or Formerly Restricted Data.

(2) Any record determined as a result of a review under paragraph (1) to contain Restricted Data or Formerly Restricted Data may not be declassified until the Secretary of Energy, in conjunction with the head of the agency having custody of the record, determines that the document is suitable for declassification.

(3) After the date occurring 60 days after the submission of the plan required by subsection (a) to the committees referred to in paragraphs (1) and (2) of subsection (d), the requirement under paragraph (1) to review a record on a page-by-page basis shall not apply in the case of a record determined, under the actions specified in the plan pursuant to subsection (b)(1), to be a record that is highly unlikely to contain Restricted Data or Formerly Restricted Data.

(d) SUBMISSION OF PLAN.—The Secretary of Energy shall submit the plan required under subsection (a) to the following:

(1) The Committee on Armed Services of the Senate.

(2) The Committee on National Security of the House of Representatives.

(3) The Assistant to the President for National Security Affairs.

(e) SUBMISSION OF REVIEWS.—The Secretary of Energy shall, on a periodic basis, submit a summary of the results of the periodic reviews and evaluations specified in the plan pursuant to subsection (b)(4) to the committees and Assistant to the President specified in subsection (d).

(f) REPORT AND NOTIFICATION REGARDING INADVERTENT RELEASES.—(1) The Secretary of Energy shall submit to the committees and Assistant to the President specified in subsection (d)

a report on inadvertent releases of Restricted Data or Formerly Restricted Data under Executive Order 12958 that occurred before the date of the enactment of this Act.

(2) Not later than 30 days after any such inadvertent release occurring after the date of the enactment of this Act, the Secretary of Energy shall notify the committees and Assistant to the President specified in subsection (d) of such releases.

(g) Definition.—In this section, the term "Restricted Data" has the meaning given that term in section 11 y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3162. SENSE OF CONGRESS REGARDING TREATMENT OF FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM UNDER A NONDEFENSE DISCRETIONARY BUDGET FUNCTION.

It is the sense of Congress that the Office of Management and Budget should, beginning with fiscal year 2000, transfer the Formerly Utilized Sites Remedial Action Program from the National Defense budget function (budget function 050) to a nondefense discretionary budget function.

SEC. 3163. REPORTS RELATING TO TRITIUM PRODUCTION.

(a) Report on Tritium Production Technology Options.—(1) The Secretary of Defense, in consultation with the Secretary of Energy, shall establish a task force of the Defense Science Board to examine tritium production technology options.

(2) The task force shall examine the following issues:

(A) The risk associated with the design, construction, operation, and cost of each option for tritium production under consideration.

(B) The implications for nuclear weapons proliferation of each such option.

(C) The extent to which each such option contributes to the capability of the Government to reliably meet the national defense requirements of the United States.

(D) Any other factors that the Secretary of Defense or the Secretary of Energy considers appropriate.

(3) The task force shall submit to the Secretary of Defense and the Secretary of Energy a report on the results of its examination. The Secretaries shall submit the report to Congress not later than June 30, 1999.

(b) Report on Test Program for Tritium Production at Watts Bar.—(1) The Secretary of Energy shall submit to the congressional defense committees a report on the results of the test program at the Watts Bar Nuclear Station, Tennessee, after the test program is completed and the results of the program are evaluated. The report shall include—

(A) data on the performance of the test rods, including any leakage of tritium from the test rods;

(B) the amount of tritium produced during the test;

(C) the performance of the reactor during the test; and

(D) any other technical findings resulting from the test.

(2) The Secretary of Energy shall submit to the congressional defense committees an interim report on the test program not later than 60 days after the test rods are removed from the Watts Bar reactor.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 1999, $17,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Definitions.
Sec. 3302. Authorized uses of stockpile funds.
Sec. 3303. Authority to dispose of certain materials in National Defense Stockpile.
Sec. 3304. Use of stockpile funds for certain environmental remediation, restoration, waste management, and compliance activities.

SEC. 3301. DEFINITIONS.

In this title:

(1) The term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(2) The term "National Defense Stockpile Transaction Fund" means the fund in the Treasury of the United States established under section 9(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(a)).

SEC. 3302. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) Obligation of Stockpile Funds.—During fiscal year 1999, the National Defense Stockpile Manager may obligate up to $83,000,000 of the funds in the National Defense Stockpile Transaction Fund for the authorized uses of such funds under section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)), including the disposal of hazardous materials that are environmentally sensitive.

(b) Additional Obligations.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) Limitations.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3303. AUTHORITY TO DISPOSE OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.

(a) Disposal Required.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in the amount of—

(1) $105,000,000 by the end of fiscal year 1999;

(2) $460,000,000 by the end of fiscal year 2002;

(3) $555,000,000 by the end of fiscal year 2003; and

(4) $590,000,000 by the end of fiscal year 2005.

(b) Limitation on Disposal Quantity.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	Quantity
Bauxite Refractory	29,000 long calcined ton
Beryllium Metal	100 short tons
Chromite Chemical	34,000 short dry tons
Chromite Refractory	159,000 short dry tons
Chromium Ferroalloy	125,000 short tons
Columbium Carbide Powder	21,372 pounds of contained Columbium
Columbium Concentrates	1,733,454 pounds of contained Columbium
Columbium Ferro	249,396 pounds of contained Columbium
Columbium Metal—Ingots	161,123 pounds of contained Columbium
Diamond, Stones	3,000,000 carats
Germanium Metal	28,198 kilograms
Graphite Natural Ceylon Lump	5,492 short tons
Indium	14,248 troy ounces
Mica Muscovite Block	301,000 pounds
Mica Phlogopite Block	130,745 pounds
Platinum	439,887 troy ounces
Platinum—Iridium	4,450 troy ounces
Platinum—Palladium	750,000 troy ounces
Tantalum Carbide Powder	22,688 pounds of contained Tantalum
Tantalum Metal Ingots	125,000 pounds of contained Tantalum
Tantalum Metal Powder	125,000 pounds of contained Tantalum
Tantalum Minerals	1,751,364 pounds contained of Tantalum
Tantalum Oxide	122,730 pounds contained of Tantalum
Tungsten Carbide Powder	2,032,896 pounds of contained Tungsten
Tungsten Ferro	2,024,143 pounds of contained Tungsten
Tungsten Metal Powder	1,898,009 pounds of contained Tungsten
Tungsten Ores & Concentrates	76,358,235 pounds of contained Tungsten

(c) Minimization of Disruption and Loss.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) Treatment of Receipts.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials authorized for disposal under subsection (a) shall be treated as follows:

(1) The following amounts shall be transferred to the Secretary of Health and Human Services, to be credited in the manner determined by the Secretary to the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund:

(A) $3,000,000 during fiscal year 1999.

(B) $22,000,000 during fiscal year 2000.

(C) $28,000,000 during fiscal year 2001.

(D) $31,000,000 during fiscal year 2002.

(E) $8,000,000 during fiscal year 2003.

(2) The balance of the funds received shall be deposited into the general fund of the Treasury.

(e) Relationship to Other Disposal Authority.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(f) Authorization of Sale.—The authority provided by this section to dispose of materials contained in the National Defense Stockpile so as to result in receipts of $100,000,000 of the amount specified for fiscal year 1999 in subsection (a) by the end of that fiscal year shall be effective only to the extent provided in advance in appropriation Acts.

SEC. 3304. USE OF STOCKPILE FUNDS FOR CERTAIN ENVIRONMENTAL REMEDIATION, RESTORATION, WASTE MANAGEMENT, AND COMPLIANCE ACTIVITIES.

Section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)) is amended—

(1) by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L), respectively; and

(2) by inserting after subparagraph (I) the following new subparagraph (J):

"(J) Performance of environmental remediation, restoration, waste management, or compliance activities at locations of the stockpile that are required under a Federal law or are undertaken by the Government under an administrative decision or negotiated agreement.".

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Definitions.
Sec. 3402. Authorization of appropriations.
Sec. 3403. Disposal of Naval Petroleum Reserve Numbered 2.
Sec. 3404. Disposal of Naval Petroleum Reserve Numbered 3.
Sec. 3405. Disposal of Oil Shale Reserve Numbered 2.
Sec. 3406. Administration.

SEC. 3401. DEFINITIONS.

In this title:

(1) The term "naval petroleum reserves" has the meaning given the term in section 7420(2) of title 10, United States Code.

(2) The term "Naval Petroleum Reserve Numbered 2" means the naval petroleum reserve, commonly referred to as the Buena Vista unit, that is located in Kern County, California, and was established by Executive order of the President, dated December 13, 1912.

(3) The term "Naval Petroleum Reserve Numbered 3" means the naval petroleum reserve, commonly referred to as the Teapot Dome unit, that is located in the State of Wyoming and was established by Executive order of the President, dated April 30, 1915.

(4) The term "Oil Shale Reserve Numbered 2" means the naval petroleum reserve that is located in the State of Utah and was established by Executive order of the President, dated December 6, 1916.

(5) The term "antitrust laws" means has the meaning given the term in section 1(a) of the Clayton Act (15 U.S.C. 12(a)), except that the term also includes—

(A) the Act of June 19, 1936 (15 U.S.C. 13 et seq.; commonly known as the Robinson-Patman Act); and

(B) section 5 of the Federal Trade Commission Act (15 U.S.C. 45), to the extent that such section applies to unfair methods of competition.

(6) The term "petroleum" has the meaning given the term in section 7420(3) of title 10, United States Code.

SEC. 3402. AUTHORIZATION OF APPROPRIATIONS.

(a) Amount.—There are hereby authorized to be appropriated to the Secretary of Energy $22,500,000 for fiscal year 1999 for the purpose of carrying out—

(1) activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves;

(2) closeout activities at Naval Petroleum Reserve Numbered 1 upon the sale of that reserve under subtitle B of title XXXIV of the National Defense Authorization Act for fiscal year 1996 (Public Law 104–106; 10 U.S.C. 7420 note); and

(3) activities under this title relating to the disposition of Naval Petroleum Reserve Numbered 2, Naval Petroleum Reserve Numbered 3, and Oil Shale Reserve Numbered 2.

(b) Period of Availability.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

SEC. 3403. DISPOSAL OF NAVAL PETROLEUM RESERVE NUMBERED 2.

(a) Disposal of Ford City Lots Authorized.—(1) Subject to section 3406, the Secretary of Energy may dispose of the portion of Naval Petroleum Reserve Numbered 2 that is located within the town lots in Ford City, California, which are identified as "Drill Sites Numbered 3A, 4, 6, 9A, 20, 22, 24, and 26" and described in the document entitled "Ford City Drill Site Locations—NPR–2," and accompanying maps on file in the office of the Deputy Assistant Secretary for Naval Petroleum and Oil Shale Reserves of the Department of Energy.

(2) The Secretary of Energy shall carry out the disposal authorized by paragraph (1) by competitive sale or lease consistent with commercial practices, by transfer to another Federal agency or a public or private entity, or by such other means as the Secretary considers appropriate. Any competitive sale or lease under this subsection shall provide for the disposal of all right, title, and interest of the United States in the property to be conveyed. The Secretary of Energy may use the authority provided by the Act of June 14, 1926 (43 U.S.C. 869 et seq.; commonly known as the Recreation and Public Purposes Act), in the same manner and to the same extent as the Secretary of the Interior, to dispose of the portion of Naval Petroleum Reserve Numbered 2 described in paragraph (1).

(3) Section 2696(a) of title 10, United States Code, regarding the screening of real property for further Federal use before disposal, shall apply to the disposal authorized by paragraph (1).

(b) Transfer of Administrative Jurisdiction Authorized.—(1) The Secretary of Energy shall continue to administer Naval Petroleum Reserve Numbered 2 (other than the portion of the reserve authorized for disposal under subsection (a)) in accordance with chapter 641 of title 10, United States Code, until such time as the Secretary makes a determination to abandon oil and gas operations in Naval Petroleum Reserve Numbered 2 in accordance with commercial operating practices.

(2) After oil and gas operations are abandoned in Naval Petroleum Reserve Numbered 2, the Secretary of Energy may transfer to the Secretary of the Interior administrative jurisdiction and control over all public domain lands included within Naval Petroleum Reserve Numbered 2 (other than the portion of the reserve authorized for disposal under subsection (a)) for management in accordance with the general land laws.

(c) Relationship to Antitrust Laws.—This section does not modify, impair, or supersede the operation of the antitrust laws.

SEC. 3404. DISPOSAL OF NAVAL PETROLEUM RESERVE NUMBERED 3.

(a) Administration Pending Termination of Operations.—The Secretary of Energy shall continue to administer Naval Petroleum Reserve Numbered 3 in accordance with chapter 641 of title 10, United States Code, until such time as the Secretary makes a determination to abandon oil and gas operations in Naval Petroleum Reserve Numbered 3 in accordance with commercial operating practices.

(b) Disposal Authorized.—After oil and gas operations are abandoned in Naval Petroleum Reserve Numbered 3, the Secretary of Energy may dispose of the reserve as provided in this subsection. Subject to section 3406, the Secretary shall carry out any such disposal of the reserve by sale or lease or by transfer to another Federal agency. Any sale or lease shall provide for the disposal of all right, title, and interest of the United States in the property to be conveyed and shall be conducted in accordance with competitive procedures consistent with commercial practices, as established by the Secretary.

(c) Relationship to Antitrust Laws.—This section does not modify, impair, or supersede the operation of the antitrust laws.

SEC. 3405. DISPOSAL OF OIL SHALE RESERVE NUMBERED 2.

(a) Transfer of Administrative Jurisdiction Authorized.—Subject to section 3406, the Secretary of Energy may transfer to the Secretary of the Interior administrative jurisdiction and control over all public domain lands included within Oil Shale Reserve Numbered 2 for management in accordance with the general land laws.

(b) Relationship to Indian Reservation.—The transfer of administrative jurisdiction under this section does not affect any interest, right, or obligation respecting the Uintah and Ouray Indian Reservation located in Oil Shale Reserve Numbered 2.

SEC. 3406. ADMINISTRATION.

(a) Protection of Existing Rights.—At the discretion of the Secretary of Energy, the disposal of property under this title shall be subject to any contract related to the United States ownership interest in the property in effect at the time of disposal, including any lease agreement pertaining to the United States interest in Naval Petroleum Reserve Numbered 2.

(b) Deposit of Receipts.—Notwithstanding any other law, all monies received by the United States from the disposal of property under this title, including any monies received from a lease entered into under this title, shall be deposited in the general fund of the Treasury.

(c) Treatment of Royalties.—Any petroleum accruing to the United States as royalty from any lease of lands transferred under this title shall be delivered to the United States, or shall be paid for in money, as the Secretary of the Interior may elect.

(d) Elements of Lease.—A lease under this title may provide for the exploration for, and development and production of, petroleum, other than petroleum in the form of oil shale.

(e) Waiver of Requirements Regarding Consultation and Approval.—Section 7431 of title 10, United States Code, shall not apply to the disposal of property under this title.

TITLE XXXV—PANAMA CANAL COMMISSION

Sec. 3501. Short title; references to Panama Canal Act of 1979.
Sec. 3502. Authorization of expenditures.
Sec. 3503. Purchase of vehicles.
Sec. 3504. Expenditures only in accordance with treaties.
Sec. 3505. Donations to the Commission.
Sec. 3506. Agreements for United States to provide post-transfer administrative services for certain employee benefits.
Sec. 3507. Sunset of United States overseas benefits just before transfer.
Sec. 3508. Central examining office.
Sec. 3509. Liability for vessel accidents.
Sec. 3510. Panama Canal Board of Contract Appeals.
Sec. 3511. Restatement of requirement that Secretary of Defense designee on Panama Canal Commission supervisory board be a current officer of the Department of Defense.
Sec. 3512. Technical amendments.

SEC. 3501. SHORT TITLE; REFERENCES TO PANAMA CANAL ACT OF 1979.

(a) Short Title.—This title may be cited as the "Panama Canal Commission Authorization Act for Fiscal Year 1999".

(b) References to Panama Canal Act of 1979.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

SEC. 3502. AUTHORIZATION OF EXPENDITURES.

(a) In General.—Subject to subsection (b), the Panama Canal Commission is authorized to use amounts in the Panama Canal Revolving Fund to make such expenditures within the limits of funds and borrowing authority available to it in accordance with law, and to make such contracts and commitments, as may be necessary under the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) for the operation, maintenance, improvement, and administration of the Panama Canal for fiscal year 1999.

(b) Limitations.—For fiscal year 1999, the Panama Canal Commission may expend from funds in the Panama Canal Revolving Fund not more than $100,000 for official reception and representation expenses, of which—

(1) not more than $28,000 may be used for official reception and representation expenses of the Supervisory Board of the Commission;

(2) not more than $14,000 may be used for official reception and representation expenses of the Secretary of the Commission; and

(3) not more than $58,000 may be used for official reception and representation expenses of the Administrator of the Commission.

SEC. 3503. PURCHASE OF VEHICLES.

Notwithstanding any other provision of law, the funds available to the Commission shall be available for the purchase and transportation to the Republic of Panama of passenger motor vehicles, the purchase price of which shall not exceed $23,000 per vehicle.

SEC. 3504. EXPENDITURES ONLY IN ACCORDANCE WITH TREATIES.

Expenditures authorized under this title may be made only in accordance with the Panama Canal Treaties of 1977 and any law of the United States implementing those treaties.

SEC. 3505. DONATIONS TO THE COMMISSION.

Section 1102b (22 U.S.C. 3612b) is amended by adding at the end the following new subsection:

"(f)(1) The Commission may seek and accept donations of funds, property, and services from individuals, foundations, corporations, and other private and public entities for the purpose of carrying out its promotional activities.

"(2) The Commission shall establish written guidelines setting forth the criteria to be used in determining whether the acceptance of funds, property, or services authorized by paragraph (1) would reflect unfavorably upon the ability of the Commission (or any employee of the Commission) to carry out its responsibilities or official duties in a fair and objective manner or would compromise the integrity or the appearance of the integrity of its programs or of any official in those programs.".

SEC. 3506. AGREEMENTS FOR UNITED STATES TO PROVIDE POST-TRANSFER ADMINISTRATIVE SERVICES FOR CERTAIN EMPLOYEE BENEFITS.

Section 1110 (22 U.S.C. 3620) is amended by adding at the end the following new subsection:

"(c)(1) The Secretary of State may enter into one or more agreements to provide for the United States to furnish administrative services relating to the benefits described in paragraph (2) after December 31, 1999, and to establish appropriate procedures for providing advance funding for the services.

"(2) The benefits referred to in paragraph (1) are the following:

"(A) Pension, disability, and medical benefits provided by the Panama Canal Commission pursuant to section 1245.

"(B) Compensation for work injuries covered by chapter 81 of title 5, United States Code.".

SEC. 3507. SUNSET OF UNITED STATES OVERSEAS BENEFITS JUST BEFORE TRANSFER.

(a) Repeals.—Effective 11:59 p.m. (Eastern Standard Time), December 30, 1999, the following provisions are repealed and any right or condition of employment provided for in, or arising from, those provisions is terminated: sections 1206 (22 U.S.C. 3646), 1207 (22 U.S.C. 3647), 1217(a) (22 U.S.C. 3657(a)), and 1224(11) (22 U.S.C. 3664(11)), subparagraphs (A), (B), (F), (G), and (H) of section 1231(a)(2) (22 U.S.C. 3671(a)(2)) and section 1321(e) (22 U.S.C. 3731(e)).

(b) Savings Provision for Basic Pay.—Notwithstanding subsection (a), benefits based on basic pay, as listed in paragraphs (1), (2), (3), (5), and (6) of section 1218 of the Panama Canal Act of 1979, shall be paid as if sections 1217(a) and 1231(a)(2) (A) and (B) of that Act had been repealed effective 12:00 noon, December 31, 1999. The exception under the preceding sentence shall not apply to any pay for hours of work performed on December 31, 1999.

(c) Nonapplicability to Agencies in Panama Other Than Panama Canal Commission.—Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by striking out "the Panama Canal Transition Facilitation Act of 1997" and inserting in lieu thereof "the Panama Canal Transition Facilitation Act of 1997 (subtitle B of title XXXV of Public Law 105–85; 110 Stat. 2062), or the Panama Canal Commission Authorization Act for Fiscal Year 1999".

SEC. 3508. CENTRAL EXAMINING OFFICE.

(a) Repeal.—Section 1223 (22 U.S.C. 3663) is repealed.

(b) Clerical Amendment.—The table of contents in section 1 is amended by striking out the item relating to section 1223.

SEC. 3509. LIABILITY FOR VESSEL ACCIDENTS.

(a) Commission Liability Subject to Claimant Insurance.—(1) Section 1411(a) (22 U.S.C. 3771(a)) is amended by inserting "to section 1419(b) of this Act and" after "Subject" in the first sentence.

(2) Section 1412 (22 U.S.C. 3772) is amended by striking out "The Commission" in the first sentence and inserting in lieu thereof "Subject to section 1419(b) of this Act, the Commission".

(3) Section 1416 (22 U.S.C. 3776) is amended by striking out "A claimant" in the first sentence and inserting in lieu thereof "Subject to section 1419(b) of this Act, a claimant".

(b) Authority to Require Claimants To Be Covered by Insurance.—Section 1419 (22 U.S.C. 3779) is amended—

(1) by inserting "(a)" before "The Commission"; and

(2) by adding at the end the following:

"(b)(1) The Commission may by regulation require as a condition of transit through the Panama Canal or presence in the Panama Canal or waters adjacent thereto that any potential claimant under section 1411 or 1412 of this Act be covered by insurance against the types of injuries described in those sections. The amount of insurance so required shall be specified in those regulations, but may not exceed $1,000,000.

"(2) In a claim under section 1411 or 1412 of this Act for which the Commission has required insurance under this subsection, the Commission's liability shall be limited to the amount of damages in excess of the amount of insurance required by the Commission.

"(3) In regulations under this subsection, the Commission may prohibit consideration or payment by it of claims presented by or on behalf of an insurer or subrogee of a claimant in a case for which the Commission has required insurance under this subsection.".

SEC. 3510. PANAMA CANAL BOARD OF CONTRACT APPEALS.

(a) Establishment and Pay of Board.—Section 3102(a) (22 U.S.C. 3862(a)) is amended—

(1) in paragraph (1), by striking out "shall" in the first sentence and inserting in lieu thereof "may"; and

(2) by adding at the end the following new paragraph:

"(3) Compensation for members of the Board of Contract Appeals shall be established by the Commission's supervisory board. The annual compensation established for members may not exceed the rate of basic pay established for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The compensation of a member may not be reduced during the member's term of office from the level established at the time of the appointment of the member.".

(b) Deadline for Commencement of Board.—Section 3102(e) (22 U.S.C. 3862(e)) is amended by striking out ", but not later than January 1, 1999".

SEC. 3511. RESTATEMENT OF REQUIREMENT THAT SECRETARY OF DEFENSE DESIGNEE ON PANAMA CANAL COMMISSION SUPERVISORY BOARD BE A CURRENT OFFICER OF THE DEPARTMENT OF DEFENSE.

(a) Authority.—Section 1102(a) (22 U.S.C. 3612(a)) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The Commission shall be supervised by a Board composed of nine members, one of whom shall be an officer of the Department of Defense. The officer of the Department of Defense who shall serve on the Board shall be designated by the Secretary of Defense and may continue to serve on the Board only while continuing to serve as an officer of the Department of Defense."; and

(2) in the last sentence, by striking out "Secretary of Defense or a designee of the Secretary of Defense" and inserting in lieu thereof "the officer of the Department of Defense designated by the Secretary of Defense to be a member of the Board".

(b) Repeal of Superseded Provision.—Section 302 of Public Law 105–18 (111 Stat. 168) is repealed.

SEC. 3512. TECHNICAL AMENDMENTS.

(a) Panama Canal Act of 1979.—The Panama Canal Act of 1979 is amended as follows:

(1) Section 1202(c) (22 U.S.C. 3642(c)) is amended—

(A) by striking out "the day before the date of the enactment of the Panama Canal Transition Facilitation Act of 1997" and inserting in lieu thereof "November 17, 1997,";

(B) by striking out "on or after that date"; and

(C) by striking out "the day before the date of enactment" and inserting in lieu thereof "that date".

(2) Section 1212(b)(3) (22 U.S.C. 3652(b)(3)) is amended by inserting "the" after "by the head of".

(3) Section 1313 (22 U.S.C. 3723) is amended by striking out "subsection (d)" in each of subsections (a), (b), and (d) and inserting in lieu thereof "subsection (c)".

(4) Sections 1411(a) and 1412 (22 U.S.C. 3771(a), 3772) are amended by striking out "the date of the enactment of the Panama Canal Transition Facilitation Act of 1997" and inserting in lieu thereof "by November 18, 1998".

(5) Section 1416 (22 U.S.C. 3776) is amended by striking out "the date of the enactment of the Panama Canal Transition Facilitation Act of 1997" and inserting in lieu thereof "by May 17, 1998".

(b) Public Law 104–201.—Effective as of September 23, 1996, and as if included therein as enacted, section 3548(b)(3) of the Panama Canal Act Amendments of 1996 (subtitle B of title XXXV of Public Law 104–201; 110 Stat. 2869) is amended by striking out "section" in both items of quoted matter and inserting in lieu thereof "sections".

TITLE XXXVI—MARITIME ADMINISTRATION

Sec. 3601. Authorization of appropriations for fiscal year 1999.
Sec. 3602. Authority to convey National Defense Reserve Fleet vessel.
Sec. 3603. Authority to convey certain National Defense Reserve Fleet vessels.
Sec. 3604. Clearinghouse for maritime information.
Sec. 3605. Conveyance of NDRF vessel ex-USS LORAIN COUNTY.

SEC. 3601. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1999.

Funds are hereby authorized to be appropriated for fiscal year 1999, to be available without fiscal year limitation if so provided in appropriations Act, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $70,553,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.), $20,000,000 of which—

(A) $16,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,000,000 is for administrative expenses related to loan guarantee commitments under the program.

SEC. 3602. AUTHORITY TO CONVEY NATIONAL DEFENSE RESERVE FLEET VESSEL.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the vessel M/V BAYAMON (United States official number 530007) to a purchaser for use as a self-propelled floating trade exposition to showcase United States technology, industrial products, and services.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of conveyance;

(B) in its condition on that date; and

(C) at no cost to the United States Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) competitive procedures are used for sales under this section;

(B) the vessel is sold for not less than the fair market value of the vessel in the United States, as determined by the Secretary of Transportation;

(C) the recipient agrees that any repair, except for emergency repairs, restoration, or reconstruction work for the vessel will be performed in the United States;

(D) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date; and

(E) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid assets, or a written loan commitment to complete the reconstruction of the vessel.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) PROCEEDS.—Any amounts received by the United States as proceeds from the sale of the M/V BAYAMON shall be deposited in the Vessel Operations Revolving Fund established by section 801 of the Act of June 2, 1951 (65 Stat. 59; 46 U.S.C. App. 1241a) and shall be available and expended in accordance with section 6(a) of the National Maritime Heritage Act (16 U.S.C. App. 5405(a)).

SEC. 3603. AUTHORITY TO CONVEY CERTAIN NATIONAL DEFENSE RESERVE FLEET VESSELS.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the United States Government in and to the vessels BENJAMIN ISHERWOOD (TAO–191) and HENRY ECKFORD (TAO–192) to a purchaser for the limited purpose of reconstruction of those vessels for sale or charter to a North Atlantic Treaty Organization country for full use as an oiler.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of the conveyance;

(B) in its condition on that date; and

(C) at no cost to the United States Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) competitive procedures are used for sales under this section;

(B) the vessel is sold for not less than the fair market value of the vessel in the United States, as determined by the Secretary of Transportation;

(C) the recipient agrees that any repair, except for emergency repairs, restoration, or reconstruction work for the vessel will be performed in the United States;

(D) the recipient agrees to hold the Government harmless for any claims arising from defects in the vessel or from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after the conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date;

(E) the recipient provides sufficient evidence to the Secretary that it has adequate financial resources in the form of cash, liquid assets, or a written loan commitment to complete the reconstruction of the vessel; and

(F) with respect to the vessel, the recipient remains subject to all laws and regulations governing the export of military items, including the requirements administered by the Department of State regarding export licenses and certification of nontransfer end use.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with a conveyance authorized by this section as the Secretary considers appropriate.

(c) PROCEEDS.—Any amounts received by the United States as proceeds from the sale of a vessel under this section shall be deposited in the Vessel Operations Revolving Fund established by section 801 of the Act of June 2, 1951 (65 Stat. 59; 46 U.S.C. App. 1241a) and shall be available and expended in accordance with section 6(a) of the National Maritime Heritage Act (16 U.S.C. App. 5405(a)).

SEC. 3604. CLEARINGHOUSE FOR MARITIME INFORMATION.

Of the amount authorized to be appropriated pursuant to section 3601(1) for operations of the Maritime Administration, $75,000 may be available for the establishment at a State Maritime Academy of a clearinghouse for maritime information that makes that information publicly available, including by use of the Internet.

SEC. 3605. CONVEYANCE OF NDRF VESSEL EX-USS LORAIN COUNTY.

(a) AUTHORITY TO CONVEY.—The Secretary of Transportation may convey all right, title, and interest of the Federal Government in and to the vessel ex-USS LORAIN COUNTY (LST–1177) to the Ohio War Memorial, Inc., located in Sandusky, Ohio (in this section referred to as the "recipient"), for use as a memorial to Ohio veterans.

(b) TERMS OF CONVEYANCE.—

(1) DELIVERY OF VESSEL.—In carrying out subsection (a), the Secretary shall deliver the vessel—

(A) at the place where the vessel is located on the date of conveyance;

(B) in its condition on that date; and

(C) at no cost to the Federal Government.

(2) REQUIRED CONDITIONS.—The Secretary may not convey a vessel under this section unless—

(A) the recipient agrees to hold the Government harmless for any claims arising from exposure to hazardous material, including asbestos and polychlorinated biphenyls, after conveyance of the vessel, except for claims arising before the date of the conveyance or from use of the vessel by the Government after that date; and

(B) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(3) ADDITIONAL TERMS.—The Secretary may require such additional terms in connection with the conveyance authorized by this section as the Secretary considers appropriate.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may convey to the recipient of the vessel conveyed under this section any unneeded equipment from other vessels in the National Defense Reserve Fleet, for use to restore the vessel conveyed under this section to museum quality.

TITLE XXXVII—INCREASED MONITORING OF PRODUCTS MADE WITH FORCED LABOR

Sec. 3701. Authorization for additional customs personnel to monitor the importation of products made with forced labor.
Sec. 3702. Reporting requirement on forced labor products destined for the United States market.
Sec. 3703. Renegotiating memoranda of understanding on forced labor.

SEC. 3701. AUTHORIZATION FOR ADDITIONAL CUSTOMS PERSONNEL TO MONITOR THE IMPORTATION OF PRODUCTS MADE WITH FORCED LABOR.

There are authorized to be appropriated for monitoring by the United States Customs Service of the importation into the United States of products made with forced labor, the importation of which violates section 307 of the Tariff Act of 1930 or section 1761 of title 18, United States Code, $2,000,000 for fiscal year 1999.

SEC. 3702. REPORTING REQUIREMENT ON FORCED LABOR PRODUCTS DESTINED FOR THE UNITED STATES MARKET.

(a) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Commissioner of Customs shall prepare and transmit to the Congress a report on products made with forced labor that are destined for the United States market.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall include information concerning the following:

(1) The extent of the use of forced labor in manufacturing products destined for the United States market.

(2) The volume of products made with forced labor, destined for the United States market, that is in violation of section 307 of the Tariff Act of 1930 or section 1761 of the title 18, United States Code, and is seized by the United States Customs Service.

(3) The progress of the United States Customs Service in identifying and interdicting products made with forced labor that are destined for the United States market.

SEC. 3703. RENEGOTIATING MEMORANDA OF UNDERSTANDING ON FORCED LABOR.

It is the sense of the Congress that the President should determine whether any country with which the United States has a memorandum of understanding with respect to reciprocal trade which involves goods made with forced labor is frustrating implementation of the memorandum. Should an affirmative determination be made, the President should immediately commence negotiations to replace the current memorandum of understanding with one providing for effective procedures for the monitoring of forced labor, including improved procedures to request investigations by international monitors of worksites suspected to be in violation of any such memorandum.

TITLE XXXVIII—FAIR TRADE IN AUTOMOTIVE PARTS

Sec. 3801. Short title.
Sec. 3802. Definitions.
Sec. 3803. Re-establishment of initiative on automotive parts sales to Japan.
Sec. 3804. Establishment Of Special Advisory Committee on automotive parts sales in Japanese and other Asian markets.
Sec. 3805. Expiration date.

SEC. 3801. SHORT TITLE.

This title may be cited as the "Fair Trade in Automotive Parts Act of 1998".

SEC. 3802. DEFINITIONS.

In this title:

(1) JAPANESE MARKETS.—The term "Japanese markets" refers to markets, including markets in the United States and Japan, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese automobiles.

(2) JAPANESE AND OTHER ASIAN MARKETS.—The term "Japanese and other Asian markets" refers to markets, including markets in the United States, Japan, and other Asian countries, where automotive parts and accessories, both original equipment and aftermarket, are purchased for use in the manufacture or repair of Japanese, United States, or other Asian automobiles.

SEC. 3803. RE-ESTABLISHMENT OF INITIATIVE ON AUTOMOTIVE PARTS SALES TO JAPAN.

(a) IN GENERAL.—The Secretary of Commerce shall re-establish the initiative to increase the sale of United States-made automotive parts and accessories to Japanese markets.

(b) FUNCTIONS.—In carrying out this section, the Secretary shall—

(1) foster increased access for United States-made automotive parts and accessories to Japanese companies, including specific consultations on access to Japanese markets;

(2) facilitate the exchange of information between United States automotive parts manufacturers and the Japanese automobile industry;

(3) collect data and market information on the Japanese automotive industry regarding needs, trends, and procurement practices, including the types, volume, and frequency of parts sales to Japanese automobile manufacturers;

(4) establish contacts with Japanese automobile manufacturers in order to facilitate contact between United States automotive parts manufacturers and Japanese automobile manufacturers;

(5) report on and attempt to resolve disputes, policies, or practices, whether public or private, that result in barriers to increased commerce between United States automotive parts manufacturers and Japanese automobile manufacturers;

(6) take actions to initiate periodic consultations with officials of the Government of Japan regarding sales of United States-made automotive parts in Japanese markets; and

(7) transmit to Congress the annual report prepared by the Special Advisory Committee under section 3804(c)(5).

SEC. 3804. ESTABLISHMENT OF SPECIAL ADVISORY COMMITTEE ON AUTOMOTIVE PARTS SALES IN JAPANESE AND OTHER ASIAN MARKETS.

(a) IN GENERAL.—The Secretary of Commerce shall seek the advice of the United States automotive parts industry in carrying out this title.

(b) ESTABLISHMENT OF COMMITTEE.—The Secretary of Commerce shall establish a Special Advisory Committee for purposes of carrying out this title.

(c) FUNCTIONS.—The Special Advisory Committee established under subsection (b) shall—

(1) report to the Secretary of Commerce on barriers to sales of United States-made automotive parts and accessories in Japanese and other Asian markets;

(2) review and consider data collected on sales of United States-made automotive parts and accessories in Japanese and other Asian markets;

(3) advise the Secretary of Commerce during consultations with other governments on issues concerning sales of United States-made automotive parts in Japanese and other Asian markets;

(4) assist in establishing priorities for the initiative established under section 3803, and otherwise provide assistance and direction to the Secretary of Commerce in carrying out the intent of that section; and

(5) assist the Secretary in reporting to Congress by submitting an annual written report to the Secretary on the sale of United States-made automotive parts in Japanese and other Asian markets, as well as any other issues with respect to which the Committee provides advice pursuant to this title.

(d) AUTHORITY.—The Secretary of Commerce shall draw on existing budget authority in carrying out this title.

SEC. 3805. EXPIRATION DATE.

The authority under this title shall expire on December 31, 2003.

TITLE XXXIX—RADIO FREE ASIA

Sec. 3901. Short title.
Sec. 3902. Authorization of appropriations for increased funding for Radio Free Asia and Voice of America broadcasting to China.
Sec. 3903. Reporting requirement.

SEC. 3901. SHORT TITLE.

This title may be cited as the "Radio Free Asia Act of 1998".

SEC. 3902. AUTHORIZATION OF APPROPRIATIONS FOR INCREASED FUNDING FOR RADIO FREE ASIA AND VOICE OF AMERICA BROADCASTING TO CHINA.

(a) AUTHORIZATION OF APPROPRIATIONS FOR RADIO FREE ASIA.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for "Radio Free Asia" $22,000,000 for fiscal year 1999.

(2) SENSE OF THE CONGRESS.—It is the sense of the Congress that a significant amount of the funds under paragraph (1) should be directed toward broadcasting to China and Tibet in the appropriate languages and dialects.

(b) AUTHORIZATION OF APPROPRIATIONS FOR INTERNATIONAL BROADCASTING TO CHINA.—In addition to such sums as are otherwise authorized to be appropriated to the United States Information Agency for "International Broadcasting Activities" for fiscal year 1999, there are authorized to be appropriated for "International Broadcasting Activities" $3,000,000 for fiscal year 1999, which shall be available only for enhanced Voice of America broadcasting to China.

(c) AUTHORIZATION OF APPROPRIATIONS FOR RADIO CONSTRUCTION.—In addition to such sums as are otherwise authorized to be appropriated for "Radio Construction" for fiscal year 1999, there are authorized to be appropriated for "Radio Construction" $2,000,000 for fiscal year 1999, which shall be available only for construction in support of enhanced broadcasting to China, including the timely augmentation of transmitters at Tinian, the Commonwealth of the Northern Mariana Islands.

SEC. 3903. REPORTING REQUIREMENT.

(a) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Broadcasting Board of Governors shall prepare and submit to the appropriate congressional committees an assessment of the board's efforts to increase broadcasting by Radio Free Asia and Voice of America to China and Tibet. This report shall include an analysis of Chinese government control of the media, the ability of independent journalists and news organizations to operate in China, and the results of any research conducted to quantify listenership.

(b) DEFINITION.—As used in this section, the term "appropriate congressional committees" means—

(1) the Committee on Foreign Relations and the Committee on Appropriations of the Senate; and

(2) the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

And the Senate agree to the same.

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
JOHN R. KASICH,
HERBERT H. BATEMAN,
JAMES V. HANSEN,
CURT WELDON,
JOEL HEFLEY,
JIM SAXTON,
STEVE BUYER,
TILLIE K. FOWLER,
JOHN M. MCHUGH,
J.C. WATTS, Jr.,
WILLIAM M. THORNBERRY,
SAXBY CHAMBLISS,
WALTER B. JONES,
MICHAEL PAPPAS,
BOB RILEY,
IKE SKELTON,
NORMAN SISISKY,
JOHN M. SPRATT, Jr.,
SOLOMON P. ORTIZ,
OWEN PICKETT,
LANE EVANS,
GENE TAYLOR,
NEIL ABERCROMBIE,
MARTIN T. MEEHAN,
JANE HARMAN,
PAUL MCHALE,
PATRICK J. KENNEDY,
THOMAS H. ALLEN,
VIC SNYDER,
JAMES H. MALONEY,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

PORTER J. GOSS,
JERRY LEWIS,
NORM DICKS,

As additional conferees from the Committee on Banking and Financial Services, for consideration of section 1064 of the Senate amendment:

JIM LEACH,

Michael N. Castle,
John J. LaFalce,

As additional conferees from the Committee on Commerce for consideration of sections 601, 3136, 3151, 3154, 3201, 3401, 3403, 3404, 3405, 3406, and 3407 of the House bill, and sections 321, 601, 1062, 3133, 3140, 3142, 3144, 3201, and title XXXVIII of the Senate amendment, and modifications committed to conference:

Thomas J. Bliley, Jr.,
Dan Schaefer,
John D. Dingell,

Provided that Mr. Oxley is appointed in lieu of Mr. Dan Schaefer for consideration of section 321 of the Senate amendment.

Michael G. Oxley,

Provided that Mr. Bilirakis is appointed in lieu of Mr. Dan Schaefer for consideration of section 601 of the House bill, and section 601 of the Senate amendment.

Mike Bilirakis,

Provided that Mr. Tauzin is appointed in lieu of Mr. Dan Schaefer for consideration of section 1062 and Title XXXVIII of the Senate amendment.

Billy Tauzin,

As additional conferees from the Committee on Education and the Workforce, for consideration of sections 361, 364, 551, and 3151 of the House bill, and sections 522, 643, and 1055 of the Senate amendment, and modifications committed to conference:

Tom Petri,
Frank Riggs,
Tim Roemer,

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 368, 729, 1025, 1042, and 1101–1106 of the House bill, and sections 346, 623, 707, 805, 806, 813, 814, 815, 816, 1101–1105, 3142, 3144, 3145, 3162–3172 and 3510 of the Senate amendment, and modifications committed to conference:

Dan Burton,
John L. Mica,

As additional conferees from the Committee on International Relations, for consideration of sections 233, 1021, 1043, 1044, 1201, 1204, 1205, 1210, 1211, 1213, 1216, and Title XIII of the House bill, and sections 326, 332, 1013, 1041, 1042, 1074, 1084, 3506, 3601, 3602, and 3901–3904 of the Senate amendment, and modifications committed to conference:

Benjamin A. Gilman,
Doug Bereuter,
Lee H. Hamilton,

As additional conferees from the Committee on International Relations, for consideration of sections 1207, 1208, 1209, and 1212 of the House bill, and modifications committed to conference:

Benjamin A. Gilman,
Doug Bereuter,
Christopher H. Smith,
Dan Burton,
Lee H. Hamilton,
Tom Lantos,

As additional conferees from the Committee on the Judiciary for consideration of sections 1045 and 2812 of the House bill and section 1077 of the Senate amendment, and modifications committed to conference:

Henry J. Hyde,
Ed Bryant,

As additional conferees from the Committee on Resources, for consideration of sections 601, 2812, and 3404–3407 of the House bill, and section 601, 2828, and Title XXIX of the Senate amendment and modifications committed to conference:

Don Young,
Billy Tauzin,

As additional conferees from the Committee on Science, for consideration of sections 3135 and 3140 of the Senate amendment, and modifications committed to conference:

F. James Sensenbrenner, Jr.,
Ken Calvert,
George E. Brown, Jr.,

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of sections 552, 601, 1411, and 1413 of the House bill, and sections 323, 601, 604, and 1080 of the Senate amendment, and modifications committed to conference:

Bud Shuster,
Sherwood Boehlert,
Bob Clement,

As additional conferees from the Committee on Veterans' Affairs for consideration of sections 556 and 1046 of the House bill, and sections 618, 619, 644, and 1082 of the Senate amendment, and modifications committed to conference:

Christopher H. Smith,
Mike Bilirakis,
Ciro D. Rodriguez,
Managers on the Part of the House.

Strom Thurmond,
John Warner,
John McCain,
Dan Coats,
Bob Smith,
Dirk Kempthorne,
Jim Inhofe,
Rick Santorum,
Olympia J. Snowe,
Pat Roberts,
Carl Levin,
Edward M. Kennedy,
Jeff Bingaman,
John Glenn,
Robert C. Byrd,
Chuck Robb,
Joseph I. Lieberman,
Max Cleland,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense programs of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

Summary Statement of Conference Action

The conferees recommend authorizations for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction and family housing, weapons programs of the Department of Energy, and the civil defense that have budget authority implications of $270.5 billion.

Summary Table of Authorizations

The defense authorization act provides authorizations for appropriations but does not generally provide budget authority. Budget authority is provided in appropriations acts.

In order to relate the conference recommendations to the Budget Resolution, matter in addition to the dollar authorizations contained in this bill must be taken into account. A number of programs in the defense function are authorized permanently or, in certain instances, authorized in other annual legislation. In addition, this authorization bill would establish personnel levels and include a number of legislative provisions affecting military compensation.

The following table summarizes authorizations included in the bill for fiscal year 1999 and, in addition, summarizes the implications of the conference action for the budget totals for national defense (budget function 050).

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	BA Implications			
						Request	House	Senate	Conference
DIVISION A									
TITLE I									
PROCUREMENT									
Aircraft Procurement, Army	1,325,943	1,420,759	1,462,508	70,104	1,396,047	1,325,943	1,420,759	1,462,508	1,396,047
Missile Procurement, Army	1,205,768	1,232,285	1,171,539	22,461	1,228,229	1,205,768	1,232,285	1,171,539	1,228,229
Procurement of Weapons and Tracked Combat Vehicles, Army	1,433,608	1,507,638	1,439,108	73,943	1,507,551	1,433,608	1,507,638	1,439,108	1,507,551
Procurement of Ammunition, Army	1,008,855	1,053,455	1,007,155	7,400	1,016,255	1,008,855	1,053,455	1,007,155	1,016,255
Other Procurement, Army	3,198,811	3,136,918	3,556,927	146,121	3,344,932	3,198,811	3,136,918	3,556,927	3,344,932
Chemical Agents and Munitions Destruction, Army									
Operation & Maintenance	531,650	0	0	(531,650)	0	531,650	0	0	0
Procurement	140,670	0	0	(140,670)	0	140,670	0	0	0
Research, Development, Test & Evaluation	182,780	0	0	(182,780)	0	182,780	0	0	0
Aircraft Procurement, Navy	7,466,734	7,420,847	7,477,934	175,466	7,642,200	7,466,734	7,420,847	7,477,934	7,642,200
Weapons Procurement, Navy	1,327,545	1,192,195	1,366,045	(103,642)	1,223,903	1,327,545	1,192,195	1,366,045	1,223,903
Procurement of Ammunition, Navy and Marine Corps	429,539	451,968	475,539	33,800	463,339	429,539	451,968	475,539	463,339
Shipbuilding and Conversion, Navy	6,252,672	5,992,361	6,049,272	(219,192)	6,033,480	6,252,672	5,992,361	6,049,272	6,033,480
Other Procurement, Navy	3,937,737	3,969,507	4,040,012	105,238	4,042,975	3,937,737	3,969,507	4,040,012	4,042,975
Procurement, Marine Corps	745,858	691,868	908,558	136,038	881,896	745,858	691,868	908,558	881,896
Aircraft Procurement, Air Force	7,756,475	8,219,077	8,280,839	594,142	8,350,617	7,756,475	8,219,077	8,280,839	8,350,617
Procurement of Ammunition, Air Force	384,161	383,627	383,161	(1,000)	383,161	384,161	383,627	383,161	383,161
Missile Procurement, Air Force	2,359,803	2,234,668	2,347,745	(149,163)	2,210,640	2,359,803	2,234,668	2,347,745	2,210,640
Other Procurement, Air Force	6,974,387	7,046,372	6,774,581	(24,015)	6,950,372	6,974,387	7,046,372	6,774,581	6,950,372
Procurement, Defense-wide	2,041,650	1,962,866	2,023,450	(86,822)	1,954,828	2,041,650	1,962,866	2,023,450	1,954,828
Procurement, National Guard and Reserve Equipment		300,000	60,000	60,000	60,000		300,000	60,000	60,000
Chemical Agents and Munitions Destruction, Defense									
Operation & Maintenance		528,450	488,700	505,550	505,550		528,450	488,700	505,550
Procurement		134,670	115,670	124,670	124,670		134,670	115,670	124,670
Research, Development, Test & Evaluation		170,880	172,780	172,780	172,780		170,880	172,780	172,780
Procurement, Defense Health Program	402,387	402,387	402,387	0	402,387		0	0	0
Procurement, Office of the Inspector General	1,300	1,300	1,300	0	1,300		0	0	0
Defense Export Loan Guarantee Program	1,250	1,250	1,250	0	1,250	1,250	1,250	1,250	1,250
Reappropriation (sec 8057 of FY 98 Approps)						2,000			
General Reduction (Amendment 3015)			(150,000)					(150,000)	0
Total Procurement	49,109,583	49,455,348	49,856,460	788,779	49,898,362	48,707,896	49,051,661	49,452,773	49,494,675

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	BA Implications			
						Request	House	Senate	Conference
TITLE II									
RESEARCH, DEVELOPMENT, TEST & EVALUATION									
Research, Development, Test & Evaluation, Army	4,780,545	4,792,997	4,816,145	(123,533)	4,657,012	4,780,545	4,792,997	4,816,145	4,657,012
Research, Development, Test & Evaluation, Navy	8,108,923	8,403,559	8,188,897	196,088	8,305,011	8,108,923	8,403,559	8,188,897	8,305,011
Research, Development, Test & Evaluation, Air Force	13,598,093	13,577,209	13,634,993	320,635	13,918,728	13,598,093	13,577,209	13,634,993	13,918,728
Research, Development, Test & Evaluation, Defense-wide	9,314,665	9,173,932	9,302,771	(465,829)	8,848,836	9,314,665	9,173,932	9,302,771	8,848,836
Operational Test & Evaluation, Defense	25,245	29,245	25,245	4,000	29,245	25,245	29,245	25,245	29,245
Developmental Test & Evaluation, Defense	251,106	251,106	249,106	(2,000)	249,106	251,106	251,106	249,106	249,106
General Reduction		0	(275,000)	0	0	0	0	(275,000)	0
Total Research, Development, Test & Evaluation	36,078,577	36,228,048	35,942,157	(70,639)	36,007,938	36,078,577	36,228,048	35,942,157	36,007,938
TITLE III									
OPERATION and MAINTENANCE & WORKING CAPITAL FUNDS									
Operation and Maintenance, Army	17,273,063	16,339,700	17,371,563	(270,500)	17,002,563	17,273,063	16,339,700	17,371,563	17,002,563
Operation and Maintenance, Navy	21,927,202	21,839,328	21,969,302	(349,500)	21,577,702	21,927,202	21,839,328	21,969,302	21,577,702
Operation and Maintenance, Marine Corps	2,523,703	2,539,703	2,618,903	4,900	2,528,603	2,523,703	2,539,703	2,618,903	2,528,603
Operation and Maintenance, Air Force	19,177,004	18,816,108	19,182,404	(486,371)	18,690,633	19,177,004	18,816,108	19,182,404	18,690,633
Operation and Maintenance, Special Operations Command		0	1,251,503	0	0	0	0	1,251,503	0
Operation and Maintenance, Defense-wide	10,750,701	10,354,216	9,042,998	(200,625)	10,550,076	10,750,701	10,354,216	9,042,998	10,550,076
Operation and Maintenance, Army Reserve	1,202,622	1,197,622	1,215,622	(4,600)	1,198,022	1,202,622	1,197,622	1,215,622	1,198,022
Operation and Maintenance, Navy Reserve	928,639	948,639	941,639	(8,000)	920,639	928,639	948,639	941,639	920,639
Operation and Maintenance, Marine Corps Reserve	114,593	116,993	134,593	3,300	117,893	114,593	116,993	134,593	117,893
Operation and Maintenance, Air Force Reserve	1,744,696	1,747,696	1,757,696	(21,900)	1,722,796	1,744,696	1,747,696	1,757,696	1,722,796
Operation and Maintenance, Army National Guard	2,436,815	2,464,815	2,592,815	127,500	2,564,315	2,436,815	2,464,815	2,592,815	2,564,315
Operation and Maintenance, Air National Guard	3,093,933	3,096,933	3,109,933	(46,500)	3,047,433	3,093,933	3,096,933	3,109,933	3,047,433
Office of the Inspector General	130,764	130,764	130,764	0	130,764	132,064	132,064	132,064	132,064
United States Court of Appeals for the Armed Forces	7,324	7,324	7,324	0	7,324	7,324	7,324	7,324	7,324
Environmental Restoration, Army	377,640	377,640	369,640	(7,000)	370,640	377,640	377,640	369,640	370,640
Environmental Restoration, Navy	281,600	281,600	273,600	(7,000)	274,600	281,600	281,600	273,600	274,600
Environmental Restoration, Air Force	379,100	379,100	371,100	(7,000)	372,100	379,100	379,100	371,100	372,100
Environmental Restoration, Defense-Wide	26,091	26,091	22,091	(1,000)	25,091	26,091	26,091	22,091	25,091
Environmental Restoration, Formerly Used Defense Sites	195,000	195,000	195,000	0	195,000	195,000	195,000	195,000	195,000
Overseas Humanitarian, Disaster, & Civic Aid	63,311	47,311	50,000	(13,311)	50,000	63,311	47,311	50,000	50,000
Drug Interdiction and Counter-drug Activities, Defense	727,582	727,582	725,582	(2,000)	725,582	727,582	727,582	725,582	725,582
Defense Health Program	9,653,435	9,663,035	9,617,435	(36,000)	9,617,435	10,055,822	10,065,422	10,019,822	10,019,822

Summary of

National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	BA Implications Request	BA Implications House	BA Implications Senate	BA Implications Conference
Former Soviet Union Threat Reduction	442,400	417,400	440,400	(2,000)	440,400	442,400	417,400	440,400	440,400
Payment to Kaho' Olawe Island Fund	15,000	15,000	15,000	0	15,000	15,000	15,000	15,000	15,000
Overseas Contingency Operation Transfer Fund	746,900	746,900	746,900	0	746,900	746,900	746,900	746,900	746,900
Overseas Military Facility Investment						38,006	38,006	38,006	38,006
General Reduction (Fuel Price Inflation Change)		0	(304,000)	0	0			(304,000)	0
Disposal of DoD Real Property						6,413	6,413	6,413	6,413
Lease of DoD Real Property						18,200	18,200	18,200	18,200
Restoration of Rocky Mountain Arsenal						8,000	8,000	8,000	8,000
National Science Center, Army						120	120	120	120
Defense Burdensharing-Allies/Nato						92,000	92,000	92,000	92,000
Subtotal Operation and Maintenance	94,219,118	92,476,500	93,849,807	(1,327,607)	92,891,511	94,785,544	93,042,926	94,416,233	93,457,937
REVOLVING FUNDS									
Defense Working Capital Fund (Air Force)	30,800	30,800	30,800	0	30,800	30,800	30,800	30,800	30,800
Military Commissary Revolving Fund	63,700	1,045,771	63,700	982,071	1,045,771	63,700	1,045,771	63,700	1,045,771
National Defense Sealift Fund	418,166	669,566	669,566	251,400	669,566	418,166	669,566	669,566	669,566
Reserve Moblization Insurance Fund	37,300	0	0	(37,300)	0	37,300	0	0	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)					0	(150,000)	(150,000)	(150,000)	(150,000)
Transfer from National Stockpile to WCF	350,000	0	0	(350,000)		350,000	0	0	0
National Defense Stockpile Transaction Fund (Excess of Routine Sales)					0	(100,000)	(100,000)	(100,000)	(100,000)
Subtotal Working Capital Funds	899,966	1,746,137	764,066	846,171	1,746,137	649,966	1,496,137	514,066	1,496,137
Total Operation and Maintenance & Working Capital Funds	95,119,084	94,222,637	94,613,873	(481,436)	94,637,648	95,435,510	94,539,063	94,930,299	94,954,074
TITLES IV-V-VI **MILITARY PERSONNEL**									
Total Military Personnel	70,777,086	70,697,086	70,620,386	(184,800)	70,592,286	70,777,086	70,697,086	70,620,386	70,592,286
GENERAL PROVISIONS **DIVISION B** **MILITARY CONSTRUCTION**									
Military Construction, Army	790,876	780,599	810,602	77,850	868,726	790,876	780,599	810,602	868,726
Military Construction, Navy	468,150	570,643	563,415	136,443	604,593	468,150	570,643	563,415	604,593
Military Construction, Air Force	454,810	550,475	633,580	160,999	615,809	454,810	550,475	633,580	615,809
Military Construction, Defense-wide	491,675	611,075	570,675	61,439	553,114	491,675	611,075	570,675	553,114
Military Construction, Army National Guard	47,675	70,338	122,881	94,728	142,403	47,675	70,338	122,881	142,403
Military Construction, Air National Guard	34,761	97,701	161,932	135,040	169,801	34,761	97,701	161,932	169,801

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	BA Implications			
						Request	House	Senate	Conference
Military Construction, Army Reserve	71,287	71,894	116,109	30,832	102,119	71,287	71,894	116,109	102,119
Military Construction, Naval Reserve	15,271	33,721	19,371	16,350	31,621	15,271	33,721	19,371	31,621
Military Construction, Air Force Reserve	10,535	35,371	23,625	23,836	34,371	10,535	35,371	23,625	34,371
Base Realignment and Closure II, III, IV	1,730,704	1,730,704	1,725,704	(99,802)	1,630,902	1,730,704	1,730,704	1,725,704	1,630,902
NATO Infrastructure	185,000	169,000	158,000	(31,000)	154,000	185,000	169,000	158,000	154,000
Unaccompanied Housing Fund				(5,000)	(5,000)				(5,000)
General Reductions		0	(12,714)	0	0	0		(12,714)	
Total Military Construction	4,300,744	4,721,521	4,893,180	601,715	4,902,459	4,300,744	4,721,521	4,893,180	4,902,459
FAMILY HOUSING									
Family Housing Construction, Army	103,440	124,240	125,630	31,850	135,290	103,440	124,240	125,630	135,290
Family Housing Support, Army	1,104,733	1,097,697	1,101,733	(10,036)	1,094,697	1,104,733	1,097,697	1,101,733	1,094,697
Family Housing Construction, Navy and Marine Corps	280,790	290,790	285,590	14,800	295,590	280,790	290,790	285,590	295,590
Family Housing Support, Navy and Marine Corps	915,293	915,293	912,293	(3,000)	912,293	915,293	915,293	912,293	912,293
Family Housing Construction, Air Force	226,035	241,585	306,475	54,930	280,965	226,035	241,585	306,475	280,965
Family Housing Support, Air Force	789,995	785,204	787,995	(6,791)	783,204	789,995	785,204	787,995	783,204
Family Housing Construction, Defense-wide	345	345	345	0	345	345	345	345	345
Family Housing Support, Defense-wide	36,899	36,899	36,899	0	36,899	36,899	36,899	36,899	36,899
Family Housing Construction, Navy and Marine Corps						6,000	0	0	0
Homeowners Assistance Fund	12,800	7,500	12,800	(12,800)	0	12,800	7,500	12,800	0
DoD Family Housing Improvement Fund	7,000	7,000	7,000	(5,000)	2,000	7,000	7,000	7,000	2,000
Total Family Housing	3,477,330	3,506,553	3,576,760	63,953	3,541,283	3,483,330	3,506,553	3,576,760	3,541,283
DIVISION C **TITLE XXXI-XXXII** **ATOMIC ENERGY DEFENSE ACTIVITIES (053)**									
Weapons Activities	4,500,000	4,142,100	4,374,700	(180,900)	4,319,100	4,500,000	4,142,100	4,374,700	4,319,100
Defense Environmental Restoration and Waste Management	4,259,903	4,373,553	5,302,143	1,092,140	5,352,043	4,259,903	4,373,553	5,302,143	5,352,043
Defense Nuclear Waste Disposal	190,000	190,000	190,000	0	190,000	190,000	190,000	190,000	190,000
Other Defense Actitivities	1,667,160	1,700,760	1,672,160	27,000	1,694,160	1,667,160	1,700,760	1,672,160	1,694,160
Defense Facilities Closure Projects	1,006,240	1,046,240	0	(1,006,240)	0	1,006,240	1,046,240	0	0
Defense Environmental Management Privatization	516,857	286,857	241,857	(262,000)	254,857	516,857	286,857	241,857	254,857
Formerly Utilized Site Remediation	140,000	140,000	140,000	0	140,000	140,000	140,000	140,000	140,000
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500	17,500	17,500	17,500	17,500
Total Atomic Energy Defense Activities (053)	12,297,660	11,897,010	11,938,360	(330,000)	11,967,660	12,297,660	11,897,010	11,938,360	11,967,660

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

Recapitulation	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement	BA Implications Request	BA Implications House	BA Implications Senate	BA Implications Conference
Department of Defense (Division A)	251,084,330	250,603,119	251,032,876	51,904	251,136,234	250,999,069	250,515,858	250,945,615	251,048,973
Department of Defense (Division B)	7,778,074	8,228,074	8,469,940	665,668	8,443,742	7,784,074	8,228,074	8,469,940	8,443,742
Net Other Funds	6,000	0	0	(6,000)	0	324,600	318,600	318,600	318,600
Transfer Authority sec 1001 [Memo Entry]	2,000,000	2,000,000	2,000,000		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Offsetting Receipts				0	0	(1,590,250)	(1,590,250)	(1,590,250)	(1,590,250)
Total Department of Defense Military (051)	258,868,404	258,831,193	259,502,816	711,572	259,579,976	257,517,493	257,472,282	258,143,905	258,221,065
Total Atomic Energy Defense Activities (053)	12,297,660	11,897,010	11,938,360	(330,000)	11,967,660	12,297,660	11,897,010	11,938,360	11,967,660
Total Defense Related Activities (054)	43,000	0	0	(43,000)	0	1,088,190	1,045,190	1,045,190	1,045,190
Asset Sales/Transfers								(737,000)	(737,000)
TOTAL NATIONAL DEFENSE FUNCTION (050)	271,209,064	270,728,203	271,441,176	338,572	271,547,636	270,903,343	270,414,482	270,390,455	270,496,915
Authorization of Funding for Operations in Bosnia (Emergency Funding)	1,858,600		1,858,600	0	1,858,600				

CONGRESSIONAL DEFENSE COMMITTEES

The term "congressional defense committees" is often used in this statement of the managers. It means the Defense Authorization and Appropriations Committees of the Senate and House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Procurement Overview

The budget request for fiscal year 1999 contained an authorization of $49,109.6 million for Procurement in the Department of Defense. The House bill would authorize $49,455.3 million. The Senate amendment would authorize $49,856.5 million. The conferees recommended an authorization of $49,898.4 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
TITLE I					
PROCUREMENT					
Aircraft Procurement, Army	1,325,943	1,420,759	1,462,508	70,104	1,396,047
Missile Procurement, Army	1,205,768	1,232,285	1,171,539	22,461	1,228,229
Procurement of Weapons and Tracked Combat Vehicles, Army	1,433,608	1,507,638	1,439,108	73,943	1,507,551
Procurement of Ammunition, Army	1,008,855	1,053,455	1,007,155	7,400	1,016,255
Other Procurement, Army	3,198,811	3,136,918	3,556,927	146,121	3,344,932
Chemical Agents and Munitions Destruction, Army					
Operation & Maintenance	531,650	0	0	(531,650)	0
Procurement	140,670	0	0	(140,670)	0
Research, Development, Test & Evaluation	182,780	0	0	(182,780)	0
Aircraft Procurement, Navy	7,466,734	7,420,847	7,477,934	175,466	7,642,200
Weapons Procurement, Navy	1,327,545	1,192,195	1,366,045	(103,642)	1,223,903
Procurement of Ammunition, Navy and Marine Corps	429,539	451,968	475,539	33,800	463,339
Shipbuilding and Conversion, Navy	6,252,672	5,992,361	6,049,272	(219,192)	6,033,480
Other Procurement, Navy	3,937,737	3,969,507	4,040,012	105,238	4,042,975
Procurement, Marine Corps	745,858	691,868	908,558	136,038	881,896
Aircraft Procurement, Air Force	7,756,475	8,219,077	8,280,839	594,142	8,350,617
Procurement of Ammunition, Air Force	384,161	383,627	383,161	(1,000)	383,161
Missile Procurement, Air Force	2,359,803	2,234,668	2,347,745	(149,163)	2,210,640
Other Procurement, Air Force	6,974,387	7,046,372	6,774,581	(24,015)	6,950,372
Procurement, Defense-wide	2,041,650	1,962,866	2,023,450	(86,822)	1,954,828
Procurement, National Guard and Reserve Equipment		300,000	60,000	60,000	60,000

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Chemical Agents and Munitions Destruction, Defense					
Operation & Maintenance		528,450	488,700	505,550	505,550
Procurement		134,670	115,670	124,670	124,670
Research, Development, Test & Evaluation		170,880	172,780	172,780	172,780
Procurement, Defense Health Program	402,387	402,387	402,387	0	402,387
Procurement, Office of the Inspector General	1,300	1,300	1,300	0	1,300
Defense Export Loan Guarantee Program	1,250	1,250	1,250	0	1,250
Reappropriation (sec 8057 of FY 98 Approps)					
General Reduction (Amendment 3015)			(150,000)		
Total Procurement	49,109,583	49,455,348	49,856,460	788,779	49,898,362

Overview

The budget request for fiscal year 1999 contained an authorization of $1,325.9 million for Aircraft Procurement, Army in the Department of Defense. The House bill would authorize $1,420.8 million. The Senate amendment would authorize $1,462.5 million. The conferees recommended an authorization of $1,396.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	AIRCRAFT PROCUREMENT, ARMY										
	AIRCRAFT										
	FIXED WING										
1	ARL (TIARA)		13,133	1	48,133		13,133	-	-	-	13,133
2	C-XX (MEDIUM RANGE) AIRCRAFT		-		-		15,865	3	15,865	3	15,865
3	GUARDRAIL COMMON SENSOR (TIARA)		1,931		1,931		1,931	-	-	-	1,931
	ROTARY										
4	UH-60 BLACKHAWK (MYP)	22	243,820	30	310,220	30	322,320	8	66,400	30	310,220
4	LESS: ADVANCE PROCUREMENT (PY)		(25,000)		(25,000)		(25,000)	-	-	-	(25,000)
5	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										
6	GUARDRAIL MODS (TIARA)		36,079		36,079		36,079	-	-	-	36,079
7	AHIF MODS		512		512		512	-	-	-	512
8	AH-64 MODS		52,902		52,902		52,902	-	4,500	-	57,402
9	CH-47 CARGO HELICOPTER MODS (MYP)		101,176		88,476		101,176	-	(12,700)	-	88,476
10	C-12 CARGO AIRPLANE MODS		2,658		9,658		8,658	-	6,500	-	9,158
11	OH-58 MODS		90		90		90	-	-	-	90
12	C-20 AIRCRAFT MODS		799		799		799	-	-	-	799
13	LONGBOW		607,028		607,028		647,228	-	-	-	607,028
13	LESS: ADVANCE PROCUREMENT (PY)		(36,932)		(36,932)		(36,932)	-	-	-	(36,932)
14	ADVANCE PROCUREMENT (CY)		41,683		41,683		41,683	-	-	-	41,683
15	UH-1 MODS		3,789		3,789		3,789	-	-	-	3,789
16	UH-60 MODS		21,657		21,657		21,657	-	-	-	21,657
17	KIOWA WARRIOR		40,446		56,446		40,446	-	13,000	-	53,446
18	EH-60 QUICKFIX MODS		3,015		3,015		3,015	-	-	-	3,015
19	AIRBORNE AVIONICS		56,335		46,335		56,335	-	-	-	56,335
20	ASE MODS		2,743		2,743		2,743	-	-	-	2,743
21	MODIFICATIONS LESS THAN $2.0M		1,660		1,660		1,660	-	-	-	1,660
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
22	SPARES AND REPAIR PARTS		36,047		36,047		36,047	-	-	-	36,047

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	SUPPORT EQUIPMENT AND FACILITIES										
	GROUND SUPPORT AVIONICS										
23	AIRCRAFT SURVIVABILITY EQUIPMENT		5,144		12,544		5,144	-	6,400	-	11,544
	OTHER SUPPORT										
24	AIRBORNE COMMAND & CONTROL		24,421		13,421		24,421	-	(24,421)	-	-
25	AVIONICS SUPPORT EQUIPMENT		2,555		2,555		2,555	-	-	-	2,555
26	TRAINING DEVICES		-		-		-	-	-	-	-
27	COMMON GROUND EQUIPMENT		30,107		30,107		30,107	-	-	-	30,107
28	AIRCREW INTEGRATED SYSTEMS		9,050		9,050		9,050	-	-	-	9,050
29	AIR TRAFFIC CONTROL		5,691		5,691		5,691	-	-	-	5,691
30	INDUSTRIAL FACILITIES		1,493		1,493		1,493	-	-	-	1,493
31	AIRBORNE COMMUNICATIONS		41,911		41,911		41,911	-	-	-	41,911
	ADVISORY AND ASSISTANCE SERVICES				(3,284)			-	(1,440)	-	(1,440)
	ECONOMIC ADJUSTMENTS						(4,000)		(4,000)	-	(4,000)
	TOTAL AIRCRAFT PROCUREMENT, ARMY		1,325,943		1,420,759		1,462,508		70,104		1,396,047

Airborne reconnaissance low

The budget request included $13.1 million for airborne reconnaissance low (ARL).

The House bill would authorize an additional $35.0 million. Of this amount, $30.0 million would be used to procure an additional aircraft, and $5.0 million would be used for a moving target indicator (MTI)/synthetic aperture radar (SAR) to upgrade a previously fielded aircraft.

The Senate amendment would authorize the budget request.

The House recedes.

C–XX (medium range) aircraft

The budget request included no funds for the UC–35 program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $15.9 million for three additional aircraft.

The House recedes.

UH–60 Blackhawk

The budget request included $243.8 million for 22 UH–60s.

The House bill would authorize an increase of $66.4 million for eight additional UH–60s.

The Senate amendment would authorize an increase of $78.5 million for eight additional UH–60s.

The conferees agree to authorize an increase of $66.4 million for eight additional UH–60 aircraft. The conferees understand that this amount is sufficient to procure these additional aircraft and expect the Army to request funding in future budget submissions for advanced procurement requirements associated with future year procurements.

AH–64 modifications

The budget request included $52.9 million for Apache helicopter modifications.

The House bill and Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.5 million, as follows:

(1) $3.0 million for the vibration management enhancement program; and

(2) $1.5 million for two engine upgrade kits and qualification of those kits.

CH–47 cargo helicopter modifications

The budget request included $101.2 million for CH–47 Chinook helicopter modifications.

The House bill would authorize a decrease of $12.7 million, as follows:

(1) $8.2 million for T55 engine conversion kits; and

(2) $4.5 million for engine conversions to make them consistent with the number of engine fielding kits being procured.

The Senate amendment would authorize the budget request.

The conferees agree to a $12.7 million decrease for CH–47 modifications.

C–12 modifications

The budget request included $2.7 million for C–12 modifications.

The House bill would authorize an increase of $7.0 million for avionics upgrades.

The Senate amendment would authorize an increase of $6.0 million for avionics upgrades.

The conferees agree to an increase of $6.5 million for avionics upgrades.

OH–58D Kiowa Warrior

The budget request included $40.4 million for OH–58D Kiowa Warrior safety upgrades.

The House bill would authorize an increase of $16.0 million to accelerate the aircraft safety upgrade program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $13.0 million to support acceleration of the safety upgrade program.

Aircraft Survivability Equipment

The budget request included $5.1 million for aircraft survivability equipment.

The House bill would authorize an increase of $7.4 million to upgrade aircraft survivability equipment trainer IV (ASET IV) training systems with infrared surface-to-air missile simulators and night vision cameras.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $6.4 million to upgrade existing ASET IV equipment and provide for an improved night time training capability.

Army airborne command and control system

The budget request included $24.4 million for Army airborne command and control system procurement.

The House bill would authorize a decrease of $11.0 million.

The Senate amendment would authorize the budget request.

The conferees authorize a decrease of $24.4 million for this program.

Overview

The budget request for fiscal year 1999 contained an authorization of $1,205.8 million for Missile Procurement, Army in the Department of Defense. The House bill would authorize $1,232.3 million. The Senate amendment would authorize $1,171.5 million. The conferees recommended an authorization of $1,228.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	MISSILE PROCUREMENT, ARMY										
	OTHER MISSILES										
	SURFACE-TO-AIR MISSILE SYSTEM										
1	ENHANCED FIBER OPTIC GUIDED MISSILE (EFOGM)	96	13,716		516	-	-	(96)	(13,716)	-	-
2	AVENGER SYSTEM SUMMARY	18	35,269	18	35,269	18	35,269	-	-	18	35,269
	AIR-TO-SURFACE MISSILE SYSTEM										
3	HELLFIRE SYS SUMMARY	2,000	360,625	2,000	357,625	2,000	360,625	-	(3,000)	2,000	357,625
	ANTI-TANK/ASSAULT MISSILE SYSTEM										
4	JAVELIN (AAWS-M) SYSTEM SUMMARY	3,316	319,988		339,988	3,316	319,988	184	16,000	3,500	335,988
4	LESS ADVANCE PROCUREMENT (PY)		-		-		-	-	-	-	-
5	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
6	TOW 2 SYSTEM SUMMARY		-		-		-	-	-	-	-
7	MLRS ROCKET	522	16,513	522	16,513	-	-	(522)	(16,513)	-	-
8	MLRS LAUNCHER SYSTEMS	24	85,387	24	125,387	24	85,387	-	45,000	24	130,387
9	ARMY TACTICAL MSL SYS (ATACMS) - SYS SUM	96	90,585	96	90,585	96	90,585	-	-	96	90,585
10	ATACMS/BAT	30	49,083	30	49,083	30	49,083	-	-	30	49,083
11	BAT	420	100,425	420	100,425	420	100,425	-	-	420	100,425
	MODIFICATION OF MISSILES										
	MODIFICATIONS										
12	PATRIOT MODS		15,259		15,259		15,259	-	-	-	15,259
13	STINGER MODS		13,924		13,924		13,924	-	-	-	13,924
14	AVENGER MODS		8,425		8,425		8,425	-	-	-	8,425
15	ITAS/TOW MODS		62,478		62,478		62,478	-	-	-	62,478
16	DRAGON MODS		-		-		-	-	-	-	-
17	MLRS MODS		2,193		2,193		2,193	-	-	-	2,193
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
18	SPARES AND REPAIR PARTS		23,718		23,718		23,718	-	-	-	23,718
	SUPPORT EQUIPMENT AND FACILITIES										
	SUPPORT EQUIPMENT AND FACILITIES										
19	AIR DEFENSE TARGETS		2,534		2,534		2,534	-	-	-	2,534
20	ITEMS LESS THAN $2.0M (MISSILES)		922		922		922	-	-	-	922

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
21	MISSILE DEMILITARIZATION		1,466		1,466		1,466	-	-	-	1,466
22	PRODUCTION BASE SUPPORT		3,258		3,258		3,258	-	-	-	3,258
23	CLOSED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
	ADVISORY AND ASSISTANCE SERVICES				(17,283)			-	(1,310)	-	(1,310)
	ECONOMIC ADJUSTMENTS						(4,000)		(4,000)		(4,000)
	TOTAL MISSILE PROCUREMENT, ARMY		1,205,768		1,232,285		1,171,539		22,461		1,228,229

Enhanced fiber optic guided missile

The budget request included $13.7 million for enhanced fiber optic guided missile (E-FOGM) procurement.

The House bill would authorize a decrease of $13.2 million and would eliminate procurement of E-FOGM missiles.

The Senate amendment would authorize a decrease of $13.7 million and would eliminate procurement of E-FOGM missiles.

The conferees agree to authorize a decrease of $13.7 million and eliminate procurement of E-FOGM missiles.

Javelin system

The budget request included $320.0 million to procure Javelin anti-tank missiles.

The House bill would authorize an increase of $20.0 million to accelerate fielding.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $16.0 million for Javelin missile systems.

Multiple launch rocket system rockets

The budget request included $16.5 million for the procurement of multiple launch rocket system (MLRS) rockets.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $16.5 million, which would eliminate the procurement of extended range rockets due to excessively high component cost issues.

The conferees agree to authorize a decrease of $16.5 million and eliminate procurement of MLRS rockets in fiscal year 1999.

Multiple launch rocket system launcher

The budget request included $85.4 million for multiple launch rocket system (MLRS) launchers.

The House bill would authorize a total increase of $40.0 million, as follows:

(1) a decrease of $10.0 million for engineering services; and

(2) an increase of $50.0 million to procure additional MLRS launchers for Army National Guard (ARNG) units.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $45.0 million to continue modernization of ARNG MLRS battalions, of which $21.0 million is to be used for ASIOE for two MLRS battalions and $24.0 million to procure new launchers. The conferees have learned that the Army has recently announced a change in MLRS force structure which will reduce the size of current MLRS battalions from 27 launchers per battalion to 18 launchers. When fully implemented, this action will make available sufficient MLRS launchers to complete the fielding of the remaining 11 Corps artillery battalion in the ARNG. The conferees note, however, that the "cascading" of these MLRS launchers to the ARNG will require associated support items of equipment (ASIOE) for which there is no funding currently available and that seven MLRS battalions of ARNG heavy divisions remain unfunded.

Overview

The budget request for fiscal year 1999 contained an authorization of $1,433.6 million for Weapons and Tracked Combat Vehicles Procurement, Army in the Department of Defense. The House bill would authorize $1,507.6 million. The Senate amendment would authorize $1,439.1 million. The conferees recommended an authorization of $1,507.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	PROCUREMENT OF W&TCV, ARMY										
	TRACKED COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	ABRAMS TRNG DEV MOD		8,536		8,536		8,536	-	-	-	8,536
2	BRADLEY BASE SUSTAINMENT		285,844		360,844		285,844	-	70,000	-	355,844
3	BRADLEY FVS TRAINING DEVICES		12,728		12,728		12,728	-	-	-	12,728
4	HAB TRAINING DEVICES		386		386		386	-	-	-	386
5	BRADLEY FVS TRAINING DEVICES (MOD)		2,075		2,075		2,075	-	-	-	2,075
6	FIELD ARTILLERY AMMUNITION SUPPORT VEH		-		-		-	-	-	-	-
7	ABRAMS TANK TRAINING DEVICES		13,411		13,411		13,411	-	-	-	13,411
8	COMMAND & CONTROL VEHICLE	10	44,241	10	44,241	10	44,241	-	-	10	44,241
	MODIFICATION OF TRACKED COMBAT VEHICLES										
9	CARRIER, MOD		54,454		54,454		54,454	-	-	-	54,454
10	FIST VEHICLE (MOD)		20,720		20,720		20,720	-	-	-	20,720
11	BFVS SERIES (MOD)		58,998		58,998		58,998	-	-	-	58,998
12	HOWITZER, MED SP FT 155MM M109A6 (MOD)		11,339		11,339		11,339	-	-	-	11,339
13	HOWITZER, MED SP FT 155MM M109A5 (MOD)		-		-		-	-	-	-	-
14	FAASV PIP TO FLEET		3,157		3,157		3,157	-	-	-	3,157
15	IMPROVED RECOVERY VEHICLE (M88 MOD)		38,175		38,175		38,175	-	-	-	38,175
16	HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)		50,401		50,401		50,401	-	-	-	50,401
17	ARMORED VEH LAUNCH BRIDGE (AVLB) (MOD)		969		969		969	-	-	-	969
18	M1 ABRAMS TANK (MOD)		53,301		53,301		53,301	-	-	-	53,301
19	ABRAMS UPGRADE PROGRAM		666,195		666,195		666,195	-	-	-	666,195
19	LESS: ADVANCE PROCUREMENT (PY)		(253,534)		(253,534)		(253,534)	-	-	-	(253,534)
20	ADVANCE PROCUREMENT (CY)		262,942		262,942		262,942	-	-	-	262,942
21	MODIFICATIONS LESS THAN $2.0M (TCV-WTCV)		-		-		-	-	-	-	-
	SUPPORT EQUIPMENT AND FACILITIES										
22	ITEMS LESS THAN $2.0M (TCV-WTCV)		132		132		132	-	-	-	132
23	PRODUCTION BASE SUPPORT (TCV-WTCV)		8,861		8,861		8,861	-	-	-	8,861
24	REGIONAL MAINTENANCE TRAINING SITES-EQUIP		-		-		-	-	-	-	-
	WEAPONS AND OTHER COMBAT VEHICLES										
	WEAPONS AND OTHER COMBAT VEHICLES										

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
25	ARMOR MACHINE GUN, 7.62MM M240 SERIES	673	6,496	673	6,496	673	12,996	677	6,500	1,350	12,996
26	MACHINE GUN, 5.56MM (SAW)	1,525	4,494	1,525	4,494	1,525	4,494	-	-	1,525	4,494
27	GRENADE LAUNCHER, AUTO, 40MM, MK19-3	697	12,191	697	12,191	697	15,191	-	3,000	697	15,191
28	M16 RIFLE	16,067	6,829	16,067	6,829	16,067	6,829	-	-	16,067	6,829
29	5.56 CARBINE M4	6,310	4,230		5,230	6,310	4,230	-	-	6,310	4,230
	MOD OF WEAPONS AND OTHER COMBAT VEH										
30	M4 CARBINE MODS		5,149		5,149		5,149	-	-	-	5,149
31	M119 MODIFICATIONS		4,812		4,812		4,812	-	-	-	4,812
32	M16 RIFLE MODS		6,241		6,241		6,241	-	-	-	6,241
33	MODIFICATIONS LESS THAN $2.0M (WOCV-WTCV)		1,128		1,128		1,128	-	-	-	1,128
	SUPPORT EQUIPMENT AND FACILITIES										
34	ITEMS LESS THAN $2.0M (WOCV-WTCV)		1,164		1,164		1,164	-	-	-	1,164
35	PRODUCTION BASE SUPPORT (WOCV-WTCV)		5,140		5,140		5,140	-	-	-	5,140
36	INDUSTRIAL PREPAREDNESS		3,959		3,959		3,959	-	-	-	3,959
37	SMALL ARMS (SOLDIER ENH PROG)		5,233		5,233		5,233	-	-	-	5,233
38	CLOSED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
	SPARE AND REPAIR PARTS										
	SPARES										
39	SPARES AND REPAIR PARTS (WTCV)		23,211		23,211		23,211	-	-	-	23,211
	ADVISORY AND ASSISTANCE SERVICES				(1,970)			-	(1,557)	-	(1,557)
	ECONOMIC ADJUSTMENTS						(4,000)		(4,000)		(4,000)
	TOTAL PROCUREMENT OF W&TCV, ARMY		1,433,608		1,507,638		1,439,108		73,943		1,507,551

Bradley base sustainment

The budget request included $285.8 million for Bradley base sustainment.

The House bill would authorize an increase of $75.0 million for modification of basic Bradley vehicles to the M2A2 operation desert storm configuration for the Army National Guard.

The Senate amendment would support the budget request.

The conferees agree to authorize an increase of $70.0 million for Bradley A2 ODS modifications for the Army National Guard.

M240 machine gun

The budget request included $6.5 million for the procurement of M240 machine guns.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $6.5 million to stabilize M240 production and meet warfighting requirements.

The conferees agree to authorize an increase of $6.5 million for M240 machine gun requirements necessary to stabilize production rates.

MK–19 grenade launcher

The budget request included $12.2 million for the MK–19 automatic grenade launcher.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $3.0 million for launcher mounts.

The conferees agree to authorize an increase of $3.0 million to procure 800 launcher mounts for the MK–19.

Overview

The budget request for fiscal year 1999 contained an authorization of $1,008.9 million for Ammunition Procurement, Army in the Department of Defense. The House bill would authorize $1,053.5 million. The Senate amendment would authorize $1,007.2 million. The conferees recommended an authorization of $1,016.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	PROCUREMENT OF AMMUNITION, ARMY										
	AMMUNITION										
	SMALL/MEDIUM CAL AMMUNITION										
1	CTG, 5.56MM, ALL TYPES		91,620		97,220		63,520	-	5,600	-	97,220
2	CTG 5.56MM ARMOR PIERCING M995	1,314	1,926	1,314	1,926	1,314	1,926	-	-	1,314	1,926
3	CTG, 7.62MM, ALL TYPES		10,463		14,463		4,063	-	4,000	-	14,463
4	CTG 7.62MM ARMOR PIERCING XM993	922	1,926	922	1,926	922	1,926	-	-	922	1,926
5	CTG, 9MM, ALL TYPES		1,907		1,907		1,907	-	-	-	1,907
6	CTG, .45 CAL, ALL TYPES		2		2		2	-	-	-	2
7	CTG, .50 CAL, ALL TYPES		18,544		18,544		18,544	-	-	-	18,544
8	CTG CAL .50 API MK211 MOD 0		-		-		-	-	-	-	-
9	CTG, 20MM, ALL TYPES		-		-		-	-	-	-	-
10	CTG, 25MM, ALL TYPES		59,618		69,618		80,418	-	20,800	-	80,418
11	CTG, 30MM, ALL TYPES		9,061		9,061		9,061	-	-	-	9,061
12	CTG, 40MM, ALL TYPES		35,618		35,618		35,618	-	-	-	35,618
	MORTAR AMMUNITION										
13	CTG MORTAR 60MM 1/10 PRAC M766		-		-		-	-	-	-	-
14	CTG MORTAR 60MM ILLUM M721/M767		-		5,000		-	-	-	-	-
15	CTG MORTAR 60MM SMOKE WP M722		375		375		375	-	-	-	375
16	CTG MORTAR 60MM HE M720/M720A1 W/M734 FUZE	47	20,528	47	20,528	47	20,528	-	-	47	20,528
17	CTG 81MM INFRARED (IR) ILLUM XM816	10	9,366	10	9,366	10	9,366	-	-	10	9,366
18	CTG MORTAR 120MM FULL RANGE PRACTICE M931	97	39,703	97	39,703	97	39,703	-	-	97	39,703
19	CTG MORTAR 120MM HE M934 W/MO FUZE	33	29,087	33	29,087	33	29,087	-	-	33	29,087
20	CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		-		-		-	-	-	-	-
21	CTG MORTAR 120MM SMOKE M929 W/MO FUZE		-		-		-	-	-	-	-
	TANK AMMUNITION										
22	CTG 120MM APFSDS-T M829A2/M829E3	2	9,732	2	9,732	2	9,732	-	-	2	9,732
23	CTG 120MM HEAT-MP-T M830A1		-		10,000		15,000	-	15,000	-	15,000
24	CTG TANK 120MM TP-T M831/M831A1	105	60,386	105	60,386	105	60,386	-	-	105	60,386
25	CTG TANK 120MM TPCSDS-T M865	240	129,914	240	129,914	240	129,914	-	-	240	129,914
	ARTILLERY AMMUNITION										
26	CTG ARTY 75MM BLANK M337A1	34	1,566	34	1,566	34	1,566	-	-	34	1,566

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
27	CTG ARTY 105MM DPICM XM915		-		-		-	-	-	-	-
28	CTG ARTY 105MM HERA M913		532		532		532	-	-	-	532
29	PROJ ARTY 155MM SMOKE WP M825		-		-		-	-	-	-	-
30	PROJ ARTY 155MM HE M795		-		-		-	-	-	-	-
31	PROJ ARTY 155MM SADARM M898	550	56,542	550	56,542	550	56,542	-	(20,000)	550	36,542
32	PROJ ARTY 155MM HE M107	124	25,650	124	25,650	124	25,650	-	-	124	25,650
	ARTILLERY FUZES										
33	FUZE ARTY ELEC TIME M767		-		10,000		-	-	-	-	-
34	FUZE MULTI OPTION	2	1,514	2	1,514	2	1,514	-	-	2	1,514
	MINES										
35	MINE, TRAINING, ALL TYPES		973		973		973	-	-	-	973
36	MINE AT M87 (VOLCANO)		-		-		-	-	-	-	-
37	WIDE AREA MUNITIONS	65	9,625	65	9,625	65	9,625	-	-	65	9,625
	ROCKETS										
38	BUNKER DEFEATING MUNITION (BDM)		-		-		-	-	-	-	-
39	ROCKET, HYDRA 70, ALL TYPES		126,055		126,055		126,055	-	-	-	126,055
	OTHER AMMUNITION										
40	DEMOLITION MUNITIONS, ALL TYPES		8,800		8,800		8,800	-	-	-	8,800
41	GRENADES, ALL TYPES		21,382		21,382		21,382	-	-	-	21,382
42	SIGNALS, ALL TYPES		12,985		12,985		12,985	-	-	-	12,985
43	SIMULATORS, ALL TYPES		4,651		4,651		4,651	-	-	-	4,651
	MISCELLANEOUS										
44	AMMO COMPONENTS, ALL TYPES		7,241		7,241		7,241	-	-	-	7,241
45	CAD/PAD ALL TYPES		2,320		2,320		2,320	-	-	-	2,320
46	ITEMS LESS THAN $2 MILLION		1,009		1,009		1,009	-	-	-	1,009
47	AMMUNITION PECULIAR EQUIPMENT		10,368		10,368		10,368	-	-	-	10,368
48	ITEMS LESS THAN $2.0M (AMMO)		-		-		-	-	-	-	-
49	FIRST DESTINATION TRANSPORTATION (AMMO)		6,174		6,174		6,174	-	-	-	6,174
50	CLOSED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
	AMMUNITION PRODUCTION BASE SUPPORT										
	PRODUCTION BASE SUPPORT										
51	PROVISION OF INDUSTRIAL FACILITIES		47,660		47,660		47,660	-	-	-	47,660

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
52	COMPONENTS FOR PROVE-OUT		-		-		-	-	-	-	-
53	LAYAWAY OF INDUSTRIAL FACILITIES		15,362		15,362		15,362	-	-	-	15,362
54	MAINTENANCE OF INACTIVE FACILITIES		15,826		15,826		15,826	-	-	-	15,826
55	CONVENTIONAL AMMO DEMILITARIZATION		97,983		97,983		97,983	-	(15,000)	-	82,983
56	ARMS INITIATIVE		4,861		4,861		4,861	-	-	-	4,861
57	POST RETIREMENT BENEFITS		-		-		-	-	-	-	-
	ECONOMIC ADJUSTMENTS						(3,000)		(3,000)		(3,000)
	TOTAL PROCUREMENT OF AMMUNITION, ARMY		1,008,855		1,053,455		1,007,155		7,400		1,016,255

M830A1 120mm tank ammunition

The budget request included no funds for procurement of M830A1 120mm tank ammunition.

The House bill would authorize an increase of $10.0 million to procure M830A1 rounds.

The Senate bill would authorize an increase of $15.0 million to procure 4,500 M830A1 rounds to replace a like number of war reserve M830A1's which are being converted to the XM908 obstacle demolition configuration.

The conferees agree to authorize an increase of $15.0 million to procure 4,500 M830A1 rounds.

The conferees are aware that the Army has a requirement for more obstacle demolition rounds. The conferees believe that the Army should undertake a thorough review of its requirement for these rounds and include them in its budget request for fiscal year 2000.

Overview

The budget request for fiscal year 1999 contained an authorization of $3,198.8 million for Other Procurement, Army in the Department of Defense. The House bill would authorize $3,136.9 million. The Senate amendment would authorize $3,556.9 million. The conferees recommended an authorization of $3,344.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	OTHER PROCUREMENT, ARMY										
	TACTICAL AND SUPPORT VEHICLES										
	TACTICAL VEHICLES										
1	TACTICAL TRAILERS/DOLLY SETS		11,948		11,948		11,948	-	-	-	11,948
2	SEMITRAILER FB BB/CONT TRANS 22 1/2 T	97	2,625	97	2,625	97	2,625	-	-	97	2,625
3	SEMITRAILER LB 40T M870A1 (CCE)	23	2,917	23	2,917	23	2,917	-	-	23	2,917
4	SEMITRAILER, TANK, 5000G	32	3,865	32	3,865	32	3,865	-	-	32	3,865
5	SEMITRAILER, TANK, 7500G, BULKHAUL	86	4,212	86	4,212	86	4,212	-	-	86	4,212
6	SEMITRAILER VAN CGO SUPPLY 12T 4WHL M129A2C	71	6,401	71	6,401	71	6,401	-	-	71	6,401
7	HI MOB MULTI-PURP WHLD VEH (HMMWV)	110	12,144		22,144	1,878	77,844	1,768	65,700	1,878	77,844
8	FAMILY OF MEDIUM TACTICAL VEH (FMTV)	2,038	332,044	2,038	332,044	2,638	420,044	288	42,500	2,326	374,544
9	FAMILY OF HEAVY TACTICAL VEHICLES (FHTV)		189,617		189,617		189,617	-	-	-	189,617
10	ARMORED SECURITY VEHICLES (ASV)		-		-		-	-	-	-	-
11	TRUCK, TRACTOR, LINE HAUL, M915/M916	440	59,503	440	59,503	440	59,503	-	-	440	59,503
12	TRUCK, TRACTOR, YARD TYPE, M878 (C/S)	57	4,852	57	4,852	57	4,852	-	-	57	4,852
13	MEDIUM TRUCK EXTENDED SVC PGM (ESP)	1,085	37,247	1,085	37,247	1,085	131,147	-	20,000	1,085	57,247
14	LINE HAUL ESP	62	4,883	62	4,883	62	4,883	-	-	62	4,883
15	HMMWV ESP	387	24,832		-	387	24,832	(387)	(24,832)	-	-
16	MODIFICATION OF IN SVC EQUIP		13,306		13,306		13,306	-	-	-	13,306
17	ITEMS LESS THAN $2.0M (TAC VEH)		186		186		186	-	-	-	186
	NON-TACTICAL VEHICLES										
18	HEAVY ARMORED SEDAN	54	5,956	54	5,956	54	5,956	-	-	54	5,956
19	PASSENGER CARRYING VEHICLES	37	867	37	867	37	867	-	-	37	867
20	GENERAL PURPOSE VEHICLES		1,059		1,059		1,059	-	-	-	1,059
21	SPECIAL PURPOSE VEHICLES		1,060		1,060		1,060	-	-	-	1,060
	SUPPORT EQUIPMENT AND FACILITIES										
22	SYSTEM FIELDING SUPPORT PEO		311		311		311	-	-	-	311
23	PROJECT MANAGEMENT SUPPORT		2,437		1,437		1,437	-	(1,000)	-	1,437
24	SYSTEM FIELDING SUPPORT (TACOM)		4,166		2,966		3,166	-	(1,000)	-	3,166
	COMMUNICATIONS AND ELECTRONICS EQUIP										
	COMM - JOINT COMMUNICATIONS										
25	COMBAT IDENTIFICATION PROGRAM		4,890		4,890		4,890	-	-	-	4,890

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	**Title**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**
26	JCSE EQUIPMENT (USREDCOM)		3,148		3,148		3,148	-	-	-	3,148
	COMM - SATELLITE COMMUNICATIONS										
27	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)		94,616		93,316		94,616	-	-	-	94,616
28	SHF TERM		25,328		23,318		25,328	-	-	-	25,328
29	SAT TERM, EMUT (SPACE)		2,485		2,485		2,485	-	-	-	2,485
30	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE)		6,866		6,866		6,866	-	-	-	6,866
31	GROUND COMMAND POST		-		-		-	-	-	-	-
32	SMART-T (SPACE)		57,743		57,743		57,743	-	-	-	57,743
33	SCAMP (SPACE)		4,708		4,708		4,708	-	-	-	4,708
34	GLOBAL BRDCST SVC - GBS		5,873		5,873		5,873	-	-	-	5,873
35	MOD OF IN-SVC EQUIP (TAC SAT)		1,474		1,474		1,474	-	-	-	1,474
	COMM - COMBAT SUPPORT COMM										
36	MSE MOD IN SERVICE		-		-		-	-	-	-	-
	COMM - C3 SYSTEM										
37	COMMAND CENTER IMPROVEMENT PROG (CCIP)		-		-		-	-	-	-	-
38	SOUTHCOM HQ RELOCATION		-		-		-	-	-	-	-
39	ARMY GLOBAL CMD & CONTROL SYS (AGCCS)		20,562		20,562		20,562	-	-	-	20,562
	COMM - COMBAT COMMUNICATIONS										
40	ARMY DATA DISTRIBUTION SYSTEM (ADDS)		24,048		29,048		52,048	-	28,000	-	52,048
41	MOBILE SUBSCRIBER EQUIP (MSE)		-		-		-	-	-	-	-
42	SINCGARS FAMILY		13,212		13,212		75,112	-	50,000	-	63,212
43	JOINT TACTICAL AREA COMMS SYS		9,925		9,925		9,925	-	-	-	9,925
44	ACUS MOD PROGRAM (WIN-T/T)		97,080		97,080		144,880	-	35,000	-	132,080
45	TAC RADIO		-		-		-	-	-	-	-
46	C-E CONTINGENCY/FIELDING EQUIP		2,166		2,166		2,166	-	-	-	2,166
47	SOLDIER ENHANCEMENT PROGRAM COMM/ELECTRONICS		4,593		4,593		4,593	-	-	-	4,593
48	COMBAT SURVIVOR EVADER LOCATOR (CSEL)		13,712		13,712		13,712	-	-	-	13,712
49	MEDICAL COMM FOR CBT CASUALTY CARE (MC4)		9,440		9,440		9,440	-	-	-	9,440
	COMM - INTELLIGENCE COMM										
50	JWICS CONNECTIVITY		-		-		-	-	-	-	-
51	CI AUTOMATION ARCHITECTURE		2,319		2,319		2,319	-	-	-	2,319
52	CI CONUS BASED LAN		-		-		-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	INFORMATION SECUTITY										
53	TSEC - ARMY KEY MGT SYS (AKMS)		10,315		10,315		10,315	-	-	-	10,315
54	INFORMATION SYSTEM SECURITY PROGRAM - ISSP		29,714		29,714		29,714	-	-	-	29,714
	COMM - LONG HAUL COMMUNICATIONS										
55	TERRESTRIAL TRANSMISSION		1,953		1,953		1,953	-	-	-	1,953
56	BASE SUPPORT COMMUNICATIONS		1,124		1,124		1,124	-	-	-	1,124
57	ARMY DISN ROUTER		3,614		3,614		3,614	-	-	-	3,614
58	ELECTROMAG COMP PROG (EMCP)		452		3,452		452	-	-	-	452
59	WW TECH CON IMP PROG (WWTCIP)		2,031		2,031		2,031	-	-	-	2,031
	COMM - BASE COMMUNICATIONS										
60	INFORMATION SYSTEMS		91,213		91,213		91,213	-	-	-	91,213
61	DEFENSE MESSAGE SYSTEM (DMS)		16,723		16,723		16,723	-	-	-	16,723
62	LOCAL AREA NETWORK (LAN)		9,978		9,978		9,978	-	-	-	9,978
63	PENTAGON INFORMATION MGT AND TELECOM		39,195		39,195		39,195	-	-	-	39,195
	ELECT EQUIP - NAT FOR INT PROG (NFIP)										
64	FOREIGN COUNTERINTELLIGENCE PROG (FCI)		876		876		876	-	-	-	876
65	GENERAL DEFENSE INTELL PROG (GDIP)		21,562		21,562		21,562	-	-	-	21,562
66	ITEMS LESS THAN $2.0M (INTEL SPT) - TIARA		-		-		-	-	-	-	-
	ELECT EQUIP - TACT INT REL ACT (TIARA)										
67	ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)		24,117		24,117		24,117	-	-	-	24,117
68	JTT/CIBS-M (TIARA)	56	5,340	56	5,340	56	5,340	-	-	56	5,340
69	IEW - GND BASE COMMON SENSORS (TIARA)		25,388		14,188		25,388	-	(11,200)	-	14,188
70	JOINT STARS (ARMY) (TIARA)		87,229		97,229		87,229	-	3,000	-	90,229
71	NATO-AGS		-		-		-	-	-	-	-
72	INTEGRATED BROADCAST TERMINAL MODS (TIARA)		6,487		11,487		6,487	-	5,000	-	11,487
73	DIGITAL TOPOGRAPHIC SPT SYS (DTSS) (TIARA)	12	21,230	12	21,230	12	21,230	-	-	12	21,230
74	DRUG INTERDICTION PROGRAM (DIP) (TIARA)		-		-		-	-	-	-	-
75	TACTICAL EXPLOITATION OF NATIONAL CAPABILITY		1,690		1,690		1,690	-	-	-	1,690
76	JOINT TACTICAL GROUND STATION MODS		2,638		2,638		2,638	-	-	-	2,638
77	TROJAN (TIARA)		3,991		3,991		3,991	-	-	-	3,991
78	MOD OF IN-SVC EQUIP (INTEL SPT) (TIARA)		4,891		7,399		4,891	-	-	-	4,891
	CIGSS						-	-	2,508	-	2,508

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
79	CI HUMINT AUTOMATED TOOL SET (CHATS) (TIARA)		3,700		3,700		3,700	-	-	-	3,700
80	ITEMS LESS THAN $2.0M (TIARA)		530		530		530	-	-	-	530
	ELECT EQUIP - ELECTRONIC WARFARE (EW)										
81	SHORTSTOP		-		15,000		-	-	13,000	-	13,000
82	COUNTERINTELLIGENCE/SECURITY COUNTERMEASURES		1,725		1,725		1,725	-	-	-	1,725
	ELECT EQUIP - TACTICAL SURV. (TAC SURV)										
83	SENTINEL (FAAD GBS)	23	58,247	23	58,247	23	58,247	-	-	23	58,247
84	TARGET LOCATION OBSERVATION SYSTEM (TLOS)	238	11,787	238	11,787	238	11,787	-	-	238	11,787
85	NIGHT VISION DEVICES		29,636		38,636		43,136	-	13,500	-	43,136
86	LTWT VIDEO RECON SYSTEM (LWVRS)	110	3,364	110	3,364	110	3,364	-	-	110	3,364
87	NIGHT VISION, THERMAL WPN SIGHT	1,522	36,110	1,522	36,110	1,522	36,110	-	-	1,522	36,110
88	ARTILLERY ACCURACY EQUIP		11,004		11,004		11,004	-	-	-	11,004
89	MOD OF IN-SVC EQUIP (TAC SURV)		5,477		5,477		5,477	-	-	-	5,477
90	COMPUTER BALLISTICS; XM-30		-		-		-	-	-	-	-
91	INTEGRATED MET SYS SENSORS (IMETS) - TIARA	5	4,890	5	4,890	5	4,890	-	-	5	4,890
	ELECT EQUIP - TACTICAL C2 SYSTEMS										
92	TACTICAL OPERATIONS CENTERS		26,703		26,703		26,703	-	-	-	26,703
93	ADV FIELD ARTILLERY TACT DATA SYS (AFATDS)	212	36,671	212	36,671	212	36,671	-	-	212	36,671
94	FIRE SUPPORT ADA CONVERSION		-		-		-	-	-	-	-
95	CMBT SVC SUPT CONTROL SYS (CSSCS)	122	9,332	122	9,332	122	9,332	-	-	122	9,332
96	FAAD C2	2	14,204	2	14,204	2	14,204	-	-	2	14,204
97	FORWARD ENTRY DEVICE (FED)		25,040		15,040		25,040	-	-	-	25,040
98	STRIKER-COMMAND AND CONTROL SYSTEM	15	6,025	15	6,025	15	6,025	-	-	15	6,025
99	LIFE CYCLE SOFTWARE SUPPORT (LCSS)		1,174		1,174		1,174	-	-	-	1,174
100	LOGTECH		3,238		3,238		3,238	-	-	-	3,238
101	TC AIMS II		445		445		445	-	-	-	445
102	GUN LAYING AND POS SYS (GLPS)	126	11,781	126	11,781	126	11,781	-	-	126	11,781
103	ISYSCON EQUIPMENT		34,175		34,175		34,175	-	-	-	34,175
104	MANEUVER CONTROL SYSTEM (MCS)	96	13,033	96	13,033	96	13,033	-	-	96	13,033
105	STAMIS TACTICAL COMPUTERS (STACOMP)	1,633	48,248	1,633	48,248	1,633	48,248	-	-	1,633	48,248
106	STANDARD INTEGRATED CMD POST SYSTEM		26,827		26,827		26,827	-	-	-	26,827
	ELECT EQUIP - AUTOMATION										

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
107	ARMY TRAINING XX1 MODERNIZATION		32,635		32,635		32,635	-	-	-	32,635
108	AUTOMATED DATA PROCESSING EQUIP		130,712		111,612		130,712	-	(19,100)	-	111,612
109	RESERVE COMPONENT AUTOMATION SYS (RCAS)		108,192		108,192		108,192	-	-	-	108,192
	ELECT EQUIP - AUDIO VISUAL SYS (A/V)										
110	AFRTS		487		487		487	-	-	-	487
111	ITEMS LESS THAN $2.0M (A/V)		4,597		4,597		4,597	-	-	-	4,597
	ELECT EQUIP-TEST MEAS&DIAG EQUIP (TMDE)										
112	CALIBRATION SETS EQUIPMENT		-		-		-	-	-	-	-
113	INTEGRATED FAMILY OF TEST EQUIP (IFTE)		-		-		-	-	-	-	-
114	TEST EQUIPMENT MODERNIZATION (TEMOD)		-		-		-	-	-	-	-
	ELECT EQUIP - SUPPORT										
115	INSTALLATION C4 UPGRADE (ICU)		-		-		-	-	-	-	-
116	PRODUCTION BASE SUPPORT (C-E)		403		403		403	-	-	-	403
	OTHER SUPPORT EQUIPMENT										
	CHEMICAL DEFENSIVE EQUIPMENT										
117	GEN SMK MECH:MTRZD DUAL PURP M56	76	15,110	76	15,110	76	15,110	-	-	76	15,110
118	GENERATOR, SMOKE, MECH M58	38	10,622	38	10,622	38	10,622	-	-	38	10,622
119	GEN SET, SMOKE, MECH: PUL JET, M157 SERIES		-		-		-	-	-	-	-
120	LT VEH OBSCURANT SMK SYS	2,363	4,633	2,363	4,633	2,363	4,633	-	-	2,363	4,633
	BRIDGING EQUIPMENT										
121	RIBBON BRIDGE		8,824		8,824		8,824	-	-	-	8,824
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT										
122	METALLIC MINE DETECTOR, VEHICLE MOUNTED	2	3,775	2	3,775	2	3,775	-	-	2	3,775
123	BN COUNTERMINE SIP		3,670		3,670		3,670	-	-	-	3,670
124	M-9 ARMORED COMBAT EARTHMOVER (ACE)		-		-		-	-	-	-	-
125	ITEMS LESS THAN $2.0M(ENG NON-CONST)		-		-		-	-	-	-	-
	COMBAT SERVICE SUPPORT EQUIPMENT										
126	AIR CONDITIONERS VARIOUS SIZE/CAPACITY		4,650		4,650		4,650	-	-	-	4,650
127	KITCHEN, CONTAINERIZED, FIELD (CK)	77	7,435	77	7,435	77	7,435	-	-	77	7,435
128	SANITATION CENTER, FIELD FEEDING (FSC)	108	1,364	108	1,364	108	1,364	-	-	108	1,364
129	FIRETRUCKS		15,000		15,000		15,000	-	-	-	15,000
130	TRUCK, FIREFIGHTING, MULTI-PURPOSE	6	1,708	6	1,708	6	1,708	-	-	6	1,708

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
131	ARMY SPACE HEATER, 120,000 BTU (ASH)	110	1,061	110	1,061	110	1,061	-	-	110	1,061
132	LAUNDRY ADVANCED SYSTEM (LADS)	19	7,216	19	7,216	19	7,216	-	-	19	7,216
133	FLOODLIGHT SET, ELEC, TRL MTD, 3 LIGHTS	113	1,944	113	1,944	113	1,944	-	-	113	1,944
134	SOLDIER ENHANCEMENT		4,832		4,832		4,832	-	-	-	4,832
135	LAND WARRIOR	255	51,380	255	56,380	255	37,796	(255)	(51,380)	-	-
136	FORCE PROVIDER	4	24,418	4	24,418	4	24,418	-	-	4	24,418
137	REFRIGERATION EQUIPMENT		1,930		1,930		1,930	-	-	-	1,930
138	ITEMS LESS THAN $2.0M (CSS-EQ)		4,749		6,749		4,749	-	-	-	4,749
	PETROLEUM EQUIPMENT										
139	TANK ASSEMBLY FAB COLL POL 50000 G	17	7,393		4,393	17	7,393	-	-	17	7,393
140	PUMP ASSY, REGULATED, 350 GPM	10	358	10	358	10	358	-	-	10	358
141	INLAND PETROLEUM DISTRIBUTION SYSTEM		8,342		4,342		8,342	-	-	-	8,342
142	FORWARD AREA REFUELING SYS ADV AVIATION	18	5,329	18	5,329	18	5,329	-	-	18	5,329
143	ITEMS LESS THAN $2.0M (POL)		4,657		4,657		4,657	-	-	-	4,657
	WATER EQUIPMENT										
144	SMALL MOBILE WATER CHILLER (SMWC)	310	2,897	310	2,897	310	2,897	-	-	310	2,897
145	ITEMS LESS THAN $2.0M (WATER EQ)		1,255		1,255		1,255	-	-	-	1,255
	MEDICAL EQUIPMENT										
146	COMBAT SUPPORT MEDICAL		25,807		25,807		25,807	-	-	-	25,807
	MAINTENANCE EQUIPMENT										
147	SHOP EQ CONTACT MAINTENANCE TRK MTD (MYP)	180	7,897		3,897	180	7,897	-	-	180	7,897
148	WELDING SHOP, TRAILER MTD	55	3,044		1,544	55	3,044	-	-	55	3,044
149	ITEMS LESS THAN $2.0M (MAINT EQ)		4,754		4,754		4,754	-	-	-	4,754
	CONSTRUCTION EQUIPMENT										
150	DIST, BITUM MATERIAL 1500G TRK MTD	20	4,377	20	4,377	20	4,377	-	-	20	4,377
151	ROLLER, VIBRATORY, SELF-PROPELLED (CCE)		-		-		-	-	-	-	-
152	HYDRAULIC EXCAVATOR	26	6,402	26	6,402	26	6,402	-	-	26	6,402
153	DEPLOYABLE UNIVERSAL COMBAT EARTH MOVERS	23	9,388	23	9,388	23	9,388	-	-	23	9,388
154	TRUCK, DUMP, 20T (CCE)	66	13,305	66	13,305	66	13,305	-	-	66	13,305
155	CRUSHING/SCREENING PLANT, 150 TPH	2	3,801	2	3,801	2	3,801	-	-	2	3,801
156	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	47	11,553	47	11,553	47	11,553	-	-	47	11,553
157	ITEMS LESS THAN $2.0M (CONST EQUIP)		1,929		1,929		1,929	-	-	-	1,929

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	RAIL FLOAT CONTAINERIZATION EQUIPMENT										
158	PUSHER TUG, SMALL	1	4,269	3	8,569	1	4,269	2	4,300	3	8,569
159	FLOATING CRANE, 100-250 TON		-		-		-	-	-	-	-
160	CONTAINERIZED MAINTENANCE FACILITY	1	5,300	1	5,300	1	5,300	-	-	1	5,300
161	CAUSEWAY SYSTEMS		17,083		17,083		17,083	-	-	-	17,083
162	RAILWAY CAR, FLAT, 100 TON	148	12,804	148	12,804	148	12,804	-	-	148	12,804
163	ITEMS LESS THAN $2.0M (FLOAT/RAIL)		3,235		3,235		3,235	-	-	-	3,235
	GENERATORS										
164	GENERATORS AND ASSOCIATED EQUIP		82,749		82,749		82,749	-	-	-	82,749
	MATERIAL HANDLING EQUIPMENT										
165	TRUCK, FORK LIFT, DE, PT, RT, 50000 LB	101	20,588		10,588	101	20,588	-	-	101	20,588
166	ALL TERRAIN LIFTING ARTICULATING SYSTEM	47	15,228		10,228	47	15,228	-	-	47	15,228
167	ROUGH TERRAIN CONTAINER CRANE	30	13,615	30	13,615	30	13,615	-	-	30	13,615
168	ITEMS LESS THAN $2.0M (MHE)		1,672		1,672		1,672	-	-	-	1,672
	TRAINING EQUIPMENT										
169	COMBAT TRAINING CENTERS SUPPORT		47,395		47,395		47,395	-	-	-	47,395
170	TRAINING DEVICES, NONSYSTEM		56,755		60,755		40,655	-	9,000	-	65,755
171	SIMNET/CLOSE COMBAT TACTICAL TRAINER		113,927		84,527		113,927	-	(29,400)	-	84,527
172	FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER		28,124		28,124		28,124	-	-	-	28,124
	TEST MEASURE AND DIG EQUIPMENT (TMD)										
173	CALIBRATION SETS EQUIPMENT		9,984		9,984		9,984	-	-	-	9,984
174	INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)		54,051		54,051		54,051	-	-	-	54,051
175	TEST EQUIPMENT MODERNIZATION (TEMOD)		13,797		13,797		13,797	-	-	-	13,797
	OTHER SUPPORT EQUIPMENT										
176	RECONFIGURABLE SIMULATORS		1,967		1,967		1,967	-	-	-	1,967
177	PHYSICAL SECURITY SYSTEMS (OPA3)		16,164		16,164		16,164	-	-	-	16,164
178	SYSTEM FIELDING SUPPORT (OPA-3)		7,143		7,143		7,143	-	-	-	7,143
179	BASE LEVEL COM'L EQUIPMENT		9,697		9,697		9,697	-	-	-	9,697
180	TRANSPORTATION AUTOMATED MEASURING SYS (TRAMS)		-		-		-	-	-	-	-
181	ELECTRONIC REPAIR SHELTER	2	3,694	2	3,694	2	3,694	-	-	2	3,694
182	MODIFICATION OF IN-SVC EQUIPMENT (OPA-3)		17,667		17,667		17,667	-	-	-	17,667
183	PRODUCTION BASE SUPPORT (OTH)		2,274		2,274		2,274	-	-	-	2,274

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
184	SPECIAL EQUIPMENT FOR USER TESTING		15,062		15,062		15,062	-	-	-	15,062
185	OPA INITIAL SPARES		-		-		-	-	-	-	-
186	MA8975		6,020		6,020		6,020	-	-	-	6,020
187	CLOSED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
	SPARE AND REPAIR PARTS										
	OPA1										
188	INITIAL SPARES - TSV		4,433		4,433		4,433	-	-	-	4,433
	OPA2										
189	INITIAL SPARES - C&E		73,362		73,362		73,362	-	-	-	73,362
	OPA3										
190	INITIAL SPARES - OTHER SUPPORT EQUIP		1,174		1,174		1,174	-	-	-	1,174
	R2000 ENGINE FLUSH SYSTEM								5,000	-	5,000
	ADVISORY AND ASSISTANCE SERVICES				(9,159)			-	(3,475)	-	(3,475)
	ECONOMIC ADJUSTMENT						(9,000)		(9,000)		(9,000)
	TOTAL OTHER PROCUREMENT, ARMY		3,198,811		3,136,918		3,556,927		146,121		3,344,932
	CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY										
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E										
	RESEARCH AND DEVELOPMENT										
1	CHEM DEMILITARIZATION - RDTE		182,780		-		-		(182,780)	-	-
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC										
	PROCUREMENT										
2	CHEM DEMILITARIZATION - PROC		140,670		-		-		(140,670)	-	-
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M										
	OPERATION AND MAINTENANCE										
3	CHEM DEMILITARIZATION - O&M		531,650		-		-		(531,650)	-	-
	TOTAL CHEM AGENTS & MUNITIONS DESTR, ARMY		855,100		-		-		(855,100)	-	-
	Total Army Procurement		9,028,085		8,351,055		8,637,237		(535,071)	-	8,493,014

High mobility multipurpose wheeled vehicles

The budget request included $12.1 million for high mobility multipurpose wheeled vehicles (HMMWV).

The House bill would authorize an increase of $10.0 million for up-armored upgrade requirements.

The Senate amendment would authorize an increase of $65.7 million to maintain production of vehicles necessary to support Army and Marine Corps plans to begin a fleet replacement program.

The conferees agree to authorize an increase of $65.7 million for new HMMWV production.

Family of medium tactical vehicles

The budget request included $332.0 million for family of medium tactical vehicle trucks.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $88.0 million to sustain family of medium tactical vehicles (FMTV) production.

The conferees agree to authorize an increase of $42.5 million to support production requirements and field critically needed trucks to replace an aging fleet.

Medium truck extended service program

The budget request included $37.2 million for the medium truck extend service program (ESP).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $93.9 million. Of this amount, $30.0 million would be made available to meet Army National Guard (ARNG) requirements.

The conferees agree to authorize an increase of $20.0 million for ARNG medium truck rebuild requirements.

High mobility multipurpose wheeled vehicle extended service program

The budget request included $24.8 million for the high mobility multipurpose wheeled vehicle (HMMWV) extended service program (ESP).

The House bill would authorize a decrease of $24.8 million in response to Army plans to field new vehicles.

The Senate amendment would authorize the budget request.

The conferees agree to authorize no funds for this program and support the Army request for additional funding necessary for new vehicle production.

Project management support

The budget request included $2.4 million for project management support.

The House bill and the Senate amendment would authorize a decrease of $1.0 million.

The conferees agree to authorize a decrease of $1.0 million for project management support.

System fielding support

The budget request included $4.2 million for system fielding support.

The House bill would authorize a decrease of $1.2 million.

The Senate amendment would authorize a decrease of $1.0 million.

The conferees agree to authorize a decrease of $1.0 million for system fielding support.

Army data distribution system

The budget request included $24.0 million for the Army data distribution system.

The House bill would authorize an increase of $5.0 million.

The Senate amendment would authorize an increase of $28.0 million for both active and reserve component requirements for enhanced position location reporting systems (EPLRS) necessary to meet Army digitization requirements.

The conferees agree to authorize an increase of $28.0 million for EPLRS requirements.

Single channel ground and airborne radio system

The budget request included $13.2 million for the single channel ground and airborne radio system (SINCGARS).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase $61.9 million for Army National Guard (ARNG) enhanced brigade requirements.

The conferees agree to authorize an increase of $50.0 million for SINCGARS requirements for the ARNG enhanced brigades.

Area common user system modernization program

The budget request included $97.1 million for area common user system (ACUS) modifications.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $47.8 million to support Army requirements to downsize system shelters.

The conferees agree to authorize an increase of $35.0 million for system downsizing requirements.

Ground based common sensor

The budget request included $25.4 million for the ground based common sensor (GBCS).

The House bill would authorize a decrease of $11.2 million, as follows:

(1) A $9.7 million decrease for GBCS-light; and

(2) A $1.5 million decrease because of duplicate entries for the common modules electronic intelligence system in the budget request.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $11.2 million for GBCS.

Joint surveillance and target attack radar system common ground system

The budget request included $87.2 million for Army joint surveillance and target attack radar system (JSTARS) common ground equipment.

The House bill would authorize an increase of $10.0 million for 24 JSTARS workstations.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million for seven additional JSTARS workstations.

Joint tactical terminal

The budget request included $6.5 million in Other Procurement, Army for integrated broadcast terminal modifications, and $5.7 million in Other Procurement, Air Force for intelligence communications equipment.

The House bill would authorize an increase of $5.0 million for the Army, and $3.0 million for the Air Force, to reduce delivery delays for intelligence broadcast transceivers caused by contract protests that have since been resolved.

The Senate amendment would authorize the budget request.

The Senate recedes.

Shortstop electronic protection system

The budget request included no funds for the Shortstop system.

The House bill would authorize an increase of $15.0 million for Shortstop electronic protection systems.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $13.0 million to procure additional Shortstop electronic protection systems.

Night vision

The budget request included $29.6 million for night vision equipment.

The House bill would authorize an increase of $9.0 million for AN/PEQ–2A infrared target pointers.

The Senate amendment would authorize an increase of $13.5 million, as follows:

(1) $9.0 million for AN/PEQ–2A infrared target pointers; and

(2) $4.5 million for AN/PEQ–4C infrared aiming lights.

The conferees agree to authorize an increase of $43.1 million, an increase of $13.5 million, for night vision equipment. Of this amount, $9.0 million is for AN/PEQ–2A infrared target pointers and $4.5 million is for AN/PEQ–4C infrared aiming lights.

Automated data processing equipment

The budget request included $130.7 million for automated data processing equipment.

The House bill would authorize a reduction of $19.1 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a total decrease of $19.1 million for the joint computer aided logistics system.

Land warrior

The budget request included $51.4 million for land warrior equipment procurement.

The House bill would authorize an increase of $5.0 million for all-torso body armor.

The Senate amendment would authorize the budget request.

The conferees are aware of a significant number of cost and technical problems associated with this program. The conferees, therefore, agree to authorize no funds for this program for fiscal year 1999 and further direct the Secretary of the Army to review program cost and technical issues. The conferees further direct the Secretary of the Army provide a report on future requirements and resolution of outstanding technical issues to the congressional defense committees, no later than January 31, 1999.

Small pusher tug

The budget request included $4.3 million for one small pusher tug.

The House bill would authorize an increase of $4.3 million for two additional small pusher tugs.

The Senate amendment authorized the budget request.

The conferees agree to authorize an increase of $4.3 million for two additional small pusher tugs.

Training devices, nonsystem

The budget request included $56.8 million for nonsystem training devices.

The House bill would authorize an increase of $4.0 million for four fire fighter trainers.

The Senate amendment would authorize a decrease of $16.1 million for the MILES 2000 program.

The conferees agree to authorize an increase of $4.0 million for fire fighter training devices and an increase of $5.0 million for engagement skills trainers.

Simulation network/close combat tactical trainer

The budget request included $113.9 million for simulation network (SIMNET) close combat tactical trainer (CCTT).

The House bill would authorize a decrease of $29.4 million, as follows:

(1) $17.0 million for modules and sight equipment;

(2) $2.4 million for commercial trainers; and

(3) $10.0 million for commercial image generators.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $29.4 million.

R2000 engine flush system

The budget request included no funds for the R2000 engine flush system.

The House bill would authorize an increase of $5.0 million for this equipment.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million for the R2000 engine flush system.

Overview

The budget request for fiscal year 1999 contained an authorization of $7,466.7 million for Aircraft Procurement, Navy in the Department of Defense. The House bill would authorize $7,420.8 million. The Senate amendment would authorize $7,477.9 million. The conferees recommended an authorization of $7,642.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	AIRCRAFT PROCUREMENT, NAVY										
	COMBAT AIRCRAFT										
	COMBAT AIRCRAFT										
1	AV-8B (V/STOL)HARRIER	12	300,192	12	296,992	12	300,192	-	(3,200)	12	296,992
1	LESS: ADVANCE PROCUREMENT (PY)		(17,479)		(17,479)		(17,479)	-	-	-	(17,479)
2	ADVANCE PROCUREMENT (CY)		55,686		55,686		55,686	-	-	-	55,686
3	F/A-18C/D (FIGHTER) HORNET		-		-		-	-	-	-	-
4	F/A-18E/F (FIGHTER) HORNET	30	2,876,129	27	2,671,429	30	2,876,129	-	(14,000)	30	2,862,129
4	LESS: ADVANCE PROCUREMENT (PY)		(88,346)		(88,346)		(88,346)	-	-	-	(88,346)
5	ADVANCE PROCUREMENT (CY)		109,438		109,438		109,438	-	-	-	109,438
6	V-22 (MEDIUM LIFT)	7	671,428	8	735,428	7	671,428	1	78,000	8	749,428
6	LESS: ADVANCE PROCUREMENT (PY)		(60,662)		(60,662)		(60,662)	-	-	-	(60,662)

Title I - Procurement—Continued

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
7	ADVANCE PROCUREMENT (CY)		54,020		54,020		54,020	-	-	-	54,020
8	SH-60B (ASW HELICOPTER) SEAHAWK		-		-		-	-	-	-	-
9	E-2C (EARLY WARNING) HAWKEYE	3	225,407	3	225,407	3	225,407	-	-	3	225,407
9	LESS ADVANCE PROCUREMENT (PY)		(19,023)		(19,023)		(19,023)	-	-	-	(19,023)
10	ADVANCE PROCUREMENT (CY)		182,947		182,947		182,947	-	-	-	182,947
	AIRLIFT AIRCRAFT										
	AIRLIFT AIRCRAFT										
11	CH-60	4	106,027	4	106,027	4	106,027	-	-	4	106,027
12	ADVANCE PROCUREMENT (CY)		26,160		26,160		26,160	-	-	-	26,160
	TRAINER AIRCRAFT										
	TRAINER AIRCRAFT										
13	T-45TS (TRAINER) GOSHAWK	15	288,755	15	273,255	15	288,755	-	-	15	288,755
13	LESS: ADVANCE PROCUREMENT (PY)		(6,088)		(6,088)		(6,088)	-	-	-	(6,088)
14	ADVANCE PROCUREMENT (CY)		60,159		72,359		60,159	-	-	-	60,159
	JPATS							-	-		
	OTHER AIRCRAFT										
	OTHER AIRCRAFT										
15	KC-130J		-	2	112,400			2	112,400	2	112,400
	MODIFICATION OF AIRCRAFT										
	MODIFICATION OF AIRCRAFT										

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
16	EA-6 SERIES		75,735		114,735		75,735	-	25,000	-	100,735
17	AV-8 SERIES		99,109		99,109		99,109	-	-	-	99,109
18	F-14 SERIES		223,661		216,361		231,661	-	700	-	224,361
19	ADVERSARY		1,292		1,292		1,292	-	-	-	1,292
20	ES-3 SERIES		5,172		-		5,172	-	(5,172)	-	-
21	F-18 SERIES		198,049		194,149		198,049	-	(3,900)	-	194,149
22	H-46 SERIES		31,863		31,863		31,863	-	-	-	31,863
23	AH-1W SERIES		22,394		33,394		33,394	-	11,000	-	33,394
24	H-53 SERIES		37,829		37,829		37,829	-	-	-	37,829
25	SH-60 SERIES		137,997		136,697		137,997	-	-	-	137,997
26	H-1 SERIES		18,220		18,220		18,220	-	-	-	18,220
27	H-3 SERIES		34		34		34	-	-	-	34
28	EP-3 SERIES		5,437		8,437		7,437	-	3,500	-	8,937
29	P-3 SERIES		268,633		283,633		280,833	-	22,200	-	290,833
30	S-3 SERIES		45,997		45,997		45,997	-	-	-	45,997
31	E-2 SERIES		91,502		98,502		91,502	-	4,000	-	95,502
32	TRAINER A/C SERIES		7,399		7,399		7,399	-	-	-	7,399
33	C-2A		18,113		18,113		18,113	-	-	-	18,113
34	C-130 SERIES		4,040		4,040		4,040	-	-	-	4,040
35	FEWSG		557		557		557	-	-	-	557
36	CARGO/TRANSPORT A/C SERIES		27,179		27,179		27,179	-	-	-	27,179
37	E-6 SERIES		64,660		60,060		64,660	-	-	-	64,660
38	EXECUTIVE HELICOPTERS SERIES		26,147		26,147		26,147	-	-	-	26,147
39	SPECIAL PROJECT AIRCRAFT		17,729		17,729		17,729	-	-	-	17,729
40	T-45 SERIES		8,499		8,499		8,499	-	-	-	8,499
41	POWER PLANT CHANGES		15,283		15,283		15,283	-	-	-	15,283
42	MISC FLIGHT SAFETY CHANGES		-		-		-	-	-	-	-
43	COMMON ECM EQUIPMENT		37,375		37,375		37,375	-	(9,300)	-	28,075
44	COMMON AVIONICS CHANGES		104,697		102,697		104,697	-	(2,000)	-	102,697
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES AND REPAIR PARTS										
45	SPARES AND REPAIR PARTS		727,838		719,438		727,838	-	-	-	727,838

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	**Title**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
46	CANCELLED ACCOUNT ADJUSTMENTS (M)		-		-		-	-	-	-	-
47	CANCELLED ACCOUNT ADJUSTMENTS (88)		-		-		-	-	-	-	-
48	CANCELLED ACCOUNT ADJ (89)		-		-		-	-	-	-	-
49	CANCELLED ACCOUNT ADJUSTMENTS (87)		-		-		-	-	-	-	-
50	COMMON GROUND EQUIPMENT		330,952		315,552		330,952	-	(11,850)	-	319,102
51	AIRCRAFT INDUSTRIAL FACILITIES		13,753		11,953		13,753	-	(1,800)	-	11,953
52	WAR CONSUMABLES		11,197		11,197		11,197	-	-	-	11,197
53	OTHER PRODUCTION CHARGES		7,552		7,552		7,552	-	-	-	7,552
54	SPECIAL SUPPORT EQUIPMENT		14,377		14,377		14,377	-	-	-	14,377
55	FIRST DESTINATION TRANSPORTATION		1,713		1,713		1,713	-	-	-	1,713
	ADVISORY AND ASSISTANCE SERVICES				(36,215)			-	(8,112)	-	(8,112)
	ECONOMIC ADJUSTMENT						(22,000)		(22,000)		(22,000)
	TOTAL AIRCRAFT PROCUREMENT, NAVY		7,466,734		7,420,847		7,477,934		175,466		7,642,200

AV–8B

The budget request included $300.2 million for the AV–8B remanufacturing program.

The House bill would authorize a decrease of $3.2 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $3.2 million.

F/A–18E/F

The budget request included $2,876.1 million for the F/A–18E/F.

The House bill would authorize a decrease of $204.7 million and would reduce the fiscal year 1999 production from 30 aircraft to 27 aircraft.

The Senate amendment would authorize the budget request.

The conferees agree to authorize production of 30 aircraft and to a decrease of $14.0 million from the budget request.

V–22

The budget request included $610.8 million to procure seven V–22 tilt-rotor aircraft and $54.0 million for advance procurement of 10 aircraft in fiscal year 2000.

The House bill would authorize a net increase of $64.0 million, including an increase of $78.0 million for the procurement of one additional aircraft and a decrease of $14.0 million for particular ground support equipment.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $78.0 million for the procurement of one additional aircraft.

JPATS

The budget request included no funds for the naval version of the T–6A.

The House bill would authorize an increase of $12.2 million for four aircraft for the Navy.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

EA–6 Series modifications

The budget request included $75.7 million for various EA–6 series modifications.

The House bill would authorize an increase of $39.0 million for the band 9/10 transmitter/receiver upgrade.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $25.0 million for band 9/10 transmitter/receivers and note that the timely authorization for additional band 9/10 transmitters would allow the contractor to modify those transmitters to permit the transmitters to jam in the adjoining frequency range, band 7/8 (called "modified band 9/10 transmitters").

F–14 Series

The budget request included $223.7 million for the F–14 Series aircraft.

The House bill would authorize a decrease of $7.3 million due to excessive cost growth related to structural improvements.

The Senate amendment would authorize an increase of $8.0 million for acceleration of the precision strike upgrade.

The conferees agree to authorize an increase of $0.7 million to accelerate the precision strike upgrade, and believe that the Department of Defense can meet requirements for structural improvements within the provided amount.

ES–3 Series Modifications

The budget request included $5.2 million for ES–3 modifications.

The House bill would authorize a decrease of $5.2 million for this program based on a Navy decision to retire the ES–3 aircraft.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $5.2 million.

F–18 series modifications

The budget request included $198.0 million for the F–18 series aircraft.

The House bill would authorize a decrease of $3.9 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $3.9 million.

P–3C antisurface warfare improvement program

The budget request included $120.7 million for the procurement of P–3C antisurface warfare improvement program (AIP) kits and for associated installation, logistics support, engineering change proposals and training.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $12.2 million for procurement of P–3C AIP kits.

The conferees agree to authorize an increase of $12.2 million.

Lightweight environmentally sealed parachute assembly

The budget request included no funds for the lightweight environmentally sealed parachute assembly (LESPA).

The House bill would authorize an increase of $22.0 million to procure LESPA, including $15.0 million for the P–3 and $7.0 million for the E–2C.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $14.0 million to procure LESPA, including $10.0 million for the P–3 and $4.0 million for the E–2C.

E–6 modifications

The budget request included $64.6 million for E–6 modifications.

The House bill would authorize a decrease of the budget request by $4.6 million.

The Senate amendment would authorize the budget request.

The conferees would authorize the budget request.

Common ground equipment

The budget request included $330.9 million for common ground equipment.

The House bill would authorize a decrease of $15.4 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $11.9 million due to unjustified predicted price increases for consolidated automated support systems.

Aircraft industrial facilities

The budget request included $13.7 million for aircraft industrial facilities.

The House bill would authorize a decrease of $1.8 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $1.8 million for aircraft industrial facilities based on an unjustified increase for caretaker maintenance.

Overview

The budget request for fiscal year 1999 contained an authorization of $1,327.5 million for Weapons Procurement, Navy in the Department of Defense. The House bill would authorize $1,192.2 million. The Senate amendment would authorize $1,366.0 million. The conferees recommended an authorization of $1,223.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
	BALLISTIC MISSILES										
1	TRIDENT II	5	284,236	5	284,236	5	284,236	-	-	5	284,236
1	LESS: ADVANCE PROCUREMENT (PY)		(23,584)		(23,584)		(23,584)	-	-	-	(23,584)
2	ADVANCE PROCUREMENT (CY)		62,800		62,800		62,800	-	-	-	62,800
	SUPPORT EQUIPMENT AND FACILITIES										
3	MISSILE INDUSTRIAL FACILITIES		198		198		198	-	-	-	198
	OTHER MISSILES										
	STRATEGIC MISSILES										
4	TOMAHAWK	114	129,758		33,258	114	129,758	(114)	(96,500)	-	33,258
5	ESSM	28	35,672	28	35,672	28	35,672	-	-	28	35,672
	TACTICAL MISSILES										
6	AMRAAM	115	62,641	115	62,641	115	62,641	(15)	(7,000)	100	55,641
7	JSOW	328	125,207	328	125,207	328	125,207	-	-	328	125,207
8	STANDARD MISSILE	120	225,702	120	205,702	120	225,702	-	(15,000)	120	210,702
9	RAM	100	44,766	100	42,166	100	44,766	-	-	100	44,766
10	HELLFIRE		-		-		-	-	-	-	-
11	PENGUIN		-		-		7,500	-	-	-	-
12	AERIAL TARGETS		75,474		72,774		75,474	-	(2,700)	-	72,774
13	DRONES AND DECOYS		298		298		10,298	-	10,000	-	10,298
14	OTHER MISSILE SUPPORT		15,238		15,238		15,238	-	-	-	15,238
	MODIFICATION OF MISSILES										
15	TOMAHAWK MODS		-		-		-	-	-	-	-
16	SPARROW MODS		-		-		-	-	-	-	-
17	SIDEWINDER MODS		-		-		-	-	-	-	-
18	HARPOON MODS		39,506		39,506		39,506	-	-	-	39,506
19	STANDARD MISSILES MODS		45,303		45,303		45,303	-	-	-	45,303
	SUPPORT EQUIPMENT AND FACILITIES										
20	WEAPONS INDUSTRIAL FACILITIES		27,133		24,333		27,133	-	(2,800)	-	24,333
21	FLEET SATELLITE COMM (MYP) (SPACE)		-		-		-	-	-	-	-
	ORDNANCE SUPPORT EQUIPMENT										

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
22	ORDNANCE SUPPORT EQUIPMENT		6,210		6,210		6,210	-	-	-	6,210
	TORPEDOES AND RELATED EQUIPMENT										
	TORPEDOES AND RELATED EQUIPMENT										
23	ASW TARGETS		4,152		4,152		4,152	-	-	-	4,152
24	VERTICAL LAUNCHED ASROC (VLA)		-		-		-	-	-	-	-
	MOD OF TORPEDOES AND RELATED EQUIP										
25	MK-46 TORPEDO MODS		15		15		15	-	-	-	15
26	MK-48 TORPEDO ADCAP MODS		52,813		50,613		52,813	-	(2,200)	-	50,613
	SUPPORT EQUIPMENT										
27	TORPEDO SUPPORT EQUIPMENT		24,206		24,206		24,206	-	-	-	24,206
28	ASW RANGE SUPPORT		14,672		14,672		14,672	-	-	-	14,672
	DESTINATION TRANSPORTATION										
29	FIRST DESTINATION TRANSPORTATION		1,979		1,979		1,979	-	-	-	1,979
	OTHER WEAPONS										
	GUNS AND GUN MOUNTS										
30	SMALL ARMS AND WEAPONS		874		874		874	-	-	-	874
	MODIFICATION OF GUNS AND GUN MOUNTS										
31	CIWS MODS		2,778		6,778		12,778	-	10,000	-	12,778
32	5/54 GUN MOUNT MODS		909		909		15,909	-	8,000	-	8,909
33	MK-75 76MM GUN MOUNT MODS		1,951		1,951		1,951	-	-	-	1,951
34	MODS UNDER $2 MILLION		1,279		1,279		1,279	-	-	-	1,279
	OTHER										
35	PIONEER		19,441		19,441		19,441	-	-	-	19,441
36	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
37	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
38	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
39	JUDGEMENT FUND		-		-		-	-	-	-	-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
40	SPARES AND REPAIR PARTS		45,918		42,747		45,918	-	-	-	45,918
	ADVISORY AND ASSISTANCE SERVICES				(9,379)			-	(1,442)	-	(1,442)
	ECONOMIC ADJUSTMENT						(4,000)		(4,000)		(4,000)

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	TOTAL WEAPONS PROCUREMENT, NAVY		1,327,545		1,192,195		1,366,045		(103,642)		1,223,903

Tactical Tomahawk

The budget request included $66.7 million in PE 24229N for Tomahawk operational system development, $129.8 million in Weapons Procurement, Navy (WPN) for the Tomahawk missile remanufacture program, $90.2 million in Other Procurement, Navy (OPN) for surface Tomahawk support equipment, and $117.1 million in Operation and Maintenance, Navy (O&M, N) for the Tomahawk baseline improvement program (TBIP).

The House bill would authorize an increase of $98.6 million in PE 24229N for tactical Tomahawk, an increase of $2.8 million in OPN for TBIP, a decrease of $96.5 million in WPN, and a decrease of $4.9 million in O&M,N for TBIP.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a $96.5 million decrease for Tomahawk missile WPN, a $98.6 million increase in PE 24229N for tactical Tomahawk, and a $4.9 million decrease in O&M, N for TBIP.

Advanced medium range air-to-air missile

The budget request included $62.6 million for 115 advanced medium range air-to-air missiles (AMRAAM).

The House bill and the Senate amendment would authorize the budget in Navy AMRAAM procurement request.

The conferees understand that the recent merger of the two competing prime contractors produced savings of $7.0 million in the production of the AMRAAM for the Navy. The conferees agree to authorize a decrease of $7.0 million.

Standard missile

The budget request included $225.7 million for 70 Block III and 45 Block IV Standard missiles.

The House bill would authorize a $20.0 million decrease based on a 41 percent increase in support costs, despite the fact that the total number of missiles would only increase by 15 percent from the fiscal year 1998 level.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $15.0 million for Standard missile support.

Penguin missile program

The budget request included no funds for procurement of Penguin missiles.

The Senate amendment would authorize an increase of $7.5 million for procurement of Penguin missiles to satisfy outstanding inventory objectives for both the tactical and telemetry variants of the missle.

The House bill would authorize the budget request.

The conferees agree to authorize the budget request.

Aerial targets

The budget request included $75.5 million for aerial targets.

The House bill would authorize a decrease of $2.7 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.7 million.

Improved tactical air launched decoy

The budget request included $300,000 for drones and decoys.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million for 70 improved tactical air launched decoys (ITALD).

The conferees agree to authorize an increase of $10.0 million.

Weapons industrial facilities

The budget request included $27.3 million for capital type rehabilitation projects at government-owned contractor operated weapons industrial facilities.

The House bill would authorize a decrease of $2.8 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.8 million based on unjustified environmental cost increases.

Mk-48 torpedo advanced capability torpedo modifications

The budget request included $52.8 million for procurement and installation of modifications for the Mk-48 advanced capability torpedo.

The House bill would authorize a decrease of $2.2 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.2 million due to the projected excessive unit cost growth of installation kits.

Close-in weapon system surface mode upgrade

The budget request included no funds for procurement of Phalanx surface mode (PSUM) upgrade kits for the close-in weapon system (CIWS).

The House bill would authorize an increase of $4.0 million for procurement and installation of the surface mode upgrade kits for amphibious ships.

The Senate amendment would authorize an increase of $10.0 million for procurement and installation of the surface mode upgrade.

The conferees agree to authorize an increase of $10.0 million for procurement and installation of the surface mode upgrade.

Surface ship gun mount rotatable pool

The budget request included $900,000 for procurement and installation of safety shock ordnance alterations to the 5-inch 54 gun installed on surface combatants.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $15.0 million for test facility preparation, procurement of long lead materials and establishment of a 5-inch 54 Mod 4 rotatable gun pool as part of the cruiser conversion program which begins in fiscal year 2001.

The conferees agree to authorize an increase of $8.0 million for the establishment of a 5-inch 54 Mod 4 rotatable gun pool.

Overview

The budget request for fiscal year 1999 contained an authorization of $429.5 million for Ammunition Procurement, Navy and Marine Corps in the Department of Defense. The House bill would authorize $452.0 million. The Senate amendment would authorize $475.5 million. The conferees recommended an authorization of $463.3 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	PROCUREMENT AMMUNITION, NAVY & MARINE CORP										
	PROC AMMO, NAVY										
	NAVY AMMUNITION										
1	GENERAL PURPOSE BOMBS		22,904		22,904		22,904	-	-	-	22,904
2	JDAM	898	41,363	898	40,463	898	41,363	-	-	898	41,363
3	2.75 INCH ROCKETS		16,147		16,147		16,147	-	-	-	16,147
4	MACHINE GUN AMMUNITION		8,816		8,816		8,816	-	-	-	8,816
5	PRACTICE BOMBS		40,134		40,134		40,134	-	-	-	40,134
6	CARTRIDGES & CART ACTUATED DEVICES		25,982		25,982		25,982	-	-	-	25,982
7	AIRCRAFT ESCAPE ROCKETS		10,370		10,370		10,370	-	-	-	10,370
8	AIR EXPENDABLE COUNTERMEASURES		29,059		29,059		29,059	-	-	-	29,059
9	MARINE LOCATION MARKERS		1,350		1,350		1,350	-	-	-	1,350
10	JATOS		3,893		3,893		3,893	-	-	-	3,893
11	5 INCH/54 GUN AMMUNITION		21,853		21,853		21,853	-	-	-	21,853
12	EXTENDED RANGE GUIDED MUNITIONS (ERGM)		27,452		27,452		27,452	-	-	-	27,452
13	CIWS AMMUNITION		660		660		660	-	-	-	660
14	76MM GUN AMMUNITION		3,761		3,761		3,761	-	-	-	3,761
15	OTHER SHIP GUN AMMUNITION		4,548		4,548		4,548	-	-	-	4,548
16	SMALL ARMS & LANDING PARTY AMMO		7,752		7,752		7,752	-	-	-	7,752
17	PYROTECHNIC AND DEMOLITION		8,938		8,938		8,938	-	-	-	8,938
18	MINE NEUTRALIZATION DEVICES		7,884		7,884		7,884	-	-	-	7,884
19	CANCELLED ACCOUNT ADJUSTMENTS (87)		-		-		-	-	-	-	-
	PROC AMMO, MC										
	MARINE CORPS AMMUNITION										
20	5.56 MM, ALL TYPES		25,750		26,350		26,250	-	600	-	26,350
21	7.62 MM, ALL TYPES		196		896		896	-	700	-	896
22	LINEAR CHARGES, ALL TYPES		7,603		7,603		7,603	-	-	-	7,603
23	.50 CALIBER		1,180		1,180		1,680	-	500	-	1,680
24	40 MM, ALL TYPES		11,565		11,565		11,565	-	-	-	11,565
25	60 MM HE M888		-		-		17,000	-	8,200	-	8,200
26	81 MM HE		-		-		-	-	-	-	-
27	81MM, ALL TYPES		16,076		16,076		16,076	-	-	-	16,076

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
28	81 MM SMOKE SCREEN		-		-		-	-	-	-	-
29	120MM, ALL TYPES		14,054		14,054		18,854	-	2,000	-	16,054
30	120MM TPCSDS-T M865		-		500		-	-	-	-	-
31	120 MM TP-T M831		-		700		-	-	-	-	-
32	CTG 25MM, ALL TYPES		3,860		4,760		4,860	-	1,000	-	4,860
33	9 MM ALL TYPES		2,332		3,132		3,332	-	1,000	-	3,332
34	GRENADES, ALL TYPES		4,893		8,093		5,893	-	3,200	-	8,093
35	ROCKETS, ALL TYPES		21,346		38,346		39,346	-	17,000	-	38,346
36	DEMOLITION MUNITIONS, ALL TYPES		7,737		8,337		7,737	-	600	-	8,337
37	FUZE, ALL TYPES		13,645		13,645		16,145	-	-	-	13,645
38	NON LETHALS		984		984		984	-	-	-	984
39	AMMO MODERNIZATION		12,007		12,007		12,007	-	-	-	12,007
40	ITEMS LESS THAN $2 MIL		3,445		3,445		3,445	-	-	-	3,445
	ADVISORY AND ASSISTANCE SERVICES				(1,671)			-	-	-	-
	ECONOMIC ADJUSTMENT						(1,000)		(1,000)		(1,000)
	PROCUREMENT AMMUNITION, NAVY/MARINE CORP		429,539		451,968		475,539		33,800		463,339

Shoulder launched multi-purpose assault weapon

The budget request included $21.3 million for rockets, all type.

The House bill would authorize an increase of $17.0 million, in this account, for the shoulder launched multi-purpose assault weapon (SMAW).

The Senate amendment would authorize an increase of $18.0 million, in this account, for the SMAW.

The conferees agree to authorize an increase of $17.0 million for maintaining the program initiated last year to repair SMAW High Explosive Dual Purpose rounds currently restricted from use.

Overview

The budget request for fiscal year 1999 contained an authorization of $6,252.7 million for Shipbuilding and Conversion, Navy in the Department of Defense. The House bill would authorize $5,992.4 million. The Senate amendment would authorize $6,049.3 million. The conferees recommended an authorization of $6,033.5 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	SHIPBUILDING & CONVERSION, NAVY										
	OTHER WARSHIPS										
	OTHER WARSHIPS										
1	CARRIER REPLACEMENT PROGRAM		-		-		-	-	-	-	-
2	ADVANCE PROCUREMENT (CY)		124,515		124,515		124,515	-	-	-	124,515
3	SSN-21		-		-		-	-	-	-	-
4	NEW SSN	1	2,195,783	1	2,205,783	1	2,195,783	-	-	1	2,195,783
4	LESS: ADVANCE PROCUREMENT (PY)		(697,618)		(697,618)		(697,618)	-	-	-	(697,618)
5	ADVANCE PROCUREMENT (CY)		504,736		504,736		504,736	-	-	-	504,736
6	CVN REFUELING OVERHAULS		-		-		-	-	-	-	-
6	LESS: ADVANCE PROCUREMENT (PY)		-		-		-	-	-	-	-
7	ADVANCE PROCUREMENT (CY)		274,980		274,980		274,980	-	-	-	274,980
8	DDG-51	3	2,799,029	3	2,794,029	3	2,799,029	-	-	3	2,799,029
8	LESS: ADVANCE PROCUREMENT (PY)		(126,951)		(126,951)		(126,951)	-	-	-	(126,951)
9	ADVANCE PROCUREMENT (CY)		7,396		7,396		7,396	-	-	-	7,396
10	LCAC				16,000			-	-	-	-
	AMPHIBIOUS SHIPS										
	AMPHIBIOUS SHIPS										
10	LPD-17	1	734,886	1	734,886	1	734,886	-	-	1	734,886
10	LESS: ADVANCE PROCUREMENT (PY)		(96,106)		(96,106)		(96,106)	-	-	-	(96,106)
11	ADVANCE PROCUREMENT (CY)		-					-	-	-	-
	LHD-8 ADVANCE PROCUREMENT				10,000		50,000		50,000	-	50,000
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGRAM										
	AUXILIARIES, CRAFT AND PRIOR YEAR PROGRAM										
12	AE(CONV)		-		-		-	-	-	-	-
13	OCEANOGRAPHIC SHIPS	1	75,936	1	75,936	1	75,936	-	-	1	75,936
13	LESS: ADVANCE PROCUREMENT (PY)		(15,595)		(15,595)		(15,595)	-	-	-	(15,595)
14	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
15	SERVICE CRAFT		-		-		-	-	-	-	-
16	STRATEGIC SEALIFT	1	251,400		-	-	-	(1)	(251,400)	-	-
17	LCAC LANDING CRAFT		-		-		16,000	-	16,000	-	16,000
18	OUTFITTING		95,680		87,980		95,680	-	(3,000)	-	92,680

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
19	POST DELIVERY		123,277		114,977		123,277	-	(6,000)	-	117,277
20	FIRST DESTINATION TRANSPORTATION		1,324		1,324		1,324	-	-	-	1,324
	ADVISORY AND ASSISTANCE SERVICES				(23,911)			-	(6,792)	-	(6,792)
	ECONOMIC ADJUSTMENTS						(18,000)		(18,000)		(18,000)
	TOTAL SHIPBUILDING & CONVERSION, NAVY		6,252,672		5,992,361		6,049,272		(219,192)		6,033,480

LHD–8 advance procurement

The budget request included no funds for LHD–8 advance procurement.

The House bill would authorize an increase of $10.0 million for advance procurement of LHD–8.

The Senate amendment would authorize an increase of $50.0 million for advance procurement of long lead materials for the construction of LHD–8 in lieu of a future service life extension program for LHA–1.

The conferees agreed to authorize an increase of $50.0 million for advanced procurement of long lead materials for the construction of LHD–8 in lieu of a future service life extension program for LHA–1.

Strategic sealift

The budget request included $251.4 million in the Shipbuilding and Conversion, Navy (SCN) account for one large medium-speed roll-on/roll-off (LMSR) strategic sealift ship. Section 2218 of title 10, United States Code, establishes the National Defense Sealift Fund (NDSF) to fund construction of sealift vessels.

The House bill and the Senate amendment would authorize the procurement of one LMSR and the $251.4 million requested for that purpose, but would provide that authorization for the NDSF account.

The conferees agree to authorize $251.4 million for the NDSF for construction of one LMSR.

Landing craft air cushion service life extension program

The budget request included no funds for landing craft air cushion (LCAC) service life extension program (SLEP).

The House bill and the Senate amendment would authorize an increase of $16.0 million for the service life extension of two LCAC's.

The conferees agree to authorize an increase of $16.0 million for LCAC SLEP.

Navy shipbuilding outfitting

The budget request included $95.7 million for outfitting new construction Navy ships with the initial equipment and spare parts required to operate.

The House bill would authorize a decrease of $7.7 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $3.0 million due to ship delivery schedule slippages and the concomitant reduced requirements.

Navy shipbuilding post delivery

The budget request included $123.3 million for new construction ships' post delivery correction of deficiencies.

The House bill would authorize a decrease of $8.3 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $6.0 million.

Overview

The budget request for fiscal year 1999 contained an authorization of $3,937.7 million for Other Procurement, Navy in the Department of Defense. The House bill would authorize $3,969.5 million. The Senate amendment would authorize $4,040.0 million. The conferees recommended an authorization of $4,043.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
	SHIP PROPULSION EQUIPMENT										
1	LM-2500 GAS TURBINE		8,700		8,700		8,700	-	-	-	8,700
2	ALLISON 501K GAS TURBINE		6,737		6,737		6,737	-	-	-	6,737
3	STEAM PROPULSION IMPROVEMENT		617		617		617	-	-	-	617
4	OTHER PROPULSION EQUIPMENT		10,336		10,336		10,336	-	-	-	10,336
	GENERATORS										
5	OTHER GENERATORS		9,637		9,637		9,637	-	(1,200)	-	8,437
	PUMPS										
6	OTHER PUMPS		1,017		1,017		1,017	-	-	-	1,017
	PROPELLERS										
7	SUBMARINE PROPELLERS		7,937		7,937		7,937	-	-	-	7,937
8	OTHER PROPELLERS AND SHAFTS		2,460		2,460		2,460	-	-	-	2,460
	NAVIGATION EQUIPMENT										
9	OTHER NAVIGATION EQUIPMENT		45,259		65,759		57,259	-	18,000	-	63,259
	UNDERWAY REPLENISHMENT EQUIPMENT										
10	UNDERWAY REPLENISHMENT EQUIPMENT		7,658		7,658		7,658	-	-	-	7,658
	PERISCOPES										
11	SUB PERISCOPES & IMAGING EQUIP		31,864		28,864		31,864	-	-	-	31,864
	OTHER SHIPBOARD EQUIPMENT										
12	FIREFIGHTING EQUIPMENT		10,067		10,067		10,067	-	-	-	10,067
13	COMMAND AND CONTROL SWITCHBOARD		9,787		9,787		9,787	-	-	-	9,787
14	POLLUTION CONTROL EQUIPMENT		149,669		130,269		149,669	-	(19,400)	-	130,269
15	SUBMARINE SILENCING EQUIPMENT		3,456		3,456		3,456	-	-	-	3,456
16	SUBMARINE BATTERIES		8,651		8,651		8,651	-	-	-	8,651
17	SSN21 CLASS SUPPORT EQUIPMENT		15,475		15,475		15,475	-	-	-	15,475
18	STRATEGIC PLATFORM SUPPORT EQUIP		10,345		10,345		10,345	-	-	-	10,345
19	DSSP EQUIPMENT		10,470		10,470		10,470	-	-	-	10,470
20	MINESWEEPING EQUIPMENT		394		394		394	-	-	-	394
21	HM&E ITEMS UNDER $2 MILLION		58,121		55,021		58,121	-	(2,100)	-	56,021
22	SURFACE IMA		661		661		661	-	-	-	661

Title I - Procurement

(Dollars in Thousands)

No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
23	RADIOLOGICAL CONTROLS		-		-		-	-	-	-	-
24	MINI/MICROMINI ELECTRONIC REPAIR		518		518		518	-	-	-	518
	REACTOR PLANT EQUIPMENT										
25	REACTOR POWER UNITS		227,338		200,038		227,338	-	-	-	227,338
26	REACTOR COMPONENTS		211,382		200,882		211,382	-	-	-	211,382
	OCEAN ENGINEERING										
27	DIVING AND SALVAGE EQUIPMENT		5,688		5,688		5,688	-	-	-	5,688
28	EOD UNDERWATER EQUIPMENT		8,174		8,174		8,174	-	-	-	8,174
	SMALL BOATS										
29	STANDARD BOATS		1,389		1,389		1,389	-	-	-	1,389
	TRAINING EQUIPMENT										
30	OTHER SHIPS TRAINING EQUIPMENT		1,842		1,842		1,842	-	-	-	1,842
	PRODUCTION FACILITIES EQUIPMENT										
31	PRODUCTION SUPPORT FACILITIES		-		-		-	-	-	-	-
32	OPERATING FORCES IPE		673		673		673	-	-	-	673
	OTHER SHIP SUPPORT										
33	NUCLEAR ALTERATIONS		96,752		90,752		96,752	-	-	-	96,752
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	SHIP RADARS										
34	AN/SPS-40		23		23		23	-	-	-	23
35	AN/SPS-48		-		-		-	-	-	-	-
36	AN/SPS-49		1,036		1,036		1,036	-	-	-	1,036
37	AN/SYS-()		-		-		-	-	-	-	-
38	MK-23 TARGET ACQUISITION SYSTEM		1		1		1	-	-	-	1
39	RADAR SUPPORT		1,260		10,260		10,260	-	9,000	-	10,260
40	TISS		11,756		11,756		11,756	-	-	-	11,756
	SHIP SONARS										
41	SURFACE SONAR SUPPORT EQUIPMENT		15		15		15	-	-	-	15
42	AN/SQQ-89 SURF ASW COMBAT SYSTEM		27,432		18,732		27,432	-	-	-	27,432
43	SSN ACOUSTICS		133,535		132,335		158,535	-	15,000	-	148,535
44	SURFACE SONAR WINDOWS AND DOME		1		1		1	-	-	-	1
45	SONAR SUPPORT EQUIPMENT		8,915		8,915		8,915	-	-	-	8,915

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
46	SONAR SWITCHES AND TRANSDUCERS		12,785		11,785		12,785	-	-	-	12,785
	ASW ELECTRONIC EQUIPMENT										
47	SUBMARINE ACOUSTIC WARFARE SYSTEM		7,326		7,326		7,326	-	-	-	7,326
48	SSTD		836		836		836	-	-	-	836
49	ACOUSTIC COMMUNICATIONS		401		401		401	-	-	-	401
50	FIXED SURVEILLANCE SYSTEM		9,553		9,553		9,553	-	-	-	9,553
51	SURTASS		12,712		12,712		12,712	-	-	-	12,712
52	ASW OPERATIONS CENTER		2,658		2,658		2,658	-	-	-	2,658
53	CARRIER ASW MODULE		443		443		443	-	-	-	443
	ELECTRONIC WARFARE EQUIPMENT										
54	AN/SLQ-32		1,469		1,469		1,469	-	-	-	1,469
55	AN/WLR-1		1,809		1,809		1,809	-	-	-	1,809
56	INFORMATION WARFARE SYSTEMS		4,312		4,312		4,312	-	-	-	4,312
57	EW SUPPORT EQUIPMENT		-		-		-	-	-	-	-
58	C-3 COUNTERMEASURES		6,080		6,080		6,080	-	-	-	6,080
	RECONNAISSANCE EQUIPMENT										
59	SHIPBOARD CRYPTOLOGIC SYSTEMS		40,238		40,238		40,238	-	-	-	40,238
60	COMBAT DF		-		-		-	-	-	-	-
61	OUTBOARD		-		-		-	-	-	-	-
62	BATTLE GROUP PASSIVE HORIZON EXTEN		73,542		73,542		73,542	-	-	-	73,542
	SUBMARINE SURVEILLANCE EQUIPMENT										
63	AN/WLQ-4		2,858		2,858		2,858	-	-	-	2,858
64	SUBMARINE SUPPORT EQUIPMENT PROG		3,936		3,936		3,936	-	-	-	3,936
	OTHER SHIP ELECTRONIC EQUIPMENT										
65	NAVY TACTICAL DATA SYSTEM		34		34		34	-	-	-	34
66	COOPERATIVE ENGAGEMENT CAPABILITY		47,332		82,332		47,332	-	35,000	-	82,332
67	JMCIS AFLOAT		38,324		38,324		38,324	-	-	-	38,324
	CIGSS				65,827			-	65,827	-	65,827
68	NAVAL TACTICAL COMMAND SUPPORT SYSTEM (NTCSS)		73,333		73,333		73,333	-	-	-	73,333
69	ATDLS		33,021		33,021		33,021	-	-	-	33,021
70	MINESWEEPING SYSTEM REPLACEMENT		32,934		32,934		17,039	-	(15,895)	-	17,039
71	SHALLOW WATER MCM		8,913		8,913		8,913	-	-	-	8,913

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
72	NAVSTAR GPS RECEIVERS (SPACE)		9,542		9,542		9,542	-	-	-	9,542
73	HF LINK-11 DATA TERMINALS		-		-		-	-	-	-	-
74	ARMED FORCES RADIO AND TV		16,069		16,069		16,069	-	-	-	16,069
75	STRATEGIC PLATFORM SUPPORT EQUIP		12,687		11,687		12,687	-	(1,000)	-	11,687
	TRAINING EQUIPMENT										
76	OTHER SPAWAR TRAINING EQUIPMENT		1,040		1,040		1,040	-	-	-	1,040
77	OTHER TRAINING EQUIPMENT		29,424		29,424		29,424	-	-	-	29,424
	AVIATION ELECTRONIC EQUIPMENT										
78	MATCALS		10,123		10,123		10,123	-	-	-	10,123
79	SHIPBOARD AIR TRAFFIC CONTROL		8,588		8,588		8,588	-	-	-	8,588
80	AUTOMATIC CARRIER LANDING SYSTEM		10,095		10,095		10,095	-	-	-	10,095
81	NATIONAL AIR SPACE SYSTEM		28,201		28,201		28,201	-	-	-	28,201
82	TACAN		-		-		-	-	-	-	-
83	AIR STATION SUPPORT EQUIPMENT		6,776		6,776		6,776	-	-	-	6,776
84	MICROWAVE LANDING SYSTEM		5,249		5,249		5,249	-	-	-	5,249
85	FACSFAC		4,633		4,633		4,633	-	-	-	4,633
86	ID SYSTEMS		15,330		15,330		15,330	-	-	-	15,330
87	SURFACE IDENTIFICATION SYSTEMS		5,321		5,321		5,321	-	-	-	5,321
88	TAC A/C MISSION PLANNING SYS(TAMPS)		23,666		23,666		23,666	-	-	-	23,666
	OTHER SHORE ELECTRONIC EQUIPMENT										
89	JMCIS ASHORE		4,517		4,517		4,517	-	-	-	4,517
90	JMCIS OED		343		343		343	-	-	-	343
91	TADIX-B		12,377		12,377		12,377	-	-	-	12,377
92	JMCIS TACTICAL/MOBILE		3,982		3,982		3,982	-	-	-	3,982
93	RADIAC		4,035		4,035		4,035	-	-	-	4,035
94	GPETE		9,659		9,659		9,659	-	-	-	9,659
95	INTEG COMBAT SYSTEM TEST FACILITY		4,482		4,482		6,482	-	2,000	-	6,482
96	CALIBRATION STANDARDS		1,871		1,871		1,871	-	-	-	1,871
97	EMI CONTROL INSTRUMENTATION		7,536		7,536		7,536	-	-	-	7,536
98	SHORE ELEC ITEMS UNDER $2 MILLION		2,559		2,559		2,559	-	-	-	2,559
	SHIPBOARD COMMUNICATIONS										
99	SHIPBOARD TACTICAL COMMUNICATIONS		34,397		34,397		34,397	-	-	-	34,397

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
100	PORTABLE RADIOS		10,913		10,913		10,913	-	-	-	10,913
101	SINCGARS		27,888		27,888		27,888	-	-	-	27,888
102	SHIP COMMUNICATIONS AUTOMATION		90,638		90,638		110,638	-	-	-	90,638
103	SHIP COMM ITEMS UNDER $2 MILLION		24,220		22,320		24,220	-	(1,900)	-	22,320
	SUBMARINE COMMUNICATIONS										
104	SHORE LF/VLF COMMUNICATIONS		13,028		13,028		13,028	-	-	-	13,028
105	SUBMARINE COMMUNICATION EQUIPMENT		64,583		64,583		79,583	-	-	-	64,583
106	ADVANCED VLF RECEIVER		17,171		17,171		17,171	-	-	-	17,171
	SATELLITE COMMUNICATIONS										
107	SATCOM SHIP TERMINALS (SPACE)		145,193		155,193		145,193	-	10,000	-	155,193
108	SATCOM SHORE TERMINALS (SPACE)		71,077		71,077		71,077	-	-	-	71,077
	SHORE COMMUNICATIONS										
109	JCS COMMUNICATIONS EQUIPMENT		3,363		3,363		3,363	-	-	-	3,363
	INTEGRATED BROADCAST SERVICE				10,271			-	10,271		10,271
110	NSIPS		7,707		7,707		7,707	-	-	-	7,707
111	JEDMICS		-		-		10,000	-	8,000	-	8,000
112	GCCS EQUIPMENT		2,944		2,944		2,944	-	-	-	2,944
113	NAVAL SHORE COMMUNICATIONS		113,546		110,546		133,546	-	-	-	113,546
	CRYPTOGRAPHIC EQUIPMENT										
114	SECURE VOICE SYSTEM		-		-		-	-	-	-	-
115	SECURE DATA SYSTEM		-		-		-	-	-	-	-
116	INFO SYSTEMS SECURITY PROGRAM (ISSP)		45,990		45,990		45,990	-	-	-	45,990
117	KEY MANAGEMENT SYSTEMS		-		-		-	-	-	-	-
	CRYPTOLOGIC EQUIPMENT										
118	CRYPTOLOGIC COMMUNICATIONS EQUIP		21,216		21,216		21,216	-	-	-	21,216
	DRUG INTERDICTION SUPPORT										
119	OTHER DRUG INTERDICTION SUPPORT		-		-		-	-	-	-	-
	AVIATION SUPPORT EQUIPMENT										
	SONOBUOYS										
120	AN/SSQ-36 (BT)		1,360		1,360		1,360	-	-	-	1,360
121	AN/SSQ-53 (DIFAR)		37,257		37,257		37,257	-	-	-	37,257
122	AN/SSQ-57 (SPECIAL PURPOSE)		2,435		2,435		2,435	-	-	-	2,435

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
123	AN/SSQ-62 (DICASS)		20,698		20,698		20,698	-	-	-	20,698
124	AN/SSQ-101 (ADAR)		16,550		16,550		16,550	-	-	-	16,550
125	AN/SSQ-110		-		-		-	-	-	-	-
126	SIGNAL, UNDERWATER SOUND (SUS)		1,302		1,302		1,302	-	-	-	1,302
	AIRCRAFT SUPPORT EQUIPMENT										
127	WEAPONS RANGE SUPPORT EQUIPMENT		8,064		23,064		8,064	-	10,000	-	18,064
128	EXPEDITIONARY AIRFIELDS		5,019		5,019		5,019	-	-	-	5,019
129	AIRCRAFT REARMING EQUIPMENT		12,912		12,912		12,912	-	-	-	12,912
130	AIRCRAFT LAUNCH & RECOVERY EQUIPMENT		39,749		39,749		39,749	-	(2,200)	-	37,549
131	PREDATOR UAV (DARP)		-		-		-	-	-	-	-
132	PIONEER UAV (DARP)		-		-		-	-	-	-	-
	ASW SUPPORT EQUIPMENT								12,000		12,000
133	METEOROLOGICAL EQUIPMENT		32,892		32,892		32,892	-	-	-	32,892
134	OTHER PHOTOGRAPHIC EQUIPMENT		623		623		623	-	-	-	623
135	AVIATION LIFE SUPPORT		22,277		22,277		44,877	-	-	-	22,277
136	AIRBORNE MINE COUNTERMEASURES		39,406		39,406		39,406	-	-	-	39,406
137	LAMPS MK III SHIPBOARD EQUIPMENT		-		-		-	-	-	-	-
138	REWSON PHOTOGRAPHIC EQUIPMENT		855		855		855	-	-	-	855
139	STOCK SURVEILLANCE EQUIPMENT		-		-		-	-	-	-	-
140	OTHER AVIATION SUPPORT EQUIPMENT		4,264		4,264		4,264	-	-	-	4,264
	ORDNANCE SUPPORT EQUIPMENT										
	SHIP GUN SYSTEM EQUIPMENT										
141	GUN FIRE CONTROL EQUIPMENT		20,203		20,203		20,203	-	-	-	20,203
	SHIP MISSILE SYSTEMS EQUIPMENT										
142	MK-92 FIRE CONTROL SYSTEM		961		961		961	-	-	-	961
143	HARPOON SUPPORT EQUIPMENT		-		-		-	-	-	-	-
144	TARTAR SUPPORT EQUIPMENT		1		1		1	-	-	-	1
145	POINT DEFENSE SUPPORT EQUIPMENT		38		38		38	-	-	-	38
146	AIRBORNE ECM/ECCM		-		-		-	-	-	-	-
147	ENGAGEMENT SYSTEMS SUPPORT		307		-		307	-	(307)	-	-
148	NATO SEASPARROW		5,156		5,156		5,156	-	-	-	5,156
149	RAM GMLS		59,760		59,760		59,760	-	-	-	59,760

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
150	SHIP SELF DEFENSE SYSTEM		22,944		22,944		22,944	-	-	-	22,944
151	AEGIS SUPPORT EQUIPMENT		83,169		83,169		103,169	-	10,000	-	93,169
152	SURFACE TOMAHAWK SUPPORT EQUIPMENT		90,209		90,009		90,209	-	-	-	90,209
153	SUBMARINE TOMAHAWK SUPPORT EQUIP		3,961		3,961		3,961	-	-	-	3,961
154	VERTICAL LAUNCH SYSTEMS		7,791		7,791		7,791	-	-	-	7,791
	FBM SUPPORT EQUIPMENT										
155	STRATEGIC PLATFORM SUPPORT EQUIP		2,972		2,972		2,972	-	-	-	2,972
156	STRATEGIC MISSILE SYSTEMS EQUIP		283,612		278,612		283,612	-	(5,000)	-	278,612
157	ANTI-SHIP MISSILE DECOY SYSTEM		21,504		21,504		22,504	-	1,000	-	22,504
	ASW SUPPORT EQUIPMENT										
158	SSN COMBAT CONTROL SYSTEMS		17,460		17,460		17,460	-	-	-	17,460
159	SUBMARINE ASW SUPPORT EQUIPMENT		3,740		3,740		3,740	-	-	-	3,740
160	SURFACE ASW SUPPORT EQUIPMENT		4,967		4,967		4,967	-	-	-	4,967
161	ASW RANGE SUPPORT EQUIPMENT		4,562		4,562		4,562	-	-	-	4,562
	OTHER ORDNANCE SUPPORT EQUIPMENT										
162	EXPLOSIVE ORDNANCE DISPOSAL EQUIP		7,274		7,274		7,274	-	-	-	7,274
163	UNMANNED SEABORNE TARGET		1,954		1,954		1,954	-	-	-	1,954
164	INDUSTRIAL FACILITIES (CALIBRATION EQUIPMENT		1,034		1,034		1,034	-	-	-	1,034
165	STOCK SURVEILLANCE EQUIPMENT		1,421		1,421		1,421	-	-	-	1,421
	OTHER EXPENDABLE ORDNANCE										
166	FLEET MINE SUPPORT EQUIPMENT		11		11		11	-	-	-	11
167	SURFACE TRAINING DEVICE MODS		5,891		5,891		5,891	-	-	-	5,891
168	SUBMARINE TRAINING DEVICE MODS		23,801		23,801		23,801	-	-	-	23,801
169	INDUSTRIAL DEPOT MAINTENANCE		-		-		-	-	-	-	-
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
170	ARMORED SEDANS		255		255		255	-	-	-	255
171	PASSENGER CARRYING VEHICLES	246	3,224	246	3,224	246	3,224	-	-	246	3,224
172	SPECIAL PURPOSE VEHICLES		4,120		4,120		4,120	-	-	-	4,120
173	CONSTRUCTION & MAINTENANCE EQUIP		2,322		2,322		2,322	-	-	-	2,322
174	FIRE FIGHTING EQUIPMENT		1,034		1,034		1,034	-	-	-	1,034
175	TACTICAL VEHICLES		1,251		1,251		1,251	-	-	-	1,251

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
176	AMPHIBIOUS EQUIPMENT		27,688		27,688		27,688	-	-	-	27,688
177	COMBAT CONSTRUCTION SUPPORT EQUIP		1,125		1,125		1,125	-	-	-	1,125
178	MOBILE UTILITIES SUPPORT EQUIPMENT		425		425		425	-	-	-	425
179	COLLATERAL EQUIPMENT		-		-		-	-	-	-	-
180	OCEAN CONSTRUCTION EQUIPMENT		419		419		419	-	-	-	419
181	POLLUTION CONTROL EQUIPMENT		28,039		22,539		28,039	-	(5,500)	-	22,539
182	OTHER CIVIL ENG SUPPORT EQUIPMENT		-		-		-	-	-	-	-
	SUPPLY SUPPORT EQUIPMENT										
	SUPPLY SUPPORT EQUIPMENT										
183	FORKLIFT TRUCKS		-		-		-	-	-	-	-
184	MATERIALS HANDLING EQUIPMENT		6,824		6,824		6,824	-	-	-	6,824
185	OTHER MATERIALS HANDLING EQUIPMENT		-		-		-	-	-	-	-
186	OTHER SUPPLY SUPPORT EQUIPMENT		1,951		1,951		1,951	-	-	-	1,951
187	FIRST DESTINATION TRANSPORTATION		4,419		4,419		4,419	-	-	-	4,419
188	SPECIAL PURPOSE SUPPLY SYSTEMS		95,711		68,631		69,281	-	(27,080)	-	68,631
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
	TRAINING DEVICES										
189	TRAINING SUPPORT EQUIPMENT		2,174		7,174		2,174	-	5,000	-	7,174
	COMMAND SUPPORT EQUIPMENT										
190	COMMAND SUPPORT EQUIPMENT		17,916		17,916		17,916	-	-	-	17,916
191	MEDICAL SUPPORT EQUIPMENT		2,536		2,536		2,536	-	-	-	2,536
192	INTELLIGENCE SUPPORT EQUIPMENT		21,684		21,684		21,684	-	-	-	21,684
193	OPERATING FORCES SUPPORT EQUIPMENT		4,684		4,684		4,684	-	-	-	4,684
194	NAVAL RESERVE SUPPORT EQUIPMENT		-		-		-	-	-	-	-
195	ENVIRONMENTAL SUPPORT EQUIPMENT		16,666		16,666		16,666	-	-	-	16,666
196	PHYSICAL SECURITY EQUIPMENT		-		-		-	-	-	-	-
	OTHER										
197	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
198	CANCELLED ACOCUNT ADJUSTMENT (87)		-		-		-	-	-	-	-
199	CANCELLED ACCOUNT ADJUSTMENT (88)		-		-		-	-	-	-	-
200	CANCELLED ACCOUNT ADJ (89)		-		-		-	-	-	-	-
	SPARES AND REPAIR PARTS										

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	SPARES AND REPAIR PARTS										
201	SPARES AND REPAIR PARTS		279,028		274,828		279,028	-	(8,000)	-	271,028
	ADVISORY AND ASSISTANCE SERVICES				(10,441)			-	(4,278)	-	(4,278)
	ECONOMIC ADJUSTMENTS						(12,000)		(12,000)		(12,000)
	TOTAL OTHER PROCUREMENT, NAVY		3,937,737		3,969,507		4,040,012		105,238		4,042,975

Other generators

The budget request included $9.6 million for the procurement and installation of various generators.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $1.2 million for the generator installation that was requested one fiscal year before the requirement.

The conferees note that the generator that was requested for procurement and installation in fiscal year 1999 will not be received for installation until fiscal year 2000.

AN/WSN–7 inertial navigation system and WQN–2 doppler sonar velocity log

The budget request included $21.8 million for procurement of AN/WSN–7 ring laser inertial navigation systems. The budget request included no funds for procurement of WQN–2 doppler sonar velocity log.

The House bill would authorize an increase of $12.0 million for the procurement and installation of additional AN/WSN–7 navigation sets, an increase of $6.0 million for procurement and installation of WQN–2, and an increase of $2.5 million to test and evaluate a second version for possible future production competition for WQN–2.

The Senate amendment would authorize an increase of $12.0 million for the procurement and installation of additional AN/WSN–7 navigation sets.

The conferees agree to authorize an increase of $12.0 million to the budget request for the procurement and installation of additional AN/WSN–7 navigation sets and an increase of $6.0 million for procurement and installation of WQN–2.

Pollution control equipment

The budget request included $28.0 million for Navy shore based operations to comply with hazardous waste management and disposal requirements, and $149.7 million for Navy shipboard operations to comply with certain oily waste and gray water discharge standards and provide for the conversion of chloroflorocarbon refrigerants.

The House bill would authorize a decrease of $5.5 million for shore based operations and $19.4 million for shipboard operations related to Navy hazardous waste compliance activities.

The Senate amendment would authorize the budget request to meet Navy shore based and shipboard hazardous waste compliance requirements.

The conferees agree to authorize a decrease of $5.5 million for shore based operations and $19.4 million for shipboard operations related to Navy hazardous waste compliance activities. The conferees direct the Navy to provide adequate support and justification for future funding requests related to its environmental compliance obligations.

Hull, mechanical, and electrical under $2.0 million

The budget request included $58.1 million for procurement and installation of hull, mechanical, and electrical equipment that cost less than $2.0 million.

The House bill would authorize a decrease of $3.1 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.1 million based on unjustified unit cost growth in air conditioners.

AN/BPS–15H surface search radar

The budget request included no funds for the procurement of AN/BPS–15H submarine radar navigation sets.

The House bill and the Senate amendment would authorize an increase of $9.0 million for AN/BPS–15(H) software and hardware upgrades to bring them into electronic chart display information systems (ECDIS–N) compliance.

The conferees agree to authorize an increase of $9.0 million for AN/BPS–15(H) software and hardware upgrades for ECDIS–N compliance.

Submarine acoustic rapid commercial off-the-shelf insertion

The budget request included $70.0 million for submarine acoustic rapid commercial off-the-shelf insertion (A–RCI).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $25.0 million to accelerate the introduction of A–RCI to the operating fleet.

The conferees agree to authorize an increase of $15.0 million to accelerate the introduction of A–RCI to the operating fleet.

Cooperative engagement capability

The budget request included $47.3 million for procurement and installation of four cooperative engagement capability (CEC) systems and $131.6 million in PE 63658N for CEC demonstration and validation. Within the amount requested in PE 63658N, $38.8 million was included for identification and resolution of interoperability problems in the E–2C aircraft.

The House bill would authorize an increase of $35.0 million for procurement and installation of five additional CEC systems to meet training and operational requirements. The House bill would also authorize an increase of $20.0 million to correct deficiencies discovered during the initial operational test and evaluation of the system, and support follow-on testing in preparation for the interoperability test that would involve two carrier battle groups. It would also authorize an increase of $6.0 million for continued development of the CEC test and evaluation system and linking that system to the military test and training ranges infrastructure.

The Senate amendment would authorize the budget request.

During congressional review of the fiscal year 1999 budget request, the Navy advised the defense authorization committees of interoperability problems between the Advanced Combat Direction System Block 1 (the new combat direction system for large deck ships such as aircraft carriers) and the AEGIS Baseline 6 software (which includes the CEC). These problems occurred during operational test and evaluation of the ACDS Block 1 system, and resulted in the Commander, Operational Test and Evaluation Force, declaring that the ACDS Block 1 system was not operationally suitable or effective for deployment with the fleet and that interoperability problems were exacerbated by the CEC. Fleet reports have also indicated similar interoperability problems. In addition, ongoing developmental testing of the AEGIS Baseline 6 Phase I software during early 1998 indicated that the software was immature.

The conferees view these and previously identified relay aircraft interoperability problems and their effect on the fleet, the CEC, ship self defense, and Navy theater ballistic missile defense programs with great concern. The conferees recognize that the problems may result in part from efforts to accelerate the CEC program by shortcutting a systematic process for software development, verification, and validation. To resolve these problems, the conferees have been advised that the Navy is developing a program that will focus on interoperability issues to support carrier battle group deployments and for the longer-term, a force level process to coordinate requirements, development, investments, and installation of new system capabilities in the fleet. Key to the process will be: (1) development of a single common combat direction system equipment and computing architecture that will be able to adapt to technology changes more efficiently; and (2) establishment of an enhanced shore based testing capability that will allow force level interoperability testing ashore, before deployment of new system capabilities to the fleet.

The conferees believe that the Navy has not yet fully assessed the magnitude of the CEC/combat direction system interoperability problem and its effect on other development programs or on the fleet. Additional system development may be required as the Navy assesses and defines the overall magnitude of the system interoperability and software maturity problems. Clear and unambiguous system integration responsibilities and accountability for management of the program to resolve the problems are required.

The conferees agree to authorize an increase of $26.0 million in PE 63658N for research and development and an increase of $35.0 million in Other Procurement, Navy for procurement of CEC systems.

The conferees understand that the Navy may need to realign fiscal year 1999 CEC funding to implement a program to resolve the interoperability problems. Should the Navy's assessment of the program requirements indicate that realignment is necessary, the conferees encourage the Secretary of Defense to submit a reprogramming request promptly to the congressional defense committees.

Given the seriousness of the interoperability problems and the potential effects on numerous other important Navy and Defense programs, the conferees direct the Secretary of the Navy to report to the congressional defense committees at least quarterly on CEC/combat direction system interoperability problems and planned solutions.

Integration and test facility command and control initiative

The budget request included no funds for upgrading capabilities at the Navy's east coast in-service engineering Space Warfare System Center (SWSC).

The Senate amendment would authorize an increase of $4.0 million for engineering design; hardware and software procurement; and installation, testing, and documentation of the additional technical networking infrastructure for continued development of the SWSC's Integrated Products Center. Of this amount, $2.0 million would be for procurement and $2.0 million would be for operation and maintenance.

The House bill would authorize the budget request.

The House recedes.

Ship communications items

The budget request included $24.2 million for procurement and installation of ship communications equipment that has a cost less than $2.0 million.

The House bill would authorize a decrease of $1.9 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $1.9 million based on unjustified unit cost growth of installation kits.

AN/USC–42 mini-demand assigned multiple access ultra-high frequency satellite communications terminals

The budget request included $145.2 million for SATCOM ship terminals, but no funds for AN/USC–42 mini-demand assigned multiple access ultra-high frequency satellite communications terminals.

The House bill would authorize an increase of $10.0 million to procure mini-DAMA UHF SATCOM terminals and associated spare parts.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million for mini-DAMA UHF SATCOM terminals and associated spare parts.

Joint engineering data management and information control system

The budget request included no funds for Joint Engineering Data Management and Information Control System (JEDMICS), the designated Department of Defense standard system for management, control, and storage of engineering drawings.

The Senate amendment would authorize an increase of $10.0 million for the continued security system procurement, integration and accreditation surveys for the JEDMICS system.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $8.0 million for JEDMICS security system procurement, integration, and accreditation surveys.

Weapons range support equipment

The budget request included $8.1 million for weapons range support.

The House bill would authorize an increase of $10.0 million to procure two mobile remote emitter simulator (MRES) systems for the Pacific Missile Range Facility and an increase of $5.0 million for a deployable rangeless air combat training system (DRACTS).

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million.

Aircraft launch and recovery equipment

The budget request included $39.7 million for aircraft launch and recovery equipment.

The House bill and the Senate amendment would authorize the budget request. The conferees note that pricing and quantity changes totaling a net decrease of $2.2 million were made after submission of the budget request.

The conferees agree to authorize a decrease of $2.2 million related to revised pricing and reductions in quantity of aircraft launch and recovery equipment.

Engagement systems support

The budget request included $307,000 for computer programs and documentation for changes to ship engagement systems not supported elsewhere in the budget request.

The House bill would authorize a decrease of $307,000.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $307,000 based on the availability of prior year funds to meet this requirement.

Smart ship equipment

The budget request included $12.8 million to procure and install proven smart ship technology in operational Navy ships.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $12.0 million to procure and install smart ship equipment in Arleigh Burke class destroyers.

The conferees agree to authorize an increase of $10.0 million for Arleigh Burke class destroyer smart ship equipment procurement and installation.

Strategic missile systems equipment

The budget request included $283.6 million for strategic missile systems equipment.

The House bill would authorize a decrease of $5.0 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $5.0 million due to lack of justification for a budget increase.

NULKA assembly qualification

The budget request included $21.5 million for procurement and installation of the NULKA antiship missile decoy program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.0 million to outfit and qualify a NULKA assembly facility in the United States.

The conferees agree to authorize an increase of $1.0 million to outfit and qualify a NULKA assembly facility in the United States.

Beamhit laser marksmanship training system (LMTS)

The budget request included $2.2 million for training support equipment, but included no funds for the beamhit LMTS.

The House bill would authorize an increase of $5.0 million for the beamhit LMTS and encourages the Secretary of Defense to examine its utility for use throughout the Department.

The Senate amendment would authorize the budget request.

The Senate recedes.

Overview

The budget request for fiscal year 1999 contained an authorization of $745.9 million for Marine Corps Procurement, Navy in the Department of Defense. The House bill would authorize $691.9 million. The Senate amendment would authorize $908.6 million. The conferees recommended an authorization of $881.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	PROCUREMENT, MARINE CORPS										
	WEAPONS AND COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
1	AAV7A1 PIP		89,934		89,934		89,934	-	-	-	89,934
2	LAV PIP		1,384		1,384		1,384	-	-	-	1,384
3	LIGHT ARMORED VEHICLE		-		-		-	-	-	-	-
4	MODIFICATION KITS (TRKD VEH)		5,726		5,726		10,326	-	4,600	-	10,326
5	ITEMS UNDER $2M (TRKD VEH)		97		97		97	-	-	-	97
	ARTILLERY AND OTHER WEAPONS										
6	MOD KITS (ARTILLERY)		1,809		1,809		1,809	-	-	-	1,809
7	ITEMS UNDER $2M (ALL OTHER)		105		105		105	-	-	-	105
8	MARINE ENHANCEMENT PROGRAM		2,075		2,075		2,075	-	-	-	2,075
	WEAPONS										
9	155MM LIGHTWEIGHT TOWED HOWITZER		10,002		10,002		10,002	-	(10,002)	-	-
	GUIDED MISSILES AND EQUIPMENT										
	GUIDED MISSILES										
10	HAWK MOD		981		981		981	-	-	-	981
11	JAVELIN	741	82,842	741	82,842	741	82,842	-	-	741	82,842
12	PEDESTAL MOUNTED STINGER (PMS) (MYP)		218		218		7,818	-	5,000	-	5,218
	OTHER SUPPORT										
13	MODIFICATION KITS		-		-		-	-	-	-	-
14	ITEMS LESS THAN $2 MILLION		-		-		-	-	-	-	-
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	REPAIR AND TEST EQUIPMENT										
15	AUTO TEST EQUIP SYS		19,312		12,312		19,312	-	-	-	19,312
16	GENERAL PURPOSE ELECTRONIC TEST EQUIP.		9,240		9,240		9,240	-	-	-	9,240
	INTELL/COMM EQUIPMENT (NON-TEL)										
17	AN/TPQ-36 FIRE FINDER RADAR UPGRADE		155		155		155	-	-	-	155
18	INTELLIGENCE SUPPORT EQUIPMENT		10,363		10,363		10,363	-	-	-	10,363
19	MOD KITS (INTEL)		4,791		4,791		4,791	-	-	-	4,791
20	ITEMS LESS THAN $2M (INTELL)		-		1,000		-	-	1,000	-	1,000
	REPAIR AND TEST EQUIPMENT (NON-TEL)										

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference			
								Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
21	GENERAL PURPOSE MECHANICAL TMDE		4,416		4,416		4,416	-	-	-	4,416
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)										
22	NIGHT VISION EQUIPMENT		11,563		11,563		22,663	-	33,700	-	45,263
	OTHER SUPPORT (NON-TEL)										
23	COMMAND POST SYSTEMS		7,134		7,134		7,134	-	-	-	7,134
24	MANEUVER C2 SYSTEMS		19,307		16,307		19,307	-	-	-	19,307
25	RADIO SYSTEMS		52,902		48,902		52,902	-	-	-	52,902
26	COMM SWITCHING & CONTROL SYSTEMS		75,781		52,781		75,781	-	-	-	75,781
27	COMM & ELEC INFRASTRUCTURE SUPPORT		57,862		57,862		136,962	-	64,000	-	121,862
28	MOD KITS MAGTF C41		27,427		27,427		27,427	-	-	-	27,427
29	ITEMS LESS THAN $2M MAGTF C41		2,436		2,436		2,436	-	-	-	2,436
30	MODIFICATION KITS (OTHER)		-		-		-	-	-	-	-
31	ITEMS LESS THAN $2M (OTHER)		4,332		4,332		4,332	-	-	-	4,332
32	AIR OPERATIONS C2 SYSTEMS		11,505		11,505		11,505	-	-	-	11,505
	SUPPORT VEHICLES										
	ADMINISTRATIVE VEHICLES										
33	COMMERCIAL PASSENGER VEHICLES	37	1,248	37	1,248	37	1,248	-	-	37	1,248
34	COMMERCIAL CARGO VEHICLES		8,821		8,821		8,821	-	-	-	8,821
	TACTICAL VEHICLES										
35	5/4T TRUCK HMMWV (MYP)		1,745		1,745		1,745	-	-	-	1,745
36	MEDIUM TACTICAL VEHICLE REPLACEMENT	240	83,717	240	73,917	240	83,717	-	(9,800)	240	73,917
37	LT TACTICAL VEHICLE REMANUFACTURE (LTRV)		39,263		39,263		76,263	-	33,500	-	72,763
38	LOGISTICS VEHICLE SYSTEM REP		3,106		3,106		3,106	-	-	-	3,106
39	TRAILERS		-		-		-	-	-	-	-
	OTHER SUPPORT										
40	MODIFICATION KITS		-		-		-	-	-	-	-
41	ITEMS LESS THAN $2 MIL		3,594		3,594		3,594	-	-	-	3,594
	ENGINEER AND OTHER EQUIPMENT										
	ENGINEER AND OTHER EQUIPMENT										
42	ENVIRONMENTAL CONTROL EQUIP ASSORT		3,013		2,213		3,013	-	-	-	3,013
43	BULK LIQUID EQUIPMENT		-		-		-	-	-	-	-
44	ADVANCED DEMOLITION KITS		2,949		2,949		2,949	-	-	-	2,949

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
45	POWER EQUIPMENT ASSORTED		5,097		3,697		14,597	-	9,500	-	14,597
46	SHOP EQ CONTACT MAINTENANCE (SECM)		5,972		2,972		11,372	-	5,400	-	11,372
	MATERIALS HANDLING EQUIPMENT										
47	COMMAND SUPPORT EQUIPMENT		514		514		514	-	-	-	514
48	AMPHIBIOUS RAID EQUIPMENT		3,723		3,723		3,723	-	-	-	3,723
49	PHYSICAL SECURITY EQUIPMENT		1,856		1,856		1,856	-	-	-	1,856
50	GARRISON MOBILE ENGR EQUIP		5,509		5,109		5,509	-	-	-	5,509
51	WAREHOUSE MODERNIZATION		1,495		1,495		1,495	-	-	-	1,495
52	MATERIAL HANDLING EQUIP		6,453		6,453		16,853	-	1,950	-	8,403
53	FIRST DESTINATION TRANSPORTATION		1,864		1,864		1,864	-	-	-	1,864
	GENERAL PROPERTY										
54	FIELD MEDICAL EQUIPMENT		2,184		2,184		2,184	-	-	-	2,184
55	TRAINING DEVICES		3,305		3,305		3,305	-	-	-	3,305
56	CONTAINER FAMILY		7,074		7,074		7,074	-	-	-	7,074
	OTHER SUPPORT										
57	MODIFICATION KITS		1,228		1,228		1,228	-	-	-	1,228
58	ITEMS LESS THAN $2 MIL		1,853		1,853		1,853	-	-	-	1,853
59	CANCELLED ACCOUNT ADJUSTMENT (M)		-		-		-	-	-	-	-
	SPARES AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
60	SPARES AND REPAIR PARTS		36,576		36,576		36,576	-	-	-	36,576
	ADVISORY AND ASSISTANCE SERVICES				(2,590)			-	(810)	-	(810)
	ECONOMIC ADJUSTMENT						(2,000)		(2,000)		(2,000)
	TOTAL PROCUREMENT, MARINE CORPS		745,858		691,868		908,558		136,038		881,896
	Total Navy Procurement		20,160,085		19,718,746		20,317,360		127,708	-	20,287,793

Modification kits—tracked vehicles

The budget request included $5.7 million to procure modification kits for Marine Corps tracked vehicles.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $4.6 million to meet Marine Corps requirements to upgrade tanks with muzzle boresight devices (MBD) and nuclear, biological, and chemical (NBBC) protection devices.

The conferees agree to authorize an increase of $4.6 million to meet Marine Corps requirements for MBD and NBC modifications.

155mm lightweight towed howitzer

The budget request included $10.0 million for Marine Corps 155mm lightweight towed howitzer procurement.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize no funds for fiscal year 1999. The conferees note recent actions taken by both the Marine Corps and the prime contractor for the lightweight 155mm howitzer program to address significant program deficiencies. The conferees continue to support this program and appreciate Marine Corps efforts to keep Congress informed on issues associated with the fielding of the lightweight 155mm howitzer. Actions taken to date have resulted in a complete change of contractor management staff and will likely result in a two-year delay for the program. As a result, procurement funding requested for fiscal year 1999 is no longer required.

Pedestal mounted stinger

The budget request included $0.2 million to provide program support for fielded Marine Corps Avenger systems.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $7.6 million to complete Marine Corps Avenger forward looking infrared upgrades to existing sytems.

The conferees agree to authorize an increase of $5.2 million and an increase of $5.0 million, to support Avenger upgrade requirements.

Items less than $2.0 million (intelligence)

The budget request included no funds for items less than $2.0 million (intelligence).

The House bill would authorize an increase of $1.0 million for purchasing and evaluating commercial imagery manipulation tools, state-of-the-art display devices, and high quality large format printers for field use.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $1.0 million for the purpose of evaluating commercial imagery manipulation tools, state-of-the-art display devices, and high quality large format printers.

Night vision equipment

The budget request included $11.6 million for Marine Corps night vision equipment.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $11.1 million for night vision requirements, as follows:

(1) $6.1 million for generation III tubes to retrofit existing night vision equipment;

(2) $1.4 million for laser aiming modules;

(3) $2.6 million for medium power laser illuminators; and

(4) $1.0 million for borelights.

The Senate amendment would also authorize an increase of $22.6 million in the Other Procurement, Navy account for OMNI IV retrofit requirements in AN/AVS–6 night vision goggle systems.

The conferees agree to authorize an increase of $33.7 million for night vision equipment, as follows:

(1) $6.1 million for generation III tubes to retrofit existing night vision equipment;

(2) $1.4 million for laser aiming modules;

(3) $2.6 million for medium power laser illuminators;

(4) $1.0 million for borelights; and

(5) $22.6 million for OMNI IV retrofit requirements in AN/AVS–6 night vision goggle systems.

Communications and electronics infrastructure

The budget request included $57.9 million for the procurement of communications and electronics infrastructure upgrades.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $79.1 million for communications and electronics infrastructure requirements. Of this amount, $64.1 would be for infrastructure upgrades and the remaining $15.0 million would be for procurement of computer workstations necessary to address the year 2000 compliance issue.

The conferees agree to authorize an increase of $64.0 million for the completion of Marine Corps infrastructure upgrade requirements.

Medium tactical vehicle replacement

The budget request included $83.7 million to procure Marine Corps trucks.

The House bill would authorize a decrease of $9.8 million to reduce the number of truck operator training devices procured prior to award of the low rate initial production contract.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $9.8 million for truck operator training devices.

Light tactical vehicle replacement

The budget request included $39.3 million to procure Marine Corps high mobility multipurpose wheeled vehicles (HMMWVs) to replace an aging fleet.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $37.0 million to accelerate the replacement process.

The conferees agree to authorize an increase of $33.5 million to accelerate procurement of replacement HMMWVs.

Power equipment assorted

The budget request included $5.1 million to procure Marine Corps power generation equipment.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $9.5 million to procure 1,311 generators necessary to support mobile command, control, and communications power requirements.

The conferees agree to authorize an increase of $9.5 million for tactically quiet generators necessary to meet Marine Corps requirements.

Shop equipment contact maintenance

The budget request included $6.0 million to procure Marine Corps shop equipment contact maintenance (SECM) requirements.

The House bill would authorize a decrease of $3.0 million.

The Senate amendment would authorize an increase of $5.4 million to support the procurement and fielding of critically needed shop equipment contact maintenance requirements.

The conferees agree to authorize an increase of $5.4 million for SECM requirements.

Material handling equipment

The budget request included $6.5 million to procure Marine Corps material handling equipment.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.4 million to allow the Marine Corps to leverage an existing contract to begin replacement of its existing fleet.

The conferees agree to authorize an increase of $1.9 million to accelerate procurement of material handling equipment and support Marine Corps deployment activities.

Overview

The budget request for fiscal year 1999 contained an authorization of $7,756.5 million for Aircraft Procurement, Air Force in the Department of Defense. The House bill would authorize $8,219.1 million. The Senate amendment would authorize $8,280.8 million. The conferees recommended an authorization of $8,350.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
		QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	AIRCRAFT PROCUREMENT, AIR FORCE										
	COMBAT AIRCRAFT										
	STRATEGIC OFFENSIVE										
1	B-1B (MYP)		-		-		-	-	-	-	-
2	B-2A (MYP)		-		-		-	-	-	-	-
	TACTICAL FORCES										
3	ADVANCED TACTICAL FIGHTER	2	668,058	2	668,058	2	668,058	-	(14,000)	2	654,058
3	LESS: ADVANCE PROCUREMENT (PY)		(72,964)		(72,964)		(72,964)	-	-	-	(72,964)
4	ADVANCE PROCUREMENT (CY)		190,210		190,210		190,210	-	-	-	190,210
5	F-15A		11,000		11,000		11,000	-	-	-	11,000
5	LESS: ADVANCE PROCUREMENT (PY)		(11,000)		(11,000)		(11,000)	-	-	-	(11,000)
6	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
7	F-16 C/D (MYP)		-	2	60,000		-	1	25,000	1	25,000
	AIRLIFT AIRCRAFT										
	TACTICAL AIRLIFT										
8	C-17 (MYP)	13	2,924,192	13	2,924,192	13	2,924,192	-	-	13	2,924,192
8	LESS: ADVANCE PROCUREMENT (PY)		(327,200)		(327,200)		(327,200)	-	-	-	(327,200)
9	ADVANCE PROCUREMENT (CY)		303,500		303,500		303,500	-	-	-	303,500
10	EC-130J		-	1	51,500		85,000	1	85,000	1	85,000
	OTHER AIRLIFT										
11	C-130H		11,176		-		11,176	-	-	-	11,176
12	C-130J	1	63,782	4	237,782	3	221,346	2	146,000	3	209,782
13	WC-130		-	1	59,700		75,400	1	75,400	1	75,400
	TRAINER AIRCRAFT										
	OPERATIONAL TRAINERS										
14	JPATS	19	107,086	22	79,986	22	116,186	3	(4,900)	22	102,186
15	TANKER, TRANSPORT, TRAINER SYSTEM		-		-		-	-	-	-	-
	OTHER AIRCRAFT										
	HELICOPTERS										
16	HH-60G		-		-		-	-	-	-	-
17	V-22 OSPREY		22,276		-		22,276	-	-	-	22,276
	MISSION SUPPORT AIRCRAFT										

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
18	CIVIL AIR PATROL A/C	27	2,619	27	2,619	27	2,619	-	-	27	2,619
19	SMALL VCX		-		-		-	-	-	-	-
20	C-32A	2	160,901	2	160,901	2	160,901	-	-	2	160,901
21	DRUG INTERDICTION		-		-		-	-	-	-	-
	OTHER AIRCRAFT										
22	E-8C	2	578,209	2	565,209	2	578,209	-	-	2	578,209
22	LESS: ADVANCE PROCUREMENT (PY)		(115,158)		(115,158)		(115,158)	-	-	-	(115,158)
23	ADVANCE PROCUREMENT (CY)		-		72,000		72,000	-	72,000	-	72,000
24	PREDATOR UAV	15	114,492		114,492	15	114,492	-	-	15	114,492
	GLOBAL HAWK				32,500			-	-		
	MODIFICATION OF INSERVICE AIRCRAFT										
	STRATEGIC AIRCRAFT										
25	B-2A		15,681		15,681		15,681	-	-	-	15,681
26	B-1B		91,614		91,614		91,614	-	(9,600)	-	82,014
27	B-52		38,308		38,308		38,308	-	(2,600)	-	35,708
28	F-117		25,654		25,654		25,654	-	-	-	25,654
	TACTICAL AIRCRAFT										
29	A-10		31,088		31,088		31,088	-	-	-	31,088
30	F/RF-4		-		-		-	-	-	-	-
31	F-15		196,579		231,379		246,579	-	45,000	-	241,579
32	F-16		229,319	1	234,419		242,619	-	5,900	-	235,219
33	EF-111		-		-		-	-	-	-	-
34	T/AT-37		90		90		90	-	-	-	90
	AIRLIFT AIRCRAFT										
35	C-5		63,635		63,235		63,635	-	-	-	63,635
36	C-9		9,462		11,762		9,462	-	-	-	9,462
37	C-17A		45,704		43,504		45,704	-	-	-	45,704
38	C-21		59,938		82,138		59,938	-	-	-	59,938
39	C-22		180		180		180	-	-	-	180
40	C-STOL		-		-		-	-	-	-	-
41	C-137		-		-		-	-	-	-	-
42	C-141		33,412		37,612		33,412	-	-	-	33,412

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	TRAINER AIRCRAFT										
43	T-1		7,739		7,739		7,739	-	-	-	7,739
44	T-3 (EFS) AIRCRAFT		95		95		95	-	-	-	95
45	T-38		53,570		53,570		53,570	-	-	-	53,570
46	T-41 AIRCRAFT		95		95		95	-	-	-	95
47	T-43		2,233		2,233		2,233	-	-	-	2,233
	OTHER AIRCRAFT										
48	KC-10A (ATCA)		43,710		54,610		43,710	-	-	-	43,710
49	C-12		3,820		1,520		3,820	-	-	-	3,820
50	C-18		354		354		354	-	-	-	354
51	C-20 MODS		6,610		6,610		6,610	-	-	-	6,610
52	VC-25A MOD		7,424		13,224		7,424	-	-	-	7,424
53	C-130		119,592		118,692		119,592	-	-	-	119,592
54	C-135		291,070		285,570		291,070	-	46,000	-	337,070
55	DARP		139,242		139,242		207,242	-	30,000	-	169,242
56	E-3		114,181		114,181		114,181	-	-	-	114,181
57	E-4		13,987		10,787		13,987	-	-	-	13,987
58	E-8		44,179		32,379		44,179	-	-	-	44,179
59	H-1		1,911		1,911		1,911	-	-	-	1,911
60	H-60		17,224		17,224		17,224	-	-	-	17,224
61	OTHER AIRCRAFT		17,702		17,702		17,702	-	-	-	17,702
62	PREDATOR MODS		3,469		3,469		3,469	-	-	-	3,469
	OTHER MODIFICATIONS										
63	CLASSIFIED PROJECTS		7,517		7,517		7,517	-	-	-	7,517
	AIRCRAFT SPARES AND REPAIR PARTS										
	AIRCRAFT SPARES + REPAIR PARTS										
64	SPARES AND REPAIR PARTS		524,829		522,398		524,829	-	(2,431)	-	522,398
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES										
	COMMON SUPPORT EQUIPMENT										
65	COMMON SUPPORT EQUIPMENT		152,109		147,909		152,109	-	-	-	152,109
	POST PRODUCTION SUPPORT										
66	A-10		11,414		9,514		11,414	-	-	-	11,414

Title I - Procurement
(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
67	B-2A		189,869		275,869		189,869	-	86,000	-	275,869
68	C-5		28,502		25,002		28,502	-	-	-	28,502
69	F-15.POST PRODUCTION SUPPORT		7,851		7,851		7,851	-	-	-	7,851
70	F-16 POST PRODUCTION SUPPORT		27,289		27,289		27,289	-	14,000	-	41,289
71	H-1		-		-		-	-	-	-	-
	INDUSTRIAL PREPAREDNESS										
72	INDUSTRIAL PREPAREDNESS		19,109		19,109		19,109	-	-	-	19,109
	WAR CONSUMABLES				-			-	-	-	-
73	WAR CONSUMABLES		49,396		49,396		49,396	-	-	-	49,396
	OTHER PRODUCTION CHARGES										
74	MISC PRODUCTION CHARGES		221,464		211,364		221,464	-	(10,900)	-	210,564
	COMMON ECM EQUIPMENT										
75	COMMON ECM EQUIPMENT		4,963		4,963		4,963	-	-	-	4,963
	OTHER PRODUCTION CHARGES - SOF										
76	CANCELLED ACCOUNT PY ADJUSTMENTS		-		-		-	-	-	-	-
	DARP										
77	DARP		152,113		141,813		169,113	-	(10,300)	-	141,813
	PASSENGER SAFETY MODS								50,000		50,000
78	ADVISORY AND ASSISTANCE SERVICES				(26,115)			-	(8,427)	-	(8,427)
	ECONOMIC ADJUSTMENT						(23,000)		(23,000)		(23,000)
	TOTAL AIRCRAFT PROCUREMENT, AIR FORCE		7,756,475		8,219,077		8,280,839		594,142		8,350,617

F–22 procurement

The budget request included $595.1 million to procure the first two F–22 production aircraft.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $14.0 million.

F–16

The budget request included no funds for F–16 aircraft.

The House bill would authorize an increase of $60.0 million to buy two F–16 attrition reserve aircraft.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $25.0 million for one F–16 attrition reserve aircraft.

C–130J

The budget request included $63.8 million for the procurement of one C–130J aircraft.

The House bill would authorize an increase of $461.4 million for an additional seven C–130J aircraft.

The Senate amendment would authorize an increase of $381.1 million for an additional four C–130J aircraft, logistics support, and a simulator.

The conferees agree to authorize a total of $482.6 million for seven C–130J aircraft and a simulator, as follows:

C–130 PROGRAMS

[dollars in millions]

Type	Budget request		House bill		Senate bill		Conference agreement	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
KC–130J	—	—	2	112.4	—	—	2	112.4
WC–130J	—	—	1	59.7	1	75.4	1	75.4
EC–130J	—	—	1	51.5	1	85.0	1	85.0
C–130J	1	63.8	1	63.8	1	63.8	1	63.8
C–130J ANG	—	—	3	174.0	2	157.6	2	146.0
Total	1	63.8	8	461.4	5	381.8	7	482.6

Note.—The $30.0 million simulator is included in the C–130J ANG totals.

C–130H

The budget request included $11.2 million for the C–130H.

The House bill would authorize a decrease of $11.2 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Joint Primary Aircraft Training System

The budget request included $107.1 million for the Joint Primary Aircraft Training System (JPATS).

The House bill would authorize a decrease of $27.1 million, including a decrease of $36.2 million for the ground based training system (GBTS), deferring its acquisition for one year, and an increase of $9.1 million for three additional JPATS aircraft.

The Senate amendment would authorize an increase of $9.1 million for three additional JPATS aircraft.

The conferees agree to authorize a decrease of $4.9 million in the JPATS program, including of a decrease of $14.0 million for the training integration management system (TIMS) and an increase of $9.1 million for three additional JPATS aircraft.

E–8C Joint Surveillance and Target Attack Radar System (JSTARS)

The budget request included $578.2 million two JSTARS aircraft.

The House bill would authorize a decrease of $13.0 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

B–1B

The budget request included $91.6 million for B–1B bomber modifications.

The House bill would authorize the budget request.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $9.6 million from the budget request for fiscal year 1999.

The conferees note that the funds authorized to be appropriated for B–1B modifications in fiscal year 1998, $9.6 million has been identified as excess to fiscal year 1998 requirements. The conferees direct that these funds be used to satisfy fiscal year 1999 requirements for B–1B modifications.

B–52

The budget request included $38.3 million for B–52 modifications.

The House bill would authorize the budget request.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.6 million and direct that prior year funds be used to fulfill fiscal year 1999 requirements for B–52 modifications.

The conferees note that excess prior year funds remain available for obligation for B–52 modifications.

F–15 modifications

The budget request included $196.6 million for F–15 modifications.

The House bill would authorize an increase of $34.8 million, as follows:

(1) an increase of $20.0 million for engine upgrade kits;

(2) an increase of $25.0 million for the ALQ–135 Band 1.5 program; and

(3) a decrease of $10.2 million for excessive cost growth.

The Senate amendment would authorize an increase of $50.0 million, as follows:

(1) an increase of $25.0 million for engine upgrade kits; and

(2) an increase of $25.0 million for the ALQ–135 Band 1.5 program.

The conferees agree to authorize an increase of $45.0 million, as follows:

(1) an increase of $20.0 million for engine upgrade kits; and

(2) an increase of $25.0 million for the ALQ–135 Band 1.5 program.

F–16 modifications

The budget request included $229.3 million for F–16 modifications.

The House bill would authorize an increase of $5.1 million, as follows:

(1) an increase of $12.0 million for the digital terrain system (DTS); and

(2) a decrease of $6.9 million for poorly justified modifications.

The Senate amendment would authorize an increase of $13.3 million for 15 medium altitude electro-optical sensors.

The conferees agree to authorize an increase of $5.9 million for DTS.

C–12 modifications

The budget request included $3.8 million for C–12 modifications.

The House bill would authorize a decrease of $2.3 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Defense Airborne Reconnaissance Program procurement

The budget request included $394.2 million for procurement activities of the Defense Airborne Reconnaissance Program (DARP), as shown in the following table:

Procurement item/account	Budget request	Change from request		Conference agreement
		House bill	Senate amendment	
EP–3:				
APN 28	5,437			8,937
Displays		3,000		[1,500]
Spares			2,000	[2,000]
RC–135:				
APAF 55	139,242			169,242
Re-engine			56,000	[28,000]
TAWS			12,000	[2,000]
RC–135 Combat Sent:				
OPAF 107	12,656			16,456
ESV/PCV		3,800		[3,800]
U–2:				
APAF 77	152,113			141,813
ASARS Transfer		(10,300)		[(10,300)]
RAS-1R Upgrades			17,000	
CIGSS:				
OPA 78a		2,508		2,508
OPN 67a		65,827		65,827
OPAF 106		5,681		5,681
PDW 7	74,016	(74,016)		
ARGSS:				
PDW 7	3,419	(3,419)		
PDW 9	11,988	3,419		15,407
Total	398,871	(3,500)	87,000	425,871

Section 905 of the National Defense Authorization Act for Fiscal Year 1998 transferred the program management responsibilities of the Defense Airborne Reconnaissance Office (DARO) to the military services, while retaining Office of the Secretary of Defense (OSD)-level oversight responsibilities for determining airborne reconnaissance architecture and systems interface requirements.

The table reflects both transfers and adjustments made by the conferees.

EP–3

The budget request included $5.4 million for various modifications for EP–3 aircraft.

The House bill would authorize an increase of $3.0 million to replace existing displays in EP–3 aircraft with flat panel displays.

The Senate amendment would authorize an increase of $2.0 million for spares to support the operational deployment of an EP–3 aircraft to evaluate the high band prototype of the joint signals intelligence avionics family (JSAF).

The conferees agree to authorize an increase of $3.5 million for the EP-3, $1.5 million for flat panel displays, and $2.0 million for spares support.

RC–135

The budget request included $139.2 million for various modifications for DARP aircraft in Aircraft Procurement, Air Force (APAF).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $68.0 million in the DARP, including: $56.0 million for two re-enginings, and $12.0 million to transfer the theater airborne warning system (TAWS) medium-wave infrared (MIRA) technology from the Cobra Ball program to Rivet Joint program. The Senate report (S. Rept. 105-189) would require successful completion of Cobra Ball integration testing and submission of a report on the test results to the congressional defense committees before obligation of the additional funds.

The conferees agree to authorize an increase of $30.0 million for DARP, including: $28.0 million to re-engine one RC-135 aircraft, and $2.0 million to complete the TAWS and to upgrade the MIRA sensors. In addition, the conferees understand that $3.3 million authorized in the General Defense Intelligence Program in fiscal year 1998 for the development of a Cobra Ball radar ranging system remains unobligated. The conferees recommend that the unobligated $3.3 million authorized for fiscal year 1998 also be used to complete the TAWS development and upgrade the MIRA sensors on the Cobra Ball aircraft.

The conferees do not agree to a transfer of this technology to the Rivet Joint fleet until the Cobra Ball integration is complete and test results clearly show that this transfer will provide a viable augmentation to the Defense Support Program (DSP). Further, the conferees endorse the requirement in the Senate report that the Department submit a report on the test results to the congressional defense committees before obligating the extra TAWS funding authorized in this bill.

RC–135 COMBAT SENT

The budget request included $12.7 million in Other Procurement, Air Force for RC–135 ground support equipment.

The House bill would authorize an increase of $3.8 million for the RC–135 Combat Sent ground support system improvements.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.8 million.

U–2 PROCUREMENT

The budget request included $152.1 million in DARP modifications in APAF.

The House bill would authorize a decrease of $10.3 million for U–2 procurement, transferring these funds to the Advanced Synthetic Aperture Radar System Improvement program (AIP).

The Senate amendment would authorize an increase of $17 million for U–2 procurement to continue the reliability and maintainability (R&M) conversion of 11 Senior Glass systems for the U–2.

The conferees agree to the AIP transfer and to authorize an increase of $7.5 million for R&M conversion of Senior Glass systems for the U–2 in the research and development program Manned Reconnaissance Systems (PE 35207F).

OTHER

The budget request included funding for the common imagery ground/surface system (CIGSS) and airborne reconnaissance ground SIGINT system (ARGSS) programs in DARO procurement lines. The conference agree to transfer this funding to the appropriate service or defense agency accounts.

E–8 modifications

The budget request included $44.2 million for E–8 modifications.

The House bill would authorize a decrease of $11.8 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Passenger safety modifications

The budget request included $252.6 million in various Air Force aircraft modification budget lines to support making communications, navigation, and safety improvements to improve safety of passenger and cargo carrying aircraft.

The House bill would authorize an increase of $50.0 million for passenger safety modifications in specific aircraft modification budget lines for enhanced ground proximity warning systems (EGPWS) and traffic collision avoidance system (TCAS) requirements, as follows:

Passenger Safety Modification Additions

[Dollars in millions]

Aircraft	EGPWS	TCAS	Total
VC–25	5.8		5.8
C–21	15.7	6.5	22.2
C–130	3.5		3.5
C–9		3.4	3.4
C–141		4.2	4.2
KC–10		10.9	10.9
Total	25.0	25.0	50.0

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $50.0 million to procure additional aircraft safety modifications.

Pacer Coin

The budget request included $2.4 million for aircraft spares and repair parts for the transfer of mission equipment from retiring Pacer Coin aircraft to the non-dedicated, follow-on C–130 reconnaissance aircraft.

The House bill would authorize a decrease of $2.4 million for transfer of mission equipment for Pacer Coin aircraft since the program is being terminated and a fiscal year 1998 Department of Defense reprogramming request stated that all funds necessary for the C–130 follow-on program were addressed in the reprogramming request.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $2.4 million for transfer of mission equipment for Pacer Coin aircraft.

Common support equipment

The budget request included $152.1 million for common support equipment.

The House bill would authorize a decrease of $4.2 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

A–10 post production support

The budget request included $11.4 million for A–10 post production support.

The House bill would authorize a decrease of $1.9 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

B–2A

The budget request included $189.9 million for post production support for the B–2A bomber fleet.

The House bill would authorize an increase of $86.0 million to enhance the B–2's operational effectiveness.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $86.0 million.

The conferees note that the increase would fund low observability maintainability and situational awareness upgrades key to maximizing the effectiveness of the small number of B–2 bombers in the fleet. The conferees also believe that the funding increase would provide the opportunity to coordinate efficiently these efforts with radar cross section improvements.

Miscellaneous production charges

The budget request included $221.5 million for miscellaneous production charges, including $10.1 million for High Speed Anti-Radiation Missile targeting pod modifications.

The House bill would authorize a decrease of $10.1 million, recognizing that $6.1 million was requested for the same purpose in the "Other aircraft modifications" account.

The Senate amendment would authorize the budget request.

The conferees agree to a decrease of $10.9 million in miscellaneous production charges.

Overview

The budget request for fiscal year 1999 contained an authorization of $384.2 million for Ammunition Procurement, Air Force in the Department of Defense. The House bill would authorize $383.6 million. The Senate amendment would authorize $383.2 million. The conferees recommended an authorization of $383.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	PROCUREMENT OF AMMUNITION, AIR FORCE										
	PROCUREMENT OF AMMO, AIR FORCE										
	ROCKETS										
1	2.75 INCH ROCKET MOTOR	6,139	3,399	6,139	3,399	6,139	3,399	-	-	6,139	3,399
2	2.75" ROCKET HEAD SIGNATURE		-		-		-	-	-	-	-
3	2.75 IN ROCKET, FLARE IR	2,530	2,693	2,530	2,693	2,530	2,693	-	-	2,530	2,693
4	ITEMS LESS THAN $2,000,000		2,042		2,042		2,042	-	-	-	2,042
	CARTRIDGES										
5	5.56 MM	20,026	5,394	20,026	5,394	20,026	5,394	-	-	20,026	5,394
6	20MM TRAINING		-		-		-	-	-	-	-
7	30 MM TRAINING	769	5,495	769	5,495	769	5,495	-	-	769	5,495
8	CARTRIDGE CHAFF RR-180	795	11,661	795	11,661	795	11,661	-	-	795	11,661
9	CARTRIDGE CHAFF RR-188	876	2,548	876	2,548	876	2,548	-	-	876	2,548
10	SIGNAL MK-4 MOD 3	260	760	260	760	260	760	-	-	260	760
11	ITEMS LESS THAN $2,000,000		5,447		5,447		5,447	-	-	-	5,447
	BOMBS										
12	MK-82 INERT/BDU-50	29,368	22,490	29,368	22,490	29,368	22,490	-	-	29,368	22,490
13	GBU-28 HARD TARGET PENETRATOR	163	24,256	163	24,256	163	24,256	-	-	163	24,256
14	GBU - 37	10	977	10	977	10	977	-	-	10	977
15	BOMB PRACTICE 25 POUND	266,801	3,842	266,801	3,842	266,801	3,842	-	-	266,801	3,842
16	2000 LB HE BOMB MK-84	1,928	9,391	1,928	9,391	1,928	9,391	-	-	1,928	9,391
17	MK-84 BOMB-EMPTY	2,894	7,138	2,894	7,138	2,894	7,138	-	-	2,894	7,138
18	SENSOR FUZED WEAPON	295	125,992	295	125,992	295	125,992	-	-	295	125,992
19	TTU-373A DIGITAL TEST SET		-		-		-	-	-	-	-
20	JOINT DIRECT ATTACK MUNITION	2,187	53,157	2,187	53,157	2,187	53,157	-	-	2,187	53,157
21	WIND CORRECTED MUNITIONS DISPENSER	676	13,862	676	13,862	676	13,862	-	-	676	13,862
22	ITEMS LESS THAN $2,000,000		2,149		2,149		2,149	-	-	-	2,149
	ITEMS LESS THAN $2,000,000										
23	ITEMS LESS THAN $2,000,000		-		-		-	-	-	-	-
	FLARE, IR MJU-7B										
24	ASTE (INFRARED EXPENDABLE)	34,154	4,886	34,154	4,886	34,154	4,886	-	-	34,154	4,886
25	FLARE, IR MJU-7B	355,826	8,882	355,826	8,882	355,826	8,882	-	-	355,826	8,882

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	**Title**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**	**QTY**	**COST**
26	MJU-10B	198,602	10,373	198,602	10,373	198,602	10,373	-	-	198,602	10,373
27	M-206 CARTRIDGE FLARE	881,944	11,430	881,944	11,430	881,944	11,430	-	-	881,944	11,430
28	CAD/PAD		14,275		14,275		14,275	-	-	-	14,275
29	LUU-19 FLARE	3,926	4,338	3,926	4,338	3,926	4,338	-	-	3,926	4,338
30	REPLENISHMENT SPARES		1,896		1,896		1,896	-	-	-	1,896
31	MODIFICATIONS		49		49		49	-	-	-	49
32	ITEMS LESS THAN $2,000,000		4,447		4,447		4,447	-	-	-	4,447
	FUZES										
33	JOINT PROGRAMMABLE FUSE(JPF)	3,861	15,326	3,861	15,326	3,861	15,326	-	-	3,861	15,326
	WEAPONS										
	SMALL ARMS										
34	M-16 A2 RIFLE		4,450		4,450		4,450	-	-	-	4,450
35	9MM COMPACT PISTOL	345	232	345	232	345	232	-	-	345	232
36	M-9 PISTOL	1,576	767	1,576	767	1,576	767	-	-	1,576	767
37	ITEMS LESS THAN $2M		117		117		117	-	-	-	117
	ADVISORY AND ASSISTANCE SERVICES				(534)			-	-	-	-
	ECONOMIC ADJUSTMENT						(1,000)		(1,000)		(1,000)
	TOTAL PROCUREMENT AMMUNITION, AIR FORCE		384,161		383,627		383,161		(1,000)		383,161

Overview

The budget request for fiscal year 1999 contained an authorization of $2,359.8 million for Missile Procurement, Air Force in the Department of Defense. The House bill would authorize $2,234.7 million. The Senate amendment would authorize $2,347.7 million. The conferees recommended an authorization of $2,210.6 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

				House		Senate		Conference			
LN		Request		Authorized		Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	MISSILE PROCUREMENT, AIR FORCE										
	BALLISTIC MISSILES										
	MISSILE REPLACEMENT EQUIPMENT - BALLISTIC										
1	MISSILE REPLACEMENT EQ-BALLISTIC		5,654		5,654		5,654	-	-	-	5,654
	OTHER MISSILES										
	STRATEGIC										
2	HAVE NAP		-		10,000		-	-	-	-	-
3	ADVANCED CRUISE MISSILE		1,395		1,395		1,395	-	-	-	1,395
	TACTICAL										
4	JOINT STANDOFF WEAPON	100	52,142	100	52,142	100	52,142	-	-	100	52,142
5	AMRAAM	180	114,627	180	110,027	180	93,569	-	(20,900)	180	93,727
6	AGM-130 POWERED GBU-15		341		341		341	-	-	-	341
	TARGET DRONES										
7	TARGET DRONES		36,263		36,263		36,263	-	-	-	36,263
	INDUSTRIAL FACILITIES										
8	INDUSTRIAL FACILITIES		3,152		3,152		3,152	-	-	-	3,152
9	MISSILE REPLACEMENT EQ-OTHER		-		-		-	-	-	-	-
	MODIFICATION OF INSERVICE MISSILES										
	CLASS IV										
10	CONVENTIONAL ALCM		10,034		10,034		10,034	-	-	-	10,034
11	PEACEKEEPER (M-X)		9,615		9,615		9,615	-	-	-	9,615
12	AIM-9 SIDEWINDER		-		-		-	-	-	-	-
13	MM III MODIFICATIONS		90,618		113,618		136,618	-	23,000	-	113,618
14	AGM-65H MAVERICK		-		3,000		-	-	3,000	-	3,000
15	AGM-88C HARM		-		-		-	-	-	-	-
16	MODIFICATIONS UNDER $2.0M		219		219		219	-	-	-	219
	SPARES AND REPAIR PARTS										
	MISSILE SPARES + REPAIR PARTS										
17	SPARES AND REPAIR PARTS		38,047		38,047		38,047	-	-	-	38,047
	OTHER SUPPORT										
	SPACE PROGRAMS										
18	CANCELLED ACCOUNT		-		-		-	-	-	-	-

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
19	SPACEBORNE EQUIP (COMSEC)		9,485		9,485		9,485	-	-	-	9,485
20	GLOBAL POSITIONING (MYP) SPACE		97,395		97,395		97,395	-	-	-	97,395
20	LESS: ADVANCE PROCUREMENT (PY)		-		-		-	-	-	-	-
21	ADVANCE PROCUREMENT (CY)		77,400		28,400		77,400	-	(77,400)	-	-
22	NUDET DETECTION SYSTEM		2,949		2,949		2,949	-	-	-	2,949
23	INERTIAL UPPER STAGES SPACE		48,012		46,012		48,012	-	(2,000)	-	46,012
24	TITAN SPACE BOOSTERS SPACE		578,540		550,540		568,540	-	(28,000)	-	550,540
25	MEDIUM LAUNCH VEHICLE SPACE	5	241,121	5	230,121	5	241,121	-	(11,000)	5	230,121
25	LESS: ADVANCE PROCUREMENT (PY)		(52,715)		(52,715)		(52,715)	-	-	-	(52,715)
26	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
27	DEF METEOROLOGICAL SAT PROG SPACE		36,066		36,066		36,066	-	-	-	36,066
28	DEFENSE SUPPORT PROGRAM SPACE		89,904		89,904		89,904	-	(7,000)	-	82,904
29	DEFENSE SATELLITE COMM SYSTEM SPACE		28,969		28,969		28,969	-	-	-	28,969
29	LESS: ADVANCE PROCUREMENT (PY)		-		-		-	-	-	-	-
30	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
	SPECIAL PROGRAMS										
31	SPECIAL UPDATE PROGRAMS		224,299		224,299		204,299	-	(19,300)	-	204,999
32	SPECIAL PROGRAMS		616,271		576,271		616,271	-	-	-	616,271
	ADVISORY AND ASSISTANCE SERVICES				(26,535)			-	(2,563)	-	(2,563)
	ECONOMIC ADJUSTMENT						(7,000)		(7,000)		(7,000)
	TOTAL MISSILE PROCUREMENT, AIR FORCE		2,359,803		2,234,668		2,347,745		(149,163)		2,210,640

Advanced Medium Range Air-to-Air Missile

The budget request included $114.6 million for the procurement of 180 Advanced Medium Range Air-to-Air Missiles.

The House bill would authorize a decrease of $4.6 million.

The Senate amendment would authorize a decrease of $21.0 million because of cost savings associated with the merger of the system's two prime contractors.

The conferees agree to authorize a decrease of $20.9 million.

Minuteman III guidance replacement program

The budget request included $90.6 million for Minuteman III modifications.

The House bill would authorize an increase of $23.0 million for the Minuteman III guidance replacement program (GRP).

The Senate amendment would authorize an increase of $46.0 million for GRP.

The conferees agree to authorize an increase of $23.0 million above the budget request for GRP. Additionally, the conferees are aware that $8.8 million in funds authorized in fiscal year 1998 for GRP are excess to fiscal year 1998 requirements. Therefore, the conferees direct that such fiscal year 1998 funds be obligated in support of GRP during fiscal year 1999.

AGM-65H Maverick

The budget request included no funds for the AGM-65H missile.

The House bill would authorize an increase of $3.0 million to ensure that the Air Force can accomplish a smooth transition to a service life extension program for these weapons.

The Senate amendment would authorize the budget request.

The Senate recedes.

Defense Support Program

The budget request included $89.9 million for procurement of Defense Support System (DSP) satellites.

The House bill and the Senate amendment would authorize the budget request.

The Senate amendment approved the budget request.

The conferees agree to authorize a decrease of $7.0 million to the budget request.

The conferees note that excess prior year funds exist in the DSP program.

Overview

The budget request for fiscal year 1999 contained an authorization of $6,974.4 million for Other Procurement, Air Force in the Department of Defense. The House bill would authorize $7,046.4 million. The Senate amendment would authorize $6,774.6 million. The conferees recommended an authorization of $6,950.4 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	OTHER PROCUREMENT, AIR FORCE										
	VEHICULAR EQUIPMENT										
	PASSENGER CARRYING VEHICLES										
1	SEDAN, 4 DR 4X2	54	780	54	780	54	780	-	-	54	780
2	STATION WAGON, 4X2	22	413	22	413	22	413	-	-	22	413
3	BUSES	92	5,174	92	5,174	92	5,174	-	-	92	5,174
4	AMBULANCES	4	306	4	306	4	306	-	-	4	306
5	LAW ENFORCEMENT VEHICLE	95	1,817	95	1,817	95	1,817	-	-	95	1,817
6	ARMORED SEDAN	1	239	1	239	1	239	-	-	1	239
	CARGO + UTILITY VEHICLES										
7	TRUCK, CARGO-UTILITY, 3/4T, 4X4	225	6,160	225	6,160	225	6,160	-	-	225	6,160
8	TRUCK, CARGO-UTILITY, 1/2T, 4X2	104	2,612	104	2,612	104	2,612	-	-	104	2,612
9	TRUCK, PICKUP, 1/2T, 4X2	222	3,379	222	3,379	222	3,379	-	-	222	3,379
10	TRUCK, PICKUP, COMPACT	196	2,445	196	2,445	196	2,445	-	-	196	2,445
11	TRUCK MULTI-STOP 1 TON 4X2	315	8,708	315	8,708	315	8,708	-	-	315	8,708
12	TRUCK CARRYALL	160	3,898	160	3,898	160	3,898	-	-	160	3,898
13	COMMERCIAL UTILITY CARGO VEHICLE		-		-		-	-	-	-	-
14	FAMILY MEDIUM TACTICAL VEHICLES		-		-		-	-	-	-	-
15	HIGH MOBILITY VEHICLE (MYP)	75	4,172	75	4,172	75	4,172	-	-	75	4,172
16	TRUCK TRACTOR, OVER 5T	55	3,611	55	3,611	55	3,611	-	-	55	3,611
17	TRUCK, UTILITY	124	3,347	124	3,347	124	3,347	-	-	124	3,347
18	CAP VEHICLES		744		744		744	-	-	-	744
19	ITEMS LESS THAN $2,000,000		3,843		3,843		3,843	-	-	-	3,843
	SPECIAL PURPOSE VEHICLES										
20	HMMWV, ARMORED		-		-		-	-	-	-	-
21	TRACTOR, TOW, FLIGHTLINE	279	8,001	279	8,001	279	8,001	-	-	279	8,001
22	ITEMS LESS THAN $2,000,000		12,680		12,680		12,680	-	-	-	12,680
	FIRE FIGHTING EQUIPMENT										
23	TRUCK CRASH P-19	13	6,023	13	6,023	13	6,023	-	-	13	6,023
24	ITEMS LESS THAN $2,000,000		2,287		2,287		2,287	-	-	-	2,287
	MATERIALS HANDLING EQUIPMENT										
25	TRUCK, F/L 6000 LB	84	2,328	84	2,328	84	2,328	-	-	84	2,328

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
26	TRUCK, F/L 10,000 LB	56	4,295	56	4,295	56	4,295	-	-	56	4,295
27	60K A/C LOADER	60	89,179	60	86,279	60	89,179	-	-	60	89,179
28	ITEMS LESS THAN $2,000,000		3,200		3,200		3,200	-	-	-	3,200
	BASE MAINTENANCE SUPPORT										
29	TRUCK, DUMP		-		-		-	-	-	-	-
30	RUNWAY SNOW REMOV AND CLEANING EQUIP	41	3,928	41	3,928	41	3,928	-	-	41	3,928
31	MODIFICATIONS		900		900		900	-	-	-	900
32	ITEMS LESS THAN $2,000,000		7,663		7,663		7,663	-	-	-	7,663
	CANCELLED ACCOUNT ADJUSTM										
33	CANCELLED ACCOUNT ADJUSTMENTS		-		-		-	-	-	-	-
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
	COMM SECURITY EQUIPMENT(COMSEC)										
34	COMSEC EQUIPMENT		30,311		30,311		30,311	-	-	-	30,311
35	MODIFICATIONS (COMSEC)		487		487		487	-	-	-	487
	INTELLIGENCE PROGRAMS										
36	INTELLIGENCE DATA HANDLING SYS		17,574		17,574		17,574	-	-	-	17,574
37	INTELLIGENCE TRAINING EQUIPMENT		5,735		5,735		5,735	-	-	-	5,735
38	INTELLIGENCE COMM EQUIP		5,697		8,697		5,697	-	3,000	-	8,697
	ELECTRONICS PROGRAMS										
39	AIR TRAFFIC CTRL/LAND SYS (ATCALS)		-		-		-	-	-	-	-
40	NATIONAL AIRSPACE SYSTEM		45,308		45,308		45,308	-	-	-	45,308
41	THEATER AIR CONTROL SYS IMPROVEMENT		30,002		30,002		30,002	-	-	-	30,002
42	WEATHER OBSERV/FORECAST		18,581		18,581		18,581	-	-	-	18,581
43	STRATEGIC COMMAND AND CONTROL		10,848		10,848		10,848	-	-	-	10,848
44	CHEYENNE MOUNTAIN COMPLEX		896		896		896	-	-	-	896
45	TAC SIGINT SUPPORT		1,883		-		1,883	-	(1,883)	-	-
46	DRUG INTERDICTION PROGRAM		-		-		-	-	-	-	-
	SPECIAL COMM-ELECTRONICS PROJECTS										
47	AUTOMATIC DATA PROCESSING EQUIP		33,190		33,190		33,190	-	-	-	33,190
48	AF GLOBAL COMMAND & CONTROL SYS		5,819		5,819		5,819	-	-	-	5,819
49	MOBILITY COMMAND AND CONTROL		7,844		7,844		7,844	-	-	-	7,844
50	AIR FORCE PHYSICAL SECURITY SYSTEM		26,965		26,965		26,965	-	-	-	26,965

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
51	COMBAT TRAINING RANGES		13,194		18,194		13,194	-	5,000	-	18,194
52	MINIMUM ESSENTIAL EMERGENCY COMM NET		1,545		1,545		1,545	-	-	-	1,545
53	FORCE PROTECTION/ANTI-TERRORISM		-		-		-	-	-	-	-
54	C3 COUNTERMEASURES		10,228		10,228		10,228	-	-	-	10,228
55	JOINT SURVEILLANCE SYSTEM		11,137		11,137		11,137	-	(11,137)	-	-
56	BASE LEVEL DATA AUTO PROGRAM		28,876		28,876		28,876	-	-	-	28,876
57	THEATER BATTLE MGT C2 SYS		44,654		44,654		44,654	-	-	-	44,654
	AIR FORCE COMMUNICATIONS										
58	INFORMATION TRANSMISSION SYSTEMS		10,792		10,792		10,792	-	-	-	10,792
59	BASE INFORMATION INFRASTRUCTURE		159,383		129,383		159,383	-	(1,000)	-	158,383
60	USCENTCOM		4,458		4,458		4,458	-	-	-	4,458
61	AUTOMATED TELECOMMUNICATIONS PRG		14,884		10,884		14,884	-	-	-	14,884
	DISA PROGRAMS										
62	NAVSTAR GPS SPACE		1,447		1,447		1,447	-	-	-	1,447
63	DEFENSE METEOROLOGICAL SAT PROG SPAC		10,735		10,735		10,735	-	-	-	10,735
64	NUDET DETECTION SYS (NDS) SPACE		1,278		1,278		1,278	-	-	-	1,278
65	AF SATELLITE CONTROL NETWORK SPACE		26,007		26,007		26,007	-	(1,400)	-	24,607
66	EASTERN/WESTERN RANGE I&M SPACE		93,848		93,848		93,848	-	-	-	93,848
67	MILSATCOM SPACE		28,233		28,233		28,233	-	-	-	28,233
68	SPACE MODS SPACE		7,917		7,917		7,917	-	-	-	7,917
	ORGANIZATION AND BASE										
69	TACTICAL C-E EQUIPMENT		31,064		51,064		48,758	-	-	-	31,064
70	COMBAT SURVIVOR/EVADER LOCATER RADIO		13,757		13,757		13,757	-	-	-	13,757
71	RADIO EQUIPMENT		12,203		12,203		12,203	-	-	-	12,203
72	TV EQUIPMENT (AFRTV)		1,984		1,984		1,984	-	-	-	1,984
73	CCTV/AUDIOVISUAL EQUIPMENT		3,195		3,195		3,195	-	-	-	3,195
74	BASE COMM INFRASTRUCTURE		27,829		27,829		27,829	-	-	-	27,829
75	CAP COM & ELECT		378		378		378	-	-	-	378
76	ITEMS LESS THAN $2,000,000		7,106		7,106		7,106	-	-	-	7,106
	MODIFICATIONS										
77	COMM ELECT MODS		57,701		51,901		57,701	-	-	-	57,701
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP										

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	TEST EQUIPMENT										
78	BASE/ALC CALIBRATION PACKAGE		11,021		11,021		11,021	-	-	-	11,021
79	PRIMARY STANDARDS LABORATORY PACKAGE		1,064		1,064		1,064	-	-	-	1,064
80	ITEMS LESS THAN $2,000,000		6,706		6,706		6,706	-	-	-	6,706
	PERSONAL SAFETY AND RESCUE EQUIP										
81	NIGHT VISION GOGGLES		8,118		8,118		8,118	-	-	-	8,118
82	BREATHING APPARATUS TWO HOUR		-		-		-	-	-	-	-
83	UNIVERSAL WATER ACTIVATED REL SYS		-		-		-	-	-	-	-
84	ITEMS LESS THAN $2,000,000		3,528		3,528		3,528	-	-	-	3,528
	DEPOT PLANT + MATERIALS HANDLING EQ										
85	MECHANIZED MATERIAL HANDLING EQUIP		14,516		14,516		14,516	-	-	-	14,516
86	ITEMS LESS THAN $2,000,000		4,124		4,124		4,124	-	-	-	4,124
	ELECTRICAL EQUIPMENT										
87	GENERATORS-MOBILE ELECTRIC		1,411		1,411		1,411	-	-	-	1,411
88	FLOODLIGHTS		10,714		10,714		10,714	-	-	-	10,714
89	ITEMS LESS THAN $2,000,000		2,356		2,356		2,356	-	-	-	2,356
	BASE SUPPORT EQUIPMENT										
90	BASE PROCURED EQUIPMENT		5,644		5,644		5,644	-	-	-	5,644
91	MEDICAL/DENTAL EQUIPMENT		8,703		8,703		8,703	-	-	-	8,703
92	ENVIRONMENTAL PROJECTS		973		973		973	-	-	-	973
93	AIR BASE OPERABILITY		5,363		5,363		5,363	-	-	-	5,363
94	PALLET AIR CARGO		2,001		2,001		2,001	-	-	-	2,001
95	NET ASSEMBLY, 108"X88"		1,916		1,916		1,916	-	-	-	1,916
96	BLADDERS FUEL		1,329		1,329		1,329	-	-	-	1,329
97	AERIAL BULK FUEL DELIVERY SYSTEM		4,320		4,320		4,320	-	-	-	4,320
98	PHOTOGRAPHIC EQUIPMENT		5,576		5,576		5,576	-	-	-	5,576
99	PRODUCTIVITY INVESTMENTS		12,304		12,304		12,304	-	-	-	12,304
100	MOBILITY EQUIPMENT		35,973		35,973		35,973	-	-	-	35,973
101	DEPLOYMENT/EMPLOYMENT CONTAINERS		2,258		2,258		2,258	-	-	-	2,258
102	AIR CONDITIONERS		10,668		10,668		10,668	-	-	-	10,668
103	ITEMS LESS THAN $2,000,000		16,844		16,844		16,844	-	-	-	16,844
	SPECIAL SUPPORT PROJECTS										

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
104	INTELLIGENCE PRODUCTION ACTIVITY		72,605		71,605		72,605	-	(1,000)	-	71,605
105	TECH SURV COUNTERMEASURES EQ		2,035		2,035		2,035	-	-	-	2,035
106	DARP		-		5,681		-	-	5,681	-	5,681
107	DARP RC135		12,656		16,456		12,656	-	3,800	-	16,456
108	DARP, MRIGS		79,613		79,613		79,613	-	-	-	79,613
109	SELECTED ACTIVITIES		5,322,644		5,413,644		5,122,644	-	-	-	5,322,644
110	SPECIAL UPDATE PROGRAM		179,813		179,813		179,813	-	-	-	179,813
111	INDUSTRIAL PREPAREDNESS		1,162		1,162		1,162	-	-	-	1,162
112	MODIFICATIONS		170		170		170	-	-	-	170
113	FIRST DESTINATION TRANSPORTATION		16,442		16,442		16,442	-	-	-	16,442
	SPARE AND REPAIR PARTS										
	SPARES AND REPAIR PARTS										
114	SPARES AND REPAIR PARTS		52,712		52,712		52,712	-	-	-	52,712
	ADVISORY AND ASSISTANCE SERVICES				(10,913)			-	(7,576)	-	(7,576)
	ECONOMIC ADJUSTMENT						(17,500)		(17,500)		(17,500)
	TOTAL OTHER PROCUREMENT, AIR FORCE		6,974,387		7,046,372		6,774,581		(24,015)		6,950,372
	Total Procurement, Air Force		17,474,826		17,883,744		17,786,326		419,964		17,894,790

60K Loader

The budget request included $89.2 million for the 60K loader.

The House bill would authorize a decrease of $2.9 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Combat training ranges

The budget request included $13.2 million for combat training ranges, but included no funds for the rangeless air combat training system (RACTS). This system is also known as the Kadena Interim Training System (KITS) and was delivered to Kadena Air Base, Japan, in August 1997.

For future fixed and deployable training support, the Department of Defense's plan is to shift to the Joint Tactical Combat Training System (JTCTS), a system that will support air, surface, and subsurface training requirements. However, the House report (H. Rept. 105–532) noted that no funds were included in the budget to meet near-term training requirements that had been identified by United States Air Forces Europe (USAFE).

The House bill would authorize an increase of $5.0 million for RACTS to meet these requirements.

The Senate amendment would authorize the budget request.

The Senate recedes.

Automated telecommunications program

The budget request included $14.9 million for automated telecommunications equipment.

The House bill would authorize a decrease of $4.0 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Air Force satellite control network

The budget request included $26.0 million in Air Force other procurement for the Air Force Satellite Control Network (AFSCN) program.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $1.4 million from the budget request.

The conferees note that excess prior year funds exist in the AFSCN program. The conferees direct that these funds be used to satisfy fiscal year 1999 AFSCN requirements.

Communication electronics modifications

The budget request included $57.7 million for communication electronics modifications.

The House bill would authorize a decrease of $5.8 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Overview

The budget request for fiscal year 1999 contained an authorization of $2,041.7 million for Defense-wide Procurement in the Department of Defense. The House bill would authorize $1,962.9 million. The Senate amendment would authorize $2,023.5 million. The conferees recommended an authorization of $1,954.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	PROCUREMENT, DEFENSE-WIDE										
	MAJOR EQUIPMENT										
	MAJOR EQUIPMENT, OSD/WHS										
1	MOTOR VEHICLES		302		302		302	-	-	-	302
2	MAJOR EQUIPMENT, OSD		100,245		82,455		100,245	-	-	-	100,245
3	MAJOR EQUIPMENT, WHS		28,123		28,123		28,123	-	-	-	28,123
4	ARMED FORCE INFORMATION SERVICE		5,456		5,456		5,456	-	-	-	5,456
5	DEPARTMENT OF DEFENSE EDUCATION ACTIVITY		1,590		1,590		1,590	-	-	-	1,590
6	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION		-		-		-	-	-	-	-
7	DARP		77,435		-		77,435	-	(77,435)	-	-
	MAJOR EQUIPMENT, NSA										
9	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		11,988		15,407		11,988	-	3,419	-	15,407
	MAJOR EQUIPMENT, DSWA										
10	VEHICLES		-		-		-	-	-	-	-
11	OTHER MAJOR EQUIPMENT		-		-		-	-	-	-	-
	MAJOR EQUIPMENT, DISA										
12	MOBILE SATELLITE SYSTEM TECHNOLOGIES		7,932		7,932		7,932	-	-	-	7,932
13	INFORMATION SYSTEMS SECURITY		18,364		18,364		18,364	-	-	-	18,364
14	CONTINUITY OF OPERATIONS		4,060		4,060		4,060	-	-	-	4,060
15	JOINT C4ISR		-		-		-	-	-	-	-
16	DEFENSE MESSAGE SYSTEM		43,372		43,372		43,372	-	-	-	43,372
17	GLOBAL COMMAND AND CONTROL SYSTEM		4,379		4,379		4,379	-	-	-	4,379
18	GLOBAL COMBAT SUPPORT SYSTEM		6,711		6,711		6,711	-	-	-	6,711
19	STANDARD TACTICAL ENTRY POINT		11,956		11,956		11,956	-	-	-	11,956
20	PLANS & PROGRAM ANALYSIS SUPPORT CENTER		-		-		-	-	-	-	-
21	ITEMS LESS THAN $2 MILLION		14,383		14,383		14,383	-	-	-	14,383
22	DRUG INTERDICTION SUPPORT		-		-		-	-	-	-	-
	MAJOR EQUIPMENT, DIA										
	MAJOR EQUIPMENT, DLA										
24	DEFENSE SUPPORT ACTIVITIES		68,682		60,382		68,682	-	-	-	68,682
	AUTOMATED DOCUMENTED CONVERSION SYSTEM				32,000			-	25,000		25,000
	MAJOR EQUIPMENT, DSS										

Title I - Procurement

(Dollars in Thousands)

								Conference			
LN		Request		House Authorized		Senate Authorized		Change		Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
25	VEHICLES	267	3,200	267	3,200	267	3,200	-	-	267	3,200
26	OTHER CAPITAL EQUIPMENT		1,582		1,582		1,582	-	-	-	1,582
	MAJOR EQUIPMENT, DCAA										
27	ITEMS LESS THAN $2 MILLION		3,667		3,667		3,667	-	-	-	3,667
	MAJOR EQUIPMENT, DSPO										
28	MAJOR EQUIPMENT , DSPO		16,214		-		16,214	-	(8,388)	-	7,826
	MAJOR EQUIPMENT, TJS										
29	MAJOR EQUIPMENT, TJS		33,536		33,536		33,536	-	-	-	33,536
	ON-SITE INSPECTION AGENCY										
30	VEHICLES		-		-		-	-	-	-	-
31	OTHER CAPITAL EQUIPMENT		-		-		-	-	-	-	-
	BALLISTIC MISSILE DEFENSE ORGANIZATION										
32	PATRIOT PAC-3	60	343,235	40	303,235	60	303,235	-	(40,000)	60	303,235
33	C4I		22,827		22,827		22,827	-	-	-	22,827
34	HAWK BN/C3 MODS		-		-		-	-	-	-	-
35	NAVY AREA TBDM PROGRAM	21	43,318	21	43,318	21	43,318	-	-	21	43,318
	NATIONAL IMAGERY AND MAPPING AGENCY										
	DEFENSE COMMISSARY AGENCY										
37	EQUIPMENT		-		-		-	-	-	-	-
	DEF THREAT RED & TREATY COMP AGCY										
38	VEHICLES		134		134		134	-	-	-	134
39	OTHER MAJOR EQUIPMENT		29,029		29,029		29,029	-	-	-	29,029
	DEFENSE SECURITY ASSISTANCE AGENCY										
40	OTHER MAJOR EQUIPMENT		73		73		73	-	-	-	73
	SPECIAL OPERATIONS COMMAND										
	AVIATION PROGRAMS										
41	RADIO FREQUENCY MOBILE ELECTRONIC TEST SET		-		-		-	-	-	-	-
42	SOF ROTARY WING UPGRADES		46,990		53,490		46,990	-	-	-	46,990
43	SOF TRAINING SYSTEMS		6,053		6,053		6,053	-	-	-	6,053
44	CV-22 SOF MODIFICATION		3,983		-		3,983	-	-	-	3,983
45	MC-130H COMBAT TALON II		18,985		18,985		18,985	-	-	-	18,985
46	AC-130U GUNSHIP ACQUISITION		28,600		28,600		28,600	-	-	-	28,600

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(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
47	C-130 MODIFICATIONS		58,359		58,359		58,359	-	-	-	58,359
48	OH-6 PROCUREMENT & MODIFICATIONS		-		-		-	-	-	-	-
49	AIRCRAFT SUPPORT		878		878		878	-	-	-	878
	SHIPBUILDING										
50	PC,CYCLONE CLASS		-		-		-	-	-	-	-
51	ADVANCED SEAL DELIVERY SYSTEM (ASDS)		10,603		10,603		10,603	-	-	-	10,603
51	LESS: ADVANCE PROCUREMENT (PY)		(352)		(352)		(352)	-	-	-	(352)
52	ADVANCE PROCUREMENT (CY)		293		293		293	-	-	-	293
53	MK VIII MOD 1 - SEAL DELIVERY VEHICLE		589		589		589	-	-	-	589
54	SUBMARINE CONVERSION		5,990		5,990		5,990	-	-	-	5,990
54	LESS: ADVANCE PROCUREMENT (PY)		-		-		-	-	-	-	-
55	ADVANCE PROCUREMENT (CY)		-		-		-	-	-	-	-
56	MK V SPECIAL OPERATIONS CRAFT (MK V SOC)		-		-		-	-	-	-	-
	AMMUNITION PROGRAMS										
57	SOF ORDNANCE ACQUISITION		15,707		15,707		28,207	-	6,000	-	21,707
58	SOF ORDNANCE REPLENISHMENT		28,784		28,784		28,784	-	-	-	28,784
	OTHER PROCUREMENT PROGRAMS										
59	MARITIME EQUIPMENT MODIFICATIONS		26,012		22,012		26,012	-	-	-	26,012
60	NAVAL SPECIAL WARFARE RIGID INFLATABLE BOAT		15,606		15,606		15,606	-	-	-	15,606
61	SPARES AND REPAIR PARTS		40,237		40,237		40,237	-	-	-	40,237
62	COMM EQUIPMENT & ELECTRONICS		68,064		68,064		68,064	-	-	-	68,064
63	SOF INTELLIGENCE SYSTEMS		19,148		19,148		24,148	-	2,500	-	21,648
64	SOF SMALL ARMS & WEAPONS		15,421		15,421		15,421	-	-	-	15,421
65	SOF MARITIME EQUIPMENT		2,060		2,060		2,060	-	-	-	2,060
66	DRUG INTERDICTION		-		-		-	-	-	-	-
67	ANTI-TERRORISM/COUNTER-TERRORISM		-		-		-	-	-	-	-
68	MISCELLANEOUS EQUIPMENT		9,714		9,714		9,714	-	-	-	9,714
69	SOF PLANNING AND REHEARSAL SYSTEM		1,027		1,027		1,027	-	-	-	1,027
70	CLASSIFIED PROGRAMS		73,991		73,991		84,091	-	10,100	-	84,091
71	PSYOP EQUIPMENT		9,518		9,518		9,518	-	-	-	9,518
	CHEMICAL/BIOLOGICAL DEFENSE										
	CBDP										

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
72	INDIVIDUAL PROTECTION		128,423		128,423		128,423	-	-	-	128,423
73	DECONTAMINATION		10,982		10,982		10,982	-	-	-	10,982
74	JOINT BIO DEFENSE PROGRAM		27,847		27,847		27,847	-	-	-	27,847
75	COLLECTIVE PROTECTION		20,452		20,452		20,452	-	-	-	20,452
76	CONTAMINATION AVOIDANCE		96,199		89,299		96,199	-	-	-	96,199
	DEFENSE-WIDE										
	DEFENSE-WIDE										
77	DEFENSE-WIDE PROGRAM		-		-		-	-	-	-	-
999	CLASSIFIED PROGRAMS		349,694		403,613		349,694	-	-	-	349,694
	ECONOMIC ADJUSTMENT						(5,800)		(5,800)		(5,800)
	ADVISORY AND ASSISTANCE SERVICES								(2,218)	-	(2,218)
	TOTAL PROCUREMENT, DEFENSE-WIDE		2,041,650		1,962,866		2,023,450		(86,822)		1,954,828
	DEFENSE EXPORT LOAN GUARANTEES, PROGRAM ACCOUNT										
	ADMINISTRATIVE EXPENSES										-
	DEF LOAN GUARANTEES, PROGRAM ACCOUNT										
1	MISC PROJECTS		1,250		1,250		1,250	-	-	-	1,250
	TOTAL DEF EXPORT LOAN GUARANTEES, PROG ACCT		1,250		1,250		1,250		-	-	1,250

Automated document conversion system

The budget request included no funds for automated document conversion system (ADCS).

The House bill would authorize an increase of $32.0 million for the procurement of ADCS hardware and software.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $25.0 million for the procurement of ADCS hardware and software.

SOF intelligence systems

The budget request included $19.1 million for special operations forces intelligence systems.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $5.0 million for procurement and installation of Silent Shield real-time situational awareness systems on special operations aircraft.

The conferees agree to authorize an increase of $2.5 million for Silent Shield system procurement.

Contamination avoidance

The budget request included $96.2 million for contamination avoidance.

The House bill would authorize a decrease of $6.9 million. This decrease would eliminate funding for National Guard Rapid Assessment and Initial Detection equipment.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Overview

The budget request for fiscal year 1999 contained no authorization for National Guard and Reserve Procurement in the Department of Defense. The House bill would authorize $300.0 million. The Senate amendment would authorize $60.0 million. The conferees recommended an authorization of $60.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN No.	Title	Request QTY	Request COST	House Authorized QTY	House Authorized COST	Senate Authorized QTY	Senate Authorized COST	Conference Change QTY	Conference Change COST	Conference Agreement QTY	Conference Agreement COST
	NATIONAL GUARD & RESERVE EQUIPMENT										
	RESERVE EQUIPMENT										
	ARMY RESERVE										
1	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	HEMTT Bridge Trans Kits				6,000			-	-		
	M915 ESP (Upgrade) Kits				8,000			-	-		
	AVLB 60-70 Ton Upgrade				3,000			-	-		
	Rock Crush, Screen, Wash				2,000			-	-		
	HMMWV Contact Mnt Trk				7,000			-	-		
	5 Ton ESP				15,000			-	-		
	Generator, 5KW, TQ				3,000			-	-		
	M915A3, Long Haul Tractor				6,000			-	-		
	NAVY RESERVE										
2	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	CH60 Aircraft				38,000			-	-		
	MIUW Van Upgrades				12,000			-	-		
	C-9 REPLACEMENT										
	MARINE CORPS RESERVE										
3	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	F/A-18A+ECP				35,000			-	-		
	D-7 PIP				5,000			-	-		
	CH-53e HNVS "B Kits"				7,000			-	-		
	Electronic Calibration Facility (AN/TSM-198)				2,000			-	-		
	Electronic Test Measurement & Diagnostic Equipment Facility				1,000			-	-		
	AIR FORCE RESERVE										
4	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	KC-135 Reengine Kits				50,000			-	-		
	NATIONAL GUARD EQUIPMENT										
	ARMY NATIONAL GUARD										
5	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	D-7 Bulldozer				5,000			-	-		
	Mobile Backscatter Truck Inspection System				9,000			-	-		

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	Crashworthy Internal Fuel Cells				5,000			-	-		
	AH-64 VMEP				3,000			-	-		
	SINCGARS				8,000			-	-		
	Reconfigurable Mission Simulator				7,000			-	-		
	Engagement Skills Trainers				5,000			-	-		
	R-2000 Engine Flush System				5,000			-	-		
	Meteorological Measuring Sets, AN/TMQ41				3,000			-	-		
	AIR NATIONAL GUARD										
6	MISCELLANEOUS EQUIPMENT		-				10,000	-	10,000	-	10,000
	PATS (F-16)				15,000			-	-		
	F-16 IAIS				15,000			-	-		
	F-16 ALR-56M RWR				10,000			-	-		
	F-16 SADL ADP/COLOR				5,000			-	-		
	A-10 SADL GRP A				5,000			-	-		
	EC-130J										
	C-130J										
	TOTAL NATIONAL GUARD & RESERVE EQUIPMENT		-		300,000		60,000		60,000	-	60,000

National Guard and Reserve Equipment

The budget request included $1.36 billion for National Guard and Reserve equipment, as follows:

	Millions
Aircraft, Army	110.2
Missiles, Army	35.3
Weapons and Tracked Combat Vehicles, Army	12.3
Ammunition, Army	182.3
Other Procurement, Army	502.9
Aircraft, Navy	41.8
Ammunition, Navy/USMC	17.3
Other Procurement, Navy	3.6
Procurement, USMC	39.9
Aircraft, USAF	293.3
Ammunition, USAF	30.4
Other Procurement, USAF	85.0
NG&RE, Other Procurement	9.3
Department of Defense Total	1,363.6

This request reflects a net increase of almost $400.0 million above the funding requested for the reserve component modernization in the fiscal year 1998 budget request. The conferees believe that the increased funding requested by the services for reserve component modernization reflects a recognition of the critical role that these forces provide in Department of Defense operations. The conferees agree that reserve component modernization, as an integral component of overall DOD modernization, should rely on a collaborative budget development process within the Department and not on annual congressional supplemental funding, which would have to come at the expense of other programs funded in the budget request. However, the conferees recognize that there are still significant modernization shortfalls in both the active and reserve components and remain concerned about the readiness implications of declining modernization funding requests.

Accordingly, the conferees agree to authorize increases to support reserve component modernization, as follows:

	Millions
UH–60 Blackhawk	$66.4
Family of Medium Tactical Vehicles	42.5
Medium Truck Extended Service Program	20.0
Multiple Launch Rocket System Launchers	45.0
R2000 Engine Flush System	5.0
Bradley Upgrades	70.0
SINCGARS family	50.0
AH–64 Vibration Management Enhancement System	3.0
Engagement Skills Trainers	5.0
MIUW van upgrades	12.0
KC–135 Re-engining	46.0
F–16 IAIS	14.0
C–130 (1 WC–130J, 1 EC–130J, 2 C–130J)	276.4
C–130J Simulator	30.0
Total increase	685.3

Additionally, the conferees agree to authorize an increase of $60.0 million for National Guard and Reserve miscellaneous equipment, as follows:

	Millions
Army Reserve Miscellaneous	$10.0
Navy Reserve Miscellaneous	10.0
Marine Corps Reserve Miscellaneous	10.0
Air Force Reserve Miscellaneous	10.0
Army National Guard Miscellaneous	10.0
Air National Guard Miscellaneous	10.0

The conferees direct that the miscellaneous funding be allocated exclusively by the chiefs of the reserve components, in consultation with service chiefs, and give priority consideration to the following items: 2.5-ton and 5-ton truck extended service program; night vision equipment; high mobility multipurpose wheeled vehicles; CH–47 crashworthy internal fuel cells; heavy expanded mobility tactical truck bridge transportation kits; M915 truck extended service program upgrade kits; rock crush, screen; AVLB 60–70 ton upgrades; high mobility multipurpose wheeled vehicle contact maintenance trucks; 5 kilowatt tactically quiet generator; M915A3 long haul tractor; F/A-18A+ ECP; CH–53e HNVS "B kits"; electronic calibration facility (AN/TSM–198); electronic test measurement and diagnostic equipment facility; D–7 bulldozer; reconfigurable mission simulator; meteorological measuring sets (AN/TMQ41); PATS (F–16); F–16 ALR–56M RWR; F–16 SADL ADP/color; A–10 SADL group A; airborne firefighting equipment; mobile backscatter truck inspection system; the advanced radar warning receiver; and the D–7 product improvement program.

Overview

The budget request for fiscal year 1999 contained an authorization of $855.1 million for Chemical Agent and Munitions Destruction, Army. The House bill would authorize no funding for Chemical Agent and Munitions Destruction, Army, but would transfer the authorization of $834.0 million for Chemical Agent and Munitions Destruction, Defense. The Senate amendment would authorize no funding for Chemical Agent and Munitions Destruction, Army but would transfer the authorization of $777.2 million for Chemical Agent and Munitions Destruction, Defense. The conferees agree to authorize $803.0 million for Chemical Agent and Munitions Destruction, Defense. Unless noted explicitly in the conference agreement, all changes are made without prejudice.

Title I - Procurement

(Dollars in Thousands)

LN		Request		House Authorized		Senate Authorized		Conference Change		Conference Agreement	
No.	Title	QTY	COST	QTY	COST	QTY	COST	QTY	COST	QTY	COST
	CHEM AGENTS & MUNITIONS DESTRUCTION, DEF										
	CHEM AGENTS & MUNITIONS DESTRUCT-RDT&E										
	RESEARCH AND DEVELOPMENT										
1	CHEM DEMILITARIZATION - RDTE		-		170,880		172,780	-	172,780	-	172,780
	CHEM AGENTS & MUNITIONS DESTRUCT-PROC										
	PROCUREMENT										
2	CHEM DEMILITARIZATION - PROC		-		134,670		115,670	-	124,670	-	124,670
	CHEM AGENTS & MUNITIONS DESTRUCT-O&M										
	OPERATION AND MAINTENANCE										
3	CHEM DEMILITARIZATION - O&M		-		528,450		488,700	-	508,550	-	508,550
	ECONOMIC ADJUSTMENT								(3,000)		(3,000)
	TOTAL CHEM AGENTS & MUNITIONS DESTRUCTION, DEF		-		834,000		777,150		803,000		803,000

Legislative Provisions Adopted

Subtitle A—Authorization of Appropriations

Authorization of appropriations (secs. 101–109)

The House bill contained provisions (secs. 101–109) that would authorize the recommended fiscal year 1999 funding levels for the Army, Navy and Marine Corps, Air Force, Defense-Wide Activities, Reserve Components, Defense Inspector General, Chemical Demilitarization Program, Defense Health Program, and the Defense Export Loan Guarantee Program.

The Senate amendment contained similar provisions.

The conference agreement includes these provisions.

Chemical demilitarization program (sec. 107)

The budget request for the Army included $855.1 million for the chemical agents and munitions destruction program.

The House bill recommended no funding for Chemical Agents and Munitions Destruction, Army, but contained a provision (sec. 107) that would authorize $834.0 million for the Department of Defense for the destruction of lethal chemical agents in accordance with Section 1412 of the Department of Defense Authorization Act for Fiscal Year 1986 (Public Law 99–145, 50 U.S.C. 1521) and for chemical warfare materiel of the United States not covered by Section 1412 of such Act, a $21.1 million reduction to the budget request.

The Senate amendment recommended no funding for Chemical Agents and Munitions Destruction, Army, but contained a similar provision (sec. 107) that would authorize $780.1 million for destruction of the lethal chemical agents and munitions stockpile pursuant to Section 1412 of the Department of Defense Authorization Act for Fiscal Year 1986 and U.S. chemical warfare materiel not covered by Section 1412 of the Act, a $78.5 million reduction to the budget request. Additionally, the Senate recommended that an additional $3.0 million be made available to accelerate the development and fielding of the Army's mobile munitions assessment system. Additionally, the Senate would recommend the transfer of the chemical demilitarization program to the Defense Threat Reduction Agency.

The conferees agree to a provision that would authorize $803.0 million for the Department of Defense chemical agents and munitions destruction program, to include: $124.7 million for procurement; $172.8 for research and development; $508.6 million for operation and maintenance; and a reduction of $3.0 million for revised economic assumptions. Of the amount authorized for research and development, the conferees recommend that an additional $5.0 million be made available to accelerate the development and fielding of the Army's mobile munitions assessment system and an additional $6.0 million be made available to demonstrate alternatives to the baseline incineration process for the destruction of assembled chemical munitions and to proceed from a demonstration to the development of a pilot-scale facility.

The conferees understand that additional funds above the amount recommended in this Act may be necessary to demonstrate viable alternative technologies, and encourage the Department of Defense to review funds available in the chemical agents and munitions demilitarization program from prior year authorization and appropriations, as well as funds available to the Department that have been identified as sources in the most recent omnibus reprogramming (FY98–16PA) forwarded to the Congress for approval, as possible sources for such additional funds necessary for activities related for the demonstration of alternative technologies to the destruction of assembled chemical munitions.

Section 1412(f) of the Department of Defense Authorization Act for Fiscal Year 1986 requires that funds for the destruction of the U.S. stockpile of lethal chemical agents and munitions, including funds for military construction projects necessary to carry out the demilitarization program, shall be set forth in the budget of the Department of Defense as a separate program and shall not be included in the budget accounts for any military department. In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1994 (H. Rept. 103–357), the conferees cited this section in transferring the funds contained in the fiscal year 1994 Army budget requests for the chemical demilitarization program to a separate DOD account. Section 1412(e) of Public Law 99–145 further requires that the management organization for the chemical munitions destruction program shall be established within the Department of the Army.

The conferees agree that the defense chemical demilitarization program should continue to be managed as a major defense acquisition program with the Office of the Secretary of Defense providing policy and program oversight, the Secretary of the Army as executive agent for the management and execution of the program, and the project manager for the program for the assembled chemical weapons assessment (ACWA) of alternative technologies reporting to the Under Secretary of Defense for Acquisition and Technology (until completion of the demonstration phase of the ACWA program).

Subtitle B—Army Programs

Multiyear procurement authority for Longbow Hellfire missile program (sec. 111)

The House bill contained a provision (sec. 111) that would authorize the Secretary of the Army to enter into a multiyear procurement contract for the Longbow Hellfire missile.

The Senate amendment contained a similar provision (sec. 111).

The Senate recedes.

The conferees agree to authorize the Secretary of the Army to enter into a multiyear contract for the Longbow Hellfire missile.

Condition for award of second-source procurement contract for the family of medium tactical vehicles (sec. 112)

The Senate amendment contained a provision (sec. 112) that would require certain conditions to be met before the Secretary of the Army could enter into a contract with more than one manufacturer for the procurement of the family of medium tactical vehicles (FMTV). The Senate supports Army efforts to qualify a second source for FMTV trucks, if the established conditions are met, and would support acceleration of this effort if the Army determines that this action could be accomplished within programmed resource limitations.

The House bill contained no similar provision.

The House recedes with an amendment. Based on critical shortfalls of modernized trucks within the Army, the conferees direct the Secretary of the Army to ensure that sufficient funding is programmed for any FMTV prime contractor to maintain minimum economic production levels necessary to sustain steady production and meet FMTV fielding requirements. The conferees note existing funding levels, constrained by modernization budget limitations, will result in a break in production, increased costs, and delays in the modernization process.

Armored system modernization (sec. 113)

The Senate amendment contained a provision (sec. 113) that would require the Secretary of the Army to submit to the congressional defense committees a report on Army armored system modernization programs.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize $14.3 million for the M1A1D applique integration program and $6.0 million for an M1A2 risk reduction program. Of the amount authorized for the M1A1D applique integration program, not more than $11.4 million may be obligated before the end of the 30-day period beginning on the date on which the Secretary of the Army submits the armored system modernization report.

Congress supports the development and fielding of the M1A1D and authorizes $20.3 million to complete development and testing, and to initiate fielding. The conferees are concerned, however, about the risk inherent in the conversion of the M1A2 to the Force XXI Battle Command Brigade and Below (FBCB2) software and directs that $6.0 million of the $20.3 million be used to develop an M1A2 risk reduction effort. The conferees recognize the Army's goal is to field only the M1A1D and M1A2SEP variants, but want to ensure risk is addressed.

The conferees are also concerned that armor system modernization plans, including the proposal to close the tank plant in Lima, Ohio, do not adequately address future operational requirements for armor systems, modernization and upgrade requirements, and industrial base implications associated with plans to bridge the gap between production of existing armor systems and future combat platforms. The conferees direct the Secretary of the Army to provide a report on armor system modernization programs to the congressional defense committees no later than January 31, 1999.

Reactive armor tiles (sec. 114)

The Senate amendment contained a provision (sec. 114) that would require the Secretary of Defense, with input from the Army and Marine Corps, to conduct a detailed assessment of requirements for reactive armor tiles and provide a cost-benefit analysis of the procurement and installation of tiles on selected armor vehicles. The provision would preclude any expenditure of funds for armor tiles until 30 days after the date on which the Secretary of Defense submits the results of this study to the Congress.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Extension of authority to carry out Armament Retooling and Manufacturing Support Initiative (sec. 115)

The Senate amendment contained a provision (sec. 116) that would extend the Armament Retooling and Manufacturing Support Initiative through fiscal year 1999.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Navy Programs

CVN–77 nuclear aircraft carrier program (sec. 121)

The Senate amendment contained a provision (sec. 121) that would authorize $124.5

million for the advance procurement and construction of components, including nuclear components, for the CVN–77 aircraft carrier program.

The House bill contained no similar provision.

The House recedes.

Increase in amount authorized to be excluded from cost limitation for Seawolf submarine program (sec. 122)

The Senate amendment contained a provision (sec. 122) that would amend section 123(a) of the National Defense Authorization Act for Fiscal Year 1998 by striking the amount of $272.4 million and replacing it with the amount of $557.6 million as the amount excluded from the Seawolf submarine program cost limitation.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Multiyear procurement authority for the Department of the Navy (sec. 123)

The House bill contained a provision (sec. 121) that would authorize the Secretary of the Navy to enter into multiyear contracts for the AV–8B, E–2C, and T–45 aircraft, and to enter into a multiyear procurement contract to procure the Marine Corps Medium Tactical Vehicle Replacement.

The Senate amendment contained separate provisions (secs. 124–123) that would authorize the same multiyear procurements.

The Senate recedes.

Annual General Accounting Office review of F/A–18E/F program (sec. 124)

The Senate amendment contained a provision (sec. 1034) that would require an annual General Accounting Office review of the F/A–18E/F program.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle D—Air Force Programs

F–22 aircraft program (sec. 131)

The Senate amendment contained a provision (sec. 133) that would limit obligation of advance procurement funds for the six Lot II F–22 aircraft. The provision would make funds available after the completion of 10 percent of the F–22 flight test program, or alternatively, 30 days after the Secretary of Defense submits a certification that:

(1) of the number of flight test hours completed, if less than 10 percent;

(2) that a lesser amount of flight testing would be sufficient for making a production decision, and the basis for that determination; and

(3) that it would be financially advantageous to proceed to Lot II production rather than delay production until completion of 10 percent of the flight testing.

The House bill contained no similar provision.

The House recedes with an amendment that would remove the 30 day delay period from the provision. The provision would allow the Department to obligate advance procurement funds as soon as the certification is submitted to the congressional defense committees.

C–130J aircraft program (sec. 132)

The Senate amendment contained a provision (sec. 134) that would require a report from the Secretary of Defense on the C–130J aircraft program.

The House bill contained no similar provision.

The House recedes.

Subtitle E—Other Matters

Chemical stockpile emergency preparedness program (sec. 141)

The Senate amendment contained a provision (sec. 1080) that would direct the Director of the Federal Emergency Management Agency (FEMA) to carry out a program with state and local governments to assist them in developing capabilities to respond to public health or safety emergencies that may arise from the destruction of lethal chemical agents and munitions in the U.S. stockpile.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Director of FEMA, in accordance with a Memorandum of Understanding (MOU) with the Department of the Army, to carry out an emergency preparedness program with state and local governments. The provision would also direct that funds, appropriated in the defense account for this portion of the chemical stockpile emergency preparedness program, be made available to FEMA to implement its responsibilities pursuant to the requirements of this provision. Lastly, the provision would require the Secretary of Defense to include, in the Department's annual report on the defense chemical agents and munitions destruction program, information on actions taken and grants provided to assist state and local governments to develop their off-post emergency preparedness plans for responding to chemical accidents or incidents at the eight chemical stockpile storage installations.

Alternative technologies for destruction of assembled chemical weapons (sec. 142)

The House bill contained a provision (sec. 141) that would authorize $12.6 million for identification and demonstration of alternative technologies to the baseline incineration process for destruction of assembled chemical munitions in the U.S. stockpile, and would direct the transfer of management oversight responsibility for the program from the Under Secretary of Defense for Acquisition and Technology (USD, A&T) to the Secretary of the Army.

The Senate amendment contained a provision (sec. 117) that would provide authority for the program manager for the Assembled Chemical Weapons Assessment (ACWA) to demonstrate alternative technologies to the baseline incineration process and to undertake post-demonstration activities necessary to implement any such alternative technology, if it is proven successful, and, would authorize $18.0 million for demonstration of alternative technologies and planning and preparation to proceed from demonstration to pilot-scale testing. Additionally, the provision would require the Under Secretary of Defense for Acquisition and Technology to provide for two evaluations of the cost and schedule of an alternative technology to baseline incineration to be submitted to the Under Secretary by September 30, 1999. Lastly, the provision would maintain the current program manager for the Assembled Chemical Weapons Assessment, who would continue to manage the development and testing (including demonstration and pilot-scale testing) of alternative technologies for the destruction of lethal assembled chemical weapons, and would continue to operate independently from the program manager for the baseline chemical demilitarization program.

The House recedes with an amendment that would require the current program manager for the Assembled Chemical Weapons Assessment to continue to manage the development, testing, demonstration and pilot-scale testing of alternative technologies for the destruction of assembled chemical munitions and to act independently of the program manager for the Department of Defense baseline incineration program. In addition, the ACWA program manager shall report to the Under Secretary of Defense for Acquisition and Technology.

The provision would also authorize the ACWA program manager to carry out post-demonstration activities to ensure that an alternative technology can be implemented immediately following the successful demonstration of an alternative technology, and the submission to Congress of a report on the demonstration and a decision by the Under Secretary of Defense for Acquisition and Technology to proceed with a pilot-scale facility.

In order to ensure that an alternative technology may be demonstrated immediately, the conferees provide authority for the program manager to take certain actions during fiscal years 1998 and 1999 related to the establishment, preparation, development and identification of activities related to awarding a contract for a potential successful alternative technology for assembled chemical munitions not later than December 30, 1999.

The conferees also direct the Under Secretary of Defense for Acquisition and Technology to provide to Congress an independent, nongovernmental evaluation of the cost and schedule for any potential alternative technology resulting from the ACWA demonstration activities.

Lastly, if the Secretary of Defense decides to proceed with a pilot program, the conferees direct that a report be submitted to the congressional defense committees on the Department's plan to conduct the pilot program, including information on the cost and the schedule for the alternative technology pilot program for destruction of assembled chemical munitions.

As noted elsewhere in the statement of managers on the chemical agent and munitions destruction program (sec. 107), the conferees understand that additional funds may be necessary above the amounts recommended in this Act, as well as for fiscal year 1998, to demonstrate viable alternative technologies. The conferees encourage the Department of Defense to review funds available in the chemical agents and munitions demilitarization program from prior year authorizations and appropriations, as well as funds available to the Department which have been identified as sources in the most recent omnibus reprogramming (FY98–16PA) forwarded to the Congress for approval, as possible sources for any additional funds necessary for activities related to the demonstration of alternative technologies for the destruction of assembled chemical munitions.

LEGISLATIVE PROVISIONS NOT ADOPTED

M1A2 system enhancement program step one

The House bill contained a provision (sec. 112) that would require the Army to use the $20.3 million included in the budget request for M1A1D upgrade kits to instead procure M1A2 system enhancement program step one communications upgrades.

The Senate amendment contained no similar provision.

The House recedes.

Annual reporting of costs associated with travel of members of the chemical demilitarization citizenship advisory commission

The Senate amendment contained a provision (sec. 115) that would amend section

1412(g)(2) of the National Defense Authorization Act for Fiscal Year 1986 (Public Law 102–484) to require that information on the travel costs of members of the chemical demilitarization citizenship advisory commission be included in the annual report to Congress on the chemical and munitions destruction program.

The House bill contained no similar provision.

The Senate recedes.

Joint surveillance target attack radar system

The Senate amendment contained a provision (sec. 131) that would authorize $72.0 million for the joint surveillance target attack radar system (JSTARS), as follows:

(1) advance procurement of long-lead items for two additional E–8C JSTARS aircraft;

(2) payment of expenses associated with termination of production of JSTARS aircraft; or

(3) development of an improved radar for the JSTARS.

The House bill contained no similar provision.

The Senate recedes.

Limitation on replacement of engines on military aircraft derived from Boeing 707 aircraft

The Senate amendment contained a provision (sec. 132) that would prevent the Secretary of Defense from obligating or expending funds for reengining Department of Defense aircraft derived from Boeing 707 aircraft until an overdue report was submitted. The report was due in March 1998 and was not received until July 13, 1998.

The House bill contained no similar provision.

The Senate recedes.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research, Development, Test, and Evaluation Overview

The budget request for fiscal year 1999 contained an authorization of $36,078.6 million for Research and Development in the Department of Defense. The House bill would authorize $36,228.0 million. The Senate amendment would authorize $35,942.2 million. The conferees recommended an authorization of $36,007.9 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

TITLE II RESEARCH, DEVELOPMENT, TEST & EVALUATION	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Research, Development, Test & Evaluation, Army	4,780,545	4,792,997	4,816,145	(123,533)	4,657,012
Research, Development, Test & Evaluation, Navy	8,108,923	8,403,559	8,188,897	196,088	8,305,011
Research, Development, Test & Evaluation, Air Force	13,598,093	13,577,209	13,634,993	320,635	13,918,728
Research, Development, Test & Evaluation, Defense-wide	9,314,665	9,173,932	9,302,771	(465,829)	8,848,836
Operational Test & Evaluation, Defense	25,245	29,245	25,245	4,000	29,245
Developmental Test & Evaluation, Defense	251,106	251,106	249,106	(2,000)	249,106
General Reduction		0	(275,000)	0	0
Total Research, Development, Test & Evaluation	36,078,577	36,228,048	35,942,157	(70,639)	36,007,938

Overview

The budget request for fiscal year 1999 contained an authorization of $4,780.5 million for Army, Research and Development in the Department of Defense. The House bill would authorize $4,793.0 million. The Senate amendment would authorize $4,816.1 million. The conferees recommended an authorization of $4,657.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.	1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	RESEARCH DEVELOPMENT TEST & EVAL ARMY					
0601101A	1 IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,902	14,902	14,902	-	14,902
0601102A	2 DEFENSE RESEARCH SCIENCES	137,399	137,399	137,399	-	129,463
	Scientific Problems with Military Applications Growth				(7,936)	
0601104A	3 UNIVERSITY AND INDUSTRY RESEARCH CENTERS	48,459	48,459	48,459	-	45,138
	Program Growth Reduction				(3,321)	
0602104A	4 TRACTOR ROSE	6,000	6,000	-	-	-
	Program Reduction			[-6,000]	(6,000)	
0602105A	5 MATERIALS TECHNOLOGY	10,137	15,137	13,137	-	13,137
	Hardened Materials			[3,000]	3,000	
	Hardened Materials (For Land Vehicles)		[5000]		-	
0602120A	6 SENSORS AND ELECTRONIC SURVIVABILITY	18,738	18,738	18,738	-	16,895
	Data Base and Software Agent Program				(1,843)	
0602122A	7 TRACTOR HIP	11,685	11,685	11,685	-	11,685
0602211A	8 AVIATION TECHNOLOGY	29,746	29,746	29,746	-	27,823
	Air Mobility Concept				(1,923)	
0602270A	9 EW TECHNOLOGY	16,249	16,249	16,249	-	16,249
0602303A	10 MISSILE TECHNOLOGY	25,180	25,180	29,680	-	29,680
	Scramjet Technology			[3,000]	3,000	
	Acoustic Effects			[1,500]	1,500	
0602308A	11 MODELING AND SIMULATION TECHNOLOGY	27,981	27,981	27,981	-	23,531
	Army After Next Applied Research				(4,450)	
0602601A	12 COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	50,107	40,107	-	37,607
	Innovative Alternative Propulsion Program		[10,000]		2,500	
	Future Infantry and Combat Systems				(5,000)	
0602618A	13 BALLISTICS TECHNOLOGY	31,115	31,115	31,115	-	31,115
0602622A	14 CHEMICAL, SMOKE AND EQUIPMENT DEFEATING TECHNOLOGY	5,116	5,116	5,116	-	5,116
0602623A	15 JOINT SERVICE SMALL ARMS PROGRAM	5,229	5,229	5,229	-	5,229
0602624A	16 WEAPONS AND MUNITIONS TECHNOLOGY	29,489	29,489	29,489	-	29,489
0602705A	17 ELECTRONICS AND ELECTRONIC DEVICES	22,329	22,329	22,329	-	22,329
0602709A	18 NIGHT VISION TECHNOLOGY	19,157	19,157	19,157	-	19,157
0602712A	19 COUNTERMINE SYSTEMS	10,715	10,715	10,715	-	10,715

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0602716A	20	HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	18,169	13,369	-	18,169
		Medteams		[4,800]		4,800	
0602720A	21	ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	29,842	46,342	-	50,342
		National Defense Center for Environmental Excellence			[24,000]	20,000	
		Redmap		[4,000]	[3,500]	3,500	
		Peps		[3,000]	[5,000]	5,000	
		Computer-Based Land Management Model for Training Area - TRIES		[4,000]		3,000	
		Agricultural Based Bioremediation		[5,000]		5,000	
0602782A	22	COMMAND, CONTROL, COMMUNICATIONS TECHNOLOGY	19,746	22,546	19,746	-	22,546
		Army Multimedia Communication Device		[2,800]		2,800	
0602783A	23	COMPUTER AND SOFTWARE TECHNOLOGY	2,185	2,185	2,685	-	2,185
		Software Security			[500]	-	
0602784A	24	MILITARY ENGINEERING TECHNOLOGY	37,488	37,488	38,688	-	38,688
		CRREL			[1,200]	1,200	
0602785A	25	MANPOWER/PERSONNEL/TRAINING TECHNOLOGY	8,602	8,602	8,602	-	8,602
0602786A	26	WARFIGHTER TECHNOLOGY	18,661	18,661	18,661	-	18,661
0602787A	27	MEDICAL TECHNOLOGY	67,255	69,255	67,255	-	67,255
		Optical Correlator Technology Application		[2,000]		-	
0602789A	28	ARMY ARTIFICIAL INTELLIGENCE TECHNOLOGY	1,164	1,164	1,164	-	1,164
0602805A	29	DUAL USE APPLICATIONS PROGRAM	20,000	20,000	20,000	-	20,000
0603001A	30	WARFIGHTER ADVANCED TECHNOLOGY	32,969	32,969	32,969	-	32,969
0603002A	31	MEDICAL ADVANCED TECHNOLOGY	11,012	11,012	13,012	-	13,012
		Nutrition Research			[2,000]	2,000	
0603003A	32	AVIATION ADVANCED TECHNOLOGY	30,048	43,048	30,048	-	35,048
		Scram Jet		[8,000]		-	
		STARSTREAK Missile - Stinger Comparative Testing		[3,000]		3,000	
		Stinger Universal Digital Launcher		[2,000]		2,000	
0603004A	33	WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	41,555	29,055	-	29,055
		Precision Guided Mortar Munitions		[6,000]	[4,500]	4,500	
		Future Direct Support Weapons Systems - FDSWS		[5,000]		-	
		Trajectory Correctable Munitions TCM		[6,000]		-	
0603005A	34	COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	54,435	71,435	57,435	-	59,435

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Aluminum Metal Matrix R&D/Lt Wt Composite Materials		[10,000]	[3,000]	3,000	
		Innovative Engine Tech		[7,000]		2,000	
0603006A	35	COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	20,109	20,109	20,109	-	20,109
0603007A	36	MANPOWER, PERSONNEL AND TRAINING ADVANCED TECHNOLOGY	3,021	3,021	3,021	-	3,021
0603009A	37	TRACTOR HIKE	9,873	9,873	9,873	-	9,873
0603013A	38	TRACTOR DIRT	57	57	57	-	57
0603017A	39	TRACTOR RED	4,590	4,590	4,590	-	4,590
0603020A	40	TRACTOR ROSE	2,016	2,016	2,016	-	2,016
0603105A	41	MILITARY HIV RESEARCH	5,710	5,710	3,110	-	5,710
		Program Reduction			[-2,600]	-	
0603238A	42	GLOBAL SURVEILLANCE/AIR DEFENSE/PRECISION STRIKE TECHNOLOGY DEMONST	9,973	9,973	9,973	-	9,973
0603270A	43	EW TECHNOLOGY	11,508	11,508	11,508	-	11,508
0603313A	44	MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	56,396	56,396	-	56,396
		E-FOGM ACTD		[-35,700]	[-35,700]	(35,700)	
		Future Missile Technology Integration		[6,000]	[6,000]	6,000	
0603322A	45	TRACTOR CAGE	4,408	4,408	4,408	-	4,408
0603606A	46	LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	21,944	21,944	21,944	-	21,944
0603607A	47	JOINT SERVICE SMALL ARMS PROGRAM	5,173	8,673	5,173	-	8,673
		Objective Crew Served Weapon		[3,500]		3,500	
0603654A	48	LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	20,099	20,099	20,099	-	20,099
0603710A	49	NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	23,960	-	23,960
0603734A	50	MILITARY ENGINEERING ADVANCED TECHNOLOGY	13,564	13,564	13,564	-	13,564
0603772A	51	ADVANCED TACTICAL COMPUTER SCIENCE AND SENSOR TECHNOLOGY	18,456	18,456	20,956	-	18,456
		Digital Intell Technology			[2,500]	-	
0603780A	52	STRATEGIC ENVIRONMENTAL RESEARCH AND DEV	54,419	-	54,419	-	-
		Strategic Environmental R&D Program - SERDP		[-54,419]		(54,419)	
0604280A	53	JOINT TACTICAL RADIO	15,600	15,600	15,600	-	15,600
0603018A	54	TRACTOR TREAD		-	-	-	-
0603308A	55	ARMY MISSILE DEFENSE SYSTEMS INTEGRATION (DEM/VAL)	12,240	32,240	29,240	-	29,240
		Tactical High Energy Laser (THEL)		[10,000]	[10,000]	10,000	
		Space and Missile Defense Battle Lab		[10,000]	[7,000]	7,000	
0603619A	56	LANDMINE WARFARE AND BARRIER - ADV DEV	6,778	6,778	6,778	-	6,778

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.	1999	House	Senate	Conference	
		Request	Authorized	Authorized	Change	Agreement
0603627A	57 SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ADV DEV		-	-	-	-
0603639A	58 ARMAMENT ENHANCEMENT INITIATIVE	26,526	36,526	26,526	-	30,526
	TERM KE		[10,000]		4,000	
0603640A	59 ARTILLERY PROPELLANT DEVELOPMENT		-	-	-	-
0603645A	60 ARMORED SYSTEM MODERNIZATION - ADV DEV		-	-	-	-
0603649A	61 ENGINEER MOBILITY EQUIPMENT ADVANCED DEVELOPMENT		-	-	-	-
0603653A	62 ADVANCED TANK ARMAMENT SYSTEM (ATAS)	8,928	8,928	8,928	-	8,928
0603713A	63 ARMY DATA DISTRIBUTION SYSTEM	17,281	17,281	17,281	-	17,281
0603745A	64 TACTICAL ELECTRONIC SUPPORT SYSTEMS - ADV DEV		-	-	-	-
0603747A	65 SOLDIER SUPPORT AND SURVIVABILITY	7,581	7,581	7,581	-	7,581
0603766A	66 TACTICAL ELECTRONIC SURVEILLANCE SYSTEM - ADV DEV		-	-	-	-
0603774A	67 NIGHT VISION SYSTEMS ADVANCED DEVELOPMENT	2,681	2,681	2,681	-	2,681
0603790A	68 NATO RESEARCH AND DEVELOPMENT	11,161	11,161	9,161	-	9,161
	Program Reduction			[-2000]	(2,000)	
0603801A	69 AVIATION - ADV DEV	7,487	12,487	7,487	-	7,487
	Retinal Display Technology		[5,000]		-	
0603804A	70 LOGISTICS AND ENGINEER EQUIPMENT - ADV DEV	17,478	17,478	17,478	-	17,478
0603805A	71 CBT SERVICE SUPPORT CONTROL SYSTEM EVALUATION AND ANALYSIS	14,353	14,353	14,353	-	14,353
0603807A	72 MEDICAL SYSTEMS - ADV DEV	11,414	11,414	11,414	-	11,414
0603851A	73 TRACTOR CAGE (DEM/VAL)	966	966	966	-	966
0603854A	74 ARTILLERY SYSTEMS - DEM/VAL	313,166	253,566	313,166	-	313,166
	Crusader Program Reduction		[-59,600]		-	
0603856A	75 SCAMP BLOCK II DEM/VAL	7,969	7,969	7,969	-	7,969
0604201A	76 AIRCRAFT AVIONICS	7,878	7,878	7,878	-	7,878
0604220A	77 ARMED, DEPLOYABLE OH-58D		-	-	-	-
0604223A	78 COMANCHE	367,823	429,823	391,823	-	391,823
	Prototype #2 Acceleration		[24,000]	[24,000]	24,000	
	Comanche Portable Cockpit		[8,000]		-	
	MEP Risk Reduction		[30,000]		-	
0604270A	79 EW DEVELOPMENT	85,989	90,989	94,589	-	94,589
	ATIRCM Integation Kit			[8,600]	8,600	
	Shortstop Electronic Protection System - SEPS		[5,000]		-	

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604321A	80	ALL SOURCE ANALYSIS SYSTEM	28,081	30,081	30,281	-	28,081
		Software Integration		[2,000]	[2,200]	-	
0604325A	81	FOLLOW-ON TO TOW	48,106	48,106	48,106	-	13,106
		Program Reduction				(35,000)	
0604328A	82	TRACTOR CAGE	1,788	1,788	1,788	-	1,788
0604604A	83	MEDIUM TACTICAL VEHICLES		-	-	-	-
0604609A	84	SMOKE, OBSCURANT AND TARGET DEFEATING SYS-ENG DEV	706	706	706	-	706
0604611A	85	JAVELIN	5,277	5,277	5,277	-	5,277
0604619A	86	LANDMINE WARFARE	23,189	23,189	23,189	-	23,189
0604622A	87	FAMILY OF HEAVY TACTICAL VEHICLES		-	-	-	
0604633A	88	AIR TRAFFIC CONTROL	1,737	1,737	1,737	-	1,737
0604640A	89	ADVANCED COMMAND AND CONTROL VEHICLE (AC2V)		-	-	-	-
0604641A	90	TACTICAL UNMANNED GROUND VEHICLE (TUGV)	2,468	2,468	2,468	-	2,468
0604642A	91	LIGHT TACTICAL WHEELED VEHICLES		-	-	-	-
0604645A	92	ARMORED SYSTEMS MODERNIZATION (ASM)-ENG. DEV.	4,500	4,500	4,500	-	4,500
0604649A	93	ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	63,069	63,069	-	63,069
0604710A	94	NIGHT VISION SYSTEMS - ENG DEV	21,311	21,311	21,311	-	21,311
0604713A	95	COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	62,218	62,218	-	58,218
		Contract Modifications and Engineering Change Proposals				(4,000)	
0604715A	96	NON-SYSTEM TRAINING DEVICES - ENG DEV	64,035	64,035	64,035	-	64,035
0604716A	97	TERRAIN INFORMATION - ENG DEV	2,999	2,999	2,999	-	2,999
0604726A	98	INTEGRATED METEOROLOGICAL SUPPORT SYSTEM	1,790	1,790	1,790	-	1,790
0604739A	99	INTEGRATED BROADCAST SERVICE	4,447	4,447	4,447	-	4,447
0604741A	100	AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE - ENG DEV	6,476	6,476	6,476	-	6,476
0604746A	101	AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	7,030	7,030	-	7,030
0604760A	102	DISTRIBUTIVE INTERACTIVE SIMULATIONS (DIS) - ENGINEERING DEVELOPMENT	2,766	2,766	2,766	-	2,766
0604766A	103	TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES - EMD (TIARA)	44,674	40,074	44,674	-	40,074
		TIARA		[-4,600]		(4,600)	
0604768A	104	BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	134,858	134,858	134,858	-	134,858
0604770A	105	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM	5,503	21,503	5,503	-	5,503
		SCDL SIP		[16,000]		-	
0604778A	106	POSITIONING SYSTEMS DEVELOPMENT (SPACE)	379	379	379	-	379

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604780A	107	COMBINED ARMS TACTICAL TRAINER (CATT) CORE	7,533	7,533	7,533	-	7,533
0604801A	108	AVIATION - ENG DEV	6,599	6,599	6,599	-	11,599
		Retinal Display Technology				5,000	
0604802A	109	WEAPONS AND MUNITIONS - ENG DEV	37,725	37,725	37,725	-	35,725
		Mortar Fire Control System Contract Savings				(2,000)	
0604804A	110	LOGISTICS AND ENGINEER EQUIPMENT - ENG DEV	26,002	28,002	26,002	-	26,002
		Ultra Lightweight Camouflage Netting System - ULCANS		[2,000]		-	
0604805A	111	COMMAND, CONTROL, COMMUNICATIONS SYSTEMS - ENG DEV	16,404	16,404	16,404	-	16,404
0604807A	112	MEDICAL MATERIEL/MEDICAL BIOLOGICAL DEFENSE EQUIPMENT - ENG DEV	5,338	5,338	5,338	-	5,338
0604808A	113	LANDMINE WARFARE/BARRIER - ENG DEV	46,905	46,905	46,905	-	41,405
		Remote Anti-Armor Mine System				(5,500)	
0604814A	114	SENSE AND DESTROY ARMAMENT MISSILE - ENG DEV	20,813	20,813	20,813	-	20,813
0604816A	115	LONGBOW - ENG DEV		-	-	-	-
0604817A	116	COMBAT IDENTIFICATION	13,471	13,471	13,471	-	13,471
0604818A	117	ARMY TACTICAL COMMAND & CONTROL HARDWARE & SOFTWARE	32,929	32,929	32,929	-	32,929
0604820A	118	RADAR DEVELOPMENT	2,786	2,786	6,786	-	6,786
		Passive Adjunct Sensor Capability			[4,000]	4,000	
0604823A	119	FIREFINDER	19,822	19,822	20,722	-	20,722
		Accelerate Software			[900]	900	
0604824A	120	DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS	33,600	33,600	23,600	-	23,600
		Program Reduction			[-10,000]	(10,000)	
0604854A	121	ARTILLERY SYSTEMS - EMD	100	13,100	100	-	2,600
		Digital Fire Control Technology		[8,000]		-	
		LWT 155 Fire Control Technology		[5,000]		2,500	
0604256A	122	THREAT SIMULATOR DEVELOPMENT	11,935	11,935	11,935	-	11,935
0604258A	123	TARGET SYSTEMS DEVELOPMENT	13,127	13,127	13,127	-	13,127
0604759A	124	MAJOR T&E INVESTMENT	40,284	40,284	39,284	-	39,284
		Program Reduction			[1,000]	(1,000)	
0605103A	125	RAND ARROYO CENTER	16,718	16,718	16,718	-	16,718
0605301A	126	ARMY KWAJALEIN ATOLL	142,710	142,710	140,710	-	128,710
		Program Reduction			[-2,000]	(14,000)	
0605326A	127	CONCEPTS EXPERIMENTATION PROGRAM	17,441	17,441	17,441	-	10,541

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Program Reduction for Undefined Experiments				(6,900)	
0605502A	128	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605601A	129	ARMY TEST RANGES AND FACILITIES	119,553	119,553	119,553	-	119,553
0605602A	130	ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	33,439	40,439	-	40,439
		Testing Instrumentation and Targets			[7,000]	7,000	
0605604A	131	SURVIVABILITY/LETHALITY ANALYSIS	30,498	30,498	34,498	-	34,498
		IW Vulnerability Assessment			[4,000]	4,000	
0605605A	132	DOD HIGH ENERGY LASER TEST FACILITY	15,022	15,022	23,022	-	23,022
		Solid State Laser			[8,000]	8,000	
0605606A	133	AIRCRAFT CERTIFICATION	2,924	2,924	2,924	-	2,924
0605702A	134	METEOROLOGICAL SUPPORT TO RDT&E ACTIVITIES	6,691	6,691	6,691	-	6,691
0605706A	135	MATERIEL SYSTEMS ANALYSIS	9,711	9,711	9,711	-	9,711
0605709A	136	EXPLOITATION OF FOREIGN ITEMS	4,031	4,031	4,031	-	4,031
0605712A	137	SUPPORT OF OPERATIONAL TESTING	66,320	66,320	66,320	-	66,320
0605716A	138	ARMY EVALUATION CENTER	25,526	25,526	25,526	-	25,526
0605801A	139	PROGRAMWIDE ACTIVITIES	64,588	64,588	64,588	-	64,588
0605802A	140	INTERNATIONAL COOPERATIVE RESEARCH AND DEVELOPMENT		-	-	-	-
0605803A	141	TECHNICAL INFORMATION ACTIVITIES	16,251	16,251	16,251	-	16,251
0605805A	142	MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	8,497	8,497	-	8,497
0605853A	143	ENVIRONMENTAL CONSERVATION	3,195	3,195	3,195	-	3,195
0605854A	144	POLLUTION PREVENTION	8,694	8,694	8,694	-	8,694
0605856A	145	ENVIRONMENTAL COMPLIANCE	44,116	44,116	44,116	-	44,116
0605876A	146	MINOR CONSTRUCTION (RPM) - RDT&E	4,205	4,205	4,205	-	4,205
0605878A	147	MAINTENANCE AND REPAIR (RPM) - RDT&E	49,233	49,233	49,233	-	49,233
0605879A	148	REAL PROPERTY SERVICES (RPS) - RDT&E	87,172	87,172	87,172	-	87,172
0605896A	149	BASE OPERATIONS - RDT&E	230,029	230,029	230,029	-	230,029
0605898A	150	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,683	4,683	4,683	-	4,683
0909999A	151	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
0603778A	152	MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	26,244	20,244	-	24,444
		Savings				(1,800)	
		HIMARS		[6,000]		6,000	
0102419A	153	AEROSTAT JOINT PROJECT OFFICE	103,937	30,037	53,937	-	30,037

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Program Reduction		[-73,900]	[-50,000]	(73,900)	
0203726A	154	ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	47,611	-	40,381
		Airspace Deconfliction and Technical Fire Support Enhancements			[12,500]	12,500	
		AFATDS 2000 Software Development 2				(7,230)	
0203735A	155	COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	94,756	101,756	-	101,756
		Flat Panel Display Improvement Program			[7,000]	7,000	
0203740A	156	MANEUVER CONTROL SYSTEM	28,923	28,923	28,923	-	28,923
0203744A	157	AIRCRAFT MODIFICATIONS/PRODUCT IMPROVEMENT PROGRAMS	26,681	26,681	26,681	-	26,681
0203752A	158	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	2,948	-	9,948
		Improved Fuel Pump		[4,000]		4,000	
		FA Digital Engine Control System (FADEC)		[5,000]		3,000	
0203758A	159	DIGITIZATION	45,007	45,007	45,007	-	45,007
0203759A	160	FORCE XXI BATTLE COMMAND, BRIGADE AND BELOW (FBCB2)	52,469	52,469	52,469	-	52,469
0203761A	161	FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION PROGRA	99,528	99,528	99,528	-	69,528
		Project Reduction				(30,000)	
0203801A	162	MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	11,252	23,252	11,252	-	17,252
		Stinger Block II		[12,000]		6,000	
0203802A	163	OTHER MISSILE PRODUCT IMPROVEMENT PROGRAMS	1,248	1,248	1,248	-	1,248
0203806A	164	TRACTOR RUT		-	-	-	-
0203808A	165	TRACTOR CARD	3,993	3,993	3,993	-	3,993
0208010A	166	JOINT TACTICAL COMMUNICATIONS PROGRAM (TRI-TAC)	35,941	35,941	35,941	-	35,941
0208053A	167	JOINT TACTICAL GROUND SYSTEM	12,229	-	12,229	-	12,229
		Program Reduction		[-12,229]		-	
0301359A	168	SPECIAL ARMY PROGRAM	6,537	7,537	6,537	1,000	7,537
XXXXXX		DEFENSE INFORMATION TECHNOLOGY TEST BED		6,600		5,000	5,000
0303140A	169	INFORMATION SYSTEMS SECURITY PROGRAM	7,433	12,433	7,433	-	12,433
		Health Care Info Protection		[5,000]		5,000	
0303142A	170	SATCOM GROUND ENVIRONMENT (SPACE)	53,897	53,897	53,897	-	53,897
0303150A	171	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	17,543	17,543	17,543	-	17,543
0305114A	172	TRAFFIC CONTROL, APPROACH AND LANDING SYSTEM-FY 1987 AND PRIOR (H)		-	-	-	-
0305128A	173	SECURITY AND INVESTIGATIVE ACTIVITIES	950	950	950	-	950
0305204A	174	TACTICAL UNMANNED AERIAL VEHICLES	75,636	49,636	75,636	-	53,636

Title II- RDTE
(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Transfer to 35204N		[-18,000]		(14,000)	
		Transfer to 35204M		[-8,000]		(8,000)	
0305206A	174a	AIRBORNE RECONNAISSANCE SYSTEM				-	7,500
		Transfer				7,500	
0305208A	174b	Distributed Common Ground Systems				-	8,912
		Transfer				8,912	
0708045A	175	END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	57,711	30,511	-	43,711
		Munitions Manufacturing Technology		[15,000]		13,200	
		Undefined Projects		[12,200]		-	
1001018A	176	NATO JOINT STARS	6,405	6,405	6,405	-	-
		Program Reduction				(6,405)	
		ADVISORY AND ASSISTANCE SERVICES REDUCTION		(20,000)		(12,018)	(12,018)
		ECONOMIC ADJUSTMENT			(10,000)	(10,000)	(10,000)
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL ARMY	4,780,545	4,792,997	4,816,145	(123,533)	4,657,012

Additional decreases in technology base funding

The conferees agree to include a number of decreases in recognition of lack of congressional support for funding. Among these are the following:

	In millions
PE 61102A—Defense Research Sciences	−$8.0
PE 61104A—University and Industry Research Centers	−3.3
PE 62308A—Modeling and Simulation Technology	−4.5
PE 64824A—DUAP Commercial Operations and Support Savings	−10.0
PE 64805N—Commercial Operations and Support Savings	−10.0
PE 72207N—Depot Maintenance (Non-IF)	−20.0
PE 64805F—Commercial Operations and Support Savings	−10.0
PE 65122D—Industrial Capabilities Assessments	−2.9

Other similar decreases are noted elsewhere in the report.

The conferees also agree to a number of decreases in authorization to fund higher priority programs. Among these decreases are the following:

	In millions
PE 62120A—Sensors and Electronic Survivability	−$1.8
PE 62211A—Aviation Technology	−1.9
PE 65326A—Concepts Experimentation Program	−6.9
PE 65804N—Technical Information Services	−2.5
PE 27424F—Evaluation & Analysis Program	−12.8

Other similar decreases are noted elsewhere in the statement of managers accompanying this Act.

Materials technology

The budget request included $10.1 million in PE 62105A for materials technology research.

The House bill would authorize an increase of $5.0 million for hardened materials research for land warfare systems applications.

The Senate amendment would authorize an increase of $3.0 million for continuing hardened materials research in missile composite structures and composite shroud assemblies.

The House recedes.

Missile technology

The budget request included $25.2 million in PE 62303A for missile technology.

The House bill would authorize the budget request for missile technology in PE 62303A, but would authorize an increase of $8.0 million in scramjet technology development in PE 63003A.

The Senate amendment would authorize an increase of $3.0 million for scramjet technology in PE 62303A and an increase of $1.5 million for research in acoustic effects in the same program element.

The House recedes.

Combat vehicle and automotive technology

The budget request included $40.1 million in PE 62601A for combat vehicles and automotive technology.

The House bill would authorize an increase of $10.0 million for the innovative industry and academia alternative vehicle propulsion technology initiative.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.5 million for the innovative alternative vehicle propulsion technology developed within industry and the academic community, as described in the House report (H. Rept. 105-532). The conferees further agree to a decrease of $5.0 million for the future infantry and combat system.

Human factors engineering technology

The budget request included $13.3 million in PE 62716A for human factors engineering technology including $500,000 for Emergency Team Coordination (MedTeams) program.

The House bill would authorize an increase of $4.8 million to complete the MedTeams program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.8 million and note that the authorized funds will allow for the completion of this program in fiscal year 1999, eliminating the need for further funding.

Environmental quality technology

The budget request included $13.8 million for environmental quality technology within PE 62720A.

The House bill would authorize an increase of $16.0 million, with $4.0 million for the Radford Environmental Development and Management Program (REDMAP), $3.0 million for the Plasma Energy Pyrolysis System (PEPS), $4.0 million for the Computer-Based Land Management Model, and $5.0 million for the Agricultural Based Bioremediation.

The Senate amendment would authorize an increase of $32.5 million, with $24.0 million for pollution prevention research and development initiatives, to be awarded on a competitive basis by the National Defense Center for Environmental Excellence (PE 62720A), $3.5 million for REDMAP, and $5.0 million for PEPS.

The conferees agree to authorize an increase of $5.0 million for PEPs, $3.5 million for REDMAP, $5.0 million for Agricultural Based Bioremediation, and $3.0 million for the Computer-Based Land Management Model in PE 62720A.

The conferees also agree to authorize an increase of $20.0 million for pollution prevention research and development initiatives, and direct the Department of the Army to establish an Environmental Quality Technology (EQT) Budget Activity Four Program Element to manage these additional funds beginning in fiscal year 1999. The conferees direct the Department to transfer project DE31, and any related funding, from PE 78045A to this new program element, beginning in fiscal year 2000 and continuing through fiscal year 2005. The Department shall ensure that all applicable competitive procedures are used in the award of contracts or other agreements related to the obligation and expenditure of these $20.0 million, and that cost-sharing requirements for non-federal participants be utilized where appropriate. The conferees direct that these funds be used to develop new materials and manufacturing processes for the purpose of validating technology for installation of pollution abatement and enhancing weapons systems performance and reducing life cycle operations and maintenance costs. The Department shall seek to accomplish this work by exploiting the capabilities of the National Defense Center for Environmental Excellence (NDCEE), where appropriate.

Command, control, and communications technology

The budget request included $19.7 million in PE 62782A for command, control, and communications technology.

The House bill would authorize an increase of $2.8 million for the Army multi-media communications device.

The Senate amendment would authorize the budget request.

The Senate recedes.

Military engineering technology

The budget request included $37.5 million in PE 62784A for military engineering technology including $3.3 million for cold regions research.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.2 million for cold regions research.

The House recedes.

Medical advanced technology

The budget request included $11.0 million in PE 63002A for medical advanced technology.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.0 million for nutrition research.

The House recedes.

Aviation advanced technology

The budget request included $30.0 million in PE 63003A for aviation advanced technology.

The House bill would authorize an increase of $2.0 million for the Stinger universal launcher and an increase of $3.0 million to support comparative testing of Starstreak and Stinger missiles for application to the Apache helicopter program. The House bill would also authorize an increase of $8.0 million for scramjet technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million in PE 63003A, of which $2.0 million is for the Stinger universal launcher and $3.0 million is to support comparative testing of Starstreak and Stinger for application to the Apache helicopter program. Scramjet funding is addressed elsewhere in this statement of managers.

Weapons and munitions advanced technology

The budget request included $24.6 million in PE 63004A for weapons and munitions advanced technology.

The House bill would authorize an increase of $6.0 million for the precision guided mortar munitions program, an increase of $5.0 million for the future direct support weapon system, and an increase $6.0 million for the trajectory correctible munitions program.

The Senate amendment would authorize an increase of $4.5 million for the precision guided mortar munitions program.

The conferees agree to authorize an increase of $4.5 million for the precision guided mortar munitions program. The conferees regret the inability to authorize an additional $5.0 million for the future direct support weapon system because of limitations on available appropriations. The conferees urge the Army to consider reprogramming up to $5.0 million from other available funds to accelerate this program. The authorization of additional funding for the trajectory correctable munitions program is addressed elsewhere in this statement of managers.

Combat vehicle and automotive advanced technology

The budget request included $54.4 million in PE 63005A for combat vehicle and automotive advanced technology.

The House bill would authorize an increase of $17.0 million, as follows:

(1) $10.0 million for advanced lightweight composite materials; and

(2) $7.0 million for innovative engine technology.

The Senate amendment would authorize an increase of $3.0 million for aluminum metal matrix development.

The conferees agree to authorize an increase of $3.0 million for aluminum metal matrix technology development and an increase of $2.0 million for innovative engine technology development.

Missile and rocket advanced technology

The budget request included $86.1 million in PE 63313A for missile and rocket advanced technology.

The House bill and Senate amendment would authorize a total decrease of $29.7 million, as follows:

(1) a $35.7 million decrease for the enhanced fiber optic guided missile (E–FOGM) program; and

(2) a $6.0 million increase for the future missile technology integration (FMTI) program.

The conferees agree to authorize a decrease of $29.7 million for missile and rocket advanced technology, including a decrease of $35.7 million for E–FOGM and an increase of $6.0 million for FMTI.

Joint service small arms program

The budget request included $5.2 million in PE 63607A for joint service small arms program.

The House bill would authorize an increase of $3.5 million for the objective crew served weapon (OCSW).

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.5 million for the OCSW program.

Tactical high energy laser

The budget request included no funds for the joint U.S.-Israel Tactical High Energy Laser (THEL) program.

The House bill would authorize an increase of $10.0 million for THEL and related advanced technologies.

The Senate amendment would authorize an increase of $10.0 million to continue THEL testing and deployment activities.

The conferees agree to authorize an increase of $10.0 million for the THEL program.

Armament enhancement initiative

The budget request included $26.5 million in PE 63639A for the armament enhancement initiative program.

The House bill would authorize an increase of $10.0 million for the tank extended range munition-kinetic energy (TERM–KE) program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.0 million for the TERM–KE program.

Comanche

The budget request included $367.8 million in PE 64223A for Comanche helicopter development.

The House bill would authorize an increase of $62.0 million to accelerate testing of the second Comanche prototype and for other risk reduction efforts.

The Senate amendment would authorize an increase of $24.0 million to accelerate flight testing of the second Comanche prototype.

The conferees agree to authorize an increase of $24.0 million to accelerate flight testing of the second Comanche prototype.

Electronic warfare development

The budget request included $86.0 million in PE 64270A for electronic warfare development.

The House bill would authorize an increase of $5.0 million for the Shortstop electronic protection system.

The Senate amendment would authorize an increase of $8.6 million for advanced threat infrared countermeasures (ATIRCM) development.

The conferees agree to authorize an increase of $8.6 million for ATIRCM development.

Follow-on to TOW

The budget request included $48.1 million in PE 64325A for continued development of the follow-on to TOW (FOTT) system.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to a decrease of $35.0 million with the remaining funds made available for restructured research and development requirements associated with the TOW missile.

The conferees note a recent Army decision to terminate the FOTT program due largely to affordability concerns.

Combat feeding, clothing, and equipment

The budget request included $62.2 million to support research and development activities associated with combat feeding, clothing, and equipment development.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $4.0 million that is no longer required due to contract modifications and engineering change proposals.

Aviation-engineering development

The budget request included $6.6 million in PE 64801A for aviation engineering development requirements.

The House bill would authorize an increase of $5.0 million in PE 63801A for retinal display technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million in PE 64801A for retinal display technology development.

Weapons and munitions-engineering development

The budget request included $37.7 million to support requirements for improved weapons and munitions.

The House bill and the Senate amendment would support the budget request.

The conferees agree to a decrease of $2.0 million as contract savings no longer require the level of funding requested.

The conferees note that the Army contract for mortar fire control systems did not require the level of funding projected in the budget request.

Landmine warfare/barrier-engineering development

The budget request included $46.9 million in PE 64808A for landmine warfare/barrier engineering development activities.

The House bill and the Senate amendment would support the budget request.

The conferees agree to authorize a decrease of $5.5 million no longer required for the remote anti-armor mine system program due to a slip in the program and the recent approval of a reprogramming action.

Radar development

The budget request included $2.8 million to support improvements to existing ground based radar systems.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $4.0 million in PE 64820A for development of a passive adjunct sensor capability for the Sentinel radar.

The conferees agree to authorize an increase of $4.0 million to develop a passive adjunct sensor capability for the Sentinel radar.

Firefinder

The budget request included $19.8 million in PE 64823A for Firefinder radar development activities.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $0.9 million to accelerate new software development for the Firefinder system.

The conferees agree to authorize an increase of $0.9 million to accelerate software development.

Artillery systems-engineering and manufacturing development

The budget request included $0.1 million in PE 64854A for artillery systems-engineering and manufacturing development.

The House bill would authorize an increase of $13.0 million, as follows:

(1) $8.0 million for digital fire control technology for Crusader; and

(2) $5.0 million for fire control technology for the lightweight howitzer.

The Senate bill would authorize the budget request.

The conferees agree to authorize an increase of $2.5 million for lightweight 155 fire control technology.

Decrease to Research, Development, Test and Evaluation support programs

The House bill would authorize a decrease of $9.8 million to address insufficiently justified program growth in Research, Development, Test and Evaluation (RDT&E) support programs.

The Senate amendment would authorize a decrease of $27.0 million to address concerns regarding the management, infrastructure and support programs in the RDT&E budget.

The conferees agree to a total decrease of $42.8 million, as follows:

	In millions
Army:	
PE 64759A—Major test & evaluation support	−$1.0
PE 65301A—Kwajalien	−14.0
Navy:	
PE 65152N—Studies & analysis support	−1.0
PE 65853N—Management, technical & International support	−11.0
PE 65863N—RDT&E ship & aircraft support	−2.0
PE 65864N—Test & evaluation support	−5.8
Air Force:	
PE 65807F—Test & evaluation support	−4.0
PE 65808F—Development planning	−2.0
Defense Agencies:	
PE 65804D—Developmental test & evaluation	−2.0

The conferees intend that the decrease taken in PE 65853N should not affect project X2222, and that this particular project be moved from this program element to a more appropriate place in the budget.

Army technical test instrumentation and targets

The budget request included $33.4 million in PE 65602A for Army technical test instrumentation and targets.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $7.0 million for instrumentation and targets.

The conferees agree to authorize an increase of $7.0 million for instrumentation and targets.

Survivability/lethality analysis

The budget request included $30.5 million in PE 65604A for survivability/lethality analysis.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $4.0 million for information warfare vulnerability assessments.

The conferees agree to authorize $4.0 million for information warfare vulnerability assessments.

Department of Defense high energy laser test facilities

The budget request included $15.0 million in PE 65605A for Department of Defense high energy laser test facility.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $8.0 million for solid state laser technology, and urged the Army to devote $1.5 million to address issues involving crystal growth manufacturing.

The House recedes.

Multiple launch rocket system product improvement program

The budget request included $20.2 million for the multiple launch rocket system (MLRS) product improvement program.

The House bill would authorize an increase of $6.0 million to accelerate development of high mobility artillery rocket system (HIMARS).

The Senate amendment would authorize the budget request.

The conferees agree to authorize a net increase of $4.2 million, including an increase of $6.0 million for HIMARS research and development activities, and a decrease of $1.8 million for contract savings.

Advanced field artillery tactical data system

The budget request included $35.1 million in PE 23726A for the advanced field artillery tactical data system (AFATDS).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $12.5 million for airspace deconfliction and technical fire support enhancements.

The conferees agree to authorize a net increase of $5.3 million in PE 23726A, including an increase of $12.5 million for airspace deconfliction and technical fire support enhancements and a decrease of $7.2 million for AFATDS 2000 development activities.

Combat vehicle improvement programs

The budget request included $94.8 million in PE 23735A for combat vehicle improvment programs.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $7.0 million for flat panel display technology development.

The conferees agree to authorize an increase of $7.0 million for flat panel display technology development.

Aircraft engine component improvement program

The budget request included $2.9 million to develop improvements for Army aircraft engines.

The House bill would authorize an increase of $5.0 million for research and development of improved aircraft fuel pumps and an increase of $4.0 million for full authority digital engine control (FADEC) systems.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.0 million, including $4.0 million for support research and development requirements for improved aircraft fuel pumps and $3.0 million for FADEC systems.

Force XXI warfighting rapid acquisition program

The budget request included $99.5 million in PE 23761A to support procurements required for Army experimentation.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to a decrease of $30.0 million.

Missile/air defense product improvement program

The budget request included $11.3 million to develop improvements for Army missile and air defense systems.

The House bill would authorize an increase of $12.0 million for further development of the Stinger block II air defense missile.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $6.0 million to support research and development requirements for the Stinger block II missile system.

Defense information technology test bed

The budget request included no funding in PE 23726A for the defense information technology test bed (DITT).

The House bill would authorize an increase of $6.6 million for DITT. This effort will establish a fully electronic virtual intelligence archive for use by battlefield commanders.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million for the development of a DITT program.

Information systems security program

The budget request included $7.4 million in PE 303140A to meet information system security requirements.

The House bill would authorize an increase of $5.0 million to continue the demonstration program for military health care information protection.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million to support continued development and demonstration of military healthcare information protection measures.

Manufacturing technology

The budget request included $150.7 million for the Department of Defense manufacturing technology (MANTECH) program including: $14.5 million in PE 78045A; $59.0 million in PE 78011N; $51.0 million in PE 78011F; and $26.2 million in PE 78011S.

The House bill would authorize an increase of $43.2 million for MANTECH: $27.2 million in PE 78045A; $8.6 million in PE 78011N; and, $7.4 million in PE 78011F.

The conferees agree to an increase of $21.8 million: $13.2 million for munitions manufacturing efforts within the Army MANTECH program (PE 78045A) and $8.6 million in the Navy MANTECH program (PE 78011N) to address program shortfalls. The conferees expect the additional funds to be awarded using competitive procedures based on the technical priorities established by the Army MANTECH technical council and the Navy MANTECH steering committee.

Overview

The budget request for fiscal year 1999 contained an authorization of $8,108.9 million for Navy, Research and Development in the Department of Defense. The House bill would authorize $8,403.6 million. The Senate amendment would authorize $8,188.9 million. The conferees recommended an authorization of $8,305.0 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II- RDTE
(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL NAVY					
0601152N	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,734	14,734	14,734	-	14,734
0601153N	2	DEFENSE RESEARCH SCIENCES	347,945	352,445	347,945	-	347,945
		Optically Multiplexed/Wideband Radar Beamformer		[4,500]		-	
		Marine Mammal Research Program		[500]		[500]	
		Autonomous Underwater Robotics Technology		[4,000]		-	
0602111N	3	AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,140	37,140	38,140	-	38,140
		Pulse Detonation Engine Technology			[1,000]	1,000	
0602121N	4	SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	43,177	46,177	-	46,177
		Stainless Steel Double Hull			[3,000]	3,000	
0602122N	5	AIRCRAFT TECHNOLOGY	23,229	23,229	23,229	-	23,229
0602131M	6	MARINE CORPS LANDING FORCE TECHNOLOGY	12,132	12,132	12,132	-	12,132
0602228N	7	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE	4,699	4,699	4,699	-	4,699
0602232N	8	COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE, SURVEILLA	65,033	66,033	60,033	-	60,033
		Program Reduction			[-5,000]	(6,000)	
		Hybrid Fiberoptic/Wireless Communications System Technology		[1,000]		1,000	
0602233N	9	HUMAN SYSTEMS TECHNOLOGY	29,722	29,722	29,722	-	29,722
0602234N	10	MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	89,617	83,617	-	91,117
		Thermal Management Materials		[2,500]	[1,500]	2,500	
		Electronic Propulsion Technology			[2,000]	2,000	
		C/C Heatshields		[3,000]	[2,500]	2,500	
		Silicon Carbide Semiconductor Substrates		[3,500]		3,500	
		Superconducting Waveform Generator		[3,000]		3,000	
0602270N	11	ELECTRONIC WARFARE TECHNOLOGY	23,849	23,849	23,849	-	23,849
0602314N	12	UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	50,619	50,619	50,619	-	50,619
0602315N	13	MINE COUNTERMEASURES, MINING AND SPECIAL WARFARE	45,928	45,928	45,928	-	45,928
0602435N	14	OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	66,722	56,722	-	66,722
		Autonomous Underwater Vehicle and Sonar Development		[10,000]		10,000	
0602633N	15	UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,856	36,856	34,856	-	36,856
		Micromechanical System Technology Applications		[2,000]		2,000	
0602805N	16	DUAL USE APPLICATIONS PROGRAM	20,000	20,000	20,000	-	20,000
0603217N	17	AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	48,143	-	46,143

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		VECTOR		[-7,000]		(7,000)	
		DP-2 Thust Vectoring Systems Proof of Concept		[5,000]		5,000	
0603238N	18	PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	58,306	63,306	-	53,406
		Mobile Offshore Base			[5,000]	4,000	
		Fleet Advanced Demonstrations				(8,900)	
0603270N	19	ADVANCED ELECTRONIC WARFARE TECHNOLOGY	17,169	17,169	17,169	-	17,169
0603508N	20	SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	43,264	-	51,264
		Power Electronic Building Blocks		[6,000]		6,000	
		Power Node Control Centers		[2,000]		2,000	
		Composite Helicopter Hangar			[5,000]	5,000	
		Advanced Electric Systems			[-1,000]	(1,000)	
0603640M	21	MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	41,931	52,931	-	52,931
		Warfighting Lab			[10,000]	10,000	
		K-band Training/Test Instrumentation System 1			[1,000]	1,000	
0603706N	22	MEDICAL DEVELOPMENT	18,728	18,728	19,728	-	19,728
		Freeze Dried Blood Research			[1,000]	1,000	
0603707N	23	MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	21,042	21,042	21,042	-	21,042
0603712N	24	ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	20,919	20,919	20,919	-	20,919
0603747N	25	UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	64,827	56,827	-	56,827
		Shallow Water Influence Minesweeping Systems		[8,000]		-	
0603782N	26	MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	41,710	41,710	42,710	-	42,710
		Advanced Lightweight Influence Sweep System			[1,000]	1,000	
0603792N	27	ADVANCED TECHNOLOGY TRANSITION	74,392	74,392	74,392	-	74,392
0603794N	28	C3 ADVANCED TECHNOLOGY	22,294	22,294	22,294	-	22,294
		NAVY THEATER MISSILE DEFENSE		50,000			
0603207N	29	AIR/OCEAN TACTICAL APPLICATIONS	28,824	28,824	28,824	-	28,824
0603208N	30	TRAINING SYSTEM AIRCRAFT		-	-	-	-
0603216N	31	AVIATION SURVIVABILITY	8,164	14,164	8,164	-	11,164
		Ejection Seats		[3,000]		-	
		Escape System Dynamic Flow Test Facility		[3,000]		3,000	
0603254N	32	ASW SYSTEMS DEVELOPMENT	20,184	23,184	20,184	-	23,184
		Develop & Test Technology for Beartrap		[3,000]		3,000	

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0603261N	33	TACTICAL AIRBORNE RECONNAISSANCE	1,479	1,479	1,479	-	1,479
0603382N	34	ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	8,653	6,653	-	6,653
		Studies and Experiments for Combat Systems Engineering			[-2,000]	(2,000)	
0603502N	35	SURFACE AND SHALLOW WATER MINE COUNTERMEASURES	73,491	80,491	89,386	-	80,491
		Remote Mine Hunting System		[7,000]	[15,895]	7,000	
0603504N	36	ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	68,402	68,402	68,402	-	68,402
0603506N	37	SURFACE SHIP TORPEDO DEFENSE		-	-	-	-
0603512N	38	CARRIER SYSTEMS DEVELOPMENT	154,307	154,307	154,307	-	74,307
		CVN-77 Technology Insertion		[50,000]	[50,000]	[50,000]	
		Program Reduction				(80,000)	
0603513N	39	SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	27,725	-	26,725
		Static Frequency Converters		[1,000]		1,000	
		Shipboard Aux Systems Development				(2,000)	
0603514N	40	SHIP COMBAT SURVIVABILITY	7,595	7,595	7,595	-	7,595
0603525N	41	PILOT FISH	117,094	117,094	117,094	-	117,094
0603536N	42	RETRACT JUNIPER	11,055	11,055	11,055	-	11,055
0603542N	43	RADIOLOGICAL CONTROL	3,600	3,600	3,600	-	3,600
0603553N	44	SURFACE ASW	11,871	11,871	11,871	-	11,871
0603561N	45	ADVANCED SUBMARINE SYSTEM DEVELOPMENT	60,520	60,520	60,520	-	60,520
0603562N	46	SUBMARINE TACTICAL WARFARE SYSTEMS	4,676	4,676	4,676	-	4,676
0603563N	47	SHIP CONCEPT ADVANCED DESIGN	14,900	14,900	14,900	-	14,900
0603564N	48	SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	48,568	43,668	-	43,668
		ADC(X)		[5,900]		-	
		SSBN to SSGN Analysis			[1,000]	1,000	
0603570N	49	ADVANCED NUCLEAR POWER SYSTEMS	118,342	118,342	118,342	-	118,342
0603573N	50	ADVANCED SURFACE MACHINERY SYSTEMS	58,419	58,419	63,419	-	58,419
		Intercooled Recuperated Gas Turbine Engine			[5,000]	-	
0603576N	51	CHALK EAGLE	122,031	122,031	122,031	-	122,031
0603582N	52	COMBAT SYSTEM INTEGRATION	9,654	9,654	9,654	-	9,654
0603609N	53	CONVENTIONAL MUNITIONS	39,775	47,775	39,775	-	42,775
		Optical Correlator Technology Demonstarttion		[5,000]		-	
		Environmentally Safe Energetic Materials		[3,000]		3,000	

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0603610N	54	ADVANCED WARHEAD DEVELOPMENT (MK-50)		-	-	-	-
0603611M	55	MARINE CORPS ASSAULT VEHICLES	104,822	108,822	104,822	-	108,822
		Advanced Amphibious Assault Vehicle		[4,000]		4,000	
0603612M	56	MARINE CORPS MINE/COUNTERMEASURES SYSTEMS - ADV DEV	1,958	1,958	1,958	-	1,958
0603635M	57	MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39,633	41,133	-	46,633
		Lighteight 155mm Howitzer		[2,500]		2,500	
		Predator			[4,000]	2,000	
		Trajectory Corrected Munitions				5,000	
0603654N	58	JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	10,756	10,756	10,756	-	10,756
0603658N	59	COOPERATIVE ENGAGEMENT	131,623	157,623	131,623	-	157,623
		Battlegroup Interoperability		[20,000]		20,000	
		Test and Evaluation Linking Test & Traing Ranges		[6,000]		6,000	
		Ku-Band Data Link Transfer		[5,000]		-	
0603711N	60	FLEET TACTICAL DEVELOPMENT		-	-	-	-
0603713N	61	OCEAN ENGINEERING TECHNOLOGY DEVELOPMENT	15,257	15,257	15,257	-	15,257
0603721N	62	ENVIRONMENTAL PROTECTION	59,438	62,138	59,438	-	62,138
		Aviation Depot Maintenance Technology		[2,700]		2,700	
0603724N	63	NAVY ENERGY PROGRAM	4,592	4,592	4,592	-	4,592
0603725N	64	FACILITIES IMPROVEMENT	1,861	1,861	1,861	-	1,861
0603734N	65	CHALK CORAL	97,552	97,552	97,552	-	97,552
0603746N	66	RETRACT MAPLE	117,186	117,186	117,186	-	117,186
0603748N	67	LINK PLUMERIA	22,123	22,123	38,173	-	22,123
0603751N	68	RETRACT ELM	11,665	22,194	22,194	10,500	22,165
0603755N	69	SHIP SELF DEFENSE - DEM/VAL	12,337	12,337	12,337	-	12,337
0603785N	70	COMBAT SYSTEMS OCEANOGRAPHIC PERFORMANCE ASSESSMENT(H)		-	-	-	-
0603787N	71	SPECIAL PROCESSES	81,743	81,743	81,743	-	81,743
0603790N	72	NATO RESEARCH AND DEVELOPMENT	11,004	6,004	9,904	-	7,004
		VECTOR		[5,000]		-	
		Program Reduction				(4,000)	
0603795N	73	LAND ATTACK TECHNOLOGY	110,104	90,104	92,404	-	98,483
		Advanced Ship Vertical Gun		[20,000]	[-10,000]	(10,000)	
		Naval Surface Fire Support System Integration			[-7,700]	(1,621)	

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ACCOUNT	No.	Request	Authorized	Authorized	Change	Agreement
0603800N	74 JOINT STRIKE FIGHTER (JSF) - DEM/VAL	463,402	463,402	478,402	-	478,402
	Alternate Engine Program			[15,000]	15,000	
0603851M	75 NONLETHAL WEAPONS - DEM/VAL	22,592	22,592	35,892	-	35,892
	Non-Lethal			[13,300]	13,300	
	Human Effects Panel				[2,000]	
	Type Classification Completion				[500]	
0603852N	76 ARSENAL SHIP		-	-	-	-
0603860N	77 JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL		-	-	-	-
0603889N	78 COUNTERDRUG RDT&E PROJECTS		-	-	-	-
0604327N	79 HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS) PROGRAM	9,827	9,827	9,827	-	9,827
0604707N	80 SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINEERING SUP	17,955	17,955	20,955	-	20,955
	Advanced Communications and Information Technologies			[3,000]	3,000	
0603208N	81 TRAINING SYSTEM AIRCRAFT	595	595	595	-	595
0603266N	82 AH-1T COMPOSITE ROTOR BLADE (H)		-	-	-	-
0604212N	83 OTHER HELO DEVELOPMENT	231,120	231,120	238,120	-	238,120
	Critical Design Review (LAMPS MARK III COTS Tech Insertion)			[-1,000]	(1,000)	
	Parametric Airborne Dipping Sonar			[8,000]	8,000	
0604214N	84 AV-8B AIRCRAFT - ENG DEV	13,787	13,787	13,787	-	13,787
0604215N	85 STANDARDS DEVELOPMENT	51,987	51,987	51,987	-	51,987
0604217N	86 S-3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	31,469	-	4,376
	Common Support Aircraft		[-27,093]		(27,093)	
0604218N	87 AIR/OCEAN EQUIPMENT ENGINEERING	6,162	6,162	6,162	-	6,162
0604221N	88 P-3 MODERNIZATION PROGRAM	3,046	3,046	3,046	-	3,046
0604231N	89 TACTICAL COMMAND SYSTEM	50,713	50,713	50,713	-	50,713
0604245N	90 H-1 UPGRADES	98,542	98,542	98,542	-	98,542
0604261N	91 ACOUSTIC SEARCH SENSORS	29,637	29,637	29,637	-	29,637
0604262N	92 V-22A	355,142	355,142	355,142	-	355,142
0604264N	93 AIR CREW SYSTEMS DEVELOPMENT	9,454	9,454	9,454	-	9,454
0604270N	94 EW DEVELOPMENT	128,586	128,586	138,586	-	137,886
	IDECM Radio Frequency Countermeasures System			[10,000]	9,300	
0604307N	95 SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	132,561	134,561	-	132,061
	Laboratories and Field Activities Monitoring Efforts			[-3,000]	(3,000)	

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		DDG 51 Composite Director Room			[5,000]	2,500	
0604310N	96	ARSENAL SHIP		-	-	-	-
0604311N	97	LPD-17 CLASS SYSTEMS INTEGRATION	1,343	1,343	1,343	-	1,343
0604312N	98	TRI-SERVICE STANDOFF ATTACK MISSILE	2,064	2,064	2,064	-	2,064
0604355N	99	VERTICAL LAUNCH ASROC		-	-	-	-
0604366N	100	STANDARD MISSILE IMPROVEMENTS	1,320	1,320	1,320	-	1,320
0604373N	101	AIRBORNE MCM	24,967	24,967	24,967	-	24,967
0604503N	102	SSN-688 AND TRIDENT MODERNIZATION	50,300	65,300	65,300	-	65,300
		Multi-Purpose Processor		[15,000]	[15,000]	15,000	
0604504N	103	AIR CONTROL	4,198	4,198	8,198	-	8,198
		ECARS			[4,000]	4,000	
0604507N	104	ENHANCED MODULAR SIGNAL PROCESSOR	1,599	1,599	1,599	-	1,599
0604512N	105	SHIPBOARD AVIATION SYSTEMS	8,531	8,531	8,531	-	8,531
0604516N	106	SHIP SURVIVABILITY	6,196	6,196	6,196	-	6,196
0604518N	107	COMBAT INFORMATION CENTER CONVERSION	4,704	4,704	4,704	-	4,704
0604524N	108	SUBMARINE COMBAT SYSTEM	11,710	11,710	11,710	-	11,710
0604528N	109	SWATH (SMALL WATERPLANE AREA TWIN HULL) OCEANOGRAPHIC SHIP		-	-	-	-
0604558N	110	NEW DESIGN SSN	218,816	235,816	230,816	-	239,816
		NSSN Advanced Technology Insertion		[10,000]		8,000	
		Submarine Sonar Domes		[7,000]		7,000	
		Non-Propulsion Electronics System			[12,000]	6,000	
0604561N	111	SSN-21 DEVELOPMENTS	27,456	27,456	27,456	-	22,456
		System Level Shock Testing				(5,000)	
0604562N	112	SUBMARINE TACTICAL WARFARE SYSTEM	28,573	28,573	28,573	-	28,573
0604567N	113	SHIP CONTRACT DESIGN/ LIVE FIRE T&E	133,645	102,745	129,045	-	129,045
		DD-21		[-25,000]		-	
		ADC(X)		[-5,900]		-	
		Smart Propulsor Product Model			[4,000]	4,000	
		Ship Live Fire Test			[-8600]	(8,600)	
0604574N	114	NAVY TACTICAL COMPUTER RESOURCES	8,249	8,249	8,249	-	8,249
0604601N	115	MINE DEVELOPMENT	15	15	15	-	15
0604603N	116	UNGUIDED CONVENTIONAL AIR-LAUNCHED WEAPONS	5,183	5,183	5,183	-	5,183

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0604610N	117 LIGHTWEIGHT TORPEDO DEVELOPMENT	8,106	8,106	8,106	-	8,106
0604612M	118 MARINE CORPS MINE COUNTERMEASURES SYSTEMS - ENG DEV	3,855	3,855	3,855	-	3,855
0604618N	119 JOINT DIRECT ATTACK MUNITION	11,738	11,738	11,738	-	11,738
0604651M	120 NONLETHAL WEAPONS - EMD		-	-	-	-
0604654N	121 JOINT SERVICE EXPLOSIVE ORDNANCE DEVELOPMENT	7,037	7,037	7,037	-	7,037
0604703N	122 PERSONNEL, TRAINING, SIMULATION, AND HUMAN FACTORS	1,235	1,235	1,235	-	1,235
0604710N	123 NAVY ENERGY PROGRAM	5,544	5,544	5,544	-	5,544
0604721N	124 BATTLE GROUP PASSIVE HORIZON EXTENSION SYSTEM	5,770	5,770	5,770	-	5,770
0604727N	125 JOINT STANDOFF WEAPON SYSTEMS	73,022	73,022	73,022	-	73,022
0604755N	126 SHIP SELF DEFENSE - EMD	148,165	148,165	156,665	-	155,165
	NULKA Anti-Ship Missile Decoy System Electro-Magnetic Compatibility			[2,000]	2,000	
	Infrared Search and Track (IRST)			[6,500]	5,000	
0604771N	127 MEDICAL DEVELOPMENT	4,321	4,321	5,321	-	5,321
	VID			[1,000]	1,000	
0604777N	128 NAVIGATION/ID SYSTEM	42,301	42,301	42,301	-	42,301
0604784N	129 DISTRIBUTED SURVEILLANCE SYSTEM	42,017	48,717	42,017	-	48,717
	Advanced Deployable System		[6,700]		6,700	
0604805N	130 COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	28,500	28,500	18,500	-	18,500
	COSSI			[-10,000]	(10,000)	
0604256N	131 THREAT SIMULATOR DEVELOPMENT	24,400	24,400	24,400	-	24,400
0604258N	132 TARGET SYSTEMS DEVELOPMENT	54,800	54,800	54,800	-	54,800
0604759N	133 MAJOR T&E INVESTMENT	17,281	17,281	17,281	-	17,281
0605152N	134 STUDIES AND ANALYSIS SUPPORT - NAVY	10,132	9,132	10,132	-	9,132
	Program Reduction		[-1,000]		(1,000)	
0605154N	135 CENTER FOR NAVAL ANALYSES	44,201	44,201	44,201	-	44,201
0605155N	136 FLEET TACTICAL DEVELOPMENT	2,748	2,748	2,748	-	2,748
0605502N	137 SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605804N	138 TECHNICAL INFORMATION SERVICES	8,513	8,513	8,513	-	6,013
	Slow Enterprise Development				(2,500)	
0605853N	139 MANAGEMENT, TECHNICAL & INTERNATIONAL SUPPORT	28,690	27,690	17,690	-	17,690
	Program Reduction		[-1,000]	[-11,000]	(11,000)	
0605856N	140 STRATEGIC TECHNICAL SUPPORT	2,213	2,213	2,213	-	2,213

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0605861N	141 RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,455	64,455	64,455	-	64,455
0605862N	142 RDT&E INSTRUMENTATION MODERNIZATION	8,530	8,530	8,530	-	8,530
0605863N	143 RDT&E SHIP AND AIRCRAFT SUPPORT	57,421	55,421	57,421	-	55,421
	Program Reduction		[-2,000]		(2,000)	
0605864N	144 TEST AND EVALUATION SUPPORT	260,601	254,801	255,601	-	254,801
	Program Reduction		[-5,800]	[5,000]	(5,800)	
0605865N	145 OPERATIONAL TEST AND EVALUATION CAPABILITY	9,194	9,194	9,194	-	9,194
0605866N	146 NAVY SPACE AND ELECTRONIC WARFARE (SEW) SUPPORT	3,477	3,177	3,477	-	3,477
	Program Reduction		[-300]		-	
0605867N	147 SEW SURVEILLANCE/RECONAISSANCE SUPPORT	13,185	13,185	17,185	-	17,185
	Global C4ISR Visualization			[4,000]	4,000	
0605873M	148 MARINE CORPS PROGRAM WIDE SUPPORT	7,132	7,132	7,132	-	7,132
0909999N	149 FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
0604227N	150 HARPOON MODIFICATIONS	1,965	1,965	1,965	-	1,965
0101221N	151 STRATEGIC SUB & WEAPONS SYSTEM SUPPORT	56,604	56,604	56,604	-	56,604
0101224N	152 SSBN SECURITY TECHNOLOGY PROGRAM	33,588	33,588	33,588	-	33,588
0101226N	153 SUBMARINE ACOUSTIC WARFARE DEVELOPMENT	8,328	8,328	8,328	-	8,328
0204136N	154 F/A-18 SQUADRONS	357,214	357,214	333,814	-	338,814
	F/A-18 E/F Tactical Reconnaissance Development			[-23,400]	(18,400)	
0204152N	155 E-2 SQUADRONS	47,797	47,797	47,797	-	47,797
0204163N	156 FLEET TELECOMMUNICATIONS (TACTICAL)	16,297	16,297	16,297	-	16,297
0204229N	157 TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,327	66,727	-	165,327
	Tactical Tomahawk Realignment		[98,600]		98,600	
0204311N	158 INTEGRATED SURVEILLANCE SYSTEM	19,772	19,772	19,772	-	19,772
0204413N	159 AMPHIBIOUS TACTICAL SUPPORT UNITS	1,945	1,945	1,945	-	1,945
0204571N	160 CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	33,390	35,390	-	33,390
	Joint Tactical Combat Training System		[5000]		-	
	Battle Force Tactical Training (Operating System Conversion)			[7,000]	5,000	
0204575N	161 ELECTRONIC WARFARE (EW) READINESS SUPPORT	3,716	3,716	3,716	-	3,716
0205601N	162 HARM IMPROVEMENT	18,921	33,921	18,921	-	28,921
	AARGM		[15,000]		10,000	
0205604N	163 TACTICAL DATA LINKS	49,757	49,757	49,757	-	49,757

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0205620N	164	SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	9,390	-	9,390
0205632N	165	MK-48 ADCAP	17,550	17,550	17,550	-	17,550
0205633N	166	AVIATION IMPROVEMENTS	64,956	64,956	64,956	-	64,956
0205658N	167	NAVY SCIENCE ASSISTANCE PROGRAM		-	-	-	-
0205667N	168	F-14 UPGRADE	12,947	12,947	12,947	-	12,947
0205675N	169	OPERATIONAL NUCLEAR POWER SYSTEMS	54,183	54,183	54,183	-	54,183
0206313M	170	MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	50,594	50,594	-	50,594
0206623M	171	MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	22,699	14,699	-	17,699
		Shortstop		[5,000]		-	
		Automatic Target Tracker		[3,000]		3,000	
0206624M	172	MARINE CORPS COMBAT SERVICES SUPPORT	4,634	4,634	4,634	-	4,634
0207161N	173	TACTICAL AIM MISSILES	65,855	65,855	65,855	-	65,855
0207163N	174	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	4,862	4,862	4,862	-	4,862
0303109N	177	SATELLITE COMMUNICATIONS (SPACE)	18,188	18,188	18,188	-	18,188
0303140N	178	INFORMATION SYSTEMS SECURITY PROGRAM	22,201	22,201	22,201	-	22,201
0303150N	179	WWMCCS/GLOBAL COMMAND AND CONTROL SYSTEM	469	469	469	-	469
0305154N	181	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-	-	-
0305160N	182	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	11,671	11,671	11,671	-	11,671
0305188N	183	JOINT C4ISR BATTLE CENTER (JBC)	5,352	5,352	5,352	-	5,352
0305192N	184	JOINT MILITARY INTELLIGENCE PROGRAMS	2,302	2,302	2,302	-	2,302
0305204N		NAVY TACTICAL UAV-TRANSFER FROM 35204A		59,200	-	-	55,192
		Common Tactical Control System Development-transfer from 35204D		[37,200]		37,192	
		VTOL UAV-transfer from 35204A		[18,000]		14,000	
		Multi-function Self-aligned Gate Technology		[4,000]		4,000	
0305204M		MARINE CORPS RANGE TACTICAL UAV		8,000	-	-	8,000
		Close Range Tactical UAV		[8,000]		8,000	
0305206N		AIRBORNE RECONNAISSANCE SYSTEM				-	16,448
		Transfer from 35206D				8,448	
		EO Framing				8,000	
0305208N		DISTRIBUTED COMMON GROUND SYSTEMS				-	4,966
		Transfer from 35208D				4,966	
XXXXXXX		INTEGRATE BROADCAST SERVICE				14,580	14,580

Title II- RDTE
(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0305207N	185	MANNED RECONNAISSANCE SYSTEMS	342	342	342	-	342
0305927N	186	NAVAL SPACE SURVEILLANCE	399	399	399	-	399
0702207N	187	DEPOT MAINTENANCE (NON-IF)	69,967	69,967	69,967	-	49,967
		Program Reduction				(20,000)	
0708011N	188	INDUSTRIAL PREPAREDNESS	59,060	67,660	59,060	-	67,660
		(Manufacturing Technology)		[8,600]		8,600	
XXXXXX	999	Classified Programs	521,541	548,041	515,041	-	521,541
		ADVISORY AND ASSITANCE REDUCTION		(50,000)		(20,384)	(20,384)
		ECONOMIC ADJUSTMENT			(20,000)	(20,000)	(20,000)
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL NAVY	8,108,923	8,403,559	8,188,897	196,088	8,305,011

Marine mammal research

The budget request included $347.9 million in PE 61153N for the Navy's defense research and sciences program.

The House bill would authorize the use of $500,000 from funds provided in PE 61153N for continuation of the Navy's cooperative marine mammal research program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the use of $500,000 from funds provided in PE 61153N for continuation of the Navy's cooperative marine mammal research program.

Pulse detonation engine technology

The budget request included $37.1 million in PE 62111N for air and surface launched weapons technology.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.0 million for pulse detonation engine technology.

The conferees agree to authorize an increase of $1.0 million for pulse detonation engine technology.

Stainless steel double hull research

The budget request included $43.2 million in PE 62121N for ship, submarine and logistics technology.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $3.0 million for stainless steel double hull research.

The conferees agree to authorize an increase of $3.0 million for stainless steel double hull research.

Communications, command, control, and intelligence

The budget request included $65.0 million in PE 62232N for communications, command, control, and intelligence.

The House bill would authorize an additional $1.0 million for hybrid fiberoptic/wireless communication systems.

The Senate amendment would authorize a decrease of $5.0 million for the strategic sustainment program with the communications, command, control, and intelligence account.

The conferees agree to authorize a net decrease of $5.0 million in PE 62232N, including an increase of $1.0 million for the hybrid fiberoptic/wireless communications systems and a decrease of $6.0 million for the strategic sustainment program.

Materials, electronic and computer technology

The budget request included $77.6 million in PE 62234N for materials, electronic and computer technology.

The House bill would authorize an increase of $12.0 million, including $2.5 million for thermal management materials, $3.0 million for cryoelectronics waveform generator, $3.5 million for silicon carbide technology, and $3.0 million for carbon/carbon heatshields.

The Senate amendment would authorize an increase of $6.0 million, including $1.5 million for thermal management materials; $2.0 million for electronic propulsion technology, and $2.5 million for carbon/carbon heatshields.

The conferees agree to authorize a net increase of $13.5 million in PE 62234N, including an increase of $2.5 million for thermal management materials, an increase of $2.5 million for carbon/carbon heat shield, an increase of $3.0 million for the cryoelectronics waveform generator, an increase of $3.5 million for silicon carbide technology, and an increase of $2.0 million for the development of applied high temperature superconducting technology for synchronous AC electronic propulsion.

Autonomous underwater vehicle and sonar development

The budget request included $56.7 million in PE 62435N for oceanographic and atmospheric technology.

The House bill would authorize an increase of $10.0 million for advanced sensors and unmanned underwater vehicle technologies.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million for advanced sensors and unmanned underwater vehicle technologies.

Micro electronic systems technology

The budget request included $2.0 million in PE 62633N for undersea warfare weaponry technology.

The House bill would authorize an increase of $2.0 million for micro electronic systems technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million for micro electronic systems technology.

Air systems and weapons advanced technology

The budget request included $48.1 million in PE 63217N for air systems and weapons advanced technology.

The House bill would authorize a net decrease of $2.0 million, including a decrease of $7.0 million for the vectoring, extremely short take-off and landing control tailless operation research (VECTOR) project and an increase of $5.0 million for the completion of the DP-2 proof of concept demonstration.

The Senate amendment would authorize the budget request.

The Senate recedes.

Precision strike and air defense technology

The budget request included $58.3 million in PE 63238N for precision strike and air defense technology research.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $5.0 million for mobile offshore base (MOB) research.

The conferees agree to authorize a net decrease of $4.9 million to PE 63238N, including an increase of $4.0 million for MOB research and a decrease of $8.9 million to fleet advanced demonstrations.

Advanced electric systems studies

The budget request included $14.8 million in PE 63508N for fabrication, demonstration, development, and concept studies for quiet electric propulsion motor technologies.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $1.0 million in PE 63508N to eliminate premature studies and reduce intermediate scale development.

The House recedes.

Power electronic building blocks and power node control centers

The budget request included $39.3 million in PE 63508N for surface ship and submarine hull, mechanical, and electrical advanced technology. The budget request included funding to continue the development and demonstration of power electronic building blocks and power node control centers for shipboard electrical power systems.

The House bill would authorize an increase of $6.0 million in PE 63508N to continue the program to accelerate the development of power electronic building block technology and the use of virtual prototyping and a virtual test bed to demonstrate and evaluate advanced shipboard electrical power system concepts. The House bill would also authorize an increase of $2.0 million in PE 63508N to continue the development of power node control centers for advanced electrical distribution system fault detection, switching, reconfiguration, and control of shipboard electrical systems.

The Senate amendment would authorize the budget request.

The Senate recedes.

Composite helicopter hangar

The budget request included no funding for continuation of a program to design and fabricate the outer shell of a DDG–51 helicopter hangar structure using composite materials.

The Senate amendment would authorize an increase of $5.0 million in PE 63508N to continue a developmental effort to design and fabricate the outer shell of a DDG–51 helicopter hangar structure using composite materials.

The House bill would authorize the budget request.

The House recedes.

Marine Corps advanced technology demonstration

The budget request included $41.9 million for the Marine Corps advanced technology demonstration activities associated with the Commandant's warfighting laboratory.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million dollars for acceleration of warfighting experimentation activities, including $5.0 million for the second phase continued evaluation of the broad-area unmanned retail and re-supply operation (BURRO). The Senate amendment would also authorize an increase of $1.0 million for evaluation of the K-band training/test instrumentation system.

The conferees agree to authorize an increase of $11.0 million in PE 63640M, including $10.0 million for acceleration of warfighting experimentation, to include $5.0 million of this amount for the evaluation of the BURRO concept, and $1.0 million for evaluation of the K-band training/test instrumentation system.

The conferees note that the Senate report (S. Rept. 105–189) would direct the Secretary of the Navy to provide a report on the long-term plan for developing a "red team" countermeasures efforts activity to keep pace with the warfighting experiment efforts. The Secretary was directed to provide the report to the congressional defense committees by May 15, 1999. Pending submission of the report, obligation of funds for the warfighting laboratory effort would have been limited to no more than 85 percent of the funds available.

The conferees acknowledge the ongoing work on the "red team" effort and that the Marine Corps and Navy will be able to submit the required report on schedule. However, the Marine Corps has indicated that limiting obligations of funds until the report is submitted may cause the Department to forego some efforts that are important pieces of the Urban Warrior exercise.

The conferees agree that the Secretary should submit the report as directed in the Senate report. However, the conferees further agree that the limitation on obligation is not needed to ensure timely submission of the report and could be counterproductive to this important experimentation effort.

Freeze dried blood

The budget request included $18.7 million in PE 63706N for medical development.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.0 million for freeze dried blood research.

The conferees agree to authorize an increase of $1.0 million for freeze dried blood research.

Advanced lightweight influence sweep system

The budget request included $4.2 million for advanced mine sweeping.

The Senate amendment would authorize an increase of $1.0 million to PE 603782N for the advanced lightweight influence sweep system (ALISS) which is focused on developing high temperature superconducting magnets and acoustic transducers to sweep influence mines targeted against specific classes of Navy ships.

The House bill would authorize the budget request.

The conferees agree to authorize $1.0 million for ALISS.

Aviation survivability

The budget request included $8.2 million in PE 63216N for aviation survivability equipment.

The House bill would authorize an increase of $6.0 million as follows:

(1) $3.0 million for ejection seats; and

(2) $3.0 million for the Escape System Dynamic Flow Test Facility.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million for the Escape System Dynamic Flow Facility.

ASW systems development

The budget request included $20.1 million for ASW systems development.

The House bill would authorize an increase of $3.0 million for ASW systems development.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million to continue the development and testing of advanced anti-submarine warfare technologies on the BEARTRAP platform.

Studies and experiments for combat systems engineering

The budget request included $8.6 million for studies and experiments for advanced combat systems engineering that, potentially, could be leveraged into new ship class computer architectures.

The Senate amendment would authorize a decrease of $2.0 million in PE 63382N for studies and experiments not directly connected to correcting warfighting deficiencies in 21st century platforms.

The House bill would authorize the budget request.

The conferees agree to authorize a decrease of $2.0 million in PE 63382N.

Remote minehunting system

The budget request included $73.5 million in PE 63502N for surface and shallow water mine countermeasures demonstration and validation, including $11.0 million for the remote minehunting system (RMS). The budget request also included $32.9 million for procurement of minesweeping system replacement equipment.

The House bill would authorize an increase of $7.0 million in PE 63502N to continue accelerated development and fielding of the RMS. The House bill would approve the procurement budget request.

The Senate amendment would authorize a transfer of $15.9 million included in the budget request for procurement to PE 63502N for RMS research and development. This shift would enable the Navy to develop the modular V4 design to accommodate advanced sensors for RMS.

The conferees agree to authorize a decrease of $15.9 million for the procurement of RMS and an increase of $7.0 million in PE 63502N for RMS.

Future aircraft carrier transition technology

The budget request included a total of $190.1 million for future aircraft carrier research and development (R&D) and feasibility studies including $149.5 million in PE 63512N and $40.6 million in PE 63564N. The budget request also included $38.5 million in PE 64567N for CVN–77 contract design.

The House bill and the Senate amendment would authorize the budget request. The House bill contained a provision (sec. 212) that would authorize $50.0 million of those funds for CVN–77 technologies that would be applicable to both CVN–77 and CV(X). The Senate amendment contained a similar provision (sec. 212) that would direct that the $50.0 million be applied exclusively to CVN–77 technologies.

The conferees strongly endorse the need to develop new technologies that will reduce life cycle costs and improve operational effectiveness of future aircraft carriers. The Chief of Naval Operations has advised the conferees that the most pressing need for the CV(X) is the initial development of a next generation propulsion plant of sufficient flexibility to support future technology insertion and performance improvements, while reducing propulsion plant life cycle costs.

The conferees note a recent Navy decision to alter the design for the first CV(X). The conferees understand that the Navy's new plan to transition to the next generation aircraft carrier will be an evolutionary development in which carrier design changes will be incremental over several of the first generation of CV(X) carriers.

Unfortunately, the congressional defense committees were provided with conflicting information regarding the Navy's purported change in plans regarding CV(X) and the Navy's intentions for near-term and Future Years Defense Program funding. These mixed communications are only now being sorted out. In the meantime, this conflicting information has caused some of the congressional defense committees to propose significant reductions to the budget request for fiscal year 1999 CV(X) R&D funding.

The conferees agree to authorize a reduction of $80.0 million in PE 63512N without prejudice due to the ongoing refinement of the Navy's planning for CV(X). The conferees would be very receptive to a Navy request for additional authorization of CV(X) funding for fiscal year 1999 once the Navy makes available the restructured CV(X) plan and supporting documentation. The conferees strongly encourage the Secretary of Defense to submit such a request once the restructured CV(X) plan is completed.

The conference agreements include a provision on CVN–77 R&D funding (sec. 212) which is addressed elsewhere in this report.

Shipboard systems component development

The budget request included $27.7 million for surface ship non-propulsion system component development.

The House bill would authorize an increase of $1.0 million in PE 63513N for the qualification and testing required to develop a new 150-kilowatt static frequency converter.

The Senate amendment would authorize the budget request.

It has come to the attention of the conferees that fiscal year 1999 test article procurement, installation and implementation programs assume low risk scenarios for research scheduled for fiscal year 1998 and early fiscal year 1999. These low risk scenarios are not supported by available documentation. Therefore, the conferees agree to a decrease of $2.0 million to PE 63513N.

The conferees also agree to authorize an increase of $1.0 million in PE 63513N for the qualification and testing required to develop a new 150-kilowatt static frequency converter.

SSGN study

The budget request did not include funding for analyzing alternatives for converting *Trident* submarines for use in other than strategic missions.

The Senate amendment would authorize an increase of $1.0 million to PE 63564N for the Secretary of Defense to conduct an analysis of converting some of the *Trident* SSBNs to SSGN-configuration and would direct the Secretary to provide a report of the analysis to the congressional defense committees no later than March 1, 1999.

The House bill would authorize the budget request.

The House recedes.

Intercooled recuperated gas turbine engine

The budget request included $23.5 million in PE 63573N for continued development of the inter-cooled recuperated (ICR) gas turbine engine. The budget request would also continue testing of the ICR gas turbine engine under Memoranda of Understanding (MOUs) with the United Kingdom and France.

The House bill would authorize the budget request. The House report (H. Rept. 105–532) would direct the Secretary of the Navy to provide an updated report on the resolution of technical, programmatic, and funding issues required to insure a stable development program supported by the fiscal year 2000 budget request. The House report would also require consideration of the ICR engine among the alternatives for the prime power plant for the DD–21 land attack destroyer.

The Senate amendment would authorize an increase of $5.0 million in PE 63573N for continued development and testing of the ICR engine.

The conferees agree to authorize the budget request.

The conferees are aware that negotiations are underway among MOU signatories to restructure the ICR program. This restructuring would bring the engine to a point where it could be an industry candidate for DD–21 vice a fully government qualified engine. The conferees understand that this would involve completing a second 500 hour test and conducting a fifth design review. The 3000 hour test and other efforts would be transitioned to other signatories of the MOUs who intend to evaluate the ICR as the prime mover for the Common New Generation Frigate program.

The conferees believe that this is a reasonable approach to further ICR development and the Navy should consider the ICR engine as a competitor for serving as the prime mover in future Navy ships.

Environmentally safe energetic materials

The budget request included $39.8 million in PE 63609N for conventional munitions demonstration and validation.

The House bill would authorize an increase of $3.0 million in PE 63609N to accelerate the program for the development of propellants and explosives that utilize environmentally compliant energetic materials for undersea, surface, and other weapons systems.

The Senate would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million in PE 63609N to accelerate the program for the development of propellants and explosives that utilize environmentally compliant energetic materials for undersea, surface, and other weapons systems.

Marine Corps assault vehicles

The budget request included $104.8 million for Marine Corps assault vehicle research and development activities.

The House bill would authorize an increase of $4.0 million for further development of additional propulsion and suspension alternatives for the advanced amphibious assault vehicle (AAAV).

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $4.0 million for unfunded research and development requirements of the AAAV.

Marine Corps ground combat/support system

The budget request included $37.1 million for Marine Corps ground combat/support research and development activities.

The budget request included no funds in either the Army or Marine Corps research and development programs for improving howitzer capability by continuing development of trajectory correctable munitions (TCM).

The House bill would authorize an increase of $2.5 million for further development of lightweight 155mm howitzer requirements. The House bill would also authorize an increase of $6.0 million in PE63004A to continue Army development of TCM.

The Senate amendment would authorize an increase of $4.0 million for the Predator missile system to maintain the development and fielding schedule.

The conferees agree to authorize an increase of $9.5 million for Marine Corps ground combat and support system research and development requirements. Of this amount, $2.5 million is for research and development requirements of the lightweight 155mm howitzer, $2.0 million is to support Predator system development and fielding schedule, and $5.0 million is for development of TCM. The conferees note that the Army has demonstrated a lack of commitment to continue TCM development and believe there could be application for TCM technology within the Marine Corps' concept of operations. The conferees direct the Marine Corps to provide the congressional defense committees a report, no later than 31 January 1999, on a concept of operations for using TCM in Marine Corps operations and on TCM program development plans and procurement forecast.

Aviation depot maintenance

The budget request included $59.4 million in PE 63721N for environmental protection demonstration and validation, including $3.5 million for Naval aviation pollution prevention.

The House bill would authorize an increase of $2.7 million for the development and demonstration of aviation depot maintenance technologies that will significantly reduce maintenance and repair costs and reduce or eliminate hazardous waste and pollution products.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.7 million in PE 63721N for the development and demonstration of aviation depot maintenance technologies to reduce overall costs and enhance pollution prevention measures.

Naval surface fire support system integration

The budget request included $21.6 million for a new initiative to develop surface fire support planning and control systems for the 5-inch 62 gun on DDG–51 ships and the 155mm vertical gun for the future DD–21 class of ships.

The Senate amendment would authorize a decrease of $7.7 million to PE 63795N to eliminate the possibility of developing a stand-alone system for DD–21.

The House bill would authorize the budget request.

The conferees agree to authorize a reduction of $1.6 million.

Vertical gun for advanced ships

The budget request included $25.1 million in PE 63795N for a new initiative to develop a prototype vertical gun for land-based testing.

The House bill would authorize a decrease of $20.0 million due to the lack of a thorough analysis of gun system alternatives and sufficient consideration of gun and missile system technical requirements and operational roles.

The Senate amendment contained a similar provision that would authorize a decrease of $10.0 million.

The conferees authorize a decrease of $10.0 million in PE 63795N and direct the Secretary of the Navy to report to the congressional defense committees the results of an analysis of all advanced gun designs, as well as ammunition availability for those designs, prior to the obligation of funds for a prototype advanced gun system.

Joint strike fighter

The budget request included $463.4 million in PE 63800N for the joint strike fighter (JSF).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $15.0 million for the JSF alternate engine program.

The conferees agree to authorize an increase of $15.0 million for the JSF alternate engine program.

Nonlethal weapons and technologies of mass protection program

The budget request included $22.6 million for the nonlethal weapons (NLW) and technologies program (PE 63851M).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase to the budget request of $13.3 million for the following activities, including $6.3 million for the development and fielding of near-term, low-technology NLW technologies and $7.0 million for the development of nonlethal tactical denial systems. The Senate amendment would make available $2.0 million for activities of the Human Effects Panel of the Joint Non-Lethal Directorate and $500,000 for complete type classification of non-lethal weapons technology that can be mounted on existing weapons, such as M4 carbines and M16 rifles.

The House recedes.

The conferees remain concerned that the Department of Defense and the military services continue to conduct research and development on NLW activities that benefit all services outside the purview of the established defense NLW program, and without oversight by the executive agent, the Marine Corps. The conferees endorse the position expressed in the Senate report (S. Rept. 105–189) that "all" nonlethal weapons technology research and development be consolidated into a single program element, with management and oversight of the program conducted by the Marine Corps, as executive agent.

Commercial off-the-shelf insertion just prior to critical design review for helicopter improvement

The budget request included $231.1 million in PE 64212N for antisubmarine warfare and other helicopter development. Of this amount, $25.0 million would continue efforts to incorporate commercial off-the-shelf (COTS) technology during the two fiscal quarters prior to a second critical design review.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $1.0 million in PE 64212N to insert COTS technology.

The conferees agree to authorize a decrease of $1.0 million in PE 64212N to insert COTS technology.

Parametric airborne dipping sonar

The budget request included no funding for the parametric airborne dipping sonar (PADS).

The Senate amendment would authorize an increase of $8.0 million in PE 64212N for the continued development of PADS.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $8.0 million in PE 64212N for the continued development of PADS.

Common support aircraft

The budget request included $27.1 million in PE 64217N for the Common Support Aircraft (CSA).

The House bill would authorize a decrease of $27.1 million for the CSA program.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $27.1 million for the CSA program.

Electronic warfare development

The budget request included $128.6 million in PE 64270N for electronic warfare.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million for the Integrated Defensive Electronic Countermeasures (IDECM) system.

The conferees agree to authorize an increase of $9.3 million in PE 64270N to accomodate a restructure of the IDECM program, offset by a decrease of $9.3 million in line 43, Aircraft Procurement Navy.

Laboratories and field activities monitoring efforts

The budget request included $132.5 million for surface combatant combat system engineering in PE 64307N, including $19.2 million was requested for laboratory and field activity unspecified scientific services for monitoring baseline efforts.

The Senate amendment authorized a decrease of $3.0 million to unspecified scientific services.

The House bill would authorize the budget request.

The conferees agree to authorize a decrease of $3.0 million to unspecified scientific services.

DDG–51 composite director room

The budget request in PE 64307N did not include funding for design and test of a composite director room for the DDG–51 class of ships.

The Senate amendment would authorize an increase of $5.0 million in PE 64307N for continuation of a project to design and test a composite director room for the DDG–51 class of ships. The House bill would authorize the budget request.

The conferees agree to authorize an increase of $2.5 million in PE 64307N for continuation of a project to design and test a composite director room for the DDG–51 class of ships.

Multi-purpose processor

The budget request included $37.2 million for submarine sonar improvement. The multi-purpose processor (MPP) is the result of a small business innovative research (SBIR) initiative developed under the sponsorship of the new nuclear attack submarine (NSSN) program.

The House bill would authorize an increase of $15.0 million to continue the research and development necessary for the introduction of MPP technology in submarine and other naval sonar systems.

The Senate amendment would authorize an increase of $15.0 million in PE 64503N for continuation of the SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

The conferees agree to authorize an increase of $15.0 million in PE 64503N for continuation of the SBIR follow-on for advanced development of MPP transportable software technology, technology insertion, advanced processor software builds, and for providing MPP units and training throughout the fleet and the Navy research and development community.

Air control

The budget request included $4.2 million in PE 64450N for air control research.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $4.0 million for the expeditionary common automatic recovery system (ECARS). The ECARS is a lightweight, manportable instrument landing system capable of providing azimuth and glide slope information to manned aircraft and UAVs.

The conferees agree to authorize an increase of $4.0 million to PE 64504N for ECARS development.

Submarine sonar domes

The budget request included $218.8 million in PE 64558N for the New Design SSN (NSSN) program.

The House bill would authorize an increase of $7.0 million in PE 64558N to complete fabrication of a full-scale sonar dome using this acoustic sandwich material system for further evaluation and testing.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $7.0 million to determine whether an acoustic sandwich material sonar dome system is capable of meeting submarine requirements for sonar domes.

NSSN advanced technology insertion

The budget request included $218.8 million in PE 64558N for the New Attack Submarine (NSSN) program, including $146.4 million for NSSN hull, mechanical, and electrical systems development, and $72.5 million for NSSN combat systems development.

The House bill would authorize an increase of $10.0 million for the development of high priority submarine technologies that are currently unfunded and the insertion of these technologies into the NSSN program. The House bill also encouraged the Navy to reprogram from within available funds the procurement funding (less than $5.0 million) necessary to complete the technology insertion in the appropriate NSSN hulls.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $8.0 million in PE 64558N for the development of high priority submarine technologies that are currently unfunded and the insertion of these technologies into the NSSN program.

Non-propulsion electronics system

The budget request included $218.8 million in PE 64558N for New Attack Submarine (NSSN) non-propulsion development.

The Senate amendment would authorize an increase of $12.0 million for integration of 15 non-propulsion electronics system (NPES) subsystems to reduce NSSN life-cycle costs.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $6.0 million in PE 64558N for integration of 15 non-propulsion electronics system subsystems to reduce NSSN life-cycle costs.

System level shock testing

The budget request included $27.5 million for SSN-21 developments in PE 64561N including $5.0 million for *Seawolf* submarine shock testing.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to a decrease of $5.0 million in PE 64561N. The conferees recent indicators that the total cost of a one-half shock factor test would be $47.0 million. The conferees have concluded that the additional information accumulated from conducting a one-half shock factor test would not justify the $47.0 million cost.

DD–21 land attack destroyer

The budget request included $133.6 million in PE 64567N for ship contract design and live fire test and evaluation including $84.9 million was requested for the Navy's DD-21 land attack destroyer program and $8.6 million for the second year of DD-21 live fire test and evaluation.

The House bill would authorize a decrease of $25.0 million in PE 64567N for the DD-21 land attack destroyer.

The Senate amendment would authorize a reduction of $8.6 million, without prejudice, to reflect the re-phasing of the DD-21 program which was not reflected in the DD-21 live fire test and evaluation budget request.

The House recedes.

The conferees agree that the unique competitive teaming structure agreed upon for the first two phases of DD-21 might lead to either the program office relying on analysis from team members to evaluate options or the program office may grow to a size larger than originally intended. The program office has indicated that a smaller office size is possible by using Navy laboratory and field activity personnel to evaluate contractor applications of technology, systems engineering, and innovative designs. The conferees encourage the Navy to resist creating another level of bureaucracy and growing the program office, and instead coordinate evaluation of contractor options using in-place Navy expertise.

Smart propulsor product model

The budget request included $7.0 million for continuation of the development of the smart propulsor product model (SPPM) for future ships.

The Senate amendment would authorize an increase of $4.0 million in PE 64567N for the SPPM.

The House bill would authorize the budget request.

The House recedes.

NULKA antiship missile decoy system electro-magnetic compatibility

The budget request included $2.3 million for continued development and testing of the electro-magnetic compatibility (EMC) upgrade to the NULKA active countermeasures decoy.

The Senate amendment would authorize an increase of $2.0 million in PE 64755N to complete the development and operational testing of the EMC upgrade.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million in PE 64755N to complete the development and operational testing of the EMC upgrade.

Infrared search and track system

The budget request included $983,000 in PE 64755N to continue engineering and manufacturing development and at sea testing of an infrared search and track (IRST) system.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $6.5 million for continued development of the IRST system.

The conferees agree to authorize an increase of $5.0 million in PE 64755N for continued development of the IRST system.

The conferees agree that horizon search, for which an IRST system would be optimal, is an area of relative weakness for active radar. In the statement of managers accompanying the National Defense Authorization Act for Fiscal Year 1996, the conferees noted that the Navy's cost and operational effectiveness analysis supported the conclusion that IRST has the potential to play a very important role in defending naval ships against sea skimming anti-ship missiles. The conferees note, however, the Navy's inconsistent support for the IRST program, the reduction of IRST funding in order to support other Navy programs, and the absence of any funds in the Navy's budget projections to complete engineering and manufacturing development of the system and procurement of IRST for the fleet.

The conferees acknowledge that proposals made within the Department of the Navy staff to establish an international cooperative program with the Netherlands and Canada for development of IRST. The conferees believe that such a cooperative program could be one avenue for developing this capability. The conferees direct the Secretary of the Navy to report to the congressional defense committees by March 1, 1999, the Navy's plan and funding requirements for optimizing horizon search for defense of surface ships and the potential for application of IRST technology to other platforms.

Voice instructional devices

The budget request included $4.3 million in PE 64771N for medical development.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.0 million for voice instructional devices (VID) technology.

The conferees agree to authorize an increase of $1.0 million for voice instructional devices (VID) technology.

Distributed surveillance system

The budget request included $42.0 million in PE 64784N for advanced deployable system

(ADS) engineering and manufacturing development.

The House bill would authorize an increase of $6.7 million to continue the planned introduction of automation and data fusion capability for the ADS demonstration system.

The Senate amendment contained no similar provision.

The conferees agree to authorize an increase of $6.7 million to continue the planned introduction of automation and data fusion capability for the ADS demonstration system.

Battle force tactical training

The budget request included $5.9 million for the surface tactical team trainer (STTT). The STTT is designated to further develop an existing system, the battle force tactical training (BFTT) system, so it will be able to provide joint warfare training. A highly successful small business innovative research (SBIR) project, N96-111, leveraged the capabilities of commercial off-the-shelf operating systems and processors.

The Senate amendment would authorize an increase of $7.0 million in PE 24571N for the purpose of SBIR phase III follow-on work to continue the BFTT operating system conversion.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million in PE 24571N for the purpose of SBIR phase III follow-on work to continue the BFTT operating system conversion.

High Speed Anti-Radiation Missile Improvement

The budget request included $18.9 million in PE 25601N for High Speed Anti-Radiation Missile Improvement.

The House bill would authorize an increase of $15.0 million for the Advanced Anti-Radiation Guided Missile (AARGM).

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $10.0 million to accelerate AARGM development.

Marine corps ground combat/supporting arms systems

The budget request included $14.7 million for the Marine Corps ground combat/supporting arms systems.

The House bill would authorize an increase of $8.0 million, including $5.0 million for research and development requirements associated with the Shortstop electronic protection system and an increase of an additional $3.0 million would be for development of an automatic target tracker for the M1 Abrams tank.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $3.0 million in PE26623M for development of an automatic target tracking system for the M1 tank.

Airborne reconnaissance systems

The budget request included no funding for the Navy in PE 35206N to develop airborne reconnaissance systems. The budget request included $8.4 million in PE 35206D8Z that the Department of Defense asked to be transfered to the Navy program element. These funds included $4.6 million for development of framing reconnaissance cameras.

The House bill would authorize an increase of $8.0 million in PE 35207D8Z to accelerate the development of electro-optical (EO) framing technology. The House Report (H. Rept. 105-532) noted support of EO framing technology with "on chip forward motion compensation."

The Senate amendment would approve the budget request.

The conferees agree to authorize $16.4 million for PE 35206N, including the transfer of $8.4 million from PR 35206D8Z and an increase of $8.0 million for EO framing technology.

The conferees believe that the Department should select the system and the upgrades for using the EO framing resources that would best meet requirements. The conferees understand that the term "forward motion compensation" is a proprietary term that could unnecessarily limit the choices of the Department for improving the optical capability of sensors deployed in tactical aircraft and other platforms.

Overview

The budget request for fiscal year 1999 contained an authorization of $13,598.1 million for Air Force, Research and Development in the Department of Defense. The House bill would authorize $13,577.2 million. The Senate amendment would authorize $13,635.0 million. The conferees recommended an authorization of $13,918.7 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

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(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL AF					
0601102F	1	DEFENSE RESEARCH SCIENCES	209,395	209,395	209,395	-	209,395
0602102F	2	MATERIALS	62,578	62,578	64,078	-	64,078
		Friction Welding			[1,500]	1,500	
0602201F	3	AEROSPACE FLIGHT DYNAMICS	64,932	64,932	64,932	-	64,932
0602202F	4	ARMSTRONG LAB EXPLORATORY DEVELOPMENT	60,805	60,805	60,805	-	60,805
0602203F	5	AEROSPACE PROPULSION	69,061	69,061	67,061	-	67,061
		VDVP			[2,000]	2,000	
		Reduction (IPTET)			[-4,000]	(4,000)	
0602204F	6	AEROSPACE AVIONICS	65,549	65,549	65,549	-	65,549
0602269F	7	HYPERSONIC TECHNOLOGY PROGRAM	16,649	16,649	16,649	-	16,649
0602601F	8	PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	125,139	-	125,139
		HAARP			[9,000]	9,000	
0602602F	9	CONVENTIONAL MUNITIONS	41,529	41,529	41,529	-	41,529
0602702F	10	COMMAND CONTROL AND COMMUNICATIONS	65,175	68,175	65,175	-	67,675
		Protein Based Memory		[3,000]		2,500	
0602805F	11	DUAL USE APPLICATIONS PROGRAM	19,606	19,606	19,606	-	19,606
0603106F	12	LOGISTICS SYSTEMS TECHNOLOGY	8,677	8,677	8,677	-	8,677
0603108F	13	INTEGRATED DATA SYSTEMS		-	-	-	-
0603112F	14	ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	30,006	21,006	-	30,006
		Advanced Low Observable Coatings		[9,000]		9,000	
0603202F	15	AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,814	30,814	27,814	-	27,814
		Program Reduction (IPTET)			[-3,000]	(3,000)	
0603203F	16	ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,442	26,442	26,442	-	26,442
0603205F	17	FLIGHT VEHICLE TECHNOLOGY	7,035	7,035	7,035	-	7,035
0603211F	18	AEROSPACE STRUCTURES	12,494	12,494	12,494	-	12,494
0603216F	19	AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,984	38,984	36,984	-	36,984
		Program Reduction (IPTET)			[-2,000]	(2,000)	
0603227F	20	PERSONNEL, TRAINING AND SIMULATION TECHNOLOGY	6,636	6,636	6,636	-	6,636
0603231F	21	CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	29,603	19,603	-	28,103
		Aircrew Laser Eye Protection		[5,500]		5,500	
		Ejection Seats		[3,000]		3,000	

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ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Night Vision Technology		[4,500]	[3,000]	3,000	
0603238F	22	GLOBAL SURVEILLANCE AND COMMUNICATION TECHNOLOGY		-	-	-	-
0603245F	23	FLIGHT VEHICLE TECHNOLOGY INTEGRATION	7,674	7,674	7,674	-	7,674
0603253F	24	ADVANCED AVIONICS INTEGRATION	10,536	10,536	10,536	-	10,536
0603270F	25	ELECTRONIC COMBAT TECHNOLOGY	25,553	34,553	39,553	-	39,553
		Precision Location and Identification (PLAID)		[9,000]	[14,000]	14,000	
0603302F	26	SPACE AND MISSILE ROCKET PROPULSION	21,121	25,121	21,121	-	25,121
		Integrated High Payoff Rocket PropulsionTechnology		[4,000]		4,000	
0603311F	27	BALLISTIC MISSILE TECHNOLOGY		17,300	5,000	-	16,000
		Ballistic Missile Technologoy/ICBM		[17,300]		-	
		Missile Techonolgy Demonstration			[5,000]	-	
		GPS Range Safety Development and Demonstration				16,000	
0603401F	28	ADVANCED SPACECRAFT TECHNOLOGY	42,571	60,271	67,571	-	75,071
		Low Cost Expendable Launch Veh (Scorpius)				10,000	
		Military Spaceplane		[15,000]		-	
		Ballistic Missile Technologoy		[-1,300]		-	
		Range Improvements for Liquid Upper Stage Testing			[5,000]	5,000	
		Micro-Satellite Technology Program		[4,000]	[10,000]	10,000	
		Solar Orbital Transfer Vehicle			[10,000]	7,500	
0603410F	29	SPACE SYSTEMS ENVIRONMENTAL INTERACTIONS TECHNOLOGY	3,457	3,457	3,457	-	3,457
0603601F	30	CONVENTIONAL WEAPONS TECHNOLOGY	23,244	23,244	23,244	-	23,244
0603605F	31	ADVANCED WEAPONS TECHNOLOGY	40,153	40,153	40,153	-	40,153
0603707F	32	WEATHER SYSTEMS TECHNOLOGY	1,568	1,568	1,568	-	1,568
0603723F	33	ENVIRONMENTAL ENGINEERING TECHNOLOGY	2,663	2,663	2,663	-	2,663
0603726F	34	C3I SUBSYSTEM INTEGRATION	11,025	11,025	11,025	-	11,025
0603728F	35	ADVANCED COMPUTING TECHNOLOGY	7,827	7,827	7,827	-	7,827
0603789F	36	C3 ADVANCED DEVELOPMENT	13,235	13,235	13,235	-	13,235
0305176F	37	COMBAT SURVIVOR EVADER LOCATOR		-	-	-	-
0603260F	38	INTELLIGENCE ADVANCED DEVELOPMENT	4,615	4,615	4,615	-	4,615
0603319F	39	AIRBORNE LASER PROGRAM	292,219	292,219	195,219	-	235,219
		Program Reduction			[-97,000]	(57,000)	
0603430F	40	ADVANCED MILSATCOM (SPACE)	54,413	30,013	54,413	-	54,413

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ACCOUNT	No.	1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
	Program Reduction		[-24,400]		-	
0603432F	41 POLAR ADJUNCT (SPACE)	41,508	41,508	41,508	-	41,508
0603434F	42 NATIONAL POLAR-ORBITING OPERATIONAL ENVIRON SATELLITE SYS (SPACE)	64,732	64,732	64,732	-	64,732
XXXXXX	SATELLITE SYSTEM SURVIVABILITY (PE 63438F)			30,000	15,000	15,000
0603441F	43 SPACE BASED INFRARED ARCHITECTURE (SPACE) - DEM/VAL	160,262	160,262	160,262	-	160,262
0603617F	44 COMMAND, CONTROL, AND COMMUNICATION APPLICATIONS	7,770	7,770	7,770	-	7,770
0603742F	45 COMBAT IDENTIFICATION TECHNOLOGY	6,177	6,177	6,177	-	6,177
0603790F	46 NATO RESEARCH AND DEVELOPMENT(H)	11,117	11,117	10,717	-	10,717
	Program Reduction			[400]	(400)	
0603800F	47 JOINT STRIKE FIGHTER	456,137	456,137	456,137	-	456,137
0603851F	48 INTERCONTINENTAL BALLISTIC MISSILE - DEM/VAL	29,360	29,360	29,360	-	29,360
0603852F	49 C-130J - DEM/VAL		-	-	-	-
0603853F	50 EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)- DEM/VAL		-	-	-	-
0603854F	51 GLOBAL BROADCAST SERVICE	70,147	70,147	70,147	-	70,147
0603855F	52 SPACE ARCHITECT OFFICE		-	-	-	-
0603856F	53 AIR FORCE/NRO PARTNERSHIP (AFNP)	17,645	17,645	17,645	-	17,645
0603860F	54 JOINT PRECISION APPROACH AND LANDING SYSTEMS - DEM/VAL	22,057	22,057	22,057	-	22,057
0603876F	55 SPACE-BASED LASER	35,000	25,000	35,000	-	35,000
	Program Reduction		[-10,000]		-	
0604237F	56 VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT		-	7,300	-	7,300
	VISTA			[7,300]	7,300	
0604327F	57 HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS) PROGRAM	9,803	9,803	9,803	-	9,803
0604201F	58 INTEGRATED AVIONICS PLANNING AND DEVELOPMENT	10,762	10,762	10,762	-	10,762
0604218F	59 ENGINE MODEL DERIVATIVE PROGRAM (EMDP)		-	-	-	-
0604222F	60 NUCLEAR WEAPONS SUPPORT	4,977	4,977	4,977	-	4,977
0604226F	61 B-1B	195,385	195,385	195,385	-	195,385
0604227F	62 TRAINING SYSTEMS DEVELOPMENT	1,961	1,961	1,961	-	1,961
0604233F	63 SPECIALIZED UNDERGRADUATE PILOT TRAINING	55,563	55,563	55,563	-	55,563
0604239F	64 F-22 EMD	1,582,217	1,582,217	1,582,217	-	1,582,217
0604240F	65 B-2 ADVANCED TECHNOLOGY BOMBER	131,247	131,247	131,247	-	131,247
0604243F	66 MANPOWER, PERSONNEL AND TRAINING DEVELOPMENT		-	-	-	-
0604270F	67 EW DEVELOPMENT	90,126	90,126	110,126	-	110,126

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ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Compass Call			[20,000]	20,000	
0604321F	68	COMBAT INTELLIGENCE SYSTEM -EMD		-	-	-	-
0604441F	69	SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	538,438	538,438	538,438	-	538,438
0604442F	70	SPACE BASED INFRARED SYSTEM (SBIRS) LOW EMD	33,328	33,328	33,328	-	33,328
0604479F	71	MILSTAR LDR/MDR SATELLITE COMMUNICATIONS (SPACE)	550,940	550,940	550,940	-	550,940
0604480F	72	GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	62,591	62,591	106,591	-	106,591
		Enhanced GPS			[44,000]	44,000	
0604600F	73	MUNITIONS DISPENSER DEVELOPMENT	7,559	7,559	7,559	-	7,559
0604602F	74	ARMAMENT/ORDNANCE DEVELOPMENT	12,037	12,037	12,037	-	12,037
0604604F	75	SUBMUNITIONS	4,805	4,805	4,805	-	4,805
0604611F	76	JOINT STANDOFF LAND ATTACK MISSILE (JSLAM)		-	-	-	-
0604617F	77	AIR BASE OPERABILITY	2,503	2,503	2,503	-	2,503
0604618F	78	JOINT DIRECT ATTACK MUNITION	12,204	12,204	12,204	-	12,204
0604703F	79	AEROMEDICAL/CHEMICAL DEFENSE SYSTEMS	3,336	3,336	3,336	-	3,336
0604706F	80	LIFE SUPPORT SYSTEMS	3,744	3,744	3,744	-	3,744
0604708F	81	CIVIL, FIRE, ENVIRONMENTAL, SHELTER ENGINEERING	2,715	2,715	2,715	-	2,715
0604711F	82	SYSTEMS SURVIVABILITY (NUCLEAR EFFECTS)		-	-	-	-
0604727F	83	JOINT STANDOFF WEAPONS SYSTEMS	15,134	15,134	15,134	-	15,134
0604735F	84	COMBAT TRAINING RANGES	14,581	14,581	14,581	-	14,581
0604740F	85	COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	200	200	200	-	200
0604750F	86	INTELLIGENCE EQUIPMENT	1,300	1,300	1,300	-	1,300
0604754F	87	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	7,956	7,956	7,956	-	7,956
0604762F	88	COMMON LOW OBSERVABLES VERIFICATION SYSTEM (CLOVERS)	4,901	4,901	4,901	-	4,901
0604770F	89	JOINT SURVEILLANCE/TARGET ATTACK RADAR SYSTEM (JSTARS)		-	-	-	-
0604779F	90	JT INTEROPERABILITY OF TACTICAL COMMAND & CONTROL SYS (JINTACCS)	5,823	5,823	5,823	-	5,823
0604805F	91	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS REDUCTION	27,937	27,937	27,937	-	17,937
		Program Reduction				(10,000)	
0604851F	92	INTERCONTINENTAL BALLISTIC MISSILE - EMD	81,546	81,546	81,546	-	81,546
0604853F	93	EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE) - EMD	280,297	280,297	280,297	-	266,297
		Program Adjustment				(14,000)	
0605011F	94	RDT&E FOR AGING AIRCRAFT	4,901	4,901	4,901	-	4,901
0207325F	95	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)		-	-	-	-

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ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0207414F	96	COMBAT INTELLIGENCE SYSTEM		-	-	-	-
0305176F	97	COMBAT SURVIVOR EVADER LOCATOR		-	-	-	-
0603402F	98	SPACE TEST PROGRAM (SPACE)		-	-	-	-
0604256F	99	THREAT SIMULATOR DEVELOPMENT	32,582	32,582	32,582	-	32,582
0604258F	100	TARGET SYSTEMS DEVELOPMENT	1,666	1,666	1,666	-	1,666
XXXXXX		BIG CROW PROGRAM OFFICE			10,000	8,000	8,000
0604759F	101	MAJOR T&E INVESTMENT	34,518	34,518	34,518	-	34,518
0605101F	102	RAND PROJECT AIR FORCE	21,168	21,168	21,168	-	21,168
0605306F	103	RANCH HAND II EPIDEMIOLOGY STUDY	4,408	4,408	4,408	-	4,408
0605502F	104	SMALL BUSINESS INNOVATION RESEARCH		-	-	-	-
0605704F	105	THEATER AIR DEFENSE BMC4I		-	-	-	-
0605712F	106	INITIAL OPERATIONAL TEST & EVALUATION	24,541	24,541	24,541	-	24,541
0605807F	107	TEST AND EVALUATION SUPPORT	370,168	376,168	366,168	-	372,168
		Flight Test Safety Enhancement		[6,000]		6,000	
		Program Reduction			[-4,000]	(4,000)	
0605808F	108	DEVELOPMENT PLANNING	6,075	6,075	4,075	-	4,075
		Program Reduction			[-2,000]	(2,000)	
0605853F	109	ENVIRONMENTAL CONSERVATION		-	-	-	-
0605854F	110	POLLUTION PREVENTION	1,673	1,673	1,673	-	1,673
0605856F	111	ENVIRONMENTAL COMPLIANCE		-	-	-	-
0605860F	112	ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,865	18,865	7,865	-	18,865
		Advanced Solid Axial Stage		[11,000]		11,000	
0605864F	113	SPACE TEST PROGRAM (STP)	45,933	45,933	55,933	-	45,933
		Space Manuever Vehicle			[10,000]	-	
0605876F	114	MINOR CONSTRUCTION (RPM) - RDT&E		-	-	-	-
0605878F	115	MAINTENANCE AND REPAIR (RPM) - RDT&E		-	-	-	-
0605879F	116	REAL PROPERTY SERVICES (RPS) - RDT&E		-	-	-	-
0605896F	117	BASE OPERATIONS - RDT&E		-	-	-	-
0909900F	118	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		-	-	-	-
1001004F	119	INTERNATIONAL ACTIVITIES	3,752	3,752	3,752	-	3,752
0101113F	120	B-52 SQUADRONS	6,436	6,436	6,436	-	6,436
0101120F	121	ADVANCED CRUISE MISSILE		-	-	-	-

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ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0102325F	122	JOINT SURVEILLANCE SYSTEM	2,175	2,175	2,175	-	2,175
0102326F	123	REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION PROGRAM	13,592	13,592	13,592	-	13,592
0102411F	124	NORTH ATLANTIC DEFENSE SYSTEM	615	615	615	-	615
0207131F	125	A-10 SQUADRONS	2,312	2,312	2,312	-	2,312
0207133F	126	F-16 SQUADRONS	125,076	100,476	125,076	-	125,076
		Program Adjustment		[-24,600]		-	
0207134F	127	F-15E SQUADRONS	104,207	104,207	104,207	-	104,207
0207136F	128	MANNED DESTRUCTIVE SUPPRESSION	2,443	2,443	2,443	-	2,443
0207141F	129	F-117A SQUADRONS	5,147	5,147	5,147	-	5,147
0207161F	130	TACTICAL AIM MISSILES	52,966	52,966	52,966	-	52,966
0207163F	131	ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	45,078	45,078	45,078	-	25,078
		AMRAAM P3I Engineering and Manufacturing Development Program Delay				(20,000)	
0207217F	132	PODDED RECONNAISSANCE SYSTEM		-	-	-	-
0207247F	133	AF TENCAP	6,447	6,447	6,447	-	6,447
0207248F	134	SPECIAL EVALUATION PROGRAM	92,551	92,551	92,551	-	92,551
0207268F	135	AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	92,069	92,069	92,069	-	92,069
0207320F	136	SENSOR FUSED WEAPONS	3,551	3,551	3,551	-	3,551
0207323F	137	AGM-86C CONVENTIONAL AIR-LAUNCHED CRUISE MISSILE SYSTEM		-	-	-	-
0207325F	138	JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	132,870	132,870	132,870	-	129,870
		Reduction of Additional Test Missiles				(3,000)	
0207412F	139	THEATER AIR CONTROL SYSTEMS	431	431	431	-	431
0207414F	140	COMBAT INTELLIGENCE SYSTEM	9,802	9,802	9,802	-	9,802
0207417F	141	AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	28,189	28,189	28,189	-	28,189
0207419F	142	TACTICAL AIRBORNE COMMAND AND CONTROL SYSTEMS		-	-	-	-
0207423F	143	ADVANCED COMMUNICATIONS SYSTEMS	2,348	2,348	2,348	-	2,348
0207424F	144	EVALUATION AND ANALYSIS PROGRAM	84,950	84,950	84,950	-	72,150
		Program Adjustment				(12,800)	
0207431F	145	COMBAT AIR INTELLIGENCE SYSTEM ACTIVITIES		-	-	-	-
0207433F	146	ADVANCED PROGRAM TECHNOLOGY	74,707	74,707	74,707	-	74,707
0207438F	147	THEATER BATTLE MANAGEMENT (TBM) C4I	27,292	27,292	32,292	-	32,292
		Theater Battle Management Core System (TBMCS) Development			[5,000]	5,000	
0207440F	148	TACTICAL AIR CONTROL SYSTEM FOR COUNTERNARCOTICS		-	-	-	-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0207581F	149	JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM (JOINT STARS)	123,793	118,193	123,793	-	98,793
		Studies and Miscellaneous Research & Development		[-5,600]		(5,600)	
		Radar Technology Insertion Program				(19,400)	
0207590F	150	SEEK EAGLE	17,590	19,590	17,590	-	19,590
		Longshot		[2,000]		2,000	
0207591F	151	ADVANCED PROGRAM EVALUATION	272,914	272,914	272,914	(12,000)	260,914
0207601F	152	USAF MODELING AND SIMULATION	14,899	14,899	14,899	-	14,899
0207605F	153	WARGAMING AND SIMULATION CENTERS	5,287	5,287	5,287	-	5,287
0208006F	154	MISSION PLANNING SYSTEMS	17,090	17,090	17,090	-	17,090
0208019F	155	TACTICAL INFORMATION PROGRAM (TIP)	10,685	10,685	10,685	(10,685)	-
0208021F	156	INFORMATION WARFARE SUPPORT	1,375	1,375	1,375	-	1,375
0208030F	157	WAR RESERVE MATERIEL - AMMUNITION		-	-	-	-
0208031F	158	WAR RESERVE MATERIEL - EQUIPMENT/SECONDARY ITEMS	1,470	1,470	1,470	-	1,470
0208060F	159	THEATER MISSILE DEFENSES	31,057	31,057	31,057	-	31,057
0208160F	160	TECHNICAL EVALUATION SYSTEM	113,040	113,040	113,040	-	113,040
0208161F	161	SPECIAL EVALUATION SYSTEM	61,119	61,119	61,119	-	61,119
0301310F	162	FOREIGN TECHNOLOGY DIVISION	1,234	1,234	1,234	-	1,234
0301315F	163	MISSILE AND SPACE TECHNICAL COLLECTION	18,595	26,595	18,595	-	26,595
		Program Adjustment		[8,000]		8,000	
0301398F	165	MANAGEMENT HEADQUARTERS GDIP	1,241	1,241	1,241	-	1,241
0302015F	166	E-4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	4,233	4,233	4,233	-	4,233
0303110F	167	DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	15,641	15,641	15,641	-	15,641
0303131F	168	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	39,230	39,230	39,230	-	39,230
0303140F	169	INFORMATION SYSTEMS SECURITY PROGRAM	8,420	10,420	18,420	-	10,420
		Program Adjustment		[2,000]		2,000	
0303141F	170	GLOBAL COMBAT SUPPORT SYSTEM	17,973	17,973	17,973	-	17,973
0303144F	171	JOINT SPECTRUM CENTER (JSC)		-	-	-	-
0303150F	172	GLOBAL COMMAND AND CONTROL SYSTEM	13,675	13,675	13,675	-	13,675
0303152F	173	WORLD-WIDE MILITARY CMD AND CONTROL SYS, INFORMATION SYS		-	-	-	-
0303601F	174	MILSTAR SATELLITE COMMUNICATIONS SYSTEM (SPACE)	2,352	2,352	2,352	-	2,352
0304311F	176	SELECTED ACTIVITIES	3,000	3,000	3,000	-	3,000
0305099F	177	GLOBAL AIR TRAFFIC MANAGEMENT (GATM)	27,056	27,056	27,056	-	27,056

Title II- RDTE

(Dollars in Thousands)

			1999	House	Senate	Conference	
ACCOUNT	No.		Request	Authorized	Authorized	Change	Agreement
0305110F	178	SATELLITE CONTROL NETWORK (SPACE)	56,622	56,622	56,622	-	56,622
0305111F	179	WEATHER SERVICE	10,649	10,649	10,649	-	10,649
0305114F	180	AIR TRAFFIC CONTROL, APPROACH, AND LANDING SYSTEM (ATCALS)	4,729	4,729	4,729	-	4,729
0305119F	181	MEDIUM LAUNCH VEHICLES (SPACE)	7,375	7,375	7,375	-	7,375
0305128F	182	SECURITY AND INVESTIGATIVE ACTIVITIES	458	458	458	-	458
0305137F	183	NATIONAL AIRSPACE SYSTEM (NAS) PLAN	1,881	1,881	1,881	-	1,881
0305138F	184	INERTIAL UPPER STAGE (IUS)	558	558	558	-	558
0305144F	186	TITAN SPACE LAUNCH VEHICLES (SPACE)	87,443	87,443	87,443	-	87,443
0305145F	187	ARMS CONTROL IMPLEMENTATION		-	-	-	-
0305154F	188	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-	-	-
0305158F	189	TACTICAL TERMINAL	237	237	237	-	237
0305160F	190	DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	20,432	20,432	20,432	-	20,432
0305164F	191	NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT) (SPACE)	67,238	67,238	67,238	-	62,238
		Navigation Warfare Engineering and Manufacturing Development				(5,000)	
0305165F	192	NAVSTAR GLOBAL POSITIONING SYSTEM (SPACE AND CONTROL SEGMENTS)	21,155	21,155	21,155	-	21,155
0305182F	194	EASTERN SPACE LAUNCH FACILITY (ESLF) (SPACE)	24,578	24,578	24,578	-	24,578
0305205F	195	ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	4,307	-	182,975
		Program Reduction				(25,000)	
		Global Hawk Transfer/Increase				115,051	
		Dark Star				40,518	
		CGS Transfer				48,099	
0305206F		AIRBORNE RECONNAISSANCE SYSTEM				-	125,768
		Transfer from 35206D				125,768	
0305208F		DISTRIBUTED COMMON GROUND SYSTEMS				-	14,701
		Transfer from 35208D				14,701	
0305207F	196	MANNED RECONNAISSANCE SYSTEMS		10,300	-	-	30,266
		Transfer from APAF, 35206D, 35207D				17,766	
		RAS-1R				7,500	
		ASARS Improvement				5,000	
		DISTRUTED COMMON GROUND/SYSTEM INTEROPERABILITY, NIMA		2,540	-	-	-
0305906F	197	NCMC - TW/AA SYSTEM	7,878	7,878	7,878	-	7,878
0305910F	198	SPACETRACK (SPACE)	39,532	38,532	39,532	-	38,532

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Program Reduction		[-1,000]		(1,000)	
0305911F	199	DEFENSE SUPPORT PROGRAM (SPACE)	12,037	12,037	12,037	-	12,037
0305913F	200	NUDET DETECTION SYSTEM (SPACE)	13,314	13,314	13,314	-	13,314
0305917F	201	SPACE ARCHITECT	13,714	13,714	13,714	-	13,714
0305953F	202	EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV) (SPACE)	3,316	3,316	3,316	-	3,316
0308601F	203	MODELING AND SIMULATION SUPPORT	1,093	1,093	1,093	-	1,093
0401119F	204	C-5 AIRLIFT SQUADRONS	47,940	47,940	59,940	-	47,940
		C-5 Modernization			[12,000]	-	
0401130F	205	C-17 AIRCRAFT	123,069	123,069	123,069	-	123,069
0401214F	206	AIR CARGO MATERIAL HANDLING (463-L) (NON-IF)	512	512	512	-	512
0401218F	207	KC-135S	11,093	11,093	11,093	-	11,093

Title II- RDTE – Continued

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0404102F	208	AEROSPACE RESCUE AND RECOVERY		-	-	-	-
0702207F	209	DEPOT MAINTENANCE (NON-IF)	1,500	1,500	1,500	-	1,500
0708011F	210	INDUSTRIAL PREPAREDNESS	50,997	58,397	50,997	-	50,997
		Manufacturing Technology (General Increase)		[7,400]		-	
0708026F	211	PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN. PROG OFC (PRAMPO)	970	970	970	-	970
0708071F	212	JOINT LOGISTICS PROGRAM - AMMUNITION STANDARD SYSTEM	16,086	16,086	16,086	-	16,086
0708611F	213	SUPPORT SYSTEMS DEVELOPMENT	23,010	23,010	23,010	-	23,010
0804734F	214	CRYPTOLOGIC/SIGINT-RELATED SKILL TRAINING		-	-	-	-
0901218F	215	CIVILIAN COMPENSATION PROGRAM	6,756	6,756	6,756	-	6,756
1001004F	216	INTERNATIONAL ACTIVITIES		-	-	-	-
1001018F	217	NATO JOINT STARS		-	-	-	-
XXXXXX		AIRCREW LASER EYE PROTECTION		-	5,500	-	-
XXXXXX	999	CLASSIFIED PROGRAMS	4,420,330	4,204,138	4,395,330	-	4,420,330
		ADVISORY AND ASSISITANCE SERVICES		(40,000)		(34,183)	(34,183)
		ECONOMIC ADJUSTMENT			(39,000)	(39,000)	(39,000)
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL AF	13,590,093	13,577,209	13,634,993	320,635	13,918,728

Friction welding

The budget request included $62.6 million in PE 62102F for materials research.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $1.5 million to develop and optimize friction welding techniques.

The conferees agree to authorize an increase of the $1.5 million to develop and optimize friction welding techniques.

Integrated high performance turbine engine program

The budget request included a total of $15.0 million for the integrated high performance turbine engine program (IPTEP).

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $9.0 million: $4.0 million in PE 62203F; $3.0 in PE 63202F; and $2.0 in PE 63216F for IPTEP.

The House recedes.

Variable displacement vane pump

The budget request included $69.0 million in PE 62203F for aerospace propulsion.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $4.0 million, as discussed elsewhere in this statement of managers, and an increase of $2.0 million for the variable displacement vane pump program.

The House recedes.

High frequency active auroral research program

The budget request included no funding for the high frequency auroral research program (HAARP).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $14.0 million for HAARP, including: $9.0 million in PE 62601F; $3.0 million in PE 63160BR; and $2.0 million in PE 63714D.

The conferees agree to authorize a total of $14.0 million for HAARP, as recommended in the Senate amendment.

The purpose of HAARP is to explore the use of low-frequency electromagnetic waves for detecting and imaging underground structures and tunnels and to determine the viability and military utility of the HAARP concept. The conferees direct the Secretary of the Air Force to report to the congressional defense committees on the potential applications and use of the HAARP concept to support military and intelligence objectives with the submission of the fiscal year 2000 budget request.

Protein-based memory

The budget request included $65.2 million in PE 62702F for command control and communications research.

The House bill would authorize an increase of $3.0 million for protein-based memory development.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.5 million in PE 62702F for protein-based memory development.

Advanced low observable coatings

The budget request included $21.0 million in PE 63112F for advanced materials for weapons systems.

The House bill would authorize an increase of $9.0 million for continued exploration of advanced low observable coatings.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $9.0 million.

Night vision technology

The budget request included $16.6 million in PE 63231F for crew systems and personnel protection technology.

The House bill would authorize an increase of additional $13.0 million, including $3.0 million for ejection seat technology, $5.5 million for laser aircrew protection, and $4.5 million for panoramic night vision technology.

The Senate amendment would authorize an increase of $3.0 million for panoramic night vision technology.

The conferees agree to authorize an increase of $11.5 in PE 63231F, including an increase of $3.0 million for panoramic night vision technology; an increase of $3.0 million for ejection seat technology; and an increase of $5.5 million for laser aircrew protection.

Electronic combat technology

The budget request included $25.6 million in PE 63270F for electronic combat technology.

The House bill would authorize an increase of $9.0 million for the ALR-69 Radar Warning Receiver.

The Senate amendment would authorize an increase of $14.0 million for the ALR-69 Precision Location and Identification upgrade.

The conferees agree to authorize an increase of $14.0 million for the ALR-69 Precision Location and Identification upgrade.

Ballistic Missile Technology

The budget request included no funds in PE 63311F for the Ballistic Missile Technology (BMT) program.

The House bill would authorize an increase of $16.0 million in PE 63311F for advanced ballistic missile technology and the conventional ballistic missile demonstration, as well as transfer $1.3 million from PE 63401F to PE 63311F.

The Senate amendment would authorize an increase of $5.0 million in PE 63311F to support an additional missile technology demonstration (MTD-4).

The conferees agree to authorize an increase of $16.0 million in PE 63311F for ballistic missile technology and GPS range safety.

Micro-satellite technology development program

The budget request did not include funds for the micro-satellite technology program.

The House bill would authorize an increase of $4.0 million in PE 63401F for the micro-satellite technology program.

The Senate amendment would authorize an increase of $10.0 million in PE 63401F for the micro-satellite technology program.

The conferees agree to authorize an increase of $10.0 million in PE 63401F for the micro-satellite technology program.

The conferees note that $30.0 million is available in fiscal year 1998 funds for the Clementine II program. The conferees agree to authorize the use of these funds for the micro-satellite technology development program established pursuant to section 215 the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85). The conferees support the plan that has been developed by the Air Force and the National Aeronautics and Space Administration to conduct a micro-satellite inspection mission from the space shuttle. In addition, the conferees direct the Secretary of Defense to develop a plan for executing the remaining funds. In developing this plan, the conferees direct the Secretary to evaluate proposals and technologies developed by the Air Force Research Laboratory, the Naval Research Laboratory, and the Lawrence Livermore National Laboratory. The Secretary's plan shall be submitted to the congressional defense committees by March 15, 1999.

Solar orbital transfer vehicle

The budget request did not include funds for the Solar Orbital Transfer Vehicle (SOTV).

The Senate amendment would authorize an increase of $10.0 million in PE 63401F for SOTV.

The House bill would not authorize additional funds for SOTV.

The conferees agree to authorize an increase of $7.5 million in PE 63401F for SOTV. The conferees support the solar powered orbital transfer vehicle program, which combines thermionic technology for electricity production and thermal propulsion which can be used to move spacecraft to higher orbits or new orbits.

Low cost launch technology development

The budget request included no funds for low cost launch technology development.

The Senate amendment would authorize the following increases for low cost launch technology: (1) an increase of $5.0 million for the Scorpius concept in PE 63173C; (2) an increase of $5.0 million for the Excalibur concept in PE 63173C; and (3) an increase of $5.0 million in PE 63401F for the Air Force to utilize in support of low cost launch technology development.

The House bill would authorize the budget request for low cost technology development.

The conferees agree to authorize an increase of $10.0 million in PE 63401F and no funds in PE 63173C for low cost launch technology development. The conferees direct the Secretary of the Air Force to utilize these funds in support of the Scorpius and Excalibur concepts in a manner that is most effective. The conferees also believe that the Air Force should begin to program sustaining funds to support these technology efforts in the outyears.

Space maneuver vehicle

The budget request did not include funds for space maneuver vehicle or common aero vehicle technology development.

The House bill would authorize an increase of $15.0 million in PE 63401F to support development of space maneuver vehicle and common aero vehicle technology development.

The Senate amendment would authorize an increase of $10.0 million in PE 65864F for space maneuver vehicle technology development.

The conferees agree to authorize no increase in fiscal year 1999 funds, but note that $10.0 million is available in fiscal year 1998 funds appropriated for the Military Spaceplane. The conferees agree to authorize the use of these fiscal year 1998 funds for space maneuver vehicle or common aero vehicle technology development.

The conferees direct the Air Force to work with the National Aeronautics and Space Administration (NASA) on developing responsive, reusable space access systems such as the space maneuver vehicle, which could serve as a reusable upper stage for a variety of space test missions.

Space control technology development

The budget request did not include funds for a new space control technology initiative.

The Senate amendment would authorize an increase of $30.0 million for space control technology development.

The House bill would authorize the budget request for a new space control technology initiative.

The conferees have reviewed the Department of Defense's February 1998 report on the Kinetic Energy Anti-Satellite (KE-

ASAT) program. The report states that "DOD is currently examining potential space control related research, development, and acquisition options to support the President's policy, satisfy military requirements within available resources, and address the architecture." In the cover letter to this report, the Under Secretary of Defense for Acquisition and Technology states that "I anticipate that these efforts will culminate in a comprehensive plan in time for the FY 2000 President's budget."

The conferees support the development of such a plan but are concerned that insufficient resources are available to support a comprehensive evaluation of various technical options. Therefore, the conferees agree to authorize an increase of $15.0 in PE 63438F to support a range of space control technology activities and to develop the "comprehensive plan" cited in DOD's report. The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (Space and Information Superiority) shall be responsible for developing this plan. The conferees direct the Secretary of Defense to submit a report to the congressional defense committees by February 15, 1999, that describes the Secretary's plan for executing the space control technology funds specified above. The report should also describe the Secretary's plan for continuing these efforts in fiscal year 2000 and beyond.

The conferees note that $37.5 million is available in fiscal year 1998 funds appropriated for the KE–ASAT program. The conferees direct the Secretary to obligate promptly these funds. If the Secretary concludes that a portion of these fiscal year 1998 funds should be applied to other space control development activities, the conferees direct the Secretary to include any such recommendation in the comprehensive space control technology development plan specified above. The conferees will consider any such recommendation and any related reprogramming that the Secretary may choose to submit to Congress.

Variable stability in-flight simulator test aircraft

The budget request included no funding for the Variable Stability In-Flight Simulator Test Aircraft (VISTA).

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $7.3 million in PE 64237F for the VISTA.

The conferees agree to authorize an increase of $7.3 million in PE 64237F for the VISTA.

Electronic warfare development

The budget request included $90.1 million in PE 64270F for electronic warfare development.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $20.0 million to accelerate the development of the C–130 Compass Call upgrade to the block 30 configuration.

The conferees agree to authorize an increase of $20.0 million to accelerate the development of the C–130 Compass Call upgrade to the block 30 configuration.

Evolved expendable launch vehicle program

The budget request included $280.3 million for the Evolved Expendable Launch Vehicle (EELV) program.

The House bill would authorize the budget request.

The Senate amendment would authorize the budget request.

The conferees are aware of excess prior year funding in the EELV program. The conferees agree to authorize a decrease to the budget request of $14.0 million in PE 64853F, and direct that $14.0 million in excess prior years funds be used to satisfy fiscal year 1999 requirements for the EELV program.

Big Crow program office

The budget request included no funding for the Big Crow Program Office (BCPO). The BCPO operates two flying laboratories to evaluate weapons and communications systems under stressful conditions.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million to the budget request for the BCPO to underwrite activities in fiscal year 1999.

The conferees agree to authorize an increase of $8.0 million for BCPO, and support the need for the report on funding policy and management directed in the Senate report (S. Rept. 105–189).

Flight test safety

The budget request included $370.1 million in PE 65807F for test and evaluation support.

The House bill would authorize an increase of $6.0 million for flight test safety enhancements.

The Senate amendment would authorize a decrease of $4.0 million, as discussed elsewhere in this statement of managers.

The conferees agree to authorize a net increase of $2.0 million in PE 65807F, including an increase of $6.0 million for flight test safety enhancements at the Air Force Flight Test Center and a decrease of $4.0 million, as discussed elsewhere in this report.

F–16 Squadrons

The budget request included $125.0 million in PE 27133F for F–16 squadrons.

The House bill would authorize a decrease of $24.6 million.

The House report (H. Rept. 105–532) noted that the budget request reflects an increase of $24.6 million over the level forecast as necessary to support fiscal year 1999 requirements in the fiscal year 1998 budget request.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Advanced medium range air-to-air missile

The budget request included $45.0 million in PE 27163F for advanced medium range air-to-air missile (AMRAAM) research.

The House bill and the Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $20.0 million to reflect the delayed EMD effort.

The conferees are aware that there are additional risk reduction activities that will be required before the Air Force begins the engineering and manufacturing development (EMD) effort for the AMRAAM pre-planned product improvement (P3I) program. The conferees support the goals of the P3I program, but believe it prudent to conduct the additional risk reduction activities.

Joint Air-To-Surface Standoff Missile

The budget request included $132.9 million for the Joint Air-to-Surface Standoff Missile (JASSM).

The House bill and the Senate amendment would authorize the budget request.

The budget request included 52 test missiles to support the JASSM test program. Based largely on lower than expected cost estimates, the conferees understand the Air Force now plans to procure 69 test missiles. Even under a revised test plan, eight of these missiles are excess to the testing needs of the program. The conferees agree to authorize a decrease of $3.0 million to eliminate these missiles.

Theater Battle Management C4I

The budget request included $27.3 million for theater battle management C4I.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $5.0 million for pre-planned product improvements for the air support operations center (ASOC).

The conferees agree to authorize an increase of $5.0 million for pre-planned product improvements for the ASOC.

Joint Surveillance and Target Attack Radar System

The budget request included $123.8 million in PE 27581F for the Joint Surveillance and Target Attack Radar System (JSTARS).

The House bill would authorize a decrease of $5.6 million to eliminate unnecessary studies and research.

The Senate amendment would authorize the budget request.

The conferees note that the budget request includes $40.2 million for the Radar Technology Improvement Program (RTIP). The conferees support the RTIP program, but also understand that the Air Force has identified a funding shortfall of $428.0 million for this program in fiscal year 2000 and beyond. Given the uncertain status of the program, the conferees believe it is prudent to reduce the level of resources applied to RTIP in fiscal year 1999 pending submission of a fully funded budget by the Air Force. Accordingly, the conferees agree to authorize a decrease of $25.0 million, as follows:

(1) $5.6 million to eliminate unnecessary studies and research; and

(2) $19.4 million to slow RTIP until such time as the Air Force clarifies future funding of the JSTARS program.

Seek Eagle

The budget request included $17.6 million in PE 27590F for the Seek Eagle weapons integration flight test program.

The House bill would authorize an increase of $2.0 million to continue testing Longshot, a range-increasing modification for munitions.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.0 million to continue testing Longshot.

Defense Airborne Reconnaissance Program research and development

The budget request included funds for research and development in the Army, Navy, Air Force, and Defense-Wide accounts for activities of the Defense Airborne Reconnaissance Program (DARP), as shown in the following table.

Account	Budget request	Change from request		Conference agreement
		House bill	Senate amendment	
RDT&E, Army	75,636	(26,000)	—	70,048
RDT&E, Navy	342	67,200	(23,400)	66,548
RDT&E, Air Force	—	224,008	—	349,403
RDT&E, Defense-Wide	444,137	(143,333)	(8,000)	35,665
Total	520,115	121,875	(31,400)	521,664

Section 905 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) transferred the management responsibilities of the Defense Airborne Reconnaissance Office (DARO) to the military services, while retaining Office of the Secretary of Defense (OSD)-level oversight responsibilities for determining airborne reconnaissance architecture and systems interface requirements.

The budget request reflected continuation of airborne reconnaissance programs within DARO. However, subsequent to submitting the budget request, the Secretary of Defense decided to:

(1) abolish the DARO;

(2) transfer the OSD-level functions to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD C3I); and

(3) transfer program management responsibilities to the military services.

This decision was reflected in a April 14, 1998 letter from the Under Secretary of Defense for Acquisition and Technology.

The conferees agree to make these adjustments, in both the procurement and the research and development titles. These transfers are reflected in the tables contained in the conference report. In addition, a more detailed spreadsheet of DARO-related investment programs, summarizing transfers and other adjustments to individual budget lines and program elements, is provided in the classified annex that accompanies this conference report.

The conferees note that, unless otherwise reflected in the statement of managers, the transfers do not reflect a change to the purposes for which the funds were requested in the original budget request.

The conferees are extremely concerned that assignment of acquisition program management and funding to the services not been seen as a signal that stovepipe systems of the past will be acceptable in the future. The conferees stress that these programmatic actions demand a firm leadership role by the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) in establishing policy and exercising oversight to ensure reconnaissance system interoperability for joint operations.

In particular, the tactical control system (TCS), previously assigned to the Unmanned Aerial Vehicle (UAV) Joint Program Office, continues to be assigned to the Navy as the lead service. The conferees note that there is some disagreement within the Department of Defense with respect to whether TCS will serve as the implementation of a single standard tactical UAV and sensor control architecture. The conferees believe that the issue of who operationally controls UAVs and their sensors is an issue separate and distinct from system design technical capabilities. The conferees believe it is imperative that the Joint Requirements Oversight Counsel makes the necessary standards decisions to ensure that operational commanders have full operational flexibility for employment of UAVs.

The budget request included $5.0 million in PE 35204D8Z for the Army's Unmanned Aerial Vehicle (UAV) Systems Integration Laboratory (SIL), and included $3.0 million for continued development of the Multiple UAV Simulation Environment (MUSE).

The House bill would direct the Assistant Secretary of Defense (Command, Control, Communications and Intelligence) to provide the congressional defense and intelligence committees a plan, which includes a funding profile, for the continued operation of the SIL no later than March 31, 1999.

The Senate amendment had no similar provision.

The Senate recedes.

Overview

The budget request for fiscal year 1999 contained an authorization of $9,314.7 million for Defense-Wide, Research and Development in the Department of Defense. The House bill would authorize $9,173.9 million. The Senate amendment would authorize $9,302.8 million. The conferees recommended an authorization of $8,848.8 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
ACCOUNT		RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE					
0601101D	1	IN-HOUSE LABORATORY INDEPENDENT RESEARCH	2,173	2,173	2,173	-	2,173
0601101E	2	DEFENSE RESEARCH SCIENCES	65,102	65,102	65,102	-	65,102
0601103D	3	UNIVERSITY RESEARCH INITIATIVES	216,320	231,320	216,320	-	216,320
		DEPSCOR		[15,000]		[20,000]	
0601105D	4	GULF WAR ILLNESS	19,646	19,646	29,646	-	19,646
		Gulf War Illness				-	
0601111D	5	GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEARCH	9,870	9,870	9,870	-	9,870
0601384BP	6	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,282	25,282	30,282	-	30,282
		Chem-Bio Sensors			[5,000]	5,000	
0602110E	7	NEXT GENERATION INTERNET	40,000	53,000	40,000	-	53,000
		NGI Revolutionary Applications		[13,000]		13,000	
0602173C	8	SUPPORT TECHNOLOGIES - APPLIED RESEARCH	86,866	89,666	100,866	-	100,866
		Mandatory Programs (SBIR/STTR)		[-12,200]		-	
		IS&T Wide Band Gap Electronics		[15,000]	[14,000]	14,000	
0602227D	9	MEDICAL FREE ELECTRON LASER	9,706	14,706	16,706	-	16,706
		MFEL		[5,000]	[7,000]	7,000	
0602228D	10	HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU) SCIENCE		-	-	-	-
0602234D	11	LINCOLN LABORATORY RESEARCH PROGRAM	19,641	19,641	19,641	-	19,641
0602301E	12	COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	417,723	377,723	-	377,723
		Program Reduction			[-40,000]	(40,000)	
0602383E	13	BIOLOGICAL WARFARE DEFENSE	88,000	88,000	77,500	-	82,500
		Multi-media Technology			[1,500]	1,500	
		Program Reduction			[-12,000]	(7,000)	
0602384BP	14	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	66,683	-	66,683
		Light Weight Chem-Bio Detectors			[5,000]	5,000	
		Safeguard			[4,000]	4,000	
0602702E	15	TACTICAL TECHNOLOGY	188,995	151,995	183,995	-	156,995
		Program Reduction		[-37,000]	[-5,000]	(32,000)	
0602708E	16	INTEGRATED COMMAND AND CONTROL TECHNOLOGY	34,000	40,000	42,000	-	41,000
		HDS/Flat Panel Display Domestic Infrastructure		[6,000]	[8,000]	7,000	
0602712E	17	MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	244,408	250,408	-	242,408

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Specialty Aerospace Metals		[10,000]		-	
		Mixed Mode Electronics			[6,000]	6,000	
		Sonoelectronics				(8,000)	
0602715BR	18	WMD RELATED TECHNOLOGIES	203,598	203,598	218,598	-	216,598
		Thermionics		[5,000]		-	
		Core Competencies			[10,000]	10,000	
		Deep Digger			[3,000]	3,000	
		EMP			[2,000]	-	
0602715H	19	DEFENSE SPECIAL WEAPONS AGENCY		-	-	-	-
0602787D	20	MEDICAL TECHNOLOGY	9,239	9,239	9,239	-	9,239
0305108K	21	COMMAND AND CONTROL RESEARCH	1,961	1,961	1,961	-	1,961
0603002D	22	MEDICAL ADVANCED TECHNOLOGY	2,136	2,136	2,136	-	2,136
0603104D	23	EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	17,150	-	17,650
		Environmental Safe Disposal		[2,000]		2,000	
		Blast Chamber Tec			[4,000]	4,000	
		Portable Blast Chamber Tec			[1,500]	-	
0603120D	24	DEMINING		-	-	-	-
0603121D	25	ALTERNATIVE TO LANDMINES	4,753	4,753	4,753	-	4,753
0603122D	26	COUNTERTERROR TECHNICAL SUPPORT	35,813	39,813	40,813	-	39,813
		Facial Recognition		[4,000]	[5,000]	4,000	
0603160BR	27	COUNTERPROLIFERATION SUPPORT - ADV DEV	70,611	57,611	73,611	-	77,611
		Program Reduction		[-13,000]		-	
		HAARP			[3,000]	3,000	
		Counterproliferation Analysis Planning System (CAPS)1				4,000	
0603160D	28	COUNTERPROLIFERATION SUPPORT - ADV DEV		-	-	-	-
0603173C	29	SUPPORT TECHNOLOGIES - ADVANCED TECHNOLOGY DEVELOPMENT	166,676	176,676	292,676	-	282,676
		Operational Support		[-2,000]		-	
		Atmospheric Interceptor Technology		[22,000]	[22,000]	22,000	
		Space-Based Laser Readiness Demonstrator		[-10,000]	[94,000]	94,000	
		Scorpius			[5,000]	-	
		Excalibur			[5,000]	-	
0603225D	30	JOINT DOD-DOE MUNITIONS TECHNOLOGY DEVELOPMENT	13,447	13,447	13,447	-	13,447

Title II- RDTE

(Dollars in Thousands)

			1999	House	Senate	Conference	
ACCOUNT	**No.**		**Request**	**Authorized**	**Authorized**	**Change**	**Agreement**
0603232D	31	AUTOMATIC TARGET RECOGNITION	5,081	8,081	5,081	-	5,081
		Optical Correlator Technology		[3,000]		-	
0603384BP	32	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - ADVANCED DEVELOPMENT	42,762	42,762	42,762	-	42,762
0603704D	33	SPECIAL TECHNICAL SUPPORT	11,337	11,337	11,337	-	11,337
0603711BR	34	VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	38,052	63,052	-	48,052
		Program Reduction		[-25,000]		(25,000)	
		Nuclear Detection				10,000	
0603711H	35	VERIFICATION TECHNOLOGY DEMONSTRATION		-	-	-	-
0603712S	36	GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,788	17,788	21,788	-	21,788
		CATT			[4,000]	4,000	
0603716D	37	STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM		-	-	54,419	54,419
0603727D	38	JOINT WARFIGHTING PROGRAM	23,700	23,700	23,700	-	23,700
0603728D	39	AGILE PORT DEMONSTRATION		-	-	-	-
0603729D	40	ROCKET LAUNCH FACILITY UPGRADES		-	-	-	-
0603730D	41	AIRFIELD SURFACE TRAFFIC MONITORING		-	-	-	-
0603738D	42	COOPERATIVE DOD/VA MEDICAL RESEARCH		-	10,000	-	10,000
		Cooperative DOD/VA Medical Research				10,000	
0603739E	43	ADVANCED ELECTRONICS TECHNOLOGIES	244,737	244,737	250,737	-	246,337
		Lithography			[10,000]	10,000	
		Program Reduction			[-4,000]	-	
		Molecular Level Printing Program Acceleration				(3,300)	
		Submarine Sensor Suite Development				(5,100)	
0603746E	44	MARITIME TECHNOLOGY	15,000	15,000	20,000	-	20,000
		MARITECH Advanced Shipbuilding Enterprise			[5,000]	5,000	
0603747E	45	ELECTRIC VEHICLES		-	-	-	-
0603750D	46	ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	116,330	104,330	110,330	-	104,330
		Program Reduction		[-12,000]	[-6,000]	(12,000)	
0603752D	47	COMMERCIAL TECHNOLOGY INSERTION PROGRAM		-	-	-	-
0603753S	48	ELECTRONIC COMMERCE RESOURCE CENTERS		-	-	-	-
0603755D	49	HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	140,927	163,927	-	163,927
		High Performance Technology			[20,000]	20,000	
		High Performance Viz Technology			[3,000]	3,000	

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(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0603760E	50	COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	189,100	-	172,600
		Program Reduction		[-27,500]	[-11,000]	(27,500)	
0603761E	51	COMMUNICATION AND SIMULATION TECHNOLOGY	56,114	56,114	56,114	-	56,114
0603762E	52	SENSOR AND GUIDANCE TECHNOLOGY	213,154	210,054	213,154	-	200,054
		Program Reduction		[-13,100]		(13,100)	
		Seismic Sensor Technology		[10,000]		-	
0603763E	53	MARINE TECHNOLOGY	24,788	24,788	24,788	-	24,788
0603764E	54	LAND WARFARE TECHNOLOGY	108,490	96,890	104,490	-	90,890
		Program Reduction		[-11,600]	[-4,000]	(11,600)	
		Tactical Mobile Robots Acceleration				(3,000)	
		Situation Awareness System Program Growth				(3,000)	
0603765E	55	CLASSIFIED DARPA PROGRAMS	55,500	55,500	55,500	-	42,000
		Unmanned Combat Air Vehicle				(13,500)	
0603800E	56	JOINT STRIKE FIGHTER (JSF) - DEM/VAL		-	-	-	-
0603805E	57	DUAL USE APPLICATIONS PROGRAMS		-	-	-	-
0603805S	58	COMMERCIAL TECHNOLOGY FOR MAINTENANCE ACTIVITIES	6,000	6,000	6,000	-	6,000
0603832D	59	JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	70,696	70,696	70,696	-	70,696
0603228D	63	PHYSICAL SECURITY EQUIPMENT	31,792	31,792	25,792	-	28,792
		Program Reduction			[-6,000]	(3,000)	
0603708D	64	INTEGRATED DIAGNOSTICS	3,436	3,436	3,436	-	3,436
0603709D	65	JOINT ROBOTICS PROGRAM	16,217	16,217	16,217	-	16,217
0603714D	66	ADVANCED SENSOR APPLICATIONS PROGRAM	15,147	15,147	17,147		17,147
		HAARP				2,000	
0603736D	67	CALS INITIATIVE	1,863	1,863	3,863	-	3,863
		IDE			[2,000]	2,000	
0603790D	68	NATO RESEARCH AND DEVELOPMENT		-	-	-	-
0603790T	69	NATO RESEARCH AND DEVELOPMENT	10,762	10,762	8,462	-	8,462
		Program Reduction			[-2,300]	(2,300)	
0603851D	70	ENVIRONMENTAL SECURITY TECHNICAL CERTIFICATION PROGRAM	17,051	17,051	17,051	-	17,051
0603857J	71	ALL SERVICE COMBAT IDENTIFICATION EVALUATION TEAM (ASCIET)	13,014	13,014	13,014	-	13,014
0603861C	72	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - DEM/VAL	497,752	497,752	497,752	29,600	527,352
0603867C	73	NAVY AREA		-	-	-	-

Title II- RDTE

(Dollars in Thousands)

			1999	House	Senate	Conference	
ACCOUNT	No.		Request	Authorized	Authorized	Change	Agreement
0603868C	74	NAVY THEATER WIDE	190,446	260,446	310,446	-	310,446
		Navy Upper Tier Acceleration		[70,000]	[70,000]	70,000	
		Radar Improvements			[50,000]	50,000	
0603869C	75	MEADS CONCEPTS - DEM/VAL	43,027	43,027	10,027	-	24,027
		Program Reduction			[-33,000]	(19,000)	
0603870C	76	BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISITION - DEM/VAL		-	-	-	-
0603871C	77	NATIONAL MISSILE DEFENSE - DEM/VAL	950,473	950,473	950,473	-	950,473
0603872C	78	JOINT THEATER MISSILE DEFENSE - DEM/VAL	176,846	174,846	176,846	-	176,846
		User Interface		[-2,000]		-	
0603873C	79	FAMILY-OF SYSTEMS ENGINEERING AND INTEGRATION (FOS E&I)	96,915	96,915	96,915	-	96,915
0603874C	80	BMD TECHNICAL OPERATIONS	190,147	186,147	190,147	-	190,147
		Advanced Research Center			[5,000]	5,000	
		Architecture and Engineering		[-4,000]	[-5,000]	(5,000)	
0603875C	81	INTERNATIONAL COOPERATIVE PROGRAMS	50,676	50,676	49,924	-	62,676
		Arrow Interoperability			[12,000]	12,000	
		RAMOS			[-12,752]	-	
0603876C	82	THREAT AND COUNTERMEASURES	22,113	22,113	22,113	-	22,113
0603884BP	83	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - DEM/VAL	60,404	60,404	60,404	-	60,404
0603892D	84	ASAT		-	-	-	-
0603920D	85	HUMANITARIAN DEMINING	17,234	12,234	17,234	-	17,234
		Program Reduction		[-5,000]		-	
0605104T	86	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	980	980	980	-	980
0605110T	87	CRITICAL TECHNOLOGY SUPPORT	2,618	2,618	2,618	-	2,618
0208043J	88	ISLAND SUN		-	-	-	-
0904901U	89	UNDISTRIBUTED ADJUSTMENTS		-	-	-	-
0604160D	90	COUNTERPROLIFERATION SUPPORT - EMD		-	-	-	-
0604384BP	91	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM - EMD	125,312	125,312	125,312	-	125,312
0604709D	92	JOINT ROBOTICS PROGRAM - ENG DEV	11,307	11,307	17,307	-	17,307
		Joint Robotics Technology EMD			[6,000]	6,000	
0604764K	93	ADVANCED IT SERVICES JOINT PROGRAM OFFICE (AITS-JPO)	15,588	15,588	15,588	-	15,588
0604771D	94	JOINT TACTICAL INFORMATION DISTRIBUTION SYSTEM (JTIDS)	30,512	30,512	30,512	-	30,512
0604805D	95	COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	13,410	13,410	13,410	-	13,410

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0604861C	96	THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM - TMD - EMD	323,942	323,942	-	-	-
		Program Reduction			[-323,942]	(323,942)	
0604865C	97	PATRIOT PAC-3 THEATER MISSILE DEFENSE ACQUISITION - EMD	137,265	193,265	177,265	-	177,265
		Enhanced LRIP		[16,000]		-	
		Transfer from PAC 3 Procurement		[40,000]	[40,000]	40,000	
0604867C	98	NAVY AREA THEATER MISSILE DEFENSE - EMD	245,796	245,796	245,796	-	245,796
0603858D	99	UNEXPLODED ORDNANCE DETECTION AND CLEARANCE	1,273	1,273	1,273	-	1,273
0604942D	100	ASSESSMENTS AND EVALUATIONS	3,916	3,916	3,916	-	3,916
0605104D	101	TECHNICAL STUDIES, SUPPORT AND ANALYSIS	30,021	30,021	30,021	-	30,021
0605110D	102	USD(A&T)--CRITICAL TECHNOLOGY SUPPORT		-	-	-	-
0605114E	103	BLACK LIGHT	5,000	5,000	5,000	-	5,000
0605117D	104	FOREIGN MATERIAL ACQUISITION AND EXPLOITATION	35,035	35,035	35,035	-	35,035
0605122D	105	INDUSTRIAL CAPABILITIES ASSESSMENTS	2,937	2,937	2,937	-	-
		Program Reduction				(2,937)	
0605126J	106	JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	17,423	-	17,423
0605128BR	107	CLASSIFIED PROGRAMS	13,755	13,755	13,755	-	13,755
0605128D	108	CLASSIFIED PROGRAM USD(P)		-	-	-	-
0605160BR	109	COUNTERPROLIFERATION SUPPORT	9,874	9,874	13,874	-	9,874
		CAPS			[4,000]	-	
0605160D	110	COUNTERPROLIFERATION SUPPORT		-	-	-	-
0605384BP	111	CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	24,922	24,922	24,922	-	24,922
0605502D	112	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605502E	113	SMALL BUSINESS INNOVATIVE RESEARCH		-	-	-	-
0605710D	114	CLASSIFIED PROGRAMS - C3I	439	439	6,439	-	6,439
		Program Increase				6,000	
0605790D	115	SMALL BUSINESS INNOVATION RESEARCH ADMINISTRATION	1,820	1,820	1,820	-	1,820
0605798S	116	DEFENSE TECHNOLOGY ANALYSIS	5,010	5,010	7,010	-	7,010
		Commodity Management Technology			[2,000]	2,000	
0605801K	117	DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,469	46,469	45,469	-	45,469
		Program Reduction			[-1,000]	(1,000)	
0605801S	118	DEFENSE TECHNICAL INFORMATION CENTER		-	-	-	-
0605803S	119	R&D IN SUPPORT OF DOD ENLISTMENT, TESTING AND EVALUATION	8,248	8,248	8,248	-	8,248

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
0605898E	120	MANAGEMENT HEADQUARTERS (RESEARCH AND DEVELOPMENT)	38,611	38,611	38,611	-	38,611
0305190D	121	C3I INTELLIGENCE PROGRAMS	1,657	1,657	1,657	-	1,657
0909900E	122	FINANCING FOR EXPIRED ACCOUNT ADJUSTMENTS		-	-	-	-
0208045K	123	C3 INTEROPERABILITY	26,296	26,296	26,296	-	26,296
0208052J	124	JOINT ANALYTICAL MODEL IMPROVEMENT PROGRAM	1,847	1,847	1,847	-	1,847
0302016K	127	NATIONAL MILITARY COMMAND SYSTEM-WIDE SUPPORT	1,189	1,189	1,189	-	1,189
0302019K	128	DEFENSE INFO INFRASTRUCTURE ENGINEERING AND INTEGRATION	4,975	4,975	4,975	-	4,975
0303126K	129	LONG-HAUL COMMUNICATIONS (DCS)	11,561	11,561	11,561	-	11,561
0303127K	130	SUPPORT OF THE NATIONAL COMMUNICATIONS SYSTEM	4,428	4,428	4,428	-	4,428
0303129K	131	DEFENSE MESSAGE SYSTEM		-	-	-	-
0303131K	132	MINIMUM ESSENTIAL EMERGENCY COMMUNICATIONS NETWORK (MEECN)	3,061	3,061	3,061	-	3,061
0303140G	133	INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	239,081	-	239,081
0303149J	134	C4I FOR THE WARRIOR	2,819	2,819	2,819	-	2,819
0303149K	135	C4I FOR THE WARRIOR	3,675	3,675	3,675	-	3,675
0303153K	136	JOINT SPECTRUM CENTER	8,839	8,839	8,839	-	8,839
0305102BQ	138	DEFENSE IMAGERY AND MAPPING PROGRAM	114,417	114,417	114,417	-	114,417
0305127V	139	FOREIGN COUNTERINTELLIGENCE ACTIVITIES	418	418	418	-	418
0305154D	140	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-	-	-
0305154G	141	DEFENSE AIRBORNE RECONNAISSANCE PROGRAM		-	-	-	-
0305159I	142	DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	34,504	40,504	-	30,722
		Tactical Communitions Transfer				(3,895)	
		Program Reduction		[-6,000]		(5,887)	
0305188J	143	JOINT C4ISR BATTLE CENTER (JBC)		-	-	-	-
0305190D	144	C3I INTELLIGENCE PROGRAMS	8,015	8,015	8,015	-	8,015
0305204D	145	TACTICAL UNMANNED AERIAL VEHICLES	37,192	-	37,192	-	-
		Transfer to 35204N		[-37,192]		(37,192)	
0305205D	146	ENDURANCE UNMANNED AERIAL VEHICLES	178,668	-	170,668	-	-
		Transfer to 35205F		[-178,668]		-	
		Global Hawk			[32,500]	(90,051)	
		Dark Star			[-40,500]	(40,518)	
		HAE Common Ground Segment				(48,099)	
0305206D	147	AIRBORNE RECONNAISSANCE SYSTEMS	162,666	82,266	162,666		-

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
		Transfers		[-80,400]		(162,666)	
0305207D	148	MANNED RECONNAISSANCE SYSTEMS	10,840	26,840	10,840	-	-
		EO Framing		[8,000]		-	
		Transfer to USAF ASARS		[8,000]		(4,966)	
		Transfer to NSA				(5,874)	
0305207G	149	MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	4,085		24,959
		Transfers				20,874	
0305208D	150	DISTRIBUTED COMMON GROUND SYSTEMS	34,985	29,407	34,985	-	-
		DARP Transfer		[-5,578]		(34,985)	
0305208BQ	150a	DISTRIBUTED COMMON GROUND SYSTEMS INTEROPERABITY, NIMA		2,540		-	9,358
		Transfer from 35206D and 35208D		[2,540]		9,358	
0305208G	150b	DISTRIBUTED COMMON GROUND SYSTEMS INTEROPERABITY, NSA		2,540		-	2,540
		Transfer from 35208D and 35209D		[2,540]		2,540	
0305208L	150c	DISTRIBUTED COMMON GROUND SYSTEMS INTEROPERABITY, DIA/CMO		1,958		-	1,958
		Transfer from 35209D		[1,958]		1,958	
0305209D	151	DARP INTEGRATION AND SUPPORT	15,701	-	15,701	-	-
		Transfer		[-11,000]		(11,000)	
		Program Reduction		[-4,701]		(4,701)	
0305885G	153	TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	184,910	104,510		101,360
		Transfer from 35206D		[80,400]		-	
		Other				(3,150)	
0305889G	154	COUNTERDRUG INTELLIGENCE SUPPORT		-	-	-	-
0305898L	155	MANAGEMENT HEADQUARTERS (AUXILIARY FORCES)		-	-	-	-
0708011S	156	INDUSTRIAL PREPAREDNESS	26,231	26,231	26,231	-	26,231
0902298J	157	MANAGEMENT HEADQUARTERS (OJCS)	9,617	9,617	9,617	-	9,617
0902740J	158	JOINT SIMULATION SYSTEM	24,775	24,775	29,275	-	24,775
		JSIMS			[4,500]	-	
0909999D	159	FINANCING FOR CANCELLED ACCOUNT ADJUSTMENTS		-	-	-	-
1001017D	160	PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	1,957	-	5,957
		International Medical Satellite		[4,000]		4,000	
1160279BB	161	SMALL BUSINESS INNOVATIVE RESEARCH/SMALL BUS TECH TRANSFER PILOT PROG		-	-	-	-
1160401BB	162	SPECIAL OPERATIONS TECHNOLOGY DEVELOPMENT	4,026	4,026	4,026	-	4,026

Title II- RDTE

(Dollars in Thousands)

ACCOUNT	No.		1999 Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
1160402BB	163	SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	8,020	8,020	-	8,020
1160404BB	164	SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	109,238	106,238	-	106,238
		Polymer Cased Ammunition		[3,000]		-	
1160405BB	165	SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	6,805	1,805	-	4,305
		Special Operations Intelligence Vehicle		[5,000]		2,500	
1160407BB	166	SOF MEDICAL TECHNOLOGY DEVELOPMENT	2,015	2,015	2,015	-	2,015
1160408BB	167	SOF OPERATIONAL ENHANCEMENTS	33,799	33,799	33,799	-	33,799
XXXXXXX	999	Classified Programs	1,057,100	1,127,868	1,075,400	7,800	1,064,900
		ADVISORY AND ASSISTANCE SERIVES REDUCTION		(50,000)		(23,415)	(23,415)
		ECOMOMIC ADJUSTMENTS			(26,700)	(26,700)	(26,700)
		TOTAL RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE	9,314,665	9,173,932	9,302,771	(465,829)	8,848,836
ACCOUNT		**DEVELOPMENTAL TEST & EVAL, DEFENSE**					
0604940D	1	CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT (CTEIP)	122,169	122,169	122,169	-	122,169
0605130D	2	FOREIGN COMPARATIVE TESTING	32,684	32,684	32,684	-	32,684
0605804D	3	DEVELOPMENT TEST AND EVALUATION	96,253	96,253	94,253	-	94,253
		Program Reduction			[-2,000]	(2,000)	
		TOTAL DEVELOPMENTAL TEST & EVAL, DEFENSE	251,106	251,106	249,106	(2,000)	249,106
ACCOUNT		**OPERATIONAL TEST & EVALUATION, DEFENSE**					
0605118D	1	OPERATIONAL TEST AND EVALUATION	15,311	15,311	15,311	-	15,311
0605131D	2	LIVE FIRE TESTING	9,934	13,934	9,934	-	13,934
		RF Weapon Vulnerability		[4,000]		4,000	
		TOTAL OPERATIONAL TEST & EVALUATION, DEFENSE	25,245	29,245	25,245	4,000	29,245
		General Reduction			(275,000)		
		Total	36,078,577	36,228,048	35,942,157	(70,639)	36,007,938

University research initiative

The budget request included $216.0 million in PE 61103D for the university research initiative. The request included $10.0 million for the Defense Experimental Program to Stimulate Competitive Research (DEPSCoR).

The House bill would authorize an increase $15.0 million for the DEPSCoR.

The Senate amendment would authorize the budget request but would fence an additional $10.0 million within the request for the DEPSCoR, a total of $20.0 million.

The House recedes.

Ballistic Missile Defense Organization funding and programmatic guidance

The budget request included approximately $3.6 billion for the Ballistic Missile Defense Organization (BMDO) for research, development, test, and evaluation (RDT&E), and procurement.

The House bill would authorize an increase of $76.8 million for BMDO. In addition, the House bill would authorize an increase of $50.0 million for radar improvements related to Navy Upper Tier under Navy research, development, test, and evaluation (RDT&E).

The Senate amendment would authorize a decrease of $97.7 million for BMDO.

The conferees agree to authorize a decrease of $51.7 million for BMDO.

The conferees recommended funding allocations for BMDO are summarized in the following table. Additional programmatic and funding guidance is also provided below.

BMDO FUNDING ALLOCATION

[In millions of dollars]

Program	Request	Senate	House	Conference	
				Change	Total
Support Technology	253.5	+140.0	+12.8	+130.0	383.5
THAAD	821.7	−323.9		−294.3	527.4
TMD–BM/C3*	22.8				22.8
Navy Lower Tier**	289.1				289.1
Navy Upper Tier***	190.4	+120.0	+70.0	+120.0	310.4
MEADS	43.0	−33.0		−19.0	24.0
NMD	950.5				950.5
Joint TMD	176.8		−2.0		176.8
PAC–3**	480.5				480.5
FOS E&I	96.9				96.9
BMD Tech Ops	190.1		−4.0		190.1
Int'l Coop Programs	50.7	−0.8		+12.0	62.7
Threat/Countermeasures	22.1				22.1
BMDO Total	3,588.1	−97.7	+76.8	−51.3	3,536.8

*Procurement only.

**Procurement and RDT&E.

***The House bill also included an increase of $50.0 million for radar improvements related to Navy Upper Tier under Navy RDT&E.

Support technology

The conferees continue to support BMDO's wide bandgap electronics material development program. Higher speed and higher temperature operation afforded by wide bandgap electronic materials could enhance the miniaturization and functionality of advanced sensors and processing systems for space-based ballistic missile defense (BMD) sensors and ground-based radar systems. The conferees agree to authorize an increase of $14.0 million in PE 62173C to support this important activity.

The conferees continue to support the Atmospheric Interceptor Technology (AIT) program to develop advanced interceptors with potential applications for a range of theater missile defense (TMD) programs. The conferees agree to authorize an increase of $22.0 million in PE 63173C to continue the AIT program.

The conferees commend BMDO and the Air Force for increasing funding in the fiscal year 1999 budget request for the Space Based Laser (SBL) Readiness Demonstrator (RD) program, but are concerned by the Air Force's failure to move the program beyond initial concept definition studies. The conferees continue to support the development of an SBL–RD that could be ready for launch in the 2006–2008 timeframe and urge the Secretary of Defense to provide the necessary funding and programmatic guidance to put the SBL program on this path. Due to the failure to release a request for proposal (RFP) and the Air Force's apparent lack of interest in aggressively advancing the program, the conferees will evaluate alternative management arrangements for the program. The conferees direct the Secretary of Defense to promptly release the RFP for an SBL–RD that could be launched in the 2006–2008 timeframe. In order to support this objective, the conferees agree to authorize an increase of $94.0 million in PE 63173C.

National Missile Defense

The conferees note the existence of some confusion regarding what, if any, national missile defense (NMD) policy has been established in law or otherwise endorsed by Congress. Although the conferees agreed to a provision on this subject last year, which was enacted in the National Defense Authorization Act for Fiscal Year 1998 (section 231 of Public Law 105–85), this provision did not address NMD deployment policy nor otherwise endorse the administration's policy known as "three-plus-three".

Although the Congress has acceded to recent funding requests for the administration's "three-plus-three" program, it has never formally endorsed the concept. Indeed, the continued lack of programmatic definition associated with the "plus-three" phase has called into question the administration's willingness and ability to deploy an NMD system on the "three-plus-three" schedule, the integrity of the concept itself, and exacerbated the current debate. The NMD program is the only major defense acquisition program that is not being managed to scheduled milestones beyond initial development. This is a departure from usual practice and proven program management principles. The conferees note that the Director of BMDO has testified that NMD is still an "extremely high risk" program. The conferees believe that the lack of program definition in the "plus-three" phase, and the lack of a defined path from this phase into production and deployment, is contributing to this risk and suboptimal decision-making with adverse impact to NMD programmatics and budgets.

At the same time, the conferees note that the bipartisan Commission to Assess the Ballistic Missile Threat to the United States unanimously concluded that "under some plausible scenarios . . . the U.S. might well have little or no warning before operational deployment" of long range ballistic missiles by hostile powers. The conferees believe that the potential mismatch between this warning time and the deployment timeline for a national missile defense poses a conundrum. Current policy is that no ballistic missile threat to the United States currently justifies deployment of a national missile defense. However, when new ballistic missile threats do emerge, it may be too late to respond in a timely manner.

In view of the above, the conferees believe that further program definition in the "plus-three" phase and beyond will mitigate some of the risks identified. Accordingly, the Secretary of Defense is expected to establish appropriate milestones and exit criteria for the NMD program that are consistent with those for other major defense acquisition programs. Further, the Secretary is expected to conduct NMD program milestone and budget reviews to ensure that established exit criteria are being met.

The conferees note that the Secretary of Defense has completed and submitted to Congress the report on sea-based NMD options called for in last year's conference report (H. Rept. 105–340), but that this report was submitted only in classified form. The conferees direct the Secretary to submit an unclassified summary of this report to the congressional defense committees as soon as possible.

Medium Extended Air Defense System

Although the conferees continue to support the need for a TMD system to support maneuver forces, the conferees are troubled by the failure of the Department of Defense to structure a fully-funded development program to satisfy this requirement. Although the conferees would support a coherent and fully-funded Medium Extended Air Defense System (MEADS) program, they are unwilling to support a MEADS program that has no funding programmed beyond fiscal year 1999. The conferees note that the Department of Defense has had ample opportunity to address this shortfall. In light of the Department's unwillingness to provide adequate funding in the outyears, the conferees recommend a reduction of $19.0 million in PE 63869C. Additional funding and programmatic guidance regarding the MEADS program is provided elsewhere in this report.

Theater High Altitude Area Defense (THAAD) system

The conferees continue to support the development, production, and fielding of THAAD as a matter of highest priority. The conferees support the budget request of $497.7 million for THAAD Demonstration and Validation (Dem/Val). In addition, as addressed elsewhere in this report, the conferees agree to authorize an increase of $29.6 million in THAAD Dem/Val funding to support increased competition in the THAAD program, for a total authorization in PE 63861C of $527.4 million.

The conferees are encouraged by the recent cost sharing agreement between the prime contractor and BMDO, and believe that testing should resume at an expeditious pace, without undue delay. However, given recent delays in the THAAD testing program, and the requirement for THAAD to achieve three successful intercept tests prior to entering Engineering and Manufacturing Development (EMD), the conferees agree to authorize a decrease of $323.9 million from PE 64861C for THAAD EMD.

The conferees expect the Secretary of Defense not to overreact to limited, albeit adverse, test results but to re-double efforts to structure a THAAD program that provides for as timely a response as possible to the recent medium range ballistic missile threat developments. The conferees reiterate the views expressed in previous reports that the THAAD missile and the Navy Upper Tier missile should not be viewed as competing systems, but as complementary. The conferees do not support proposals to use the Navy Upper Tier missile as a substitute for THAAD. The conferees note that the Navy endorses continuation of the THAAD program and views continuation of THAAD testing as important to the success of an accelerated Navy Upper Tier program.

Navy Upper Tier (Theater Wide)

The conferees continue to support the Navy Upper Tier program and urge the Secretary of Defense to accelerate this important development effort within an acceptable degree of program risk. To facilitate this acceleration, the conferees also urge the Navy to begin allocating funds from within its budget to complement those already programmed within the BMDO budget.

The conferees are concerned that necessary radar improvements have not kept up with developments in the Navy Upper Tier interceptor missile system. Therefore, the conferees agree to authorize an increase of $50.0 million for radar improvements competition. The conferees direct BMDO and the Navy to accelerate radar upgrades to ensure that this capability becomes available at the earliest possible date. In pursuing this competition, the conferees direct that a prototype solid state radar be available in 2001 in order to take full advantage of the Standard Missile III development testing planned for 2002. In addition, the conferees agree to authorize an increase of $70.0 million for Navy Upper Tier acceleration, for an overall increase of $120.0 million in PE 63868C.

BMD Technical Operations

The conferees support the efforts being performed at the Army Space and Strategic Defense Command's Advanced Research Center (ARC). The ARC continues to be a valuable tool in support of the Army's development of both theater and national missile defense systems. Therefore, the conferees agree to authorize an increase of $5.0 million in PE 63874C for support of the ARC.

The conferees note substantial unexplained growth in BMDO's system architecture and engineering effort and agree to authorize a decrease of $5.0 million in PE 63874C.

International Cooperative Programs

The budget request included $37.9 million for BMDO's Israeli Cooperative Project, which includes funding for the Arrow ballistic missile defense system. The conferees agree to authorize an increase of $12.0 million in PE 63875C to support interoperability design so the Arrow can operate alongside forward deployed U.S. missile defense systems.

Patriot PAC–3

At the request of the Director of BMDO, the conferees recommend a zero-balance transfer of $40.0 million from PAC–3 procurement to PAC–3 EMD to properly align funds for the type of work being performed. The conferees note with concern that this realignment is the result of significant delays in the PAC–3 flight test program. The conferees remain convinced that PAC–3 is an essential TMD system and is the only near term defense against threats emerging in the Southwest Asia and elsewhere. Nevertheless, if the PAC–3 test program does not demonstrate significant improvement, the conferees do not rule out the possibility of future funding reductions.

Medical free electron laser

The budget request included $9.7 million in PE 62227D for the medical free electron laser program.

The House bill would authorize an increase of $5.0 million.

The Senate amendment would authorize an increase $7.0 million.

The conferees agree to authorize an increase of $7.0 million.

Computing systems and communications technology

The budget request included $417.7 million in PE 62301E for computing systems and communications technology.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $30.0 million in the joint infrastructure protection project and a transfer of an additional $10.0 million from that project to PE 33104F for cyber-security research.

The conferees endorse the views in the Senate report (S. Rept. 105–189) with regard to the joint infrastructure protection project and reiterate the requirement for the report specified by the Senate. The conferees are especially concerned about the deficient planning for such a project given the widely recognized need to address vulnerabilities in the U.S. information infrastructure as quickly as possible. However, in recognition of the urgency of this issue, the conferees agree to an undistributed reduction in PE 62301E of $40.0 million to allow Defense Advanced Research Projects Agency (DARPA) flexibility to allocate the reduction consistent with national security priorities.

Chemical-biological defense program

The budget request included $620.3 million for the chemical-biological defense program, including $336.4 million in research and development, test and evaluation and $283.9 million in procurement. The budget request also included $88.0 million for the Defense Advanced Research Projects Agency (DARPA) biological warfare (BW) defense program (PE 62383E).

The House bill would authorize the budget request for the chemical-biological defense program and the biological warfare defense program (PE 62383E), but would decrease the budget request of $6.9 million for procurement of contamination avoidance equipment for the use by the Reserve Components to respond to domestic emergencies.

The Senate amendment would recommend the following increases to the budget request for the chemical-biological defense program: $10.0 million to accelerate research and development of small, light-weight, man-portable chemical and biological agent detection sensors; $4.0 million in PE 62384BP for Project SAFEGUARD to continue proof of concept testing to establish sensor performance, initiate packaging and real-time processing, and the conduct of platform studies; and $1.5 million in PE 62383E to demonstrate the use of technologies for the deployment of telemedicine and other capabilities to the warfighters; but would recommend a $12.0 million reduction to the budget request for the DARPA BW program.

Additionally, the Senate amendment would transfer the mission, function and resources for the chemical-biological defense program to the Defense Threat Reduction Agency (DTRA), consistent with the recommendation of the November 1997 Defense Reform Initiative (DRI).

The conferees agree to authorize an increase of $15.5 million for chemical-biological defense for acceleration of research and development of small, light-weight, man-portable chemical and biological detectors ($5.0 million in PE 61384BP and $5.0 million in PE 62384BP), $4.0 million in PE 62384 BP for Project SAFEGUARD, and $1.5 million in PE 62384E for the demonstration and deployment of technologies for telemedicine and other capabilities to the warfighters; but would reduce the budget request by $7.0 million for PE 62383E. Additionally, the conferees continue to express strong support for innovative technologies to detect chemical and biological agents, such as aerogels and radio frequency identification sensor tags, and encourage the broad participation of the national laboratories, universities and, where appropriate, industry, in these efforts.

The conferees endorse the concerns expressed in the Senate report (S. Rept. 105–189) regarding the shortcomings and deficiencies in the chemical-biological defense program related to the provision of adequate force structure and equipment to protect military facilities, as well as the deficiencies in doctrine, policy, equipment and training for the defense of critical overseas ports and airfields. The conferees direct the Secretary of Defense to report to the congressional defense committees by December 1, 1998 and annually thereafter, in the Department of Defense Nuclear, Chemical Biological (NCB) Defense Annual Report, on the plans to correct these deficiencies, including the deployment on a long-term basis of Army Biological Integrated Detection Systems (BIDS) companies in high threat commands or regions.

Oversight and management of chemical/biological defense program

The conferees note progress achieved in implementing the provisions of section 1701 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160, 52 U.S.C. 1522) in consolidating, coordinating and integrating the chemical-biological defense requirements of the military departments into a single office within the Department of Defense. Under this agreement, the DOD chemical-biological defense program office provides overall policy and budget guidance for the program, the Defense Acquisition Board process provides oversight of the program, and the Department of the Army acts as the executive agent. The conferees also note that the establishment of a Joint Nuclear, Chemical and Biological (NCB) Board to provide management structure for the program ensures that the operational needs of the services are integrated and coordinated, and that unnecessary duplication of effort is eliminated in the preparation of the chem-bio defense Program Objective Memorandum.

The conferees agree that a single office for overall coordination and integration of the DOD chem-bio defense program, as required by Public Law 103–160, be maintained within the Office of the Secretary, and strongly believe that the office must be assigned sufficient staff to exercise its policy and budget guidance roles. In addition, the conferees strongly support continued implementation of the Joint Service Agreement to ensure coordination, integration and management of the program.

With regard to the transfer of the chem-bio defense program to the Defense Threat Reduction Agency (DTRA), the conferees agree that the management role of the DTRA with regard to the chem-bio defense program should be limited to those chem-bio defense activities and projects that represent unique operational mission responsibilities of DTRA. Therefore, the conferees do not agree to transfer overall responsibility for the execution and day-to-day management of the chem-bio defense program to DTRA. However, to ensure consideration of DTRA chem-bio defense and related counterproliferation operational requirements in the DOD chem-bio defense program, the conferees recommend that DTRA become a party to the Joint Service Agreement on NCB defense and be included as a voting member of the Joint NCB Defense Board.

Tactical technology

The budget request included $189.0 million in PE 62702E for tactical technology.

The House bill would authorize a decrease of $37.0 million for applied research in tactical technology.

The Senate amendment would authorize a decrease of $5.0 million for the increased scope of work on the micro unmanned aerial vehicle program.

The conferees agree to authorize a decrease of $32.0 million in PE 62702E.

Integrated command and control technology

The budget request included $34.0 million in PE 62708E for integrated command and control technology.

The House bill would authorize an increase of $6.0 million for continued development of advanced technologies for flat panel displays.

The Senate amendment would authorize an increase of $8.0 million for flat panel display to continue the development of a domestic infrastructure within the context of the flat panel display initiative.

The conferees agree to authorize an increase of $7.0 million for flat panel displays.

Materials and electronic technologies

The budget request included $244.4 million in PE 62712E for material and electronics technology.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $6.0 million for the continued development of the mixed mode electronics multi-technology insertion (MIME) program.

The conferees agree to authorize an increase of $6.0 million for the MIME program and to authorize a reduction of $8.0 million for sonoelectronics to fund other higher priority projects.

Weapons of mass destruction technologies

The budget request included $203.6 million for weapons of mass destruction technologies (PE 62715BR) of the Defense Special Weapons Agency (DSWA).

The House bill would authorize the budget request.

The Senate amendment would recommend an increase of $15.0 million, including $10.0 million to maintain nuclear core competencies and critical scientific and engineering expertise; $2.0 million to maintain efforts to protect critical civil and commercial advanced electronic technologies and space systems against nuclear and conventional explosions; and $3.0 million to accelerate the pace and development of components and subsystems toward a prototype "deep digger" system.

The conferees agree to authorize an increase of $13.0 million to the budget request: $10.0 million to maintain nuclear core competencies and critical scientific and engineering expertise in nuclear weapons effects technology and $3.0 million to accelerate the pace and development of components and subsystems toward a prototype "deep digger" system.

The conferees remain concerned about the impact of high altitude nuclear and conventional explosions on critical civil and commercial activities and the potential vulnerability of next generation satellites and high technology upon which U.S. Armed Forces rely. The conferees have supported the efforts of the DSWA to conduct research on the effects of electromagnetic pulse (EMP) and the potential impact on military systems and critical technologies, and to develop technologies that would reduce potential vulnerabilities of the effects of radiation and EMP on advanced electronic technologies and space systems.

The conferees endorse the direction contained in the House Report (H. Rept. 105–532) accompanying its fiscal year 1999, defense authorization bill that the Secretary of Defense, in consultation with the Director of Central Intelligence, report to the congressional defense committees by March 1, 1999 on the potential effects of high- and low-frequency EMP on critical military and civil systems and steps that might be taken to reduce potential vulnerabilities to EMP.

Explosives demilitarization technology

The budget request included $11.6 million for the explosives demilitarization technology program (PE 63104D8Z).

The House bill would authorize an increase of $2.0 million to allow continued aggressive development of environmentally safe procedures to safely dispose of conventional military munitions.

The Senate amendment would authorize an increase of $5.5 million: $4.0 million to complete the demonstration of existing commercially available blast chamber technology; and $1.5 million to design a mobile system utilizing the commercially available blast chamber technology.

The conferees agree to authorize an increase of $6.0 million to the budget request, including $2.0 million to continue aggressive development of environmentally safe procedures to dispose of conventional military munitions and $4.0 million to complete the demonstration of commercially available blast chamber technology as a viable alternative to open burn/open detonation demilitarization of conventional munitions.

The conferees concur with the concerns expressed in the Senate report (S. Rept. 105–189) regarding the existence of small numbers of conventional munitions at demilitarization sites in the United States which need to be destroyed, where it may not be cost effective or practical to construct a destruction facility. The conferees support the efforts of the Department of Defense to design a mobile system utilizing the commercially available blast chamber technology.

Counterterror technical support program

The budget request included $35.8 million for the counterterror technical support (CTTS) program (PE 63122D8Z).

The House bill would authorize an increase of $4.0 million increase for the development and demonstration of biometric access control technology, to include the use of authentication software and the principal component method of facial recognition.

The Senate amendment would authorize an increase of $5.0 million for the facial recognition technology program. Additionally, the Senate would recommend the transfer of the counterterror technical support program to the Defense Threat Reduction Agency.

The conferees agree to authorize an increase of $4.0 million for the facial recognition technology program. In addition, the conferees endorse two recommendations contained in the Senate report (S. Rept. 105–185). First, the conferees support efforts by the Department of Defense to maintain collaborative efforts with allies who have demonstrated counter-terrorism capabilities, which can provide the United States with a cost-effective way to remain on the cutting-edge of technology. Second, the conferees support efforts by the Department to continue its examination of retrofit options and to develop design guidelines for new and existing structures, including the use of composite systems.

The conferees recognize the success of the interagency Technical Support Working Group (TSWG) and the Counterterror Technical Support program, and direct that oversight and direction of the program remain with the Office of the Assistant Secretary for Special Operations and Low Intensity Conflict.

The conferees understand that the ASD (SO/LIC) is responsible for oversight of the TSWG and the Office of Special Technology (OST). The conferees also understand that there are other entities within the Department of Defense that can contribute to the interagency program to combat terrorism, such as the Defense Special Weapons Agency (DSWA), and encourage the TSWG to continue its coordination activities with these DOD entities, as well as with non-DOD entities, to ensure that the expertise available to the U.S. Government is appropriately applied to national and international efforts to combat terrorism.

The conferees also encourage the continued cooperation between the TSWG and the Physical Security Action Group (PSEAG) to ensure that the CTTS and the physical security equipment programs address technologies that meet force protection needs.

Counterproliferation support program

The budget request included $80.4 million for the counterproliferation support program, $70.6 million in PE 63160BR and $9.8 million in PE 65160BR.

The House bill would recommend that the counterproliferation support program be maintained at the fiscal year 1998 level and would authorize a decrease of $13.0 million.

The Senate amendment would authorize an increase of $4.0 million to PE 65160BR for the Counterproliferation Analysis and Planning System (CAPS) and an increase of $3.0 million to PE 63160BR for the high frequency active auroral research program (HAARP). In addition, the Senate would recommend an increase of $20.5 million increase for the unfunded requirements for the U.S. Special Operations Command (USSOCOM) for training, equipment and activities related to detecting, identifying, rendering safe, destroying or recovering weapons of mass destruction.

The House recedes.

The conferees endorse the concerns expressed in the Senate report (S. Rept. 105–185) and the recommendation that funds authorized for HAARP not be diverted to fund government overhead and Systems Engineering and Technical Assessments (SETA) support, and that the combined overhead/SETA support costs be no more than 10 percent.

Automatic target recognition

The budget request included $5.1 million in PE 63232D for automatic target recognition.

The House bill would authorize an increase of $3.0 million for optical correlation technology research.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Generic logistics research and development technology demonstrations

The budget request included $17.8 million in PE 63712S for generic logistics research and development technology demonstrations.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $4.0 million for the computer assisted technology transfer program.

The conferees agree to authorize an increase of $4.0 million for the computer assisted technology transfer program.

Strategic Environmental Research and Development Program

The budget request included $54.4 million for the Strategic Environmental Research and Development Program (SERDP) and transferred the program from PE 63716D to PE 63780A.

The House bill included no funds for SERDP.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request and direct that SERDP be identified under a Department of Defense (DOD) program element to avoid confusion about its unique multiagency purpose. The conferees recognize the value of SERDP as a tri-agency cooperative program that supports basic and applied research and development of innovative technologies to meet the environmental obligations of the DOD, the Department of Energy, and the Environmental Protection Agency. The conferees expect that maintaining SERDP under a DOD program element will preserve its multi-agency focus.

Advanced electronics technologies

The budget request included $244.7 million in PE 63739E for advanced electronics technologies.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $10.0 million for advanced mask writer development in advanced lithography and would authorize a decrease of $4.0 million for new start work in project MT–04.

The conferees agree to authorize an increase of $10.0 million for advanced lithography development, as described in the Senate report (S. Rept. 105–189), and a decrease of $8.4 million for molecular level printing program acceleration and submarine sensor suite development to fund higher priority projects.

Maritime technology

The budget request included $15.0 million in PE 63746E for the maritime technology (MARITECH) advanced shipbuilding enterprise (ASE) program.

The Senate amendment would authorize an increase of $5.0 million to PE 63746E for MARITECH ASE.

The House bill would authorize the budget request.

The conferees agree to authorize an increase of $5.0 million to PE 63746E for MARITECH ASE.

Advanced concept technology demonstrations

The budget request included $116.3 million in PE 63750D for advanced concept technology demonstrations.

The House bill would authorize a decrease of $12.0 million for advanced concept technology demonstrations.

The Senate amendment would authorize a decrease of $6.0 million in the same program.

The conferees agree to authorize a decrease of $12.0 million for advanced concept technology demonstrations.

High performance computing modernization program

The budget request included $140.9 million in PE 63755D for high performance computing modernization program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $20.0 million to sustain operations of supercomputing centers established with Department of Defense funds and an increase of $3.0 million for a program to address related challenges in remote visualization, distance learning expansion, and collaborative exploitation of high performance computing capabilities.

The House recedes.

Command, control and communications systems

The budget request included $200.1 million in PE 63760E for command, control and communications systems.

The House bill would authorize a decrease of $27.5 million for command, control and communications systems.

The Senate amendment would authorize a decrease of $11.0 million in the same program.

The conferees agree to authorize a decrease of $27.5 million.

Sensor and guidance technology

The budget request included $213.2 million in PE 63762E for sensor and guidance technology.

The House bill would authorize a decrease of $13.1 million within the program and an increase of $10.0 million for seismic sensor technology development.

The Senate amendment would authorize the budget request.

The conferees agree to authorize a decrease of $13.1 million for the program. The funding for seismic sensor technology development is addressed elsewhere in this statement of managers.

Land warfare technology

The budget request included $108.5 million in PE 63764E for land warfare technology.

The House bill would authorize a decrease of $11.6 million in the program.

The Senate amendment would authorize a decrease of $4.0 million for a new start project in LNW01.

The conferees agree to a decrease of $17.6 million in the program: a reduction of $11.6 million, as described in the House report (H. Rept. 105–532); and a reduction of $6.0 million for tactical mobile robots acceleration and situation awareness system program growth to fund higher priority programs.

Physical security

The budget request included $31.7 million for the Department of Defense physical security program (PE 63228D8Z).

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $6.0 million for activities related to demonstrating commercial off-the-shelf technologies. In addition, the Senate would make available $3.0 million for a study to determine the utility of a software technology developed jointly by industry and the national laboratories, the Analytic System and Software for Evaluating Safeguards and Security (ASSESS), for use by the Department of Defense as an integral component in conducting vulnerability assessments at numerous Department of Defense facilities and installations.

The conferees agree to authorize a decrease of $3.0 million for activities related to demonstrating commercial off-the-shelf technologies in PE 63228D8Z, and that decreases to this program not be made to projects currently underway. Additionally, the conferees would make available $3.0 million for a study on the utility of ASSESS as an integral component of DOD efforts to assess vulnerability assessments at its facilities and installations.

Continuous acquisition and life-cycle support activities initiative

The budget request included $1.9 million in PE 63736D for the continuous acquisition and life-cycle support activities (CALS) initiative.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.0 million for the integrated data environment program.

The conferees agree to authorize an increase of $2.0 million for the integrated data environment program.

North Atlantic Treaty Organization research and development

The budget request included $44.4 million for the North Atlantic Treaty Organization (NATO) research and development activities in the following accounts: $11.6 million for the Army (PE 63790A); $11.0 million for the Navy (PE 63790N); $11.1 million for the Air Force (PE 63790F); and $10.7 million for the Department of Defense (PE 63790T).

The House bill would authorize a decrease of $5.0 million VECTOR activity in the Navy program (PE 63790N), an international flight demonstration effort utilizing X–31 experimental aircraft.

The Senate amendment would recommend that funds for the NATO research and development activities remain at the fiscal year 1998 funding levels plus inflation, resulting in the following decreases: $2.0 million (Army); $1.1 million (Navy); $0.4 million (Air Force); and $2.3 million (defense-wide).

The conferees agree to authorize the following decreases: $2.0 million (Army); $4.0 million (Navy); $0.4 million (Air Force); and $2.3 million (defense-wide). The omnibus reprogramming (FY98–16PA) currently before the Congress for approval includes as a source of funds $3.0 million from the Navy NATO research and development program for activities related to VECTOR. According to the rationale making the sources available for reprogramming, agreements have not been reached yet between the United States and Sweden, and therefore the funds are available. The conferees recommend that the Department of the Navy utilize those funds for activities in fiscal year 1999.

Humanitarian demining

The budget request included $17.2 million for humanitarian demining research and development activities in PE 63920D8Z.

The House bill would authorize a decrease of $5.0 million.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request.

Joint robotics program-engineering development

The budget request included $11.3 million in PE 64709D for the joint robotics program-engineering development.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $6.0 million for accelerated joint robotics technology engineering and management development.

The conferees agree to authorize an increase of $6.0 million for accelerated joint robotics technology engineering and management development.

Defense technology analysis

The budget request included $5.0 million in PE 65798S for the defense technology analysis program.

The House bill would authorize the budget request.

The Senate amendment would authorize an increase of $2.0 million for the commodity management technology program.

The conferees agree to an increase of $2.0 million for the commodity management technology program.

Defense technical information services

The budget request included $46.5 million in PE 65801K for defense technical information services.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $1.0 million for expansion of defense technical information.

The conferees agree to authorize a decrease of $1.0 million for expansion of defense technical information.

Special operations intelligence systems development

The budget request included $1.8 million for special operations forces intelligence systems development.

The House bill would authorize an increase of $5.0 million for research and development requirements associated with the Special Operations intelligence vehicle.

The Senate amendment would authorize the budget request.

The conferees agree to authorize an increase of $2.5 million for development of the Special Operations intelligence vehicle.

Live fire testing

The budget request included $9.9 million in PE 65131D for live fire testing.

The House bill would authorize an increase of $4.0 million to expand threat vulnerability testing to include the threat of radio frequency weapons.

The Senate amendment would authorize the budget request.

The Senate recedes.

ITEMS OF SPECIAL INTEREST

Advanced lightweight grenade launcher

The conferees note ongoing efforts by the Special Operations Command (SOCOM) to develop new lightweight weapon systems necessary to support critical mission requirements by reducing the load that special operations personnel must carry. The conferees support ongoing efforts to develop a new advanced lightweight grenade launcher (ALGL) that will support special operations missions and believe this capability has applicability beyond the Special Operations Command. The conferees encourage the Special Operations Command to assess future warfighting requirements and determine the viability of ALGL concept. If ALGL meets warfighting requirements, the conferees would expect SOCOM to request funding necessary to develop this weapon and meet future warfighting requirements.

Advanced tactical computer science and sensor technology

The budget request included $18.5 million in PE 63772A for advanced tactical computer science and sensor technology.

The House bill would authorize the budget request.

The Senate amendment would authorize an additional $2.5 million for digital intelligence technology development.

The Senate recedes.

The conferees strongly endorse the use of commercial-off-the-shelf (COTS) technology where appropriate to meet the needs of the 21st Century Army. The committee urges the Army to consider spending up to $5.0 million of the discretionary funds in the Army's digitization program to explore alternative COTS technology for command and control applications for dismounted soldiers.

Commercial technologies for maintenance activities

The conferees agree to amend the budget request to change the name of PE 63805S to commercial technologies for maintenance activities.

The conferees support funding for this program established in section 361 of the National Defense Authorization Act for Fiscal Year 1998. The conferees believe the commercial technologies for maintenance activities program provides a framework for the depot maintenance activities to work together with U.S. manufacturing companies on projects of common interest in which industry will match Department of Defense funding on a two-for-one basis. The conferees believe that in planning the program in the outyears, the Defense Logistics Agency (DLA) should require each of the participating services to match DLA funds for the projects conducted under the program. In managing the program in fiscal year 1999, the DLA should consider imposing such a matching requirement where practicable.

Cyber Security Program

The conferees support the Air Force cybersecurity program, which would allow the Air Force to conduct research and development at federally funded research and development centers that are currently working in collaboration on issues relating to security information assurance. This program would help to facilitate the transition of information assurance technology to the defense community which is vital as the Defense Department increases its reliance on computer networks and information technology.

Defense information superiority, assurance, and interoperability

Joint Vision 2010, the Joint Chiefs of Staff conceptual template for how U.S. Armed Forces will fight future wars, identifies information superiority—the capability of maintaining an uninterrupted flow of information while denying an adversary's ability to do the same—as a key enabler for success in any future conflict.

The conferees believe that communications network interoperability problems experienced by Navy carrier battle groups during operational test and evaluation of the advanced combat direction system and the cooperative engagement capability, as discussed elsewhere in this statement of managers, highlight potentially greater interoperability problems in communications, command, control, computers, intelligence, surveillance, and reconnaissance (C4ISR) systems networking at the joint level. Such problems will adversely affect the ability of U.S. Armed Forces to achieve the information superiority required for success on future battlefields.

The General Accounting Office (GAO) has identified a number of activities within the Department of Defense (DOD) intended to ensure that U.S. Armed Forces are capable of establishing and maintaining information superiority in the future. According to the GAO reports, the DOD has begun to make progress toward establishing a comprehensive C4ISR architecture, but needs to complete its development, establish adequate information assurance measures, and ensure compliance with the architecture by the military departments, unified commands, and agencies. The GAO also observed that the complexity, magnitude, and cost of DOD's information superiority efforts warrant a comprehensive annual overview of the state of the Department's management and oversight of C4ISR acquisitions. The conferees understand that the DOD agreed with the recommendations contained in the GAO reports.

Accordingly, the conferees direct the Secretary of Defense to submit with the DOD budget request for fiscal year 2000 a report to the congressional defense committees on the implementation of the information superiority concept and its attendant key C4ISR systems development and acquisitions. The report should describe a DOD roadmap for C4ISR interoperability. The report should describe identified obstacles to interoperability, architecture development, implementation, and maintenance and the plans, including the planned allocation of resources, to address them.

Joint simulation system

The conferees view the development of the Joint Simulation System (JSIMS) in PE 92740J as an important step in meeting a critical joint readiness requirement. In addition, JSIMS provides a framework for the migration of all training simulations into a common system and the elimination of the existing suite of legacy simulations across the services. These legacy simulations are increasingly outdated and expensive to maintain. JSIMS is also a key enabler for the joint experimentation process recently directed by the Secretary of Defense to be established under the Commander in Chief, U.S. Atlantic Command.

The conferees encourage the Department of Defense to adequately fund this program in fiscal year 2000 and beyond as a means of ensuring that full operating capability follows the fielding of initial operating capability without delay.

Man overboard indicator technology

The budget request included no funds for the development of man overboard indicator technology.

Both the House report (H. Rept. 105-532) and the Senate report (S. Rept. 105-189) encouraged the Navy to investigate the utility of commercially available, water-activated man overboard indicator and the feasibility of integrating such a system for fleet use.

The conferees encourage the Navy to investigate the feasibility of integrating a commercial off-the-shelf man overboard indicator as a means of immediately alerting ship control personnel of a person accidentally falling overboard. Additionally, the conferees encourage the Navy to continue their initiatives to identify a commercial off-the-shelf personnel tracking and physiological monitoring system, and to investigate the possibility and utility of combining man overboard, tracking, and physiological monitoring requirements into one device.

Materials research

The House report (H. Rept. 105-532) expressed concern about the direction of materials research within the Department of Defense and the belief that such research should seek to reduce long-term dependence for critical defense materials upon foreign sources. The report directed the Secretary of Defense to undertake a basic review of the policies and programs regarding defense critical materials and critical materials research and to report the results of this review by February 15, 1999.

The Senate report (S. Rept. 105-189) included no similar direction.

The conferees note the views expressed in the House report and the potential vulnerabilities of the domestic and foreign supplier base for critical defense materials needed in the production of future defense systems. The conferees recognize the decline in funding of applied materials research in the Department, particularly in the support of fundamental materials research by the Defense Advanced Research Projects Agency.

In addition to the issues identified in the House report, the conferees direct the Secretary of Defense to assess the requirements for a long-range plan for future materials research that would ensure the availability of emerging high performance materials for future defense needs and to include the results of this assessment in the report submitted to the Congress. As a part of this assessment, the Secretary should consider the state of competition, both within the United States and international markets, for raw materials for high speed applications, such as gallium or other materials.

Military human immunodeficiency virus research

The budget request included $5.7 million in PE 63105A for military human immunodeficiency virus research.

The House bill would authorize the budget request.

The Senate amendment would authorize a decrease of $2.6 million for the program.

The conferees agree to authorize the budget request.

Navy antisubmarine warfare program

The conferees note the 1997 report by the Naval Studies Board of the National Academy of Sciences, Technology for the United States Navy and Marine Corps, 2000–2035. The report concludes that:

(1) antisubmarine warfare (ASW) is one of the Navy's most fundamental core competencies;

(2) ASW must remain a core competency in the face of a submarine threat that will increase in the 21st century to become the dominant threat to the accomplishment of naval missions;

(3) the continuing draw down in naval forces and the current de-emphasis on ASW have seriously eroded the Navy's ASW capabilities;

(4) this erosion of capabilities comes at a time when potential future adversaries are rapidly acquiring advanced quieting techniques and other offensive submarine capabilities;

(5) the lack of consensus on a submarine threat and competing naval warfare priorities, combined with mounting pressure on the overall defense budget, have put the Navy's ASW program at historically low levels;

(6) advances in ASW capability come about only as a result of dedicated, long-term research and development based on at-sea operations, testing, measurements, and experimentation; and

(7) these types of research and development projects and operations are largely absent from current Navy programs and plans.

The conclusions of the Naval Studies Board closely parallel congressional concerns about the erosion of the Navy's ASW capabilities since the end of the Cold War. These concerns led to direction to the Secretary of Defense in the statement of managers that accompanied the conference report on S. 1124 (H. Rept. 104–450), and in the classified annex that accompanied the statement of managers on H.R. 3230 (H. Rept. 104–724). These reports directed the Secretary to assess the current and projected U.S. ASW capability in the light of the developing threat and budget trends, and to identify the short-term and long-term improvements needed to cope with the evolving submarine threat.

The conferees commend the Navy and the Office of the Secretary of Defense for The 1997 Anti-Submarine Warfare Assessment, dated March 1998. The assessment reaffirms that ASW is a top priority mission for the Navy, as well as being a core and enduring naval competency. The assessment of ASW training, modernization, and organization concludes that ASW training proficiency has declined and recommends that responsibility for ASW proficiency be refocused in the fleet. According to the report, the highest priority ASW modernization efforts are funded and the President's budget request for fiscal year 1999 provides adequate equipment to respond to likely threats to the end of the Future Year Defense Program and beyond. The Navy has also created a new staff organization within the Office of the Chief of Naval Operations (N–84), and charged that organization with the responsibility for integration and assessment of the Navy ASW program.

The conferees believe that ASW is a critical enabler for naval operations in the world's littoral regions, and that a stable and focused ASW program under appropriate oversight by the Department of the Navy and the Office of the Secretary of Defense will be critical to achieving the goals of near- and long-term improvements in ASW proficiency and capabilities. To that end, the conferees direct the Navy to update, at least biannually, an ASW Master Plan that reflects the Navy's overall ASW investment strategy and program. The conferees also believe that the Chief of Naval Operations should consider providing staffing and responsibility for N–84 that is on a level commensurate with that of other Navy staff resource sponsors for the functional warfare areas.

Navy land attack missile program

The budget request included $11.3 million in PE 63795N for continued evaluation of a naval version of the Army Tactical Missile System (NTACMS) for naval surface ship and submarine use. No funds were included in the budget request for the Land Attack Standard Missile (LASM), a land attack variant of the Navy Standard Missile.

The House bill would authorize the budget request. The House bill would also direct that the Navy's land attack missile program not proceed to a Milestone I development decision until the analysis of alternatives and other issues appropriate to a major acquisition program milestone decision have been resolved.

The Senate amendment would authorize the budget request. The Senate amendment would also direct the Secretary of the Navy to report, among other things, an analysis of alternatives for an advanced gun system that considers fulfilling some portion of the Navy's fire support requirement with a modified version of the Army's extended range multiple launch rocket system and some portion of the fire support requirement with NTACMS.

The House Report (H. Rept. 105–132) accompanying the National Defense Authorization Act for Fiscal Year 1998 cautioned that a thorough, objective and independent cost and operational effectiveness analysis of competing system alternatives for meeting the operational requirements for a naval land attack missile would be required before the Navy proceeds with any development milestone decision for such a missile system.

The conferees are aware that the Chief of Naval Operations selected LASM as the most cost effective near-term solution to its requirement for a land attack missile system. According to the Navy, selection of LASM was based on an extensive and broadly based land attack analysis that compared LASM and NTACMS on the basis of range, responsiveness, lethality, growth potential, and cost. But, the conferees believe that the assumptions used in the analysis may not accurately reflect the operational realities of the littoral battlefield. In addition, the impact of selecting LASM may result in the cancellation of the NTACMS program. Cancellation of NTACMS would result in a different approach regarding land attack missile support of Marines ashore and submarine employment in the littorals from that described in Navy testimony before Congress. The conferees are reluctant to approve a request for authorizing LASM if it results in cancellation of NTACMS without Navy explanations of the impact of such a decision on support of Marines ashore and other submarine missions in littoral warfare.

The conferees agree to authorize $11.3 million for development, risk reduction, and analytical activities leading to a defense acquisition program milestone decision for the missile system program to satisfy the Navy's land attack missile requirement. The conferees direct the Secretary of Defense to ensure that the analysis of alternatives for a Navy land attack missile system, as discussed in the statements of managers accompanying the National Defense Authorization Act for 1998 (Public Law 105–85) and the National Defense Authorization Act for Fiscal Year 1999 (H. Rept. 105–532 and S. Rept. 105–189), and other issues appropriate to a major acquisition milestone decision are completed and the results reviewed by the Defense Acquisition Board before the Navy proceeds with a development milestone decision for the land attack missile system.

Oceanographic research information

The conferees are aware of recent announcements by the Vice President that the Department of the Navy is declassifying, and will make available for use by the public and private institutions and agencies with ocean research and education programs, previously classified acoustical data from the U.S. Navy's underwater Sound Surveillance System (SOSUS) and data on ocean temperature and salinity levels under the Arctic ice cap. These data can be used, among other things, to track the migrations of large marine mammals, predict natural catastrophes, and support long-term climate change research. The conferees believe that such actions provide the opportunity to leverage the nation's $16.0 billion investment in the SOSUS system by making data from this system available for continuing defense research and for civilian scientific research and education.

The conferees request that the Chairman of the National Oceanographic Research Leadership Council conduct an assessment of: (1) the value of SOSUS data to meet the requirements of appropriate private and public institutions and agencies with ocean research and education programs; (2) the cost of making SOSUS data available for such purposes in comparison to the cost of deploying alternative data-gathering systems; (3) recommended options for making such data available to civilian and defense research and education institutions and agencies; and (4) recommendations on effective ways to foster cooperation among agencies that would benefit from SOSUS data, including the potential for cost-sharing among the agencies and institutions that would participate in the program. In conducting the assessment, the Council should take into account the cooperative research and development agreement that was established between the Navy and the Scientific Environmental Research Foundation in June 1998, to use deactivated SOSUS stations to collect data for scientific and educational purposes. The conferees further request that a report of the results of the assessment be included in the annual report to Congress on the National Oceanographic Partnership Program that is to be submitted by March 1, 1999.

Optical correlation technology for automatic target recognition

The conferees understand that progress in the development of optical correlation technology for automatic target recognition holds promise for the application of this technology to precision munitions, target cueing for surveillance systems, medical diagnosis, and other applications. The conferees agree with the direction contained in the House report (H. Rept. 105-532) that the Under Secretary of Defense (Acquisition and Technology) report to the congressional defense committees with the submission of the fiscal year 2000 budget request, the overall plan and program of the Department of Defense for the development and demonstration of optical correlator technology for automatic target recognition. The conferees urge the Secretary of Defense to consider using discretionary funds to continue development of this program through fiscal year 1999.

Patriot anti-cruise missile defense

The conferees reaffirm their support for fully evaluating the Patriot anti-cruise missile (PACM) concept and direct the Secretary of the Army to complete a rigorous test and evaluation program in fiscal year 1999, using funds previously appropriated for this purpose, to determine the effectiveness of the PACM seeker against the full range of cruise missile threats. Results of this evaluation shall be provided to the congressional defense committees in a report by April 15, 1999. The report shall also include an assessment of options and associated costs for utilizing the PACM seeker in future upgrades to existing Patriot missiles.

Project M

The budget request included $4.9 million in PE 63508N to continue the development and demonstration of advanced vibration control and quieting technology for naval machinery support structures that was developed under the Defense Advanced Research Project Agency's Project M.

The House bill would authorize the budget request. The House bill would also direct the Secretary of the Navy to program funds for fiscal year 2000 to develop a prototype system for surface ships that uses the Project M technology.

The Senate amendment would authorize the budget request.

The conferees agree to authorize the budget request to continue the development and demonstration of the Project M technology in the Navy's submarine large scale vehicle. The conferees also request the Secretary of the Navy to assess the potential benefits that might result from the application of the Project M technology in surface ships and to report the results of that assessment to the congressional defense committees by March 31, 1999.

Software security

The conferees note the potential value of continuing efforts to improve computer security by developing and testing prototype software security mechanisms, and the conferees urge the Secretary of Defense to consider using $500,000 from discretionary funds for this purpose.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of appropriations (secs. 201–202)

The House bill contained provisions (secs. 201-202) that would authorize the recommended fiscal year 1999 funding levels for all research, development, test, and evaluation accounts.

The Senate amendment contained similar provisions.

The conference agreement includes these provisions.

Subtitle B—Program Requirements, Restrictions, and Limitations

Management responsibility for Navy mine countermeasures programs (sec. 211)

The House bill contained a provision (sec. 211) that would extend until fiscal year 2003 the Office of the Secretary of Defense's responsibilities for certifying that: (1) the Navy has submitted an adequate plan for mine countermeasures programs; (2) the budget and the Future Years Defense Program support the plan; and (3) the Chairman of the Joint Chiefs of Staff has determined the Navy's program is sufficient.

The Senate amendment contained no similar provision.

The Senate recedes.

Future aircraft carrier transition technologies (sec. 212)

The budget request included $149.5 million for future aircraft carrier research and development in PE 63512N and $40.6 million for CV(X) feasibility studies in PE 63564N. The request also included $38.5 million for CVN-77 contract design in PE 64567N.

The House bill contained a provision (sec. 212) that would authorize the budget request and designate $50.0 million of the $149.5 million authorization for future carrier development to be available for CVN-77 research and development.

The Senate amendment contained a similar provision (sec. 212).

The Senate recedes.

Manufacturing technology program (sec. 213)

The House bill contained a provision (sec. 213) that would amend section 2525 of title 10, United States Code, to establish goals for cost sharing in the manufacturing technology program and procedures for waiver of the cost sharing requirements. The provision would also require the Secretary of Defense to include information on the extent of cost sharing by participants in the manufacturing technology program in the five-year plan for the manufacturing technology program.

The Senate amendment contained a similar provision (sec. 216) which would modify cost sharing requirements to allow for different levels of cost sharing where appropriate, provide for establishing the level of cost sharing by competitive bidding, move the authority for wavier of cost sharing requirements to the service secretaries, and require cost share reporting to track investments by non-industry program participants.

The conferees agree to a provision that would require the use of competitive procedures for determination of cost sharing, delegate the authority to waive cost sharing requirements to the Under Secretary of Defense for Acquisition and Technology or to service acquisition executives, provide for the establishment of annual goals for cost sharing, and require that the five-year plan for the program include assessments of the effectiveness of the manufacturing technology program and of the extent to which costs of projects are being shared by the participants in the program.

The conferees note the requirement of section 2525(d)(1) of Title 10, United States Code, that competitive procedures shall be used for awarding all grants and entering into all contracts, cooperative agreements, and other transactions under the manufacturing technology program. The conferees note further the policy of Congress, as reflected in section 2374 of Title 10, United States Code, that the Department of Defense, the military departments, the Coast Guard, and the National Aeronautics and Space Administration, should not be required by legislation to award a new grant for research, development, test, or evaluation to a non-federal entity; and that any program, project, or technology identified in legislation be awarded through merit-based selection procedures.

Sense of Congress on the defense science and technology program (sec. 214)

The House bill contained a provision (sec. 214) that would express the sense of Congress that at least 10 percent of the funds in the research, development, test and evaluation accounts of the services should be spent on science and technology programs. The provision would also express the sense of Congress concerning certain management objectives and would require an interagency study on recommendations for maintaining the technology base supporting the Department of Defense.

The Senate amendment contained a provision (sec. 1076) that would express the sense of Congress that the Secretary of Defense have an objective of increasing science and technology funding by no less than 2 percent over inflation above the amount requested for the prior fiscal year for each year during the period of fiscal years 2000 through 2008. The provision would also express the sense of Congress regarding management goals for the program.

The Senate recedes with an amendment that would include the Senate funding objectives and integrate the House and Senate management goals.

Next generation internet (sec. 215)

The budget request included $40.0 million in PE 62110E for the next generation internet program.

The House bill contained a provision (sec. 215) that would authorize $53.0 million for the program and clarify that the amount specified in section 201(4) would be the amount authorized for the program, notwithstanding any other provision of law.

The Senate amendment contained no similar provision and would authorize the budget request.

The Senate recedes.

Crusader self-propelled artillery system program (sec. 216)

The Senate amendment contained a provision (sec. 211) that would require the Secretary of the Army to revisit both requirements and schedule for the established Crusader program and provide a report to the Congress that addresses:

(1) assessment of the risk associated with the current Crusader program technology;

(2) total requirement for Crusader associated with Army After Next force structure revisions;

(3) potential for reducing system weight by as much as 50 percent;

(4) potential for propellant and munition alternatives and the impact of maturing this technology on the overall program schedule; and

(5) cost and benefit analysis of delaying procurement of Crusader to avoid affordability issues associated with the current schedule and allow for maturation of weight and propellant technologies.

The provision would limit the expenditure of funds for Crusader development to $223.0 million until 30 days after the date on which the Secretary of the Army submits the results of this report to the Congress.

The House bill contained no similar provision.

The House recedes with an amendment.

Airborne Laser Program (sec. 217)

The Senate amendment contained a provision (sec. 214) that would: (1) direct the Secretary of Defense to conduct an assessment of the technical obstacles and operational shortcomings expected for the Airborne Laser (ABL) program; (2) direct the Secretary to submit a report to Congress by March 15, 1999 that outlines his findings and recommendations regarding the ABL program; (3) recommend a reduction of $97.0 million for the ABL program; and (4) direct that no more than $150.0 million of the funds remaining available to the ABL program be obligated until 30 days after the Secretary submits the report.

The House bill contained no similar provision.

The House recedes with an amendment that would: (1) direct the Secretary of Defense to conduct an assessment of the technical and operational aspects of the ABL program; (2) direct the Secretary to submit a report to Congress by March 15, 1999 that outlines his findings and recommendations regarding the ABL program; (3) authorize $235.2 million for the ABL program, a reduction of $57.0 million to the budget request; and (4) direct that no more than $185.0 million of the funds authorized for the ABL program be obligated until 30 days after the Secretary submits the report.

The conferees understand and support the Department of Defense's desire to achieve operational boost phase intercept capability as soon as technically possible. In pursuit of this goal, the conferees support continuation of the Airborne Laser program. The conferees note that, although the ABL program has undergone a significant degree of technical review, questions having to do with the technical risk in the program continue to be raised in the Department of Defense and by independent organizations. Although the conferees have not come to any final conclusions regarding these questions, they are concerned that the current ABL development program may not include sufficient near-term risk reduction in the area of beam compensation and may be structured to proceed too rapidly with finalization of an objective design. In particular, the conferees are concerned that the Air Force plans to enter engineering and manufacturing development (EMD) without adequate time to operate, test, and evaluate the program definition and risk reduction (PDRR) configuration. For example, the Air Force plans to order its first EMD aircraft a year before the PDRR aircraft undergoes a full system demonstration against a missile target.

To meet these concerns, the conferees believe that the Secretary of Defense must carefully evaluate the technical risk in the ABL program and determine: (1) whether additional testing and risk reduction is necessary prior to integration of the ABL subsystems into a commercial 747-400F aircraft; and (2) whether the fully integrated PDRR aircraft should be operated for a period of time and thoroughly tested prior to finalizing an objective design. In addition, the Secretary must also evaluate the ABL operational concepts and their relationship to technical risk and uncertainties in the program.

The conferees direct the Secretary of Defense to establish an independent review team to assist him in addressing the issues specified above, and transmit to Congress the review team's findings with the Secretary's report. While this review is underway, and while the Air Force undertakes additional ground testing and data collection, the conferees believe that the Air Force should temporarily slow the pace of activities related to integration of the PDRR aircraft. Therefore, the conferees agree to authorize a reduction of $57.0 million to the budget request for ABL. If the Secretary concludes that additional ground testing or other risk reduction activities beyond those already planned are required during fiscal year 1999, the conferees agree to authorize the Secretary to utilize up to $40.0 million from funds authorized for ABL to conduct those activities.

Enhanced Global Positioning System program (sec. 218)

The Senate amendment contained a provision (sec. 215) that would: (1) require the Secretary of Defense to develop an enhanced Global Positioning System (GPS) program as an urgent national security priority; (2) authorize $44.0 million for fiscal year 1999 to begin such development; (3) urge the Secretary of Defense to fund adequately this initiative in the Future Years Defense Program; (4) urge the Secretary of Transportation to provide sufficient funding to support additional civil frequencies and other enhancements for civil users; (5) extend by five years the existing requirement to outfit all major Defense Department platforms with GPS receivers by the year 2000; and (6) require the Secretary to submit a plan for implementing this provision by April 15, 1999.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees strongly support the modernization of the Global Positioning System to meet new military requirements and evolving threats. Such modernization should include those enhancements necessary to sustain the Global Positioning System's unique advantage to friendly forces for the long term. Similarly, the modernization plan should include a suitable array of methods and techniques to deny these same advantages to an adversary when necessary. Although U.S. forces presently may be more dependent than other nation's forces on the Global Positioning System's highly accurate position, velocity, and timing information, these same dependencies will naturally arise among the forces of potential enemies as satellite navigation technologies are further disseminated and integrated into force doctrine, training, and techniques, and as GPS-embedded applications become widely available. While near term needs may suggest that assured access to GPS signals by the United States and its allies will have a higher pay-off than techniques that would deny access to the GPS signal by adversaries, a longer term view suggests that denial of enemy exploitation may offer significant, if not overwhelming, advantage. Furthermore, the conferees recognize that modernization of GPS satellites will take a long time given current purchasing approaches and the long life of individual satellites comprising the operational satellite constellation. A design change that must be implemented in a full constellation to be effective will take 12 or more years to field and will be in place for another 12-13 years. This 25-year time period necessitates balanced investment in both protection and prevention enhancements. Although the conferees appreciate the funding constraints facing the Department of Defense, they do not believe that such constraints justify freezing the GPS design for the next quarter century in a way that does not adequately respond to obvious emerging threats. Consequently, the conferees direct the Secretary of Defense to undertake a GPS modernization program that improves access by friendly forces and denies access by hostile forces. The conferees direct the Secretary to include in the report required by this provision specific details of the actions to protect and deny the GPS signal.

The conferees note that the effort by the Department of Defense to modernize the GPS system has delayed the new GPS satellite design. Given this situation, it is premature for the Department to enter into a multi-year procurement or other significant block satellite buy. At the same time, however, the Department requires additional funds for research and development to define fully the scope of the GPS modernization effort and to begin development of new satellite sub-systems. Therefore, the conferees agree to authorize no funds in Air Force missile procurement for GPS advance procurement, and to authorize an increase of $44.0 million in PE 64480F for GPS modernization.

Subtitle C—Ballistic Missile Defense

Sense of Congress on national missile defense coverage (sec. 231)

The House bill contained a provision (sec. 231) that would express the sense of Congress that any deployed national missile defense system should defend all fifty States and that U.S. territories should be protected from ballistic missile attack.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Limitation on funding for the Medium Extended Air Defense System (sec. 232)

The House bill contained a provision (sec. 232) that would prohibit the Secretary of Defense from obligating or expending funds authorized and appropriated for the Medium Extended Air Defense System (MEADS) until the Secretary certifies to Congress that funding has been designated for MEADS in the Future Years Defense Program (FYDP). The provision would require that if such certification is not received by January 1, 1999, the funds authorized for MEADS would thereafter be authorized only for the purpose of research and development to adapt the Patriot Advanced Capability 3-Configuration 3 (PAC-3) to meet the Army requirement for a mobile theater missile defense system.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make funds authorized for MEADS available to support alternative programmatic and technical approaches to meeting the requirement for mobile theater missile defense if the Secretary does not certify to Congress that funding has been designated for MEADS in the FYDP.

Limitation on funding for cooperative ballistic missile defense programs (sec. 233)

The House bill contained a provision (sec. 233) that would prohibit obligation or expenditure of $5.0 million authorized to be appropriated for the Russian-American Observation Satellites (RAMOS) program until the Secretary of Defense certifies to Congress that the Department of Defense has received detailed information concerning the nature, extent, and military implications of ballistic missile technology transfer from Russian sources to Iran.

The Senate amendment contained no similar provision.

The Senate recedes.

Sense of Congress with respect to ballistic missile defense cooperation with Russia (sec. 234)

The Senate amendment contained a provision (sec. 231) that would state that the

United States should seek to foster a climate of cooperation with Russia on matters related to missile defense, especially in the area of early warning.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees believe that a cooperative approach to ballistic missile defense could lead to a mutually agreeable evolution of the ABM Treaty, i.e., either modification or replacement by a newer understanding or agreement, that would clear the way for the United States and Russia to deploy national missile defenses each believes necessary for its security. If implemented in a cooperative manner, the conferees do not believe that such steps would undermine the original intent of the ABM Treaty, which was to maintain strategic stability and permit significant nuclear arms reductions.

Ballistic missile defense program elements (sec. 235)

The House bill contained a provision (sec. 235) that would realign program elements for the Ballistic Missile Defense Organization and require each program element to include funding for the management and support necessary for the activities within that program element.

The Senate amendment contained no similar provision.

The Senate recedes.

Restructuring of theater high altitude area defense system acquisition strategy (sec. 236)

The House bill contained a provision (sec. 236) that would: (1) require the Secretary of Defense to select an alternative contractor as a potential source for the development and production of the Theater High Altitude Area Defense (THAAD) interceptor missile within a "leader-follower" acquisition strategy; (2) require the Secretary of Defense to establish a cost sharing arrangement with the THAAD prime contractor for flight test failures of that missile beginning with the ninth test flight; (3) require the Secretary of Defense to proceed as expeditiously as possible with the milestone approval process for the engineering and manufacturing development (EMD) phase of the THAAD system for the battle management and command, control, and communications (BM/C3) and ground based radar elements of the system; (4) prohibit the obligation of funds for the THAAD user operational evaluation system (UOES) until there have been two successful tests of the THAAD interceptor missile; and (5) prohibit the Secretary of Defense from approving the commencement of EMD for the THAAD interceptor missile until there have been three successful tests of that missile.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would: (1) require the Secretary of Defense to take appropriate steps to implement technical and price competition for the development and production of the THAAD interceptor missile; (2) authorize $29.6 million to establish this technical and price competition; (3) require the Secretary of Defense to establish a cost sharing arrangement with the THAAD prime contractor for flight test failures of that missile beginning with the ninth flight test; (4) allow the Secretary of Defense to proceed with the milestone approval process for the EMD phase of the THAAD system for the BM/C3 and ground based radar elements of the system; (5) require the Secretary of Defense to prepare a plan that would allow for contingency deployment of THAAD missile interceptors before U.S. military forces are equipped with the objective configuration of those missiles; and (6) prohibit the Secretary of Defense from approving the commencement of EMD for the THAAD interceptor missile until there have been three successful tests of that missile.

The conferees are aware that the Department of Defense is considering establishment of a second source for the THAAD interceptor missile seeker, the portion of the missile deemed to contain the highest technical risk. Based on information received to date, the conferees tentatively support this proposal, but direct the Secretary of Defense to submit a detailed report on this concept to the congressional defense committees by February 15, 1999, including the cost and programmatic implications of this approach.

Subtitle D—Other Matters

Extension of authority to carry out certain prototype projects (sec. 241)

The Senate amendment contained a provision (sec. 218) that would extend the authority to carry out certain prototyping projects as specified under section 845 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), through September 30, 2001.

The House bill contained no similar provision.

The House recedes.

The conferees continue to believe that the section 845 authority should only be used in the exceptional cases where it can be clearly demonstrated that a normal contract or grant will not allow sufficient access to affordable technologies. The conferees are especially concerned that such authority not be used to circumvent the appropriate management controls in the standard acquisition and budgeting process. Any further consideration of extending this authority beyond September 30, 2001 will be based upon a careful review and a conclusion by the congressional defense committees that this authority has been used in a limited and responsible manner. The conferees direct the Secretary of Defense to provide a report to the congressional defense committees, no later than March 1, 1999, on the use of this authority.

North Atlantic Treaty Organization alliance ground surveillance concept definition (sec. 242)

The Senate amendment contained a provision (sec. 219) that would make available funds from Army and Air Force research and development of a North Atlantic Treaty Organization Alliance Ground Surveillance (NATO AGS) capability based on the Joint Surveillance/Target Attack Radar System (JSTARS).

The House bill contained no similar provision.

The House recedes.

NATO common funded civil budget (sec. 243)

The Senate amendment contained a provision (sec. 220) that would authorize the contribution of the United States to the common funded Civil Budget of NATO.

The House amendment contained no similar provision, but would authorize funds included in the budget request for the U.S. contribution to the common funded Civil Budget of NATO.

The House recedes.

Executive agent for cooperative research program of the Department of Defense and the Department of Veterans Affairs (sec. 244)

The Senate amendment contained a provision (sec. 222) that would authorize $10.0 million for the Department of Defense/Department of Veterans Affairs (DOD/VA) Cooperative Research Program and clarify the role of the Department of Defense as executive agent of the program.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the reference to funding. The conferees agree to authorize $10.0 million in PE 63738D for the DOD/VA cooperative research program.

Review of pharmacological interventions for reversing brain injury (sec. 245)

The Senate amendment contained a provision (sec. 232) that would require the Secretary of Defense to review and report to the Congress on research on pharmacological interventions for reversing brain injury resulting from injuries incurred in combat or exposures to chemical weapons.

The House bill contained no similar provision.

The House recedes.

The conferees direct that the Secretary of Defense include in the report a discussion of the ability to detect and treat status epilepticus at the scene of the injury, which could have an impact on reducing mortality and morbidity resulting from both head trauma and chemical weapon exposure.

Pilot program for revitalizing the laboratories and test and evaluation centers of the Department of Defense (sec. 246)

The Senate amendment contained a provision (sec. 1067) that would provide authority for one laboratory and one test and evaluation center to carry out a pilot program to demonstrate improved cooperative agreements with universities and other private entities.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Chemical warfare defense (sec. 247)

The House bill contained a provision (sec. 723) that would authorize the Secretary of the Air Force to conduct research on health-related environmental and ecological effects of exposure to chemical, biological and radiological hazards and to develop more accurate risk assessment tools. In addition, the provision would authorize an increase of $1.8 million in the Defense Health Program to conduct this risk assessment program.

The Senate amendment contained a provision (sec. 1045) that would direct the Secretary of Defense to review, and modify as appropriate, Department of Defense chemical warfare defense policy and doctrine regarding the protection of U.S. forces against exposure to low levels of chemical warfare agents. In addition, the provision would require the Secretary of Defense to report to the congressional defense committees on any modification to chemical warfare policy and doctrine as a result of the review, and establish a plan for a five-year research program to assist the Secretary in developing policy and doctrine on exposure to low-level chemical agents.

The conferees agree to a provision that would direct the Secretary of Defense to review and modify Department of Defense chemical warfare policy and doctrine to ensure that U.S. forces are adequately protected against any exposure to chemical warfare agents, to include exposure to low-levels of chemical agents and other potentially toxic substances in the environment that would endanger the health of exposed personnel. Additional areas to be included in the review are the exposure of U.S. forces to low-grade nuclear and electromagnetic radiation, preventive medications, and diesel, jet, and other hydro-carbon based fuels.

The provision would also require the Secretary of Defense to develop and carry out a plan to establish a research program that would assist the Secretary in developing policy and doctrine, as well as new risk assessment methods and instruments, with respect to the effects of exposure to chemical warfare agents and other toxic substances, in order to ensure that U.S. forces are adequately protected against exposure to chemical warfare agents and toxic substances. The provision also requires that a five-year budget plan be developed.

The Secretary of Defense is required to report to the congressional defense committees not later than May 1, 1999, on the review of DOD policies and doctrine on exposure to chemical warfare agents and toxic substances, and any recommendations to modify current policy and doctrine as a result of the review, any recommended legislative provisions, and the plan to establish the research program.

Landmine alternatives (sec. 248)

The Senate amendment contained a provision (sec. 233) that would make $17.2 million available from funds authorized in section 201 of this Act for alternatives to anti-personnel landmines and anti-personnel submunitions used in mixed anti-tank mine systems; would require the Secretary of Defense to contract with scientific organizations to identify existing and new tactics, technologies and concepts that would provide comparable combat capabilities to current anti-personnel landmines and anti-personnel landmines used in mixed systems, and report to Congress on their recommendations; would require the Secretary of Defense to submit a report to the congressional defense committees by April 1, 1999 and April 1, 2000 on the progress achieved in identifying and deploying tactics, technologies and concepts as alternatives to anti-personnel landmines; and would define anti-personnel landmines and mixed munition systems consistent with the definitions contained in the Convention on the Prohibition on the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and their Destruction (otherwise known as the Ottawa Treaty) for anti-personnel landmine and mixed mine systems.

The House bill contained no similar provision, but would authorize the budget request for Army and defense-wide activities related to research and development of alternatives to anti-personnel landmines.

The conferees agree to a provision that would direct that not more than $19.2 million be made available from amounts authorized in section 201 of this Act for research and development of alternatives to anti-personnel landmines and anti-personnel landmines used in mixed anti-tank mine systems that would be equivalent to the combat capabilities of the current systems. The conferees also direct the Secretary of Defense to submit, with the fiscal year 2000 budget, an explanation of any funds requested to support a research and development program for existing and new technologies and concepts that could provide an equivalent combat capability to anti-personnel submunitions used in mixed mine systems or to mixed mine systems.

Additionally, the conferees direct the Secretary of Defense to submit a report to the congressional defense committees describing progress made in identifying existing and new technologies and concepts as alternatives to anti-personnel submunitions used in mixed mine systems or to mixed mine systems. The conferees direct the Secretary to include in the report the recommendations of two scientific organizations regarding the identification, adaptation, modification, research and development of existing and new technologies and concepts.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on funding for counterproliferation support

The House bill contained a provision (sec. 234) that would prohibit the obligation or expenditure of funds requested in the fiscal year 1999 budget for the counterproliferation support program in PE 63160BR until receipt of an annual report required by Section 234 of the National Defense Authorization Act of 1998 (Public Law 105–340) on the threat posed to the United States and its allies by weapons of mass destruction and cruise and ballistic missiles.

The Senate amendment contained no similar provision.

The House recedes.

Unmanned aerial vehicle programs

The budget request included $178.7 million for High Altitude Endurance, Unmanned Aerial Vehicles (HAE UAVs) in the Defense-Wide research and development account (PE 35205D8Z). This included $90.1 million for the Global Hawk program, $40.5 million for the DarkStar program, and $48.1 million for common ground segment development. Within these totals, the budget request included $68.6 million to support contractor participation in test and evaluation of military utility in joint exercises for the Global Hawk and DarkStar programs ($39.2 million and $29.4 million, respectively). The budget request also included $4.3 million for Air Force endurance UAVs in PE 35205F.

The House bill would authorize an increase of $32.5 million in the procurement title to buy three additional Global Hawk UAVs. The House bill would also transfer HAE UAV development funding from Defense-Wide research and development to PE 35205F.

The Senate amendment would authorize a decrease of $8.5 million. The Senate amendment also contained a provision (sec. 213) that would terminate the DarkStar unmanned aerial vehicle program, and transfer $32.5 million to the Global Hawk unmanned aerial vehicle program once phase II testing of the Global Hawk unmanned aerial vehicle is complete.

The conferees note the recent successful test flights of the DarkStar UAV. The Senate recedes on the provision to terminate the DarkStar program.

The conferees are disappointed that these two UAV programs have not been able to adhere to the original schedule. The conferees believe that the delays in the Global Hawk and DarkStar development and test programs will reduce the level of participation in joint exercises in fiscal year 1999 below that level assumed in the budget request. The conferees are also aware that these delays have affected the common ground segment development effort as well.

In view of the above, the conferees believe that the budget request for joint exercise participation and common ground segment development exceeds what can realistically be accomplished in fiscal year 1999. Thus, the conferees agree to authorize a decrease of $25.0 million for these two activities in a manner which will allow equitable testing of both Global Hawk and DarkStar, the specific application of which shall be at the discretion of the Secretary of the Air Force.

The conferees have also learned that, because of business decisions about production facilities unrelated to the Global Hawk program, the contractor is experiencing substantial dislocation in its business plan and the construction facility has been forced to operate in a manner that could adversely impact any future Global Hawk production. Accordingly, the conferees agree to authorize an increase of $25.0 million to mitigate the effects of the business plan dislocation on the Global Hawk construction facility.

In summary, the conferees authorize $183.0 million for endurance UAVs in PE 35205F, including a $25.0 million increase to mitigate adverse impacts to the Global Hawk construction facility, and a $25.0 million decrease to be applied against the joint exercise and/or common ground segment development activities.

In accordance with section 216 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), the conferees reiterate that no additional HAE UAV aircraft are to be procured until the completion of the respective phase II military user assessments (NMA).

Because the conferees believe that the transition to procurement could involve significant air vehicle design changes, the conferees direct the Department of Defense to conduct any follow-on HAE UAV procurement program in adherence with its established acquisition procedures. Further, the conferees direct that no follow-on HAE UAV procurement may commence until the Secretary of the Air Force provides the congressional defense and intelligence committees with the following:

(1) a formal statement of requirements for the HAE UAVS;

(2) a certification that either or both of these UAVs satisfy the Air Force's military utility and suitability requirements; and

(3) completes a formal engineering and manufacturing development program for the selected UAV alterative(s).

Persian Gulf illnesses

The Senate amendment contained a provision (sec. 221) that would authorize an increase of $10.0 million in PE 61105D for research in Persian Gulf illnesses.

The House bill contained no similar provision.

The Senate recedes.

The conferees urge the Secretary of Defense to use discretionary funds to increase research for Persian Gulf illnesses in fiscal year 1999.

Low cost launch development program

The Senate amendment contained a provision (sec. 223) that would increase funds for low cost launch technology development.

The House bill contained no similar provision.

The Senate recedes. Funding for low cost launch technology development is addressed elsewhere in this report.

TITLE III—OPERATION AND MAINTENANCE

Overview

The budget request for fiscal year 1999 contained an authorization of $94,219.1 million for Operation and Maintenance in the Department of Defense and $900.0 for Working Capital Fund Accounts in fiscal year 1999. The House bill would authorize $92,476.5 million for Operation and Maintenance and $1,746.1 for Working Capital Fund Accounts. The Senate amendment would authorize $93,849.8 million for Operation and Maintenance and $764.1 for Working Capital Fund Accounts. The conferees recommended an authorization of $92,891.5 million for Operation and Maintenance and $1,746.1 for Working Capital Fund Accounts for fiscal year 1999. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
TITLE III					
OPERATION and MAINTENANCE & WORKING CAPITAL FUNDS					
Operation and Maintenance, Army	17,273,063	16,339,700	17,371,563	(270,500)	17,002,563
Operation and Maintenance, Navy	21,927,202	21,839,328	21,969,302	(349,500)	21,577,702
Operation and Maintenance, Marine Corps	2,523,703	2,539,703	2,618,903	4,900	2,528,603
Operation and Maintenance, Air Force	19,177,004	18,816,108	19,182,404	(486,371)	18,690,633
Operation and Maintenance, Special Operations Command		0	1,251,503	0	0
Operation and Maintenance, Defense-wide	10,750,701	10,354,216	9,042,998	(200,625)	10,550,076
Operation and Maintenance, Army Reserve	1,202,622	1,197,622	1,215,622	(4,600)	1,198,022
Operation and Maintenance, Navy Reserve	928,639	948,639	941,639	(8,000)	920,639
Operation and Maintenance, Marine Corps Reserve	114,593	116,993	134,593	3,300	117,893
Operation and Maintenance, Air Force Reserve	1,744,696	1,747,696	1,757,696	(21,900)	1,722,796
Operation and Maintenance, Army National Guard	2,436,815	2,464,815	2,592,815	127,500	2,564,315
Operation and Maintenance, Air National Guard	3,093,933	3,096,933	3,109,933	(46,500)	3,047,433
Office of the Inspector General	130,764	130,764	130,764	0	130,764
United States Court of Appeals for the Armed Forces	7,324	7,324	7,324	0	7,324
Environmental Restoration, Army	377,640	377,640	369,640	(7,000)	370,640
Environmental Restoration, Navy	281,600	281,600	273,600	(7,000)	274,600
Environmental Restoration, Air Force	379,100	379,100	371,100	(7,000)	372,100
Environmental Restoration, Defense-Wide	26,091	26,091	22,091	(1,000)	25,091
Environmental Restoration, Formerly Used Defense Sites	195,000	195,000	195,000	0	195,000
Overseas Humanitarian, Disaster, & Civic Aid	63,311	47,311	50,000	(13,311)	50,000
Drug Interdiction and Counter-drug Activities, Defense	727,582	727,582	725,582	(2,000)	725,582
Defense Health Program	9,653,435	9,663,035	9,617,435	(36,000)	9,617,435
Former Soviet Union Threat Reduction	442,400	417,400	440,400	(2,000)	440,400

Summary of National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Payment to Kaho' Olawe Island Fund	15,000	15,000	15,000	0	15,000
Overseas Contingency Operation Transfer Fund	746,900	746,900	746,900	0	746,900
Overseas Military Facility Investment					
General Reduction (Fuel Price Inflation Change)		0	(304,000)	0	0
Disposal of DoD Real Property					
Lease of DoD Real Property					
Restoration of Rocky Mountain Arsenal					
National Science Center, Army					
Defense Burdensharing-Allies/Nato					
Subtotal Operation and Maintenance	94,219,118	92,476,500	93,849,807	(1,327,607)	92,891,511
REVOLVING FUNDS					
Defense Working Capital Fund (Air Force)	30,800	30,800	30,800	0	30,800
Military Commisary Revolving Fund	63,700	1,045,771	63,700	982,071	1,045,771
National Defense Sealift Fund	418,166	669,566	669,566	251,400	669,566
Reserve Moblization Insurance Fund	37,300	0	0	(37,300)	0
National Defense Stockpile Transaction Fund (Routine & Ongoing Sales)					0
Transfer from National Stockpile to WCF	350,000	0	0	(350,000)	
National Defense Stockpile Transaction Fund (Excess of Routine Sales)					0
Subtotal Working Capital Funds	899,966	1,746,137	764,066	846,171	1,746,137
Total Operation and Maintenance & Working Capital Funds	95,119,084	94,222,637	94,613,873	(481,436)	94,637,648

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	OPERATION AND MAINTENANCE, ARMY					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	LAND FORCES	2,966,468	3,046,668	2,966,468	60,200	3,026,668
10	DIVISIONS	1,091,232	1,151,432	1,091,232	0	1,151,432
	NTC Funding		[60,200]		60,200	
20	CORPS COMBAT FORCES	299,739	299,739	299,739	0	299,739
30	CORPS SUPPORT FORCES	316,361	316,361	316,361	0	316,361
40	ECHELON ABOVE CORPS FORCES	434,579	434,579	434,579	0	434,579
50	LAND FORCES OPERATIONS SUPPORT	824,557	844,557	824,557	0	824,557
	JRTC Improvements		[20,000]		0	
	LAND FORCES READINESS	1,919,575	1,969,575	1,919,575	31,000	1,950,575
60	FORCE READINESS OPERATIONS SUPPORT	973,814	973,814	973,814	0	973,814
70	LAND FORCES SYSTEMS READINESS	375,038	375,038	375,038	0	375,038
80	LAND FORCES DEPOT MAINTENANCE	570,723	620,723	570,723	31,000	601,723
	LAND FORCES READINESS SUPPORT	3,219,888	3,219,888	3,534,888	0	3,219,888
90	BASE SUPPORT	2,332,231	2,332,231	2,517,231	0	2,332,231
100	MAINTENANCE OF REAL PROPERTY	641,651	641,651	771,651	0	641,651
110	MANAGEMENT AND OPERATIONAL HEADQUARTERS	110,538	110,538	110,538	0	110,538
120	UNIFIED COMMANDS	71,990	71,990	71,990	0	71,990
130	MISCELLANEOUS ACTIVITIES	63,478	63,478	63,478	0	63,478
	TOTAL, BUDGET ACTIVITY 1:	8,105,931	8,236,131	8,420,931	91,200	8,197,131
	BUDGET ACTIVITY 2: MOBILIZATION					
	MOBILITY OPERATIONS	624,635	624,635	624,635	0	624,635
140	POMCUS	0	0	0	0	0
150	STRATEGIC MOBILIZATION	314,541	314,541	314,541	0	314,541
160	ARMY PREPOSITIONED STOCKS	165,349	165,349	165,349	0	165,349

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
170	INDUSTRIAL PREPAREDNESS	78,645	78,645	78,645	0	78,645
180	MAINTENANCE OF REAL PROPERTY	66,100	66,100	66,100	0	66,100
	TOTAL, BUDGET ACTIVITY 2:	**624,635**	624,635	624,635	**0**	**624,635**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	**339,001**	**339,001**	**339,001**	**0**	**339,001**
190	OFFICER ACQUISITION	63,580	63,580	63,580	0	63,580
200	RECRUIT TRAINING	14,264	14,264	14,264	0	14,264
210	ONE STATION UNIT TRAINING	14,909	14,909	14,909	0	14,909
220	RESERVE OFFICER TRAINING CORPS (ROTC)	130,270	130,270	130,270	0	130,270
230	BASE SUPPORT (ACADEMY ONLY)	72,999	72,999	72,999	0	72,999
240	MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	42,979	42,979	42,979	0	42,979
	BASIC SKILL/ ADVANCE TRAINING	**2,165,176**	**2,165,176**	**2,165,176**	**0**	**2,165,176**
250	SPECIALIZED SKILL TRAINING	215,964	215,964	215,964	0	215,964
260	FLIGHT TRAINING	226,501	226,501	226,501	0	226,501
270	PROFESSIONAL DEVELOPMENT EDUCATION	192,720	192,720	192,720	0	192,720
280	TRAINING SUPPORT	488,799	488,799	488,799	0	488,799
290	BASE SUPPORT (OTHER TRAINING)	782,265	782,265	782,265	0	782,265
300	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	258,927	258,927	258,927	0	258,927
	RECRUITING/OTHER TRAINING	**731,386**	**731,386**	**731,386**	**0**	**731,386**
310	RECRUITING AND ADVERTISING	234,154	234,154	234,154	0	234,154
320	EXAMINING	71,593	71,593	71,593	0	71,593
330	OFF-DUTY AND VOLUNTARY EDUCATION	100,203	100,203	100,203	0	100,203
340	CIVILIAN EDUCATION AND TRAINING	73,517	73,517	73,517	0	73,517
350	JUNIOR ROTC	73,423	73,423	73,423	0	73,423
360	BASE SUPPORT (RECRUITING LEASES)	178,496	178,496	178,496	0	178,496
	TOTAL, BUDGET ACTIVITY 3:	**3,235,563**	3,235,563	3,235,563	**0**	**3,235,563**

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SECURITY PROGRAMS	404,340	404,340	404,340	0	404,340
370	SECURITY PROGRAMS	404,340	404,340	404,340	0	404,340
	LOGISTICS OPERATIONS	1,505,999	1,505,999	1,505,999	0	1,505,999
380	SERVICEWIDE TRANSPORTATION	398,473	398,473	398,473	0	398,473
390	CENTRAL SUPPLY ACTIVITIES	370,824	370,824	370,824	0	370,824
400	LOGISTIC SUPPORT ACTIVITIES	336,403	336,403	336,403	0	336,403
410	AMMUNITION MANAGEMENT	400,299	400,299	400,299	0	400,299
	SERVICEWIDE SUPPORT	3,131,374	2,765,474	3,131,374	-338,400	2,792,974
420	ADMINISTRATION	304,679	277,179	304,679	0	304,679
430	SERVICEWIDE COMMUNICATIONS	606,379	606,379	606,379	0	606,379
440	MANPOWER MANAGEMENT	142,081	142,081	142,081	0	142,081
450	OTHER PERSONNEL SUPPORT	150,483	150,483	150,483	0	150,483
460	OTHER SERVICE SUPPORT	618,384	618,384	618,384	0	618,384
470	ARMY CLAIMS ACTIVITIES	118,886	118,886	118,886	0	118,886
480	REAL ESTATE MANAGEMENT	68,815	68,815	68,815	0	68,815
490	BASE SUPPORT	700,689	700,689	700,689	0	700,689
500	COMMISSARY OPERATIONS	338,400	0	338,400	-338,400	0
510	MAINTENANCE OF REAL PROPERTY	82,578	82,578	82,578	0	82,578
	SUPPORT OF OTHER NATIONS	265,221	265,221	265,221	0	265,221
520	INTERNATIONAL MILITARY HEADQUARTERS	227,377	227,377	227,377	0	227,377
530	NATO ENLARGEMENT	0	0	0	0	0
540	MISC. SUPPORT OF OTHER NATIONS	37,844	37,844	37,844	0	37,844
	TOTAL, BUDGET ACTIVITY 4:	5,306,934	4,941,034	5,306,934	-338,400	4,968,534
	Miscellaneous	0	-697,663	-216,500	-23,300	-23,300
	Economic Adjustment			[-24,000]	-24,000	

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	Civilian Underexecution		[-517,000]	[-120,000]	-100,000	
	Foreign Currency		[-78,232]	[-81,300]	-81,300	
	DFAS workyears			[8,800]	0	
	Classified Programs		[7,000]		0	
	Basic Training Barracks Modifications		[8,000]			
	Contract and Advisory Services		[-40,000]		-25,000	
	Criminal Investigators Tranining Efficiencies		[-12,000]		-12,000	
	Criminal Investigators Computer Training & Lab		[-6,000]		-6,000	
	ADP Legacy System Efficiencies		[-96,660]		-10,000	
	JCAL Program Slippage		[-33,200]		0	
	USAREUR long Haul Truck Repair Cost Reduction		[-5,400]		0	
	JRISS Duplicative Program		[-3,770]		0	
	E-mall Consolidation		[-1]		0	
	Fuel Price Savings		[-29,900]		-30,000	
	DISA Transfer		[53,400]		0	
	WHS Transfer		[6,100]		0	
	Real Property Maintenance		[50,000]		130,000	
	Base Support				135,000	
	TOTAL, OPERATION AND MAINTENANCE, ARMY	**17,273,063**	**16,339,700**	**17,371,563**	**-270,500**	**17,002,563**
	OPERATION AND MAINTENANCE, NAVY					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	4,788,805	4,933,805	4,858,805	80,000	4,868,805
10	MISSION AND OTHER FLIGHT OPERATIONS	2,089,630	2,139,630	2,134,630	0	2,134,630
	Aircraft Spares		[50,000]	[45,000]	45,000	
20	FLEET AIR TRAINING	751,533	771,533	751,533	0	751,533
	Naval Air Strike Air Warfare Center Improvement		[20,000]		0	

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
30	INTERMEDIATE MAINTENANCE	46,925	46,925	46,925	0	46,925
40	AIR OPERATIONS AND SAFETY SUPPORT	88,459	88,459	88,459	0	88,459
50	AIRCRAFT DEPOT MAINTENANCE	735,731	810,731	735,731	35,000	770,731
60	AIRCRAFT DEPOT OPERATIONS SUPPORT	20,249	20,249	20,249	0	20,249
70	BASE SUPPORT	772,678	772,678	772,678	0	772,678
80	MAINTENANCE OF REAL PROPERTY	283,600	283,600	308,600	0	283,600
	SHIP OPERATIONS	7,093,373	7,183,373	7,187,373	51,000	7,144,373
90	MISSION AND OTHER SHIP OPERATIONS	1,987,873	1,987,873	1,987,873	0	1,987,873
100	SHIP OPERATIONAL SUPPORT AND TRAINING	541,069	541,069	541,069	0	541,069
110	INTERMEDIATE MAINTENANCE	388,408	388,408	388,408	0	388,408
120	SHIP DEPOT MAINTENANCE	1,947,424	2,037,424	1,977,424	45,000	1,992,424
130	SHIP DEPOT OPERATIONS SUPPORT	1,147,209	1,147,209	1,147,209	0	1,147,209
140	BASE SUPPORT	832,789	832,789	867,789	0	832,789
150	MAINTENANCE OF REAL PROPERTY	248,601	248,601	277,601	0	254,601
	Dredging			[6,000]	6,000	
	COMBAT OPERATIONS/SUPPORT	1,723,193	1,730,693	1,730,193	14,500	1,737,693
160	COMBAT COMMUNICATIONS	234,450	234,450	234,450	0	234,450
170	ELECTRONIC WARFARE	7,734	7,734	7,734	0	7,734
180	SPACE SYSTEMS AND SURVEILLANCE	138,271	138,271	138,271	0	138,271
190	WARFARE TACTICS	134,014	134,014	134,014	0	134,014
200	OPERATIONAL METEOROLOGY AND OCEANOGRAPHY	228,159	235,659	235,159	0	242,659
	Naval Meteorology & Oceanography Command			[7,000]	7,000	
	National Oceanography Partnership Program		[7,500]		7,500	
210	COMBAT SUPPORT FORCES	444,072	444,072	444,072	0	444,072
220	EQUIPMENT MAINTENANCE	170,937	170,937	170,937	0	170,937
230	DEPOT OPERATIONS SUPPORT	694	694	694	0	694

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
240	BASE SUPPORT	312,259	312,259	312,259	0	312,259
250	MAINTENANCE OF REAL PROPERTY	52,603	52,603	52,603	0	52,603
	WEAPONS SUPPORT	1,535,843	1,535,843	1,557,843	0	1,535,843
260	CRUISE MISSILE	121,192	121,192	143,192	0	121,192
	Tomahawk Recertication			[22,000]	0	
270	FLEET BALLISTIC MISSILE	812,041	812,041	812,041	0	812,041
280	IN-SERVICE WEAPONS SYSTEMS SUPPORT	61,598	61,598	61,598	0	61,598
290	WEAPONS MAINTENANCE	389,469	389,469	389,469	0	389,469
300	BASE SUPPORT	119,868	119,868	119,868	0	119,868
310	MAINTENANCE OF REAL PROPERTY	31,675	31,675	31,675	0	31,675
	WORKING CAPITAL FUND SUPPORT	43,300	43,300	43,300	0	43,300
320	NWCF SUPPORT	43,300	43,300	43,300	0	43,300
	TOTAL, BUDGET ACTIVITY 1:	15,184,514	15,427,014	15,377,514	145,500	15,330,014
	BUDGET ACTIVITY 2: MOBILIZATION					
	READY RESERVE AND PREPOSITIONING FORCES	428,775	428,775	428,775	0	428,775
330	SHIP PREPOSITIONING AND SURGE	428,775	428,775	428,775	0	428,775
	ACTIVATIONS/INACTIVATIONS	512,627	512,627	512,627	0	512,627
340	AIRCRAFT ACTIVATIONS/INACTIVATIONS	651	651	651	0	651
350	SHIP ACTIVATIONS/INACTIVATIONS	511,976	511,976	511,976	0	511,976
	MOBILIZATION PREPAREDNESS	56,891	56,891	56,891	0	56,891
360	FLEET HOSPITAL PROGRAM	23,496	23,496	23,496	0	23,496
370	INDUSTRIAL READINESS	16,166	16,166	16,166	0	16,166
380	COAST GUARD SUPPORT	17,229	17,229	17,229	0	17,229
	TOTAL, BUDGET ACTIVITY 2:	998,293	998,293	998,293	0	998,293

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	287,693	287,693	287,693	0	287,693
390	OFFICER ACQUISITION	75,643	75,643	75,643	0	75,643
400	RECRUIT TRAINING	4,556	4,556	4,556	0	4,556
410	RESERVE OFFICERS TRAINING CORPS (ROTC)	69,087	69,087	69,087	0	69,087
420	BASE SUPPORT	57,036	57,036	57,036	0	57,036
430	MAINTENANCE OF REAL PROPERTY	81,371	81,371	81,371	0	81,371
	BASIC SKILLS AND ADVANCED TRAINING	1,187,896	1,187,896	1,187,896	0	1,187,896
440	SPECIALIZED SKILL TRAINING	237,916	237,916	237,916	0	237,916
450	FLIGHT TRAINING	315,874	315,874	315,874	0	315,874
460	PROFESSIONAL DEVELOPMENT EDUCATION	71,780	71,780	71,780	0	71,780
470	TRAINING SUPPORT	138,319	138,319	138,319	0	138,319
480	BASE SUPPORT	331,607	331,607	331,607	0	331,607
490	MAINTENANCE OF REAL PROPERTY	92,400	92,400	92,400	0	92,400
	RECRUITING, AND OTHER TRAINING AND EDUCATION	265,851	304,451	256,851	20,800	286,651
500	RECRUITING AND ADVERTISING	130,415	165,415	130,415	17,500	147,915
510	OFF-DUTY AND VOLUNTARY EDUCATION	74,669	74,669	74,669	0	74,669
520	CIVILIAN EDUCATION AND TRAINING	37,425	37,425	28,425	0	37,425
530	JUNIOR ROTC	22,830	22,830	22,830	0	22,830
540	BASE SUPPORT	451	4,051	451	3,300	3,751
550	MAINTENANCE OF REAL PROPERTY	61	61	61	0	61
	TOTAL, BUDGET ACTIVITY 3:	1,741,440	1,780,040	1,732,440	20,800	1,762,240
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT	1,825,674	1,570,674	1,807,674	-273,000	1,552,674
560	ADMINISTRATION	565,193	565,193	565,193	0	565,193
570	EXTERNAL RELATIONS	21,456	21,456	21,456	0	21,456
580	CIVILIAN MANPOWER AND PERSON MANAGEMENT	140,247	140,247	120,247	-20,000	120,247

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
590	MILITARY MANPOWER AND PERSON MANAGEMENT	125,125	125,125	125,125	0	125,125
600	OTHER PERSONNEL SUPPORT	201,014	201,014	201,014	0	201,014
610	SERVICEWIDE COMMUNICATIONS	244,766	244,766	246,766	0	246,766
	NISE-East			[2,000]	2,000	
620	BASE SUPPORT	228,046	228,046	228,046	0	228,046
630	MEDICAL ACTIVITIES	0	0	0	0	0
640	MAINTENANCE OF REAL PROPERTY	44,827	44,827	44,827	0	44,827
650	COMMISSARY OPERATIONS	255,000	0	255,000	-255,000	0
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	1,590,349	1,590,349	1,590,349	0	1,590,349
660	SERVICEWIDE TRANSPORTATION	144,245	144,245	144,245	0	144,245
670	PLANNING, ENGINEERING AND DESIGN	262,615	262,615	262,615	0	262,615
680	ACQUISITION AND PROGRAM MANAGEMENT	473,159	473,159	473,159	0	473,159
690	AIR SYSTEMS SUPPORT	280,437	280,437	280,437	0	280,437
700	HULL, MECHANICAL AND ELECTRICAL SUPPORT	55,467	55,467	55,467	0	55,467
710	COMBAT/WEAPONS SYSTEMS	41,700	41,700	41,700	0	41,700
720	SPACE AND ELECTRONIC WARFARE SYSTEMS	72,178	72,178	72,178	0	72,178
730	BASE SUPPORT	219,826	219,826	219,826	0	219,826
740	MAINTENANCE OF REAL PROPERTY	40,722	40,722	40,722	0	40,722
	SECURITY PROGRAMS	578,497	578,497	578,497	0	578,497
750	SECURITY PROGRAMS	568,257	568,257	568,257	0	568,257
760	BASE SUPPORT	8,814	8,814	8,814	0	8,814
770	MAINTENANCE OF REAL PROPERTY	1,426	1,426	1,426	0	1,426
	SUPPORT OF OTHER NATIONS	8,435	8,435	8,435	0	8,435
780	INTERNATIONAL HEADQUARTERS AND AGENCIES	8,435	8,435	8,435	0	8,435
	CANCELLED ACCOUNTS	0	0	0	0	0
	PROBLEM DISBURSMENTS	0	0	0	0	0
	TOTAL, BUDGET ACTIVITY 4:	4,002,955	3,747,955	3,984,955	-273,000	3,729,955

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	Miscellaneous	0	-113,974	-123,900	-242,800	-242,800
	Economic Adjustment			[-32,000]	-32,000	
	Civilian Underexecution		[-15,000]	[-106,000]	-50,000	
	Foreign Currency		[-6,650]	[-7,900]	-7,900	
	DFAS Workyears			[10,000]	0	
	Y2K System Compliance			[12,000]	0	
	Classified Programs		[20,396]		0	
	Contract and Advisory Services		[-40,000]		-25,000	
	Management HQ Reductions		[-23,900]		-23,900	
	ADP Legacy Systems Efficiencies		[-87,820]		-10,000	
	Fuel Price Savings		[-90,500]		-146,000	
	Real Property Maintenance		[50,000]		50,000	
	Navy Environmental Leadership Program		[4,000]		2,000	
	DISA Transfer		[67,800]		0	
	WHS Transfer		[7,700]		0	
	TOTAL, OPERATION AND MAINTENANCE, NAVY	21,927,202	21,839,328	21,969,302	-349,500	21,577,702
	OPERATION AND MAINTENANCE, MARINE CORPS					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	EXPEDITIONARY FORCES	1,660,869	1,711,269	1,759,869	40,000	1,700,869
10	OPERATIONAL FORCES	375,531	380,531	408,531	0	395,531
	AGCC Twentynine Palms		[5,000]		0	
	Training OPTEMPO			[20,000]	0	
	Initial Issue			[13,000]	20,000	
20	FIELD LOGISTICS	221,693	242,393	221,693	0	221,693
30	DEPOT MAINTENANCE	78,713	78,713	98,713	20,000	98,713
40	BASE SUPPORT	692,716	692,716	702,716	0	692,716

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
50	MAINTENANCE OF REAL PROPERTY	292,216	316,916	328,216	0	292,216
	Equipment Repair, Okinawa		[10,000]		0	
	Cold Weather Clothing		[12,600]		0	
	Active Duty Special Work		[2,100]		0	
	USMC PREPOSITIONING	85,653	85,653	85,653	0	85,653
60	MARITIME PREPOSITIONING	81,325	81,325	81,325	0	81,325
70	NORWAY PREPOSITIONING	4,328	4,328	4,328	0	4,328
	TOTAL, BUDGET ACTIVITY 1:	1,746,522	1,796,922	1,845,522	40,000	1,786,522
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	81,309	81,309	82,509	0	81,309
80	RECRUIT TRAINING	10,202	10,202	11,402	0	10,202
90	OFFICER ACQUISITION	289	289	289	0	289
100	BASE SUPPORT	53,526	53,526	53,526	0	53,526
110	MAINTENANCE OF REAL PROPERTY	17,292	17,292	17,292	0	17,292
	BASIC SKILLS AND ADVANCED TRAINING	196,026	196,026	196,026	0	196,026
120	SPECIALIZED SKILLS TRAINING	28,269	28,269	28,269	0	28,269
130	FLIGHT TRAINING	161	161	161	0	161
140	PROFESSIONAL DEVELOPMENT EDUCATION	6,478	6,478	6,478	0	6,478
150	TRAINING SUPPORT	81,338	81,338	81,338	0	81,338
160	BASE SUPPORT	55,771	55,771	55,771	0	55,771
170	MAINTENANCE OF REAL PROPERTY	24,009	24,009	24,009	0	24,009
	RECRUITING AND OTHER TRAINING EDUCATION	115,951	129,451	115,951	12,000	127,951
180	RECRUITING AND ADVERTISING	80,798	92,798	80,798	12,000	92,798
190	OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	15,016	0	15,016
200	JUNIOR ROTC	9,201	9,201	9,201	0	9,201
210	BASE SUPPORT	8,496	9,996	8,496	0	8,496

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
220	MAINTENANCE OF REAL PROPERTY	2,440	2,440	2,440	0	2,440
	TOTAL, BUDGET ACTIVITY 3:	**393,286**	**406,786**	**394,486**	**12,000**	**405,286**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE SUPPORT	**383,895**	**297,295**	**383,895**	**-86,600**	**297,295**
230	SPECIAL SUPPORT	224,668	224,668	224,668	0	224,668
240	SERVICEWIDE TRANSPORTATION	29,630	29,630	29,630	0	29,630
250	ADMINISTRATION	26,509	26,509	26,509	0	26,509
260	BASE SUPPORT	14,557	14,557	14,557	0	14,557
270	MAINTENANCE OF REAL PROPERTY	1,931	1,931	1,931	0	1,931
280	COMMISSARY OPERATIONS	86,600	0	86,600	-86,600	0
	TOTAL, BUDGET ACTIVITY 4:	**383,895**	**297,295**	**383,895**	**-86,600**	**297,295**
	Miscellaneous	**0**	**38,700**	**-5,000**	**39,500**	**39,500**
	Economic Adjustment			[-4,000]	-4,000	
	Foreign Currency			[-2,300]	-2,300	
	DFAS Workyears			[1,300]	0	
	Real Property Maintenance		[25,000]		36,000	
	Fuel Price Savings				-2,700	
	Base Support				12,500	
	TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	**2,523,703**	**2,539,703**	**2,618,903**	**4,900**	**2,528,603**
	OPERATION AND MAINTENANCE, AIR FORCE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	7,400,896	7,570,896	7,529,996	110,000	7,510,896
10	PRIMARY COMBAT FORCES	2,311,299	2,461,299	2,341,299	0	2,421,299
	Aircraft Spares		[150,000]	[30,000]	110,000	

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ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
20	PRIMARY COMBAT WEAPONS	236,147	236,147	245,147	0	236,147
	ALCM/ACM			[9,000]	0	
30	COMBAT ENHANCEMENT FORCES	196,036	196,036	196,036	0	196,036
40	AIR OPERATIONS TRAINING	562,839	562,839	567,939	0	562,839
45	DEPOT MAINTENANCE	1,022,087	1,022,087	1,022,087	0	1,022,087
50	COMBAT COMMUNICATIONS	958,706	958,706	958,706	0	958,706
60	BASE SUPPORT	1,538,126	1,538,126	1,573,126	0	1,538,126
65	MAINTENANCE OF REAL PROPERTY	575,656	595,656	625,656	0	575,656
	Air Warfare Center Improvements		[20,000]		0	
	COMBAT RELATED OPERATIONS	1,385,350	1,385,350	1,385,350	0	1,385,350
70	GLOBAL C3I AND EARLY WARNING	669,379	669,379	669,379	0	669,379
80	NAVIGATION/WEATHER SUPPORT	118,337	118,337	118,337	0	118,337
90	OTHER COMBAT OPS SUPPORT PROGRAMS	221,593	221,593	221,593	0	221,593
100	JCS EXERCISES	30,521	30,521	30,521	0	30,521
110	MANAGEMENT/OPERATIONAL HEADQUARTERS	117,540	117,540	117,540	0	117,540
120	TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	227,980	227,980	227,980	0	227,980
	SPACE OPERATIONS	1,123,425	1,123,425	1,123,425	0	1,123,425
130	LAUNCH FACILITIES	221,046	221,046	221,046	0	221,046
140	LAUNCH VEHICLES	102,064	102,064	102,064	0	102,064
150	SPACE CONTROL SYSTEMS	246,940	246,940	246,940	0	246,940
160	SATELLITE SYSTEMS	36,152	36,152	36,152	0	36,152
170	OTHER SPACE OPERATIONS	85,292	85,292	85,292	0	85,292
180	BASE SUPPORT	309,406	309,406	309,406	0	309,406
185	MAINTENANCE OF REAL PROPERTY	122,525	122,525	122,525	0	122,525
	TOTAL, BUDGET ACTIVITY 1:	9,909,671	10,079,671	10,038,771	110,000	10,019,671

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	BUDGET ACTIVITY 2: MOBILIZATION					
	MOBILITY OPERATIONS	2,808,949	2,808,949	2,820,949	0	2,808,949
190	AIRLIFT OPERATIONS	1,326,774	1,326,774	1,326,774	0	1,326,774
200	AIRLIFT OPERATIONS C3I	21,676	21,676	21,676	0	21,676
210	MOBILIZATION PREPAREDNESS	134,807	134,807	146,807	0	134,807
	WAR RESERVE MATERIALS			[12,000]	0	
215	DEPOT MAINTENANCE	316,485	316,485	316,485	0	316,485
220	PAYMENTS TO TRANSPORTATION BUSINESS AREA	470,000	470,000	470,000	0	470,000
230	BASE SUPPORT	390,876	390,876	390,876	0	390,876
235	MAINTENANCE OF REAL PROPERTY	148,331	148,331	148,331	0	148,331
	TOTAL, BUDGET ACTIVITY 2:	**2,808,949**	**2,808,949**	**2,820,949**	**0**	**2,808,949**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
	ACCESSION TRAINING	205,044	205,044	205,044	0	205,044
240	OFFICER ACQUISITION	57,679	57,679	57,679	0	57,679
250	RECRUIT TRAINING	4,360	4,360	4,360	0	4,360
260	RESERVE OFFICER TRAINING CORPS (ROTC)	46,522	46,522	46,522	0	46,522
270	BASE SUPPORT (ACADEMIES ONLY)	58,828	58,828	58,828	0	58,828
275	MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	37,655	37,655	37,655	0	37,655
	BASIC SKILLS AND ADVANCED TRAINING	1,264,253	1,264,253	1,264,253	0	1,264,253
280	SPECIALIZED SKILL TRAINING	215,477	215,477	215,477	0	215,477
290	FLIGHT TRAINING	406,940	406,940	406,940	0	406,940
300	PROFESSIONAL DEVELOPMENT EDUCATION	90,709	90,709	90,709	0	90,709
310	TRAINING SUPPORT	65,742	65,742	65,742	0	65,742
315	DEPOT MAINTENANCE	12,186	12,186	12,186	0	12,186
320	BASE SUPPORT (OTHER TRAINING)	370,961	370,961	370,961	0	370,961
325	MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	102,238	102,238	102,238	0	102,238

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	RECRUITING, AND OTHER TRAINING AND EDUCATION	229,246	229,246	229,246	0	229,246
330	RECRUITING AND ADVERTISING	54,775	54,775	54,775	0	54,775
340	EXAMINING	2,668	2,668	2,668	0	2,668
350	OFF DUTY AND VOLUNTARY EDUCATION	84,122	84,122	84,122	0	84,122
360	CIVILIAN EDUCATION AND TRAINING	61,124	61,124	61,124	0	61,124
370	JUNIOR ROTC	26,557	26,557	26,557	0	26,557
	TOTAL, BUDGET ACTIVITY 3:	**1,698,543**	**1,698,543**	**1,698,543**	**0**	**1,698,543**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	LOGISTICS OPERATIONS	2,535,950	2,535,950	2,535,950	0	2,535,950
380	LOGISTICS OPERATIONS	706,893	706,893	706,893	0	706,893
390	TECHNICAL SUPPORT ACTIVITIES	389,685	389,685	389,685	0	389,685
400	SERVICEWIDE TRANSPORTATION	196,178	196,178	196,178	0	196,178
405	DEPOT MAINTENANCE	69,344	69,344	69,344	0	69,344
410	BASE SUPPORT	916,165	916,165	916,165	0	916,165
415	MAINTENANCE OF REAL PROPERTY	257,685	257,685	257,685	0	257,685
	SERVICEWIDE ACTIVITIES	1,653,027	1,336,056	1,638,027	-317,071	1,335,956
420	ADMINISTRATION	140,879	125,979	140,879	0	140,879
430	SERVICEWIDE COMMUNICATIONS	234,065	234,065	234,065	0	234,065
440	PERSONNEL PROGRAMS	127,718	127,718	112,718	-15,000	112,718
450	RESCUE AND RECOVERY SERVICES	48,466	48,466	48,466	0	48,466
470	ARMS CONTROL	30,005	30,005	30,005	0	30,005
480	OTHER SERVICEWIDE ACTIVITIES	517,780	517,780	517,780	0	517,780
490	OTHER PERSONNEL SUPPORT	31,828	31,828	31,828	0	31,828
500	CIVIL AIR PATROL CORPORATION	13,927	13,927	13,927	0	13,927
505	COMMISSARY OPERATIONS	302,071	0	302,071	-302,071	0
510	BASE SUPPORT	180,221	180,221	180,221	0	180,221
515	MAINTENANCE OF REAL PROPERTY	26,067	26,067	26,067	0	26,067

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	SECURITY PROGRAMS	557,256	557,256	557,256	0	557,256
520	SECURITY PROGRAMS	557,256	557,256	557,256	0	557,256
	SUPPORT TO OTHER NATIONS	13,608	13,608	13,608	0	13,608
530	INTERNATIONAL SUPPORT	13,608	13,608	13,608	0	13,608
	TOTAL, BUDGET ACTIVITY 4:	4,759,841	4,442,870	4,744,841	-317,071	4,442,770
	Miscellaneous	0	-213,925	-120,700	-279,300	-279,300
	Economic Adjustment			[-31,000]	-31,000	
	Civilian Underexecution			[-83,800]	-50,000	
	Foreign Currency		[-16,105]	[-19,200]	-25,000	
	DFAS Workyears			[13,300]	0	
	Classified Programs		[500]		0	
	Contract and Advisory Services		[-40,000]		-25,000	
	Management HQ Reductions		[-60,300]		-60,300	
	ADP Legacy Systems Efficiencies		[-95,620]		-10,000	
	Reduction of First Program		[-7,000]		-1,000	
	E-mail Consolidation		[-1,000]		0	
	Fuel Price Savings		[-110,500]		-157,000	
	Real Property Maintenance		[50,000]		50,000	
	DISA Transfer		[59,400]		0	
	WHS Transfer		[6,700]		0	
	Base Support				30,000	
	TOTAL, O&M, AIR FORCE	19,177,004	18,816,108	19,182,404	-486,371	18,690,633
	OPRATIONS AND MAINTENANCE, SPECIAL OPERATIONS COMMAND					
	BUDGET ACTIVITY 1: OPERATING FORCES					
10	SPECIAL OPERATIONS COMMAND	0	0	1,161,978	0	0

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	CPRO Training			[7,650]	0	
	Maritime Training			[5,000]	0	
	TOTAL, BUDGET ACTIVITY 1:	**0**	**0**	**1,161,978**	**0**	**0**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
30	SPECIAL OPERATIONS COMMAND		0	42,408	0	0
	TOTAL, BUDGET ACTIVITY 3:	**0**	**0**	**42,408**	**0**	**0**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
40	SPECIAL OPERATIONS COMMAND		0	47,117	0	0
	TOTAL, BUDGET ACTIVITY 4:	**0**	**0**	**47,117**	**0**	**0**
	TOTAL, OPRATIONS AND MAINTENANCE, SPECIAL OPERATIONS COMMAND	**0**	**0**	**1,251,503**	**0**	**0**
	OPERATION AND MAINTENANCE, DEFENSE-WIDE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
10	JOINT CHIEFS OF STAFF	410,065	435,065	415,065	0	425,065
	Mobility Enhancement Fund		[25,000]		15,000	
	Joint Experimentation			[5,000]	0	
20	SPECIAL OPERATIONS COMMAND	1,149,328	1,149,328	0	-1,149,328	0
	TOTAL, BUDGET ACTIVITY 1:	**1,559,393**	**1,584,393**	**415,065**	**-1,134,328**	**425,065**
	BUDGET ACTIVITY 2: MOBILIZATION					
30	DEFENSE LOGISTICS AGENCY	38,934	38,934	38,934	0	38,934
	TOTAL, BUDGET ACTIVITY 2:	**38,934**	**38,934**	**38,934**	**0**	**38,934**
	BUDGET ACTIVITY 3: TRAINING AND RECRUITING					
30	SPECIAL OPERATIONS COMMAND	42,408	42,408	0	-42,408	0
40	DEFENSE ACQUISITION UNIVERSITY	0	0	0	0	0

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
45	AMERICAN FORCES INFORMATION SERVICE	11,059	11,059	11,059	0	11,059
	TOTAL, BUDGET ACTIVITY 3:	**53,467**	**53,467**	**11,059**	**-42,408**	**11,059**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
55	AMERICAN FORCES INFORMATION SERVICE	93,815	93,815	93,815	0	93,815
60	CIVIL MILITARY PROGRAMS	44,894	50,394	71,894	0	61,394
	Star Base			[5,000]	5,000	
	National Guard Youth Challenge		[21,500]	[22,000]	21,500	
	Innovative Readiness Training		[-16,000]		-10,000	
65	CLASSIFIED AND INTELLIGENCE	3,803,561	3,803,561	3,777,361	0	3,803,561
70	CORPORATE INFORMATION MANAGEMENT	0	0	0	0	0
75	DEFENSE CONTRACT AUDIT AGENCY	330,087	326,112	330,087	-2,375	327,712
	Management HQ Reduction		[-1,600]		0	
80	DEFENSE FINANCE AND ACCOUNTING SERVICE	83,277	48,677	83,277	0	83,277
85	DEFENSE HUMAN RESOURCES ACTIVITY	198,923	192,923	180,923	0	191,923
	DCPDS Program Slippage		[-6,000]		-7,000	
90	DEFENSE INFORMATION SYSTEMS AGENCY	771,106	517,706	771,106	0	769,306
	Management HQ Reduction		[-1,800]		-1,800	
	Transfer to Service Accounts		[-221,600]		0	
95	DEFENSE LEGAL SERVICES AGENCY	9,027	9,027	9,027	0	9,027
100	DEFENSE LOGISTICS AGENCY	1,140,137	1,120,137	1,142,437	0	1,155,137
	Headquarters and Administrative Management		[-35,000]		0	
	Document Coversion Technology		[15,000]		15,000	
	DFAS Workyears			[2,300]	0	
105	DEFENSE POW /MISSING PERSONS OFFICE	14,110	14,110	14,110	0	14,110
100	DEFENSE SECURITY ASSISTANCE AGENCY	4,610	4,610	4,610	0	4,610
105	DEFENSE SECURITY SERVICE	83,419	83,419	83,419	0	83,419
110	DEFENSE SPECIAL WEAPONS AGENCY	0	0	0	0	0
115	DEFENSE SUPPORT ACTIVITIES	0	0	0	0	0

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
120	DEFENSE TECHNOLOGY SECURITY ADMINISTRATION	0	0	0	0	0
125	DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY	304,745	291,745	275,295	0	277,345
	DTRA Consolidations				-12,000	
	Treaty Implementation Delays				-15,400	
130	DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,347,718	1,347,718	1,347,718	0	1,347,718
135	FEDERAL ENERGY MANAGEMENT PROGRAM	0	0	0	0	0
140	JOINT CHIEFS OF STAFF	139,616	112,816	139,616	0	137,216
	Management HQ Reduction		[-2,400]		-2,400	
145	OFFICE OF ECONOMIC ADJUSTMENT	31,233	31,233	31,233	0	31,233
150	OFFICE OF THE SECRETARY OF DEFENSE	369,836	353,936	369,836	0	369,836
	DRI Administration and Management		[-15,900]		0	
155	OFFICE OF THE SECRETARY OF DEFENSE (NO YEAR)	0	0	0	0	0
160	ON SITE INSPECTION AGENCY	0	0	0	0	0
165	SPECIAL OPERATIONS COMMAND	47,117	43,717	0	-47,117	0
	Management HQ Reduction		[-3,400]		0	
170	WASHINGTON HEADQUARTERS SERVICE	281,676	225,276	281,676	0	281,676
	Travel Reengineering Program		[-35,000]		0	
	Travel Reengineering Program Management		[-21,400]		0	
	TOTAL, BUDGET ACTIVITY 4:	**9,098,907**	**8,670,932**	**9,007,440**	**-56,592**	**9,042,315**
	BUDGET ACTIVITY 5: SPECIAL OPERATIONS COMMAND					
	OPERATING FORCES					
10	SPECIAL OPERATIONS COMMAND	0	0	0	1,149,328	1,161,978
	CPRO Training				7,650	
	Maritime Training				5,000	
	TOTAL, OPERATING FORCES:	**0**	**0**	**0**	**1,161,978**	**1,161,978**
	TRAINING AND RECRUITING					
30	SPECIAL OPERATIONS COMMAND		0	0	42,408	42,408

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	TOTAL, TRAINING AND RECRUITING	**0**	**0**	**0**	**42,408**	**42,408**
	ADMIN & SERVICEWIDE ACTIVITIES					
40	SPECIAL OPERATIONS COMMAND		0	0	47,117	47,117
	TOTAL, ADMIN & SERVICEWIDE ACTIVITIES	**0**	0	0	**47,117**	**47,117**
	TOTAL, BUDGET ACTIVITY 5	**0**	0	0	**1,251,503**	**1,251,503**
	Miscellaneous	**0**	**6,490**	**-429,500**	**-218,800**	**-218,800**
	Economic Adjustment			[-17,600]	-17,600	
	Civilian Underexecution		[-7,117]	[-349,000]	-100,000	
	Foreign Currency Fluctuation		[-5,300]	[-8,500]	-9,500	
	Defense Reform Initiative			[-150,000]	-75,000	
	Impact Aid		[35,000]	[35,000]	35,000	
	Y2K Testing/Contingency Planning			[60,000]	0	
	Arctic Military Cooperation Program			[-1,500]	-1,500	
	DFAS Work years			[2,100]	0	
	Classified Programs		[17,707]		6,000	
	Contract and Advisory Services		[-40,000]		-25,000	
	ADP Legacy Systems		[-18,000]		0	
	DISA Transfer		[33,200]		0	
	Fuel Price Savings		[-9,000]		-31,200	
	TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	**10,750,701**	**10,354,216**	**9,042,998**	**-200,625**	**10,550,076**
	OPERATION AND MAINTENANCE, ARMY RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	LAND FORCES	509,126	509,126	524,126	0	509,126
10	DIVISION FORCES	10,918	10,918	10,918	0	10,918
20	CORPS COMBAT FORCES	17,890	17,890	17,890	0	17,890

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
30	CORPS SUPPORT FORCES	165,897	165,897	180,897	0	165,897
40	ECHELON ABOVE CORPS FORCES	86,565	86,565	86,565	0	86,565
50	LAND FORCES OPERATIONS SUPPORT	227,856	227,856	227,856	0	227,856
	LAND FORCES READINESS	184,923	184,923	184,923	0	184,923
60	FORCES READINESS OPERATIONS SUPPORT	123,824	123,824	123,824	0	123,824
70	LAND FORCES SYSTEM READINESS	13,757	13,757	13,757	0	13,757
80	DEPOT MAINTENANCE	47,342	47,342	47,342	0	47,342
	LAND FORCES READINESS SUPPORT	368,427	368,427	368,427	0	368,427
90	BASE SUPPORT	305,760	305,760	305,760	0	305,760
100	MAINTENANCE OF REAL PROPERTY	61,177	61,177	61,177	0	61,177
110	UNIFIED COMMANDS	107	107	107	0	107
120	MISCELLANEOUS ACTIVITIES	1,383	1,383	1,383	0	1,383
	TOTAL, BUDGET ACTIVITY 1:	1,062,476	1,062,476	1,077,476	0	1,062,476
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	140,146	140,146	140,146	0	140,146
130	STAFF MANAGEMENT HEADQUARTERS	27,465	27,465	27,465	0	27,465
140	INFORMATION MANAGEMENT	23,601	23,601	23,601	0	23,601
150	PERSONNEL/FINANCIAL ADMINISTRATION	47,327	47,327	47,327	0	47,327
160	RECRUITING AND ADVERTISING	41,753	41,753	41,753	0	41,753
	TOTAL, BUDGET ACTIVITY 4:	140,146	140,146	140,146	0	140,146
	Miscelleneous	0	-5,000	-2,000	-4,600	-4,600
	Economic Adjustment			[-2,000]	-2,000	
	WMD Reductions		[-5,000]		0	
	Fuel Price Savings				-2,600	
	TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,202,622	1,197,622	1,215,622	-4,600	1,198,022

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ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	OPERATION AND MAINTENANCE, NAVY RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	RESERVE AIR OPERATIONS	569,877	569,877	569,877	0	569,877
10	MISSION AND OTHER FLIGHT OPERATIONS	300,682	300,682	300,682	0	300,682
20	FLEET AIR TRAINING	484	484	484	0	484
30	INTERMEDIATE MAINTENANCE	17,271	17,271	17,271	0	17,271
40	AIR OPERATION AND SAFETY SUPPORT	3,044	3,044	3,044	0	3,044
50	AIRCRAFT DEPOT MAINTENANCE	121,740	121,740	121,740	0	121,740
60	AIRCRAFT DEPOT OPS SUPPORT	323	323	323	0	323
70	BASE SUPPORT	101,963	101,963	101,963	0	101,963
75	MAINTENANCE OF REAL PROPERTY	24,370	24,370	24,370	0	24,370
	RESERVE SHIP OPERATIONS	152,723	172,723	167,723	10,000	162,723
80	MISSION AND OTHER SHIP OPERATIONS	61,924	81,924	76,924	0	71,924
	MCM Operations		[20,000]		10,000	
90	SHIP OPERATIONAL SUPPORT AND TRAINING	611	611	611	0	611
100	INTERMEDIATE MAINTENANCE	9,472	9,472	9,472	0	9,472
110	SHIP DEPOT MAINTENANCE	79,257	79,257	79,257	0	79,257
120	SHIP DEPOT OPERATIONS SUPPORT	1,459	1,459	1,459	0	1,459
	RESERVE COMBAT OPERATIONS SUPPORT	72,372	72,372	72,372	0	72,372
140	COMBAT SUPPORT FORCES	28,355	28,355	28,355	0	28,355
150	BASE SUPPORT	34,411	34,411	34,411	0	34,411
155	MAINTENANCE OF REAL PROPERTY	9,606	9,606	9,606	0	9,606
	RESERVE WEAPONS SUPPORT	5,217	5,217	5,217	0	5,217
160	WEAPONS MAINTENANCE	5,217	5,217	5,217	0	5,217
	TOTAL, BUDGET ACTIVITY 1:	800,189	820,189	815,189	10,000	810,189

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(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	125,916	125,916	125,916	0	125,916
170	ADMINISTRATION	6,209	6,209	6,209	0	6,209
180	CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,015	1,015	1,015	0	1,015
190	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,420	25,420	25,420	0	25,420
210	SERVICEWIDE COMMUNICATIONS	50,534	50,534	50,534	0	50,534
220	BASE SUPPORT	29,571	29,571	29,571	0	29,571
225	MAINTENANCE OF REAL PROPERTY	7,182	7,182	7,182	0	7,182
230	COMBAT/WEAPONS SYSTEMS	5,398	5,398	5,398	0	5,398
240	GENERAL DEFENSE INTELLIGENCE PROGRAM	587	587	587	0	587
	LOGISTICS OPERATIONS AND TECHNICAL SUPPORT	2,534	2,534	2,534	0	2,534
250	AIR SYSTEMS SUPPORT	2,534	2,534	2,534	0	2,534
	PROBLEM DISBURSEMENTS	0	0	0	0	0
	TOTAL, BUDGET ACTIVITY 4:	128,450	128,450	128,450	0	128,450
	Misc	0		-2,000	-18,000	-18,000
	Economic Adjustment			[-2,000]	-2,000	
	Fuel Price Savings				-16,000	
	TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	928,639	948,639	941,639	-8,000	920,639
	OPERATION AND MAINTENANCE, MARINE CORPS RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	MISSION FORCES	74,327	75,527	94,327	1,200	75,527
10	TRAINING	14,435	14,435	29,435	0	14,435
	Initial Issue			[10,000]	0	
	782 Gear			[5,000]	0	
20	OPERATING FORCES	33,823	33,823	33,823	0	33,823

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
30	BASE SUPPORT	16,272	16,272	16,272	0	16,272
35	MAINTENANCE OF REAL PROPERTY	6,976	6,976	6,976	0	6,976
40	DEPOT MAINTENANCE	2,821	4,021	7,821	0	4,021
	USMCR Increased Use		[1,200]		1,200	
	TOTAL, BUDGET ACTIVITY 1:	74,327	75,527	94,327	1,200	75,527
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	40,266	41,466	40,266	2,100	42,366
50	RECRUITING AND ADVERTISING	7,920	9,120	7,920	0	7,920
60	SPECIAL SUPPORT	11,080	11,080	11,080	0	11,080
70	SERVICEWIDE TRANSPORTATION	4,714	4,714	4,714	0	4,714
80	ADMINISTRATION	8,763	8,763	8,763	0	8,763
90	BASE SUPPORT	7,789	7,789	7,789	0	9,889
	Active Duty for Special Work				2,100	
	PROBLEM DISBURSEMENTS	0	0	0	0	0
	TOTAL, BUDGET ACTIVITY 4:	40,266	41,466	40,266	2,100	42,366
	TOTAL, O&M, MARINE CORPS RESERVE	114,593	116,993	134,593	3,300	117,893
	OPERATION AND MAINTENANCE, AIR FORCE RESERVE					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	1,663,150	1,663,150	1,678,150	0	1,663,150
10	AIRCRAFT OPERATIONS	1,038,509	1,038,509	1,053,509	0	1,038,509
20	MISSION SUPPORT OPERATIONS	40,926	40,926	40,926	0	40,926
30	BASE SUPPORT	223,606	223,606	223,606	0	223,606
35	MAINTENANCE OF REAL PROPERTY	61,616	61,616	61,616	0	61,616
40	DEPOT MAINTENANCE	298,493	298,493	298,493	0	298,493
	TOTAL, BUDGET ACTIVITY 1:	1,663,150	1,663,150	1,678,150	0	1,663,150

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference	
					Change	Agreement
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	81,546	84,546	81,546	3,000	84,546
50	ADMINISTRATION	46,002	46,002	46,002	0	46,002
60	MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,205	20,205	20,205	0	20,205
70	RECRUITING AND ADVERTISING	8,360	11,360	8,360	3,000	11,360
80	OTHER PERSONNEL SUPPORT	6,366	6,366	6,366	0	6,366
90	AUDIOVISUAL	613	613	613	0	613
	TOTAL, BUDGET ACTIVITY 4:	**81,546**	84,546	81,546	**3,000**	**84,546**
	Misc	**0**		**-2,000**	**-24,900**	**-24,900**
	Economic Adjustment			[-2,000]	-2,000	
	Fuel Price Savings				-22,900	
	TOTAL, O&M, AIR FORCE RESERVE	**1,744,696**	**1,747,696**	**1,757,696**	**-21,900**	**1,722,796**
	OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	MISSION OPERATIONS	**2,285,721**	**2,285,721**	**2,325,721**	**80,000**	**2,365,721**
10	LAND FORCES	1,302,542	1,302,542	1,342,542	50,000	1,352,542
20	LAND FORCES READINESS	144,113	144,113	144,113	0	154,113
	Distance Learning Project				10,000	
30	LAND FORCES READINESS SUPPORT	839,066	839,066	839,066	0	859,066
	Depot Maintenance				20,000	
	TOTAL, BUDGET ACTIVITY 1:	**2,285,721**	**2,285,721**	**2,325,721**	**80,000**	**2,365,721**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	ADMINISTRATION AND SERVICEWIDE ACTIVITIES	**151,094**	**151,094**	**151,094**	**0**	**151,094**
50	PERSONNEL ADMINISTRATION	59,249	59,249	59,249	0	59,249
60	STAFF MANAGEMENT	33,490	33,490	33,490	0	33,490

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
70	INFORMATION MANAGEMENT	21,793	21,793	21,793	0	21,793
80	PUBLIC AFFAIRS	0	0	0	0	0
90	RECRUITING AND ADVERTISING	36,562	36,562	36,562	0	36,562
	TOTAL, BUDGET ACTIVITY 4:	**151,094**	**151,094**	**151,094**	**0**	**151,094**
	Miscelleneous	0	28,000	116,000	**47,500**	**47,500**
	Economic Adjustment			[-4,000]	-4,000	
	Training/OPTEMPO			[120,000]	0	
	Military Technicians		[27,000]		27,000	
	Fuel Price Savings				-5,500	
	WMD Reduction				0	
	Information Technology Infrastructure Training				0	
	Real Property Maintenance				30,000	
	TOTAL, OPERATION AND MAINTENANCE, ARMY NAT. GUARD	**2,436,815**	**2,464,815**	**2,592,815**	**127,500**	**2,564,315**
	OPERATION AND MAINTENANCE, AIR NATIONAL GUARD					
	BUDGET ACTIVITY 1: OPERATING FORCES					
	AIR OPERATIONS	3,083,268	3,083,268	3,103,268	0	3,083,268
10	AIRCRAFT OPERATIONS	1,935,880	1,935,880	1,935,880	0	1,935,880
20	MISSION SUPPORT OPERATIONS	340,884	340,884	340,884	0	340,884
30	BASE SUPPORT	295,163	295,163	295,163	0	295,163
35	MAINTENANCE OF REAL PROPERTY	82,633	82,633	102,633	0	82,633
40	DEPOT MAINTENANCE	428,708	428,708	428,708	0	428,708
	TOTAL, BUDGET ACTIVITY 1:	**3,083,268**	**3,083,268**	**3,103,268**	**0**	**3,083,268**
	BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES					
	SERVICEWIDE ACTIVITIES	10,665	13,665	10,665	3,000	13,665
50	ADMINISTRATION	2,913	2,913	2,913	0	2,913

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
60	RECRUITING AND ADVERTISING	7,752	10,752	7,752	3,000	10,752
	TOTAL, BUDGET ACTIVITY 4:	**10,665**	13,665	10,665	**3,000**	**13,665**
	Misc	**0**		-4,000	**-49,500**	-49,500
	Economic Adjustment			[-4,000]	-4,000	
	Fuel Price Savings				-45,500	
	TOTAL, O&M, AIR NATIONAL GUARD	**3,093,933**	**3,096,933**	**3,109,933**	**-46,500**	**3,047,433**
	TRANSFER ACCOUNTS AND MISCELLANEOUS					
	TRANSFER ACCOUNTS	**2,733,913**	**2,733,913**	**2,703,913**	**-24,000**	**2,709,913**
10	ENVIRONMENTAL RESTORATION, ARMY	377,640	377,640	369,640	-6,000	370,640
	Economic Adjustment				-1,000	
20	ENVIRONMENTAL RESTORATION, NAVY	281,600	281,600	273,600	-6,000	274,600
	Economic Adjustment				-1,000	
30	ENVIRONMENTAL RESTORATION, AIR FORCE	379,100	379,100	371,100	-6,000	372,100
	Economic Adjustment				-1,000	
40	ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	26,091	26,091	22,091	0	25,091
	Economic Adjustment				-1,000	
50	ENVIRONMENTAL RESTORATION, FORMERLY UTILIZED DEFENSE SITES	195,000	195,000	195,000	0	195,000
60	DRUG INTERDICTION	727,582	727,582	725,582	0	725,582
	Economic Adjustment			[-2,000]	-2,000	
70	OVERSEAS CONTINGENCIES	746,900	746,900	746,900	0	746,900
	TOTAL, O&M, TRANSFER ACCOUNTS:	**2,733,913**	**2,733,913**	**2,703,913**	**-24,000**	**2,709,913**
	O&M, MISCELLANEOUS	**10,312,234**	**10,280,834**	**10,260,923**	**-51,311**	**10,260,923**
80	INSPECTOR GENERAL	130,764	130,764	130,764	0	130,764
90	COURT OF MILITARY APPEALS	7,324	7,324	7,324	0	7,324

Title III - Operations and Maintenance

(Dollars in Thousands)

ID	ACCOUNT/BA/AG/SAG	1999 Request	House Authorize	Senate Authorize	Conference Change	Conference Agreement
100	EMERGENCY RESPONSE FUND, DEFENSE	0	0	0	0	0
110	SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE	0	0	0	0	0
120	OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AFFAIRS	63,311	47,311	50,000	-13,311	50,000
130	PAYMENT TO KAHO'OLAWE ISLAND	15,000	15,000	15,000	0	15,000
140	DEFENSE HEALTH PROGRAM	9,653,435	9,663,035	9,617,435	0	9,617,435
	Economic Adjustment			[-36,000]	-36,000	
	Environmental Risk Assessment		[1,800]		0	
	Medical Trauma Training		[4,800]		0	
	Traditional CHAMPUS for Disabled Retirees		[3,000]		0	
150	FORMER SOVIET UNION THREAT REDUCTION	442,400	417,400	440,400	-2,000	440,400
160	QUALITY OF LIFE ENHANCEMENTS	0	0	0	0	0
170	OPPLAN 34A-35	0	0	0	0	0
	TOTAL, O&M, MISCELLANEOUS:	**10,312,234**	**10,280,834**	**10,260,923**	**-51,311**	**10,260,923**
	TOTAL, O&M, MISCELLANEOUS AND TRANSFER ACCOUNTS:	**13,046,147**	**13,014,747**	**12,964,836**	**-75,311**	**12,970,836**
	GENERAL REDUCTION (Fuel Price Inflation)			-304,000	0	0
	TOTAL OPERATION AND MAINTENANCE TITLE:	**94,219,118**	**92,476,500**	**93,849,807**	**-1,327,607**	**92,891,511**

Arms control implementation

The budget request included $275.3 million in the military services and defense accounts to meet specific arms control implementation and compliance obligations. The budget request is formulated on anticipated resource requirements, to include planning assumptions of anticipated dates of entry into force of arms control agreements, numbers of inspections or observations to be performed in the year, data reporting and information exchange requirements.

The House bill would decrease the budget request for the On-Site Inspection Agency for the following: $1.5 million for START II implementation activities; $1.0 million for implementation of the Open Skies Treaty; and $1.0 million for activities related to entry into force of the Comprehensive Test Ban Treaty (CTBT). The House bill would also authorize a decrease of $25.0 million for research and development activities related to implementation of the CTBT. Lastly, the House bill would authorize no funds for reimbursement to the Organization for the Prohibition of Chemical Weapons (OPCW) for the costs of inspectors salaries and transportation from the Hague for inspections conducted pursuant to the Chemical Weapons Convention.

The Senate amendment would authorize no funds to reimburse the Organization for the Prohibition of Chemical Weapons for inspectors salaries and transportation from The Hague to the U.S. Point of Entry, and for reimbursement of the cost of arms control inspections in foreign countries when those costs are the obligation of the inspected country.

The conferees agree to authorize a decrease of $28.0 million for the following arms control implementation activities: $1.5 million for START II; $1.0 million for Open Skies activities; $1.0 million for CTBT; $9.0 million for reimbursement of other than "usual" in-country inspection costs; and, $0.5 million for anticipated reimbursement of payments for arms control inspection costs borne by the inspected party to a treaty or agreement. The conferees also agree to a decrease of $15.0 million for research and development activities in support of CTBT and U.S. nuclear test detection requirements.

The conferees agree that of the funds authorized for research and development activities in support of CTBT requirements, $20.0 million shall be available for efforts to develop critical seismic technology to detect, verify, and evaluate both natural and weapons-related phenomena important to nuclear test detection.

Navy Environmental Leadership Program

The budget request included $2.4 million for the Navy Environmental Leadership Program (NELP).

The House bill would authorize an increase of $4.0 million for NELP.

The Senate amendment would authorize no funds for NELP.

The conferees agree to authorize an increase of $2.0 million for NELP.

Defense Threat Reduction Agency (DTRA)

The budget request included $304.7 million for the Defense Threat Reduction Agency (DTRA).

In November 1997, as part of its Defense Reform Initiative (DRI), the Department of Defense recommended the establishment on October 1, 1998 of the Defense Threat Reduction Agency (DTRA), a single agency that would carry out programs to counter proliferation and reduce threats posed by weapons of mass destruction and to provide nuclear weapons stockpile and related support. The agency would consolidate several functions from the Office of the Secretary of Defense (OSD) and the Washington Headquarters Services involved in the oversight and management of associated programs, including the On-Site Inspection Agency (OSIA), the Defense Special Weapons Agency (DSWA), the chemical-biological defense program and the counterproliferation support program. The budget request also recommended elimination of the position of the Assistant to the Secretary of Defense for Nuclear, Chemical and Biological Matters (ATSD(NCB)).

The House bill would authorize a decrease of $500,000 for DTRA.

The Senate amendment would authorize a decrease of $20.0 million for DTRA and would recommend that in addition to transferring the activities of the OSIA and DSWA to the DTRA, the chemical-biological defense program, counterproliferation support program, the unitary and nonstockpile chemical and munitions destruction programs, and programs related to force protection, such as the physical security program (PE 63228D8Z), and the counter-terror technical support program (PE 63122D8Z), also be transferred to DTRA.

The conferees agree to authorize a decrease of $12.0 million for DTRA. The conferees agree that the counterproliferation support program and activities related to force protection, such as the physical security program (PE 63228D8Z) and subelements of the counter-terror technical support program (PE 63122D8Z) related to weapons of mass destruction and force and infrastructure protection, be transferred to DTRA. As noted elsewhere in this report, oversight and direction of the counter-terror technical support program remains with the Assistant Secretary of Defense (Special Operations/Low Intensity Conflict).

The conferees agree that policy and programmatic oversight for the chem-bio defense program and the chemical demilitarization program should remain within the Office of the Secretary of Defense, and that the Department of the Army should remain the executive agent for these programs, pursuant to Section 1701 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160) and Section 1412 of the Department of Defense Authorization Act for Fiscal Year 1986 (Public Law 99–145). However, the conferees do recognize that there may be activities within both of these programs that represent unique operational responsibilities of DTRA, and encourage DTRA to consult closely with both the Office of the Secretary of Defense and the Department of the Army.

The conferees agree to a separate provision (sec. 1521) dealing with the Defense Technical Security Administration (DTSA). A discussion of the conferees recommendation for the DTSA can be found elsewhere in this report.

The conferees do not agree to transfer the statutory responsibility for nuclear weapons, including support of the Nuclear Weapons Council, to DTRA. Elsewhere in this report the conferees discuss in greater detail the decision not to abolish the Assistant to the Secretary of Defense for Nuclear, Chemical, and Biological Matters.

A part of the proposal to create DTRA is the physical consolidation of the various functions located in the Dulles area of Virginia. The On-Site Inspection Agency (OSIA), one of the DTRA components, is currently located in the Dulles area. The conferees have been informed by the Department of Defense (DOD) that sufficient space does not currently exist at OSIA, or in the Dulles area, to co-locate all of the DTRA elements in one building or in one complex. As a result, DOD must either build or lease substantial additional space to accommodate the new organization. The conferees believe that one of the primary goals of any consolidation should be to have all the elements of the DTRA either in one building or complex or at least within walking distance of each other. Otherwise, the conferees are concerned the consolidation unnecessarily could result in substantial disruption of personnel and substantial increases in time commuting to meetings and other events during the day.

Before any further commitments for office space are made or additional efforts taken to consolidate the component parts of DTRA in the Dulles area, the conferees direct the Secretary of Defense to submit a report no later than May 14, 1999 on the cost and overall effect of this move on the work of the agency. This report should address: the availability of public transportation; plans for transporting employees during the day; relocations costs; commuting impacts; potential savings; an assessment of the advantages and disadvantages of co-locating and co-locating to the Dulles area; issues associated with force protection; an assessment of the alternatives to co-locating including not moving; and the impact on retention and morale of personnel that would move.

Joint Military Intelligence Program

The budget request included $3.8 billion in the Operation and Maintenance, Defense-Wide account for classified and intelligence programs, including funds in the Joint Military Intelligence Program for the National Imagery and Mapping Agency (NIMA), the Joint Reserve Intelligence Program (JRIP), and the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Integrated Architecture Plan (CIAP).

The House bill would authorize a net decrease of $9.0 million for NIMA, an increase of $3.0 million for JRIP, and an increase of $3.0 million for CIAP. The House report (H. Rept. 105–508) accompanying the Intelligence Authorization Act for Fiscal Year 1999 (H.R. 3694) directed that no funds authorized or appropriated for NIMA be made available for the joint mapping tool kit (JMTK) module of the global command and control system (GCCS) until the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD(C3I)) either certifies that the Defense Information Systems Agency (DISA) will procure the module commercially, or reports to the congressional defense and intelligence committees why such commercial procurement would be disadvantageous.

The Senate amendment would authorize the budget request for NIMA, JRIP, and CIAP.

The conferees agree to authorize a decrease of $7.0 million for NIMA sustaining capabilities and an increase of $7.0 million for product outsourcing. The conferees direct that the sustaining capabilities reduction be applied equitably across all NIMA facilities and functions, and that no more than half of the decrease be applied to personnel. The conferees also agree to authorize an increase of $3.0 million for JRIP and an increase of $3.0 million for CIAP.

With regard to the House position on JMTK module procurement, the conferees agree that NIMA and DISA should be acquiring commercially available products unless there is very strong justification to the contrary. Therefore, the conferees direct the

ASD (C3I) to provide the congressional defense and intelligence committees by January 29, 1999 a report on his plan for: (1) establishing a process for certifying commercial products that meet GCCS interface protocols and standards; (2) providing all documentation needed for vendors to determine whether their applications software products can achieve such certification; and (3) ensuring that NIMA and DISA are making all reasonable efforts to evaluate commercially available GCCS modules (such as JMKT) that can achieve such certification before spending Department of Defense funds to develop such modules.

Domestic emergency response program

The budget request included $246.2 million for key Department of Defense programs to counter paramilitary and terrorist threats involving weapons of mass destruction, including $99.1 million for the domestic emergency response preparedness program as follows: $49.9 million for the Department of Defense to prepare and enhance Federal, state and local response capabilities to terrorist incidents involving weapons of mass destruction (WMD), and $49.2 million for the Department of the Army for the Reserve Components' participation in domestic emergency preparedness and response to the terrorist use of weapons of mass destruction.

The House bill would authorize a decrease of $28.5 million for the Reserve Components' participation in WMD domestic preparedness, including $14.6 million for military personnel, $7.0 million for operation and maintenance, and $6.9 million for the procurement of contamination avoidance equipment.

The Senate amendment would authorize the budget request for domestic emergency preparedness for the Department of Defense and the Department of the Army. In addition, the Senate would recommend the transfer of the mission, function and resources for the Defense domestic emergency preparedness program to the Defense Threat Reduction Agency (DTRA).

The conferees agree to authorize the budget request for countering paramilitary and terrorist WMD threats and for the DOD and the Department of the Army for the WMD domestic emergency response program. Authorization of Reserve Components' participation in WMD domestic emergency preparedness and response is discussed in Title V of this report. Additionally, specific adjustments to program elements for countering paramilitary and terrorist WMD threats are discussed elsewhere in the report on the individual projects which are included in the program.

The conferees are aware that a National Coordinator has been appointed by the President, pursuant to the direction contained in the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), whose responsibilities shall include operational oversight of the Federal government's security and counterterrorism efforts, to include domestic emergency preparedness and response to the terrorist use of WMD. The conferees have included a provision in Title XIV of this report that would require the President to increase the effectiveness of the domestic emergency preparedness program and to submit a report to Congress by January 31, 1999 outlining the actions taken to increase the effectiveness of the program. In addition, the conferees direct that the report submitted by the President on January 31, 1999 include information on the efforts to meet the challenge of limiting the damage and manage the consequences of the terrorist use of WMD, as outlined in Presidential Decision Directive (PDD) 62. The conferees understand that the intent of PDD 62 is to create a new and more systematic approach to fighting the threat of the terrorist use of WMD. The report should outline the role and obligations of the National Coordinator in overseeing the relevant policies and programs in the U.S. Government, the responsibility of the National Coordinator to the Congress, implementation of recommendations on budgets for counter-terrorism programs and the coordination and development of guidelines necessary for crisis management. The conferees request that the President's report identify requirements for any additional fiscal year 1999 funds that may be required to implement actions taken to increase the effectiveness of the domestic emergency response program.

The conferees endorse the direction contained in the Senate report (S. Rept. 105–189) requiring the Secretary of Defense to report to the congressional defense committees on the use of the DOD stockpile of vaccines, medical supplies and protective gear in a domestic WMD emergency, and the availability of vaccines, antiserums and antidotes in other Federal entities that could also be used. In addition, the President's report to Congress should discuss the advisability of establishing regional stockpiles of both emergency protective gear and vaccines that could be available for emergency use by Federal, state and local responders in the event of a terrorist event using WMD.

ITEMS OF SPECIAL INTEREST

Fire support software engineering center

The conferees are concerned about the readiness and upgrades of Army command and control and fire direction systems presently maintained by the Fire Support Software Engineering Center (FSSEC) at Fort Sill, Oklahoma. Delays on systems such as the Battery Computer System, the Initial Fire Support Automated System, and the Multiple Launch Rocket System must be avoided. Therefore, the conferees urge the Army to continue full operational funding for the FSSEC.

Lead-based paint soil contamination at Department of Defense facilities

A December 20, 1996, Environmental Protection Agency (EPA) memorandum indicates that the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) may be applied to compel the cleanup of lead-contaminated soils on federal facilities. The conferees understand that, to date, EPA has only applied this interpretation of CERCLA at DOD sites.

The conferees note that section 120(a)(1) and (2) of the CERCLA provides that federal facilities are to comply with all guidelines, rules, regulations, and criteria ". . . in the same manner, and to the extent as such guidelines, rules, regulations, and criteria are applicable to other facilities." Although the conferees recognize that there may be quantifiable human health risks that support response actions at certain sites with lead-based paint contamination, there is concern about consistency.

The conferees are concerned about the possibility of disparate enforcement actions related to lead-based paint. The conferees direct that the Secretary of Defense include in the fiscal year 1998 annual report on environmental restoration (10 U.S.C. 2706(a)) a description of the sites, human health risks, costs, and delays, if any, related to the EPA enforcement of response action requirements for lead-based paint at Department of Defense sites.

State certification of underground storage tanks

The conferees note that underground storage tanks owned and operated by the Department of Defense (DOD) are subject to Federal, state, and local statutory and regulatory guidance. The Resource Conservation and Recovery Act (RCRA) (42 U.S.C. 6991–6991h) sets minimum standards for spill, overfill, and corrosion protection mechanisms to be included in standards for upgrading, replacing, and closing new and existing underground storage tanks. Existing underground storage tanks, those installed prior to December 22, 1988, must be upgraded to have spill, overfill, and corrosion protection, otherwise such tanks may be subject to removal, closure in place, or replacement. Generally, state environmental regulatory agencies have adopted the Federal minimum RCRA compliance standards for underground storage tanks.

A recent audit conducted by the DOD Office of Inspector General (IG) determined that there were significant variances between state- and DOD-generated underground storage tank inventories. The DOD IG determined that such divergent results occurred because the DOD managers and state environmental regulators prepared separate underground storage tank inventories that were not reconciled. Consistent with that determination, the DOD IG concluded that operations may be disrupted at some DOD installations after December 22, 1998, if state regulatory agencies do not obtain accurate data with which to assess DOD underground storage tank compliance under RCRA, Subtitle I.

The conferees direct the Secretary of Defense to submit a report, no later than 60 days after the enactment of this Act, to the congressional defense committees on the number of underground storage tanks projected to be noncompliant after December 22, 1998. The report shall identify a plan that would minimize operational disruptions associated with noncompliant tanks.

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Authorization of Appropriations

Authorization of appropriations (secs. 301–302)

The House bill contained provisions (secs. 301–302) that would authorize the recommended fiscal year 1999 funding levels for all operations and maintenance and working capital fund accounts.

The Senate amendment contained similar provisions.

The conference agreement includes these provisions.

Armed Forces Retirement Home (sec. 303)

The House bill contained a provision (sec. 303) that would authorize $70.7 million from the Armed Forces Retirement Trust Fund for the operation of the Armed Forces Retirement Home, including the U.S. Soldiers' and Airmen's Home and the Naval Home.

The Senate amendment contained an identical provision (sec. 303).

The conference agreement includes this provision.

Transfer from the National Defense Stockpile Transaction Fund (sec. 304)

The House bill contained a provision (sec. 304) that would authorize the Secretary of Defense, to the extent provided in an appropriation act, to transfer $150.0 million from the National Defense Stockpile Transaction Fund to the operations and maintenance accounts.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Subtitle B—Program Requirements, Restrictions, and Limitations

Refurbishment of M1–A1 Tanks (sec. 311)

The House bill contained a provision (sec. 305) that would authorize $31.0 million for the refurbishment of up to 70 M1–A1 tanks under the AIM–XXI program.

The Senate amendment contained no similar provision.

The Senate recedes.

Operation of prepositioned fleet, National Training Center, Fort Irwin, California (sec. 312)

The House bill contained a provision (sec. 306) that would authorize $60.2 million for the operation of the prepositioned fleet of equipment during training operations at the National Training Center, Fort Irwin, California.

The Senate amendment contained no similar provision.

The Senate recedes.

Berthing space at Norfolk Naval Shipyard, Virginia (sec. 313)

The House bill contained a provision (sec. 307) that would authorize the Navy to obligate $6.0 million for the relocation of the U.S.S. *Wisconsin* from Norfolk Naval Shipyard to another suitable location to increase available berthing space at the shipyard.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees are aware of the facility capacity constraints at Norfolk Naval Shipyard where the Navy currently maintains some of its inactive reserve vessels. These constraints require the relocation of the U.S.S. *Wisconsin* to a different location in order to make space available for active vessels in need of repair and maintenance. Because of the requirement for the Navy to berth this deep draft vessel within the Norfolk vicinity so that it can be returned to the shipyard for reactivation, if necessary, the Navy is exploring alternative berthing sites including some within the Elizabeth River. The committee is aware that the redeployment of this vessel to a suitable location in the Norfolk area may require some additional dredging. Therefore, the conferees recommend an increase of $6.0 million for the dredging and other costs associated with the redeployment of the U.S.S. *Wisconsin* within the Norfolk region.

NATO common-funded military budget (sec. 314)

The budget request for Army operations and maintenance included $227.4 million for support of other nations, which includes support of North Atlantic Treaty Organization (NATO) operations and NATO expansion.

The Senate amendment contained a provision (sec. 314) that would authorize the budget request for Army operations and maintenance for support of other nations.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Environmental Provisions

Settlement of claims of foreign governments for environmental cleanup of overseas sites formerly used by the Department of Defense (sec. 321)

The Senate amendment contained a provision (sec. 326) that would require the President to provide notification to Congress of any negotiations related to the ex-gratia settlement of environmental cleanup claims by other countries.

The House bill contained no similar provision.

The House recedes.

Authority to pay negotiated settlement for environmental cleanup of formerly used defense sites in Canada (sec. 322)

The House bill contained a provision (sec. 321) that would authorize the Secretary of Defense to pay the Government of Canada up to $100.0 million in annual payments over a ten year period.

The Senate amendment contained a provision (sec. 325) that would allow for the payment of $100.0 million reimbursement to Canada, subject to annual authorizations and appropriations process. The Department would be required to submit to Congress evidence of proportionate Canadian investment in environmental cleanup in support of each annual authorization and appropriation request. The provision would make certain findings regarding the basis for the reimbursement, state that the authorization shall not be construed as precedent setting, and that the $100.0 million would be paid in full satisfaction of any and all environmental contamination claims by Canada.

The House recedes with an amendment that would authorize the $10.0 million appropriated in fiscal year 1998 appropriation for the Canadian reimbursement.

Removal of underground storage tanks (sec. 323)

The House bill contained a provision (sec. 322) that would enable the Department of Defense (DOD) to use not more than $150,000 of the funds available for environmental restoration of formerly used defense sites to conduct removal of underground storage tanks at the Authorities Allied Industrial Park in Macon, Georgia.

The Senate amendment contained no similar provision.

Senate recedes with an amendment that would give the Secretary of Defense discretion to fund any tank removal at formerly used defense sites. The conferees note that such exercise of discretion would be dependent upon a determination of DOD liability, consistent with current law. The conferees direct the Secretary of Defense to determine whether it would be appropriate to use authorized funds for removal of former DOD underground storage tanks, and then report to the congressional defense committees within 90 days of the enactment of this Act.

Report regarding polychlorinated biphenyls under Department of Defense control overseas (sec. 324)

The Senate amendment contained a provision (sec. 321) that would amend Chapter 157 of title 10, United States Code, by adding a new section to permit Department of Defense agencies to transport to the United States for disposal, treatment, or storage of foreign manufactured polychlorinated biphenyls (PCBs) generated by the Department's overseas activities. The provision would ensure that the PCB-containing material transported to the United States is handled in an environmentally responsible manner.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a report to the Congress that addresses international and domestic issues related to the transportation and disposition of foreign manufactured PCBs.

Modification of deadline for submittal to Congress of annual reports on environmental activities (sec. 325)

The Senate amendment contained a provision (sec. 322) that would amend section 2706 of title 10, United States Code, by substituting the 45 day annual reporting deadline for the current 30 day period.

The House bill contained no similar provision.

The House recedes.

The conferees are aware that the Department of Defense has considered modification of the annual report on environmental restoration activities. While the Department has been directed to restructure the annual report on environmental compliance by including useful and comprehensible information, the conferees note that the environmental restoration report does not require such changes. The conferees expect that any modifications to the annual environmental reports will be fully coordinated with the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives.

Submarine solid waste control (sec. 326)

The Senate amendment contained a provision (sec. 323) that would amend the Act to Prevent Pollution from Ships (APPS) (33 U.S.C. 1901, et seq.) by authorizing certain submersible vessels owned or operated by the Navy to discharge non-plastic garbage that has been compacted and weighted to ensure negative buoyancy within special use areas. The APPS implements the Annex V of the International Convention for the Prevention of Pollution on Ships (MARPOL). The Navy has determined that compliance with the special use area requirements of MARPOL Annex V would impair submarine operations and operational capability, or would not be technologically feasible. A comprehensive Navy environmental analysis revealed that the discharge of non-plastic garbage from Navy submarines would not have a significant effect on the marine environment, either within or beyond the limits of MARPOL Annex V special use areas.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees direct the Navy to provide adequate support and justification for future funding requests related to the compliance obligations associated with this new authority.

Arctic Military Environmental Cooperation program (sec. 327)

The budget request included $5.5 million in the defense operations and maintenance to address military environmental matters in the Arctic region under the Arctic Military Environmental Cooperation (AMEC) program, to include environmental restoration activities.

The Senate amendment contained a provision (sec. 327) that would authorize the AMEC program, subject to the legislative prohibitions and limitations of the Cooperative Threat Reduction (CTR) program, to include section 1503 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 105–85). The provision would authorize $4.0 million for AMEC, a decrease of $1.5 million, and would preclude the obligation or expenditure of fiscal year 1999 funds until 45 days after the Secretary of Defense submits a plan that specifies the conformance of AMEC projects to existing prohibitions and limitations on the use of CTR funds.

The House bill contained no similar provision. The House report (H. Rept. 105–532) urged the Secretary of Defense to use up to $1.0 million to support the establishment of a Joint United States-Russia Nuclear Materials Commission that would include legislators, agency and ministry leaders, and environmental experts representing the international environmental community.

The House recedes with an amendment that would require congressional notification prior to the obligation of AMEC funds, similar to the requirement that applies to the use of CTR funds, and would also prohibit the use of AMEC funds for environmental restoration. The conferees agree that AMEC should address important military environmental issues related to U.S. national security interests in the Arctic. In order to ensure that AMEC has the requisite focus, the conferees expect the Secretary of Defense to develop a comprehensive program plan, consistent with the legislative prohibitions and limitations of the CTR program. That plan must be in place before funds are obligated for AMEC. The conferees direct the Secretary of Defense to include in the plan a specific program termination date.

The Secretary of Defense recently notified the Congress of an intent to reobligate prior year CTR funds for AMEC to ". . . focus on threats to the environment. . . ." The conferees are concerned about the vagueness of this notice, the possible use of reobligated funds for environmental restoration, and the potential conflict with existing law. The Congress prohibited the use of CTR funds for the provision of assistance to promote environmental restoration (National Defense Authorization Act for Fiscal Year 1997 (Public Law 105-85)). The new AMEC authority and existing CTR requirements would prohibit the use of CTR or AMEC funds for environmental restoration.

Sense of Congress regarding oil spill prevention training for personnel on board Navy vessels (sec. 328)

The Senate amendment contained a provision (sec. 328) that would express a sense of the Senate that the Secretary of the Navy should ensure that personnel on board Navy vessels in Puget Sound, Washington, receive oil spill prevention training.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle D—Information Technology Issues

Additional information technology responsibilities of chief information officers (sec. 331)

The House bill contained a provision (sec. 311) that would assign certain responsibilities to the chief information officers of the military services and the Department of Defense to ensure that information system budget requests are sufficient and that the systems themselves are interoperable.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would ensure that the Chief Information Officer of the Department of Defense (DOD) is responsible for examining all information systems within the Department to ensure that they are interoperable and are not duplicative of other DOD systems.

Defense-wide electronic mall system for supply purchases (sec. 332)

The House bill contained a provision (sec. 312) that would require the Defense Logistics Agency to develop a single, defense wide electronic mall system that would be operational by June 1, 1999.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Joint Electronic Commerce Program Office (JECPO) of the Department of Defense to develop a single, defense-wide electronic mall system, which would provide a single, defense-wide electronic point of entry and a single view, access, and ordering capability for all Department of Defense electronic catalogs. The provision would direct that the Defense Logistics Agency would be responsible for maintaining the system under the direction of the JECPO.

Year 2000 Compliance of Department of Defense Information Technology and National Security Systems

The conferees are concerned with the Department of Defense's (DOD) and the intelligence community's information technology and national security systems lack of progress in achieving year 2000 (Y2K) compliance. While debate continues over which steps are necessary to prepare the national security community for 21st century threats, the conferees agree that insufficient attention has been given to preparing this community for the Y2K transition.

Despite the fact that Y2K problems have been known for years, the Department has not met its projected time lines for renovating all necessary systems. In particular, many mission critical systems are still in the renovation phase, with little assurance from DOD that the required testing and integration efforts will be completed in sufficient time to avoid system-wide problems. The Department's reliance upon other public and private sector, including other nations, information technology systems adds to these concerns.

It is difficult to know how other nations will react if their own information technology systems are crippled by Y2K deficiencies and they are left without reliable and complete information. In an age where weapons of mass destruction with global reach are controlled through elaborate information networks, it is of critical importance that steps be taken to minimize any confusion or misunderstandings before they develop into crisis situations. The conferees commend the U.S. Strategic Command for its foresight and efforts in strengthening communications with other nations on Y2K, ensuring responsible management of Y2K problems that may arise.

For these reasons the conferees included three provisions (secs. 333, 334, and 335) to address the Department's and the intelligence communities Y2K issues. As discussed further in this title, these provisions cover such issues as Y2K contingency plans, relations with foreign nations, testing of systems, and adequate funding.

Priority funding to ensure year 2000 compliance of information technology and national security systems (sec. 333)

The House bill contained a provision (sec. 314) that would transfer $1.0 billion from other information technology and national security programs to assist in the Department's Y2K compliance efforts. The provision would also require that 75 percent of funds for information technology and national security programs be used for these Y2K efforts.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit the expenditure of funds on the development or modernization of any information technology system unless that system is Y2K compliant, or is required to be performed by law. The amendment would further protect funds for mission critical systems from any unallocated reductions. Finally, the provision would require the Department to develop contingency plans for these systems in the event that they are not Y2K compliant, and provide the Congress with a report on the Department's efforts to ensure its systems are compliant.

Evaluation of year 2000 compliance as part of training exercises programs (sec. 334)

The House bill contained a provision (sec. 315) that would require the Secretary of Defense to provide the congressional defense committees with a report that would outline the Department's plans for incorporating Y2K tests as part of its joint exercises.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that Y2K tests be incorporated in at least 25 exercises, and that each mission critical system expected to be used in any major theater war be tested in at least one of these exercises.

Continuity of essential operations at risk of failure because of information technology and national security systems that are not year 2000 compliant (sec. 335)

The Senate amendment contained a provision (sec. 1026) that would require the Secretary of Defense and the Director of Central Intelligence to provide a joint report outlining their planned course of action to ensure a continuity of essential operations in the year 2000.

The House bill contained no similar provision.

The House recedes with an amendment that would eliminate the findings.

The conferees believe the report should include the adoption of a comprehensive contingency plan for the entire national security community, as well as individual contingency plans for the separate elements of the community, including the creation of crisis action teams to respond to emergencies arising from the Y2K problem. Furthermore, the report should outline any cooperative agreements between the United States and foreign countries to ensure that the Y2K problems with the strategic systems of those countries do not pose a threat to the United States.

Subtitle E—Defense Infrastructure Support Improvement

Clarification of definition of depot-level maintenance and repair (sec. 341)

The House bill contained a provision (sec. 335) that would clarify section 2460 (a) of title 16, United States Code, to include the location at which depot level maintenance is performed.

The Senate amendment contained no similar provision.

The Senate recedes.

Reporting and analysis requirements before change of commercial and industrial type functions to private sector performance (sec. 342)

The House bill contained a provision (sec. 331) that would amend and clarify certain requirements and notifications that the Department of Defense must meet before it could study a commercial or industrial type function under section 2461 of title 10, United States Code.

The Senate amendment contained a provision (sec. 346) that would express the Sense of the Senate that the Secretary of Defense should take action to initiate public-private competitions pursuant to Office of Management and Budget Circular A-76 for functions of the Department of Defense involving not fewer than 180,000 full time employees over the next six years. The provision would further waive any study requirements for functions involving 50 or fewer employees, and would give the Department increased flexibility to choose the public or private option that provides the best overall value for the taxpayer by expressly authorizing the use of "best value" techniques for public-private competitions for support services.

The Senate recedes with an amendment that would not include the requirement contained in the original House provision for the Secretary of Defense to notify the Congress of his determination regarding the cost effectiveness of procuring services or supplies through the private sector, rather than a working capital fund organization, before entering into such a contract. Any analysis performed to determine if supplies or services should be procured from the private sector rather than through a working capital fund organization, should, to the extent practicable, include the impact on the rates of the working capital fund organization. Furthermore, although the provision would allow any employee to raise an objection on the grounds that the required report and certifications were not performed, such an objection would have to be raised within 90 days of the date on which the employee either knew, or should have known, that the function was being studied for potential conversion to the private sector. In addition, the provision would waive the reporting requirement of section 2461 of title 10, United States Code, for functions with 51 or more employees, rather than 21 or more employees as provided in current law.

Notification of determinations of military items as being commercial items for purposes of the exception to requirements regarding core logistics capabilities (sec. 343)

The House bill contained a provision (sec. 336) that would define a commercial item for those situations in which the Department is determining if there is a requirement to establish a core depot maintenance capability. This definition would require that before an item can be considered a commercial item, and therefore not require a core depot maintenance capability, at least 90 percent of the total content by component value remains identical to the commercial version. It would further require that purchases and leases to the general public, rather than the government, constitute the majority of transactions of the item before it could be considered commercial.

The Senate had no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense submit to the Congress a report that outlines any determination regarding core depot maintenance capability and a detailed justification for each item determined for the first time to be a commercial item for the purposes of section 2464 of title 10, United States Code.

Oversight of development and implementation of automated identification technology (sec. 344)

The House bill contained a provision (sec. 333) that would require the Smart Card Technology Office within the Defense Human Resources Field Activity of the Department of Defense (DOD) to be responsible for the oversight and coordination of Automated Identification Technology programs within the DOD.

The Senate amendment contained a provision (sec. 345) that would require the Navy to allocate up to $25.0 million for Smart Cards. The Senate amendment also required the Navy to equip at least one carrier battle group, one air wing, and one amphibious readiness group, in each of the Atlantic and Pacific Fleets with Smart Card technology by March 31, 1999, and prohibited the procurement of the Joint Uniformed Services Identification card for the Department of the Navy after March 31, 1999 unless these units were equipped with Smart Cards. The Senate amendment also required the Secretary of the Navy to submit a plan to equip all operational naval units with Smart Cards.

The Senate recedes with an amendment that would establish an Automated Identification Technology Office within the Department of Defense with the responsibility for the development and coordination of DOD automated information technology programs including but not limited to Smart Cards. The conferees further agree to delay the date for equipping the Atlantic and Pacific naval units with Smart Cards to June 30, 1999 and to require the Secretary of Defense to submit a plan to the congressional defense committees for the use of Smart Card technology by each military department rather than requiring a plan only for the Navy.

Contractor-operated civil engineering supply stores program (sec. 345)

The House bill contained a provision (sec. 338) that would prohibit the incorporation of a civil engineering supply function into a broader base operations function for the purpose of competition or contracting until the Secretary of Defense submits a report to the Congress identifying the reasons for the incorporation, including why the combined competition or contract is the best method by which to achieve savings.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Conditions on expansion of functions performed under prime vendor contracts for depot-level maintenance and repair (sec. 346)

The House bill contained a provision (sec. 334) that would require the Secretary of Defense or the secretary of a military department to provide a report to the Congress each time the secretary intends to enter into a prime vendor contract for a hardware system, including one involving depot-level maintenance or logistics management functions. The report would address the competitive procedures that are proposed to be used to award the prime vendor contract, the effect of the contract on the working capital funds, and the costs and benefits associated with the contract which demonstrate that it will result in savings to the Federal Government over the life of the contract. The provision would prohibit the secretary concerned from entering into such a contract until 60 days after submission of the report.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make the provision applicable to any prime vendor contract that the Department of Defense proposes to enter into that involves the depot-level maintenance of a piece of military equipment or major weapon systems. The Department would have to wait 30 days after submitting to the Congress a report that outlines the competitive procedures to be used as well as an examination of the costs (including costs derived as a result of changes to the working capital fund organizations) and benefits that will result from the contract, before entering into the contract.

Best commercial inventory practices for management of secondary supply items (sec. 347)

The Senate amendment contained a provision (sec. 344) that would direct the secretary of each military department to develop and submit to the Congress a schedule for the implementation of the best inventory management practices found in the commercial sector that are consistent with military requirements. The provision would also require the Comptroller General of the Department of Defense to review the extent to which the service secretaries comply with this requirement, and the extent to which best commercial inventory practices are being implemented by the Defense Logistics Agency.

The House bill contained a similar provision.

The House recedes with a technical amendment.

Personnel reductions in Army Materiel Command (sec. 348)

The House bill contained a provision (sec. 339) that would require the Comptroller General of the United States to provide to the congressional defense committees a report outlining the readiness impact of proposed personnel reductions within the Army Materiel Command and would delay the implementation of these reductions until the report is provided, or March 31, 1999.

The Senate amendment contained a similar provision but did not delay the implementation of these reductions.

The House recedes.

Inventory management of in-transit items (sec. 349)

The Senate amendment contained a provision (sec. 349) that would require the Secretary of Defense to submit a plan to the Congress on those actions the Secretary is taking to ensure effective management and oversight of in-transit secondary inventory.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a plan to the Congress that would address the actions the Department is taking to improve the management and oversight of both secondary inventory, as well as major end-items.

Review of Defense Automated Printing Service functions (sec. 350)

The Senate amendment contained a provision (sec. 1085) that would require the Secretary of Defense to select an entity outside of the Department of Defense to review the functions of the Defense Automated Printing Service (DAPS).

The House bill contained no similar provision.

The House recedes with an amendment that would require an experienced private sector entity be consulted during the review of DAPS functions.

Development of plan for establishment of core logistic capabilities for maintenance and repair of C–17 aircraft (sec. 351)

The House bill contained a provision (sec. 337) that included findings regarding the need to perform depot-level maintenance of the C–17 aircraft in government depots, and would require the Secretary of the Air Force to submit to the Congress a plan for the establishment of the core logistics capabilities for the C–17 aircraft, consistent with the requirements of section 2464 of title 10, United States Code. The provision would further prohibit the extension of the interim contract for the C–17 Flexible Sustainment Program until after the end of the 60 day period beginning on the date the plan is submitted to Congress.

The Senate amendment had no similar provision.

The Senate recedes with an amendment that would delete the findings.

The conferees note that in January of 1999, the C–17 will complete its fourth year of its operational capability. At that point, the Department of the Air Force must have the capability to maintain the non-commercial portions of this system in a public depot, should the need arise.

Subtitle F—Commissaries and Nonappropriated Fund Instrumentalities

Continuation of management and funding of Defense Commissary Agency through the Office of the Secretary of Defense (sec. 361)

The House bill contained a provision (sec. 341) that would require that the Defense Commissary Agency (DECA) continue to be managed and funded through the Office of the Secretary of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to establish a Board of Directors to oversee the operations of DECA.

Expansion of current eligibility of reserves for commissary benefits (sec. 362)

The House bill contained a provision (sec. 342) that would increase the number of days that certain ready reserve members and reserve retirees under the age of 60 are eligible to use commissary stores from 12 days each calendar year to 24 days each calendar year, and would extend commissary eligibility to members of the national guard who are activated during federally-declared disasters.

The Senate amendment contained no similar provision.

The Senate recedes.

Costs payable to the Department of Defense and other federal agencies for services provided to the Defense Commissary Agency (sec. 363)

The Senate amendment contained a provision (sec. 1049) that would prohibit the Defense Commissary Agency from paying any costs for services provided by a Department of Defense or other federal agency that exceeds the price at which the service could be procured in full and open competition.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the prohibition only applies to overseas transportation services.

Collection of dishonored checks presented at commissary stores (sec. 364)

The Senate amendment contained a provision (sec. 1050) that would permit the Secretary of Defense to impose a charge for the collection of dishonored checks presented at a commissary store in a manner consistent with the practices of commercial grocery stores.

The House bill contained no similar provision.

The House recedes.

Restrictions on patron access to, and purchases in, overseas commissaries and exchange stores (sec. 365)

The House bill contained a provision (sec. 344) that would authorize the Secretary of Defense to continue to restrict the sale of certain items in overseas exchanges and commissaries, but would require that the Secretary ensure that such restrictions are consistent with the primary purpose of providing U.S. made goods to authorized patrons.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Repeal of requirement for Air Force to sell tobacco products to enlisted personnel (sec. 366)

The House bill contained a provision (sec. 343) that would repeal section 9623 of title 10, United States Code. This section requires the Air Force to sell not more than 16 ounces of tobacco a month to any enlisted member who requests it.

The Senate amendment contained no similar provision.

The Senate recedes.

Prohibition on consolidation or other organizational changes of Department of Defense retail system (sec. 367)

The House bill contained a provision (sec. 346) that would prohibit the Department of Defense from consolidating military exchange and commissary operations, and from conducting further study of consolidation, unless specifically authorized by law.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would eliminate the prohibition against conducting further studies.

The conferees note that the Department of Defense recently contracted for a due diligence study regarding exchange integration. The conferees intend for that study to continue, but expect that implementation of any study recommendations would await congressional approval. The conferees do not intend that the prohibition against consolidation or merger of retail systems be an impediment to implementing agreements and operations among the exchange systems that are determined to be mutually beneficial and increase efficiency of the exchange systems.

Defense Commissary Agency telecommunications (sec. 368)

The Senate amendment contained a provision (sec. 1051) that would require the Secretary of Defense to provide the Defense Commissary Agency (DECA) authority to obtain telecommunications and related services under the Federal Telecommunications System (FTS) 2000/2001 contract, and to report to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives when DECA telecommunications have been initiated under the FTS 2000/2001 contract.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Survey of commissary store patrons regarding satisfaction with commissary store merchandise (sec. 369)

The House bill contained a provision (sec. 348) that would require the Secretary of Defense to survey eligible commissary store patrons to determine their interest in commissary stores selling beer and wine. The provision would also authorize the Secretary to conduct a demonstration project at seven military installations in the United States, after consideration of the survey results.

The Senate amendment contained a provision (sec. 351) that would prohibit the Secretary of Defense from conducting a survey of eligible commissary store patrons to determine their interest in commissary stores selling beer and wine and from conducting a demonstration project in which beer and wine would be sold in commissaries.

The Senate recedes with an amendment that would require the Secretary of Defense to conduct survey of eligible patrons of the commissary system to determine patron satisfaction with commissary store products.

Subtitle G—Other Matters

Eligibility requirements for attendance at Department of Defense domestic dependent elementary and secondary schools (sec. 371)

The House bill contained a provision (sec. 361) that would permit dependents residing in a territory, commonwealth, or possession of the United States to participate in an educational program when the parent is a service member assigned to a remote or unaccompanied location. The provision would also clarify the authority of the Secretary of Defense to make exceptions for enrollment in dependent schools for dependents of civilian employees in Puerto Rico and Guam, where such employees reside off the installation, and would provide that the Department be reimbursed for the cost of such education.

The Senate amendment contained a similar provision (sec. 1055).

The Senate recedes with an amendment that would preserve the portion of the Senate provision with regard to permitting dependents of United States Customs Service agents in Puerto Rico to attend Department of Defense schools during the term of the agent's assignment in Puerto Rico.

Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees (sec. 372)

The House bill contained a provision (sec. 364) that would authorize $35.0 million for educational assistance to local education agencies where the standard for the minimum level of education within the state could not be maintained because of the large number of military-connected students or the effects of base realignments and closures.

The Senate amendment contained no similar provision.

The Senate recedes.

Department of Defense readiness reporting system (sec. 373)

The House bill contained a provision (sec. 367) that would require the Secretary of Defense to establish a comprehensive reporting system to measure the capability of the armed forces to carry out their responsibilities under the National Security Strategy, defense planning guidance, and the National Military Strategy. The information collected by this system would be presented each month to the Chairman of the Joint Chiefs of Staff, and to the congressional defense committees. This would replace the quarterly readiness reports that are currently provided by the Department of Defense to the Congress.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delay the implementation date of this provision, clarify that the Secretary of Defense is not required to submit the complete documentation of each joint monthly readiness review to the Congress, and make other technical changes.

The conferees recognize that stable requirements for measuring and reporting readiness are essential in order for the Department of Defense to develop an effective readiness reporting system that is capable of making valid comparisons over time.

The conferees urge the Secretary to retain in the new reports required by this section those elements of the expanded Quarterly Readiness Report to the Congress that are believed to be effective in informing the Congress on the readiness of our armed forces.

Specific emphasis of program to investigate fraud, waste, and abuse within Department of Defense (sec. 374)

The House bill contained a provision (sec. 362) that would expand the formal waste, fraud, and abuse program within the Department of Defense to include any overpayment to a vendor.

The Senate amendment contained no similar provision.

The Senate recedes.

Condition for providing financial assistance for support of additional duties assigned to the Army National Guard (sec. 375)

The Senate amendment contained a provision (sec. 347) that would require the Secretary of the Army to conduct a competition with the private sector prior to expanding the amount of support which the Army National Guard performs pursuant to section 113(b) of title 32, United States Code, if that support is not yet performed by the Guard, or that support is not currently under official consideration by the Secretary of the Army for award to the National Guard.

The House bill contained no similar provision.

The House recedes with an amendment that would also allow qualified public sector sources, including depots, to participate in any competition for activities that the National Guard is seeking to perform under section 113(b).

Demonstration program to improve quality of personal property shipments of members (sec. 376)

The House bill contained a series of provisions (secs. 381–387) that would require the Department of Defense to replace its existing pilot program to re-engineer the movement of household goods with a program known as the Commercial-Like Activities for Superior Quality Demonstration (CLASS) Program, that would make certain modifications to the existing regulations governing the movement of these goods.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to implement and complete within one year the current pilot program designed in consultation with industry representatives. The Secretary would also be required to submit to the Congress a report, not later than August 31, 1999, outlining the extent to which the current program meets its goals and to report the extent to which the industry alternative program would meet these goals.

Pilot program for acceptance and use of landing fees charged for use of domestic military airfields by civil aircraft (sec. 377)

The Senate amendment contained a provision (sec. 313) that would authorize the secretary of the military department to accept payments for the use of domestic military and shared use airfields by civil aircraft and to use those payments for the operation and maintenance of the airfield.

The House bill contained no similar provision.

The House recedes with an amendment that would require that the Secretary of the Department of Defense establish uniform procedures for the collection and obligation of any receipts generated as a result of such fees.

Strategic plan for expansion of distance learning initiatives (sec. 378)

The House bill contained a provision (sec. 365) that would require the Secretary of Defense to develop a plan to establish a framework for developing and applying distance learning technologies to training courses where it makes sense and is cost effective.

The Senate amendment contained a provision (sec. 1029) that would require the Secretary of Defense to develop and provide to the Congress a five-year plan for guiding and expanding distance learning initiatives in the Department of Defense.

The House recedes.

Public availability of operating agreements between military installations and financial institutions (sec. 379)

The House bill contained a provision (sec. 366) that would subject operating agreements that provide financial services, including electronic banking, on military installations in the United States, to the same requirements of the Freedom of Information Act (FOIA) as all other federal contracts.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Funding for information technology and national security programs

The House bill contained a provision (sec. 313) that would require the expenditure of certain funds for information technology programs of the military services.

The Senate amendment contained no similar provision.

The House recedes.

Requirement to maintain government owned and operated core logistics capability

The House bill contained a provision (sec. 332) that would amend section 2464 of title 10, United States Code, by requiring that core depot maintenance workloads be performed by public depots acting as prime contractors rather than subcontractors.

The Senate amendment contained no similar provision.

The House recedes.

Extension of demonstration project for uniform funding of morale, welfare, and recreation activities

The House bill contained a provision (sec. 345) that would extend for one year the authority of the Secretary of Defense to conduct a demonstration project for the uniform funding of morale, welfare, and recreation activities at certain military installations.

The Senate amendment contained no similar provision.

The House recedes.

Authorized use of appropriated funds for relocation of Navy Exchange Service Command

The House bill contained a provision (sec. 347) that would provide that the Navy Exchange Service Command (NEXCOM) shall not be required to reimburse the United States for appropriated funds allotted to NEXCOM during fiscal years 1994, 1995, and 1996 for costs incurred in connection with the relocation of NEXCOM headquarters to Virginia Beach, Virginia, and for the lease of headquarters space.

The Senate amendment contained no similar provision.

The House recedes.

Fees for providing historical information to the public

The Senate amendment contained a provision (sec. 1056) that would allow the historical institutes of the military services to provide historical information to members of the public for a fee that is equivalent to the cost of researching and transmitting the information.

The House bill contained no similar provision.

The Senate recedes.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Active Forces

End strengths for active forces (sec. 401)

The House bill contained a provision (sec. 401) that would authorize the following end strengths for active duty personnel of the armed forces as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
Army	495,000	480,000	484,800
Navy	390,802	372,696	376,423
Marine Corps	174,000	172,200	173,922
Air Force	371,577	370,882	371,577
Total	1,431,379	1,395,778	1,406,722

The Senate amendment contained a provision (sec. 401) that would authorize active duty end strengths for fiscal year 1999, as shown below:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
Army	495,000	480,000	480,000
Navy	390,802	372,696	372,696
Marine Corps	174,000	172,200	172,200
Air Force	371,577	370,882	370,882
Total	1,431,379	1,395,778	1,395,778

The House recedes.

Revision in permanent end strength levels (sec. 402)

The House bill contained a provision (sec. 402) that would amend section 691 of title 10, United States Code, by establishing new end strength floors for the active forces at the levels recommended in section 401. This section would also permit active end strengths to vary up to one percent below the established floor.

The Senate amendment contained a provision (sec. 404) that would repeal section 691 of title 10, United States Code, which established end strength floors for the military services.

The Senate recedes with an amendment that would establish end strength floors at the levels in the budget request and would permit active end strengths to vary up to 0.5 percent flexibility below the established floor.

Date for submission of annual manpower requirements report (sec. 403)

The House bill contained a provision (sec. 403) that would establish a new suspense date for the submission of an Annual Manpower Requirements Report, requiring it to be transmitted to the Congress not later than 30 days after the budget for the next fiscal year is submitted to Congress.

The Senate amendment contained a provision (sec. 521) that would change the date the Secretary of Defense must submit the Annual Manpower Requirements Report from February 15 of each year to a date not later than 45 days after the President submits the budget to the Congress.

The House recedes with a clarifying amendment.

Additional exemption from percentage limitation on number of lieutenant generals and vice admirals (sec. 404)

The Senate amendment contained a provision (sec. 402(a)) that would increase from six to seven the number of lieutenant generals and vice admirals serving on the Joint Staff who are exempt from the limit of lieutenant generals and vice admirals on active duty.

The House bill contained no similar amendment.

The House recedes.

Extension of authority for Chairman of the Joint Chiefs of Staff to designate up to 12 general and flag officer positions to be excluded from general and flag officer grade limitations (sec. 405)

The House bill contained a provision (sec. 404) that would extend to October 1, 2001, from October 1, 1998, the authority for the Chairman of the Joint Chiefs of Staff to exclude up to 12 general and flag officer positions from existing grade limitations.

The Senate amendment contained a provision (sec. 402(b)) that would extend until October 1, 2002, the temporary authority to exclude up to 12 joint duty officers from the limitation on authorized general and flag officer strength.

The House recedes.

Exception for Chief, National Guard Bureau, from limitation on number of officers above major general (sec. 406)

The conference report includes a provision that would exempt the position of Chief of the National Guard Bureau from the limitation on the number of officers above major general serving on active duty in that officer's armed force.

Limitation on daily average of personnel on active duty in grades E-8 and E-9 (sec. 407)

The Senate amendment contained a provision (sec. 403) that would change the method for computing the time limitation on active duty enlisted personnel serving in the grades of E-8 and E-9 to a fiscal year basis from a calendar year basis. The recommended provision would also correct a technical error in the existing statute.

The House bill contained no similar provision.

The House recedes with an amendment that would make the provision effective October 1, 1999.

Subtitle B—Reserve Forces

End strengths for selected reserve (sec. 411)

The House bill contained a provision (sec. 411) that would authorize the following end strengths for the selected reserve personnel, including the end strength for reserves on active duty in support of the reserves, as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	361,516	357,000	357,000
The Army Reserve	208,000	208,000	209,000
The Naval Reserve	94,294	90,843	90,843
The Marine Corps Reserve	42,000	40,018	40,018
The Air National Guard of the United States	108,002	106,991	106,991
The Air Force Reserve	73,447	74,242	74,242
The Coast Guard Reserve	8,000	8,000	8,000
Total	895,259	885,094	886,094

The increases in selected reserve end strength shown above include the additions to the end strength for reserves on active duty in support of the reserves described in section 412 of the House bill.

The Senate amendment contained a provision (sec. 411) that would authorize Selected Reserve end strengths for fiscal year 1999 as shown below:

	Fiscal year—		
	1998 authorization	1998 request	1998 recommendation
The Army National Guard of the United States	361,516	357,000	357,000
The Army Reserve	208,000	208,000	208,000
The Naval Reserve	94,294	90,843	90,843
The Marine Corps Reserve	42,000	40,018	40,018
The Air National Guard of the United States	108,002	106,991	106,991
The Air Force Reserve	73,447	74,242	74,242
The Coast Guard Reserve	8,000	8,000	8,000
Total	895,259	885,094	885,094

The House recedes with an amendment that would authorize the following end strengths for the selected reserve personnel, including the end strength for reserves on active duty in support of the reserves, as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	361,516	357,000	357,223
The Army Reserve	208,000	208,000	208,003
The Naval Reserve	94,294	90,843	90,843
The Marine Corps Reserve	42,000	40,018	40,018
The Air National Guard of the United States	108,002	106,991	106,992
The Air Force Reserve	73,447	74,242	74,243
The Coast Guard Reserve	8,000	8,000	8,000
Total	895,259	885,094	885,322

The amendment would increase the end strengths for Selected Reserve personnel to include the authorization to use reserves for emergencies involving weapons of mass destruction.

End strengths for reserves on active duty in support of the reserves (sec. 412)

The House bill contained a provision (sec. 412) that would authorize the following end strengths for reserves on active duty in support of the reserves, as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	22,310	21,763	21,763
The Army Reserve	11,500	11,804	12,804
The Naval Reserve	16,136	15,590	15,590
The Marine Corps Reserve	2,559	2,362	2,362
The Air National Guard of the United States	10,616	10,930	10,930
The Air Force Reserve	748	991	991
Total	62,869	63,440	64,440

The provision would increase by 1,000 the number of Active Guard and Reserve authorizations for the United States Army Reserve above the budget request.

The Senate amendment contained a provision (sec. 412) that would authorize full-time support end strengths for fiscal year 1999, as shown below:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	22,310	21,763	21,763
The Army Reserve	11,500	11,804	11,804
The Naval Reserve	16,136	15,590	15,590
The Marine Corps Reserve	2,559	2,362	2,362
The Air National Guard of the United States	10,671	10,930	10,930
The Air Force Reserve	867	991	991

The Senate recedes with an amendment that would authorize the following end strengths for reserves on active duty in support of the reserves, as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	22,310	21,763	21,986
The Army Reserve	11,500	11,804	12,807
The Naval Reserve	16,136	15,590	15,590
The Marine Corps Reserve	2,559	2,362	2,362
The Air National Guard of the United States	10,616	10,930	10,931
The Air Force Reserve	748	991	992
Total	62,869	63,440	64,668

The amendment would increase the end strengths for reserves on active duty in support of the reserves to include the authorization to use the reserves for emergencies involving weapons of mass destruction.

End strengths for military technicians (dual status) (sec. 413)

The House bill contained a provision (sec. 413) that would authorize the following end strengths for military technicians (dual status) as of September 30, 1999:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	23,125	22,179	23,125
The Army Reserve	5,503	5,205	5,395
The Air National Guard of the United States	22,853	22,408	22,408
The Air Force Reserve	9,802	9,761	9,761
Total	61,007	59,553	60,689

The Senate amendment contained a provision (sec. 413) that would authorize military technician end strengths for fiscal year 1999, as shown below:

	Fiscal year—		
	1998 authorization	1999 request	1999 recommendation
The Army National Guard of the United States	23,125	22,179	22,179
The Army Reserve	5,503	5,205	5,205
The Air National Guard of the United States	22,853	22,408	22,408
The Air Force Reserve	9,802	9,761	9,761

The Senate recedes.

Increase in number of members in certain grades authorized to serve on active duty in support of the reserves (sec. 414)

The House bill contained a provision (sec. 414) that would authorize increases in the grades of reserve members authorized to serve on active duty or on full-time national guard duty for the administration of the reserves or the national guard. The provision would authorize 133 additional majors, 22 additional enlisted personnel in the grade of E-9, and 89 additional enlisted personnel in the grade of E-8 in the Air Force. The provision would also authorize 26 additional colonels and 20 additional enlisted personnel in the grade of E-9 in the Army.

The Senate amendment contained a provision (sec. 415) that would increase the number of officers and senior enlisted personnel on active duty in certain grades in the reserve components of the Army and the Air Force in support of the reserves. The recommended provision would increase the authorized number of Army reserve component colonels from 412 to 438 and enlisted members in the grade of E-9 from 603 to 623. The provision would increase the authorized number of Air Force reserve component majors from 643 to 791; lieutenant colonels from 672 to 713; colonels from 274 to 297; enlisted members in the grade of E–8 from 890 to 997; and enlisted members in the grade of E–9 from 366 to 395.

The House recedes with a clarifying amendment.

Consolidation of strength authorizations for active status Naval Reserve flag officers of the Navy Medical Department staff corps (sec. 415)

The Senate amendment contained a provision (sec. 416) that would consolidate flag officer authorizations for the Navy Reserve Medical Department Staff Corps, identify the components of the Medical Department Staff Corps, and allocate one rear admiral (lower half) authorization to each component of the Medical Department Staff Corps.

The House bill contained no similar provision

The House recedes.

SUBTITLE C—AUTHORIZATION OF APPROPRIATIONS

Authorization of appropriations for military personnel (sec. 421)

The House bill contained a provision (sec. 421) that would authorize $70.7 billion to be appropriated for military personnel accounts in fiscal year 1999.

The Senate amendment contained similar provisions (sec. 421) that would authorize $70.4 billion to be appropriated for military personnel for fiscal year 1999.

The House recedes with an amendment that would authorize $70.6 billion for military personnel for fiscal year 1999.

The conferees provide the following itemization of the increases and decreases from the President's budget request related to military personnel accounts and personnel-related Operation and Maintenance accounts.

Fiscal Year 1999 Military Personnel Budget Items

[In millions of dollars]

Increases	
3.6 percent basic pay increase*COM008*	186.0
Active Army End Strength	25.0
USNR Contributory Support to CINCs (ADT)	5.0
USNR Active Duty Special Work	5.0
USMCR Increased Use	3.4
Increase USAR AGRs	15.0
Army National Guard Schools & Special Training.	20.0
Army Enlistment Bonus	10.0
Navy Enlistment Bonus	9.4
Navy College Fund	13.9
USMC Enlistment Bonus	3.0
USMC College Fund	5.9
Total adds	301.6
Reductions:	
Obligations for Advanced Pay	301.0
Army	161.0
Navy	69.0
Air Force	53.0
USMC	18.0
FY 99 End Strength Underexecution	151.8
Army	3.0
Navy	11.8
USMC	9.3
USAF	83.3
Army Guard	28.0
Army Reserve	5.4
Navy Reserve	5.0
Marine Corps Reserve	N/A
Air Guard	N/A
Air Force Reserve	6.0
Foreign Currency Fluctuation	29.6
Army	5.3
Navy	12.0
USMC	4.2
Air Force	8.1
Unemployment Compensation:	
Air Force	4.0
Total Reductions	486.4

The conferees are concerned about the increasing challenges to all services in attracting quality personnel. The conferees are especially concerned about the Navy's projected inability to realize their established recruiting goals during fiscal year 1998. In addition, the conferees are concerned that Navy recruiting may be underfunded for fiscal year 1999. The conferees have increased the recruiting accounts to assist services' recruiting efforts. The conferees urge the Navy to commit additional resources to the recruiting function so as to avoid a recurrence of the projected recruiting failures. The conferees adjusted the personnel related Operation and Maintenance accounts, as follows:

Fiscal Year 1999 MILPERS-related Operation & Maintance Accounts

[In millions of dollars]

Increases:	
Navy Recruiting Advertising	$17.5
USMC Recruiting Advertising	12.0
Air National Guard Recruiting Advertising	3.0
USAFR Recruiting Advertising	3.0
Navy Recruiter Support	3.3
National Guard Youth Challenge Program	21.5
STARBASE	5.0
USMCR Increased Use	1.2
USMCR Active Duty Special Work	2.1
Army National Guard Military Technicians	27.0
Total MILPERS-related O&M Increases	95.6
Reductions:	
Innovative Readiness Training	10.0
Total MILPERS-related O&M Reductions	10.0

LEGISLATIVE PROVISIONS NOT ADOPTED

Exclusion of additional reserve component general and flag officers from limitation on number of general and flag officers who may serve on active duty

The Senate amendment contained a provision (sec. 414) that would permit a number of reserve component general and flag officers ordered to active duty for more than 179 days to be excluded from the limitation on the number of general and flag officers on active duty. The number of reserve component general and flag officers ordered to active duty under this authority would not exceed three percent of the total number of authorized active duty general and flag officers.

The House bill contained no similar provision.

The Senate recedes.

TITLE V—MILITARY PERSONNEL POLICY

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Officer Personnel Policy

Codification of eligibility of retired officers and former officers for consideration by special selection boards (sec. 501)

The House bill contained a provision (sec. 501) that would clarify that a retired or former officer may be considered for promotion by a special selection board without being returned to active duty.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Involuntary separation pay denied for officer discharged for failure of selection for promotion requested by the officer (sec. 502)

The House bill contained a provision (sec. 502) that would clarify that the Congress intended that written communications from officers to promotion boards authorized in section 614 of title 10, United States Code, be limited to matters that enhance the officer's case for promotion.

The Senate amendment contained a provision (sec. 503) that would modify the conditions under which separation pay is paid. Under the provision, officers who submit a request to a promotion board not to be selected for promotion and are subsequently not selected for promotion would not be eligible for separation pay if the reason for their separation is failure to be promoted to the next higher grade. The provision would require the report of a selection board that received communications from an officer who requested not to be selected to include that officer's name.

The House recedes with a clarifying amendment.

Streamlined selective retention process for regular officers (sec. 503)

The House bill contained a provision (sec. 503) that would eliminate the requirement to convene boards of review for regular officers who have been recommended for administrative separation by boards of inquiry and would eliminate the 30-day board of inquiry notification process.

The Senate amendment contained a provision (sec. 501) that would eliminate the requirement to convene boards of review for officers who have been recommended for administrative separation by a board of inquiry.

The House recedes.

Permanent applicability of limitations on years of active naval service of Navy limited duty officers in grades of commander and captain (sec. 504)

The Senate amendment contained a provision (sec. 502) that would make permanent the temporary mandatory retirement points for Navy Limited Duty Officers. The recommended change would not affect Marine Corps Limited Duty Officers of the same grades.

The House bill contained no similar provision.

The House recedes.

Tenure of Chief of the Air Force Nurse Corps (sec. 505)

The House bill contained a provision (sec. 505) that would clarify that the Secretary of the Air Force determines the length of the tour served by the Chief of the Air Force Nurse Corps.

The Senate amendment contained a provision (sec. 504) that would extend the term of office for the chief of the Air Force Nurse Corps from three years to four years.

The Senate recedes.

Grade of Air Force Assistant Surgeon General for Dental Services (sec. 506)

The conference report includes a provision that would require the Assistant Surgeon General for Dental Services of the Air Force to be an officer in the grade of brigadier general.

Review regarding allocation of Naval Reserve Officers' Training Corps scholarships among participating colleges and universities (sec. 507)

The Senate amendment contained a provision (sec. 505) that would modify the method by which the Navy allocates Naval Reserve Officer Training Corps (NROTC) scholarships within a state.

The House bill contained no similar provision.

The House recedes with an amendment that would urge the Secretary of the Navy to review the method by which the Navy allocates NROTC scholarships.

Subtitle B—Reserve Component Matters

Use of reserves for emergencies involving weapons of mass destruction (sec. 511)

The Senate amendment contained a provision (sec. 515) that would authorize the President to call-up reserve forces in response to domestic emergencies involving a use, or threatened use, of a weapon of mass destruction. In addition, the provision would permit reserve full-time support personnel to perform duties in support of emergency preparedness programs to prepare for, or to respond to, an emergency involving the use of a weapon of mass destruction.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the number of reserves who may serve on active duty in support of the defense against the domestic use of weapons of mass destruction, and would require the Secretary of Defense to certify that members of a rapid assessment element team have been trained and that the teams possess the requisite equipment to meet all mission requirements.

Service required for retirement of National Guard officer in higher grade (sec. 512)

The Senate amendment contained a provision (sec. 511) that would extend the period for which a National Guard officer could receive credit towards the time-in-grade required for retirement.

The House bill contained no similar provision.

The House recedes.

Reduced time-in-grade requirement for reserve general and flag officers involuntarily transferred from active status (sec. 513)

The Senate amendment contained a provision (sec. 512) that would authorize the secretary of a military department to retire, at the grade held on active reserve status, a reserve component general or flag officer who is involuntarily transferred from active reserve status.

The House bill contained no similar provision.

The House recedes.

Active status service requirement for promotion consideration for Army and Air Force Reserve component brigadier generals (sec. 514)

The House bill contained a provision (sec. 512) that would require the Secretary of the Army and the Secretary of the Air Force to consider reserve brigadier generals serving in an inactive status for promotion if the officers had been in an inactive status for less than one year as of the date of the convening of the promotion board, and continuously served for at least one year on the reserve active status list or the active duty list immediately before transfer to inactive status.

The Senate amendment contained a provision (sec. 513) that would authorize the Secretary of the Army or the Secretary of the Air Force to waive the eligibility requirements to permit a reserve component brigadier general of the Army or Air Force who is on the reserve inactive status list to be considered for promotion to major general. To be eligible for the waiver, the reserve brigadier general must have served at least one year on the reserve active status list or active duty list immediately preceding transfer to the inactive status list, and the transfer to the inactive status list occurred within the twelve-month period preceding the date the promotion board convenes.

The Senate recedes.

Composition of selective early retirement boards for rear admirals of the Naval Reserve and major generals of the Marine Corps Reserve (sec. 515)

The House bill contained a provision (sec. 511) that would authorize the Secretary of the Navy to convene selective early retirement boards for rear admirals in the Navy Reserve and major generals in the Marine Corps Reserve without complying with the requirement specified in section 14102 of title 10, United States Code, that one half of the selection board members be reserve officers and that all the board members hold higher permanent grades than the officers being considered by the board.

The Senate amendment contained a provision (sec. 514) that would change the minimum grade requirement for officers participating as members of a board convened to consider rear admirals in the Naval Reserve or major generals in the Marine Corps Reserve for early retirement, and would require any active duty officer participating in a selective early retirement board considering Naval Reserve rear admirals or Marine Corps Reserve major generals be one grade higher than the officers being considered, and would require that at least one member of the board be a reserve officer in the same grade as the officers being considered.

The House recedes with a clarifying amendment.

Authority for temporary waiver for certain Army Reserve officers of baccalaureate degree requirement for promotion of reserve officers (sec. 516)

The House bill contained a provision (sec. 513) that would authorize an exception to the requirement for reserve officers in the Army commissioned through the Army Officer Candidate School to possess a baccalaureate degree before promotion to the grade of captain. The exception would expire on October 1, 2000.

The Senate amendment contained no similar provisions.

The Senate recedes with an amendment that would authorize the Secretary of the Army to waive, on a case-by-case basis, for two years, the requirement for reserve officers in the Army commissioned through the Army Officer Candidate School to possess a baccalaureate degree before being promotion to the grade of captain. The authority for the Secretary of the Army to grant a waiver would expire on September 30, 2000.

The conferees expect that the Secretary of the Army will only grant waivers to those individuals who demonstrate progress toward achieving the goal of earning a baccalaureate degree.

Furnishing of burial flags for deceased members and former members of the Selected Reserve (sec. 517)

The Senate amendment contained a provision (sec. 1082) that would direct the Secretary of Veterans Affairs to provide a U.S. flag to drape the casket of deceased members or former members of the Selected Reserve.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle C—Military Education and Training

Separate housing for male and female recruits during recruit basic training (sec. 521)

The House bill contained a provision (sec. 521) that would amend title 10, United States Code, to require each of the military departments to assign male and female recruits to same-gender units at the platoon, flight, and division levels, and to house male and female recruits in separate barracks or troop housing facilities. It would provide each of the service secretaries the authority to waive the separate barracks requirement initially at specific installations due to a lack of adequate facilities at the installation. However, it would require that no such waiver be in effect after October 1, 2001. This section also would require that if a waiver is granted at a particular installation, the secretary of a military department shall require that male and female recruits be housed on separate floors in military barracks or troop housing facilities at that installation. During the interim period, housing recruits on separate floors is defined to include billeting male and female recruits separately and securely either on separate floors, in separate bays, or on same floors with a fire-safe wall separating the recruits. Further, the separate billeting spaces should include independent sleeping areas, latrines and separate, lockable entrances. To facilitate the Army's ability to make barracks modifications needed for housing by separate floors, the committee recommends an increase of $8.0 million in that department's operations and maintenance account.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the secretaries of the military departments to provide separate, safe, and secure housing for male and female recruits with the sleeping areas separated by permanent walls and access limited to separate entrances by April 15, 1999. Should an installation not be able to meet this requirement, males and females would be required to be housed in separate facilities. The amendment would require that all future construction of barracks at basic training sites accommodate separate, safe, and secure housing for both male female recruits. The amendment would also require the General Accounting Office to report on the costs associated, by service, with providing separate buildings for male and female recruits.

After-hours privacy for recruits during basic training (sec. 522)

The House bill contained a provision (sec. 522) that would amend title 10, United States Code, to require each of the secretaries of the military departments to restrict after-hours access to recruit housing areas to same-sex training personnel. The provision would allow an exception to this policy in case of an emergency or circumstance requiring immediate action.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would restrict after-hours access to recruit housing areas to drill sergeants and other training personnel who are of the same gender as the recruits housed in that area or to members of the chain of command as long as they are accompanied by a member, who is not a recruit, but is of the same gender, as the recruits housed in that area.

The conferees note that these restrictions are intended to cover the period after "lights out" at night until "lights on" in the morning.

Sense of the House of Representatives relating to small unit assignments by gender during recruit basic training (sec. 523)

The conference report contains a provision that would express the sense of the House of Representatives that the secretaries of the military departments should require males and females to be assigned to separate units at the platoon, division, or flight level during recruit basic training.

The conferees direct the Secretary of Defense to include a separate section in the report on sexual harassment required by section 591 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) of the National Defense Authorization Act for Fiscal Year 1998 to report on sexual misconduct at the basic training centers of each of the military departments. Specifically, the report shall include a statistical summary, by type, of all incidents of sexual misconduct, including sexual harassment and fraternization, involving trainees, cadre members or trainees and cadre members that occurred in the basic training centers of each service. The data provided in the report for each service should be expressed using a common standard of measurement and should include a summary of the disciplinary and administrative actions taken in response to the misconduct. Consistent with the requirement for the sexual harassment report, the report on sexual misconduct in basic training shall be submitted to the Congress no later than April 1, 1999, and shall include data on all cases of sexual misconduct that occurred during the preceding year.

The Commission on Military Training and Gender-Related Issues, established in the National Defense Authorization Act for Fiscal Year 1998, is expected to report to the Congress in April 1999, on its review of the basic training programs of each of the military services. The House conferees intend to fully review all matters pertaining to basic training once the findings and recommendations of the Commission are received and anticipate the likelihood of legislation next year on issues addressed in the Commission's review, including the issue of gender-separate basic training.

Extension of reporting dates for Commission on Military Training and Gender-Related Issues (sec. 524)

The House bill contained a provision (sec. 523) that would amend section 562 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85) to extend the reporting dates required of the Commission on Military Training and Gender-Related Issues. This provision would extend the date of the initial report to October 15, 1998, and the final report to March 15, 1999.

The Senate amendment contained a similar provision (sec. 526).

The Senate recedes.

Improved oversight of innovative readiness training (sec. 525)

The House bill contained a provision (sec. 524) that would require the Department of Defense to implement the General Accounting Office recommendations to improve program compliance with section 2012 of title 10, United States Code, which governs the Innovative Readiness Training program, and would require the Department to establish better cost accounting methods.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle D—Decorations, Awards, and Commendations

Study of new decorations for injury or death in line of duty (sec. 531)

The House bill contained a provision (sec. 531) that would require the Secretary of Defense, in cooperation with the secretaries of the military departments and the Secretary of Transportation with regard to the Coast Guard, to determine the appropriate name, policy, award criteria, and design for two new decorations, that recognize the service of members of the armed forces who are killed or wounded under non-combat conditions and U.S. civilians who are killed or wounded while serving in an official capacity with a U.S. armed forces. This provision would also require the Secretary to submit a legislative proposal to establish the two decorations and a recommendation concerning the need for the new decorations to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, not later than July 31, 1999.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Defense to study the need for such awards, the criteria that may be used to determine eligibility for such awards, and to report the results of the study to the Senate Armed Services of the Senate and the National Security Committee of the House of Representatives, not later than July 31, 1999.

Waiver of time limitations for award of certain decorations to certain persons (sec. 532)

The House bill contained a provision (sec. 532) that would waive the statutory time limitations for the award of military decorations to individuals who have been recommended for award of the decorations by the secretaries of the military departments.

The Senate amendment contained a similar provision (sec. 530).

The House recedes with an amendment that would include awards approved by the secretaries of the military departments since May 12, 1998.

Commendation and commemoration of the Navy and Marine Corps personnel who served in the United States Navy Asiatic Fleet from 1910–1942 (sec. 533)

The House bill contained a provision (sec. 533) that would commend those personnel who served in the Asiatic Fleet of the United States Navy between 1910 and 1942.

The Senate amendment contained a similar provision (sec. 1060).

The House recedes with a clarifying amendment.

The conferees note that March 1, 1999, is the 57th anniversary of the sinking of the Asiatic Fleet's flagship, the U.S.S. Houston, by Japanese Imperial Forces. The conferees believe that March 1, 1999, may be the most appropriate day for the President to designate as the United States Navy Asiatic Fleet Memorial Day.

Appreciation for service during World War I and World War II by members of the Navy assigned on board merchant ships as the Naval Armed Guard Service (sec. 534)

The House bill contained a provision (sec. 534) that would express the appreciation of the Congress and the American people for the service of members of the Navy assigned as gun crews aboard merchant ships as part of the Naval Armed Guard Service during World War I and World War II.

The Senate amendment contained no similar provision.

The Senate recedes.

Sense of Congress regarding the heroism, sacrifice, and service of the military forces of South Vietnam and other nations, and indigenous groups in connection with the United States Armed Forces during the Vietnam conflict (sec. 535)

The House bill contained a provision (sec. 535) that would recognize and honor the significant heroism, sacrifices, and service that the armed forces of South Vietnam and other allies made while fighting together with U.S. Military Forces during the Vietnam conflict.

The Senate amendment contained no similar provision.

The Senate recedes.

Sense of Congress the regarding the heroism, sacrifice, and service of former South Vietnamese commandos in connection with the United States Armed Forces during the Vietnam conflict (sec. 536)

The House bill contained a provision (sec. 536) that would recognize and honor the significant heroism, sacrifices and service that the South Vietnamese commandos made during the Vietnam conflict. The House report (H. Rept. 105-532) notes that section 657 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104-201) authorized compensation for Vietnamese commandos incarcerated for 20 years or more.

The Senate amendment contained a similar provision (sec. 1068).

The Senate recedes.

Prohibition on members of armed forces entering correctional facilities to present decorations to persons who have committed serious violent felonies (sec. 537)

The Senate amendment contained a provision (sec. 531) that would prohibit the military services from presenting a military award or decoration in a prison or confinement facility.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that the provision does not preclude the military services from awarding a military award or decoration to an eligible current or former service member who may be confined. However, the award may not be presented to the individual in a prison or confinement facility.

Subtitle E—Administration of Agencies Responsible for Review and Correction of Military Records

Personnel freeze (sec. 541)

The House bill contained a provision (sec. 541) that would preserve the current level of performance of the Army Review Board Agency, the Air Force Review Boards Agency, and the Board for Correction of Naval Records by requiring a report to the Congress 90 days before the number of employees assigned to those organizations is reduced below the number assigned, as of October 1, 1997.

The Senate amendment contained no similar provision.

The Senate recedes.

Professional staff (sec. 542)

The House bill contained a provision (sec. 542) that would amend chapter 79 of title 10, United States Code, to require each Board for the Correction of Military Records to employ an attorney and a physician to serve as advisors to the staff on legal and medical matters being considered by the board.

The Senate amendment contained no similar provision.

The Senate recedes.

Ex parte communications (sec. 543)

The House bill contained a provision (sec. 543) that would amend chapter 79 of title 10, United States Code, to require each Board for the Correction of Military Records to provide applicants with copies of communications that directly apply to or have a material effect on the applicants' cases.

The Senate amendment contained no similar provision.

The Senate recedes.

Timeliness standards (sec. 544)

The House bill contained a provision (sec. 544) that would require each Board for the Correction of Military Records to improve the timeliness of board actions over a ten-year period, beginning in fiscal year 2001 and culminating with a requirement to complete action on 90 percent of the cases within ten months of receipt during fiscal year 2011 and beyond.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Scope of correction of military records (sec. 545)

The conference agreement includes a provision that would define military records for purposes of payment of claims arising from correction of a military record and would require the Secretary of Defense to report to the Congress not later than March 31, 1998, on the effect of the six-year bar to retroactive payments when relief is granted by a Board for the Correction of Military Records.

Subtitle F—Reports

Report on personnel retention (sec. 551)

The House bill contained a provision (sec. 1033) that would require the Secretary of Defense to submit, within 90 days of enactment, a report to the Congress that contains information on the retention of active duty service members of each military service during each fiscal year from 1989 through 1998.

The Senate amendment contained no similar provision.

The Senate recedes.

Report on process for selection of members for service on courts-martial (sec. 552)

The House bill contained a provision (sec. 561) that would require the Secretary of Defense to submit to the Congress, by April 15, 1999, a report on the method of selection of members of the armed forces to serve on courts-martial, including the development of a plan by the military services for random selection of members.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

Report on prisoners transferred from United States Disciplinary Barracks, Fort Leavenworth, Kansas, to Federal Bureau of Prisons (sec. 553)

The House bill contained a provision (sec. 560) that would require the Secretary of Defense to evaluate and report to Congress on the rationale for, and effectiveness of, the policy of transferring prisoners from the United States Disciplinary Barracks, Fort Leavenworth, Kansas, to the Federal Bureau of Prisons, and would require the Secretary of the Army to monitor the parole and recidivism rates of the military prisoners transferred to the Federal Bureau of Prisons.

The Senate amendment contained no similar provision.

The Senate recedes.

Review and report regarding the distribution of National Guard full-time support among the states (sec. 554)

The Senate amendment contained a provision (sec. 1035) that would require the Chief of the National Guard Bureau to review the process used to allocate and distribute resources, including all categories of full-time manning, among the states for the National Guard and to report not later than March 15, 1999 to the congressional defense committees.

The House bill contained no similar provision.

The House recedes with an amendment that would focus the review on the process used to allocate and distribute all categories of National Guard full-time support among the states, would require the Chief of the National Guard Bureau to submit the report to the Secretary of Defense, and would require the Secretary of Defense to forward the report, along with his evaluation of the report, to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives.

Subtitle G—Other Matters

Two-year extension of certain force drawdown transition authorities relating to personnel management and benefits (sec. 561)

The House bill contained a provision (sec. 551) that would extend through fiscal year 2000 certain temporary authorities which provide the tools the armed services need to manage personnel reductions and shape the force following the completion of the drawdown of military forces.

The Senate amendment contained a provision (sec. 522) that would extend until September 30, 2003, the force reduction transition period management and benefits authorities established during the drawdown of the military services.

The House recedes with an amendment that would extend the temporary authorities until September 30, 2001.

Leave without pay for suspended academy cadets and midshipmen (sec. 562)

The House bill contained a provision (sec. 552) that would authorize the appropriate secretary, upon the recommendation of the Superintendent of the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the United States Coast Guard Academy, to order a cadet or midshipman to be placed on involuntary leave without pay under certain circumstances.

The Senate amendment contained a provision (sec. 604) that would authorize the superintendents of the military academies and the Coast Guard Academy to order a cadet or midshipman to be placed on involuntary leave without pay if the cadet or midshipman is pending separation from the academy for misconduct, conduct deficiency, or honor violation while the separation is pending final approval.

The House recedes with an amendment that would authorize the appropriate service secretary to order a cadet or midshipman to be placed on involuntary leave without pay if the cadet or midshipman is pending separation from the academy for misconduct, conduct deficiency, or honor violation while the separation is pending final approval.

Continued eligibility under Voluntary Separation Incentive program for members who involuntarily lose membership in a reserve component (sec. 563)

The House bill contained a provision (sec. 554) that would authorize Voluntary Separation Incentive (VSI) recipients to continue to receive VSI payments after separation from the reserves when the separation was due to age, years of service, failure to be selected for promotion, or medical disqualification, provided the ineligibility does not result from a deliberate action to avoid service.

The Senate amendment contained a provision (sec. 523) that would permit members who separated under the VSI program and lost their membership in a reserve component, as a result of certain conditions, to continue to receive the benefit payments.

The House recedes with a clarifying amendment.

Reinstatement of definition of financial institution in authorities for reimbursement of defense personnel for Government errors in direct deposit of pay (sec. 564)

The House bill contained a provision (sec. 555) that would amend sections 1053 and 1594 of title 10, United States Code, to specify that the term "financial institution" means a bank, savings and loan association or similar institution, or credit union chartered by the United States or a State.

The Senate amendment contained a similar provision (sec. 1047).

The Senate recedes with a clarifying amendment.

Increase in maximum amount for College Fund program (sec. 565)

The House bill contained a provision (sec. 556) that would increase the maximum College Fund payment to $50,000, effective October 1, 1999, for service members enlisting after that date.

The Senate amendment contained a provision (sec. 618) that would increase the amount authorized for military service College Fund programs, not to exceed $50,000, an increase of $10,000.

The Senate recedes with an amendment that would remove the specified effective date.

Central Identification Laboratory, Hawaii (sec. 566)

The House bill contained a provision (sec. 557) that would require the Secretary of Defense to establish joint manning requirements for the Central Identification Laboratory, Hawaii (CILHI), and to staff CILHI at 100 percent of its manpower requirements.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees do not intend that this provision be interpreted to direct that billets at the Central Identification Laboratory, Hawaii, be designated as joint billets on the joint duty assignment list. The Secretary of Defense may, however, designate billets at the Central Identification Laboratory, Hawaii, as joint duty on the joint duty assignment list if he determines that the billets meet the existing criteria for such designation.

Military funeral honors for veterans (sec. 567)

The House bill contained a provision (sec. 558) that would require the secretaries of the military departments to provide, upon request, honor guard details for the funerals of veterans. The provision would specify that the honor guard details be comprised of not less than three persons with the capability to play a recording of Taps, unless a bugler is included in the detail. The honor guard detail would consist of members of the armed forces, members of veterans organizations, or other organizations approved for participation by the Secretary of Defense. The provision would require the Secretary of Defense to establish a system for selection of units of the armed forces or other organizations to provide honor guard details. Before issuing regulations to establish the system, the Secretary of Defense would consult with veterans service organizations to determine the views of those organization regarding methods for providing honor guard details at funerals for veterans, suggestions for organizing the system to provide those details, and estimates of the resources that those organizations could provide for honor guard details. This provision would apply to burials of veterans that occur on, or after, October 1, 1999.

The Senate amendment contained a provision (sec. 1079) that would require, not later than October 31, 1998, the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, to convene a conference to determine means of improving and increasing the availability of military burial honors for veterans.

The Senate recedes with an amendment that would combine the two provisions in such a manner as to require the Secretary of Defense, in consultation with the Secretary of Veterans Affairs, to convene a conference, not later than December 31, 1998, to determine means of improving and increasing the availability of military burial honors for veterans, and to report the findings and recommendations resulting from the conference to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives not later than March 15, 1999. The provision would also require the secretaries of the military departments to provide, upon request, honor guard details for the funerals of veterans comprised of not less than three persons with the capability to play a recording of Taps, unless a bugler is included in the detail, for the funerals of veterans, after December 31, 1999.

The conferees intend that the requirement to provide a three- person burial detail upon request of a veteran to be effective only if the Secretary of Defense and the Secretary of Veterans Affairs do not recommend an acceptable alternative proposal in the required report. If a recommended alternative includes permitting members of veterans service organizations to perform burial honor details, the Secretary of Defense may consider providing equipment and materiel, as appropriate, to support burial honor detail duties.

The conferees agree that men and women have unselfishly answered the call to arms at tremendous personal sacrifice. These men and women who served honorably, whether in war or peace, deserve commemoration for their military service at the time of their death by an appropriate tribute. Burial honors are an important means of reminding Americans of the sacrifices endured to keep the Nation free.

Status in the Naval Reserve of cadets at the Merchant Marine Academy (sec. 568)

The House bill contained a provision (sec. 563) that would require the Secretary of Defense, in coordination with the Secretary of Transportation, to ensure that citizens of the United States appointed as cadets at the United States Merchant Marine Academy are members of the Naval Reserve. The provision would also require the Secretary of Defense to issue such cadets military identification cards.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

The conferees direct the Secretary of the Navy to determine the specific status cadets at the United States Merchant Marine Academy shall have within the Naval Reserve. The Secretary shall ensure that the benefits associated with the military identification card issued to cadets at the United States Merchant Marine Academy are consistent with their status within the Naval Reserve.

Repeal of restriction on civilian employment of enlisted members (sec. 569)

The Senate amendment contained a provision (sec. 525) that would repeal section 974 of title 10, United States Code, which restricts enlisted personnel from engaging in a civilian pursuit or business if the pursuit or business interferes with the employment of local civilians in their art, trade, or profession.

The House bill contained no similar provision.

The House recedes.

Transitional compensation for abused dependent children not residing with the spouse or former spouse of a member convicted of dependent abuse (sec. 570)

The Senate amendment contained a provision (sec. 528) that would authorize transitional compensation to eligible dependent children who do not reside with a spouse or former spouse who is also eligible for transitional compensation payments. The recommended provision would ensure that dependent children who are victims of abuse are not denied compensation because of family circumstances that may cause the dependent children not to reside with the spouse or former spouse.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Pilot program for treating GED and home school diploma recipients as high school graduates for determinations of eligibility for enlistment in the armed forces (sec. 571)

The Senate amendment contained a provision (sec. 529) that would establish a five-year pilot program to permit participants in a National Guard Youth Challenge Program who receive a general education development (GED) certificate and those who complete their high school requirements through a home schooling program to enlist in the armed forces, as if they had received a high school diploma. The recommended provision would limit the pilot program to not more than 10,000 persons per year (1,250 per educational source per military service). The provision would require the Secretary of Defense to conduct a comprehensive evaluation of the performance of the participants in the pilot program and report the results to the Congress not later than February 1, 2004.

The House bill contained no similar provision.

The House recedes with an amendment that would reduce the number of participants to 5,000 per year (1,250 per military service) and require a separate evaluation of the performance of GED and home school participants.

Sense of Congress concerning New Parent Support Program and military families (sec. 572)

The House bill contained a provision (sec. 1051) that would express the sense of Congress that the New Parent Support Program has been an effective tool in curbing family violence within the military community and that the Department of Defense should seek ways to ensure that, in future fiscal years, sufficient funds are made available for this program. The recommended provision would also require that, within 120 days of the date of enactment of this Act, the Secretary of Defense to submit a report to the Congress describing the manner in which the New Parent Support Program is being implemented by each service, the number of military installations receiving support for the program, and the funding for the program by the date of each military service for fiscal years 1994 through 1998 and the amount of funding projected for fiscal year 1999.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the report to address funding during fiscal years 1994 through 1999, and the funding projected for fiscal year 2000.

Advancement of Benjamin O. Davis, Junior, to grade of General on the retired list of the Air Force (sec. 573)

The Senate amendment contained a provision (sec. 532) that would authorize the President to advance Benjamin O. Davis, Junior, to the grade of General on the retired list of the Air Force. The provision would specifically provide that no additional benefits accrue to General Davis or his heirs as a result of this advancement.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Sense of the House of Representatives concerning adherence by civilians in military chain of command to the standard of exemplary conduct required of commanding officers and others in authority in the Armed Forces (sec. 574)

The House bill contained a provision (sec. 559) that would extend the requirement for exemplary conduct on commanding officers and others to the President, as Commander-in-Chief, and the Secretary of Defense, both of whom exercise authority in the military chain of command.

The Senate amendment contained no similar provision.

The conference agreement includes a provision that would express the sense of the House of Representatives that civilian members of the military chain of command should, in the same manner as commanding officers and others in authority in the armed forces, show in themselves a good example of virtue, honor, and patriotism, and to subordinate themselves to those ideals.

For many years, commanding officers, and others in authority, in the Navy have been required by law to conduct themselves in an exemplary manner. The National Defense Authorization Act for Fiscal Year 1998 extended such a requirement for exemplary conduct to commanding officers, and others in authority, in the Army and Air Force. This provision results from the House conferees' belief that a similar standard for exemplary conduct should also extend to the civilian leaders designated by title 10, United States Code, as being in the military chain of command.

LEGISLATIVE PROVISIONS NOT ADOPTED

Posthumous commissions and warrants

The House bill contained a provision (sec. 504) that would authorize the President to promote an officer posthumously when the secretary of a military department approves the results of the appropriate board after the date of death of the officer, so long as the officer is selected for promotion by a promotion board before the date of death.

The Senate amendment contained no similar provision.

The House recedes.

Study of revising the term of service of members of the United States Court of Appeals for the Armed Forces

The House bill contained a provision (sec. 562) that would require the Secretary of Defense to submit to Congress a report on the desirability of revising the term of appointment for judges of the United States Court of Appeals for the Armed Forces so that the term would be for 15 years or until the judge attained age 65, whichever is later.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of limitations on authority to set rates and waive requirement for reimbursement of expenses incurred for instruction at service academies of persons from foreign countries

The Senate amendment contained a provision (sec. 524) that would repeal the limitations on the authority of the secretary of a military department to waive the requirement for reimbursement of expenses for foreign students at the military service academies.

The House bill contained no similar provision.

The Senate recedes.

Moratorium on changes of gender-related policies and practices pending completion of the work of the Commission on Military Training and Gender-Related Issues

The Senate amendment contained a provision (sec. 527) that would prohibit the Secretary of Defense from implementing any policy changes with regard to separation or integration of members of the armed forces on the basis of gender, which are within the responsibility of the Commission on Military Training and Gender-Related Issues, until the commission has completed its work and issued its report. The final report is due on March 15, 1999.

The House bill contained no similar provision.

The Senate recedes.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Pay and Allowances

Increase in basic pay for fiscal year 1999 (sec. 601)

The House bill contained a provision (sec. 601) that would waive section 1009 of title 37, United States Code, and increase, effective January 1, 1999, the rates of basic pay for members of the uniformed services by 3.6 percent or the percent increase determined under subsection (c) of section 1009 of title 37, United States Code, should the President approve a pay increase for federal workers, whichever is higher.

The Senate amendment contained a provision (sec. 601) that would waive section 1009 of title 37, United States Code, and increase the rates of basic pay for members of the uniformed services by 3.6 percent, effective January 1, 1999.

The Senate recedes.

Rate of pay for cadets and midshipmen at the service academies (sec. 602)

The Senate amendment contained a provision (sec. 602) that would increase the rate of pay for cadets and midshipmen at the service academies from $558.04 per month to $600.00 per month, effective January 1, 1999.

The House bill contained no similar provision.

The House recedes.

Basic allowance for housing outside the United States (sec. 603)

The House bill contained a provision (sec. 602) that would authorize the payment of advance deposits and rent for housing in overseas areas when required by local conditions. The provision would also protect the member from losses due to fluctuations in the value of foreign currency and would allow the government to recoup the full amount of advances, to include any gain resulting from currency fluctuations.

The Senate amendment contained no similar provision

The Senate recedes.

Basic allowance for subsistence for reserves (sec. 604)

The House bill contained a provision (sec. 603) that would clarify the entitlement of reservists to rations in kind or payment for meals purchased when rations in kind are not available.

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle B—Bonuses and Special Incentive Pays

Three-month extension of certain bonuses and special pay authorities for reserve forces (sec. 611)

The House bill contained a provision (sec. 611) that would extend the authority for the special pay for health care professionals who serve in the Selected Reserve in critically short wartime specialties, the Selected Reserve reenlistment bonus, the Selected Reserve enlistment bonus, special pay for enlisted members of the Selected Reserve assigned to certain high priority units, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, and the prior service enlistment bonus until September 30, 2000. The provision would also extend the authority for repayment of educational loans for certain health professionals who serve in the Selected Reserve until October 1, 2000.

The Senate amendment contained a provision (sec. 611) that would extend the authority to pay special pay critically short wartime health specialists in the Selected Reserve, the Selected Reserve reenlistment bonuses, the Selected Reserve enlistment bonuses, the special pay for enlisted members assigned to certain high priority units in the Selected Reserve, the Selected Reserve affiliation bonus, the Ready Reserve enlistment and reenlistment bonus, the repayment of loans for certain health professionals who serve in the Selected Reserve, and the prior service enlistment bonus until December 31, 1999.

The House recedes.

The conferees understand the value of bonuses and special pay as a tool for recruiting and retaining skilled, qualified personnel. The conferees intend that these bonuses will be reauthorized on an annual basis.

Three-month extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists (sec. 612)

The House bill contained a provision (sec. 612) that would extend the authority for the nurse officer candidate accession program, the accession bonus for registered nurses, and the incentive special pay for nurse anesthetists until September 30, 2000.

The Senate amendment contained a provision (sec. 612) that would extend the authority to pay certain bonuses and special pay for nurse officer candidates, registered nurses, and nurse anesthetists until December 31, 1999.

The House recedes.

The conferees understand the value of bonuses and special pay as a tool for recruiting and retaining skilled, qualified personnel. The conferees intend that these bonuses will be authorized on an annual basis.

Three-month extension of authorities relating to payment of other bonuses and special pays (sec. 613)

The House bill contained a provision (sec. 613) that would extend the authority for the aviation officer retention bonus, reenlistment bonus for active members, enlistment bonuses for members with critical skills, special pay for nuclear qualified officers who extend the period of active service, and the nuclear career accession bonus to September 30, 2000. The provision would also extend the authority for the nuclear career annual incentive bonus until October 1, 2000.

The Senate amendment contained a provision (sec. 613) that would extend the authority to pay the aviation officer retention bonus, the reenlistment bonus for active members, the enlistment bonuses for critical skills, the special pay for nuclear qualified officers who extend the period of active service, the nuclear career accession bonus, and the nuclear career annual incentive bonus until December 31, 1999.

The House recedes.

The conferees understand the value of bonuses and special pay as a tool for recruiting and retaining skilled, qualified personnel. The conferees intend that these bonuses will be reauthorized on an annual basis.

Increased hazardous duty pay for aerial flight crewmembers in certain pay grades (sec. 614)

The Senate amendment contained a provision (sec. 620a) that would increase the hazardous duty pay for enlisted aerial flight crewmembers.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Aviation career incentive pay and aviation officer retention bonus (sec. 615)

The House bill contained a provision (sec. 614) that would make clarifying amendments to sections 301a and 301b of title 37, United States Code, to facilitate the payment of Aviation Career Incentive Pay and Aviation Continuation Pay to warrant officers.

The Senate amendment contained no similar provision.

The Senate recedes.

Diving duty special pay for divers having diving duty as a nonprimary duty (sec. 616)

The House bill contained a provision (sec. 615) that would clarify that the service secretaries may continue paying diving pay to members not assigned to diving duties when the members are required to maintain diving proficiency.

The Senate amendment contained a similar provision (sec. 620b).

The House recedes.

The conferees believe that members should be required to maintain proficiency as a diver only when they are subject to no notice return to diving duty on a temporary or permanent basis.

Hardship duty pay (sec. 617)

The House bill contained a provision (sec. 620) that would change the criteria eligiblity to receive hardship duty pay from a location to a specific duty without regard to location.

The Senate amendment contained a similar provision (sec. 620).

The House recedes with a clarifying amendment.

Selective reenlistment bonus eligibility for Reserve members performing active Guard and Reserve duty (sec. 618)

The House bill contained a provision (sec. 616) that would authorize payment of selective reenlistment bonuses to members of the reserve components who are on extended active duty in the Active Guard and Reserve (AGR) program.

The Senate amendment contained a provision (sec. 614) that would authorize the secretary concerned to offer a reenlistment bonus to reserve component members who are on extended active duty in support of the reserves. The provision would require reserve component members on active duty in support of the reserves to meet the same criteria as regular component enlisted personnel to be eligible for a reenlistment bonus.

The House recedes with a clarifying amendment.

Repeal of ten percent limitation on certain selective reenlistment bonuses (sec. 619)

The House bill contained a provision (sec. 617) that would remove the 10 percent limitation on the number of selective reenlistment bonuses in excess of $20,000 that may be paid.

The Senate amendment contained a provision (sec. 615) that would repeal the restriction limiting the number of selective reenlistment bonuses which exceed $20,000 paid during any fiscal year.

The Senate recedes with a clarifying amendment.

Increase in maximum amount authorized for Army enlistment bonus (sec. 620)

The House bill contained a provision (sec. 618) that would increase the maximum bonus for enlistment in the Army from $4,000 to $6,000.

The Senate amendment contained a provision (sec. 616) that would increase the maximum amount authorized to be offered to a qualifying high school graduate who enlists in the Army for at least three years in designated skills from $4,000 to $6,000.

The House recedes with a clarifying amendment.

Equitable treatment of Reserves eligible for special pay for duty subject to hostile fire or imminent danger (sec. 621)

The House bill contained a provision (sec. 619) that would authorize reserve members to receive the amount of imminent danger pay authorized for a full month regardless of the number of qualifying days served by the member during the month. The provision would make the imminent danger pay payment policy for reservists consistent with the policy for active duty members. Accordingly, the House bill provided for an increase of $3.0 million over the amount included in the budget request for reserve imminent danger pay.

The Senate amendment contained no similar provision.

The Senate recedes.

Retention incentives initiative for critically short military occupational specialites (sec. 622)

The Senate amendment contained a provision (sec. 620(c)) that would require the Secretary of Defense to establish a series of new incentives, in addition to the current incentives, to encourage service members in critically short specialities to reenlist.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Travel and Transportation Allowances

Payments for movements of household goods arranged by members (sec. 631)

The Senate amendment contained a provision (sec. 603) that would authorize the Departments of Defense, Health, and Transportation to provide members of the uniformed services with a reimbursement or monetary allowance in advance for the cost of transportation for that member's baggage and household effects. The monetary allowance may be paid only if payment of the allowance results in an overall cost savings to the government. This will enhance the ability of members of the uniformed services to arrange for the movement of their household goods themselves, rather than relying upon the current system, whereby the employing agencies arrange for the movement of these goods for the members.

The House bill contained no similar provision.

The House recedes with an amendment that would insert the words "new sentence" in (a)(1)(B). The amendment would further replace the word "a" with the word "the" in the same paragraph. Finally, the amendment would make technical changes to standing law reflecting the fact that paragraphs have been redesignated because of the elimination of subsection (j).

Exception to maximum weight allowance for baggage and household effects (sec. 632)

The House bill contained a provision (sec. 631) that would authorize the service secretaries to exceed the maximum weight allowance for shipment of household goods to a new permanent duty station to accommodate shipment of consumable goods that cannot be reasonably obtained at the new location.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees intend that this apply only to shipments to a new permanent duty station where consumable goods are not reasonably available. The conferees do not intend the increased weight allowance to be used for shipments from a permanent duty station in which consumable goods were not reasonably available.

Travel and transportation allowances for travel performed by members in connection with rest and recuperative leave from overseas stations (sec. 633)

The House bill contained a provision (sec. 632) that would clarify that the service secretaries may provide the transportation authorized the rest and recuperation travel using either government or commercial carriers. This provision would enhance the cost efficiency of the rest and recuperation program being provided to personnel assigned to Operation Joint Guard in the Republic of Bosnia and Herzegovina.

The Senate amendment contained a provision (sec. 621) that would authorize the secretary concerned to pay for commercial transportation, not to exceed the cost of government provided transportation, for leave travel of members assigned to overseas locations in contingency operations or at overseas locations where unusual conditions exist. The provision would permit members to receive one round trip during any period of service of at least six months, but not to exceed 24 months.

The Senate recedes.

Storage of baggage of certain dependents (sec. 634)

The House bill contained a provision (sec. 633) that would amend section 430 of title 37, United States Code, to authorize dependents of military members assigned to overseas locations annual round trip visits while those dependents are college students in the United States. The provision would authorize the storage of unaccompanied baggage of such dependents in lieu of shipment if advantageous to the government.

The Senate amendment contained a provision (sec. 622) that would authorize storage of a dependent student's unaccompanied baggage in lieu of shipping the baggage to the overseas duty station of the sponsor. When a student attending school in the United States returns to spend the summer with their family in an overseas location, they must ship their goods to the overseas location. The recommended provision would permit the baggage to be stored locally, which is less expensive than a round-trip overseas shipment.

The Senate recedes.

Commercial travel of Reserves at Federal supply schedule rates for attendance at inactive-duty training assemblies (sec. 635)

The House bill contained a provision (sec. 368) that would permit members of the reserve components to use General Services Administration federal supply contracts for commercial air transportation in order to perform inactive duty training.

The Senate amendment contained a similar provision (sec. 623).

The House recedes.

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

Paid-up coverage under Survivor Benefit Plan (sec. 641)

The Senate amendment contained a provision (sec. 631) that would, effective October 1, 2003, terminate Survivor Benefit Plan payments following 30 years of payments and attainment of the age of 70.

The House bill contained no similar provision.

The House recedes with an amendment that would make the effective date October 1, 2008.

Survivor Benefit Plan open enrollment period (sec. 642)

The Senate amendment contained a provision (sec. 634) that would establish a one-year open enrollment period for the Survivor Benefit Plan, beginning March 1, 1999. The provision would require persons electing to enroll in the Survivor Benefit Plan during the open enrollment period to pay premiums equal to the amount the member would have paid had the member enrolled at the first opportunity afforded that member, with interest, and any additional amount the Secretary of Defense determines to be necessary to make the election actuarially sound.

The House bill contained no similar provision.

The House recedes.

Effective date of court-required former spouse survivor benefit plan coverage effectuated through elections and deemed elections (sec. 643)

The House bill contained a provision (sec. 641) that would standardize the effective date of Survivor Benefit Plan coverage for a former spouse as the first day of the first month following the date of the court order directing the coverage.

The Senate amendment contained a similar provision (sec. 632).

The House recedes with a clarifying amendment.

Presentation of a United States flag to members of the Armed Forces upon retirement (sec. 644)

The Senate amendment contained a provision (sec. 637) that would require the secretary of a military department to present a United States flag to a member upon retirement from active or reserve service.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Recovery, care, and disposition of remains of medically retired member who dies during hospitalization that begins while on active duty (sec. 645)

The House bill contained a provision (sec. 553) that would authorize military retirees the same benefits for recovery, care, and disposition of remains as active duty members when that member is medically retired from active duty while hospitalized and the hospitalization is continuous until the date of death.

The Senate amendment contained a similar provision (sec. 633).

The House recedes with a clarifying amendment.

Revision to computation of retired pay for certain members (sec. 646)

The House bill contained a provision (sec. 642) that would clarify that section 1406(i) of title 10, United States Code, would not apply to enlisted members who, after serving as the senior enlisted advisor of an armed force, are reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or other administrative process. The provision would also provide that the computation of the high-three average of a retired enlisted member who was reduced in grade be based on the lower grade.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would retain the clarification to section 1406(i).

The conferees urge the Secretary of Defense to review the effect of a reduction in grade on members who are reduced in grade and who may retire under the high-three average method of computation of retired pay and, if appropriate, recommend legislation to ensure that the member's retired pay be computed based on the lower grade.

Elimination of backlog of unpaid retired pay (sec. 647)

The Senate amendment contained a provision (sec. 638) that would require the Secretary of the Army to eliminate the backlog of unpaid retired pay for members and the former members of the Army, the Army Reserve, and the Army National Guard by December 31, 1998.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle E—Other Matters

Definition of possessions of the United States for pay and allowances purposes (sec. 651)

The House bill contained a provision (sec. 651) that would delete the Canal Zone from the list of U.S. possessions as defined in title 37, United States Code.

The Senate amendment contained a similar provision (sec. 641).

The Senate recedes with a clarifying amendment.

Accounting of advance payments (sec. 652)

The House bill contained a provision (sec. 652) that would clarify the authority of the secretary concerned to disburse advance payments to service members in a permanent change of station status in amounts that may exceed available appropriations in the relevant military personnel accounts.

The Senate amendment (sec. 1046) contained a similar provision.

The Senate recedes with a technical amendment.

Reimbursement of rental vehicle costs when motor vehicle transported at government expense is late (sec. 653)

The House bill contained a provision (sec. 653) that would authorize a service member being transferred to an overseas station to rent a car for one week at government expense when the privately owned vehicle shipped to the overseas location does not arrive as scheduled. The provision would limit the car rental reimbursement to $30 a day for one week, and would require the Secretary of Defense to certify in a report to the Congress that a system is operational to recover the cost of the reimbursement for the rental car from the shipping company that caused the delay prior to any reimbursement.

The Senate amendment contained no similar provision.

The Senate recedes.

Education loan repayment program for health professions officers serving in Selected Reserve (sec. 654)

The House bill contained a provision (sec. 654) that would increase the authorized caps on the education loan amounts that may be repaid by the Secretary of Defense to recruit and retain health professionals with shortage wartime critical medical skills who serve in the Selected Reserve. The provision would increase the repayment amounts from $3,000 per year and $20,000 total to $10,000 and $50,000, respectively.

The Senate amendment contained a provision (sec. 617) that would modify the current education loan repayment program by permitting the services to offer the program to certain health professions students, and would increase the loan repayment limit from $3,000 per year and a total of $20,000 to $20,000 per year and a total of $50,000.

The House recedes.

Federal employees' compensation coverage for students participating in certain officer candidate programs (sec. 655)

The Senate amendment contained a provision (sec. 642) that would provide medical coverage to college students participating in a Senior Reserve Officers' Training program or the Marine Corps Platoon Leaders Course who are injured or become ill while attending training on orders. The provision would provide for medical coverage for injury or illness even if incurred during non-duty hours, provided the injury or illness is determined to be in the line of duty, as prescribed by service regulations.

The House bill contained no similar provision.

The House recedes.

Relationship of enlistment bonuses to eligibility to receive Army college fund supplement under Montgomery GI bill Educational Assistance Program (sec. 656)

The Senate amendment contained a provision (sec. 619) that would authorize the military services to offer both an enlistment bonus and a college fund program to prospective recruits in selected critically short specialities.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Authority to provide financial assistance for education of certain defense dependents overseas (sec. 657)

The Senate amendment contained a provision (sec. 643) that would authorize the Secretary of Defense to provide financial assistance to sponsors of dependents in overseas areas in which the Department of Defense does not operate schools.

The House bill contained no similar provision.

The House recedes.

Clarifications concerning payments to certain persons captured or interned by North Vietnam (sec. 658)

The Senate amendment contained a provision (sec. 635) that would authorize payments to the surviving parents or siblings of Vietnamese commandos who were not married at the time of their death.

The Senate amendment contained an additional provision (sec. 636) that would clarify that payments to Vietnamese commandos or their survivors must be paid directly to the authorized recipient.

The House bill contained no similar provisions.

The House recedes with an amendment that would combine the two provisions into a single provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Voting rights of military personnel

The Senate amendment contained a provision (sec. 644) that would amend the Soldiers' and Sailors' Civil Relief Act of 1940 to preclude a military member from losing a claim to state residency for the purpose of voting in federal and state elections because of absence due to military orders, and amend the Uniformed and Overseas Citizens Absentee Voting Act to require each state to permit absent military voters to use absentee registration procedures and to vote by absentee ballot in elections for state and local offices, in addition to federal offices as provided in current law.

The House bill contained no similar provision.

The Senate recedes.

TITLE VII—HEALTH CARE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Health Care Services

Dependents' dental program (sec. 701)

The House bill contained a provision (sec. 721) that would amend section 1076a(b)(2) of title 10, United States Code, to allow for the cap on an enrolled member's share of the monthly premium for the dependent dental program to be adjusted annually for inflation.

The Senate amendment contained a provision (sec. 701) that would establish an index under which an enrolled member's monthly premium for the dependent dental plan could increase in a manner not to exceed the percentage of the annual pay raise.

The House recedes with an amendment that would not include the Dependent Dental Program within TRICARE and would prohibit the Secretary of Defense from reducing the dependent dental benefit without prior consultation with the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives.

Expansion of dependent eligibility under retiree dental program (sec. 702)

The House bill contained a provision (sec. 701) that would amend section 1076c of title 10, United States Code, to allow dependents of certain retired service members to enroll in the retiree dental program even if the retired member does not enroll in the program.

The Senate amendment contained no similar provision.

The Senate recedes.

Plan for redesign of military pharmacy system (sec. 703)

The House bill contained a provision (sec. 703) that would require the Secretary of Defense to submit to the Congress, by March 1, 1999, a plan for a system-wide redesign of the military and contractor retail and mail-order pharmacy system by incorporating the "best business practices" of the private sector.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees intend that the uniform formulary be considered the minimum and not the maximum inventory of drugs that may be available through a military treatment facility. The conferees expect that, if the military treatment facility commander determines that the beneficiary population served by that military treatment facility requires drugs that could be provided in a more cost effective manner to the government through the military treatment facility, the military treatment facility commander must have the flexibility to add such drugs to the formulary in that facility. The conferees instruct the Secretary of Defense that the required pharmacy redesign plan not include any proposal in which pharmacies in military treatment facilities could charge fees or co-pays for active duty personnel, nor for any formulary or equivalent generic drug dispensed to any eligible beneficiary. The conferees do not intend that any proposed pharmacy redesign would include any proposal to permit retail pharmacies to purchase drugs at a government rate.

Transitional authority to provide continued health care coverage for certain persons unaware of loss of CHAMPUS eligibility (sec. 704)

The House bill contained a provision (sec. 704) that would authorize the Secretary of Defense to extend temporarily CHAMPUS eligibility to certain beneficiaries who may have been unaware of their loss of eligibility for CHAMPUS coverage.

The Senate amendment contained a similar provision (sec. 704).

The Senate recedes.

Subtitle B—TRICARE Program

Payment of claims for provision of health care under the TRICARE program for which a third party may be liable (sec. 711)

The House bill contained a provision (sec. 711) that would amend section 1095 of title 10, United States Code, to authorize the Secretary of Defense to allow TRICARE contractors to pay certain provider claims for the provision of health care services for accidental injury prior to seeking payment from potential third-party payers.

The Senate amendment contained no similar provision.

The Senate recedes.

TRICARE prime automatic enrollments and retiree payment options (sec. 712)

The House bill contained a provision (sec. 712) that would direct the Secretary of Defense to establish procedures for the automatic enrollment in TRICARE Prime at a military treatment facility for active-duty dependents residing within the catchment area of the facility, would require advance written notification of this enrollment, and would allow enrolled family members to disenroll from Military Treatment Facility TRICARE Prime at any time. The provision would also permit retired service members to have any fees associated with enrollment in TRICARE to be paid through an allotment from their retired pay or via electronic funds transfer from a financial institution.

The Senate amendment contained a similar provision (sec. 703).

The House recedes with an amendment that would permit retired members enrolled in TRICARE Prime to pay enrollment fees by allotment, electronic funds transfer or direct payment on a monthly or quarterly basis, would permit automatic re-enrollment for everyone who is enrolled in TRICARE Prime, and would permit automatic enrollment in TRICARE Prime for authorized family members of service members in grades E-4 and below.

The conferees intend that service members be notified that their authorized family members have been enrolled in TRICARE Prime and advise them of the procedures to change the enrollment if the automatic enrollment process did not properly enroll their authorized family members. The conferees intend that the Secretary of Defense establish procedures to notify those beneficiaries enrolled in TRICARE Prime of the status of their enrollment upon arrival at a new duty station to ensure that the enrollment is appropriate. The conferees direct the secretaries of the military departments to ensure that unit commanders include TRICARE Prime enrollment as part of all predeployment and permanent change of station inprocessing procedures to ensure that service members are apprised of the enrollment status of their authorized family members and the procedures to modify the enrollment, if necessary. The Secretary of Defense may establish the annual re-enrollment date for those enrolled in TRICARE Prime as he determines to be most efficient. The conferees do not necessarily intend that the annual re-enrollment date be on the specific anniversary of the initial enrollment.

System for tracking data and measuring performance in meeting TRICARE access standards (sec. 713)

The House bill contained a provision (sec. 722) that would require the Secretary of Defense to establish a system for measuring military treatment facilities and TRICARE contractors' performance in meeting the Department of Defense standards for access to primary care services.

The Senate amendment contained no similar provision.

The Senate recedes.

Establishment of appeals process for claimcheck denials (sec. 714)

The House bill contained a provision (sec. 728) that would require the Secretary of Defense, not later than November 1, 1998, to submit a proposal to establish an appeals process in cases of denials through the Claim Check computer software system of claims by civilian health care providers in TRICARE.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Secretary of Defense to establish an appeals process in cases of denials of claims from a civilian health care provider in TRICARE by any computer based software system and to report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives when the appeals system is implemented.

Reviews relating to accessibility of health care under TRICARE (sec. 715)

The Senate amendment contained a provision (sec. 711) that would require the Secretary of Defense to revise the TRICARE policy manual to clarify that rehabilitative services are available to a patient for a head injury when the treating physician certifies that such services would be beneficial and to review the adequacy of the provider network to determine whether the networks include sufficient health care providers and specialists.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to review the TRICARE policy manual to determine whether the policies dealing with the availability of rehabilitative services for patients suffering from head injuries are adequate and address the consideration of certification by an attending physician and report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, not later than April 1, 1999.

The conferees direct the Secretary of Defense to ensure that the TRICARE policy manual is written in such a manner as to be clear and easy to comprehend by health care providers and others who may be involved in decisions concerning the authorized coverage under TRICARE.

Subtitle C—Health-Care Services for Medicare-Eligible Department of Defense Beneficiaries (secs. 721–724)

The House bill contained a provision (sec. 729) that would authorize a three-year demonstration project under which not more than 70,000 Medicare-eligible beneficiaries of the Military Health Care System may enroll in the Federal Employees Health Benefits Program (FEHBP). The provision would require the Secretary of Defense and the Director of the Office of Personnel Management to report to the Congress, not later than 39 months after the beginning of the test, on the effectiveness of the demonstration. The Comptroller General would be required to make a similar report within the same time frame as the report of the Secretary of Defense.

The Senate amendment contained a provision (sec. 707) that would authorize the Secretary of Defense to conduct three health care demonstration projects in order to assess the feasibility and advisability of providing health care to certain Medicare-eligible beneficiaries of the Military Health Care System. The demonstrations would begin not later than January 1, 2000 and end not later than December 31, 2003. The recommended provision would authorize: one demonstration project in which Medicare-eligible beneficiaries of the Military Health Care System would participate in the Federal Employees Health Benefits Program; a second demonstration project would create a TRICARE Senior Supplement program in which Medicare-eligible beneficiaries of the Military Health Care System could enroll; and a demonstration that would extend the TRICARE mail order pharmacy benefit to Medicare-eligible beneficiaries of the Military Health Care System.

The Senate recedes with an amendment that would limit the FEHBP demonstration to not more than 66,000 participants, require the Secretary of Defense to implement a redesigned pharmacy benefit for Medicare-eligible DOD beneficiaries at two sites, and include the TRICARE Senior Supplement demonstration from the Senate amendment. The demonstrations and the redesigned pharmacy benefit would begin not later than January 1, 2000. The FEHBP demonstration would begin during the FEHBP open season for 2000. Implementation of the pharmacy redesign would begin not later than October 1, 1999. The TRICARE Senior Supplement would begin not later than January 1, 2000. The demonstrations would end not later than December 31, 2002. The Secretary of Defense, and in the case of the FEHBP demonstration, the Director of the Office of Personnel Management, would be required to report to the Congress not later than December 31, 2002 on the costs, effectiveness, and the feasibility of making the programs permanent. The Comptroller General would be required to make similar reports within the same time frame as the reports of the Secretary of Defense. In addition, the Comptroller General would be required to complete a comprehensive comparative analysis of the three projects and report to the Congress not later than March 31, 2003.

The conferees expect that the Secretary of Defense will strongly urge Medicare-eligible beneficiaries to participate in Medicare Part B. The conferees note participation in Medicare Part B is not required for eligibility in the FEHBP demonstration; however, those who do not elect to participate in Medicare Part B and later require Medicare benefits may be required to pay a significant penalty.

The conferees expect that health benefit plans under chapter 89 of title 5, United States Code, that participate in the FEHBP demonstration project will establish separate enrollment codes for self-only and self-and-family elections as an essential element of the requirement to maintain a separate risk pool for covered beneficiaries. Further, the conferees expect the Secretary of Defense and the Director of the Office of Management and Budget to seek the views of health plans that desire to participate in the demonstration about any aspect that the health plan believes would, in any way, prejudice the results of the project. The report required of the Secretary of Defense and the Director of the Office of Personnel Management shall include verbatim, written views by any participating health plan on the conduct of the demonstration project.

The conferees strongly believe that eligible beneficiaries must receive accurate, objective, and timely information from the Department of Defense about the opportunity to enroll in a health benefits plan offered under chapter 89 of title 5, United States Code, as well as the other projects. The conferees direct the Secretary of Defense, after consultation with the Director of the Office of Personnel Management and with the participating health plans, to ensure that an educational program is implemented that will provide each eligible beneficiary with easily understandable information concerning enrollment options, enrollment terms and limitations, and any other information reasonably considered essential to making an informed decision concerning participation in a demonstration project.

As part of the TRICARE Senior Supplement demonstration, the Secretary of Defense shall require participants to pay an enrollment fee that which may not exceed 75 percent of the total subscription charges in a year for self-only or self-and-family fee for service coverage under FEHBP. The conferees expect the Secretary of Defense to use as the basis for determining the enrollment fee the FEHBP plan that is comparable to the TRICARE Extra benefit. The conferees do not expect that the FEHBP plan selected as the base plan will be the most expensive plan, and thus prejudice the demonstration project.

Subtitle D—Other Changes to Existing Laws Regarding Health Care Management

Process for waiving informed consent requirement for administration of certain drugs to members of Armed Forces for purposes of a particular military operation (sec. 731)

The Senate amendment contained a provision (sec. 713) that would require that an investigational new drug or a drug unapproved for its applied use not be administered to a member of the armed forces unless the member provides prior consent. The recommended provision would permit the Secretary of Defense to request the President waive the requirement for prior consent if the Secretary determines that obtaining consent is not feasible, is contrary to the best interests of the members involved, or is not in the best interests of national security.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees note that presidential approval, Congressional reports, and prior written notice to the member do not apply to Federal Drup Administration informed consent exceptions applicable to standard medical practice in the United States, as distinguished from informed consent exceptions that relate specifically to military functions and activities.

Health benefits for abused dependents of members of the armed forces (sec. 732)

The Senate amendment contained a provision (sec. 712) that would require the secretary concerned to provide an abused dependent of a former member of a uniformed service with medical and dental care during the period that the abused dependent is receiving transitional compensation under section 1059 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Provision of health care at military entrance processing stations and elsewhere outside medical treatment facilities (sec. 733)

The Senate amendment contained a provision (sec. 702) that would extend the coverage of contract physicians by the same malpractice litigation rules as other Department of Defense health care providers. The provision would also extend the authority of the Secretary of Defense to provide reasonable attorney's fees in any litigation in which government attorneys do not provide representation.

The House bill contained no similar provision.

The House recedes with an amendment that would extend the current authority until December 31, 2000, and would require the Secretary of Defense to conduct a test of alternative methods for conducting medical screenings for enlistment qualification and report the findings not later than March 1, 2000.

Professional qualifications of physicians providing military health care (sec. 734)

The House bill contained a provision (sec. 726) that would require the secretary of a military department to ensure that each military physician holds an unrestricted medical license. The House bill also contained a provision (sec. 727) that would require the Secretary of Defense to establish a mechanism to ensure that each military physician completes the continuing medical education requirements applicable to their medical speciality.

The Senate amendment contained a single provision (sec. 708) similar to the two provisions in the House bill.

The House recedes with a clarifying amendment.

Subtitle E—Other Matters

Enhanced Department of Defense organ and tissue donor program (sec. 741)

The Senate amendment contained a provision (sec. 705) that would require the Secretary of Defense, the secretaries of the military departments, and the Surgeons General to enhance the support for organ and tissue donor elections made by service members.

The House bill contained no similar provision.

The House recedes with an amendment that would require that service members are provided with appropriate information about organ and tissue donation and are afforded the opportunity to elect to be a donor subsequent to completion of initial training, but prior to their first duty assignment.

Authorization to establish a Level One Trauma Training Center (sec. 742)

The House bill contained a provision (sec. 724) that would authorize the Secretary of the Army to establish a Level One Trauma Training Center in accordance with the American College of Surgeons standards for trauma centers.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority to establish center for study of post-deployment health concerns of members of the armed forces (sec. 743)

The Senate amendment contained a provision (sec. 709) that would require the Secretary of Defense to contract with an independent organization to assess the feasibility and advisability of establishing an independent entity to evaluate and monitor interagency coordination of issues related to the post-deployment health concerns of members of the armed forces and to report to the Congress on the results of the assessment not later than one year after the enactment of this act.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the Secretary of Defense to establish a center devoted to a longitudinal study to evaluate information on the health conditions of members of the armed forces upon their return from deployment on military operations in order to rapidly identify trends in illnesses or injuries among such members.

Report on implementation of enrollment-based capitation for funding for military medical treatment facilities (sec. 744)

The House bill contained a provision (sec. 725) that would require the Secretary of Defense to report to the Congress, by March 1, 1999, on the potential impact of using an enrollment-based capitation methodology to allocate funds to military medical treatment facilities.

The Senate amendment contained no similar provision. The Senate recedes.

Joint Department of Defense and Department of Veterans Affairs reports relating to interdepartmental cooperation in the delivery of medical care (sec. 745)

The Senate amendment contained a provision (sec. 706) that would require the Secretary of Defense and the Secretary of Veterans Affairs to conduct a joint survey of their respective beneficiary populations to identify, by category of individual, the expectations of, requirements for, and behavior patterns of those populations regarding medical care. The provision would require this collaborative effort be developed jointly and administered by an independent entity. Additionally, this provision would require the Secretaries of Defense and Veterans Affairs to review all applicable statutes, regulations, policies and beneficiary attitudes that may preclude or limit cooperative health care programs, including the sharing of facilities and other resources, between the Department of Defense and the Department of Veterans Affairs.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the joint survey need not include information that is currently available from other sources and that the secretaries report all required information to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives.

The conferees intend that the required pharmaceutical review be oriented toward identifying ways to improve cooperative arrangements between the Department of Defense and the Department of Veterans Affairs. The conferees do not support expanding government pricing for drugs to non-government entities.

Report on research and surveillance activities regarding Lyme disease and other tick-borne diseases (sec. 746)

The Senate amendment contained a provision (sec. 710) that would authorize $3.0 million within the Defense Health Program to be used for research and surveillance activities related to Lyme disease and other tick-borne diseases.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives on the impact of Lyme disease and other tick-borne diseases on military readiness and the efforts within the Department of Defense to prevent, identify, and treat such diseases.

Legislative Provisions Not Adopted

Plan for provision of health care for military retirees and their dependents comparable to health care provided under TRICARE Prime

The House bill contained a provision (sec. 702) that would require the Secretary of Defense to submit to the Congress, by March 1, 1999, a plan for ensuring that military retirees, including Medicare-eligible retirees, and their dependents have access to health care benefits comparable to those offered through TRICARE Prime, the managed-care option of the TRICARE program.

The Senate amendment contained no similar provision.

The House recedes.

Title VIII—Acquisition Policy, Acquisition Management, and Related Matters

Legislative Provisions Adopted

Subtitle A—Amendments to General Contracting Authorities, Procedures, and Limitations

Limitation on use of price preference upon achievement of contract goal for small and disadvantaged businesses (sec. 801)

The Senate amendment contained a provision (sec. 803) that would condition the use of the 10 percent price preference criteria in section 2323 of title 10, United States Code, on the failure of the Department of Defense (DOD) to achieve the goal in the section during the prior fiscal year.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The amendment would clarify that the limitation on the use of the price preference applies only to the DOD and would specify procedures for implementing a suspension of the use of the price preference.

Distribution of assistance under the procurement technical assistance cooperative agreement program (sec. 802)

The Senate amendment contained a provision (sec. 804) that would amend section 2413 of title 10, United States Code, and repeal section 2415, United States Code, to recognize the change in the Department of Defense contract administration structure.

The House bill contained no similar provision.

The House recedes with an amendment that would retain section 2415 and amend sections 2413 and 2415 by striking "region" and inserting "district".

Defense commercial pricing management improvement (sec. 803)

The Senate amendment contained a provision (sec. 805) that would require the Federal Acquisition Regulation (FAR) be revised to provide guidelines that would ensure price reasonableness in sole-source commercial item purchases. The FAR would also be revised to clarify issues such as the appropriate use of different types of information for establishing such price reasonableness.

The provision would also require the Secretary of Defense to establish procedures to ensure that, to the maximum extent practicable, sole-source spare parts purchases are negotiated through corporate contracts by single contracting officers or item managers to ensure that the government receives maximum leverage for the size of its purchases and to ensure that catalog discount issues and price reasonableness determinations are not treated in an isolated or piecemeal fashion. Finally, the provision would require the Secretary of Defense to establish a system for tracking price trends in spare parts in order to isolate categories of items that require further management attention. The provision would provide the Secretary of Defense with the discretion to set up such a system in a manner that would ensure minimal burden on the acquisition system and proper management.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the information to be considered in determining price reasonableness, the role of support organizations in the Department of Defense, and the reporting requirements applicable to the price trend analyses.

The conferees intend that these regulatory changes address the types of abuses uncovered in recent audits conducted by the Department of Defense (DOD) Inspector General on sole source commercial spare parts purchases by the DOD. The conferees do not intend this provision to impede implementation of the general federal government policy stated in the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1996 of relying on the commercial sector to an increasing extent for goods and services.

Modification of senior executives covered by limitation on allowability of compensation for certain contractor personnel (sec. 804)

The Senate amendment contained a provision (sec. 813) that would revise the definition of the term "senior executive" for purposes of the limitation on allowability of compensation for certain contractor personnel.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify that the revised definition applies to costs incurred after January 1, 1999, under covered contracts.

Separate determinations of exceptional waivers of truth in negotiation requirements for prime contracts and subcontracts (sec. 805)

The Senate amendment contained a provision (sec. 814) that would allow the heads of agencies to waive the requirements under the Truth in Negotiations Act that subcontractors provide certified cost and pricing data in cases where such requirements have been waived for prime contractors due to a determination of exceptional circumstances.

The House bill contained no similar provision.

The House recedes with a clarifying amendment concerning the organizational waiver level.

The conferees agree that the term "exceptional circumstances" requires more than the belief that it may be possible to determine the contract price to be fair and reasonable without the submission of certified cost and pricing data. For example, a waiver may be appropriate in circumstances where it is possible to determine price reasonableness without cost or pricing data and the contracting officer determines that it would not be possible to enter into a contract with a particular contractor in the absence of a waiver. The conferees direct the Department of Defense to work with the appropriate executive branch officials to clarify the situations in which an exceptional circumstance waiver may be granted.

Procurement of conventional ammunition (sec. 806)

The House bill contained a provision (sec. 801) that would require that ammunition or ammunition components procured by the Department of Defense (DOD) be acquired from domestic sources pursuant to section 2534 of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would assign to the single manager for conventional ammunition in the DOD the authority to restrict the procurement of conventional ammunition to the national technology and industrial base. The amendment would also require the single manager for conventional ammunition to limit specific procurements, in accordance with section 2304(c)(3) of title 10, United States Code, in cases where it is determined that doing so is necessary to maintain a facility, producer, manufacturer, or other supplier available for furnishing an essential item of ammunition or ammunition component in cases of national emergency or to achieve industrial mobilization.

This provision supersedes existing guidance issued by the DOD as it relates to the procurement of ammunition from domestic sources. The conferees direct the Department of the Army to issue new guidance to replace the DOD guidance superseded by this provision. The conferees intend that the determination specified in the provision be conducted within the Department of the Army using procedures prescribed by the Secretary of the Army.

Para-aramid fibers and yarns (sec. 807)

The Senate amendment contained a provision (sec. 801) that would authorize the Secretary of Defense to procure articles containing para-aramid fibers and yarns manufactured in a foreign country that is a party to defense memorandum of understanding, if such country allows U.S. manufacturers of that product to compete for sales to that foreign country.

The House bill contained no similar provisions.

The House recedes with an amendment that would allow the Secretary of Defense to procure articles containing yarns and fibers manufactured in a country with whom the United States has a defense memorandum of understanding upon making a determination described in the provision.

Clarification of responsibility for submission of information on prices previously charged for property or services offered (sec. 808)

The Senate amendment contained a provision (sec. 816) that would amend the Truth in Negotiations Act to clarify requirements for contractors to provide appropriate price information required by federal contracting officers to determine price reasonableness.

The House bill contained no similar provision.

The House recedes with an amendment that would require that the Federal Acquisition Regulation (FAR) be amended to provide that compliance with the requirement to submit data shall be a condition for an offer or to be eligible to enter into a contract or subcontract, subject to such exceptions as the Federal Acquisition Regulatory Council determines appropriate. The conferees intend that any exceptions to the requirement to submit price-related information be limited to those situations that are clearly specified in the FAR pursuant to this provision.

Nothing in this section would require any contractor to submit certified cost or pricing data, to comply with the Cost Accounting Standards, or to comply with the contract cost principles, if the contractor is not otherwise required to do so. The conferees do not intend this provision to require any revision to the FAR except to the extent specifically required by subsections (c) and (d).

Amendments and study relating to procurement from firms in industrial base for production of small arms (sec. 809)

The House bill contained a provision (sec. 803) that would amend section 2473 of title 10, United States Code, to require the Secretary of Defense to procure all small arms end items, small arms repair parts, modifications to improve small arms, and repair parts consisting of small arms barrels, bolts and receivers from the small arms production industrial base.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require specified small arms purchases be made only from a firm in the small arms industrial base unless the Secretary determines, with a regard to a particular procurement, that such requirement is not necessary to preserve the small arms industrial base. The requirements under section 2473 would apply to procurement of repair parts for or modifications to improve the M16 series rifle, the MK19 grenade machine gun, the M4 series carbine, the M240 series machine gun, and the M249 squad automatic weapon. The amendment would also require the Secretary of the Army to conduct a study under the auspices of the Army Science Board to examine whether the requirements of section 2473 should be expanded in specified ways and authorizes the Secretary to do so based on the recommendations of the Army Science Board. The conferees expect the completion of the Army Science Board study, including recommendations, no later than 180 days after the date of enactment of this Act.

Subtitle B—Other Matters

Eligibility of involuntarily downgraded employee for membership in an acquisition corps (sec. 811)

The House bill contained a provision (sec. 802) that would enable civilian members of the Defense Acquisition Corps who are reduced in grade due to a base closing or downsizing to retain their membership in the Acquisition Corps for the purposes of the Defense Acquisition Workforce Improvement Act.

The Senate amendment contained a similar provision (sec. 809).

The House recedes.

Time for submission of annual report relating to Buy American Act (sec. 812)

The House bill contained a provision (sec. 804) that would reduce the time for the submission of the annual report relating to the Buy American Act required in section 827 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201) from 90 to 60 days after the end of the fiscal year.

The Senate amendment contained no similar provision.

The Senate recedes.

Procurement of travel services for official and unofficial travel under one contract (sec. 813)

The Senate amendment contained a provision (sec. 802) that would allow the procurement of travel services under one contract for both official and unofficial travel.

The House bill contained no similar provision.

The House recedes.

Department of Defense purchases through other agencies (sec. 814)

The Senate amendment contained a provision (sec. 806) that would require the Secretary of Defense to revise regulations issued pursuant to section 844 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), which cover all purchases of goods and services by the Department of Defense under so-called "multiple award task order and delivery order contracts" entered into or administered by any other agency.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Supervision of defense acquisition university structure by Under Secretary of Defense for Acquisition and Technology (sec. 815)

The Senate amendment contained a provision (sec. 807) that would specify that the responsibility for the establishment of policy and requirements for educational programs of the defense acquisition university be vested in the Under Secretary of Defense for Acquisition and Technology.

The House bill contained no similar provision.

The House recedes.

Pilot programs for testing program manager performance of product support oversight responsibilities for life cycle of acquisition programs (sec. 816)

The Senate amendment contained a provision (sec. 810) that would require the Secretary of Defense to designate 10 programs for which the program manager will be made responsible for the life cycle cost issues through the life of the program. The Secretary would be required to report, no later than February 1, 1999, to the congressional defense committees on the 10 programs and to include any policy, regulatory, organizational, or legislative changes that would be required to fully implement this new approach to life cycle cost management.

The House bill contained no similar provision.

The House recedes.

The conferees direct that the Secretary of Defense include in the report to the Congress on the pilot program candidates a discussion of the appropriate point in the acquisition cycle for life cycle cost management to transition from the program manager to the logistics organizations of the services.

Scope of protection of certain information from disclosure (sec. 817)

The Senate amendment contained a provision (sec. 811) that would amend section 2371 of title 10, United States Code, to clarify that certain information submitted by outside parties in cooperative agreements for basic, applied, and advanced research are protected from disclosure under section 552 of title 5, United States Code.

The House bill contained no similar provision.

The House recedes.

Plan for rapid transition from completion of small business innovative research into defense acquisition programs (sec. 818)

The Senate amendment contained a provision (sec. 812) that would require the Secretary of Defense to develop a plan for facilitating a rapid transition for successfully completed research under the Small Business Innovative Research (SBIR) program into defense acquisition programs.

The House bill contained no similar provision.

The House recedes with an amendment that would clarify the elements of the plan and the procedures for preparing and transmitting the plan to the Congress.

Five-year authority for the Secretary of the Navy to exchange certain items (sec. 819)

The Senate amendment contained a provision (sec. 815) that would authorize the Secretary of the Navy to enter into a barter agreement during fiscal years 1999 through 2003 to exchange vehicles for repair and remanufacture of ribbon bridges for the Marine Corps.

The House bill contained no similar provision.

The House recedes.

Permanent authority for use of major test range and test facility installations by commercial entities (sec. 820)

The Senate amendment contained a provision (sec. 217) that would amend section 2681 of title 10, United States Code, to make the temporary authority to permit commercial use of test and evaluation centers permanent.

The House bill contained no similar provision.

The House recedes.

Inventory exchange authorized for certain fuel delivery contract (sec. 821)

The Senate amendment contained a provision (sec. 817) that would require the Secretary of Defense to submit to Congress no later than December 1, 1998 a report recommending alternative means for a small and disadvantaged business that delivers by barge to Defense Energy Supply Point-Anchorage under a contract with the Defense Energy Supply Center to fulfill its contractual obligations and not lose its small and disadvantaged business status when ice conditions in the Cook Inlet threaten the physical delivery of such fuel. The provision would also provide that such small and disadvantaged business could not lose its small and disadvantaged business status through February 1999 if ice conditions in the Cook Inlet prevent deliveries of bulk fuel and the Secretary of Defense determines that effects of such inability to deliver would result in an inequity to the supplier.

The House bill contained no similar provision.

The House recedes with an amendment that would eliminate the requirement for a report from the Secretary of Defense and clarify that the provision would in no case authorize a barrel-for-barrel exchanges totaling more than 15 percent of the total amount of bulk fuel under a contract. The amendment would also clarify that the authority under the section does not affect the requirement that a contractor otherwise fulfill its contractual obligations.

LEGISLATIVE PROVISIONS NOT ADOPTED

Study on increase in micro-purchase threshold

The House bill contained a provision (sec. 805) that would require the Comptroller General to conduct a study to assess the impact of the current micro-purchase program and the advisability of increasing the micro-purchase threshold to $10,000 under section 32 of the Office of Federal Procurement Policy Act.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that a thorough analysis of any proposal to raise the micro-purchase threshold, including the impact on small business participation in contracting, must be provided to the Congress by the Department of Defense before such a change can be considered.

Repeal of requirement for Director of Acquisition Education, Training, and Career Development to be within the Office of the Under Secretary of Defense for Acquisition and Technology

The Senate amendment contained a provision (sec. 808) that would remove the requirement that the Director of Acquisition Education, Training, and Career Development be appointed within the Office of the Under Secretary of Defense for Acquisition and Technology.

The House bill contained no similar provision.

The Senate recedes.

The conferees believe that the issue of the status of the director of acquisition education, training, and career development should be deferred until the Department of Defense has clarified the future role of the Office of the Under Secretary of Acquisition and Technology in the planning and execution of higher education for acquisition professionals in the Department of Defense.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Department of Defense Officers and Organization

Reduction in number of Assistant Secretary of Defense positions (sec. 901)

The Senate amendment contained a provision (sec. 901) that would codify the reductions in the number of assistant secretaries of defense announced by the Secretary of Defense as part of the Defense Reform Initiative. Specifically, the recommended provision would reduce the number of assistant secretaries of defense from ten to nine.

The House bill contained no similar provision.

The House recedes.

Repeal of statutory requirement for position of Assistant Secretary of Defense for Command, Control, Communications and Intelligence (sec. 902)

The Senate amendment contained a provision (sec. 902) that would rename the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD–C3I) to the Assistant Secretary of Defense for Space and Information Superiority, and change the statutorily designated duties associated with this position.

The House bill contained no similar provision.

The House recedes with an amendment that would repeal section 138(b)(3) of title 10, United States Code.

The Secretary of Defense recently announced a number of organizational changes to the Office of the Secretary of Defense pursuant to the Defense Reform Initiative. Among these changes is a significant modification of the office of the ASD–C3I. As a result, the current title no longer describes the full range of responsibilities of this office, nor adequately identifies its functional priorities. The conferees endorse the new title "Assistant Secretary of Defense for Space and Information Superiority".

The conferees continue to support a "single focal point for space" in the Department of Defense, and believe that there are synergies to be gained by linking this function with the Department's information superiority activities. The conferees note that, although there is a significant degree of overlap between "information superiority" and "space", these two functional areas also have many unique aspects that deserve significant focused attention. Therefore, the conferees endorse the Secretary's decision to include the term "space" in the revised title of this important position.

The conferees note that the Assistant Secretary for Space and Information Superiority will be responsible for some of the most critical issues facing the Department of Defense, including space policy, information assurance, information operations, intelligence policy, command, control, communications, surveillance, reconnaissance, the "year 2000" problem, and electromagnetic spectrum issues. The conferees believe that one of the most significant challenges facing the Assistant Secretary will be the integration and mutual leveraging of the various elements that he will supervise.

Independent task force on transformation and Department of Defense organization (sec. 903)

The House bill contained a provision (sec. 905) that would require the Secretary of Defense to create a task force of the Defense Science Board for the purpose of determining the appropriate organization of the Department of Defense in light of the ongoing transformation in the conduct of war. The task force would be established not later than November 1, 1998 and the Secretary should transmit the findings of the task force along with recommendations and comments to the Congress by March 1, 1999.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Authority to expand the National Defense University (sec. 904)

The Senate amendment contained a provision (sec. 903) that would permit the Secretary of Defense to designate, as he considers appropriate, educational institutions of the Department of Defense as institutions of the National Defense University.

The House bill contained no similar provision.

The House recedes.

Center for Hemispheric Defense Studies (sec. 905)

The Senate amendment contained a provision (sec. 909) that would authorize funds available within the Latin American cooperation authority be used for the operation of the Center for Hemispheric Defense Studies.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Restructuring of administration of Fisher Houses (sec. 906)

The House bill contained a provision (sec. 308) that would authorize appropriations from the Fisher House Trust Funds for use in the operation and maintenance of the Fisher Houses of the Army, Navy, and Air Force.

The Senate amendment contained a provision (sec. 907) that would repeal section 2221 of title 10, United States Code, and direct the secretaries of the military departments to establish a nonappropriated fund in each department as the single source of funding to operate, maintain, and improve the Fisher Houses and Fisher Suites, and to close each Fisher House Trust Fund and transfer the amounts in the Fund to the respective nonappropriated fund.

The House recedes with a clarifying amendment.

Management reform for research, development, test and evaluation activities (sec. 907)

The Senate amendment contained a provision (sec. 906) that would require the Department of Defense to conduct a cross-service analysis and a plan for restructuring and revitalization of the Department of Defense laboratories and test and evaluation (T&E) centers. The provision would also require that the Department develop a plan and schedule for establishing a cost-based management information system for identifying and comparing costs among the services' labs and T&E centers.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Department to analyze opportunities to improve efficiency and reduce duplication by designating responsibilities by lead agencies or executive agent, by area or function, or by other streamlining initiatives. The amendment would also strike sections (2)(D) and (2)(E) of the Senate provision. The conferees agree that the Department should explore options for an alternative management structure for T&E. The conferees agree that the lessons learned in personnel demonstration projects and pilot projects should be considered in any plan to restructure or reengineer the laboratories and test centers.

Subtitle B—Department of Defense Financial Management

Improved accounting for defense contract services (sec. 911)

The House bill contained a provision (sec. 906) that would require the Department of Defense to make numerous changes to the way they request funds for advisory and assistance services. The provision would require the Comptroller of the Department of Defense to conduct an assessment of the total non-Federal effort that resulted from the performance of all contracts for such services during the previous, current and following fiscal year. The provision would also prohibit the Department from classifying more than 15 percent of its contractual services in a miscellaneous budget category but would allow the Department to report 30 percent in its fiscal year 2000 budget as miscellaneous. In addition, the provision would codify the definition of advisory and assistance services to include; management and professional support services; studies, analyses, and evaluations; and, engineering and technical services. Finally, the provision would reduce the amount of funding that was budgeted for these services by $500.0 million.

The Senate had no similar provision.

The Senate recedes with an amendment that would strike the requirement for the Comptroller of the Department of Defense to conduct an assessment of the total non-Federal effort that resulted from the performance of all contracts for such services during the previous fiscal year, and the total non-Federal effort that will result from the performance of all contracts for such services during the current fiscal year. The amendment would codify the definition of advisory and assistance services to that currently contained in the Department of Defense's directive, and would reduce the cut to these services to $240.0 million.

Report on Department of Defense financial management improvement plan (sec. 912)

The Senate amendment contained a provision (sec. 1022) that would require the Comptroller General to report to the congressional defense committees on the Department's financial management improvement plan required by section 2222 of title 10, United States Code.

The House bill contained no similar provision.

The House recedes.

Study of feasibility of performance of Department of Defense finance and accounting functions by private sector sources or other Federal sources (sec. 913)

The Senate amendment contained a provision (sec. 1023) that would require the Department of Defense to study the finance and accounting functions within the Department to assess the potential for consolidation and possible competition of these functions.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Limitation on reorganization and consolidation of operating locations of the Defense Finance and Accounting Service (sec. 914)

The Senate amendment contained a provision (sec. 1024) that would require the Secretary of Defense to study and define future workload requirements for each of the finance and accounting operating locations (OPLOCs) of the Defense Finance and Accounting Service, and determine whether excess capacity exists. The provision would also require that the study be submitted to the congressional defense authorization committees by December 15, 1998, and that no OPLOCs could be closed until six months after the submission of this study.

The House bill contained no similar provision.

The House recedes with an amendment that would change the date for the submission of the study to the Congress to January 15, 1999 and delay the closing of any OPLOCs until 90 days after the submission of the study.

Annual report on resources allocated to support and mission activities (sec. 915)

The House bill contained a provision (sec. 1031) that would require the Secretary of Defense to provide in his annual report to the Congress a description of the personnel and budetary resources dedicated to support activities as compared to mission-related activities. This provision would also require the same information for the prior five years. The provision would also require a listing of the number of military and civilian personnel assigned to headquarters activities as a percentage of military end-strength for the past 10 years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the headquarters numbers to be provided for the past five years, and would require the Secretary to submit to the Congress the definition of "support" and "mission" activities that the Secretary will use in the developement of the report.

Subtitle C—Joint Warfighting Experimentation

Findings concerning joint warfighting experimentation (sec. 921)

The Senate amendment contained a provision (sec. 1201) that would make congressional findings that provide the historical and policy basis for the need to conduct joint warfighting experimentation.

The House bill contained no similar provision.

The House recedes with an amendment that would abbreviate the description of the basis for the need to conduct joint warfighting experimentation.

Sense of Congress concerning joint warfighting experimentation (sec. 922)

The Senate amendment contained a provision (sec. 1202) that would express a sense of the Congress on the importance of designating a commander with the mission for joint warfighting experimentation, a sense of the Congress that such commander should be provided with adequate resources and authority to effectively conduct such experimentation, and a sense of the Congress that the Congress should review the process of military transformation, as evidenced by the results of such experimentation, and if the process is determined inadequate, to consider legislation that would ensure the effective conduct of joint warfighting experimentation.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the sense of the Congress related to the commander's authority by abbreviating the enumeration of such authorities.

Reports on joint warfighting experimentation (sec. 923)

The Senate amendment contained a provision (sec. 1203) that would require the commander designated to conduct joint warfighting experimentation to submit comprehensive initial and annual reports, through the Secretary of Defense to Congress on such experimentation.

The House bill contained no similar provision.

The House recedes with an amendment that would require the designated commander to report on changes in his authority to develop or acquire equipment, supplies or services that relate directly to joint warfighting experimentation.

Subtitle D—Other Matters

Further reductions in defense acquisition and support workforce (sec. 931)

The House bill contained a provision (sec. 901) that would reduce the defense acquisition workforce, as defined in section 912(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), by a total of 70,000 over three years.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The amendment would limit the reduction to 25,000 personnel positions in fiscal year 1999 and would authorize the Secretary of Defense to waive up to 12,500 upon a certification by the Secretary that reducing a greater number of such positions would be inconsistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

The reduction would apply to positions in the defense acquisition and support workforce and limit the reduction of core acquisition workforce positions to a level proportional with other occupational elements in the larger defense acquisition and support workforce.

Limitation on operation and support funds for the Office of the Secretary of Defense (sec. 932)

The House bill contained a provision (sec. 902) that would limit the obligation of funds for the Office of the Secretary of Defense to 90 percent of the appropriated level for that office until such time as the Secretary submits the reports that were required by section 904(b) of the National Defense Authorization Act for Fiscal Year 1997, and sections 911(b) and 911(c) of the National Defense Authorization Act for Fiscal Year 1998.

The Senate amendment contained no similar provision.

The Senate recedes.

Clarification and simplification of responsibilities of inspectors general regarding whistleblower protections (sec. 933)

The House bill contained a provision (sec. 908) that would modify certain requirements relating to inspector general investigations of reprisal complaints.

The Senate amendment contained a provision (sec. 1053) that would modify the same requirements in a different manner, and amend certain other requirements imposed upon inspector general investigations of such complaints.

The House recedes with an amendment.

Repeal of requirement relating to assignment of tactical airlift mission to reserve components (sec. 934)

The House bill contained a provision (sec. 907) that would repeal section 1438 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510), which requires the Department of Defense to shift the tactical airlift mission to the reserves, unless the Secretary of Defense waives this requirement on annual basis.

The Senate amendment contained no similar provision.

The Senate recedes.

Consultation with Marine Corps on major decisions directly concerning Marine Corps aviation (sec. 935)

The House bill contained a provision (sec. 909) that would direct the Secretary of the Navy to require that the views of the Commandant of the Marine Corps be obtained before a milestone decision or other major decision is made by an element of the Department of the Navy outside the Marine Corps on a matter that concerns Marine Corps aviation systems acquisition or support.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make the provision more generic.

LEGISLATIVE PROVISIONS NOT ADOPTED

Revision to defense directive relating to management headquarters and headquarters support activities

The House bill contained a provision (sec. 903) that would require the Department of Defense to implement a revised directive, to be applied uniformly throughout the Department, that accounts for management headquarters personnel by function rather than organization.

The Senate amendment contained no similar provision.

The House recedes.

Report on individuals employed in private sector who provide services under contract for the Department of Defense

The House bill contained a provision (sec. 910) that would require the Secretary of Defense to provide an annual report to the Congress that would outline the quantity, costs, and value of services that are provided to the Department of Defense by non-Federal workers.

The Senate amendment contained no similar provision.

The House recedes.

The conferees understand that significant cost would be incurred by the Department in establishing a new system to annually track the quantity and value of non-Federal contract services. Therefore, the conferees direct the Department, to the extent practicable, using only existing personnel and contracting systems, to report to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives by April 15, 1998, the number of work year equivalents performed by individuals employed by non-Federal entities providing services to the Department, categorized by Federal supply class code, the appropriation from which the contract was funded, and the major organizational element procuring the services.

Reduction in Department of Defense headquarters staff

The Senate amendment contained a provision (sec. 904) that would codify the reductions in the Department of Defense headquarters staff announced by the Secretary of Defense as part of the Defense Reform Initiative. Specifically, the recommended provision would require the Office of the Secretary of Defense to reduce by 33 percent; defense agencies to reduce by 21 percent; Department of Defense field activities to reduce by 36 percent; the Joint Staff to reduce by 29 percent; the headquarters of the combatant commands and associated activities to reduce by seven percent; and other headquarters elements, including the headquarters of the military departments and their major commands and associated activities to reduce by 29 percent. The recommended provision would require the Secretary of Defense to submit, not later than March 1, 1999, a plan to implement the directed personnel reductions.

The House bill contained no similar provision.

The Senate recedes.

Permanent requirement for quadrennial defense review

The Senate amendment contained a provision (sec. 905) that would make permanent the requirement for a Quadrennial Defense Review and the National Defense Panel.

The House bill contained no similar provision.

The Senate recedes.

To redesignate the position of Director of Defense Research and Engineering, abolish the position of Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs, and transfer the duties of the latter position to the former position

The Senate amendment contained a provision (sec. 908) that would redesignate the position of Director of Defense Research and Engineering, abolish the position of Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense and transfer certain duties to the new organization.

The House bill contained no similar provision.

The Senate recedes.

The Nuclear Weapons Council is a statutorily mandated body consisting of Department of Defense and Department of Energy members. The Council has specific responsibilities to ensure the safety and reliability of the Nation's nuclear weapons stockpile. The Assistant to the Secretary of Defense for Nuclear and Chemical and Biological Defense Programs is the primary Department of Defense focal point for nuclear weapons matters, and reports directly to the Secretary of Defense. This position also serves as the executive director of the Nuclear Weapons Council. Unfortunately, this important position has been vacant for many months. The conferees are concerned that, as a result of this position being vacant for an extended period of time, nuclear weapons matters and issues associated with maintaining the U.S. nuclear deterrent are not receiving the attention they deserve. The conferees urge the President to submit to the Senate, for advice and consent, a nomination as soon as possible.

Military aviation accident investigations

The Senate amendment contained a provision (sec. 910) that would require the Secretary of Defense to establish a task force to review the procedures used by the Department of Defense to conduct military aviation accident investigations and to identify mechanisms for improving such investigations. The provision would also require the Secretary of Defense to prescribe uniform regulations that would provide for the release of reports on the accident investigation to the family members of those involved in the accident.

The House bill contained no similar provision.

The Senate recedes.

Title X—General Provisions

Legislative Provisions Adopted

Subtitle A—Financial Matters

Transfer authority (sec. 1001)

The House bill contained a provision (sec. 1001) that would provide the authorization for reprogramming involving the transfer of authorization between the amounts authorized in Division A of the Act.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Incorporation of classified annex (sec. 1002)

The House bill contained a provision (sec. 1002) that would incorporate the classified annex prepared by the Committee on National Security into this Act.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment that would provide that the classified annex prepared by the committee of conference be incorporated into this Act.

Authorization of prior emergency supplemental appropriations for fiscal year 1998 (sec. 1003)

The Senate amendment contained a provision (sec. 1003) that would authorize the emergency supplemental appropriations enacted in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174). This Act provided funding for fiscal year 1998 expenses related to military operations in Southwest Asia, Bosnia, and for natural disasters.

The House bill contained no similar provision.

The House recedes.

Authorization of appropriations for Bosnia peacekeeping operations for fiscal year 1999 (sec. 1004)

The Senate amendment contained a provision (sec. 1002) that would provide emergency authorization of $1.9 billion to fund U.S. participation in Bosnia peacekeeping operations for fiscal year 1999.

The House bill contained a provision (sec. 1201) that would not authorize additional funding for U.S. participation in Bosnia peacekeeping operations, and would limit the Secretary of Defense from expending funds appropriated to the Department of Defense for fiscal year 1999 in excess of $1.9 billion. The provision would provide for an emergency exception of not more than $100.0 million for the purpose of safeguarding U.S. Forces in the event of hostilities, and would require the Secretary of Defense to submit a report to the Congress by April 1, 1999 on the need for any additional funds required for Bosnia operations in fiscal year 1999.

The conferees agree to a provision that would provide emergency authorization of $1.9 billion to fund operations in Bosnia for fiscal year 1999, but would limit funding to the amounts authorized in this section. The President may waive this limitation after submitting to the Congress a certification that the waiver is based on the national interest and will not adversely affect the readiness of U.S. Military Forces. In conjunction with the certification, the President must submit a request for supplemental appropriations to fund the increased costs and a report. The report submitted with the certification must contain the reasons for the waiver, the specific reasons the additional funds are required, and a discussion of the readiness impact of the continued deployment of the U.S. Military Forces in Bosnia or supporting Bosnia peacekeeping operations.

Partnership for Peace information system management (sec. 1005)

The budget request included $2.0 million for the Partnership for Peace Information Management System (PIMS) (PE 1001017D8Z).

The Senate amendment contained a provision (sec. 1004) that would make $5.0 million available in defense-wide activities for the Partnership for Peace Information Management System (PIMS) in the following amounts: $3.0 million in section 301 and $2.0 million in section 201(4) of this Act.

The House bill contained no similar provision, but would recommend the budget request for operation and maintenance and would recommend an increase of $4.0 million to the budget request for PIMS research and development activities for the development of an international medical program global satellite system. Additionally, the House bill would require that no funds be made available for this activity until the Secretary of Defense submits a report to the congressional defense committees on the impact of the international medical program global satellite system on the Department of Defense (DOD) radio frequency spectrum.

The conferees agree to a provision that would make $5.0 million available in defense-wide activities for PIMS in defense-wide operation and maintenance and research and development activities. In addition, the conferees agree to authorize a $4.0 million increase for PIMS research and development activities for the development of an international medical global satellite system.

The conferees agree with the recommendation of the House (H. Rept. 105–532) regarding the requirement of the Secretary of Defense to submit a report on the impact of this system on the DOD frequency spectrum prior to obligation of funds. In addition, the report of the Secretary of Defense should include a plan on how the satellite-based medical telecommunications distribution and delivery network would be integrated into PIMS, the cost of integrating this technology into PIMS, the primary focus and content of the program and the contribution to the overall mission of PIMS, and information on the need for bilateral agreements.

Lastly, the conferees direct that all applicable competitive procedures be used in the award of contracts, grants, and other agreements under this program and that the Department require significant cost-sharing from all non-federal participants.

United States contribution to NATO common-funded budgets in fiscal year 1999 (sec. 1006)

The resolution of ratification to the Protocols to the North Atlantic Treaty of 1949 on Accession of Poland, Hungary, and the Czech Republic (Treaty Document 105–36) agreed to by the Senate on April 30, 1998 included a condition that requires authorization of funds for the U.S. contribution to the common-funded budget of the North Atlantic Treaty Organization (NATO) beginning in fiscal year 1999 if the amounts exceed the totals expended in fiscal year 1998.

The Senate amendment contained a provision (sec. 1006) that would authorize funds for the U.S. contribution to NATO common-funded budgets and the use of unexpended balances from prior years.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Liquidity of working-capital funds (sec. 1007)

The Senate amendment contained a provision (sec. 341) that would ensure the liquidity of the working-capital funds (WCFs) during fiscal year 1999 and would provide a mechanism to allow the Department of Defense to recover operating losses during the year of execution. The provision would also place limitations on the amounts of advance billing within the Department.

The House bill contained no similar provision.

The House recedes with an amendment that would not specify the corrective actions the Secretary of Defense may take to eliminate cash balance shortfalls in the WCFs and adjusts the limitations on advance billings.

Termination of authority to manage working-capital funds and certain activities through the Defense Business Operating Fund (sec. 1008)

The Senate amendment contained a provision (sec. 342) that would transfer the relevant statutory authorities and reporting requirements to the Department of Defense's working-capital fund operations (section 2208 of title 10, United States Code) and would repeal the statutory authority for the Defense Business Operations Fund.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Clarification of authority to retain recovered costs of disposals in working-capital funds (sec. 1009)

The Senate amendment contained a provision (sec. 343) that would clarify the authority of the Defense Reutilization and Marketing Service to retain, from proceeds received from sales of surplus supplies, materials, or equipment, an amount equal to the costs incurred in the sale, reutilization, or disposal of such items.

The House bill contained no similar provision.

The House recedes.

Crediting of amounts recovered from third parties for loss or damage to personal property shipped or stored at government expense (sec. 1010)

The Senate amendment contained a provision (sec. 1054) that would allow funds recovered from third parties in relation to household good claims to be deposited into the current appropriations for payment of such claims.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle B—Naval Vessels and Shipyards

Revision to requirement for continued listing of two Iowa-class battleships on the Naval Vessel Register (sec. 1011)

The House bill contained a provision (sec. 1011) that would direct the Secretary of the Navy to list U.S.S. *Iowa* (BB–61) and U.S.S. *Wisconsin* (BB–64) as the two *Iowa* class battleships maintained on the Naval Vessel Register, in accordance with section 1011 of the National Defense Authorization Act for Fiscal Year 1996.

The Senate amendment contained a similar provision (sec. 1011).

The Senate recedes.

Transfer of U.S.S. New Jersey (sec. 1012)

The House bill contained a provision (sec. 1012) that would direct the Navy to strike U.S.S. *New Jersey* from the Naval Vessel Register and transfer it to a not-for-profit entity that will locate the vessel in the State of New Jersey.

The Senate amendment contained no similar provision.

The Senate recedes.

Homeporting of the U.S.S. Iowa in San Francisco, California (sec. 1013)

The Senate amendment contained a provision (sec. 1016) that would express the sense of the Congress that the U.S.S. *Iowa* should be homeported in San Francisco, California.

The House bill contained no similar provision.

The House recedes.

Sense of Congress concerning the naming of an LPD–17 vessel (sec. 1014)

The Senate amendment contained a provision (sec. 1014) that would express the sense of the Congress that an LPD–17 class vessel should be named the U.S.S. *Clifton B. Cates*, in honor of the 19th Commandant of the Marine Corps.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Reports on naval surface fire-support capabilities (sec. 1015)

The Senate amendment contained a provision (sec. 1027) that would direct the Secretary of the Navy to report by March 31, 1999, to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives on battleship readiness for meeting naval surface fire-support requirements.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Long-term charter of three vessels in support of submarine rescue, escort, and towing (sec. 1016)

The House bill contained a provision (sec. 1013) that would authorize charter of the three vessels in accordance with section 2401 of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 1012) and directed the Department to utilize fully the R/V *Gosport* and other assets owned and operated by the Navy for secondary services including torpedo retrieval, sonar calibration, and submarine sea trial escort prior to out-sourcing for these services.

The Senate recedes.

The conferees agree to authorize the Navy to enter into charters through September 30, 2003 in accordance with section 2401 of title 10, United States Code, for the *Carolyn Chouest*, *Kellie Chouest*, and *Dolores Chouest* and direct the Department of the Navy to utilize fully the R/V *Gosport* and other similar vessels prior to out-sourcing for secondary services described above.

Transfer of obsolete Army tugboat (sec. 1017)

The House bill contained a provision (sec. 1014) that would permit the Secretary of the Army to substitute the tugboat *Attleboro* (LT–1977) for the tugboat *Normandy* (LT–1971) as one of two tugboats authorized to be transferred by the Secretary under section 1023 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–86).

The Senate amendment contained no similar provision.

The Senate recedes.

Subtitle C—Counter Drug Activities and Other Assistance for Civilian Law Enforcement

The budget request for drug interdiction and other counter-drug activities of the Department of Defense (DOD) totals $882.8 million. This includes the $727.6 million central transfer account and $155.2 million in the operating budgets of the military services for counter-drug operations.

However, these numbers do not accurately represent the Department's total commitment to the war on drugs. For example, these numbers do not include a proportionate share of the costs of procuring military systems that are used to support the war on drugs. They also do not capture the personnel costs for the thousands of active duty service members who are engaged in counter-narcotics activities over the course of the fiscal year. Furthermore, the budget does not include all maintenance costs for assets used in counter-drug activities, or a proportionate share of base operation support costs for those units performing counter-drug activities. Together, these costs exceed several hundred million dollars each year.

In addition, these numbers do not reflect the value of the equipment and training that the DOD provides to other nations in support of their counter-narcotics activities pursuant to section 506 of the Foreign Assistance Act. This section provides authorization for up to $75.0 million worth of counter-narcotics support to foreign governments each year. The conferees are concerned that this authority, which was intended to be used to enhance U.S. counter-narcotics support to nations in the source zone, is simply used to offset costs which more appropriately belong in the State Department budgets. The conferees are further concerned that the continued provision of *non-excess* military equipment to foreign governments may have an adverse impact on U.S. military readiness.

The conferees direct the Secretary of Defense to provide the congressional defense committees with a list of those items that are provided pursuant to Section 506, together with the Secretary's plans for replacing this equipment.

Finally, the conferees are concerned that in some cases the Department of Defense may be pressured into dedicating scarce resources within its budget recommendation to the President for the counter-narcotics missions that are the primary responsibility of the Department of State or other Federal agencies. This practice could be detrimental to other high priority military missions, including counter-terrorism and counter-proliferation, in today's resource constrained environment. The conferees believe that the Secretary of Defense and the Chairman of the Joint Chiefs are in the best position to understand all of the national security responsibilities of DOD, and to make a balanced recommendation to the President regarding the manner in which the resources of the Armed Forces should be utilized in such a way as to most effectively carry out those responsibilities.

The conferees recommend the following authorization for the Department's counter-narcotics activities:

Drug Interdiction & Counter-drug Activities, Operations and Maintenance

(In thousands of dollars; may not add due to rounding)

Fiscal Year 1999 Drug and Counter-drug Request	$882,831
Goal 1 (Dependent Demand Reduction)	12,830
Goal 2 (Support to DLEAs)	97,384
Goal 3 (DOD Personnel Demand Reduction)	72,936
Goal 4 (Drug Interdiction—TZ/SWB)	406,554
Goal 5 (Supply Reduction)	293,127
Increases:	
Caribbean/Eastern Pacific Surface Interdiction	8,000
Caper Focus	6,000
Gulf States Initiative/Regional Counter-drug Training	7,000
Multi Jurisdictional Task Force	1,000
South West Border Fence	3,000
National Guard State Plans	29,000
Reductions:	
JIATF–SOUTH	17,000
Southern Air Forces Counter-Drug Support	4,000
Mexico GBEGO	4,000
National Guard Cargo/Mail Inspection Project	29,000

Enhanced Transit Zone Interdiction—Caribbean/Eastern Pacific Interdiction Initiative, Caper Focus

Although the Department of Defense continues to serve as the single lead Federal agency for the detection and monitoring of suspected drug-trafficking activities within the transit zones, the Department's budget in this region has declined dramatically since 1993. This decline is a result of presidential guidance in 1993 that directed a gradual shift in emphasis from the transit zone to source zone counter-drug activities. While the Administration's strategic focus moved to South America, illegal drugs continue to flow through the eastern Pacific Ocean and Caribbean Sea to U.S. markets.

The conferees encourage the Department to explore new initiatives to enhance current interdiction capabilities so that if Panamanian facilities are no longer available, a viable interdiction program remains. To assist the Department in this effort, the conferees have included a provision that would provide $14.5 million within the counter-narcotics central transfer account for the increased deployment of the Department's Cyclone Class Patrol Coastal Craft (PCs) to the Caribbean and eastern Pacific, and any maintenance or modifications of these craft (such as forward looking infra-red devices and combat craft recovery systems) necessary to enhance their interdiction capabilities. Such increased deployment will provide Commander-in-Chief, Southern Command (CINCSOUTH) with a more substantial naval presence in his theater of operations with which to increase surface interdiction efforts of suspected narco-traffickers. The conferees include an additional $8.0 million for the Department's Caribbean efforts in order to help pay for increased deployment. The conferees expect the Department to identify the remaining $6.5 million from within its interdiction budget.

The conferees direct the Secretary of Defense to provide the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives with a report outlining the extent to which the PCs, operating either with or without a mothership, were effective during fiscal year 1999 in the interdiction and deterrence of maritime drug trafficking. This report should also outline the CINCSOUTH's and the CINCSOCOM's recommendation regarding any future deployment of these craft to SOUTHCOM's Area of Responsibility (AOR), and the Secretary of Defense's recommendation as to the appropriate funding mechanism for these future deployments.

Caper Focus

The conferees are disturbed by the recent testimony of General Charles E. Wilhelm, Commander-in-Chief, Southern Command (CINCSOUTH), regarding the Department's inability "to mount effective detection, monitoring and tracking operations in the eastern Pacific, a pipeline which feeds Mexico and ultimately the U.S." As a result of competing demands for maritime patrol aircraft, the Secretary of Defense postponed the final phase of Operation Caper Focus, a promising operation targeting multi-nation cargo vessels in the eastern Pacific. During the initial phases of Operation Caper Focus, Joint Interagency Task Force- East (JIATF-E) assets interdicted 27 metric tons of cocaine and gained valuable intelligence on regional trafficking methods. Despite these preliminary results, the Secretary of Defense has not made available the additional air or maritime assets necessary to execute the operation, nor has the Director of JIATF–E transferred assets from the Caribbean.

The conferees are convinced of the need to take advantage of this opportunity to seize large amounts of cocaine through the continuation of Operation Caper Focus. Therefore, the conferees include a provision that would authorize $10.5 million to support this operation. The conferees urge the Secretary of Defense to seek the views of CINCSOUTH in identifying the capabilities needed to determine how these funds should be applied. Finally, the conferees directs that the Secretary of Defense provide the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report outlining the recommendations of CINCSOUTH and an implementation plan detailing the Department's expanded operational support to Operation Caper Focus no later than January 15, 1999. The conferees include an additional $6.0 million in order to help pay for this deployment. The conferees expect the Department to provide the remaining $4.5 million from within its interdiction budget.

Gulf States Counter-drug Initiative

The conferees understand the Gulf States Counter-drug Initiative has grown beyond its original counter-drug mission and now performs important work for other high priority missions of the Department of Defense, including counter-terrorism. Therefore, the conferees support the transfer of this activity from the Department's Counter-drug account to the C3I Joint Military Intelligence Program in accordance with its increased mission, and recommend an additional $6.0 million for its counter narcotics activities. The conferees expects that the Department will fund GSCI's operations through the Joint Military Intelligence Program budget in the future. The conferees authorize a further $1.0 million for the Gulf States Counter-drug Initiative Regional Counter-drug Training Academy.

Multi-Jurisdictional Task Force

The budget request included $2.0 million for the Multi-Jurisdictional Counter-drug Task Force. The conferees understand that additional funds are needed to improve the Multi-Jurisdictional Counter-drug Task Force's training program by increasing the number of conventional courses, distance learning projects and state narcotics conventions for law enforcement officers. Therefore, the conferees recommend $3.0 million, an increase of $1.0 million for the Multi-Jurisdictional Counter-drug Task Force.

National Guard State Plans

The budget request included $29.0 million for National Guard Cargo/Mail Inspection Support and $118.6 million for National Guard General Support. The conferees note that beginning in fiscal year 1998, funds for cargo/mail inspection support were transferred from the general support account due to its high priority at the national level. While the conferees continue to endorse this program as a means to deny illegal drugs from entering the United States, the conferees believe that this program should compete with other high priority National Guard counter-narcotics operations. Therefore, the conferees recommend $147.6 million for National Guard General Support, an increase of $29.0 million, and a corresponding decrease of $29.0 million for National Guard Cargo/Mail Inspection Support.

JIATF–SOUTH

The conferees continue to be concerned with the impact that our military withdrawal from Panama will have upon U.S. drug interdiction capabilities. The Panamanian facilities provide a unique location from which to deploy U.S. counter-narcotics assets. The loss of these facilities will have a significant impact upon the U.S. ability to maintain the current level of drug interdiction efforts. Since the United States and the Government of Panama have been unable to reach an agreement regarding the continued deployment of U.S. military personnel to Panama after the remaining facilities are turned over at the end of 1999, the conferees believe it is imprudent to significantly expand and facilitize JIATF-South as recommended in the budget request. Until such an agreement is signed, the conferees believe that JIATF-South should operate with the same resources that it received for fiscal year 1998. Therefore, the conferees recommend a reduction of $17.0 million for this program.

Southern Air Forces Counter-Drug Support

The budget request included $24.4 million for Southern Air Forces (SOUTHAF)

Counter-Drug Support, including $19.0 million for the operation and maintenance of ground mobile radars (GMRs) within the U.S. Southern Command area of operations. The conferees recommend $20.4 million for SOUTHAF Counter-Drug Support, a decrease of $4.0 million.

Ground-based end game operations-Mexico

The budget request included $16.0 million for the counter-narcotics training of the Armed Forces of Mexico; a significant increase from previous years. The conferees recommend $12.0 for this program; a decrease of $4.0 million.

Support for counter-drug activities of Peru and Colombia

Section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) authorized the Secretary of Defense to provide support for the counter-drug activities of the Governments of Peru and Colombia. The conferees wish to clarify that the intent of Congress was to provide nonlethal assistance, including unarmed riverine patrol boats, to establish a riverine interdiction program in Peru and Colombia. The conferees note that other programs exist in which the Government of Peru can acquire the weaponry necessary to arm these vessels.

LEGISLATIVE PROVISIONS ADOPTED

Program authority for Department of Defense support to other agencies for counter-drug activities (sec. 1021)

The House bill contained a provision (sec. 1021) that would extend section 1004 of the National Defense Authorization Act for Fiscal Year 1991 through fiscal year 2000. The provision would also allow the Department of Defense to use counter-drug funds for any major renovation or modification of a Department of Defense facility being used for counter-narcotics purposes. Prior to using this authority for any such projects that will exceed $500,000, the Department must notify the congressional defense committees.

The Senate amendment contained a similar provision.

The Senate recedes with an amendment that would extend section 1004 of the National Defense Authorization Act for Fiscal Year 1991 through fiscal year 2002.

Department of Defense support of National Guard drug interdiction and counter-drug activities (sec. 1022)

The Senate amendment contained a provision (sec. 334) that would make certain changes to the National Guard's authority to perform counter-narcotics activities. These changes would include the authorization to make minor purchases using National Guard counter-narcotics funding. This provision would also allow the Guard to provide expanded support to youth outreach programs. Finally, the provision would authorize the use of funds appropriated for counter-narcotics activities to be used for a member of the Guard's annual training as long as these funds were reimbursed with funds that were appropriated for training.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the size of purchases to $5,000 per purchase order unless approval to exceed that amount is provided in advance by the Secretary of Defense. The amendment would further require that counter-narcotics activities not degrade military readiness, or increase the cost of training. The amendment would also require that in the case of unit participation in counter-narcotic activities, the missions will support valid unit training requirements. Finally, the amendment would clarify that the pay and benefits of a member of the Guard who is serving on full time active duty in support of the counter-narcotics activities of the Guard does not receive an amount of pay and benefits during his annual training more than the amount he would be entitled to if he were not performing these counter-narcotics activities.

Patrol Coastal Craft for drug interdiction by Southern Command (sec. 1023)

The Senate amendment contained a provision (sec. 331) that would provide $18.5 million within the counter-narcotics central transfer account for the increased deployment of the Department's Patrol Coastal Craft to the Caribbean and eastern Pacific. The Senate amendment also contained a provision (sec. 335) that would express the sense of the Congress that the Secretary of Defense should revise the Global Military Force Policy to treat counter-drug operations as a military operation other than war. Furthermore, the Senate amendment contained a provision (sec. 311) that would require the U.S. Special Operations Command to use the resources that are saved within its operating budget as a result of funding the Patrol Coastal Craft within the counter-narcotics budget for training and related operations associated with its counter-proliferation and counter-terrorism missions.

The House bill contained a provision (sec. 1022) that would provide $24.4 million within the counter-narcotics central transfer account for the continued conduct of Operation Caper Focus.

The conferees include a single provision that would (1) express the sense of the Congress that the Secretary of Defense should ensure that the international drug interdiction and counter-drug activities of the Department of Defense are accorded adequate resources within the budget allocation of the Department to execute its counter-narcotics mission; (2) provide $10.5 million within the counter- narcotics central transfer account for the continued conduct of Operation Caper Focus; and (3) provide $14.5 million within the counter-narcotics central transfer account for the increased deployment of the Department's Patrol Coastal Craft to the Caribbean and eastern Pacific. The provision would also require that the $4.5 million that the Special Operations Command saved within its operating budget as a result of funding the Patrol Coastal Craft within the counter-narcotics budget be used for training and related operations associated with its counter-proliferation and counter-terrorism missions.

Subtitle D—Miscellaneous Report Requirements and Repeals

Repeal of unnecessary and obsolete reporting provisions (sec. 1031)

The Senate amendment contained a provision (sec. 1021) that would repeal certain obsolete reporting requirements imposed upon the Department of Defense.

The House bill contained no similar provision.

The House recedes with an amendment which would retain an annual report on the use of money rentals for leases of non-excess property, and which would completely repeal a provision partially repealed in the Senate amendment.

Report regarding use of tagging system to identify hydrocarbon fuels used by Department of Defense (sec. 1032)

The Senate amendment contained a provision (sec. 312) that would authorize the Department of Defense to conduct a pilot program to determine if hydrocarbon fuels used by the Department can be tagged.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to provide a report to the congressional defense committees outlining the feasibility, costs, and benefits of using fuel tags to help deter theft and facilitate the determination of the source of surface and underground pollution in locations having separate fuel storage facilities belonging to the Department and civilian companies.

Subtitle E—Armed Forces Retirement Home

Appointment of Director and Deputy Director of the Naval Home (sec. 1041)

The Senate amendment contained a provision (sec. 1075) that would disestablish the civilian positions of director and deputy director of the Naval Home and would require that the Secretary of Defense appoint a director and deputy director from among military officers recommended by the military departments.

The House bill contained no similar provision.

The House recedes.

Revision of inspection requirements relating to Armed Forces Retirement Home (sec. 1042)

The House bill contained a provision (sec. 363) that would revise the current procedures for the periodic inspection of the Armed Forces Retirement Homes by the Inspector General of each of the military departments on an alternating basis, and would require that upon completion of these inspections, the report of the inspections shall be provided to the Congress.

The Senate amendment contained a provision (sec. 1057) that would eliminate the requirement for the Department of Defense Inspector General to conduct inspections of the Armed Forces Retirement Homes, as well as review the inspections conducted by the inspectors general of the military departments. The recommended provision would require inspections of the homes every three years. Responsibility to conduct inspections would rotate among the three services on a schedule determined by the Secretary of Defense.

The Senate recedes with a clarifying amendment.

Clarification of land conveyance authority, Armed Forces Retirement Home (sec. 1043)

The House bill contained a provision (sec. 1041) that would clarify subsection (a) of section 1053 of the National Defense Authorization Act for Fiscal Year 1997 (Public law 104–201), to state clearly that the original purpose of this disposal provision was to authorize only the sale of a specific parcel of land at the Armed Forces Retirement Home, Washington, D.C. through an open bid process at not less than fair market value, with the receipts of the sale to be deposited in the Armed Forces Retirement Homes Trust Fund.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would direct the Armed Forces Retirement Home to proceed with the sale of a specific parcel of land at the Armed Forces Retirement Home, Washington, D.C. to a neighboring non-profit organization or an entity or entities related to such organization at fair market value, as determined by the Armed Forces Retirement Home Board based on an independent appraisal, to a neighboring non-profit organization or an entity or entities related to such organization.

Subtitle F—Matters Relating to Defense Property

Plan for improved demilitarization of excess and surplus defense property (sec. 1051)

The Senate amendment contained a provision (sec. 1077) that would require the Secretary of Defense to assign demilitarization codes to military equipment and ensure that this equipment is demilitarized in accordance with those codes. The provision would further require that anyone who is convicted of knowingly participating in the exportation of merchandise in violation of Federal law, be fined or imprisoned for up to five years.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit to Congress a plan to address the problems with the sale or other disposal of excess and surplus defense materials. The plan would include how the Department will (1) implement all appropriate demilitarization training, (2) improve oversight of demilitarization functions and the maintenance of demilitarization codes, and (3) assign accurate demilitarization codes. The plan will also include the steps the Secretary intends to take to centralize the demilitarization functions and responsibilities of the Department of Defense.

Transfer of F–4 Phantom II aircraft to foundation (sec. 1052)

The Senate amendment contained a provision (sec. 1058) that would authorize the Secretary of the Air Force to transfer one surplus F–4 phantom aircraft to a foundation by means of a conditional deed of gift.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Subtitle G—Other Department of Defense Matters

Pilot program on alternative notice of receipt of legal process for garnishment of federal pay for child support and alimony (sec. 1061)

The House bill contained a provision (sec. 1042) that would allow the Department of Defense to refrain from providing court documents to a military member, concerning child support and alimony payments, prior to proceeding with a court ordered garnishment. The Defense Finance and Accounting Service would continue to include pertinent information with the notification to the service member involved.

The Senate amendment contained a similar provision (sec. 1048), but limited the Department of Defense to a pilot program.

The House recedes with an amendment that would allow the Department to conduct a pilot program for three years and provide an annual report on the status of this program to the congressional defense committees.

Training of special operations forces with friendly foreign forces (sec. 1062)

The House bill contained a provision (sec. 1043) that would amend section 2011 of title 10, United States Code, to improve the level of reporting associated with the authority of U.S. special operations forces to train with the forces of foreign nations and require that any such training receive the prior approval of the Secretary of Defense.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the scope of the provision to changes in the regulations for, and the elements of the annual report on, the training of special operations forces with friendly foreign forces.

The conferees emphasize that, while improved interoperability and relations with the friendly foreign forces may be an ancillary benefit, the training of U.S. special operations forces under the authority of this section must clearly be the primary purpose of the training. The conferees also underscore that training with "other security forces" of a friendly foreign country, rather than with such country's armed forces, should be a rare exception. Finally, it is expected that the Secretary will not delegate the approval authority for such training to a level below an assistant secretary of defense and that both the Assistant Secretaries for International Security Affairs and Special Operations and Low Intensity Conflict should participate in the required approval process.

Research grants competitively awarded to service academies (sec. 1063)

The Senate amendment contained a provision (sec. 1052) that would permit the service academies to compete for and receive research grants offered by a corporation, fund, foundation, educational institution, or other similar entity that is organized and operated primarily for scientific, literary, or educational purposes that are awarded competitively.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Department of Defense use of frequency spectrum (sec. 1064)

The Senate amendment contained a provision (sec. 1062) that would require the Secretary of Defense to report to the defense authorizing committees the costs to the Department of Defense (DOD) resulting from reallocations of the radio frequency spectrum authorized by DOD. The provision would also require that any entity that purchases any portion of the radio frequency spectrum previously reserved for use by any federal agency, including DOD, and that the Federal agency has relinquished for sale or lease, shall reimburse the Federal agency for the cost incurred by the Federal government to make that portion of the frequency spectrum available. The provision would further require a report in the annual budget request for each Federal department or agency that incurs costs for such frequency relocations. Finally, the provision would exempt from the reimbursement requirement those portions of the Federal radio frequency spectrum identified for reallocation in the first reallocation report submitted to the President and Congress, except for reallocations of that portion of the spectrum located in the 1710–1755 megahertz band.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Department of Defense aviation accident investigations (sec. 1065)

The Senate amendment contained a provision (sec. 1028) that would require the Secretary of Defense to provide an assessment of the role of the Office of the Secretary of Defense and the Joint Staff in the investigation of military aircraft accidents. Additionally, the provision would require the Secretary of Defense to report on the advisability of requiring an independent entity of the Department of Defense to supervise military aircraft accident investigations.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to prescribe uniform regulations establishing procedures by which the military departments shall provide periodic reports on the conduct and progress of investigations to the families of those involved in an aviation accident.

The conferees note the importance of a regular flow of accurate information to the families of those involved in an aviation accident and encourage the Secretary of Defense to include in regulations specific circumstances for providing information to the families. Additionally, the conferees encourage the Secretary of Defense to consider accepting comments from the National Transportation Safety Board in developing regulations pertaining to aviation accident investigations.

Investigation of actions relating to 174th Fighter Wing of New York Air National Guard (sec. 1066)

The House bill contained a provision (sec. 1047) that would require the Inspector General of the Department of Defense to investigate the grounding of the 174th Fighter Wing of the New York Air National Guard and the subsequent dismissal, demotion, or reassignment of 12 pilots.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Inspector General of the Department of Defense to conduct a new investigation into the facts and circumstances leading to the December 1, 1995, grounding of the 174th Fighter Wing of the New York Air National Guard and to provide the report of the investigation to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives, not later than 180 days after enactment.

Program to commemorate 50th anniversary of the Korean War (sec. 1067)

The Senate amendment contained a provision (sec. 1061) that would increase the amount authorized to be expended for the Korean War Commemorative Program from $1.0 million to $10.0 million over a seven year period.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize $1.82 million for this program in fiscal year 1999.

The conferees direct the Secretary of the Army to include within future budget requests the amount of funds necessary for the continued operation of this program.

Designation of America's national maritime museum (sec. 1068)

The Senate amendment contained a provision (sec. 1078) that would designate two maritime museums as America's National Maritime Museum. The provision also provided criteria for subsequent additions of museums to the group of museums designated as America's National Maritime Museum.

The House bill contained no similar provision.

The House recedes with an amendment that prescribes the procedures for subsequent additions of museums to the group designated as America's National Maritime Museum.

Technical and clerical amendments (sec. 1069)

The Senate amendment contained a provision (sec. 1063) that would make various technical and clerical amendments to existing law.

The House bill contained no similar provision.

The House recedes with an amendment that would make additional technical and clerical amendments to existing law.

Subtitle H—Other Matters

Act constituting presidential approval of vessel war risk insurance requested by the Secretary of Defense (sec. 1071)

The Senate amendment contained a provision (sec. 1059) that would authorize the preapproval of vessel war risk insurance under the Merchant Marine Act, 1936 (46 U.S.C. App. 1281), so that it can be immediately available in an emergency or contingency.

The House bill contained no similar provision.

The House recedes with a technical amendment and an amendment adding an effective date to the provision.

Extension and reauthorization of Defense Production Act of 1950 (sec. 1072)

The Senate amendment contained a provision (sec. 1064) that would reauthorize the Defense Production Act of 1950 (50 U.S.C. 2161 and 2166) for a period of one year.

The House bill contained no similar provision.

The House recedes.

Requirement that burial flags furnished by the Secretary of Veterans Affairs be wholly produced in the United States (sec. 1073)

The House bill contained a provision (sec. 1046) that would amend section 2301 of title 38, United States Code, to require that any flags furnished for burial purposes be wholly produced in the United States.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment allowing the Secretary of Veterans Affairs to waive the requirement upon making a determination that the requirement cannot reasonably be met or that it would not be in the national interest of the United States. The conferees direct that, in the event he intends to waive the requirement, the Secretary notify Congress concerning the factors upon which he has based his determination.

Sense of Congress concerning tax treatment of principal residence of members of armed forces while away from home on active duty (sec. 1074)

The House bill contained a provision (sec. 1049) that would express the sense of Congress that a member of the armed forces should be treated as using property as a principal residence during any period that the member (or the member's spouse) is serving on extended active duty, but only if the member used the property as a principal residence for any period during or before the period of extended active duty.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Clarification of State authority to tax compensation paid to certain employees (sec. 1075)

The House bill contained a provision (sec. 1045) that would limit state taxation of the pay of workers at Fort Campbell, Kentucky, to the state or political subdivision thereof in which the workers reside. The provision would also limit state taxation of federal employees employed at federal hydroelectric facilities located on the Columbia and Missouri Rivers to the state or political subdivision thereof in which the employees reside.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Outlay limitations

The House bill contained a provision (sec. 1003) that would restrict the amount of fiscal year 1999 discretionary outlays available to the Department of Defense for military functions and the Department of Energy for national security programs to an amount consistent with the national defense total provided in the Balanced Budget Act of 1997.

The Senate amendment contained no similar provision.

The House recedes.

Long-term charter contracts for acquisition of auxiliary vessels for the Department of Defense

The House bill contained a provision (sec. 1015) that would authorize the Secretary of the Navy to enter into a contract for the long-term lease or charter of newly built combat logistics force, strategic sealift and auxiliary support vessels.

The Senate amendment contained no similar provision.

The House recedes.

Sense of the Congress regarding the establishment of a counter-drug center in Panama

The House bill contained a provision (sec. 1023) that would express the sense of the Congress that the Secretary of Defense, in consultation with the Secretary of State, should continue to engage in negotiations with the Government of Panama for the establishment of a multinational counter-drug center in Panama.

The Senate amendment had no similar provision.

The House recedes.

The conferees understand the important contribution that the facilities in Panama, including JIATF-South, provide. The conferees are aware of the unfortunate difficulty that the U.S. Government has encountered in its negotiations with the Government of Panama for the continued operation of these facilities as part of a multinational counternarcotics center. The conferees encourage the Secretary of State to continue these important negotiations.

Assignment of members of armed forces to assist INS and Customs Service

The House bill contained a provision (sec. 1024) that would authorize the assignment of members of the armed services to assist the Immigration and Naturalization Service and the Customs Service.

The Senate amendment had no similar provision.

The House recedes.

Facilitation of operations at Edwards Air Force Base

The House bill contained a provision (sec. 1048) that would authorize the Secretary of the Air Force to provide assistance to the Dryden Flight Research Center of the National Aeronautics and Space Administration.

The Senate amendment contained no similar provision.

The House recedes.

Operation, maintenance, and upgrade of Air Force space launch facilities

The House bill contained a provision (sec. 1050) that would prohibit the obligation of funds appropriated for the operation, maintenance, or upgrade of the Western and Eastern Space Launch Facilities of the Air Force for any other purpose.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that maintaining a strong, robust space launch capability, including modern and well maintained space launch facilities, is essential to preserving a strong military and scientific capability. The conferees believe that the reprogramming of any resources appropriated to ensure that space launch facilities are fully maintained in their best condition, should only be conducted if planned launches, or other programmed activities, are canceled.

Southwest border fence

The Senate amendment contained a provision (sec. 333) that would require the Secretary of Defense to perform an analysis of the effectiveness of the Southwest border fence in reducing the flow of drugs into the United States before further expansion.

The House bill contained no similar provision.

The Senate recedes.

The conferees are concerned with the continued transportation of narcotics across the Southwest border and into the United States. Over the past few years, the Department of Defense has explored several initiatives to reduce this flow of illegal drugs. One such initiative was the construction of a border fence along portions of the border. Although the conferees support such initiatives, the conferees believe that a thorough analysis should be performed to determine how the fence might be made more effective before the Department proceeds with any planned expansion. The conferees direct the Secretary of Defense to undertake such an analysis.

In the interim, the conferees recommend $3.0 million to facilitate completion of the Southwest border fence project from within the domestic law enforcement agencies support component of the Department of Defense Counter-Drug Plan.

Increase operations and maintenance for Army National Guard/reduce amounts from revised economic assumptions

The Senate amendment contained a provision (sec. 1005) that would reduce authorizations for appropriations to reflect the updated inflation estimates for fiscal year 1999 by the Office of Management and Budget. The amendment also increased funding for the Army National Guard operations and training programs, and the arms control programs of the Department of Energy.

The House bill contained no similar provision.

The Senate recedes.

The conferees agreed to adopt the revised economic assumptions. Funding for the Army National Guard and the Department of Energy arms control programs are discussed in other portions of this report.

Ship scrapping pilot program

The Senate amendment contained a provision (sec. 1017) that would direct the Secretary of the Navy to carry out a ship scrapping pilot program to gather data on the costs associated with scrapping and to demonstrate cost effective technologies and techniques that ensure worker safety and environmental protection. Under the pilot program, the Secretary would be required to give a greater weight to technical and performance-related factors than to cost and price-related factors. The Secretary of the Navy would also be required to give significant weight to technical qualifications and past performance of the contractor and major subcontractors or team members of the contractor in complying with applicable legal requirements for environmental protection and worker safety.

The House bill contained no similar provision.

The Senate recedes.

The conferees acknowledge the recommendations of the 1998 Report of the Interagency Panel on Ship Scrapping. Consistent with those recommendations, the conferees object to any congressionally mandated restrictions or prohibitions related to domestic or overseas scrapping of naval vessels.

Report on inventory and control of military equipment

The Senate amendment contained a provision (sec. 1025) that would require the Department of Defense to perform a thorough review of its inventory of military equipment and submit a report to the Congress outlining the location of this equipment, or the efforts of the Department in locating any equipment that could not be located.

The House bill contained no similar provision.

The Senate recedes.

Report on reduction of infrastructure costs at Brooks Air Force Base, Texas

The Senate amendment contained a provision (sec. 1033) that would require the Secretary of the Air Force to submit a report, not later than December 31, 1998, on the options for the reduction of infrastructure costs at Brooks Air Force Base, Texas.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to include a requirement for the Secretary of Defense to assess the options to reduce infrastructure costs at Brooks Air Force Base, Texas, in section 2814 concerning leasing and other alternative uses of non-excess military property.

Sense of the Senate regarding declassification of classified information of the Department of Defense and the Department of Energy

The Senate amendment contained a provision (sec. 1069) that would set forth the sense of the Senate that the Secretaries of Defense and Energy should request adequate funds in fiscal year 2000 for activities relating to the declassification of information required by Executive Order 12958 and the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

The House bill contained no similar provision.

The Senate recedes.

The conferees have addressed this issue in a separate section in Title XXXI of this Act.

Sense of the Senate regarding the August 1995 assassination attempt against President Shevardnadze of Georgia

The Senate amendment contained a provision (sec. 1081) that would express the sense of the Senate that the Russian Federation should extradite the alleged perpetrators of the August 5, 1995 assassination attempt on the life of President Shevardnadze to Georgia to stand trial, that the Russian Federation and the Russian Minister of Defense should cooperate and ensure that Russian military bases on Georgian territory are not used to facilitate the escape of perpetrators acting against the Government and committing acts in violation of the national sovereignty of Georgia, and that the U.S. Government should use all available authorities to provide assistance to ensure the safety of the President of Georgia.

The House bill contained no similar provision.

The Senate recedes. However, the conferees do agree that the Russian Federation should respect the national sovereignty of Georgia and the Russian Ministry of Defense should cooperate to ensure that its military bases located on Georgian territory are not used to facilitate acts of terrorism and violence, nor used to protect and provide escape to perpetrators of terrorism or violence against the Georgian Government or its people.

Eliminating secret Senate holds

The Senate amendment contained a provision (sec. 1083) that would state that it is a standing order of the Senate that a Senator who provides notice to leadership of his intention to object to proceeding to a motion or matter shall disclose the objection or hold in the Congressional Record not later than two session days after the date of the notice. The provision also stated that it was adopted as an exercise of the rulemaking process of the Senate and with full recognition of the constitutional right of the Senate to change its rules at any time.

The House bill contained no similar provision.

The Senate recedes.

Cooperation between the Department of the Army and the Environmental Protection Agency in meeting the Chemical Weapons Convention requirements

The Senate amendment contained a provision (sec. 1087) that would require the Department of Defense (DOD), in coordination with the Environmental Protection Agency (EPA), to submit a report to the congressional defense committees by April 1, 1999. The report would address the mutual responsibilities of DOD and EPA with respect to the Resource Conservation and Recovery Act (RCRA)(42 U.S.C. 6901 et seq.) permit process related to fulfilling U.S. international obligations under the Chemical Weapons Convention (CWC).

The House bill contained no similar provision.

The Senate recedes.

The conferees note that compliance with international obligations to destroy the U.S. chemical weapons stockpile by April 28, 2007, as required under the CWC, is a national priority. Given the international obligation of the United States under the CWC, the President must ensure that DOD and the Army receive all necessary assistance from federal agencies to facilitate the safe and effective destruction of the lethal chemical stockpile.

The EPA is a federal agency with specific oversight responsibility for states with authorized hazardous waste programs under RCRA. The conferees expect EPA to exercise its oversight responsibility in a way that supports the DOD and the Army in the execution of CWC obligations. The conferees, however, have been apprised of EPA assertions that it is not adequately funded to meet its federal RCRA permitting responsibilities associated with CWC commitments. The conferees expect that EPA shall work in concert with federal, state, and local government entities in the successful resolution of issues related to the destruction of the U.S. chemical weapons stockpile, and that the EPA shall properly budget for these efforts.

The conferees are concerned about the possibility that inadequate EPA planning and budgeting could be used as a justification for authorization of the Army funding of EPA obligations. Such a justification would be inappropriate. In addition, there remains a question about the extent to which EPA must participate in the CWC RCRA permit process, particularly in states with authorized hazardous waste programs. The conferees agree that the level of EPA participation must not exceed the requirements related to federal regulatory oversight under RCRA.

The Army received specific authorization to reimburse states for their efforts in permitting chemical demilitarization facilities in the National Defense Authorization Act for Fiscal Year 1986, but there was no provision for EPA reimbursement. There is no statutory authority for the Army to reimburse EPA for federal regulatory oversight activities related to the CWC RCRA permit process.

The conferees direct the Secretary of Defense and the Administrator of the EPA to submit a report to the congressional defense committees by April 1, 1999 that includes the following: (1) a detailed description of the federal, state, and local RCRA permitting responsibilities related to CWC obligations to destroy the U.S. chemical stockpile, with particular focus on the federal regulatory role in states with authorized hazardous waste programs; (2) a description of the state authorized hazardous waste programs in those states with existing or projected chemical weapons destruction sites; (3) the level of technical assistance provided by EPA to its regional offices and to the state and local governments in the overall RCRA permitting process, the legal basis for such assistance, and how such assistance supports the national commitment to destroy U.S. chemical weapons, particularly in states with authorized hazardous waste programs; (4) the legal rationale, if any, for the Army to fund EPA technical assistance for EPA regional offices, and for the state and local governments in the RCRA permitting process associated with chemical weapons destruction, particularly in relation to state authorized hazardous waste programs; (5) the legal rationale, if any, for the Army to fund EPA attendance of meetings with the National Chemical Agent Demilitarization Workgroup, meetings between the Office of Solid Waste and the affected EPA Regional Offices and states, and meetings between the Office of Solid Waste, the Program Manager for Chemical Demilitarization, and DOD; (6) the legal rationale, if any, for DOD or the Army to provide funds to EPA for employment of full time equivalents (FTEs) to assist in the formulation of RCRA permits, the projected geographical location of the FTEs, and the projected function of the FTEs in relation to CWC RCRA permit requirements; (7) a complete explanation of the need, if any, for the Army to fund the EPA role with respect to CWC RCRA permit requirements, a complete description of the overall EPA functions and activities that may require Army funding, an identification of the other instances in which the Army has provided funds to EPA for other RCRA permit oversight activities, and the specific authority for the proposed level of EPA participation in CWC RCRA permit process; and (8) the Army and EPA funding levels within the President's budget projected to support the RCRA permit process related to CWC for fiscal year 1999 and the out years.

Title XI—Department of Defense Civilian Personnel

Legislative Provisions Adopted

Defense Advanced Research Projects Agency experimental personnel management program for technical personnel (sec. 1101)

The Senate amendment contained a provision (sec. 1105) that would authorize the Secretary of Defense special personnel management authorities to carry out a five-year experimental personnel management program in which eminent experts in science and engineering fields for research and development projects administered by the Defense Advanced Research Projects Agency could be hired and paid without regard to existing civil service laws concerning appointment and compensation. The provision would limit authority to a maximum of five years and would require the Secretary of Defense to submit an annual report to the Congress beginning in fiscal year 1999.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Maximum pay rate comparability for faculty members of the United States Air Force Institute of Technology (sec. 1102)

The Senate amendment contained a provision (sec. 1102) that would permit civilian faculty at the United States Air Force Institute of Technology to be paid at the same level as civilian faculty at other senior military schools and the service academies.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Authority for release to Coast Guard of drug test results of civil service mariners of the Military Sealift Command (sec. 1103)

The House bill contained a provision (sec. 1101) that would permit the Secretary of the Navy to release to the Coast Guard the results of a drug test of a former employee of the Department of the Navy who was employed as a civil service mariner.

The Senate amendment contained no similar provision.

The Senate recedes.

Limitations on back pay awards (sec. 1104)

The House bill contained a provision (sec. 1102) that would clarify that any award of back pay to civil service employees, resulting from a finding of an unjustified personnel action adjudged under section 5596 of title 5, United States Code, shall not exceed six years, unless a shorter limitation period applies.

The Senate amendment contained no similar provision.

The Senate recedes.

Restoration of annual leave accumulated by civilian employees at installations in the Republic of Panama to be closed pursuant to the Panama Canal Treaty of 1977 (sec. 1105)

The House bill contained a provision (sec. 1103) that would provide federal employees, working to close installations in the Republic of Panama in accordance with the Panama Canal Treaty Implementation Plan, the same automatic restoration of excess annual leave that is provided to employees at bases closed under current base realignment and closure procedures.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of program providing preference for employment of military spouses in military child care facilities (sec. 1106)

The House bill contained a provision (sec. 1104) that would repeal section 1792d of title 10, United States Code, which provides military spouses with an additional hiring preference in the civil service that has proven unnecessary given the other general military spouse preferences provided by section 1784 of title 10, United States Code.

The Senate amendment contained a similar provision (sec. 1101).

The Senate recedes.

Observance of certain holidays at duty posts outside the United States (sec. 1107)

The House bill contained a provision (sec. 1106) that would allow civil service employees, working in foreign areas where the regular work week is other than Monday through Friday, to observe federal holidays in conjunction with a weekend.

The Senate amendment contained no similar provision.

The Senate recedes.

Random drug testing of Department of Defense employees (sec. 1108)

The House bill contained a provision (sec. 1025) that would expand the current drug testing program of the Department of Defense by requiring that all civilian employees be subject to random tests, rather than just those serving in sensitive positions as required by executive order.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would codify the executive order which requires random drug testing of those serving in sensitive positions, and authorize the Secretary of Defense to test any employee of the Department of Defense if there is a reasonable suspicion that the employee uses illegal drugs.

Department of Defense employee voluntary early retirement authority (sec. 1109)

The Senate amendment contained a provision (sec. 1104) that would modify the conditions under which voluntary early retirement would be authorized for civilian employees of the Department of Defense.

The House bill contained no similar provision.

The House recedes with an amendment that would change the effective date to October 1, 2000.

LEGISLATIVE PROVISIONS NOT ADOPTED

Elimination of retained pay as basis for determining locality-based adjustments

The House bill contained a provision (sec. 1105) that would eliminate windfall pay adjustments that have been made to some federal employees by requiring that future pay adjustments be measured against the pay rate necessary to retain the employees and eliminate the windfall.

The Senate amendment contained no similar provision.

The House recedes.

Four-year extension of voluntary separation incentive pay authority

The Senate amendment contained a provision (sec. 1103) that would extend until September 30, 2003, the civilian voluntary separation incentive pay authority established by 5597(e) of Title 5, United States Code.

The House bill contained no similar provision.

The Senate recedes.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—United States Armed Forces in Bosnia and Herzegovina

United States armed forces in Bosnia and Herzegovina (secs. 1201–1205)

The House bill contained a provision (sec. 1202) that would express the views and concerns of Congress regarding the participation of U.S. armed forces in NATO operations in Bosnia and would require the President to report to Congress on the continued participation of U.S. armed forces in NATO operations in Bosnia and the status of progress achieved in implementing the civilian tasks of the Dayton Accords on an annual basis. The provision would also require the Secretary of Defense to report to Congress by December 15, 1998 on the effects of the military operations in Bosnia on the readiness of U.S. armed forces and the ability of U.S. forces to conduct two nearly simultaneous major regional conflicts.

The Senate amendment contained three provisions regarding the continued participation of U.S. ground combat forces in NATO operations in Bosnia. One provision (sec. 1065) would express the sense of Congress that the funds sufficient to cover continued U.S. participation in the NATO operation in Bosnia should be included in the defense budget and in the Future Years Defense Program above the defense topline contained in the Balanced Budget Agreement of 1997, rather than through reprogrammings or rescissions of existing defense activities. Another provision (sec. 1066) would express concerns that U.S. armed forces should not act as civil police in Bosnia and would require the President to submit a report to Congress on the status of establishing a NATO force of gendarmes, to include information on the mission of the force, the composition of the force, and the extent to which, if any, U.S. forces will participate in the force.

Lastly, the Senate amendment included a provision (sec. 1072) that would express the sense of Congress that U.S. ground combat forces should not remain in Bosnia indefinitely, that a NATO-led follow-on force, without participation of U.S. combat forces, would be suitable to continue implementation of the Dayton Agreement if the European Security and Defense Identity is not sufficiently established, that our European allies should take steps to establish a European follow-on force, led either by the Western European Union (WEU) or NATO, and that the President should continue to consult closely with Congress on the progress in implementing the Dayton Agreement and in reducing and ultimately withdrawing U.S. ground combat forces from Bosnia. It would also require the President to report to Congress by September 30, 1998 on the impact on the security situation in Bosnia that would result from a phased reduction of U.S. military forces, and the prospects for establishing a self-sustaining peace and stable government in Bosnia. Finally, it would require the President to submit a report to Congress on the following: the performance objectives, to include the benchmarks reported in the latest semi-annual report submitted under section 7(b)(2) of the 1998 Supplemental Appropriations and Rescissions Act, and schedule for implementing the Dayton Agreement, to include objectives not specifically covered in the Dayton Agreement and support provided by U.S. forces to the military and non-military objectives. Along with the budget request for fiscal year 2000 and each time the President submits a proposal for funding continued operations of U.S. forces in Bosnia, the provision would require the President to submit a report to Congress including information on the mission of U.S. forces, the support provided by U.S. armed forces to military and non-military missions; U.S. armed forces participation in apprehending war criminals and any role in connection with civilian police functions; the role of U.S. armed forces in assisting in the resettlement of refugees and the support of U.S. armed forces in supporting international and local civilian authorities. The report would also include an assessment of the cost to the United States by fiscal year of carrying out the aforementioned missions, and a joint assessment by the Secretary of Defense and the Secretary of State on the status of planning for European military and paramilitary forces to take over the remaining military missions in Bosnia, and for the establishment and support of a forward-based U.S. rapid reaction force outside Bosnia that would be capable of responding rapidly to threats posed in Bosnia, and of providing support to a European follow-on force to ensure that it is fully capable of accomplishing the implementation of the Dayton Agreement.

The conferees agree to three provisions (secs. 1201–1204) that would combine, update, and clarify the provisions contained in the House bill and Senate amendment and to an additional provision (sec. 1205) that would contain definitions for the subtitle containing these provisions.

Subtitle B—Matters Relating to Contingency Operations

Report on involvement of Armed Forces in contingency and ongoing operations (sec. 1211)

The Senate amendment contained a provision (sec. 1030) that would require the Secretary of Defense to submit a report to the congressional defense committees outlining: 1) the effects of U.S. involvement in contingency operations on the retention and reenlistment of personnel in the armed forces; 2) the extent to which involvement in these operations has resulted in shortfalls in personnel and equipment; 3) the cost of these operations and the accounts from which the funds to pay these costs were drawn; and 4) the objectives of the operation and the set of conditions that defines the end of each operation.

The House bill contained no similar provision.

The House recedes.

Submission of report on objectives of a contingency operation with requests for funding for the operation (sec. 1212)

The Senate amendment contained a provision (sec. 1031) that would require the Secretary of Defense to include with the initial funding request for any contingency operation involving the deployment of over 500 U.S. military personnel, a report outlining the objectives of the operation, and the conditions or date that defines the end of that operation.

The House bill contained no similar provision.

The House recedes.

Subtitle C—Matters Relating to NATO and Europe

Limitation on United States share of costs of NATO expansion (sec. 1221)

The House bill contained a provision (sec. 1211) that would limit the amount spent by the United States as its share of the total cost of enlarging the North Atlantic Treaty Organization NATO) to 10 percent of the cost of expansion, or a total of $2.0 billion, whichever is less, for fiscal years 1999 through 2011.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit the U.S. share of the costs of enlarging NATO to include Poland, Hungary, and the Czech Republic to 25 percent of the commonly-funded costs, or $2.0 billion, whichever is less, for fiscal years 1999 through 2011.

Report on military capabilities of an expanded NATO alliance (sec. 1222)

The House bill contained a provision (sec. 1203) that would require the Secretary of Defense to provide a report to Congress by March 15, 1999 on the planned future requirements and military capabilities of an enlarged North Atlantic Treaty Organization (NATO).

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees agree that continued U.S. participation in NATO advances U.S. national security interests in the region, as well as around the world. Additionally, the conferees endorse the concerns expressed by the House (H. Rept. 105–532) that information prepared both by the United States and NATO military authorities on the costs of enlarging the Alliance to include Poland, Hungary, and the Czech Republic was contradictory. However, the conferees understand that the differing information offered by the Department of Defense, the Congressional Budget Office, RAND, and NATO, in the varying reports submitted on the costs of enlarging the Alliance, as well as on the capabilities of the prospective new Alliance members and the future Alliance military capabilities and requirements, was the result of the use of different criteria and assumptions.

In an effort to compile all the information contained in the various reports of the DOD and NATO on the military requirements and costs of enlarging the Alliance, the conferees agree to a provision that would require the Secretary of Defense to provide a report to Congress by March 15, 1999 that would include information on the planned future military capabilities of an Alliance that includes Poland, Hungary and the Czech Republic, along with an assessment of the tactical, operational and strategic military requirements raised by their inclusion. The report is to include information on the military capabilities of the forces of Poland, Hungary and the Czech Republic, and their ability to achieve the minimum military requirements established by NATO prior to their anticipated accession to the Alliance in 1999, as well as the improvements to common Alliance military assets and to the national capabilities of current NATO members as a result of including these new prospective members in the Alliance.

In addition, the report is to include information on required improvements to the national military capabilities of prospective new members, and any additional necessary improvements to the common Alliance military assets to carry out both Article V of the Washington Treaty of 1949 and contingency operations.

Lastly, the report should include information on any additional assistance the United States may agree to provide on a bilateral basis to assist Hungary, Poland, and the Czech Republic in meeting additional requirements related to enlarging the Alliance.

Reports on the development of the European security and defense identity (sec. 1223)

The Senate amendment contained a provision (sec. 1032) that would require the Secretary of Defense to submit a report to the congressional defense committees by December 15, 1998, and thereafter submit a report on a semiannual basis, on the progress achieved in establishing an European Security and Defense Identity (ESDI) within the North Atlantic Treaty Organization (NATO).

The House bill contained no similar provision.

The House recedes with an amendment.

Several years ago, the North Atlantic Treaty Organization (NATO) decided to build a European pillar within NATO that would enable the Western European Union (WEU), with the consent of the Alliance, to assume the political control and strategic direction of NATO assets and capabilities. The establishment of an ESDI within the Alliance is a welcome and extremely important development. With the worldwide commitments of the United States, the successful development of an ESDI is very much in our national interests, since it could enable the WEU to carry out operations without the participation of U.S. Armed Forces.

The conferees agree to a provision that would require the Secretary of Defense to submit an initial report to the congressional defense committees by December 15, 1998 on the plans developed and actions taken to establish an ESDI. Thereafter, the report shall be submitted on a semiannual basis and shall include information on the status of progress made in developing an ESDI. The submission of semiannual reports on the progress in establishing an ESDI would be terminated when the Secretary of Defense reports that an ESDI has been successfully established.

Subtitle D—Other Matters

Limitation on the assignment of United States forces for certain United Nations purposes (sec. 1231)

The House bill contained a provision (sec. 1044) that would prohibit the use of Department of Defense funds to assign any member of the armed forces to duty with the United Nations Rapidly Deployable Mission Headquarters.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees agree that not more than eight members of the U.S. Armed Forces may be assigned to the United Nations Rapidly Deployable Mission Headquarters during fiscal year 1999. Additionally, the conferees agree that no funds available to the Department of Defense during fiscal year 1999 may be used, either as a contribution to the United Nations to establish a United Nations standing international force, or to assign or detail U.S. Armed Forces to a United Nations Stand By Force.

Kyoto Protocol to the United Nations Framework Convention on Climate Change (sec. 1232)

The House bill contained a provision (sec. 1210) that would provide that no provision of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, or any related regulation, could restrict the procurement, training, or operation and maintenance of the U.S. Armed Forces.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

The conferees note that the Kyoto Protocol has not yet been submitted to the Senate, and as such, a full Senate debate on the ratification of the Kyoto Protocol has not taken place. It is not the intention of the conferees, through this provision, to predetermine the outcome of the Senate debate on the advice and consent to ratification of the Kyoto Protocol.

The conferees are aware that the Department of Defense has undertaken a number of activities to achieve greater efficiency in its operations. These include a broad-based effort to improve the energy efficiency of its buildings and facilities and an effort to improve the fuel efficiency of trucks and combat vehicles for the purpose of reducing the fuel logistics burden associated with the deployment of armed forces. The conferees do not intend to prohibit or discourage such efforts, provided that they are undertaken for a purpose other than the implementation of the Kyoto Protocol.

Defense burdensharing (sec. 1233)

The Senate amendment contained a provision (sec. 1084) that would amend section 1221 of the National Defense Authorization Act for Fiscal Year 1998, placing more emphasis on increasing allied burdensharing in the area of military contributions to defense and could take one or more actions: increase financial contributions to the payment of nonpersonnel costs to the U.S. Government for the stationing of U.S. military personnel in a foreign country, increase annual budgetary outlays for national defense, increase the amount of military assets that a country contributes to multinational military activities worldwide, or increase annual budgetary outlays for foreign assistance by September 30, 1999. The Secretary of Defense would be required to report to Congress by March 1, 1999, on the progress achieved in increasing allied defense burdensharing. The Secretary of Defense would also be required to provide an assessment to Congress by March 1, 1999, of forward deployed U.S. forces permanently stationed outside the United States and the national security interests that support the forward deployment of the forces, as well as the cost associated with stationing these elements outside the United States, and potential alternatives to meet national security interests or alliance requirements.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Transfer of excess UH–1 Huey and AH–1 Cobra helicopters to foreign countries (sec. 1234)

The House bill contained a provision (sec. 1215) that would require the Secretary of Defense to make all reasonable efforts to ensure that any excess UH–1 Huey or AH–1 Cobra helicopters that are to be transferred to a foreign country for flight operations are in the same maintenance condition that such a helicopter would require for operational use by U.S. military forces.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that any funds that are used for such maintenance be provided from funding sources outside of those available to the Department of Defense.

Transfers of naval vessels to certain foreign countries (sec. 1235)

The Senate amendment contained a provision (sec. 1013) that would transfer, on a grant, lease, or sale basis, upon notification to the Congress certain ships to foreign countries.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Repeal of the landmine moratorium (sec. 1236)

The House bill contained a provision (sec. 1205) that would repeal section 580 of the Foreign Operations Appropriations Act of 1996 (Public Law 104–107) which requires a one-year moratorium on the use of anti-personnel landmines by U.S. armed forces on February 12, 1999.

The Senate amendment contained a provision (sec. 1074) that would provide the President authority to waive, if deemed to be in the national security interests, the one-year moratorium on the use of anti-personnel landmines by U.S. armed forces as required by section 580 of the Foreign Operations Appropriations Act of 1996.

The Senate recedes.

Application of authorities under the International Emergency Economic Powers Act to communist Chinese military companies (sec. 1237)

The Senate amendment contained provisions (secs. 3601–3602) that would apply certain authorities under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) to business entities controlled by the People's Liberation Army of the People's Republic of China, as well as require the Secretary of Defense to compile and continually update a list, to be published in the Federal Register, of the communist Chinese military companies that are operating, directly or indirectly, in the United States.

The House bill contained no similar provisions.

The House recedes with a technical amendment.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

LEGISLATIVE PROVISIONS ADOPTED

Cooperative Threat Reduction (CTR) program (secs. 1301–1309)

The budget request included $442.4 million for the Cooperative Threat Reduction (CTR) program.

The House bill contained provisions (secs. 1301–1311) that would authorize $417.4 million for the CTR program for fiscal year 1999, a $25.0 million decrease to the budget request; allocate fiscal year 1999 funding for various CTR programs and activities; prohibit the use of funds for specific activities; prohibit the use of funds for the construction of a chemical weapons destruction facility in Russia and reallocate a portion of these funds to additional strategic offensive elimination projects in Russia and Ukraine; limit the availability of CTR funds; require that future budget requests for CTR include a descriptive summary and funding breakout of activities; would limit the use of CTR funds until various reports, notifications and certifications are received by Congress; require a report on biological weapons activities in Russia; limit the use of CTR funds for biological proliferation prevention activities in Russia; and limit the use of CTR funds for strategic offensive elimination activities in Russia and Ukraine in excess of the budget request pending the receipt of a report.

The Senate amendment would authorize $440.4 million, a $2.0 million reduction to the budget request, and contained provisions (secs. 1036 and 1041) that would require the Secretary of Defense to report to the congressional defense committees on the need for and the feasibility of programs to further U.S. nonproliferation objectives regarding former Soviet experts in ballistic missiles and weapons of mass destruction; and would authorize the Secretary of Defense to provide assistance necessary to destroy, remove or obtain from a country, weapons of mass destruction or materials, equipment or technology related to the delivery or development of weapons of mass destruction.

The conferees agree to a series of provisions that would authorize $440.4 million for the CTR program, establish sublimits for CTR activities and provide the Secretary of Defense limited authority to exceed established sublimits for fiscal year 1999, pending appropriate Congressional notification.

In addition, the conferees prohibit CTR funds from being used for activities related to peacekeeping activities with Russia, the provision of housing, assistance to promote environmental restoration, to promote job retraining, or for the provision of assistance to Russia or any other state of the former Soviet Union to promote defense conversion. The conferees understand that the provision of housing for decommissioned officers in Russia remains an issue for Russia as it reduces its strategic military forces. Although the conferees reiterate their strong belief that CTR funds should not be used to provide housing, they encourage the appropriate agencies of the U.S. Government with responsibility for this issue to explore the matter of providing additional assistance as appropriate and urge the President to report to the Congress on any recommendations. The conferees will continue to review this issue in the future.

The conferees agree to limit the use of funds for chemical weapons destruction activities in Russia, pending a Presidential certification regarding Russia's chemical weapons program. In addition, the Department of Defense is required to submit as part of the Secretary's annual budget request to Congress a descriptive summary of the funds requested for the CTR program, to include the use of prior years CTR funds.

With regard to biological proliferation prevention activities in Russia, the conferees direct the Secretary of Defense to report to the congressional defense committees by March 1, 1999 on Russia's compliance with international agreements related to biological weapons and to provide an evaluation of the costs and benefits of collaborative research efforts between the United States and Russia. In addition, the conferees agree to limit the use of funds for biological weapons prevention activities in Russia until 15 days after the Secretary of Defense submits a report to the congressional defense committees regarding the use of CTR funds for cooperative research activities at biological research institutes in Russia.

The conferees also agree to require the Secretary of Defense, in consultation with the Secretary of Energy, to provide a report to the congressional defense committees no later than January 1, 1999 on their estimate of the number of individuals in the Former Soviet Union with expertise in weapons of mass destruction and the risks posed by that expertise if transferred to states potentially hostile to the United States. The report would also include a description of the activities conducted by the United States and other nations to assist in the employment of these experts in nonproliferation and nonmilitary related endeavors, and an assessment of such activities that should be reduced, maintained or expanded.

Lastly, the conferees agree to provide the Secretary of Defense authority to use funds authorized for the CTR program to provide a country of the Former Soviet Union with emergency assistance to remove or obtain from that country weapons of mass destruction or materials, equipment or technology related to the development or delivery of weapons of mass destruction. The conferees agree that no funds authorized for strategic offensive elimination activities in Russia or Ukraine shall be used for this activity. Except in certain limited situations, the Secretary of Defense shall not provide such assistance until 15 days after written notification is received by the congressional defense committees.

TITLE XIV—DOMESTIC PREPAREDNESS FOR DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION

LEGISLATIVE PROVISIONS ADOPTED

Defense against weapons of mass destruction (secs. 1401–1405)

The Department of Defense forwarded with its fiscal year 1999 budget request a number of legislative provisions to expand the ability of the Department of Defense to respond to domestic terrorist activity and the potential use by terrorists of weapons of mass destruction on U.S. territory.

The House bill contained a series of provisions (Title XIV) that would express the findings of Congress regarding the threat of terrorist use of weapons of mass destruction and the need to enhance domestic preparedness to respond to such incidents (sec. 1402), would direct the President to increase the effectiveness of the domestic emergency preparedness program and to report by January 31, 1999, the actions taken to develop an integrated program for such response (sec. 1411), would provide for an annual report on the program and recommendations for its improvement (sec. 1412); and would require the assessment of the threat and risk of terrorist employment of weapons of mass destruction against cities and other local areas (sec. 1413). The House bill would also establish an Advisory Commission to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction to provide recommendations to the President and the Congress for improvements in Federal, State, and local domestic emergency preparedness (secs. 1421–1429).

The Senate amendment contained no similar provisions.

The conferees agree that there is a need to improve domestic emergency preparedness to respond to the threat of terrorist use of weapons of mass destruction in the United States. The conferees are also aware that nearly 40 Federal departments and agencies are involved in combating terrorism (including the Departments of Justice, Defense, Energy, Health and Human Services, and the Federal Emergency Management Agency), and are concerned that the efforts of the Federal government to enhance domestic preparedness to respond to an incident involving weapons of mass destruction are hampered by incomplete interagency coordination and by the overlapping jurisdictions and missions of the various Federal departments and agencies. As a consequence, the conferees are concerned that state and local emergency response agencies are often presented with different and/or competing requirements and program priorities from the responsible Federal agencies.

The conferees are also aware of the actions taken by the President in Presidential Decision Directive 62, pursuant to direction contained in section 1441 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201), to establish the office of the National Coordinator for Security, Infrastructure Protection and Counter-Terrorism to oversee policies and programs in these areas. However, the conferees are not aware of specific actions that have been taken to insure an integrated, interagency program for improving domestic emergency response to the potential terrorist threat. The conferees are concerned that the Congress is not being kept adequately informed of the activities of the National Coordinator and the status of efforts undertaken to implement the responsibilities of the Office, pursuant to direction contained within section 1442 of the National Defense Authorization Act for Fiscal Year 1997. The conferees direct the National Coordinator to provide the congressional defense committees with a report by March 1, 1999 on the status of activities and efforts undertaken to coordinate policy and countermeasures against the proliferation of weapons of mass destruction.

The conferees agree to provisions that would require the President (sec. 1411) to increase the effectiveness of the domestic emergency preparedness program at the Federal, State, and local levels by establishing an integrated program built upon the program established under the Defense Against Weapons of Mass Destruction Act of 1996, and to submit a report to Congress by January 31, 1999 that outlines the actions taken in this regard. The conferees also agree to a provision (sec. 1412) that would amend the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) to include an annex to the report on oversight of counterterrorism and antiterrorism activities of the Federal government, submitted by the Director of the Office of Management and Budget, that would include information on the Federal government domestic emergency response program, and any recommendations for improving Federal, state and local domestic emergency response.

Further, the conferees agree to a provision (sec. 1413) that would require the Attorney General, in consultation with the Director of the Federal Bureau of Investigation and representatives of other Federal agencies and departments, and state and local agencies, to develop and test methodologies for assessing the threat and risk of terrorist employment of weapons of mass destruction against cities and local areas. Information from such assessments could be used to help determine the training and equipment requirements necessary for an effective domestic emergency response program.

Finally, the conferees agree to a provision (sec. 1421) that would require the Secretary of Defense, in consultation with the Attorney General, the Secretary of Energy, the Secretary of Health and Human Services, and the Director of the Federal Emergency Management Agency to enter into a contract with a federally funded research and development center to establish a panel to assess the capabilities for domestic response to terrorism involving weapons of mass destruction and to report to the President and the Congress recommendations for improvements in Federal, state, and local domestic emergency preparedness for such response. The conferees emphasize the guidance in the provision that the membership of the panel be drawn from private citizens with knowledge and expertise in emergency response matters, and direct that the recommendations of the local emergency response community be sought in the selection of the members of the panel.

Elsewhere in this Act, the conferees have included a provision (sec. 511) that would provide expanded authority for use of the Reserve Components to respond to domestic emergencies involving the use of weapons of mass destruction.

Title XV—Matters Relating to Arms Control, Export Controls, and Counterproliferation

Legislative Provisions Adopted

Subtitle A—Arms Control Matters

One-year extension of limitation on retirement or dismantlement of strategic nuclear delivery systems (sec. 1501)

The Senate amendment contained a provision (sec. 1043) that would extend by one year section 1302(e) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85).

The House bill contained no similar provision.

The House recedes with a technical amendment.

Transmission of executive branch reports providing Congress with classified summaries of arms control developments (sec. 1502)

The House bill contained a provision (sec. 1032) that would direct the Director of the Arms Control and Disarmament Agency (ACDA), or the Secretary of State (if ACDA is merged into the Department of State), to submit reports to Congress on a periodic basis summarizing the status of negotiations on arms control matters, and developments in the various arms control forums, in which the United States is a participant. These forums include the Joint Compliance and Inspection Commission, the Joint Verification Commission, the Open Skies Consultative Commission, the Standing Consultative Commission, and the Joint Consultative Group.

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Report on adequacy of emergency communications capabilities between the United States and Russia (sec. 1503)

The Senate amendment contained a provision (sec. 1044) that would express the sense of the Congress that a direct line of communications between U.S. and Russian commanders of strategic forces would be a useful confidence building tool, and would require the Secretary of Defense to submit a report to the Committee on Armed Services of the Senate and the House Committee on National Security on the feasibility of initiating discussions between the United States and Russia on such a direct line of communication.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a report within three months of enactment of this Act on the status and adequacy of current direct communications capabilities between the governments of the United States and the Russian Federation. The report is to include recommendations for improvements, if necessary, to improve direct communications capabilities. In addition, the report would include an assessment of the feasibility and the desirability of establishing communications links between United States commanders in chief and their Russian counterparts.

Russian nonstrategic nuclear weapons (sec. 1504)

The Senate amendment contained a provision (sec. 1070) that would express concerns of the Senate that the Russian nonstrategic nuclear arsenal, estimated to include around 7,000 to 12,000 tactical nuclear weapons, may pose a great threat in the world if they are sold or are stolen, and could become strategically destabilizing. Since the end of the Cold War, the United States has unilaterally reduced its tactical nuclear stockpile by almost ninety percent, and the Senate calls on the Russian Federation to live up to its pledges in 1991 and 1992 to implement steep reductions in its tactical nuclear stockpile. The provision would require the Secretary of Defense to submit a report to the Congress by March 15, 1999 on the current Russian Federation tactical nuclear stockpile, including an assessment of the strategic implications of using tactical nuclear weapons in a strategic role, as well as an assessment of the Russian command and control of its tactical nuclear stockpile and the threat posed by the possible sale, or theft of tactical nuclear weapons, and past, current and planned efforts of the United States to work cooperatively with the Russian Federation to reduce its tactical nuclear stockpile and related fissile material.

The House bill contained no similar provision.

The House recedes with an amendment that would express the concerns of the Congress that the vast Russian Federation tactical nuclear stockpile poses a grave threat to the world, and that the Russian Federation should live up to its pledges in 1991 and 1992 to significantly reduce its tactical nuclear stockpile.

In addition, the conferees direct the Secretary of Defense to submit a report to the Congress by March 15, 1999, including the views of the Director of Central Intelligence and the commander of the United States Strategic Command, on the current Russian Federation tactical nuclear stockpile, assessing the strategic and destabilizing implications of the use of tactical nuclear weapons used in a strategic role. In addition, the report should include an analysis of Russia's command and control of its tactical nuclear stockpile, and the threat posed by the theft, sale or unauthorized use of the warheads of these weapons. Lastly, the report should include a summary of past, current, and planned U.S. efforts to assist Russia in reducing its stockpile, as well as a summary of how the United States would cope militarily if Russia threatens to employ or actually use its tactical nuclear weapons in a regional conflict involving the United States or its allies.

Subtitle B—Satellite Export Controls

Satellite export controls (secs. 1511–1516)

The House bill contained provisions (secs. 1206–1209 and 1212) regarding the export of satellites of U.S. origin and their launch on space launch vehicles owned by the People's Republic of China (PRC). The provisions would prohibit the participation of U.S. persons in the investigations of satellite launch failures; prohibit the export of missile equipment and technology to the PRC; prohibit the export or reexport of satellites, information, equipment and technology to the PRC; and transfer the jurisdiction for licensing the export of satellites and satellite components to the Department of State.

The Senate amendment contained no similar provisions.

The conferees agree to transfer the jurisdiction for the export of satellites to the U.S. Munitions List, administered by the Department of State, effective March 15, 1999, and direct the Secretary of State, in consultation with the Secretary of Defense and the Secretary of Commerce, to report to the Congress by January 1, 1999 on steps necessary to implement the transfer in a manner that will permit timely and orderly processing of applications for export licenses, consistent with current law. The conferees understand that the transfer of these advanced technologies to the jurisdiction of the Department of State may result in the need for additional personnel to assist in the evaluation of license applications. To provide additional resources for this purpose, the conferees agree to a provision that would amend section 45 of the State Department Basic Authorities Act of 1956 to allow the Office of Defense Trade Controls of the Department of State to retain all registration fees, which are to be used for the payment of expenses incurred in acquiring additional personnel to evaluate and process license applications, as well as to improve the monitoring of compliance with the terms of the licenses.

The conferees also agree to a provision that would require the President to certify to Congress in advance of any export to the PRC of missile technology or equipment, as defined in section 74 of the Arms Export Control Act, that the export will not be detrimental to the U.S. space launch industry and that the export will not measurably improve the missile or space launch capabilities of the PRC. The conferees note that this certification is not, and is not intended to be, a prohibition on the export of U.S. satellites to be launched by the PRC, but is intended to ensure that U.S. national security would not be jeopardized by any such export.

In addition to the transfer of jurisdiction to the U.S. Munitions List, the conferees direct the President to implement a series of actions to improve the national security controls on the export licensing of satellites and their related items not later than 45 days after enactment of this Act. These actions include, among other requirements, ensuring the full reimbursement to the Department of Defense for the costs of providing launch monitoring services, to ensure that no unauthorized transfer of technology occurs, by the person or entity receiving such services with respect to a satellite launch in a foreign country. The provision also requires the Secretary of Defense to establish a program to recruit, train and maintain a staff of personnel dedicated to monitoring foreign launches of U.S. satellites. The conferees agree to provide an exception to these increased national security controls to countries that are members of NATO or are major non-NATO allies of the United States.

The President is authorized by section 902 of the Foreign Relations Authorization Act for Fiscal Years 1990 and 1991 to waive certain restrictions regarding the export of satellites to China, but must report to the Congress on the waiver of these restrictions. In addition to the report required by section 902(b), the conferees agree that a detailed justification shall accompany this report setting forth information related to the militarily-sensitive characteristics integrated within or associated with the satellite, an estimate of the number of U.S. personnel necessary in-country to monitor the proposed launch, a description of the U.S. Government's plan to monitor the proposed launch, the estimated cost to the Department of Defense to provide monitors for the launch and the amount to be reimbursed to the Department, and the national security interests for launching the satellite in a foreign country. The conferees direct the President to include information in the report regarding the impact of the export of satellites to the PRC on U.S. employment, including the creation of jobs in the United States or, in the event of a denial of an export license, the loss of jobs in the United States. Additionally, the report is to include information related to the balance of trade between the United States and the PRC and the transition of the PRC from a nonmarket economy to a market economy.

Lastly, the conferees understand that, with transfer of satellites and related items to the U.S. Munitions List, and the enhanced role of the Department of Defense in export control activities, there may be a requirement for additional personnel in the Defense Technology Security Administration (DTSA) (or any successor organization), to assist in the evaluation of license applications, as well as to monitor the foreign launches of U.S. satellites. The conferees expect the Department to include in its report to the congressional defense committees any requirements for additional personnel. Additionally, the conferees believe that the Department may have available through the On-Site Inspection Agency (OSIA) personnel who would be suitable to perform such monitoring tasks, as required by this Act, and direct the Department to report on the possibility of using OSIA personnel in the monitoring of foreign launches, as well as in the evaluation of, and compliance with, license applications.

The conferees emphasize that the agreement to transfer commercial communication satellites and their related items from the Commerce Control List to the Munitions List is not done with the intention of penalizing or harming an important U.S. industry or the competitive posture of the U.S. satellite industry. Rather, it is the intention of the conferees to affirm the importance of U.S. national security interests in considering the export of advanced technology to foreign countries, which might enhance or contribute to their military capabilities.

Subtitle C—Other Export Control Matters

Authority for export control activities of the Department of Defense (sec. 1521)

The House bill contained a provision (sec. 904) that would invest in the Under Secretary of Defense for Policy responsibility for the overall supervision of activities of the Department of Defense relating to export controls and require a report on the plans of the Secretary of Defense to implement this provision.

The Senate amendment contained no similar provision.

The conferees agree to a provision that would establish a Deputy Under Secretary of Defense for Technology Security Policy, whose principal responsibilities would include the supervision and direction of activities of the Defense Technology Security Administration, or any successor organization charged with similar responsibilities, and other activities of the Department of Defense related to export controls. Because the position does not require Senate confirmation, the conferees express their view that this position be filled by a qualified individual with knowledge of the military implications of technology exports. The Secretary of Defense would be required to report to the congressional defense committees on the plans for implementing this provision, to include any organizational changes to the Department, and a description of the role of the Chairman of the Joint Chiefs of Staff in the export control activities of the Department of Defense.

Release of export information by the Department of Commerce to other agencies for the purpose of national security assessment (sec. 1522)

The House bill contained a provision (sec. 1213) that would require the Secretary of Commerce to transmit post-export information to the Director of Central Intelligence, the Secretary of Defense, and the Secretary of Energy for the purpose of conducting national security risk assessments within five days of receiving a request for such information. The provision would also allow the Director of Central Intelligence, the Secretary of Defense, and the Secretary of Energy to delegate authority to other officials within their respective departments or agencies to request such information from the Department of Commerce.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Department of Commerce to respond within 10 days of receiving a request for such information in order to conduct national security risk assessments. The amendment would expand the officials authorized to request information that is necessary to conduct national security risk assessments, to include the Secretary of State.

Nuclear export reporting requirement (sec. 1523)

The House bill contained a provision (sec. 1216) that would require prior congressional notification of the export or retransfer of special nuclear materials or production facilities, as defined by the Atomic Energy Agency Act of 1954, to any country that is not a member of the Organization for Economic Cooperation and Development. The notification would be accompanied by a report describing the details of the proposed export, and would be submitted to the Congress at least 30 days prior to the proposed export unless the President determines that an emergency exists which requires its immediate approval.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the President to notify Congress upon the granting of a license for the export or re-export of nuclear material, technology or equipment by the Nuclear Regulatory Commission to countries determined by the President to have detonated nuclear explosive devices and that are not members of the North Atlantic Treaty Organization (NATO).

Execution of objection authority within the Department of Defense (sec. 1524)

The House bill contained a provision (sec. 1214) that would amend section 1211 of the National Defense Authorization Act for Fiscal Year 1998 to provide authority to the Secretary of Defense to delegate objection authority to a Department of Defense official at the Assistant Secretary level with regard to the export or re-export of digital computers with a composite theoretical performance level of more than 2000 millions of theoretical operations per second (MTOPS), or such other composite theoretical performance level that may be subsequently established by the President.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Subtitle D—Counterproliferation Matters

One-year extension of counterproliferation authorities for support of United Nations Special Commission on Iraq (sec. 1531)

The House bill contained a provision (sec. 1204) that would extend the authority of the Department of Defense to provide support to the United Nations Special Commission on Iraq (UNSCOM) under the Weapons of Mass Destruction Control Act of 1992 for one year.

The Senate amendment contained a similar provision (sec. 1042).

The Senate recedes with a clarifying amendment.

The conferees support the extension of this authority given efforts by Iraq to preserve a weapons of mass destruction capability and its interference with the work of the Special Commission. The conferees raise concerns that the weapons inspection process has been hampered by Iraq's flagrant violation of its obligations under the United Nations Security Council resolutions and its efforts to seek modifications to the inspections regime through the expulsion of U.S. inspectors and the suspension of the monitoring program.

The conferees endorse concerns expressed in the House report (H. Rept. 105–532) regarding continued provision of support by the Department of Defense for UNSCOM activities. The conferees agree that the United States should more vigorously undertake efforts to negotiate an agreement with the United Nations to reimburse the Department of Defense for expenses incurred in providing support to UNSCOM.

The conferees direct the Secretary of Defense, in consultation with the Secretary of State, to submit a report to the congressional defense committees by December 1, 1998 describing the efforts undertaken by the Department of Defense to seek reimbursement, the specific support activities for which reimbursement would be requested, and the results of discussions with United Nations officials on the request of the United States Government.

Sense of Congress on Nuclear Tests in South Asia (sec. 1532)

The Senate amendment contained a provision (sec. 1071) that would express the sense of the Senate with regard to condemning India and Pakistan for testing nuclear devices and calling for cessation of nuclear testing, steps to prevent the transfer of technology that could further exacerbate the arms race in South Asia, U.S. and international mediation to promote peace and stability in South Asia and to resolve the dispute over Kashmir, the reevaluation of U.S. bilateral relations with both nations, and for India and Pakistan to establish active dialogue on differences to minimize the potential for future conflict.

The House bill contained no similar provision.

The House recedes with an amendment that would update and clarify the provision as a sense of Congress.

Report on requirements for response to increased missile threat in Asia-Pacific region (sec. 1533)

The Senate amendment contained a provision (sec. 1086) that would require the Secretary of Defense to conduct a study of architecture requirements for the establishment and operation of a theater ballistic missile defense system in the Asia-Pacific region that would have the capability to protect key regional allies of the United States.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees understand the phrase "key regional allies of the United States" to include Japan, South Korea, and Taiwan.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

OVERVIEW

The budget request for fiscal year 1999 included $7,778,074,000 for military construction and family housing.

The House bill would authorize $8,228,074,000 for military construction and family housing.

The Senate amendment would provide $8,463,940,000 for this purpose.

The conferees recommend authorization of appropriations of $8,443,742,000 for military construction and family housing, including general reductions and termination of prior year projects.

Summary of National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
DIVISION B					
MILITARY CONSTRUCTION					
Military Construction, Army	790,876	780,599	810,602	77,850	868,726
Military Construction, Navy	468,150	570,643	563,415	136,443	604,593
Military Construction, Air Force	454,810	550,475	633,580	160,999	615,809
Military Construction, Defense-wide	491,675	611,075	570,675	61,439	553,114
Military Construction, Army National Guard	47,675	70,338	122,881	94,728	142,403
Military Construction, Air National Guard	34,761	97,701	161,932	135,040	169,801
Military Construction, Army Reserve	71,287	71,894	116,109	30,832	102,119
Military Construction, Naval Reserve	15,271	33,721	19,371	16,350	31,621
Military Construction, Air Force Reserve	10,535	35,371	23,625	23,836	34,371
Base Realignment and Closure II, III, IV	1,730,704	1,730,704	1,725,704	(99,802)	1,630,902
NATO Infrastructure	185,000	169,000	158,000	(31,000)	154,000
Unaccompanied Housing Fund				(5,000)	(5,000)
General Reductions		0	(12,714)	0	0
Total Military Construction	4,300,744	4,721,521	4,893,180	601,715	4,902,459
FAMILY HOUSING					
Family Housing Construction, Army	103,440	124,240	125,630	31,850	135,290
Family Housing Support, Army	1,104,733	1,097,697	1,101,733	(10,036)	1,094,697
Family Housing Construction, Navy and Marine Corps	280,790	290,790	285,590	14,800	295,590
Family Housing Support, Navy and Marine Corps	915,293	915,293	912,293	(3,000)	912,293
Family Housing Construction, Air Force	226,035	241,585	306,475	54,930	280,965
Family Housing Support, Air Force	789,995	785,204	787,995	(6,791)	783,204
Family Housing Construction, Defense-wide	345	345	345	0	345

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Family Housing Support, Defense-wide	36,899	36,899	36,899	0	36,899
Family Housing Construction, Navy and Marine Corps					
Homeowners Assistance Fund	12,800	7,500	12,800	(12,800)	0
DoD Family Housing Improvement Fund	7,000	7,000	7,000	(5,000)	2,000
Total Family Housing	3,477,330	3,506,553	3,576,760	63,953	3,541,283

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
1	Alabama	Army	Anniston Army Depot	Ammunition Containerization Complex	3,550	3,550	3,550		3,550
2	Alabama	Army	Redstone Arsenal	Missile Software Engineering Annex Ph II	13,600	13,600	13,600		13,600
3	Alabama	Army	Redstone Arsenal	Airfield Operations Center		1,550		1,550	1,550
4	Alabama	Army	Ft Rucker	Aviation Warfighting Simulation Center			10,000	10,000	10,000
5	Alabama	Army	Ft Rucker	PM/Fire Station Complex		4,300		4,300	4,300
6	Alabama	Air Force	Maxwell AFB	Fire Training Facility	1,837	1,837	1,837		1,837
7	Alabama	Air Force	Maxwell AFB	OTS Dining Facility	4,796	4,796	4,796		4,796
8	Alabama	Air Force	Maxwell AFB	OTS Student Dormitories	12,765	12,765	12,765		12,765
9	Alabama	Army National Guard	Montgomery	USPFO Building		6,000		6,000	6,000
10	Alabama	Air National Guard	Dannelly Field	Replace Medical Training and Dining Facility			6,000		-
11	Alabama	Air Force Reserve	Maxwell AFB	Consolidated Aircraft Maintenance Fac	5,200	5,200	5,200		5,200
12	Alaska	Army	Ft Wainwright	Whole Barracks Renewal			19,500	16,000	16,000
13	Alaska	Army	Ft Wainwright	Central Vehicle Wash Facility			3,100	3,100	3,100
14	Alaska	Air Force	Eielson AFB	Consolidated Munitions Facility	4,352	4,352	4,352		4,352
15	Alaska	Air Force	Eielson AFB	Weapons and Release System Facility			6,200		-
16	Alaska	DFSC	DFSC Elmendorf AFB	Replace Hydrant Fuel System	19,500	19,500	19,500		19,500
17	Alaska	Air National Guard	Kulis ANGB	Vehicle Maintenance and Fire Station Complex		3,500	10,400	10,400	10,400
18	Arizona	Navy	Flagstaff AZ Naval Observatory	Optic Interferometer Facility	990	990	990		990
19	Arizona	Navy	Yuma MCAS	Bachelor Enlisted Quarters	11,010	11,010	11,010		11,010
20	Arizona	Air Force	Luke AFB	Control Tower		3,400		3,400	3,400
21	Arizona	Army National Guard	Phoenix	CSMS	10,640	10,640	10,640		10,640
22	Arizona	Air National Guard	Tucson	Composite Support Complex		7,500		7,500	7,500
23	Arkansas	Army	Pine Bluff Arsenal	Ammunition Demilitarization Fac Ph III	16,500	-	-	(16,500)	-
24	Arkansas	Air Force	Little Rock AFB	Upgrade Sewage Treatment Plant			1,500	1,500	1,500
25	Arkansas	Chemical Demil	Pine Bluff Arsenal	Ammunition Demilitarization Fac Ph III		16,500	10,000	16,500	16,500
26	Arkansas	Army National Guard	Benton	Readiness Center		1,988		1,988	1,988
27	California	Army	Ft Irwin	Heliport Ph III	7,000	7,000	7,000		7,000
28	California	Army	Ft Irwin	Child Development Center		5,100		5,100	5,100
29	California	Army	Ft Irwin	Education Center		2,700		2,700	2,700
30	California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	12,400	12,400	12,400		12,400
31	California	Navy	Camp Pendleton MCB	Bachelor Enlisted Quarters	15,840	15,840	15,840		15,840
32	California	Navy	Camp Pendleton MCB	Fitness Center		5,010		5,010	5,010
33	California	Navy	Camp Pendleton MCB	Helicopter Outlying Landing Field		7,180		7,180	7,180
34	California	Navy	China Lake Naval Air Warfare Ctr	Missile Magazines	3,240	3,240	3,240		3,240
35	California	Navy	China Lake Naval Air Warfare Ctr	Survivability Live Fire Complex		6,900		6,900	6,900
36	California	Navy	Lemoore NAS	Airframe Facility Modifications	1,510	1,510	1,510		1,510

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
37	California	Navy	Lemoore NAS	Hanger Renovations	5,430	5,430	5,430		5,430
38	California	Navy	Lemoore NAS	Training Facility Additions	4,270	4,270	4,270		4,270
39	California	Navy	Lemoore NAS	Weapons Assembly Facility Imp.	9,430	9,430	9,430		9,430
40	California	Navy	Miramar CA MCAS	Bachelor Enlisted Quarters	29,570	29,570	29,570		29,570
41	California	Navy	Naval Facility San Clemente	Bachelor Enlisted Quarters	8,350	8,350	8,350		8,350
42	California	Navy	San Diego NSB	Submarine Support Facility	11,400	11,400	11,400		11,400
43	California	Air Force	Edwards AFB	Renovate Aircraft Maintenance Facility	10,361	10,361	10,361		10,361
44	California	Air Force	Vandenberg AFB	Add/Alter Missile Maint Fac	9,500	9,500	9,500		9,500
45	California	Air Force	Vandenberg AFB	Space Initial Qualification Tng Academic Fac	9,209	9,209	9,209		9,209
46	California	Air Force	Travis AFB	Control Tower		4,250	4,250	4,250	4,250
47	California	SOCOM	Naval Amphibious Base, Coronado	SOF Amphibious Operations Fac	3,600	3,600	3,600		3,600
48	California	DMSA	Beale AFB	Physiological Support Fac Add/Alt	3,500	3,500	3,500		3,500
49	California	DMSA	Camp Pendleton MCB	Medical/Dental Clinic Repl (Margarita)	3,100	3,100	3,100		3,100
50	California	DMSA	Camp Pendleton MCB	Medical/Dental Clinic Repl (San Mateo)	3,200	3,200	3,200		3,200
51	California	DMSA	Edwards AFB	Aerospace Medical Clinic Add/Alt	6,000	6,000	6,000		6,000
52	California	DMSA	San Diego Naval Hospital	Water Storage Tank	1,350	1,350	1,350		1,350
53	California	DMSA	Travis AFB	Patient Movement Items Ops & Dist Ctr	1,700	1,700	1,700		1,700
54	Colorado	Army	Fort Carson	Railyard Expansion (Ph II)		23,000		23,000	23,000
55	Colorado	Air Force	Falcon AFS	Operational Support Facility	9,601	9,601	9,601		9,601
56	Colorado	Air Force	Falcon AFS	Child Development Center			5,800		-
57	Colorado	Air Force	US Air Force Academy	Add To And Alter Prep School Bldg	4,413	4,413	4,413		4,413
58	Colorado	Army Reserve	Fort Carson	Add/Alt USAR Ctr/Org Mnt Shop/Eqmt Con	1,101	1,101	1,101		1,101
59	Connecticut	Navy	NSB New London	Waterfront Recapitalization			12,510	11,330	11,330
60	Connecticut	Army Reserve	West Hartford	Land Acquisition	1,491	1,491	1,491		1,491
61	Connecticut	Air National Guard	Orange ANG Station	Air Control Squadron Complex			11,000		-
62	Delaware	Air Force	Dover AFB	Airman Leadership School			1,600		-
63	Delaware	Army National Guard	Dagsboro	Readiness Center			3,609	3,609	3,609
64	District of Columbia	Navy	Commandant Naval District Washington	Fitness Center	790	790	790		790
65	District of Columbia	Air Force	Bolling AFB	Honor Guard Technical School	2,948	2,948	2,948		2,948
66	Florida	Army	Miami	SOUTHCOM Headquarters & Land Acq	26,700	-	-	(26,700)	-
67	Florida	Navy	Key West NAS	Child Development Center	3,730	3,730	3,730		3,730
68	Florida	Navy	NAS Whiting Field	Runway Alterations JPATS		1,400	1,400	1,400	1,400
69	Florida	Navy	NAS Jacksonville	Add/Alter Building #118		1,500		1,500	1,500
70	Florida	Navy	NAVSTA Mayport	Afloat Training Group Facility		3,163		3,163	3,163
71	Florida	Navy	NAVSTA Mayport	Wharf Electrical Improvements		3,000		3,000	3,000
72	Florida	Navy	NAVSTA Mayport	Fleet Recreation Center			3,400		-

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73	Florida	Air Force	Eglin AFB	Dormitory	7,866	7,866	7,866		7,866
74	Florida	Air Force	Eglin AFB	Santa Rosa Island Test Sites	12,571	12,571	12,571		12,571
75	Florida	Air Force	Eglin AFB Auxiliary Field 9	Control Tower	2,014	2,014	2,014		2,014
76	Florida	Air Force	Eglin AFB Auxiliary Field 9	Fire Training Facility	1,823	1,823	1,823		1,823
77	Florida	Air Force	MacDill AFB	Fire Training Facility	2,494	2,494	2,494		2,494
78	Florida	Air Force	MacDill AFB	KC-135 Simulator Facility	2,514	2,514	2,514		2,514
79	Florida	Air Force	MacDill AFB	Dining Facility		4,800		4,800	4,800
80	Florida	Air Force	Tyndall AFB	Control Tower		3,600		3,600	3,600
81	Florida	SOCOM	Eglin Aux Field 3	Assault Strip at Duke Field, Aux 3		5,100		5,100	5,100
82	Florida	SOCOM	Eglin Aux Field 9	Clear Water Aircraft Rinse	2,400	2,400	2,400		2,400
83	Florida	SOCOM	Eglin Aux Field 3	SOF General Purpose Aircraft Maint	2,210	2,210	2,210		2,210
84	Florida	SOCOM	MacDill AFB	Renovate Command & Control Facility	8,400	8,400	8,400		8,400
85	Florida	DLA	Def Fuel Support Point Jax - Anx	Replace Fuel Tanks Mayport	11,020	11,020	11,020		11,020
86	Florida	DLA	Defense Fuel Support Pt Jacksonville	Replace Fuel Tanks	11,000	11,000	11,000		11,000
87	Florida	DMSA	Eglin AFB	Central Energy Plant	9,200	9,200	9,200		9,200
88	Florida	DMSA	Pensacola NAS	Hospital Addition/Alteration/LSU	25,400	25,400	25,400		25,400
89	Florida	Army National Guard	Pensacola	Readiness Center			3,975		-
90	Florida	Air Force Reserve	Homestead ARB	Dormitory Renovation		4,600		4,600	4,600
91	Georgia	Army	Ft Benning	Whole Barracks Complex Renewal	28,600	28,600	28,600		28,600
92	Georgia	Army	Ft Stewart	General Purpose Warehouse			17,000		-
93	Georgia	Navy	Submarine Base Kings Bay	MSF Sedimentation Control System		2,550	2,550	2,550	2,550
94	Georgia	Navy	MCLB Albany	Child Development Center		2,800		2,800	2,800
95	Georgia	Air Force	Robins AFB	Depot Plant Services Facility	11,894	11,894	11,894		11,894
96	Georgia	Air Force	Robins AFB	JSTARS Dining Facility			6,000		-
97	Georgia	DMSA	Moody AFB	CMF Alteration/Dental Clinic Add	11,000	11,000	11,000		11,000
98	Georgia	DMSA	Fort Stewart	Medical/Dental Clinic Replacement	10,400	10,400	10,400		10,400
99	Georgia	Navy Reserve	NAS Atlanta	Fitness Center Addition		3,100			-
100	Georgia	Navy Reserve	NAS Atlanta	Hangar Addition		4,100	4,100	4,100	4,100
101	Georgia	Air National Guard	Robins AFB	Weapons Release Systems Shop	3,250	3,250	3,250		3,250
102	Hawaii	Army	Schofield Barracks	Whole Barracks Complex Renewal	47,500	47,500	47,500		47,500
103	Hawaii	Army	Schofield Barracks	Land Acquisition - Kahuku		20,000	20,000	23,500	23,500
104	Hawaii	Navy	Kaneohe Bay MCAS	Bachelor Enlisted Quarters	27,410	27,410	27,410		27,410
105	Hawaii	Navy	NSB Pearl Harbor	BEQ Modernization	8,060	8,060	8,060		8,060
106	Hawaii	Navy	Fleet & Industrial Supply Ctr, Pearl Harbor	Central Receiving Facility	9,730	9,730	9,730		9,730
107	Hawaii	Navy	Naval Station, Pearl Harbor	Elec Dist Sys Upgrade	18,180	18,180	18,180		18,180
108	Hawaii	Navy	Pearl Harbor Naval Shipyard	Engineering Management Building	11,400	11,400	11,400		11,400

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109	Hawaii	Navy	MCB Hawaii	Bachelor Enlisted Quarters			19,000	15,000	15,000
110	Hawaii	Navy	MCB Hawaii	Hazardous Material/Waste Consolid. Fac.			4,570		-
111	Hawaii	Navy	Pearl Harbor Navy Public Works Center	Sewer Outfall Extension	22,877	22,877	22,877		22,877
112	Hawaii	Navy	Pearl Harbor Navy Public Works Center	Steam Condensate Return System	6,090	6,090	6,090		6,090
113	Hawaii	Navy	Wahiawa NAV Comms Area Master Sta	Fire Station	1,970	1,970	1,970		1,970
114	Hawaii	Air Force	Hickman AFB	Repair Airfield Pavement	5,890	5,890	5,890		5,890
115	Hawaii	Air National Guard	Hickman AFB	Replace Base Civil Engineer Maint. Facility			5,100	5,100	5,100
116	Idaho	Air Force	Mountain Home AFB	Dormitory	8,897	8,897	8,897		8,897
117	Idaho	Air Force	Mountain Home AFB	Land Acquisition	1,000	1,000	1,000		1,000
118	Idaho	Air Force	Mountain Home AFB	Range Improvements	2,400	2,400	2,400		2,400
119	Idaho	Air Force	Mountain Home AFB	B1-B Conventional Munitions Shop		4,100	4,100	4,100	4,100
120	Idaho	Air Force	Mountain Home AFB	B1-B Munitions Storage Igloos			1,500	1,500	1,500
121	Idaho	Army National Guard	Gowen Field	Readiness Center Add/Alt	4,224	4,224	4,224		4,224
122	Idaho	Air National Guard	Boise Air Terminal	Add/Alt Base Supply Complex			3,000		-
123	Illinois	Army	Rock Island Arsenal	Electrical Distribution System	5,300	5,300	5,300		5,300
124	Illinois	Navy	Great Lakes Naval Training Center	Applied Instruction Building Modification	5,750	5,750	5,750		5,750
125	Illinois	Navy	Great Lakes Naval Training Center	Gas Turbine Training Facility	7,410	7,410	7,410		7,410
126	Illinois	Navy	Great Lakes Naval Training Center	Small Arms Range		7,120		6,790	6,790
127	Illinois	DMSA	Great Lakes Naval Station	Hospitalman "A" School Addition	7,100	7,100	7,100		7,100
128	Indiana	Army	Crane	Ammunition Containerization Complex Ph II	7,100	7,100	7,100		7,100
129	Indiana	Army	Newport AAP	Ammunition Demilitarization Fac Ph I	27,500	-		(27,500)	-
130	Indiana	Army	Newport AAP	Ammunition Demilitarization Support	2,000	-	-	(2,000)	-
131	Indiana	Navy	NSWC Crane	Airborne Electronic Warfare Center		11,110		11,110	11,110
132	Indiana	Chemical Demil	Newport AAP	Ammunition Demilitarization Fac Ph I		27,500	15,000	27,500	27,500
133	Indiana	Chemical Demil	Newport AAP	Ammunition Demilitarization Support		2,000	2,000	2,000	2,000
134	Indiana	Air National Guard	Hulman Regional Airport	Fuel Cell/Corrosion Control & Fire Station			6,000	6,000	6,000
135	Indiana	Air National Guard	Ft Wayne International Airport	Replace Dining Hall & Medical Tng Facility			6,000		-
136	Iowa	Army National Guard	Camp Dodge	Fuel Dispensing Facility	737	737	737		737
137	Iowa	Air National Guard	Des Moines	Replace Security Police Operations Facility			4,000	4,000	4,000
138	Iowa	Air National Guard	Sioux City	Add Base Paint Facility		6,500		6,500	6,500
139	Kansas	Army	Fort Leavenworth	US Disciplinary Barracks Ph II	29,000	29,000	29,000		29,000
140	Kansas	Army	Fort Riley	Fire and Combat Pistol Range		3,600			-
141	Kansas	Army	Fort Riley	Whole Barracks Complex Renewal Phase II			16,500	16,500	16,500
142	Kansas	Air Force	McConnell AFB	Add to Central Deployment Center			2,900		-
143	Kansas	Air Force	McConnell AFB	Water Storage and Pumping Facility		4,450		4,450	4,450
144	Kansas	Air National Guard	McConnell AFB	Add/Alter Avionics Shop		5,900		5,900	5,900

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Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
145	Kansas	Air National Guard	Forbes Field	KC-135 Maintenance Hangar Upgrade			9,800	9,800	9,800
146	Kentucky	Army	Bluegrass Army Depot	Ammunition Containerization Complex	5,300	5,300	5,300		5,300
147	Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal	41,000	41,000	41,000		41,000
148	Kentucky	Army	Fort Campbell	Whole Barracks Complex Renewal Ph II			15,500	7,000	7,000
149	Kentucky	Army	Fort Knox	Multi-Purpose Digital Training Range Ph I		7,000		7,000	7,000
150	Kentucky	SOCOM	Fort Campbell	Aircraft Maintenance Hangar	15,000	15,000	15,000		15,000
151	Kentucky	Army National Guard	West KY Region Training Center	W.KY Tng Site Ph III/IV	5,435	5,435	5,435		5,435
152	Kentucky	Air National Guard	Standiford Field, Louisville	Rep Composite Aerial Port/ALCE Tng Fac			4,100	4,100	4,100
153	Louisiana	Army	Fort Polk	Consolidated Rail Complex		8,300	8,300	8,300	8,300
154	Louisiana	Air Force	Barksdale AFB	Physical Fitness Center			9,300	9,300	9,300
155	Louisiana	DMSA	Barksdale AFB	Clinic Addition/Alteration	3,450	3,450	3,450		3,450
156	Louisiana	Navy Reserve	NAS New Orleans	Engine Test Cell	2,200	2,200	2,200		2,200
157	Louisiana	Navy Reserve	NAS New Orleans	Bachelor Enlisted Quarters		9,520		9,520	9,520
158	Louisiana	Navy Reserve	NAS New Orleans	Galley Addition		1,730		1,730	1,730
159	Louisiana	Air Force Reserve	NAS New Orleans	Renovate Maintenance Hangar 4		5,200		5,200	5,200
160	Maine	Navy	NAS Brunswick	Bachelor Enlisted Quarters			15,220		-
161	Maryland	Army	Aberdeen Proving Ground	Ammunition Demilitarization Fac Ph I	26,500	-	-	(26,500)	-
162	Maryland	Army	Aberdeen Proving Ground	Ammunition Demilitarization Support	1,850	-	-	(1,850)	-
163	Maryland	Army	Fort Detrick	Physical Fitness Training Center	3,550	3,550	3,550		3,550
164	Maryland	Army	Fort Detrick	Whole Barracks Complex Renewal Ph I			7,100		-
165	Maryland	Army	Fort Meade	Emergency Services Center			5,300	5,300	5,300
166	Maryland	Navy	Indian Head Naval Surface Warfare Ctr	Annealing Oven Facility	6,680	6,680	6,680		6,680
167	Maryland	Navy	Indian Head Naval Surface Warfare Ctr	Continuous Processing Scale-up Facility		6,590		6,590	6,590
168	Maryland	Navy	U.S. Naval Academy	Demolish NTRF Towers			4,300	4,300	4,300
169	Maryland	Air Force	Andrews AFB	Child Development Center	4,448	4,448	4,448		4,448
170	Maryland	Chemical Demil	Aberdeen Proving Ground	Ammunition Demilitarization Fac Ph I		26,500	15,000	26,500	26,500
171	Maryland	Chemical Demil	Aberdeen Proving Ground	Ammunition Demilitarization Support		1,850	1,850	1,850	1,850
172	Maryland	NSA	Fort Meade	Perimeter Fence (West)	668	668	668		668
173	Massachusetts	Air Force	Hanscom AFB	Renovate Acquisition Management Facility			10,000	10,000	10,000
174	Massachusetts	Army National Guard	Barnes ANGB	Army Aviation Support Facility		9,274		9,274	9,274
175	Massachusetts	Army Reserve	Devens	Reserve Support Command Hqs	3,335	3,335	3,335		3,335
176	Massachusetts	Navy Reserve	NMCRC Lawrence	Reserve Center Improvement	840	840	840		840
177	Massachusetts	Air Force Reserve	Westover AFRB	Control Tower			5,000		-
178	Michigan	Army Reserve	Walker	USAR Ctr/Mnt Shop	9,439	9,439	9,439		9,439
179	Michigan	Air National Guard	Alpena County Regional Airport	Sanitary Sewer Lines	3,900	3,900	3,900		3,900
180	Michigan	Air National Guard	Alpena County Regional Airport	Replace Fire Crash/Rescue Station			5,100	5,100	5,100
181	Michigan	Air National Guard	Selfridge ANGB	Replace Control Tower & Rapcon Center	5,200	5,200	5,200		5,200

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182	Michigan	Air National Guard	Selfridge ANGB	Infrastructure Upgrade			9,800	9,800	9,800
183	Minnesota	Army National Guard	Camp Ripley	M-P Mach Gun/Snpr (Rets)	1,023	1,023	1,023		1,023
184	Minnesota	Navy Reserve	Naval Air Reserve Center Twin Cities	Headquarters Building	3,630	3,630	3,630		3,630
185	Minnesota	Air Force Reserve	Minneapolis-St. Paul IAP	Consolidated Lodging Facility		3,236		3,236	3,236
186	Mississippi	Navy	Gulfport Naval Construction Battalion Ctr	BEQ Modernization	10,670	10,670	10,670		10,670
187	Mississippi	Navy	NAS Meridian	Air Operations Facility		3,280		3,280	3,280
188	Mississippi	Air Force	Columbus AFB	Student Pilot Quarters			5,700	5,700	5,700
189	Mississippi	Air Force	Columbus AFB	Corrosion Control Facility			2,500		-
190	Mississippi	Air Force	Keesler AFB	Student Dormitories	29,770	29,770	29,770		29,770
191	Mississippi	Air Force	Keesler AFB	Training Support Facility	5,756	5,756	5,756		5,756
192	Mississippi	SOCOM	Stennis Space Center	SOF Operations Support Facility		5,500	5,500	5,500	5,500
193	Mississippi	DLA	DFSC Camp Shelby	Replace Bulk Fuel Fac	5,300	5,300	5,300		5,300
194	Mississippi	DMSA	Keesler AFB	Bioenvironmental Eng Fac Repl	700	700	700		700
195	Mississippi	Army National Guard	Brookhaven	Readiness Center/OMS			5,247	5,247	5,247
196	Mississippi	Army National Guard	Brookhaven	Regional Training Center		2,787			-
197	Missouri	Army	Fort Leonard Wood	Engineer Qualification Range	5,200	5,200	5,200		5,200
198	Missouri	Army	Fort Leonard Wood	Reception Barracks		23,000		23,000	23,000
199	Missouri	Air National Guard	Rosecrans Memorial Airport	Upgrade Aircraft Parking Apron, Ph1			9,600	9,600	9,600
200	Montana	Air Force	Malmstrom AFB	Missile Operations Shop			5,300		-
201	Montana	Air Force	Malmstrom AFB	Replace Dormitory			7,900	7,900	7,900
202	Montana	Army National Guard	Helena	Armed Forces Reserve Center			21,690	21,690	21,690
203	Nebraska	Air National Guard	Lincoln Municipal Airport	Joint Medical Training Facility		3,350	3,350	3,350	3,350
204	Nevada	Air Force	Indian Springs	UAV Logistics And Training Facility	3,965	3,965	3,965		3,965
205	Nevada	Air Force	Indian Springs	UAV Sq Ops/Aircraft Maintenance Unit	7,059	7,059	7,059		7,059
206	Nevada	Air Force	Indian Springs	UAV-Comm Maint Facility/Infra/Utilities	3,989	3,989	3,989		3,989
207	Nevada	Air Force	Nellis AFB	Dormitory	6,378	6,378	6,378		6,378
208	Nevada	Army National Guard	Carson City	Readiness Center			5,860	5,860	5,860
209	New Jersey	Army	Fort Monmouth	Software Engineering Center Addition		7,600		7,600	7,600
210	New Jersey	Army	Picatinny Arsenal	Precision Munitions Facility		8,400		8,400	8,400
211	New Jersey	Army Reserve	Fort Dix	Ammunition Supply Point		8,731	8,731	8,731	8,731
212	New Jersey	Air Force	McGuire AFB	Dining Facility	6,044	6,044	6,044		6,044
213	New Mexico	Air Force	Kirtland AFB	Fire Training Facility	1,774	1,774	1,774		1,774
214	New Mexico	Air Force	Kirtland AFB	Repair Nuclear Weapon Integration Building			6,800	6,800	6,800
215	New Mexico	Air Force	Cannon AFB	Repair Runway Keel Section 2			6,500		-
216	New Mexico	Air Force	Holloman AFB	Physical Fitness Center		11,100		11,100	11,100
217	New Mexico	DMSA	Holloman AFB	War Readiness Material Warehouse	1,300	1,300	1,300		1,300

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218	New Mexico	Army National Guard	Taos	Readiness Center		3,300	3,300	3,300	3,300
219	New York	Army	Fort Drum	Aerial Gunnery Range PH II		9,000		9,000	9,000
220	New York	Army	Fort Drum	Indoor Firing Range		4,650	4,650	4,650	4,650
221	New York	Army	Fort Drum	Consolidated Soldier and Family Sup. Ctr. Ph II			7,000		-
222	New York	Army	U.S. Military Academy	Cadet Physical Development Center	12,000	12,000	12,000		12,000
223	New York	DODDS	U.S. Military Academy	School Addition	2,840	2,840	2,840		2,840
224	New York	Army Reserve	Fort Wadsworth	Add/Alt USAR Ctr PH I	6,424	6,424	6,424		6,424
225	New York	Air National Guard	Hancock Field	Upgrade Parking Apron and Taxiways		9,500		9,500	9,500
226	New York	Air Force Reserve	Niagara Falls	Consolidated Maintenance Facility		3,900	3,900	3,900	3,900
227	North Carolina	Army	Fort Bragg	Deployment Staging Complex	30,000	30,000	30,000		30,000
228	North Carolina	Army	Fort Bragg	Whole Barracks Complex Renewal	47,000	47,000	47,000		47,000
229	North Carolina	Army	Fort Bragg	Barracks Upgrade Ph II		10,600		10,600	10,600
230	North Carolina	Army	Fort Bragg	Force Protection Plan		8,300	8,300	8,300	8,300
231	North Carolina	Navy	Camp Lejeune MCB	Fire Station	1,830	1,830	1,830		1,830
232	North Carolina	Navy	Camp Lejeune MCB	Infrastructure Phy Security	12,770	12,770	12,770		12,770
233	North Carolina	Navy	Camp Lejeune MCB	Bachelor Enlisted Quarter			15,700		-
234	North Carolina	Navy	Cherry Point MCAS	Aircraft Fire And Rescue Station Addition	1,620	1,620	1,620		1,620
235	North Carolina	Navy	Cherry Point MCAS	Child Development Center	4,420	4,420	4,420		4,420
236	North Carolina	Air Force	Seymour Johnson AFB	Education Center/Library		6,100	6,100	6,100	6,100
237	North Carolina	DMSA	Fort Bragg	44th Medical Brigade WRM Warehouse	6,500	6,500	6,500		6,500
238	North Carolina	DODDS	Camp Lejeune NC	Brewster Middle School	16,900	16,900	16,900		16,900
239	North Carolina	DLA	DFSC Pope AFB	Hydrant Fuel Sys	4,100	4,100	4,100		4,100
240	North Dakota	Air Force	Grand Forks AFB	Fire Training Facility	2,686	2,686	2,686		2,686
241	North Dakota	Air Force	Grand Forks AFB	Add to Physical Fitness Center			8,800	8,800	8,800
242	North Dakota	Air Force	Minot AFB	Taxiway Repair			8,500	8,500	8,500
243	North Dakota	DMSA	Grand Forks AFB	Medical/Dental Clinic Add/Alt	5,600	5,600	5,600		5,600
244	North Dakota	Army National Guard	Bismarck	AASF/Read Ctr Complex Expand	6,240	6,240	6,240		6,240
245	North Dakota	Air National Guard	Hector Field	Add/Alt Base Supply Complex		3,650	3,650	3,650	3,650
246	North Dakota	Air National Guard	Hector Field	Regional Fireman Training Facility	800	800	800		800
247	Ohio	Air Force	Wright-Patterson AFB	Acquisition Mgmt Complex PH IVA	22,000	22,000	22,000		22,000
248	Ohio	Air Force	Wright-Patterson AFB	ADAL Physical Fitness Center			4,600		-
249	Ohio	Army National Guard	Youngstown	Organizational Maintenance Shop		2,300			-
250	Ohio	Army Reserve	Gahanna	USAR Ctr Purchase	3,115	3,115	3,115		3,115
251	Ohio	Air National Guard	Springfield-Beckley Municipal Airport	Base Civil Engineering/Security Forces Complex		5,000	5,000	5,000	5,000
252	Ohio	Air Force Reserve	Wright-Patterson AFB	Alter C-141C Flight Simulation Training Fac.		1,600		1,600	1,600
253	Oklahoma	Army	McAlester	Ammunition Containerization Complex	10,800	10,800	10,800		10,800

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(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
254	Oklahoma	Army	Fort Sill	Tactical Equipment Shop Ph I	13,800	13,800	13,800		13,800
255	Oklahoma	Army	Fort Sill	Whole Barracks Complex Renewal	20,500	20,500	20,500		20,500
256	Oklahoma	Air Force	Tinker AFB	Combat Communications Sq Ops Facility	5,085	5,085	5,085		5,085
257	Oklahoma	Air Force	Tinker AFB	Dormitory	9,100	9,100	9,100		9,100
258	Oklahoma	Air Force	Tinker AFB	Squadron Operations & Mobility Center			10,800	10,800	10,800
259	Oklahoma	Air Force	Tinker AFB	Repair Primary Runway		11,200			-
260	Oklahoma	Air Force	Vance AFB	Fire Training Facility	1,823	1,823	1,823		1,823
261	Oklahoma	Air Force	Vance AFB	Add/Alt Physical Fitness Training Center		4,400	4,400	4,400	4,400
262	Oklahoma	Air Force	Altus AFB	Control Tower			4,000	4,000	4,000
263	Oklahoma	Air Force	Altus AFB	Ramp and Airfield Lighting		5,300		5,300	5,300
264	Oklahoma	DLA	Defense Fuel Support Point - Ft Sill	Replace Fuel Storage Facility	3,500	3,500	3,500		3,500
265	Oklahoma	Army National Guard	Lexington	AASF Expansion	7,382	7,382	7,382		7,382
266	Oregon	Army	Umatilla Army Depot	Ammunition Demilitarization Fac Ph IV	50,950	-	-	(50,950)	-
267	Oregon	Chemical Demil	Umatilla Army Depot	Ammunition Demilitarization Fac Ph IV		50,950	30,950	50,950	50,950
268	Pennsylvania	Navy	NSWCSSES Philadelphia	Integrated Ship Control and Diagnostic Facility		2,410		2,410	2,410
269	Pennsylvania	Navy	NAVICP Philadelphia	Child Development Center			1,550	1,550	1,550
270	Pennsylvania	Navy	NAVICP Mechanicsburg	Child Development Center			1,600	1,600	1,600
271	Pennsylvania	DMSA	Carlisle Barracks	Health Clinic Addition	4,678	4,678	4,678		4,678
272	Pennsylvania	Army National Guard	Latrobe	Readiness Center		2,479		2,479	2,479
273	Pennsylvania	Army Reserve	Oakdale	USARC Ph II			19,512	19,512	19,512
274	Rhode Island	Navy	Newport Naval Education & Training Ctr	Boiler Plant Modifications	5,630	5,630	5,630		5,630
275	Rhode Island	Navy	Newport Naval Undersea Warfare Ctr Div	Undersea Warfare Facility	9,140	9,140	9,140		9,140
276	South Carolina	Navy	Beaufort Marine Corps Air Station	Missile Magazines	1,770	1,770	1,770		1,770
277	South Carolina	Navy	Charleston Naval Weapons Station	Ordnance Railroad Realignment	9,737	9,737	9,737		9,737
278	South Carolina	Navy	Parris Island Marine Corps Recruit Depot	Weapons Battalion Mess Hall	7,960	7,960	7,960		7,960
279	South Carolina	Navy	Parris Island Marine Corps Recruit Depot	Female Recruit Barracks		8,030	8,030	8,030	8,030
280	South Carolina	Air Force	Charleston AFB	C-17 Life Support Facility	4,701	4,701	4,701		4,701
281	South Carolina	Air Force	Charleston AFB	C-17 Sq Ops/Aircraft Maintenance Unit	7,639	7,639	7,639		7,639
282	South Carolina	Air Force	Charleston AFB	C-17 Sq Ops/Aircraft Maintenance Unit	6,769	6,769	6,769		6,769
283	South Carolina	Air Force	Charleston AFB	Dining Facility	5,221	5,221	5,221		5,221
284	South Carolina	Air Force	Shaw AFB	Education Center and Library			8,500		-
285	South Carolina	Army National Guard	Spartanburg	Readiness Center			5,260	5,260	5,260
286	South Carolina	Air National Guard	McEntire ANGB	Add/Alter Aircraft Maintenance Complex		9,000		9,000	9,000
287	South Dakota	Air Force	Ellsworth AFB	Add/Alt Squadron Operations Facility		6,500	6,500	6,500	6,500
288	South Dakota	Air National Guard	Joe Foss Field	Vehicle Maintenance and ASE Complex			5,200	5,200	5,200
289	Tennessee	Air Force	Arnold AFB	Test Facilities Cooling Tower		11,600		11,600	11,600

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(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
290	Tennessee	Air National Guard	McGhee-Tyson Airport	Relocate Aircraft Parking Apron PH I		10,000		10,000	10,000
291	Texas	Army	Fort Hood	Railhead Facility	17,500	17,500	17,500		17,500
292	Texas	Army	Fort Sam Houston	Whole Barracks Complex Renewal	21,800	21,800	21,800		21,800
293	Texas	Army	Fort Sam Houston	Dining Facility			5,500	5,500	5,500
294	Texas	Army	Fort Bliss	Tactical Vehicle Overpass		4,100	4,100	4,100	4,100
295	Texas	Air Force	Lackland AFB	Dormitory	6,800	6,800	6,800		6,800
296	Texas	Air Force	Lackland Training Annex	Operations Facility	8,130	8,130	8,130		8,130
297	Texas	Air Force	Randolph AFB	Base Operations Facility	3,166	3,166	3,166		3,166
298	Texas	Air Force	Dyess AFB	B-1B Support Equipment Shop			1,400	1,400	1,400
299	Texas	Air Force	Dyess AFB	B-1B Munitions Maintenance Facility		3,350		3,350	3,350
300	Texas	Air Force	Brooks AFB	Medical Systems Training Facility		7,000			-
301	Texas	Air Force	Laughlin AFB	Consolidated Base Operations Facility		3,815		3,815	3,815
302	Texas	Air Force	Laughlin AFB	Control Tower		3,500		3,500	3,500
303	Texas	Air Force	Goodfellow AFB	Student Dormitory			7,300	7,300	7,300
304	Texas	Navy	NAVSTA Ingleside	Bachelor Enlisted Quarters Ph IV		12,200		12,200	12,200
305	Texas	DMSA	Fort Hood	Blood Donor Center	3,100	3,100	3,100		3,100
306	Texas	DMSA	Fort Hood	Primary Care Clinic	11,000	11,000	11,000		11,000
307	Texas	Navy Reserve	Reserve Center Galveston	Marine Corps Res Ctr, Galveston, TX	4,090	4,090	4,090		4,090
308	Utah	Army	Tooele Army Depot	Ammunition Containerization Complex	3,900	3,900	3,900		3,900
309	Utah	Air Force	Hill AFB	Add to Child Development Center			1,500		-
310	Utah	Air Force	Hill AFB	War Readiness Asset Warehouse			2,600	2,600	2,600
311	Utah	Army Reserve	Salt Lake City	USAR Center	13,200	17,790	17,306	(13,200)	-
312	Utah	Army Reserve	Salt Lake City	USAR Center/OMS Phase II				5,076	5,076
313	Utah	Air Force Reserve	Hill AFB	Munitions Handling and Storage Facility		1,900		1,900	1,900
314	Vermont	Air National Guard	Burlington International Airport	Base Supply Complex			5,500	5,500	5,500
315	Virginia	Army	Charlottesville	National Ground Intelligence Center Fac	46,200	46,200	46,200		46,200
316	Virginia	Army	Fort Eustis	Whole Barracks Complex Renewal	36,531	36,531	36,531		36,531
317	Virginia	Army	Fort Eustis	Physical Fitness Center			4,650	4,650	4,650
318	Virginia	Army	Fort Meyer	Barracks Renovation			6,200	6,200	6,200
319	Virginia	Navy	Dahlgren Naval Surface Warfare Ctr Div	Weapons Sys Dev Lab Addition	5,130	5,130	5,130		5,130
320	Virginia	Navy	Dahlgren Naval Surface Warfare Ctr Div	Warfare Defenses Technical Facility		10,550		10,550	10,550
321	Virginia	Navy	Dam Neck Tactical Train Grp Atlantic	Training Bldg Addition	2,430	2,430	2,430		2,430
322	Virginia	Navy	Norfolk Fleet & Industrial Supply Center	Fire Station	1,770	1,770	1,770		1,770
323	Virginia	Navy	Norfolk Fleet Training Center	Engineering Training Facility addition	5,700	5,700	5,700		5,700
324	Virginia	Navy	Norfolk Naval Station	Berthing Pier PH I	32,030	32,030	32,030		32,030
325	Virginia	Navy	Portsmouth Norfolk Naval Shipyard	Channel Dredging	6,180	6,180	6,180		6,180

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Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
326	Virginia	Navy	NAS Oceana	Fitness Center		6,400		6,400	6,400
327	Virginia	DMSA	Cheatham Annex	Fleet Hosp Spt Ops Operational Warehouse	9,400	9,400	9,400		9,400
328	Virginia	DMSA	Cheatham Annex	Fleet Hosp Support Operation Admin Office	1,900	1,900	1,900		1,900
329	Virginia	DLA	Defense General Supply Center	Convert Whse To Admin Space	10,500	10,500	10,500		10,500
330	Virginia	DMSA	Portsmouth Naval Hospital	Hospital Replacement Phase X	17,954	17,954	17,954		17,954
331	Virginia	Army National Guard	Powhatan	Readiness Center	2,435	2,435	2,435		2,435
332	Virginia	Army Reserve	Fort Belvoir	USAR Ctr/Org Mnt Shop/Area Mnt Spt Act	10,314	10,314	10,314		10,314
333	Virginia	Army Reserve	Fort Eustis	Aviation Spt Facility	11,618	11,618	11,618		11,618
334	Virginia	Navy Reserve	NARC Norfolk	Hangar Renovation	1,660	1,660	1,660		1,660
335	Washington	Army	Fort Lewis	Central Vehicle Wash Facility	4,650	4,650	4,650		4,650
336	Washington	Army	Fort Lewis	Close Combat Tactical Trainer Building	7,600	7,600	7,600		7,600
337	Washington	Army	Fort Lewis	Consolidated Fuel Facility	3,950	3,950	3,950		3,950
338	Washington	Army	Fort Lewis	Tank Trail Erosion Mitigation-Yakima	2,000	2,000	2,000		2,000
339	Washington	Navy	Bremerton Strategic Weapons Fac Pac	Security Facility Upgrade	2,750	2,750	2,750		2,750
340	Washington	Navy	Bremerton Puget Sound NSY	Community Support Facility		4,300	4,300	4,300	4,300
341	Washington	Air Force	Fairchild AFB	KC-135 Sq Ops/Aircraft Maintenance Unit	7,620	7,620	7,620		7,620
342	Washington	Air Force	Fairchild AFB	Survival Academic Training Support Center			3,900	3,900	3,900
343	Washington	Air Force	Fairchild AFB	Convert Nosedock to Washrack Facility		3,700		3,700	3,700
344	Washington	Air Force	Fairchild AFB	Upgrade Fuel Cell Nosedock		2,500			-
345	Washington	Air Force	McChord AFB	C-17 Add To And Alt Aircraft Maint Shop	2,321	2,321	2,321		2,321
346	Washington	Air Force	McChord AFB	C-17 Add To And Alter Simulator Facility	1,823	1,823	1,823		1,823
347	Washington	Air Force	McChord AFB	C-17 Add/Alter Age Maintenance Facility	2,110	2,110	2,110		2,110
348	Washington	Air Force	McChord AFB	C-17 Alter Composite Shop	1,630	1,630	1,630		1,630
349	Washington	Air Force	McChord AFB	C-17 Alter Maintenance Hangars	6,427	6,427	6,427		6,427
350	Washington	Air Force	McChord AFB	C-17 Flightline Support Facility	4,029	4,029	4,029		4,029
351	Washington	Air Force	McChord AFB	C-17 Life Support Equipment Facility	4,413	4,413	4,413		4,413
352	Washington	Air Force	McChord AFB	C-17 Ramp/Hydrant Fuel System	18,025	18,025	18,025		18,025
353	Washington	Air Force	McChord AFB	C-17 Repair Base Roads	2,224	2,224	2,224		2,224
354	Washington	Air Force	McChord AFB	C-17 Shortfield Assault Strip	2,321	2,321	2,321		2,321
355	Washington	Air Force	McChord AFB	C-17 Sq Ops/Aircraft Maintenance Unit	6,524	6,524	6,524		6,524
356	Washington	DMSA	Bangor NSB	Disease Vector Ecology & Control Center	5,700	5,700	5,700		5,700
357	Washington	DMSA	Bremerton Naval Hospital	Hospital Addition/Alteration	28,000	28,000	28,000		28,000
358	Washington	DMSA	McChord AFB	Clinic/WRM Warehouse Replacement	20,000	20,000	20,000		20,000
359	Washington	Army Reserve	Seattle	USAR/OMS/MEP, Ph II			10,713	10,713	10,713
360	Washington	Air National Guard	Fairchild AFB	Composite Support Complex			9,800		-
361	Washington	Air Force Reserve	McChord AFB	Consolidated Medical Training Facility		3,400	3,400	3,400	3,400

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(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
362	West Virginia	Army National Guard	Camp Dawson	Regional Training Institute			13,595	13,595	13,595
363	West Virginia	Army National Guard	CP Dawson (Kingwood)	Readiness Center	4,465	-	-	(4,465)	-
364	Wisconsin	Army Reserve	Fort McCoy	Crash Rescue Station	1,850	1,850	1,850		1,850
365	Wisconsin	Army Reserve	Fort McCoy	Machine Gun Range	2,032	2,032	2,032		2,032
366	Wisconsin	Air National Guard	Volk Field	Upgrade Runway And Taxiway	9,600	9,600	9,600		9,600
367	Wyoming	Air Force	F.E. Warren AFB	Alter Dormitories			3,850		-
368	Wyoming	Army National Guard	Camp Guernsey	Vehicle Maintenance Facility			13,891	13,891	13,891
369	Conus Classified	Army	Classified Locations	Classified Project	4,600	4,600	4,600		4,600
370	Belgium	Army	Belgium	Child Development Center	6,300	6,300	6,300		6,300
371	Germany	Army	Schweinfurt	Whole Barracks Complex Renewal	18,000	18,000	18,000		18,000
372	Germany	Army	Wuerzberg	Child Development Center	4,250	4,250	4,250		4,250
373	Germany	Air Force	Spangdahlem AB	Consolidated Air Control Sq Ops Fac	4,466	4,466	4,466	(4,466)	-
374	Germany	Air Force	Spangdahlem AB	Dormitory	9,501	9,501	9,501		9,501
375	Greece	Navy	Souda Bay Crete Naval Support Activity	Bachelor Enlisted Quarters	5,260	5,260	5,260		5,260
376	Guam	Navy	Naval Activities	Special Warfare Unit Facility	5,500	5,500	5,500		5,500
377	Guam	Navy	Naval Activities	Waterfront Consolidation Activities	4,810	4,810	4,810		4,810
378	Guam	DODDS	Guam Schools	Guam Elementary School	8,600	8,600	8,600		8,600
379	Guam	DODDS	Guam Schools	Guam High School	4,500	4,500	4,500		4,500
380	Italy	Navy	Naples Naval Support Activity	NII Public Works Facility	18,270	18,270	18,270		18,270
381	Italy	DMSA	Sigonella NAS	Flight Line Dispensary	5,300	5,300	5,300		5,300
382	Korea	Army	Camp Casey	Whole Barracks Complex Renewal	13,400	13,400	13,400		13,400
383	Korea	Army	Camp Casey	Fitness Center			8,000	8,000	8,000
384	Korea	Army	Camp Castle	Whole Barracks Complex Renewal	18,226	18,226	18,226		18,226
385	Korea	Army	Camp Humphreys	Whole Barracks Complex Renewal	8,500	8,500	8,500		8,500
386	Korea	Army	Camp Stanley	Whole Barracks Complex Renewal	5,800	5,800	5,800		5,800
387	Korea	Air Force	Kunsan AB	Dormitory	5,958	5,958	5,958		5,958
388	Korea	Air Force	Osan AB	Dormitory	7,496	7,496	7,496		7,496
389	Kwajalein	Army	Kwajalein Atoll	Power Plant - Roi Namur Island	12,600	12,600	12,600		12,600
390	Kwajalein	BMDO	Missile Range	Multi Purpose Missile Test Facilities	4,600	4,600	4,600	(4,600)	-
391	Portugal	DLA	Def Fuel Sup Point Lajes Field Azores	Fuel Pumphouse & Tanks	7,700	7,700	7,700		7,700
392	Puerto Rico	SOCOM	NS Puerto Rico	SOF Operations Fac	9,600	9,600	9,600		9,600
393	Puerto Rico	DODDS	Fort Buchanan	Elementary School	8,805	8,805	8,805		8,805
394	Turkey	Air Force	Incirlik AB	Central Security Control Facility	2,949	2,949	2,949		2,949
395	United Kingdom	Navy	St Mawgan Joint Maritime Comm Ctr	Education Center	2,010	2,010	2,010		2,010
396	United Kingdom	Air Force	RAF Lakenheath	Dormitories	15,838	15,838	15,838		15,838
397	United Kingdom	Air Force	RAF Mildenhall	Dormitories	10,926	10,926	10,926		10,926

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Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
398	United Kingdom	Air Force	RAF Mildenhall	KC-135 Sq Ops/Aircraft Maintenance Unit	14,034	14,034	14,034		14,034
399	United Kingdom	DMSA	RAF Lakenheath	Hospital Annex Replacement	10,800	10,800	10,800		10,800
400	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Host Nation Support	20,450	20,450	20,450		20,450
401	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Planning And Design	41,819	43,342	44,845	2,000	43,819
402	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Unspecified Minor Construction	10,000	5,000	10,000	2,500	12,500
403	Worldwide Unspecified	Army	Unspecified Worldwide Locations	General Reduction		(6,000)		(6,000)	(6,000)
404	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Revised Economic Assumptions (Mid-Session)			(2,000)	(2,000)	(2,000)
405	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Planning And Design	58,346	60,346	60,481	2,500	60,846
406	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Unspecified Minor Construction	8,900	8,900	8,900	1,000	9,900
407	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	General Reduction		(5,000)		(5,000)	(5,000)
408	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Revised Economic Assumptions (Mid-Session)			(1,000)	(1,000)	(1,000)
409	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Planning And Design	35,592	37,592	44,762	2,500	38,092
410	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Unspecified Minor Construction	7,135	7,135	7,135	1,000	8,135
411	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	General Reduction		(11,000)		(11,000)	(11,000)
412	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Revised Economic Assumptions (Mid-Session)			(1,000)	(1,000)	(1,000)
413	Worldwide Unspecified	SOCOM	Unspecified Worldwide Locations	Unspecified Minor Construction	4,200	4,200	1,500	(2,700)	1,500
414	Worldwide Unspecified	SOCOM	Unspecified Worldwide Locations	Planning And Design	1,450	1,450	4,150	2,700	4,150
415	Worldwide Unspecified	Defense	Energy Conservation Improvement Pgm	Energy Conservation Improvement Program	46,950	46,950	46,950		46,950
416	Worldwide Unspecified	DFAS	Unspecified Minor Construction	Minor Construction	1,500	1,500	1,500		1,500
417	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Contingency Construction	9,390	4,890	9,390	(4,500)	4,890
418	Worldwide Unspecified	DTRTC	Unspecified Worldwide Locations	Minor Construction	900	900	900		900
419	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Minor Construction	3,000	3,000	3,000		3,000
420	Worldwide Unspecified	DODDS	Unspecified Worldwide Locations	Minor Construction	999	999	999		999
421	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Planning And Design	15,000	15,000	15,000		15,000
422	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	General Reduction		(12,000)	-	(12,000)	(12,000)
423	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Revised Economic Assumption (Mid-Session)			(1,300)	(1,300)	(1,300)
424	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	General Reduction-Chemical Demilitarization				(50,500)	(50,500)
425	Worldwide Unspecified	DMSA	Unspecified Worldwide Locations	Planning And Design	8,555	8,555	8,555		8,555
426	Worldwide Unspecified	DM & P Center	Unspecified Worldwide Locations	Planning And Design	2,200	2,200	2,200		2,200
427	Worldwide Unspecified	DTRTC	Unspecified Worldwide Locations	Planning And Design	100	100	100		100
428	Worldwide Unspecified	BMDO	Unspecified Worldwide Locations	Planning And Design	12,561	12,561	12,561	(2,561)	10,000
429	Worldwide Unspecified	DODDS	Unspecified Worldwide Locations	Planning and Design				1,000	1,000
430	Worldwide Unspecified	DMSA	Unspecified Worldwide Locations	Unspecified Minor Construction	1,900	1,900	1,900		1,900
431	Worldwide Unspecified	JCS	Unspecified Worldwide Locations	Unspecified Minor Construction	3,595	3,595	3,595		3,595
432	Worldwide Unspecified	Defense	Unaccompanied Housing Fund	Termination of Authority (FY1997 PL104-196)				(5,000)	(5,000)
433	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Base Realignment & Closure Acct Part III	433,464	433,464	433,464	(4,300)	427,164

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Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
434	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Revised Economic Assumptions (Mid-Session)			(5,000)	(2,000)	
435	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Base Realignment & Closure Acct Part IV	1,297,240	1,297,240	1,297,240	(28,802)	1,203,738
436	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Revised Economic Assumptions (Mid-Session)				(3,000)	
437	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Inflation Savings Previously Withheld				(26,000)	
438	Worldwide Unspecified	Defense	Base Realignment & Closure Acct Part II	Unreported Proceeds				(35,700)	
439	Worldwide Unspecified	Defense	NATO Security Investment Program	NATO Security Investment Program	185,000	169,000	159,000	(30,000)	154,000
440	Worldwide Unspecified	NATO	NATO Infrastructure	Revised Economic Assumptions (Mid-Session)			(1,000)	(1,000)	
441	Worldwide Unspecified	Army National Guard	Unspecified Worldwide Locations	Planning And Design	4,548	5,548	7,792	4,500	9,048
442	Worldwide Unspecified	Army National Guard	Unspecified Worldwide Locations	Unspecified Minor Construction	546	546	546	4,500	5,046
443	Worldwide Unspecified	Army National Guard	Unspecified Worldwide Locations	General Reduction		(2,000)		(2,000)	(2,000
444	Worldwide Unspecified	Army Reserve	Unspecified Worldwide Locations	Planning And Design	7,368	7,368	9,128		7,368
445	Worldwide Unspecified	Army Reserve	Unspecified Worldwide Locations	Termination Fiscal Year 1998 Authority		(12,714)			-
446	Worldwide Unspecified	Navy Reserve	Unspecified Worldwide Locations	Planning And Design	1,974	1,974	1,974	1,000	2,974
447	Worldwide Unspecified	Navy Reserve	Unspecified Worldwide Locations	Unspecified Minor Construction	877	877	877		877
448	Worldwide Unspecified	Air National Guard	Unspecified Worldwide Locations	Planning And Design	8,549	9,549	13,320		8,549
449	Worldwide Unspecified	Air National Guard	Unspecified Worldwide Locations	Unspecified Minor Construction	3,462	5,502	3,462	4,040	7,502
450	Worldwide Unspecified	Air National Guard	Unspecified Worldwide Locations	General Reduction		(4,000)		(4,000)	(4,000
451	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide Locations	Planning And Design	2,432	3,432	3,222		2,432
452	Worldwide Unspecified	Air Force Reserve	Unspecified Worldwide Locations	Unspecified Minor Construction	2,903	2,903	2,903		2,903
453	Worldwide Various	DLA	Various Locations	Conforming Storage Facilities	1,300	1,300	1,300		1,300
454				Prior Year Deauthorization			(12,714)		-
455				Totals:	4,300,744	4,721,521	4,893,180	601,715	4,902,459

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
459	Alabama	Army	Redstone Arsenal	Family Housing Replacement Const (118 Units)	14,000	14,000	14,000		14,000
460	Alabama	Air Force	Maxwell AFB	Replace MFH Ph 1 (143 Units)	16,300	16,300	16,300		16,300
461	Alaska	Air Force	Eielson AFB	Replace MFH Ph 3 (46 Units)	12,932	12,932	12,932		12,932
462	California	Navy	Lemoore NAS	Replacement Homes (162 Units)	30,379	30,379	30,379		30,379
463	California	Air Force	Edwards AFB	Replace MFH Ph 4 (48 Units)	12,580	12,580	12,580		12,580
464	California	Air Force	Vandenberg AFB	Replace MFH Ph 6 (95 Units)	18,499	18,499	18,499		18,499
465	Delaware	Air Force	Dover AFB	Replace MFH (55 Units)	8,998	8,998	8,998		8,998
466	Florida	Air Force	MacDill AFB	Replace MFH Ph3 (48 Units)	7,609	7,609	7,609		7,609
467	Florida	Air Force	Patrick AFB	Replace MFH Ph 1 (46 Units)	9,692	9,692	9,692		9,692
468	Florida	Air Force	Tyndall AFB	Replace MFH Ph 5 (122 Units)	14,500	14,500	14,500		14,500
469	Hawaii	Army	Schofield Barracks	Family Housing Replacement Const (64 Units)	14,700	14,700	14,700		14,700
470	Hawaii	Navy	Naval Complex, Oahu	Replacement Homes (150 Units)	29,125	29,125	29,125		29,125
471	Mississippi	Air Force	Keesler AFB	Replace Family Housing (52 Units)			6,800	6,800	6,800
472	Mississippi	Air Force	Columbus AFB	Replace Family Housing (52 Units)			6,800	6,800	6,800
473	Montana	Air Force	Malmstrom AFB	Family Housing (50 Units)			12,300	10,000	10,000
474	Nebraska	Air Force	Offutt AFB	Replace Housing Maint Fac	900	900	900		900
475	Nebraska	Air Force	Offutt AFB	Replace Housing Office	870	870	870		870
476	Nebraska	Air Force	Offutt AFB	Replace MFH Ph 4 (90 Units)	12,212	12,212	12,212		12,212
477	Nevada	Air Force	Nellis AFB	Replace Family Housing Ph VII (60 Units)		10,550		5,000	5,000
478	New Mexico	Air Force	Kirtland AFB	Replace MFH Ph 5 (37 Units)	6,400	6,400	6,400		6,400
479	North Carolina	Army	Fort Bragg	Family Housing Replacement Const (170 Units)	19,800	19,800	19,800		19,800
480	Ohio	Air Force	Wright Patterson AFB	Replace MFH (40 Units)	5,600	5,600	5,600		5,600
481	Texas	Army	Fort Hood	Family Housing Replacement Const (154 Units)	21,600	21,600	21,600		21,600
482	Texas	Air Force	Dyess AFB	Construct MFH Ph 2 (64 Units)	9,415	9,415	9,415		9,415
483	Texas	Air Force	Sheppard AFB	Replace Family Housing, Ph 1 (115 Units)			12,800		-
484	Texas	Air Force	Sheppard AFB	Replace Family Housing, Ph 1 (65 Units)		7,000		7,000	7,000
485	Virginia	Army	Fort Lee	Whole Neighborhood Replacement PhII (80 Units)		13,000		13,000	13,000
486	Washington	Air Force	Fairchild AFB	Replace Hsg Off & Maint Fac	1,692	1,692	1,692		1,692
487	Washington	Air Force	Fairchild AFB	Replace MFH (14 Units)	2,300	2,300	2,300		2,300
488	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Payment To Homeowners	12,800	7,500	12,800	(12,800)	-
489	Worldwide Various	Army	Unspecified Worldwide Locations	General Reduction	(1,639)	(2,639)	(1,639)	(1,000)	(2,639)
490	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Construction Improvements	28,629	37,429	49,679	19,850	48,479
491	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Planning	6,350	6,350	7,490		6,350
492	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Interest Payments	3	3	3		3
493	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Leasing	202,155	202,155	202,155		202,155
494	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Miscellaneous Account	415	415	415		415

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
495	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Maintenance Of Real Property	467,914	467,914	467,914		467,914
496	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Utilities Account	250,407	250,407	250,407		250,407
497	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Services Account	52,222	52,222	52,222		52,222
498	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Management Account	87,125	80,089	87,125	(7,036)	80,089
499	Worldwide Unspecified	Army	Unspecified Worldwide Locations	Furnishings Account	44,492	44,492	44,492		44,492
500	Worldwide Unspecified	Army	Worldwide Family Housing Operations	Revised Economic Assumptions (Mid-Session)			(3,000)	(3,000)	(3,000)
501	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Construction Improvements	211,991	221,991	217,791	15,800	227,791
502	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Planning	15,618	15,618	15,618		15,618
503	Worldwide Unspecified	Navy	General Reduction		(6,323)	(6,323)	(6,323)		(6,323)
504	Worldwide Unspecified	Navy	Worldwide Family Housing Investment	Revised Economic Assumptions (Mid-Session)			(1,000)	(1,000)	(1,000)
505	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Maintenance Of Real Property	414,967	414,967	414,967		414,967
506	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Leasing	135,079	135,079	135,079		135,079
507	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Miscellaneous Account	293	293	293		293
508	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Management Account	82,331	82,331	82,331		82,331
509	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Furnishings Account	33,199	33,199	33,199		33,199
510	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Utilities Account	184,519	184,519	184,519		184,519
511	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Services Account	64,829	64,829	64,829		64,829
512	Worldwide Unspecified	Navy	Unspecified Worldwide Locations	Mortgage Insurance Premiums	76	76	76		76
513	Worldwide Unspecified	Navy	Worldwide Family Housing Operations	Revised Economic Assumptions (Mid-Session)			(3,000)	(3,000)	(3,000)
514	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Planning	11,342	11,342	12,622		11,342
515	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Construction Improvements	81,778	81,778	123,238	22,330	104,108
516	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	General Reductions	(7,584)	(9,584)	(7,584)	(2,000)	(9,584)
517	Worldwide Unspecified	Air Force	Worldwide Family Housing Investment	Revised Economic Assumptions (Mid-Session)			(1,000)	(1,000)	(1,000)
518	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Mortgage Insurance Premiums	32	32	32		32
519	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Maintenance Of Real Property	388,659	388,659	388,659		388,659
520	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Miscellaneous Account	5,240	5,240	5,240		5,240
521	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Leasing	118,071	118,071	118,071		118,071
522	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Furnishings Account	37,218	36,427	37,218	(791)	36,427
523	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Utilities Account	152,214	152,214	152,214		152,214
524	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Services Account	36,066	35,849	36,066	(217)	35,849
525	Worldwide Unspecified	Air Force	Unspecified Worldwide Locations	Management Account	52,495	48,712	52,495	(3,783)	48,712
526	Worldwide Unspecified	Air Force	Worldwide Family Housing Operations	Inflation Reduction			(2,000)	(2,000)	(2,000)
527	Worldwide Unspecified	Defense	Unspecified Worldwide Locations	Family Housing Improvement Fund	7,000	7,000	7,000	(5,000)	2,000
528	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Construction Improvements	50	50	50		50
529	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Construction Improvements	295	295	295		295
530	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Management Account	244	244	244		244

Fiscal Year 1999 Military Construction Authorization of Appropriations

(Dollars in Thousands)

Ln No.	State Name	Service	Installation Name	Project Name	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
531	Worldwide Unspecified	DIA	Unspecified Worldwide Locations	Leasing	18,847	18,847	18,847		18,847
532	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Furnishings Account	125	125	125		125
533	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Services Account	51	51	51		51
534	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Utilities Account	424	424	424		424
535	Worldwide Unspecified	DIA	Unspecified Worldwide Locations	Furnishings Account	2,153	2,153	2,153		2,153
536	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Services Account	355	355	355		355
537	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Maintenance Of Real Property	496	496	496		496
538	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Leasing	12,292	12,292	12,292		12,292
539	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Miscellaneous Account	735	735	735		735
540	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Furnishings Account	126	126	126		126
541	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Utilities Account	450	450	450		450
542	Worldwide Unspecified	NSA	Unspecified Worldwide Locations	Management Account	70	70	70		70
543	Worldwide Unspecified	DLA	Unspecified Worldwide Locations	Maintenance Of Real Property	531	531	531		531
544				**Totals:**	3,477,330	3,506,553	3,576,760	63,953	3,541,283

AMENDED BUDGET ESTIMATES—FY 1999 BRAC MILITARY CONSTRUCTION PROJECTS

[In thousands of dollars]

Component/State/Project Description	BRAC round	Amount
NAVY BRAC III CONSTRUCTION, FISCAL YEAR 1999		
Nevada:		
Naval Air Station, Fallon:		
Bachelor Office Quarters Phase II (P–XX1T)	III	11,100
Subtotal Navy Nevada		11,100
Total for Navy Construction, FY 1999		11,100
ARMY BRAC IV CONSTRUCTION, FISCAL YEAR 1999		
Alaska:		
Fort Greely:		
Munitions Storage Facility (PN 47461)	IV	1,550
Subtotal Army Alaska		1,550
Colorado:		
Fitzsimons Army Medical Center:		
Warehouse Addition (PN 47653)	IV	1,550
Reserve Center (PN 50296)	IV	2,750
Subtotal Army Colorado		4,300
Indiana:		
Crane Army Ammunition Activity:		
Surveillance Test Facility (PN 50057)	IV	1,850
Subtotal Army Indiana		1,850
Maryland:		
Fort Detrick:		
Physical Fitness Center (PN 48153)	IV	3,050
Fort Meade:		
Administrative Facility DIS (PN 46307)	IV	12,000
Administrative Facility ESSD Renovation (PN 47770)	IV	2,900
SDC—W Renovation—Pershing Hall (PN 47237)	IV	6,300
Subtotal Army Maryland		24,250
New York:		
Fort Totten:		
Storage Facility (PN 46258)	IV	1,900
Subtotal Army New York		1,900
Pennsylvania:		
Letterkenny Army Depot:		
Enclave Fencing (PN 49714)	IV	1,150
Subtotal Army Pennsylvania		1,150
Virginia:		
Fort Pickett:		
Reserve Center (PN–46354)	IV	3,100
Fort Lee:		
WAC Museum (PN 50091)	IV	2,400
Subtotal Army Virginia		5,500
Various Locations:		
Program Management	IV	2,350
Subtotal Army Various		2,350
Total for Army BRAC IV Construction, FY 1999		42,850
ARMY BRAC IV FAMILY HOUSING CONSTRUCTION, FY 1999		
Alaska:		
Fort Wainwright:		
Family Housing (PN 47530)	IV	1,700
Subtotal Army Family Housing Alaska		1,700
Total Army Family Housing Construction, FY 1999		1,700
NAVY BRAC IV CONSTRUCTION, FY 1999		
California:		
Naval Air Weapons Station, Point Mugu:		
Aviation Support Facilities (260U)	IV	1,500
Maintenance and Training Facilities (261U)	IV	12,800
Subtotal Navy California		14,300
District of Columbia:		
Naval District of Washington:		
NAVSEASYSCOM Headquarters Building Relocation (009U)	IV	71,543
Subtotal Navy District of Columbia		71,543
Hawaii:		
Naval Telecommunications Center, Makalapa:		
Building Addition (411U)	IV	920
Subtotal Navy Hawaii		920
New Jersey:		
McGuire AFB:		
Defense Courier Service Building (935U)	IV	850
Subtotal Navy New Jersey		850
Tennessee:		
Naval Support Activity, Memphis:		
Building Renovation (329U)	IV	4,200
Subtotal Navy Tennessee		4,200
Texas:		
Naval Air Station, Corpus Christi:		
Sled Ramp Facility and Land Acquisition (421U)	IV	13,313
Subtotal Navy Texas		13,313
Virginia:		
Naval Station, Norfolk:		
Building Renovations and Alterations (317U)	IV	3,970
Naval Air Station, Oceana:		
Strike Fighter Weapons School Additions (163U)	IV	4,073
Subtotal Navy Virginia		8,430
Total for Navy BRAC IV Construction, FY 1999		131,169
AIR FORCE BRAC IV CONSTRUCTION, FY 1999		
New York:		
Stewart International Airport:		
Communications Training Complex (WHAY 959635)	IV	6,000
Subtotal Air Force New York		6,000
Oklahoma:		
Tinker AFB:		
Alter Product Management (WWYK990032)	IV	2,300
Alter Engine Test Cell (WWYK993200)	IV	3,800
ADAL Fuel Air Facility (WWYK993201A)	IV	1,300
Subtotal Air Force Oklahoma		7,400
Texas:		
Kelly AFB:		
Security Fence/Gates (MBPB 993205R1)	IV	400
Vehicle OPS/Maintenance Complex (MBPB 993213R1)	IV	6,200
Fuel Operations Facility (MBPB 993214R1)	IV	1,200
Reconfigure Utility Systems (MBPB 993230)	IV	2,500
Subtotal Air Force Texas		10,300
Utah:		
Hill AFB:		
GTE Test Cell (KRSM 993009)	IV	2,100
Alter Product Management/Composites (KRSM983102)	IV	5,300
F–117 Radar Facility (KRSM 983002)	IV	1,100
Subtotal Air Force Utah		8,500
Various Locations:		
Planning and Design (BCL 99RD4)	IV	700
Subtotal Air Force Various		700
Total Air Force BRAC IV Construction, FY 1999		32,900
DEFENSE LOGISTICS AGENCY BRAC IV CONSTRUCTION, FY 1999		
Utah:		
Defense Distribution Region West Defense Depot Hill, UT:		
Deployable Medical Systems Warehouse	IV	31,000
Subtotal Defense Logistics Agency Utah		31,000
Total Defense Logistics Agency Construction, FY 1999		31,000

TITLE XXI—ARMY

FISCAL YEAR 1999

Overview

The House bill would authorize $2,010,036,000 for Army military construction and family housing programs for fiscal year 1999.

The Senate amendment would authorize $2,037,965,000 for this purpose.

The conferees recommend authorization of appropriations of $2,098,713,000 for Army military construction and family housing for fiscal year 1999.

The conferees agree to general reductions of $13,639,000 in the authorization of appropriations for the Army military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduced overhead costs, and cancellations due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXI of this Act.

ITEMS OF SPECIAL INTEREST

Improvements of Military Family Housing, Army

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Army execute the following projects: $7,400,000 for Whole Neighborhood Revitalization (40 units) at Fort Richardson, Alaska; $8,800,000 for Whole Neighborhood Revitalization Phase II (104 units) at Fort Campbell, Kentucky; and $3,650,000 for Whole Neighborhood Revitalization (36 units) at White Sands Missile Range, New Mexico.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Army construction and land acquisition projects (sec. 2101)

The House bill contained a provision (sec. 2101) that would authorize Army construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2102)

The House bill included a provision (sec. 2102) that would authorize new construction and planning and design of family housing units for the Army for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2103)

The House bill contained a provision (sec. 2103) that would authorize improvements to existing units of family housing for fiscal year 1999.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Army (sec. 2104)

The House bill contained a provision (sec. 2104) that would authorize specific appropriations for each line item contained in the Army's budget for fiscal year 1999. This section would also provide an overall limit on the amount the Army may spend on military construction projects.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Modification of authority to carry out fiscal year 1998 projects (sec. 2105)

The House bill contained a provision (sec. 2105) that would amend the table in section 2101 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105-85) to provide for an increase in the amount authorized for the construction of an aerial gunnery range at Fort

Drum, New York, and a whole barracks complex renewal at Fort Sill, Oklahoma.

The Senate amendment contained a provision (sec. 2105) that would provide for an increase in the amount authorized for the construction of the whole barracks complex renewal at Fort Sill, Oklahoma, due to a change in scope.

The Senate recedes with a technical amendment.

TITLE XXII—NAVY

FISCAL YEAR 1999

Overview

The House bill would authorize $1,776,726,000 for Navy military construction and family housing programs for fiscal year 1999.

The Senate amendment would authorize $1,762,298,000 for this purpose.

The conferees recommend authorization of appropriations of $1,812,476,000 for Navy military construction and family housing for fiscal year 1999.

The conferees agree to general reductions of $16,323,000 in the authorization of appropriations for the Navy military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXII of this Act.

ITEMS OF SPECIAL INTEREST

Improvements of military family housing, Navy

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Navy execute the following projects: $10,000,000 for family housing improvements (171 units) at Marine Corps Base, Camp Pendleton, California; and $5,800,000 for family housing improvements (80 units) at Naval Air Station, Whidbey Island, Washington.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Navy construction and land acquisition projects (sec. 2201)

The House bill contained a provision (sec. 2201) that would authorize Navy construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2202)

The House bill contained a provision (sec. 2202) that would authorize new construction and planning and design of family housing units for the Navy for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2203)

The House bill contained a provision (sec. 2203) that would authorize improvements to existing units of family housing for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Navy (sec. 2204)

The House bill contained a provision (sec. 2204) that would authorize specific appropriations for each line item in the Navy's budget for fiscal year 1999. This section would also provide an overall limit on the amount the Navy may spend on military construction projects.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization to accept road construction project, Marine Corps Base, Camp Lejeune, North Carolina (sec. 2205)

The House bill contained a provision (sec. 2205) that would authorize the Secretary of the Navy to accept a road construction project valued at $2,000,000 from the State of North Carolina at Marine Corps Base, Camp Lejeune, North Carolina.

The Senate amendment contained no similar provision.

The Senate recedes.

TITLE XXIII—AIR FORCE

FISCAL YEAR 1999

Overview

The House bill would authorize $1,577,264,000 for Air Force military construction and family housing programs for fiscal year 1999.

The Senate amendment would authorize $1,729,050,000 for this purpose.

The conferees recommend authorization of appropriations of $1,679,978,000 for Air Force military construction and family housing for fiscal year 1999.

The conferees agree to general reductions of $24,584,000 in the authorization of appropriations for the Air Force military construction and military family housing accounts. The reductions are to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXIII of this Act.

ITEMS OF SPECIAL INTEREST

Improvements of military family housing, Air Force

The conferees recommend that, within authorized amounts for improvements to military family housing and facilities, the Secretary of the Air Force execute the following projects: $5,220,000 for family housing improvements (68 units) at Moody Air Force Base, Georgia; $8,000,000 for family housing improvements (70 units) at Seymour Johnson Air Force Base, North Carolina; and $9,110,000 for family housing improvements (94 units) at Charleston Air Force Base, South Carolina.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Air Force construction and land acquisition projects (sec. 2301)

The House bill contained a provision (sec. 2301) that would authorize Air Force construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Family housing (sec. 2302)

The House bill contained a provision (sec. 2302) that would authorize new construction and planning and design of family housing units for the Air Force for fiscal year 1999.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2303)

The House bill contained a provision (sec. 2303) that would authorize improvements to existing units of family housing for fiscal year 1999.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Authorization of appropriations, Air Force (sec. 2304)

The House bill contained a provision (sec. 2304) that would authorize specific appropriations for each line item in the Air Force's budget for fiscal year 1999. This section would also provide an overall limit on the amount the Air Force may spend on military construction projects.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

TITLE XXIV—DEFENSE AGENCIES

FISCAL YEAR 1999

Overview

The House bill would authorize $648,664,000 for Defense Agencies military construction and family housing programs for fiscal year 1999. The bill would also authorize $1,730,704,000 for base closure activities.

The Senate amendment would authorize $607,919,000 for this purpose. The amendment would also authorize $1,725,704,000 for base closure activities.

The conferees recommend authorization of appropriations of $585,358,000 for Defense Agencies military construction and family housing for fiscal year 1999. The conferees also recommend authorization of appropriations of $1,630,902,000 for base closure activities.

The conferees agree to a general reduction of $13,300,000 in the authorization of appropriations for the Defense Agencies military construction account. The general reduction is to be offset by savings from favorable bids and reduction in overhead costs. The conferees further agree to a general reduction of $50,500,000 in the authorization of appropriations for the chemical demilitarization program. The reduction to the entire chemical demilitarization program is based on unobligated prior year funds and delays in obtaining the required environmental and construction permits. The general reductions shall not cancel any military construction projects authorized by title XXIV of this Act.

The conferees agree to terminate $5,000,000 in prior year authorization for the Military

Unaccompanied Housing Improvement Fund. The termination is due to the absence of specific project activity under this account.

The conferees agree to a general reduction of $33,102,000 in the authorization of appropriations for the Base Closure and Realignment Accounts based on approved cost variations which accelerated six construction projects from fiscal year 1999 to fiscal year 1998. The conferees agree to an additional general reduction of $31,000,000 based on revised economic assumptions. The conferees are aware that the military departments have collected $35,700,000 more in proceeds from land sales and leases at closing or realigning bases than reported in the fiscal year 1999 budget request and recommend an adjustment in the accounts to accommodate these revenues.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Defense Agencies construction and land acquisition projects (sec. 2401)

The House bill contained a provision (sec. 2401) that would authorize defense agencies construction projects for fiscal year 1999. The authorized amounts are listed on an installation-by-installation basis.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The authorized amounts are listed on a installation-by-installation basis. The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Improvements to military family housing units (sec. 2402)

The House bill contained a provision (sec. 2402) that would authorize the Secretary of Defense to make improvements to existing units of family housing for fiscal year 1999.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Energy conservation projects (sec. 2403)

The House bill contained a provision (sec. 2403) that would authorize the Secretary of Defense to carry out energy conservation projects.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Authorization of appropriations, Defense Agencies (sec. 2404)

The House bill contained a provision (sec. 2404) that would authorize specific appropriations for each line item in the Defense Agencies' budget for fiscal year 1999. This section would also provide an overall limit on the amount the Defense Agencies may spend on military construction projects.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

Repeal of fiscal year 1997 authorization of appropriations for certain military housing improvement program (sec. 2405)

The conferees include a provision which would amend section 2406(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104-201) to reduce the funding for the Department of Defense Military Unaccompanied Housing Improvement Fund by $5,000,000. The amendment would also make certain conforming changes to section 2404 of that Act.

Modification of authority to carry out certain fiscal year 1995 projects (sec. 2406)

The House bill contained a provision (sec. 2405) that would amend the table in section 2401 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337), as amended, to provide for an increase in the amount authorized for military construction projects to support chemical weapons and munitions destruction at Pine Bluff Arsenal, Arkansas, and Umatilla Army Depot, Oregon.

The Senate amendment contained a similar provision.

The House recedes.

Modification of authority to carry out fiscal year 1990 project (sec. 2407)

The House bill contained a provision (sec. 2406) that would amend the table in section 2401 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 100-189) to provide for an increase in the amount authorized for the construction of a replacement hospital at Naval Hospital, Portsmouth, Virginia.

The Senate amendment contained a similar provision.

The Senate recedes with a clarifying amendment.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

FISCAL YEAR 1999

Overview

The House bill would authorize $169,000,000 for the U.S. contribution to the NATO Security Investment Program for fiscal year 1999.

The Senate amendment would authorize $158,000,000 for this purpose.

The conferees agree to authorize $154,000,000 million for the U.S. contribution to the NATO Security Investment Program.

LEGISLATIVE PROVISIONS ADOPTED

Authorized North Atlantic Treat Organization (NATO) construction and land acquisition projects (sec. 2501)

The House bill contained a provision (sec. 2501) that would authorize the Secretary of Defense to make contributions to the North Atlantic Treaty Organization Security Investment program in an amount equal to the sum of the amount specifically authorized in section 2502 of H.R. 3616 and the amount of recoupment due to the United States for construction previously financed by the United States.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Authorization of appropriations, NATO (sec. 2502)

The House bill contained a provision (sec. 2502) that would authorize appropriations of $169,000,000 as the United States contribution to the North Atlantic Treaty Organization (NATO) Security Investment Program.

The Senate would authorize $158,000,000 for this purpose.

The conferees agree to authorize $154,000,000 for the United States contribution to the NATO Security Investment Program.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

FISCAL YEAR 1999

Overview

The House bill would authorize $309,025,000 for military construction and land acquisition for fiscal year 1999 for the Guard and Reserve components.

The Senate amendment would authorize $443,622,000 for this purpose.

The conferees recommend authorization of appropriations of $480,315,000 for military construction and land acquisition for fiscal year 1999. This authorization would be distributed as follows:

Army National Guard	$142,403,000
Army Reserve	102,119,000
Naval and Marine Corps Reserve	31,621,000
Air National Guard	169,801,000
Air Force Reserve	34,371,000

The conferees agree to a general reduction of $2,000,000 in the authorization of appropriations for the Army National Guard military construction account and $4,000,000 in the authorization of appropriations for the Air National Guard military construction account. The general reductions are to be offset by savings from favorable bids, reduction in overhead costs, and cancellation of projects due to force structure changes. The general reductions shall not cancel any military construction authorized by title XXVI of this Act.

LEGISLATIVE PROVISIONS ADOPTED

Authorized Guard and Reserve construction and land acquisition projects (sec. 2601)

The House bill contained a provision (sec. 2601) that would authorize appropriations for military construction for the guard and reserve by service component for fiscal year 1999.

The Senate amendment contained a similar provision.

The conference agreement includes a similar provision.

The state list contained in this report is intended to be the binding list of the specific projects authorized at each location.

Modification of authority to carry out fiscal year 1998 project (sec. 2602)

The House bill contained a provision (sec. 2602) that would authorize the Secretary of the Army to accept financial or in-kind contributions from the State of Utah in connection with the construction of a reserve center and organizational maintenance shop in Salt Lake City, Utah. The provision would also terminate the authorization for a similar military construction project at Camp Williams, Utah authorized in section 2601 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105-85).

The Senate amendment contained a similar provision.

The House and Senate recede.

The conferees include a provision that amends section 2603 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105-85) to direct the Secretary of the Army to enter into an agreement under which the State of Utah agrees to provide financial or in-kind contributions with regard to the construction of a reserve center and organizational maintenance shop at an appropriate site in, or in the vicinity of, Salt Lake City, Utah.

LEGISLATIVE PROVISIONS NOT ADOPTED

National Guard Military Educational Facility, Fort Bragg, North Carolina

The Senate amendment contained a provision (sec. 2603) that would authorize $1,000,000 from the funds authorized for appropriations by section 2601(1)(A) for the purpose of planning and design of a military educational facility for the Army National Guard at Fort Bragg, North Carolina.

The House bill contained no similar provision.

The Senate recedes.

The conferees note that this military educational facility requires no additional funding for planning and design and urge the Secretary of the Army to make every effort to include this construction requirement in the fiscal year 2000 future years defense program.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

LEGISLATIVE PROVISIONS ADOPTED

Expiration of authorizations and amounts required to be specified by law (sec. 2701)

The House bill contained a provision (sec. 2701) that would provide that authorizations for military construction projects, repair of real property, land acquisition, family housing projects and facilities, contributions to the North Atlantic Treaty Organization Security Investment Program, and guard and reserve projects will expire on October 1, 2001, or the date of enactment of an Act authorizing funds for military construction for fiscal year 2002, whichever is later. This expiration would not apply to authorizations for which appropriated funds have been obligated before October 1, 2001, or the date of enactment of an Act authorizing funds for these projects, whichever is later.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Extension of authorizations of certain fiscal year 1996 projects (sec. 2702)

The House bill contained a provision (sec. 2702) that would provide for selected extension of certain fiscal year 1996 military construction authorizations until October 1, 1999, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2000, whichever is later.

The Senate amendment contained a similar provision.

The House recedes with a technical amendment.

Extension of authorization of fiscal year 1995 project (sec. 2703)

The House bill contained a provision (sec. 2703) that would provide for selected extension of certain fiscal year 1995 military construction authorizations until October 1, 1999, or the date of the enactment of the Act authorizing funds for military construction for fiscal year 2000, whichever is later.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Effective date (sec. 2704)

The House bill contained a provision (sec. 2704) that would provide that Titles XXI, XXII, XXIII, XXIV, XV, and XXVI of this bill shall take effect on October 1, 1998, or the date of the enactment of this Act, whichever is later.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Authorization of additional military construction and military family housing projects

The Senate amendment contained a provision (sec. 2704) that would authorize for appropriation $200,000,000 in additional military construction and military family housing projects for fiscal year 1999.

The House bill contained no similar provision.

The House recedes and the Senate recedes.

The conferees note that the disposition of the military construction projects contained in the Senate amendment is addressed by title XXI, title XXII, and title XXIII of this Act where appropriate.

TITLE XXVIII—GENERAL PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—Military Construction and Military Family Housing Changes

Architectural and engineering services and construction design (sec. 2801)

The Senate amendment contained a provision (sec. 2801) that would amend section 2807 (a) and (d) of title 10, United States Code, to clarify the authority to use design funds after a project has been authorized and to use design funds for the design portion of a design-build contract. The provision would also clarify that "planning" and "study" efforts associated with military construction projects are not authorized uses of design funds. The provision would also amend 2807(b) of title 10, United States Code, to increase the threshold for congressional notification for payment of architectural and engineering services and construction design from $300,000 to $500,000.

The House bill contained no similar provision.

The House recedes with an amendment that would strike paragraph (a) of the Senate amendment modifying section 2807(a) of title 10, United States Code, regarding covered projects.

Expansion of Army overseas family housing lease authority (sec. 2802)

The Senate amendment contained a provision (sec. 2802) that would amend section 2828(e) of title 10, United States Code, to authorize the Secretary of the Army to increase, by no more than 500 family housing units in Italy and no more than 800 family housing units in Korea, the number of leases for which the maximum amount is $25,000 per unit per year.

The House bill contained no similar provision.

The House recedes.

Definition of ancillary supporting facilities under the alternative authority for acquisition and improvement of military housing (sec. 2803)

The House bill contained a provision (sec. 2801) that would amend section 2871 of title 10, United States Code, to clarify that the development of ancillary supporting facilities in military housing projects undertaken under the authority of subchapter IV, chapter 169 of title 10, United States Code, may include the development of educational facilities to support the needs of dependents of military personnel.

The Senate amendment contained no similar provision.

The Senate recedes.

Purchase of build-to-lease family housing at Eielson Air Force Base, Alaska (sec. 2804)

The Senate amendment contained a provision (sec. 2831) that would authorize the Secretary of the Air Force to purchase a 366-unit military family housing development at Eielson Air Force Base, Alaska, constructed and leased by the Secretary under the authority provided by section 801 of the Military Construction Authorization Act for Fiscal Year 1984 (Public Law 98-115). The purchase price of the housing development would be an amount equal to the amount of the outstanding indebtedness of the developer for the project which would remain at the time of the purchase if the developer had paid down the indebtedness to the lender according to the original payment schedule for the project.

The House bill contained no similar provision.

The House recedes.

Report relating to improvement of housing for unaccompanied members (sec. 2805)

The Senate amendment contained a provision (sec. 2834) that would require the Secretary of Defense to submit a report on the costs and benefits of implementing the initiative to build single occupancy barracks rooms with shared bath, generally known as the "one-plus-one" barracks initiative. The provision would prohibit the Secretary from requesting additional funding for the "one-plus-one" barracks initiative unless he certifies that it is necessary to assure retention, in adequate numbers, of first-term enlisted members of the Armed Forces.

The House bill contained no similar provision.

The House recedes with an amendment that would broaden the scope of the report to include the plans of the military departments to improve unaccompanied military personnel housing, a cost comparison of implementing the "one-plus-one" initiative versus improving existing facilities, and an assessment of the authorities provided by subchapter IV of chapter 169 of title 10, United States Code. The report would include the views of the chiefs and senior enlisted members of each the military services regarding the impact of the quality of unaccompanied military housing on readiness and retention of enlisted members of the Armed Forces. The amendment would also strike the requirement for the Secretary to certify that the "one-plus-one" initiative assures the retention of first-term enlisted members in sufficient numbers.

Subtitle B—Real Property and Facilities Administration

Exceptions to real property transaction reporting requirements for war and certain emergency and other operations (sec. 2811)

The Senate amendment contained a provision (sec. 2812) that would amend section 2662 of title 10, United States Code, to waive the reporting requirements for certain real estate transactions. The provision would modify the reporting requirements in the event of a declaration of war, a national emergency, a natural disaster, a contingency operation, or a civil disturbance. In the event the secretary of a military department enters into a real property agreement under these conditions, the secretary would be required to submit a report on the agreement to the Committee on the Armed Services of the Senate and the National Security Committee of the House of Representatives, not later than 30 days after entering into the agreement.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Restoration of Department of Defense lands used by another federal agency (sec. 2812)

The House bill contained a provision (sec. 2811) that would amend section 2662 of title 10, United States Code, to provide the authority for the secretary of a military department to require, as a condition of a lease, permit, license, or other grant of access to lands under the control of the secretary to another federal agency, the removal of any improvements or the taking of any corrective action necessary to restore the land used by another federal agency to the condition the land was in prior to such use.

The Senate amendment contained a similar provision (sec. 2814) that would amend section 2691 of title 10, United States Code, to authorize the secretary of the military department concerned to require users of Department of Defense lands to restore lands upon expiration of their use or to reimburse the military department for performing the restoration.

The House recedes.

Outdoor recreation development on military installations for disabled veterans, military dependents with disabilities, and other persons with disabilities (sec. 2813)

The House bill contained a provision (sec. 2812) that would amend section 103 of the Sikes Act (10 U.S.C. 670c) to ensure, to the maximum extent practicable, that opportunities for outdoor recreation on military installations would be equally available without substantial modification of the natural environment, to disabled veterans, military dependents with disabilities, and other persons with disabilities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would limit donations to items of real or personal property.

The conferees expect the Secretary of Defense to fund the requirements of this provision without increasing amounts previously planned for activities under the Sikes Act.

Report on leasing and other alternative uses of non-excess military property (sec. 2814)

The Senate amendment contained a provision (sec. 2836) that would require the Secretary of Defense to submit, not later than February 1999, a report on the Department of Defense's use of the authority provided by section 2667 of title 10, United States Code. The report would address the number and purpose of leases entered into under section 2667, the type and amount of payments received, the cost, if any, foregone as a result of the leases, the positive and negative aspects of leasing, the efforts to promote these type leases to the private sector, any legislative proposal to enhance the Department's capability to lease to the private sector, an estimate of income that could potentially be accrued as a result of enhanced leasing capability, and a discussion on retaining any income from these leases at the installation.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense to submit a report regarding the authority of the military departments and Defense Agencies to lease to the private sector non-excess real and personal property. The report would be prepared in consultation with the secretaries of the military departments and the Director of the Office of Management and Budget. The amendment would include an assessment of the proposal by the Secretary of the Air Force to reduce infrastructure costs at Brooks Air Force Base, Texas, and the proposal of the Secretary of the Navy regarding the potential for the development of Ford Island as part of Naval Complex, Pearl Harbor, Hawaii. The Secretary of Defense shall, as he considers appropriate, also include proposed general legislative authority or authority to conduct pilot projects based on the assessment made of the proposals for Brooks Air Force Base and Ford Island. The amendment would also make certain technical and conforming changes.

Report on implementation of utility system conveyance authority (sec. 2815)

The House bill contained a provision (sec. 2813) that would require the secretary of each military department to submit to Congress, not later than March 1, 1999, a report with a description of the criteria to be used by the secretary in the selection of utility systems and related real property for conveyance pursuant to the authority provided by section 2688 of title 10, United States Code, a description of the manner in which the secretary will ensure that any such conveyance would not adversely affect the national security of the United States and a list of utility systems which are likely to be conveyed.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would delete the requirement for a report containing a list of the utility systems likely to be conveyed. The amendment would also direct the secretary of each military department to assess the advisability of including associated real property with the utility system to be conveyed.

Subtitle C—Defense Base Closure and Realignment

Applicability of property disposal laws to leases at installations to be closed or realigned under base closure laws (sec. 2821)

The Senate amendment contained a provision (sec. 2813) that would amend section 2667(f)(1) of title 10, United States Code, to clarify that the Federal Property and Administrative Services Act of 1949, does not apply to the lease of excess property at closing or realigned installations if the secretary of a military department determines that such lease would facilitate state or local economic adjustment efforts.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Elimination of waiver authority regarding prohibition against certain conveyances of property at Naval Station, Long Beach, California (sec. 2822)

The House bill contained a provision (sec. 2822) that would amend section 2826 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85) to eliminate the authority of the President to waive the prohibition against the direct or indirect conveyance, by sale, lease, or other method, of real property at the former Naval Station, Long Beach, California, under the authority provided by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510) to the China Ocean Shipping Company or any successor of that organization.

The Senate amendment contained no similar provision.

The Senate recedes.

Payment of stipulated penalties assessed under CERCLA in connection with McClellan Air Force Base, California (sec. 2823)

The House bill contained a provision (sec. 2821) that would authorize the use of funds from the base realignment and closure account for the payment of a $15,000 stipulated penalty assessed under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 in connection with the closure of McClellan Air Force Base, California.

The Senate amendment contained a similar provision (sec. 324).

The Senate recedes.

Subtitle D—Land Conveyances

Part I—Army Conveyances

Modification of land conveyance, Army Reserve Center, Youngstown, Ohio (sec. 2831)

The Senate amendment contained a provision (sec. 2830B) that would authorize the Secretary of the Army to convey, without consideration, to the City of Youngstown, Ohio, a parcel of real property, including improvements thereon, that is located at 399 Miller Street and contains the Kefurt Army Reserve Center. The property is to be used for educational purposes. The provision would also repeal section 2861 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106), which authorized a similar conveyance for a different purpose.

The House bill contained no similar provision.

The House recedes with an amendment that would modify section 2861(b) of the Military Construction Authorization Act for Fiscal Year 1996 to authorize the conveyance for educational purposes.

Release of interests in real property, former Kennebec Arsenal, Augusta, Maine (sec. 2832)

The Senate amendment contained a provision (sec. 2824) that would authorize the Secretary of the Army to release, without consideration, all right, title, and interest of the United States in and to a parcel of real property consisting of approximately 40 acres located in Augusta, Maine, and formerly known as the Kennebec Arsenal. The provision would remove conditions on the conveyance of the property to permit the State of Maine and the City of Augusta to redevelop the property in support of a museum and for commercial activities.

The House bill contained no similar provision.

The House recedes.

Release waiver, or conveyance of interests in real property, former Redstone Army Arsenal property, Alabama (sec. 2833)

The House bill contained a provision (sec. 2837) that would authorize the Secretary of the Army to release, without consideration and to such extent necessary to protect the interests of the United States, the reversionary interests of the United States in a parcel of real property conveyed to the Alabama Space Science Exhibit Commission pursuant to Public Law 90-276, section 813 of the Military Construction Authorization Act, 1980 (Public Law 96-125), and section 813 of the Military Construction Authorization Act, 1984 (Public Law 98-115).

The Senate amendment contained no similar provision.

The Senate recedes with a clarifying amendment.

Conveyance of utility systems, Lone Star Army Ammunition Plant, Texas (sec. 2834)

The Senate amendment contained a provision (sec. 2830C) that would authorize the conveyance, at fair market value, of all or part of the utility systems at the Lone Star Army Ammunition Plant, Texas, to the Redevelopment Authority for the Red River Army Depot in conjunction with the disposal of property at the Depot under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510).

The House bill contained no similar provision.

The House recedes with an amendment that would require the fair market value of the conveyed utility systems and any associated real property to be determined by an independent appraisal. The amendment would also make certain technical corrections.

Conveyance of water rights and related interests, Rocky Mountain Arsenal, Colorado, for purposes of acquisition of perpetual contracts for water (sec. 2835)

The Senate amendment contained a provision (sec. 2828) that would authorize the Secretary of the Army to convey, with consideration, water rights at Rocky Mountain Arsenal, Colorado to the City and County of Denver, Colorado. The provision would authorize the Secretary to replace the current unreliable water source at the Arsenal with a constant water supply, consistent with an agreement entered into by the Secretary to provide water to local communities affected by environmental contamination caused by the operation of the Arsenal. The provision would also provide for a permanent water supply for the wildlife refuge located at the Arsenal and water storage facilities.

The House bill contained no similar provision.

The House recedes.

Land conveyance, Army Reserve Center, Massena, New York (sec. 2836)

The House bill contained a provision (sec. 2831) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Massena, New York, to the Village of Massena. The property is to be used for recreational, educational, or other public purposes. The cost of any surveys necessary for the conveyance would be borne by the Village.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, Army Reserve Center, Ogdensburg, New York (sec. 2837)

The House bill contained a provision (sec. 2832) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Ogdensburg, New York, to the Town of Ogdensburg. The property is to be used for recreational, educational, or other public purposes. The cost of any surveys necessary for the conveyance would be borne by the Town.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, Army Reserve Center, Jamestown, Ohio (sec. 2838)

The House bill contained a provision (sec. 2833) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements in Jamestown, Ohio, to the Greeneview Local School District. The property is to be used for educational purposes. The cost of any surveys necessary for the conveyance would be borne by the District.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Land conveyance, Army Reserve Center, Peoria, Illinois (sec. 2839)

The Senate amendment contained a provision (sec. 2830) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements to Peoria School District #150, Peoria, Illinois. The purpose of the conveyance would be for education, training, maintenance, and transportation facilities. The provision would contain a reversionary clause in the event that the Secretary of the Army determines that the property is not used in accordance with the condition of conveyance.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the reversionary interest of the United States to a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Land conveyance, Army Reserve Center, Bridgton, Maine (sec. 2840)

The Senate amendment contained a provision (sec. 2822) that would authorize the Secretary of the Army to convey, without consideration, a parcel of excess real property with improvements consisting of approximately 3.65 acres to the Town of Bridgton, Maine. The purpose of the conveyance would be for public benefit to facilitate the expansion of a municipal office complex. The provision would include a reversionary clause in the event that the Secretary determines that the conveyed property is not in accordance with the condition of conveyance.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the reversionary interest of the United States to a five year period beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Land conveyance, Fort Sheridan, Illinois (sec. 2841)

The House bill contained a provision (sec. 2838) that would authorize the Secretary of the Army to convey, at fair market value, to the City of Lake Forest, Illinois, approximately 14 acres, including improvement, known as the northern Army reserve enclave. The Secretary of the Army would be authorized, subject to appropriations, to use the proceeds from the conveyance to provide for the construction of replacements facilities and for the relocation costs for reserve units and activities affected by the conveyance.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of the Army to submit a report to the congressional defense committees certifying that the relocation of reserve units and activities impacted by the conveyance is consistent with an approved master plan for the consolidation of reserve activities in the vicinity of Chicago, Illinois. The Secretary may not convey the property until 21 days after the date he submits the report.

Land conveyance, Skaneateles, New York (sec. 2842)

The Senate amendment contained a provision (sec. 2830A) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements consisting of approximately 147 acres to the Town of Skaneateles, New York. The purpose of the conveyance would be for recreational and educational purposes. The provision would contain a reversionary clause in the event that the Secretary of the Army determines that the property is not used in accordance with the condition of conveyance.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the reversionary interest of the United States to a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Land conveyance, Indiana Army Ammunition Plant, Charlestown, Indiana (sec. 2843)

The House bill contained a provision (sec. 2835) that would authorize the Secretary of the Army to convey a parcel of real property with improvements, consisting of approximately 4,660 acres at the Indiana Army Ammunition Plant, Charlestown, Indiana, to the Indiana Army Ammunition Plant Reuse Authority. The property is to be used for economic development purposes. As consideration for the conveyance, the Authority would pay to the United States an amount equal to the fair market value of the property at the end of the ten year period, beginning on the date the conveyance is completed. The cost of any surveys necessary for the conveyance, and any additional administrative expenses, would be borne by the Authority. This section would also amend section 2858(a) of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104- 106), as amended, to authorize the Secretary of the Army to convey, without consideration, an additional parcel of real property consisting of approximately 2,000 acres at the Indiana Army Ammunition Plant, Charlestown, Indiana, to the State of Indiana. The property is to be used for recreational purposes.

The Senate amendment contained a similar provision (sec. 2821).

The Senate recedes with a technical amendment.

Land conveyance, Volunteer Army Ammunition Plant, Chattanooga, Tennessee (sec. 2844)

The House bill contained a provision (sec. 2836) that would authorize the Secretary of the Army to convey a parcel of real property with improvements, consisting of approximately 1,033 acres at the Volunteer Army Ammunition Plant, Chattanooga, Tennessee, to Hamilton County, Tennessee. The property is to be used for economic development purposes. As consideration for the conveyance, the County would pay to the United States an amount equal to the fair market value of the property at the end of the ten year period, beginning on the date the conveyance is completed. The cost of any surveys necessary for the conveyance, and any additional administrative expenses, would be borne by the County.

The Senate amendment contained a similar provision (sec. 2823).

The House recedes.

Land conveyance, Stewart Army Sub-Post, New Windsor, New York (sec. 2845)

The House bill contained a provision (sec. 2834) that would authorize the Secretary of the Army to convey, without consideration, a parcel of real property with improvements, consisting of approximately 391 acres, to the Town of New Windsor, New York. The property is to be used for economic development purposes. The cost of any surveys necessary for the conveyance would be borne by the Town.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would specify that the purpose of the conveyance would be for economic development. The amendment would include as a condition of conveyance that the Town agree to provide connections to local waste water and sewage treatment systems for existing and future improvements to property retained by the Army Reserve and the Marine Corps. The Town would also provide waste water and sewage services at rates established by the appropriate Federal or State regulatory authority.

Part II—Navy Conveyances

Conveyance of easement, Marine Corps Base, Camp Pendleton, California (sec. 2851)

The House bill contained a provision (sec. 2841) that would authorize the Secretary of the Navy to grant an easement in perpetuity over a parcel of real property, consisting of approximately 340 acres, to the Foothill/Eastern Transportation Corridor Agency. The easement is to be used to permit the construction, operation, and maintenance of a restricted access highway. As consideration for the easement, the Agency would pay to the United States an amount equal to the fair market value of the easement. The cost of any surveys necessary for the easement would be borne by the Agency.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Land exchange, Naval Reserve Readiness Center, Portland, Maine (sec. 2852)

The House bill contained a provision (sec. 2842) that would authorize the Secretary of the Navy to convey a parcel of real property, with improvements, consisting of approximately 3.72 acres, to the Gulf of Maine Aquarium Development Corporation. As consideration for the conveyance, the Corporation would pay to the United States an amount equal to the fair market value of the property. The Secretary would use the funds paid by the Corporation for the design, construction, or acquisition of facilities suitable for use by the Naval Reserve.

The Senate amendment contained a similar provision (sec. 2825) that would authorize the Secretary of the Navy to convey a parcel of real property consisting of approximately 3.72 acres, including adjacent submerged lands, and the Naval Reserve Readiness Center, in Portland, Maine, to the Gulf of Maine Aquarium Development Corporation, Portland, Maine, for the purpose of establishing an aquarium and research facility. In exchange for the conveyance, the corporation would provide replacement facilities for the Naval Reserve, as the Secretary determines appropriate.

The House recedes with an amendment that would require the Secretary of the Navy to provide a report to the congressional defense committees on the terms and conditions of the agreement between the Secretary and the Corporation. The Secretary may not convey the property until 21 days after the date he submits the report.

Land conveyance, Naval and Marine Corps Reserve facility, Youngstown, Ohio (sec. 2853)

The House bill contained a provision (sec. 2843) that would authorize the Secretary of the Navy to convey, without consideration, a parcel of real property with improvements in Youngstown, Ohio, to the City of Youngstown, Ohio. The purpose of the conveyance would be for educational purposes. The cost of any survey necessary for the conveyance would be borne by the city.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Land conveyance, Naval Air Reserve Center, Minneapolis, Minnesota (sec. 2854)

The Senate amendment contained a provision (sec. 2829) that would authorize the Secretary of the Navy to convey or lease a parcel of real property, with improvements consisting of approximately 32 acres, comprising the Naval Air Reserve Center, Minneapolis, Minnesota, to the Minneapolis-St. Paul Metropolitan Airports Commission. The purpose of the conveyance would be for expansion of the Minneapolis- St. Paul International Airport. In consideration, the Commission shall provide a replacement facility, acceptable to the Secretary of the Navy, to be used as a Naval Air Reserve Center. The provision would also require the Commission to assume the relocation expenses.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the alternative lease authority. The amendment would also include a notice-and-wait provision and make certain technical corrections.

Part III—Air Force Conveyances

Modification of land conveyance authority, Eglin Air Force Base, Florida (sec. 2861)

The Senate amendment contained a provision (sec. 2827) that would amend the Military Construction Authorization Act, 1979 (Public Law 95-356), as amended by the Military Construction Authorization Act, 1989 (division B of Public Law 100-456), to authorize the conveyance, at fair market value, of an additional parcel of real property consisting of approximately four acres at Eglin Air Force Base, Florida, to the Air Force Enlisted Men's Widows and Dependents Home Foundation, Inc.

The House bill contained no similar provision.

The House recedes.

Modification of land conveyance, Finley Air Force Station, North Dakota (sec. 2862)

The Senate amendment contained a provision (sec. 2830D) that would amend section 2835 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103-337) to authorize the Secretary of the Air Force to convey, without consideration, to the City of Finley, North Dakota, three parcels of real property with improvements consisting of approximately 77 acres. The purpose of the conveyance would be for economic development. The provision would contain a reversionary clause in the event that the Secretary of the Air Force determines that the property is not used in accordance to the condition of conveyance. The Secretary would be authorized to abate any hazardous substance in the improvements to be conveyed.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the reversionary interest of the United States to a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also strike section (c) regarding authority to conduct abatement of hazardous substances. The conferees note that the Secretary of the Air Force, under existing statute, has the authority and responsibility to abate hazardous materials.

Land conveyance, Lake Charles Air Force Station, Louisiana (sec. 2863)

The House bill contained a provision (sec. 2851) that would authorize the Secretary of the Air Force to convey, without consideration, a parcel of real property with improvements, consisting of approximately 4.38 acres, at Lake Charles Air Force Station, Louisiana, to McNeese State University. The property is to be used for educational purposes and for agricultural research. The cost of any surveys necessary for the conveyance would be borne by the University.

The Senate amendment contained a similar provision (sec. 2826). The provision would condition the conveyance upon the acceptance by the University of the property subject to such easements or rights of way as the Secretary considers appropriate. The provision would include a reversion clause in the event that the Secretary determines that the conveyed property is not used in accordance with the condition of conveyance.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance.

Land conveyance, Air Force Housing facility, La Junta, Colorado (sec. 2864)

The House bill contained a provision (sec. 2852) that would authorize the Secretary of the Air Force to convey, without consideration, a parcel of real property with improvements, consisting of approximately 28 acres, to the City of La Junta, Colorado. The property is to be used for housing and educational purposes. The cost of any surveys necessary for the conveyance would be borne by the City.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require a reversionary interest of the United States for a five year period, beginning on the date the Secretary makes the conveyance. The amendment would also make certain technical corrections.

Subtitle E—Other Matters

Modification of authority relating to Department of Defense laboratory revitalization demonstration program (sec. 2871)

The Senate amendment contained a provision (sec. 2833) that would extend the authority relating to the Department of Defense Laboratory Revitalization Demonstration Program authorized by section 2892 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104-106) for a five year period, ending on September 30, 2003. The provision would require the Secretary of Defense to submit a report, not later than February 1, 2003, on the desirability of making the program permanent.

The House bill contained no similar provision.

The House recedes.

Repeal of prohibition on joint use of Gray Army Airfield, Fort Hood, Texas, with civil aviation (sec. 2872)

The House bill contained a provision (sec. 2861) that would repeal the prohibition on joint military-civilian use of Gray Army Airfield.

The Senate amendment contained a similar provision.

The Senate recedes.

Modification of demonstration project for purchase of fire, security, police, public works, and utility services from local government agencies (sec. 2873)

The House bill contained a provision (sec. 2864) that would amend section 816(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337), as amended, to extend the period under which a demonstration project is authorized for the purchase of fire, security, police, public works, and utility services from local government at specified locations in Monterey, California.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would amend section 816 of the National Defense Authorization Act for Fiscal Year 1995, as amended, by adding new section that would terminate the demonstration project effective September 30, 2000.

Designation of building containing Navy and Marine Corps Reserve Center, Augusta, Georgia (sec. 2874)

The House bill contained a provision (sec. 2862) that would designate the building housing the Navy and Marine Corps Reserve Center in Augusta, Georgia, as the A. James Dyess Building.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Expansion of Arlington National Cemetery

The House bill contained a provision (sec. 2863) that would authorize the transfer of real property and exchange of jurisdiction between the Secretary of Defense and the Secretary of the Army to provide for an expansion of Arlington National Cemetery, Virginia. The property to be transferred to the administrative jurisdiction of the Secretary of the Army consists of three parcels, totaling approximately 36.5 acres, located at the Navy Annex of the Pentagon. The provision would also require the Secretary of the Army to modify the boundary of Arlington National Cemetery to include two parcels of real property, totaling approximately eight acres, situated in Fort Myer, Virginia, contiguous to the Cemetery.

The Senate amendment contained no similar provisions.

The House recedes.

The conferees note that Arlington National Cemetery may be able to accommodate ground burials through approximately the year 2025. The conferees further note that this circumstance may not permit the accommodation of veterans who served in the armed forces during the Vietnam era. The conferees direct the Secretary of the Army, in coordination with the Secretary of Defense and in consultation with the Commonwealth of Virginia, the County of Arlington, Virginia, and appropriate federal agencies, to assess the land requirements, through either acquisition, exchange, or transfer, that would permit an expansion of Arlington National Cemetery to accommodate ground burials beyond the current estimated useful life of the cemetery. The conferees direct the Secretary of the Army to assess the adequacy of the master planning process for the cemetery. The Secretary shall submit a report on the Department's findings, including any recommendations, to the Congress no later than April 1, 1999. The conferees further direct the Secretary to report periodically, as circumstances warrant, on options to enhance Arlington National Cemetery.

Increase in thresholds for reporting requirements relating to real property transactions

The Senate amendment contained a provision (sec. 2811) that would amend section 2662 of title 10, United States Code, to increase the threshold for congressional notification for real property transactions from $200,000 to $500,000. The transactions requiring notification include the purchase, lease, transfer, and disposal of real property.

The House bill contained no similar provision.

The Senate recedes.

Beach replenishment, San Diego, California

The Senate amendment contained a provision (sec. 2832) that would authorize the Secretary of the Navy to use funds remaining from the Naval Air Station North Island, California, dredging project authorized in section 2204(a)(1) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 105–85) to carry out beach replenishment in and around San Diego, California. The provision would authorize the secretary to merge any funds contributed to the cost of that project by the State of California and by local governments under the agreement under section 2205 of the Military Construction Authorization Act for Fiscal Year 1997. The provision would prohibit any obligation of funds to carry out the beach replenishment project until 30 days after the date on which the Secretary submits to the congressional defense committees a report.

The House bill contained no similar provision.

The Senate recedes.

Upon completion of the dredging project at Naval Air Station, North Island, California, authorized by section 2204(a)(1) of the Military Construction Authorization Act for Fiscal Year 1997, and any associated beach replenishment activity otherwise authorized by law, the conferees direct the Secretary of the Navy to submit a report to the congressional defense committees detailing the total cost of the dredging project, the cost of any beach replenishment activity conducted by the Secretary, and the contributions, if any, provided by the State of California and local government agencies for beach replenishment activities associated with activities conducted by the Secretary.

Development of Ford Island, Hawaii

The Senate amendment contained a provision (sec. 2835) that would require the Secretary of Defense to submit, not later than December 1, 1998, a report regarding the potential for development of Ford Island within the Pearl Harbor Naval Complex, Oahu, Hawaii. The report would consider innovative resource development measures, including but not limited to, an enhanced-use leasing program similar to that of the Department of Veterans Affairs, as well as the sale or other disposal of land in Hawaii under the control of the Navy as part of an overall program for Ford Island development. The report would include proposed legislation for carrying out the measures recommended.

The House bill contained no similar provision.

The Senate recedes.

The conferees agree to include a requirement for the Secretary of Defense to assess the proposal of the Secretary of the Navy regarding the potential for the development of Ford Island, and to submit any proposed legislation deemed appropriate, in section 2814 concerning leasing and other alternative uses of non-excess military property.

Repairs and stabilization measures at Walter Reed Army Medical Center

The Senate amendment contained a provision (sec. 2837) that would authorize $2.0 million for repairs and stabilization efforts at Walter Reed Army Medical Center.

The House bill contained no similar provision.

The Senate recedes.

The conferees urge the Department of the Army to allocate sufficient real property maintenance funding to provide for the repair and stabilization of the Forest Glen Annex.

Modification of limitations on general authority relating to base closures and realignments

The Senate amendment contained a provision (sec. 2851) that would amend section 2687 of title 10, United States Code, to further restrict the general authority of the Department of Defense regarding the closure and realignment of military installations. The provision would reduce the current ceiling for closure actions from 300 civilian personnel to 225, and reduce the current ceiling for realignments from 1,000 civilians, or 50 percent of the total civilian employment at a base to 750 or 40 percent respectively.

The House bill contained no similar provision.

The Senate recedes.

Prohibition on closure of a base within four years after a realignment of the base

The Senate amendment contained a provision (sec. 2852) that would amend chapter 159 of title 10, United States Code, to prohibit the Department of Defense from obligating or expending any funds to close a military installation that has been realigned within four years after the completion of any realignment that would reduce the number of civilian personnel employed at that installation below 225.

The House bill contained no similar provision.

The Senate recedes.

Sense of Congress on further rounds of base closures

The Senate amendment contained a provision (sec. 2853) that would express the sense of Congress that Congress should not authorize further rounds of base closure and realignment until all actions resulting from the 1995 round are completed and that the Department of Defense should submit forthwith the report required by section 2815 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337), concerning the effects of base closures on the ability of the armed forces to remobilize.

The House bill contained no similar provision.

The Senate recedes.

TITLE XXIX—JUNIPER BUTTE RANGE WITHDRAWAL

LEGISLATIVE PROVISIONS ADOPTED

Juniper Butte Range withdrawal (secs. 2901–2919)

The Senate amendment contained title XXIX (secs. 2901–2919) that would provide for the withdrawal and reservation of approximately 12,000 acres of public lands, known as the Juniper Butte Range, Idaho, to support enhanced military training at Mountain Home Air Force Base, Idaho.

The House bill contained no similar provision.

The House recedes with an amendment that would ensure that environmental remediation of relinquished withdrawn lands conforms to existing legal requirements, strike the sense of the Senate regarding the monitoring of withdrawn lands, provide for indemnification of the United States against any liability related to mining activities, and make certain technical corrections.

The conferees direct the Department of the Air Force to develop a cooperative effort with the Bureau of Land Management, the State of Idaho, and Owyhee County, Idaho, to monitor the impact of military activities on the natural, cultural, and other resources of the lands withdrawn and reserved by this title, as well as other federal and state lands affected by military activities associated with the Juniper Butte Range. The Secretary of the Air Force shall ensure that budgetary planning includes sufficient funds to provide for the participation of the Department of the Air Force in such a federal, state, and local cooperative monitoring effort. The conferees expect that the budgetary planning of the Department of the Air Force will be consistent with the commitment made by the Secretary of the Air Force, in a letter dated June 11, 1998.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Overview

The budget request for fiscal year 1999 contained an authorization of $12,280.2 million for the Defense Nuclear Activities. The House bill would authorize $11,879.5 million. The Senate amendment would authorize $11,920.9 million. The conferees recommended an authorization of $11,950.2 million. Unless noted explicitly in the statement of managers, all changes are made without prejudice.

Summary of
National Defense Authorization for FY 1999

(In Thousands of $'s)

TITLE XXXI-XXXII ATOMIC ENERGY DEFENSE ACTIVITIES (053)	Authorization Request	House Authorized	Senate Authorized	Change from Request	Conference Agreement
Weapons Activities	4,500,000	4,142,100	4,374,700	(180,900)	4,319,100
Defense Environmental Restoration and Waste Management	4,259,903	4,373,553	5,302,143	1,092,140	5,352,043
Defense Nuclear Waste Disposal	190,000	190,000	190,000	0	190,000
Other Defense Actitivities	1,667,160	1,700,760	1,672,160	27,000	1,694,160
Defense Facilities Closure Projects	1,006,240	1,046,240	0	(1,006,240)	0
Defense Environmental Management Privatization	516,857	286,857	241,857	(262,000)	254,857
Formerly Utilized Site Remediation	140,000	140,000	140,000	0	140,000
Defense Nuclear Facilities Safety Board	17,500	17,500	17,500	0	17,500
Total Atomic Energy Defense Activities (053)	12,297,660	11,897,010	11,938,360	(330,000)	11,967,660

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
ATOMIC ENERGY DEFENSE ACTIVITIES					
WEAPONS ACTIVITIES					
Stockpile Stewardship					
Core Stockpile Stewardship					
Operation and Maintenance	1,505,832	1,475,832	1,440,832	(30,000)	1,475,832
Construction:					
99-D-102 Rehabilitation of maintenance facility, LLNL, Livermore, CA	6,500	6,500	6,500		6,500
99-D-103 Isotope sciences facilities, LLNL Livermore, CA	4,000	4,000	4,000		4,000
99-D-104 Protection of real property (roof reconstruction-Phase II), LLNL, Livermore, CA	7,300	7,300	7,300		7,300
99-D-105 Central health physics calibration facility, LANL, Los Alamos, NM	3,900	3,900	3,900		3,900
99-D-106 Model validation & system certification test center, SNL, Albuquerque, NM	1,600	1,600	1,600		1,600
99-D-107 Joint computational engineering laboratory, JCEL, SNL, Albuquerque, NM	1,800	1,800	1,800		1,800
99-D-108 Renovate existing roadways, Nevada Test Site, NV	2,000	2,000	2,000		2,000
97-D-102 Dual-axis radiographic hydrotest (DARHT) facility, LANL, Los Alamos, NM	36,000	36,000	36,000		36,000

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
96-D-102 Stockpile stewardship facilities revitalization, Phase VI, various locations	20,423	20,423	20,423		20,423
96-D-103 ATLAS, Los Alamos National Laboratory, Los Alamos, NM	6,400	6,400	6,400		6,400
96-D-104 Processing and environmental technology laboratory (PETC), SNL, Albuquerque, NM	18,920	18,920	18,920		18,920
96-D-105 Contained firing facility (CFF) addition, LLNL, Livermore, CA	6,700	6,700	6,700		6,700
Total, Construction	115,543	115,543	115,543	0	115,543
Total, Core Stockpile Stewardship	1,621,375	1,591,375	1,556,375	(30,000)	1,591,375
Inertial Fusion					
Operation and Maintenance	213,800	213,800	213,800		213,800
Construction:					
96-D-111 National ignition facility (NIF) LLNL	284,200	284,200	284,200		284,200
Total, Inertial Fusion	498,000	498,000	498,000	0	498,000
Technology Partnerships/Education					
Technology partnership	60,000	40,000	60,000	(10,000)	50,000
Education	9,000	9,000	9,000		9,000
Total, Technology Partnerships/Education	69,000	49,000	69,000	(10,000)	59,000
Total, Stockpile Stewardship	2,188,375	2,138,375	2,123,375	(40,000)	2,148,375
Stockpile Management					
Operation and Maintenance	1,935,803	2,019,303	2,040,803	78,500	2,014,303
Construction:					
99-D-122 Rapid reactivation, various locations	11,200	11,200	11,200		11,200

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
99-D-123 Replace mechanical utility systems, Y-12 plant, Oak Ridge, TN	1,900	1,900	1,900		1,900
99-D-125 Replace boilers & controls, Kansas City plant, Kansas City, MO	1,000	1,000	1,000		1,000
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO	13,700	13,700	13,700		13,700
99-D-128 Stockpile management restructuring initiative Pantex plant, Amarillo, TX	1,108	1,108	1,108		1,108
99-D-132 SMRI nuclear materials S&S upgrades project, LANL, Los Alamos, NM	9,700	9,700	9,700		9,700
98-D-123 Stockpile management restructuring initiative, Tritium facility modernization and consolidation, Savannah River, SC	27,500	27,500	27,500		27,500
98-D-124 Stockpile management restructuring initiative, Y-12 consolidation, Oak Ridge, TN	10,700	10,700	10,700		10,700
97-D-122 Nuclear materials storage facility renovation, LANL, Los Alamos, NM	9,164	9,164	4,864	(5,400)	3,764
97-D-123 Structural upgrades, Kansas City plant, Kansas City, MO	6,400	6,400	6,400		6,400
96-D-122 Sewage treatment quality upgrade (STQU), Pantex plant, Amarillo, TX	3,700	3,700	3,700		3,700
95-D-102 Chemistry and metallurgy research building (CMR) upgrades project, LANL, Los Alamos, NM	16,000	16,000	5,000	(11,000)	5,000

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
93-D-122 Life safety upgrades, Y-12 plant, Oak Ridge, TN	3,250	3,250	3,250		3,250
Total, Construction	115,322	115,322	100,022	(16,400)	98,922
Total, Stockpile Management	2,051,125	2,134,625	2,140,825	62,100	2,113,225
Program Direction	260,500	240,000	255,500	(10,500)	250,000
Stockpile stewardship & mgmt constr general red		(30,000)		(13,600)	(13,600)
Subtotal, Weapons Activities	4,500,000	4,483,000	4,519,700	(2,000)	4,498,000
Use of prior year balances	0	(340,900)	(145,000)	(178,900)	(178,900)
Project overrun reserve	0		0		
Other costs and credits	0		0		
TOTAL, WEAPONS ACTIVITIES	4,500,000	4,142,100	4,374,700	(180,900)	4,319,100
DEFENSE ENVIRONMENTAL RESTORATION & WASTE MANAGEMENT					
Site/Project Completion					
Operation and maintenance	848,090	886,090	848,090	20,000	868,090
Construction:					
99-D-402 Tank farm support services, F&H area, Savannah River Site, Aiken, SC	2,745	2,745	2,745		2,745
99-D-404 Health physics instrumentation laboratory, INEEL, ID	950	950	950		950
98-D-401 H-tank farm storm water systems upgrade, Savannah River site, Aiken, SC	3,120	3,120	3,120		3,120
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	26,814	26,814	26,814		26,814

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
98-D-700 INEL road rehabilitation, INEEL, ID	7,710	7,710	7,710		7,710
97-D-450 Actinide packaging and storage facility, Savannah River Site, Aiken, SC	79,184	79,184	79,184		79,184
97-D-470 Regulatory monitoring and bioassay lab, Savannah River Site, Aiken, SC	7,000	7,000	7,000		7,000
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	38,680	38,680	38,680		38,680
96-D-408 Waste management upgrades, Kansas City Plant, Kansas City, MO, and Savannah River Site, Aiken, SC	4,512	4,512	4,512		4,512
96-D-464 Electrical & utility systems upgrade, Idaho Chemical Processing Plant, INEEL, Idaho Falls, ID Engineering Laboratory, ID	11,544	11,544	11,544		11,544
96-D-471 CFC HVAC/chiller retrofit, Savannah River Site, Aiken, SC	8,000	8,000	8,000		8,000
95-D-456 Security facilities consolidation, Idaho Chemical Processing Plant, INEEL, Idaho Falls, ID	485	485	485		485
92-D-140 F&H canyon exhaust upgrades Savannah River Site, Aiken, SC	3,667	3,667	3,667		3,667
86-D-103 Decontamination and waste treatment facility, LLNL, Livermore, CA	4,752	4,752	4,752		4,752
Total, Construction	199,163	199,163	199,163	0	199,163
Total, Site/Project Completion	1,047,253	1,085,253	1,047,253	20,000	1,067,253

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

		House	Senate	Conference	
ACCOUNT TITLE	Request	Authorized	Authorized	Change	Agreement
Post 2006 Completion					
Operation and Maintenance	2,592,195	2,684,195	2,602,195	71,000	2,663,195
Construction:					
99-D-403 Privatization phase I infrastrucure support, Richland, WA	14,800	14,800	14,800		14,800
97-D-402 Tank farm restoration and safe operations, Richland, WA	22,723	22,723	22,723		22,723
96-D-408 Waste management upgrades, Richland, WA	171	171	171		171
94-D-407 Initial tank retrieval systems, Richland, WA	32,860	32,860	32,860		32,860
93-D-187 High-level waste removal from filled waste tanks, Savannah River Site, Aiken, SC	10,702	10,702	10,702		10,702
Total, Construction	81,256	81,256	81,256	0	81,256
Total, Post 2006 Completion	2,673,451	2,765,451	2,683,451	71,000	2,744,451
Closure Projects	0	0	1,006,240	1,038,240	1,038,240
Construction:					
Technology development	193,000	270,750	250,000	57,000	250,000
Program direction	346,199	346,199	336,199		346,199
Subtotal, Def Environmental Restoration & Waste Mgmt	4,259,903	4,467,653	5,323,143	1,186,240	5,446,143
Savannah River Pension Refund	0	0	0		0
Use of Prior Year Balances	0	(94,100)	(21,000)	(94,100)	(94,100)
Genral Reduction	0				
TOTAL, DEFENSE ENVIRONMENTAL REST. & WASTE MGMT.	4,259,903	4,373,553	5,302,143	1,092,140	5,352,043

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
DEFENSE FACILITIES CLOSURE PROJECTS					
Site closure	1,006,240	1,046,240	0	(1,006,240)	0
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION					
Privatization initiatives, various locations	516,857	286,857	241,857	(262,000)	254,857
OTHER DEFENSE ACTIVITIES					
Nonproliferation and National Security					
Verification and Control Technology					
Nonproliferation and verification R&D	210,000	210,000	210,000		210,000
Arms control	256,900	256,900	256,900		256,900
Intelligence	33,600	33,600	36,600	3,000	36,600
Total, Verification and Control Technology	500,500	500,500	503,500	3,000	503,500
Nuclear safeguards and security	53,200	53,200	53,200		53,200
Security investigations	30,000	30,000	30,000		30,000
Offset to user organizations for secruity investigations				(20,000)	(20,000)
Emergency management	23,700	21,300	23,700		23,700
Program direction	88,900	88,900	84,900		88,900
Use of prior year balances	0				
Total, Nonproliferation and National Security	696,300	693,900	695,300	(17,000)	679,300
Worker and Community Transition					
Worker and community transition	41,000	41,000	36,000	(5,000)	36,000
Program direction	4,000	4,000	4,000		4,000
Total, Worker and Community Transition	45,000	45,000	40,000	(5,000)	40,000

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreement
Fissile Materials Control and Disposition					
Operation and maintenance	111,372	111,372	111,372		111,372
Construction					
99-D-141 Pit disassembly and conversion Facility, Various locations	25,000	25,000	25,000		25,000
99-D-143 Mixed oxide fuel fabrication facility, Various locations	28,000	28,000	28,000		28,000
Total, Construction	53,000	53,000	53,000	0	53,000
Program direction	4,588	4,588	4,588		4,588
Total, Fissile Materials Control and Disposition	168,960	168,960	168,960	0	168,960
Environment, Safety & Health					
Office of environment, safety and health (defense)	69,231	89,231	64,231	15,000	84,231
Program direction	4,769	4,769	4,769		4,769
Total, Environment, Safety and Health	74,000	94,000	69,000	15,000	89,000
Office of hearings and appeals	2,400	2,400	2,400		2,400
Nuclear Energy					
Nuclear technology research and development	0	0	0		0
International nuclear safety	35,000	35,000	35,000		35,000
National security program administrative support					
Nuclear security	0	0	0		0
Chornobyl shutdown initiative	0	0	0		0
Total, Nuclear Energy	35,000	35,000	35,000	0	35,000
Independent assessment of DOE projects	0		0		0

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
Naval Reactors					
Naval reactors development	0	0	0		0
Operation and maintenance	623,600	639,600	639,600	16,000	639,600
GPN-101 General plant projects, various locations	9,000	9,000	9,000		9,000
Construction:					
98-D-200 Site laboratory/facility upgrade, various locations	7,000	7,000	7,000		7,000
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	5,800	5,800	5,800		5,800
Total, Construction	12,800	12,800	12,800	0	12,800
Total, Naval Reactors Development	645,400	661,400	661,400	16,000	661,400
Program Direction	20,100	20,100	20,100		20,100
Total, Naval Reactors	665,500	681,500	681,500	16,000	681,500
Subtotal, Other Defense Activities	1,687,160	1,720,760	1,692,160	9,000	1,696,160
Adjustments:					
Use of prior year balances	0	0	0	(2,000)	(2,000)
Offset to user organizations	(20,000)	(20,000)	(20,000)	20,000	0
General Reductions			0		0
Total, Adjustments	(20,000)	(20,000)	(20,000)	18,000	(2,000)
TOTAL, OTHER DEFENSE ACTIVITIES	1,667,160	1,700,760	1,672,160	27,000	1,694,160
DEFENSE NUCLEAR WASTE DISPOSAL					
Defense nuclear waste disposal	190,000	190,000	190,000		190,000

Fiscal Year 1999 Department of Energy Defense Activities

(Dollars in Thousands)

ACCOUNT TITLE	Request	House Authorized	Senate Authorized	Conference Change	Conference Agreemment
FORMER UTILIZED SITE REMEDATION	140,000	140,000	140,000		140,000
DEFENSE NUCLEAR SAFETY BOARD	17,500	17,500	17,500		17,500
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,297,660	11,897,010	11,938,360	(330,000)	11,967,660

LEGISLATIVE PROVISIONS ADOPTED

Subtitle A—National Security Programs Authorizations

Weapons activities (sec. 3101)

The House bill contained a provision (sec. 3101) that would authorize $4.5 billion for weapons activities and an offset of $340.9 million to account for available uncosted, unobligated prior year funds.

The Senate bill contained a similar provision (sec. 3101) that would authorize $4.5 billion for weapons activities and an offset of $145.0 million to account for available uncosted, unobligated prior year funds.

The House recedes in part and the Senate recedes in part.

The conferees recommend authorization of $4.5 billion for atomic energy defense weapons activities of the Department of Energy, a reduction of $2.0 million from the requested amount of $4.5 billion. The amount authorized is for the following activities: $2.1 billion for stockpile stewardship, a reduction of $40.0 million; $2.1 billion for stockpile management activities, an increase of $62.1 million; and $250.0 million for program direction, a reduction of $10.5 million. The conferees recommend an undistributed reduction of $13.6 million to stockpile stewardship and stockpile management construction projects. The conferees further recommend an undistributed reduction of $178.9 million to operating and management and program direction funds to be offset by available uncosted, unobligated prior year funds.

Stockpile stewardship programs

The conferees recommend $487.0 million for the Accelerated Strategic Computing Initiative (ASCI) and Stockpile Computing program, a reduction of $30.0 million. The conferees note that even at this reduced level of funding, the ASCI program will experience significant growth over fiscal year 1998 funding levels.

The conferees believe that the Department has not fully justified the rapid growth requested for this program or the pace of acquisition of added computational capacities. The conferees believe that the proposed reduction will have no significant impact on the Department's stockpile stewardship and management programs. The conferees strongly encourage the Department to slow the rate of growth in this program in future fiscal years.

The conferees support the Secretary of Energy's commitment to fund cooperative efforts with the Pittsburgh Supercomputing Center. The conferees note, however, that the utilization rate of existing DOE-owned supercomputers is very low. The conferees direct the Secretary of Energy to report to the congressional defense committees on the justification for such leases, and whether any such leased capabilities can better meet the Department's supercomputing needs in lieu of planned acquisitions proposed within the ASCI program.

Stockpile management programs

Of the funds available for stockpile management, the conferees recommend an increase of $58.5 million for weapons production plants, to be allocated as follows: $25.0 million for the Pantex Plant to support scheduled workload requirements associated with weapons dismantlement activities and for skills retention; $15.5 million for the Kansas City Plant to support advanced manufacturing efforts such as the Advanced Development Program and for skills retention; $13.0 million for the Y-12 Plant to support maintenance of core stockpile management capabilities; and $5.0 million for the Savannah River Site to support infrastructure and maintenance activities.

The Senate report (S. Rpt. 105-189) encouraged the Assistant Secretary for Defense Programs to create a stockpile stewardship and management council to advise the Assistant Secretary on programmatic and budget issues related to the Department's weapons missions. The conferees address this issue in a separate provision in this title.

Consistent with the Senate report, the conferees direct the Secretary of Energy and Secretary of Defense to prepare a long range plan identifying pit production requirements, including quantities by warhead type, schedules, costs, and siting options. The report should also identify the military requirements and assumptions underlying each option and include options that reflect various potential stockpile levels. The report should be submitted to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives in both unclassified and classified form not later than March 1, 1999.

Technology transfer and education

The conferees recommend $59.0 million for technology transfer and education activities. Of this amount, the conferees recommend $10.0 million for the American Textiles Partnership project.

Program direction

The conferees recommend a $10.5 million reduction to the budget request for program direction. The conferees believe that the reduction can be achieved through continued efficiency savings to be gained from realignment efforts described in the Institute for Defense Analysis report on the Department's management structure for weapons activities.

Construction projects

The conferees recommend a reduction of $30.0 million to stockpile stewardship and stockpile management construction projects, to be allocated as follows: a reduction of $11.0 million from the chemistry and metallurgy research facility renovation project (95-D-102) to reflect continued delays and suspended operations at that facility; a reduction of $5.4 million from the nuclear material storage facility renovation project (97-D-122) to reflect delays in final design and deferral of planned construction activities; and an undistributed reduction of $13.6 million.

The conferees compliment the Director of Los Alamos National Laboratory on the establishment of an external evaluation team to review laboratory construction projects, including laboratory management practices, management tools, organization, and training. The conferees understand that the external team will make recommendations to the Director for systematic improvements to current practices. The conferees endorse this approach.

Tritium production

The conferees do not believe the Department's fiscal year 1999 budget request of $157.0 million for tritium production to be credible. The conferees note that the requirement to deliver new tritium by the year 2005 for the light water reactor and the year 2007 for the accelerator, as identified in the Nuclear Weapons Stockpile Memorandum, has not changed. The conferees believe that the Department's unwillingness to include funding for the acquisition of a new tritium source in its proposed out year funding plan is unacceptable. Further, the conferees note that the fiscal year 1999 budget request does not appear to be sufficient to complete the Department's own dual track tritium strategy. The conferees are very concerned that the Department did not request sufficient funds to continue evaluation of both technologies being considered under the dual track approach. The conferees recommend an increase of $20.0 million for design and research associated with the accelerator production of tritium option.

The conferees direct the Secretary of Energy to submit to the congressional defense committees a plan regarding how all fiscal year 1999 tritium funds will be allocated. The plan shall be submitted not later than 45 days after enactment of this Act.

Inertial confinement fusion

The budget request included $213.8 million for the inertial confinement fusion (ICF) program. The conferees believe that work by the University of Rochester's Laboratory for Laser Energetics with the Omega laser is an essential element of the ICF program. The conferees recommend the requested amount and direct that, within the amount available, the $29.0 million be allocated for the Laboratory for Laser Energetics.

Defense environmental restoration and waste management (sec. 3102)

The House bill contained a provision (sec. 3102) that would authorize $5.8 billion for defense environmental restoration and waste management activities (also known as the Environmental Management program), including defense environmental management privatization, and an offset of $94.1 million to account for available uncosted, unobligated prior year funds, for a total reduction of $76.4 million to the budget request.

The Senate amendment contained a similar provision (sec. 3102) that would authorize $5.3 billion for defense environmental restoration and waste management activities, excluding defense environmental management privatization, and an offset of $21.0 million to account for available uncosted, unobligated prior year funds, for a total increase of $36.0 million to the budget request.

The House recedes in part and the Senate recedes in part.

The conferees recommend authorization of $5.4 billion for defense environmental management activities, excluding defense environmental management privatization, an increase of $85.9 million to the budget request. The amount authorized is for the following activities: $1.0 billion for closure projects, an increase of $32.0 million; $1.0 billion for site and project completion, an increase of $20.0 million; $2.7 billion for post-2006 completion, an increase of $71.0 million; $250.0 million for technology development, an increase of $57.0 million; $346.2 million for program direction, the amount of the budget request. The conferees recommend an undistributed reduction of $94.1 million to be offset by available uncosted, unobligated prior year funds.

Post-2006 completion

Of the amounts authorized for post-2006 completion, the conferees recommend an increase of $5.0 million to the National Spent Fuel Program to address regulatory and repository issues associated with Department of Energy owned spent nuclear fuel, an increase of $10.0 million to accelerate research and treatment of high level nuclear wastes at the Idaho National Engineering and Environmental Laboratory, an increase of $18.0 million to drain single shell tanks at the Hanford site, an increase of $30.0 million for augmentation of the Defense Waste Processing Facility operations and modification of in-tank precipitation process equipment at the Savannah River Site to address problems associated with the release of explosive benzene, and an increase of $8.0 million to assist the State of New Mexico with completion of a bypass around Santa Fe to accomodate shipments of materials to the Waste Isolation Pilot Plant. The conferees recommend full funding for the F-canyon and H-canyon materials processing facilities.

Site and project completion

Of the amounts authorized for site and project completion, the conferees recommend an increase of $20.0 million for the heavy water processing project at the Savannah River Site. The conferees understand that this project will result in net revenues to the government over the next five years.

Technology development

The conferees are concerned that the budget request for the Office of Science and Technology is inadequate. Recent departmental testimony to the Committee on Armed Services of the Senate and findings in the "Accelerating Cleanup—Pathways to Closure" report have identified that the Department cannot meet its accelerated closure goals without aggressive application of new technologies. The conferees agree with the Department's assessment of the need for increased use of innovative technology at DOE facilities. The conferees encourage the Department to revise its performance measures for facility managers to include the application of new technology in site cleanup activities.

The conferees encourage DOE to continue cooperative efforts with Federal and State regulators and non-profit organizations to facilitate the rapid deployment of innovative technologies at DOE sites. This effort should include cooperative efforts to assist the implementation of more uniform technology verification and regulatory acceptance criteria to DOE-developed technologies.

The conferees direct the Secretary of Energy to submit a report to Congress on the proposed uses of the $57.0 million increase in this account.

No funds authorized to be appropriated pursuant to this section are available to support, or enter into cooperative efforts in support of, the Russian Nuclear Cities Initiative, or any other foreign assistance program. The conferees continue to support cooperative programs with international partners that facilitate environmental cleanup or waste management activities at Department of Energy sites.

Off-site disposal of low level waste

The conferees are concerned that the Department has only one commercial low-level waste disposal option available. Although this facility has a satisfactory operating record and has proven to be a cost effective option for waste disposal, it remains the Department's sole large-scale commercial disposal option. The conferees encourage the Department to move forward with a national procurement, as announced by the Secretary of Energy, to initiate open competition for the Department's off-site waste disposal contracts.

Other defense activities (sec. 3103)

The budget request included $1.667 billion for Other Defense Activities for the Department of Energy (DOE) for fiscal year 1999, which included an offset to user organizations of $20.0 million.

The House bill contained a provision (sec. 3103) that would authorize a $33.6 million increase to the budget request.

The Senate amendment contained a provision (sec. 3103) that would authorize a $5.0 million increase to the budget request.

The conferees recommend authorization of $1.716 billion for other defense activities, an increase of $27.0 million to the budget request, for the following activities: $679.3 million for nonproliferation and national security activities, of which $503.5 million is for verification and control technology activities; $168.9 million for fissile materials control and disposition; $89.0 million for environment, safety and health activities; $35.0 million for international nuclear safety activities; and $681.5 million for naval reactors. The amount authorized is offset by $20.0 million to account for user organizations, and is further offset by $2.0 million in uncosted and unobligated prior year funds.

Nonproliferation and verification and control technology

The conferees agree to a $3.0 million increase to the budget request for intelligence activities. The conferees also express their continued support for the broad participation of the Department of Energy national laboratories, including the Pacific Northwest Laboratory, Idaho National Laboratory, the Savannah River Site and industry in the research and development of forensic analytical technologies to detect and respond to radiological and nuclear threats and international nuclear smuggling events. Additionally, the conferees direct that the Department ensure that all research and development activities in the area of chemical and biological detection and defense be coordinated with the Department of Defense.

Russian reactor core conversion program

The conferees endorse the recommendation contained in the Senate report (S. Rept. 105–189) that the Department of Energy keep the congressional defense committees informed on the status of the Reactor Shutdown Agreement between the United States and the Russian Federation.

Nuclear smuggling and counterterrorism

The conferees direct the Department of Energy to report to the congressional defense committees not later than 30 days after the date of enactment of this Act on the use of funds made available in the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) to plan and conduct exercises to prepare Federal, state, and local entities to respond to domestic terrorist use of nuclear materials and devices. Additionally, the conferees direct the Department of Energy to report to the congressional defense committees not later than November 1, 1998 on the status of the investigations of the sale of high performance computers to Russia and China, and steps taken by the Department of Energy and other federal agencies and department of the U.S. Government to recover such high performance computers.

Emergency management

The conferees agree to authorize the budget request of $23.7 million for emergency management activities to strengthen and expand the Department's support for domestic crisis and consequence management in combatting weapons of mass destruction terrorism and nuclear smuggling and nuclear material trafficking as well as to provide comprehensive, integrated emergency planning, preparedness, response, and management throughout the Department of Energy. The conferees agree that no funds authorized for the Department are to be used to provide support to state and local authorities for activities unrelated to providing appropriate emergency responses to natural and man-made disasters involving radiological hazards and threats.

Fissile materials control and disposition

The conferees recommend the budget request of $168.9 million for fissile materials control and disposition. The conferees are pleased with the approach being pursued by the Department in the fissile materials disposition program. The conferees authorize full funding for title I design for new materials disposition facilities. The conferees direct the Secretary to continue planning and design of such facilities.

The conferees agree that $25.0 million, as requested in the budget for the fissile materials control and disposition program, for cooperative efforts with the Russian Federation is adequate for this activity. With the exception of achieving agreement on a joint testing program, the conferees believe there has has been insufficient progress achieved in negotiating the bilateral agreement with the Russian Federation. The conferees encourage the Department to continue its efforts to achieve an agreement with the Russian Federation on this program. In the interim, the conferees direct the Department to report periodically to the congressional defense committees on the status of efforts to achieve agreement on this program, as well as on the estimated cost and how the Russian Federation proposes to finance the program.

Security investigations

The conferees understand that the costs of conducting security investigations is borne principally by individual departmental program elements. The conferees further understand that the amount requested by the Department in the security investigations account includes funds that are also included in individual Departmental program element budgets and are, therefore, double counted. In order to reflect the true costs of such activities, the conferees decreased the amount authorized by section 3103(a)(1)(C) by $20.0 million to reflect those funds that are included in program element budgets.

Worker and community transition

The conferees recommend a reduction of $5.0 million to the worker and community transition budget request.

Environment, safety and health—defense

The conferees recommend an increase of $15.0 million to the budget request for defense environment, safety and health for health studies.

Naval reactors

The conferees recommend an increase of $16.0 million to the budget request for the Office of Naval Reactors to expedite decommissioning and decontamination activities at surplus prototype plant facilities.

Defense nuclear waste disposal (sec. 3104)

The House bill contained a provision (sec. 3104) that would authorize $190.0 million for the Department of Energy fiscal year 1998 defense contribution to the defense nuclear waste fund.

The Senate amendment contained an identical provision (sec. 3104).

The conference agreement includes this provision.

Defense environmental management privatization (sec. 3105)

The Senate amendment contained a provision (sec. 3105) that would provide $273.9 million for defense environmental management privatization projects to be allocated as follows: $113.5 million for the tank waste remediation system project, phase I (Richland); $20.0 million for spent nuclear fuel dry storage (Idaho); $87.3 million for advanced mixed waste treatment (Idaho); $19.6 million for remote handled transuranic waste transportation (Carlsbad); and $33.5 million for environmental management/waste management disposal (Oak Ridge). The Senate amendment further authorized the use of $32.0 million in unobligated, uncosted, and undistributed prior year defense environmental management privatization funds.

The House bill contained a similar provision (section 3102) that addressed all defense environmental management funds, including $286.8 million for defense environmental management privatization projects.

The House recedes with an amendment that would provide $286.9 million for defense environmental management privatization projects to be allocated as follows: $100.0 million for the tank waste remediation system project, phase I (Richland); $30.0 million for spent nuclear fuel dry storage (Idaho); $87.3 million for advanced mixed waste treatment (Idaho); $19.6 million for remote handled transuranic waste transportation (Carlsbad); and $50.0 million for environmental management/waste management disposal (Oak Ridge). The conferees agree to offset this amount through the use of $32.0 million in unobligated, uncosted, and undistributed prior year defense environmental management privatization funds. The conferees direct that the offset be achieved through the use of: $15.0 million in fiscal year 1997 unobligated, uncosted balances to reflect the cancellation of the broad spectrum low activity mixed waste treatment privatization project (Oak Ridge); $10.0 million in fiscal year 1997 unobligated, uncosted balances to reflect cancellation of the waste water treatment plant privatization project (Rocky Flats); and $7.0 million in fiscal year 1998 unobligated, uncosted and undistributed balances.

The conferees note that the Senate report endorsed the transfer of responsibility for the Hanford Tank Waste Remediation System (TWRS) project to the Assistant Secretary of Energy for Environmental Management. The conferees address this issue in a separate section of this title.

SUBTITLE B—RECURRING GENERAL PROVISIONS

Reprogramming (sec. 3121)

The House bill contained a provision (sec. 3121) that would prohibit the reprogramming of funds in excess of 110 percent of the amount authorized for the program, or in excess of $1.0 million above the amount authorized for the program, until the Secretary of Energy submits a report to the congressional defense committees and a period of 30 calendar days has elapsed after the date on which the report is received.

The Senate amendment contained an identical provision (sec. 3121).

The conference agreement includes this provision.

Limits on general plant projects (sec. 3122)

The House bill contained a provision (sec. 3122) that would authorize the Secretary of Energy to carry out any construction project authorized under general plant projects if the total estimated cost does not exceed $5.0 million. The provision would require the Secretary to submit a report to the congressional defense committees if the cost of the project is revised to exceed $5.0 million. Such a report would include the reasons for the cost variation.

The Senate amendment contained an identical provision (sec. 3122).

The conference agreement includes this provision.

Limits on construction projects (sec. 3123)

The House bill contained a provision (sec. 3123) that would permit any construction project to be initiated and continued only if the estimated cost for the project does not exceed 125 percent of the higher of: (1) the amount authorized for the project or (2) the most recent total estimated cost presented to the Congress as justification for such project. The Secretary of Energy may not exceed such limits until 30 legislative days after the Secretary submits to the congressional defense committees a detailed report setting forth the reasons for the increase. This provision would also specify that the 125 percent limitation would not apply to projects estimated to cost under $5.0 million.

The Senate amendment contained an identical provision (sec. 3123).

The conference agreement includes this provision.

Fund transfer authority (sec. 3124)

The House bill contained a provision (sec. 3124) that would permit funds authorized by this Act to be transferred to other agencies of the government for performance of work for which the funds were authorized and appropriated. The provision would permit the merger of such transferred funds with the authorizations of the agency to which they are transferred. The provision would also limit, to not more than five percent of the account, the amount of such funds that may be transferred between authorization accounts in the Department of Energy that were authorized pursuant to this Act.

The Senate amendment contained an identical provision (sec. 3124).

The conference agreement includes this provision.

Authority for conceptual and construction design (sec. 3125)

The House bill contained a provision (sec. 3125) that would limit the Secretary of Energy's authority to request construction funding until the Secretary has completed a conceptual design. This limitation would apply to construction projects with a total estimated cost greater than $5.0 million. If the estimated cost to prepare the construction design exceeds $600,000, the provision would require the Secretary to obtain a specific authorization to obligate such funds. If the estimated cost to prepare the conceptual design exceeds $3.0 million, the provision would require the Secretary to request funds for the conceptual design before requesting funds for construction. The provision would further require the Secretary to submit to Congress a report on each conceptual design completed under this provision. The provision would also provide an exception to these requirements in the case of an emergency.

The Senate amendment contained an identical provision (sec. 3125).

The conference agreement includes this provision.

Authority for emergency planning, design, and construction activities (sec. 3126)

The House bill contained a provision (sec. 3126) that would permit the Secretary of Energy to perform planning and design with any funds available to the Department of Energy pursuant to this title, including those funds authorized for advance planning and construction design, whenever the Secretary determines that the design must proceed expeditiously to protect the public health and safety, to meet the needs of national defense, or to protect property.

The Senate amendment contained an identical provision (sec. 3126).

The conference agreement includes this provision.

Funds available for all national security programs of the Department of Energy (sec. 3127)

The House bill contained a provision (sec. 3127) that would authorize, subject to section 3121 of this Act, amounts appropriated for management and support activities and for general plant projects to be made available for use in connection with all national security programs of the Department of Energy.

The Senate amendment contained an identical provision (sec. 3127).

The conference agreement includes this provision.

Availability of funds (sec. 3128)

The House bill contained a provision (sec. 3128) that would authorize amounts appropriated for operating expenses or for plant and capital equipment for the Department of Energy to remain available until expended. Program Direction funds would remain available until the end of fiscal year 2000.

The Senate amendment contained a similar provision (sec. 3128) that would authorize Program Direction funds to remain available until the end of fiscal year 2001.

The House recedes.

Transfers of defense environmental management funds (sec. 3129)

The House bill contained a provision (sec. 3129) that would provide the manager of each field office of the Department of Energy with limited authority to transfer up to $5.0 million in fiscal year 1999 defense environmental management funds from one program or project under the jurisdiction of the office to another such program or project, once in a fiscal year. The provision would extend the authority granted by section 3139 of the National Defense Authorization Act for Fiscal Year 1997 by allowing transfers of funds among programs and projects in the Site and Project Completion, Post-2006 Completion, and Science and Technology accounts.

The Senate amendment contained a similar provision (sec. 3129) that would allow transfers of funds between programs and projects in the Site Closure Project, and Project Completion, and Post-2006 Completion accounts.

The Senate recedes with an amendment that would allow transfers of funds between programs and projects in the Site and Project Completion and Post-2006 Completion accounts.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Permanent extension of funding prohibition relating to international cooperative stockpile stewardship (sec. 3131)

The House bill contained a provision (sec. 3132) that would amend section 3133(a) of the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105–85) to establish a permanent prohibition on expenditures of funds for cooperative stockpile stewardship efforts with any nation except for France or the United Kingdom, or, as specifically authorized with nations of the former Soviet Union.

The Senate amendment contained a similar provision (sec. 3131) that would prohibit use of fiscal year 1999 or prior year funds to conduct such international cooperative stockpile stewardship activities.

The Senate recedes.

Support of ballistic missile defense activities of the Department of Defense (sec. 3132)

The House bill contained a provision (sec. 3133) that would require the Secretary of Energy to make available, from funds authorized for Department of Energy atomic energy weapons activities, no less than $60.0 million for missile defense technology development in cooperation with the Ballistic Missile Defense Organization (BMDO) for the purpose of developing, demonstrating, and testing hit-to-kill interceptor vehicles for theater missile defense systems.

The Senate amendment contained a provision (sec. 3132) that would prohibit the use of any funds authorized by title XXXI to support ballistic missile defense research, development, demonstration, testing, and evaluation. The prohibition would include studies and assessments. The provision would also prohibit use of Laboratory Directed Research and Development and laboratory overhead funds for such purposes.

The Senate recedes with an amendment that would make available $30.0 million for technology development, concept demonstration, and integrated testing to improve reliability and reduce risk in hit-to-kill interceptors; science and engineering teams to address technical problems identified by the Director of BMDO which are critical to the acquisition of a theater missile defense capability; and other research, development and demonstration activities that support the mission of BMDO. The provision would require that any such activities conform to the joint memorandum of understanding between the Secretaries of Energy and Defense required by section 3131 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85). The provision would allow the covered activities to be funded through direct contributions or waiver of a Federal administrative charge, overhead costs, or other indirect costs of the Department of Energy or its contractors.

Nonproliferation activities (sec. 3133)

The Senate amendment contained a provision (sec. 3139) that would make $30.0 million available for the Initiatives for Proliferation Prevention (IPP) program and $30.0 million available to implement the initiative known as the "Nuclear Cities Initiative" (NCI) program pursuant to the March 1998 agreement between the United States and the Russian Federation.

The House bill contained no similar provision.

The House recedes with an amendment that would make up to $20.0 million available for the IPP program. Additionally, the provision would require the Secretary of Energy to submit a report to the congressional defense committees on the Nuclear Cities Initiative program and wait a period of 20 legislative days after the date on which the report is received prior to the obligation and expenditure of any funds.

The amendment would also require the report of the Secretary on the NCI program to include among other items, the objectives of the NCI program and the process and method by which the program will be implemented (to include the status of bilateral agreements), a timeline of the program and milestones to be achieved, and the funding requirements through the completion of the program. In addition, the report should include any information on the participation of other federal agencies and departments in the NCI program, as well as the participation of U.S. industry.

Licensing of certain mixed oxide fuel fabrication and irradiation facilities (sec. 3134)

The Senate amendment contained a provision (sec. 3133) that would require any person constructing or operating a new or operating an existing facility to fabricate mixed oxide (MOX) fuel for use in a commercial nuclear reactor to be subject to licensing by the Nuclear Regulatory Commission (NRC). The provision would also require the occupational safety and health of employees working at such facilities to be subject to regulation by the Department of Labor. The provision would exempt the Department of Energy MOX-related demonstration, testing, and research activities from such licensing requirements.

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees do not endorse the wholesale external regulation of Department of Energy defense nuclear facilities and remain skeptical of the potential benefits associated with implementing new regulatory regimes at other new or existing DOE defense nuclear facilities.

Continuation of processing, treatment, and disposition of legacy nuclear materials (sec. 3135)

The Senate amendment contained a provision (sec. 3134) that would require the Secretary of Energy to maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site.

The House bill contained no similar provision.

The House recedes.

The conferees note that this action was recommended by the Defense Nuclear Facilities Safety Board and is consistent with direction provided by previous authorization acts.

Authority for Department of Energy federally funded research and development centers to participate in merit-based technology research and development programs (sec. 3136)

The Senate amendment contained a provision (sec. 3135) that would amend the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) to grant Department of Energy (DOE) sponsored federally funded research and development centers (FFRDCs) the same ability to compete for contracts as Department of Defense (DOD) sponsored FFRDCs.

The House bill contained no similar provision.

The House recedes with an amendment that would limit the authority to those activities conducted under contract with, or on behalf, of the Department of Defense.

The conferees do not support the concept of DOE FFRDCs competing directly or indirectly with the private sector. In implementing this authority, the conferees expect DOE FFRDCs to comply fully with all DOD and DOE policy guidance and regulations governing FFRDCs. The conferees expect DOE FFRDCs to focus on their core competencies, expertise, or unique facilities.

Activities of Department of Energy facilities (sec. 3137)

The Senate amendment contained a provision (sec. 3140) that would establish a uniform Federal administrative charge of three percent on all contract research activities carried out for non-Department of Energy (DOE) entities at DOE contractor operated facilities. The provision would eliminate the Secretary of Energy's current authority to waive the Federal administrative charge, except that the Secretary would be authorized to continue existing waivers, if the Secretary so determines, and would be authorized to waive charges for small businesses, institutions of higher education, non-profit entities, and state and local governments. The provision would authorize the Secretary to enter into a five-year pilot program at selected facilities to develop reduced overhead charges designed to recover all costs generated by external entities who may not utilize the full range of services at a DOE facility for which overhead costs may be charged. The provision would encourage the Secretary to establish a new small business technology partnership program to make DOE expertise and capabilities more accessible to small businesses, and would encourage the Secretary to pursue partnerships and interactions with universities and private businesses.

The House bill contained no similar provision.

The House recedes with an amendment that would allow the Secretary to waive the Federal administrative charge at all DOE facilities. The conferees did not include the small business technology partnership or partnerships and interactions provisions.

The conferees encourage the Secretary to continue the establishment of cooperative partnerships and interactions with universities and private industry at contractor-operated facilities where such interaction will help the Department better carry out its national security missions. The conferees further encourage the Secretary to create small business technology partnership programs at contractor-operated facilities where such interaction will help the Department better carry out its national security missions. The Secretary is encouraged to designate small funding pools at DOE sites to carry out such programs. The Secretary should include annually with the President's budget request a report on the effectiveness and applicability of any such programs to the missions of the Department of Energy.

Hanford overhead and service center costs (sec. 3138)

The House bill contained a provision (sec. 3135) that would prohibit the use of certain fiscal year 1999 funds at the Hanford Site until the Secretary of Energy certifies to Congress that the Department does not intend to pay overhead costs of more than 33 percent of total contract overhead costs at that Site. The provision would prohibit the obligation of $12.0 million for reactor decontamination and decommissioning and $18.0 million for drainage of single-shell waste tanks at the Hanford Site until the Secretary completes the certification. The provision would further require that any savings that result from compliance with this section be retained for use at the Hanford Site to ensure full compliance with the Hanford Federal Facility Agreement and Consent Order and the recommendations of the Defense Nuclear Facilities Safety Board. In addition, the provision conveyed the sense of the Congress that overhead costs for contractors performing cleanup work at DOE facilities is out of control, that some increased overhead costs are a result of unnecessary regulation, and that the Department should take action to minimize any such unnecessary regulation.

The Senate amendment contained a related provision (sec. 3148) that would require the General Accounting Office (GAO) to conduct a review of Department of Energy (DOE) overhead costs, including the methods used to calculate direct and indirect overhead costs at DOE cleanup sites and the methods used to allocate and report such overhead costs. The GAO would be required to submit a report to Congress not later than January 31, 1999, to include the findings of the review and any resulting recommendations for standardizing the methods used to allocate and report overhead costs at DOE cleanup sites.

The Senate recedes with an amendment that would require the Secretary to establish a target for fiscal year 1999 contract overhead costs at the Hanford Site and utilize any savings that result from lower overhead costs to perform additional cleanup activities at the Site and to comply with the Hanford Tri-party Agreement. The Senate amendment would further require the Defense Contract Audit Agency (DCAA) to conduct an assessment of overhead, service center, and other related costs assessed by the Project Hanford Management Contractor at the Hanford Site. The DCAA assessment would be submitted to Congress not later than March 1, 1999.

Hanford waste tank cleanup program reforms (sec. 3139)

The House bill contained a provision (sec. 3136) that would direct the Secretary of Energy to establish an Office of River Protection at the Department of Energy's Hanford Site. The office would be headed by a senior official of the Department of Energy who would be responsible for managing all aspects of Hanford tank farm operations, including the Tank Waste Remediation System project. The provision would create a five-member advisory committee to provide advice to the new office. The provision would require the Secretary to submit within 90 days of the date of enactment of this Act an integrated management plan for all aspects of the tank farm operations, including the roles and responsibilities and reporting relationships of the Office of River Protection. The plan would address whether the office should be physically and administratively separate from the DOE Richland Operations Office. The provision would further require the Secretary, two years after the creation of the office, to report on any progress and management improvements that result from this provision. The Office of River Protection would terminate in five years, unless the Secretary determines that the office should continue.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the office to report directly to the Assistant Secretary for Environmental Management, but be physically located at the Hanford Site in Richland, Washington. The amendment also would eliminate the creation of the five-member advisory committee. The conferees believe the existing advisory structure at the site is adequate.

Hanford Health Information Network (sec. 3140)

The Senate amendment contained a provision (sec. 3138) that would authorize the Secretary of Energy to utilize $2.5 million within existing Hanford Site funding for the Hanford Health Information Network.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize the use of $1.5 million within existing Hanford Site funding for the Hanford Health Information Network.

Hazardous Materials Management and Emergency Response training program (sec. 3141)

The House bill contained a provision (sec. 3155) that would authorize the Hazardous Materials Management and Emergency Response (HAMMER) training facility in Richland, Washington to accept payments in kind in exchange for services.

The Senate amendment contained a similar provision (sec. 3137).

The Senate recedes.

Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico (sec. 3142)

The Senate amendment contained a provision (sec. 3136) that would authorize the Department of Energy (DOE) to make a $5.0 million payment to a not-for-profit education foundation in the area around the Los Alamos National Laboratory to enrich educational activities of the local school system. The provision would require the foundation to place DOE contributions in an endowment fund, the corpus of which would remain in trust and the annual revenue used to support the local school system.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

This provision would extend the authority granted to the Secretary of Energy by section 3167 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85). The conferees expect the Secretary of Energy to make no more than five total annual payments to this fund for a total contribution not to exceed $25.0 million. The conferees note that the Secretary was authorized to make the first of such payments in fiscal year 1998. The conferees expect, that upon making the fifth payment or meeting the $25.0 million cap, all DOE assistance to the local school system will end.

Relocation of National Atomic Museum, Albuquerque, New Mexico (sec. 3143)

The Senate amendment contained a provision (sec. 3140A) that would require the Secretary of Energy to submit a plan on the design, construction and relocation of the National Atomic Museum located in Albuquerque, New Mexico.

The House bill contained no similar provision.

The House recedes with an amendment that would direct the Secretary of Energy to submit a plan to relocate the museum. This provision does not authorize the Secretary to proceed with a conceptual design of a new National Atomic Museum or to obligate any funds to implement any plan.

Tritium production (sec. 3144)

The House bill contained a provision (sec. 3154) that would modify the Atomic Energy Act of 1954 (42 U.S.C. 2077(e)) to prohibit the use of tritium produced in commercial nuclear reactors for nuclear explosive purposes.

The Senate amendment contained a related provision (sec. 3150) that would require the Secretary of Energy to select a tritium production technology after completion of an interagency review regarding the proliferation ramifications of using a commercial light water reactor to produce tritium for nuclear explosive purposes, but not later than December 31, 1998. The provision would direct the Secretary of Energy to make the decision notwithstanding any provision of the Atomic Energy Act of 1954 (42 U.S.C. 2011, et. seq.), but consistent with the laws, regulations and procedures of the Department of Energy.

The conferees agree to include a provision that would prohibit use of any funds available during fiscal year 1999, including prior year funds, to implement any tritium technology decision made pursuant to section 3135 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85). This prohibition includes any construction or related activities. Nothing in this provision shall be interpreted to preclude the Secretary of Energy from continuing planned research and design activities on both technology options currently under consideration.

The conferees strongly support the Department of Energy's efforts to restore on a timely basis tritium production to maintain the viability of the U.S. nuclear deterrent. The conferees note that tritium is not a special nuclear material as defined by the Atomic Energy Act of 1954, and thus, unlike plutonium and highly enriched uranium, is not capable of sustaining a nuclear chain reaction. It is, however, a radioactive material that is vital to the performance of U.S. nuclear warheads.

The conferees endorse the United States' long-standing policy requiring the separation of civilian and military uses of nuclear energy. Concerns have been raised that the use of a commercial light water reactor to produce tritium might establish a precedent for other nations to use government-owned civilian reactors to produce materials for nuclear weapons programs. The conferees note that the Interagency Review of Nonproliferation Implications of Alternative Tritium Technologies transmitted to Congress by the Department of Energy in July 1998, as required by the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85), concluded that the nonproliferation risks associated with the commercial light water reactor option are "manageable." Implicit in this conclusion, is a recognition that the commercial reactor option could pose nuclear proliferation risks that might harm U.S. national security interests.

The conferees expect the Secretary of Energy to consider whether, or to what extent, the selection of a light water reactor would violate U.S. policy and might encourage other nations to divert nuclear materials from government-owned civilian reactors into nuclear weapons programs. In addition, the conferees expect the Secretary to assess any nuclear proliferation risk that any such outcome could pose for the United States.

The conferees direct the Secretary of Energy to select a tritium technology option consistent with the requirements of section 3135 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85). The decision criteria shall include the ability to meet the national defense requirements of the United States, nuclear proliferation implications, and cost.

In addition, the conferees direct the Secretary to submit to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, a comprehensive plan to implement the technology option selected. The plan should be submitted with the President's fiscal year 2000 budget and include a proposed implementation schedule, annual funding requirements for the life of the project, any legislation needed to implement the technology selected, and an assessment of the viability of purchasing tritium, if necessary for national security purposes, on an interim basis.

Subtitle D—Other Matters

Study and plan relating to worker and community transition assistance (sec. 3151)

The House bill contained a provision (sec. 3151) that would repeal the requirements of section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484). Section 3161 required the implementation of a worker and community transition program to restructure the Department of Energy (DOE) private contractor workforce at the end of the Cold War. This section would also prohibit the expenditure of funds for the DOE Worker and Community Transition program after September 30, 1999.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to develop a plan describing how the Office of Worker and Community Transition would be terminated and how the authority of that office would transferred to Department of Energy program offices. The Secretary shall submit the plan to the Congressional defense committees not later than July 1, 1999. The amendment would also require the General Accounting Office to conduct a study on the effects of DOE workforce restructuring plans from fiscal years 1995 through 1998.

Extension of authority for appointment of certain scientific, engineering, and technical personnel (sec. 3152)

The Senate amendment contained a provision (sec. 3144) that would extend for one year the authority granted to the Secretary of Energy by the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) to appoint certain scientific, engineering, and technical personnel in areas of nuclear safety and environmental clean up.

The House bill contained no similar provision.

The House recedes.

Requirement for plan to modify employment system used by Department of Energy in defense environmental management programs (sec. 3153)

The House bill contained a provision (sec. 3152) that would prohibit the use of more than 75 percent of Defense Environmental Restoration and Waste Management program direction funds for fiscal year 1999 until the Secretary of Energy submits a plan for improvement of the Department of Energy federal employment system. The plan would address strategies to recruit and hire individuals for the Environmental Management program who are highly skilled and who have experience as project and construction managers. The plan would further identify any provisions of Federal law that must be altered to allow its implementation.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary to submit the plan to Congress not later than February 1, 1999, and would remove the prohibition on use of program direction funds.

Department of Energy nuclear materials couriers (sec. 3154)

The Senate amendment contained several provisions (secs. 3161–3172) that would allow nuclear materials couriers at the Department of Energy (DOE) to retire with full federal benefits after 20 years of service.

The House bill contained no similar provision.

The House recedes with an amendment that would apply eligibility for early retirement benefits only to those couriers who retire after fiscal year 1998.

Increase in maximum rate of pay for scientific, engineering, and technical personnel responsible for safety at defense nuclear facilities (sec. 3155)

The Senate amendment contained a provision (sec. 3142) that would raise the pay level for the excepted service authority provided in the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) from Level IV to III of the Executive Schedule.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

The conferees expect this enhanced authority to assist the Department of Energy in attracting and retaining senior scientific, engineering, and technical personnel who possess the skills to perform critical nuclear health and safety activities at the Department's defense nuclear facilities. The conferees note that, in recent years, the Level IV pay cap has limited the Department's ability to attract and retain the highest qualified scientific and technical talent.

Extension of authority of Department of Energy to pay voluntary separation incentive payments (sec. 3156)

The Senate amendment contained a provision (sec. 3145) that would extend for one year authority granted to the Secretary of Energy by the Treasury, Postal Service, and General Government Appropriations Act, 1997 (Public Law 104–208) to pay voluntary separation incentive payments to certain Federal employees.

The House bill contained no similar provision.

The House recedes.

The conferees expect this authority to be used to continue reductions in federal staffing levels in an effort to decrease costs and increase program efficiencies. The conferees do not intend this authority to be used for broad, untargeted staff reductions. The conferees expect the Secretary of Energy to utilize this authority, in conjunction with other authorities, to eliminate selectively those job classifications and positions that are no longer needed to carry out the missions of the Department of Energy. The conferees expect the authority to allow the Department to save money over the long term and reorient the DOE federal workforce to focus on the Department's most pressing problems.

Repeal of fiscal year 1998 statement of policy on stockpile stewardship program (sec. 3157)

The Senate amendment contained a provision (sec. 3141) that would repeal section 3156 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85).

The House bill contained no similar provision.

The House recedes.

Section 3156 of the National Defense Authorization Act for Fiscal Year 1998 addressed findings and current policies regarding the stockpile stewardship program of the Department of Energy. This repeal action does not represent a change in policy and is taken without prejudice. The conferees note that the findings and policy statements expressed in section 3156 are consistent with the activities of the stockpile stewardship program focused on ensuring that the United States possesses a safe, secure, effective, and reliable nuclear stockpile consistent with our national security requirements and treaty commitments. The conferees do not believe that such policy statements need to be set forth in law.

Report on stockpile stewardship criteria (sec. 3158)

The House bill contained a provision (sec. 3153) that would require the Secretary of Energy to submit a report to the Committee on Armed Services of Senate and the National Security Committee of the House of Representatives by March 1, 1999, on DOE efforts to develop a clear set of criteria pertaining to the technical performance of science based stockpile stewardship program tools and their relationship to key nuclear weapons technologies. The provision would require the Secretary to identify the performance criteria that, if met, would offer sufficient certainty that the U.S. stockpile is safe and reliable.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the report to be submitted not later than March 1, 2000, and be coordinated with the Secretary of Defense.

Panel to assess the reliability, safety, and security of the United States nuclear stockpile (sec. 3159)

The Senate amendment contained a provision (sec. 1073) that would establish a six member commission to assess the reliability, safety, and security of the U.S. nuclear deterrent. The commission would review the safety, security, and reliability of the U.S. nuclear deterrent and the annual nuclear warhead certification process carried out by the Department of Energy weapons laboratory directors, the Commander in Chief of the United States Strategic Command, and the Secretary of Defense. Commission members would be appointed as follows: two members each by the Majority Leader of the Senate and Speaker of the House of Representatives and one member each by the Minority Leaders of the Senate and House of Representatives. The chairman of the commission would be designated by the Majority Leader of the Senate. The cost of the commission would be borne equally by the Departments of Energy and Defense. The commission would terminate three years after the date of the appointment of the chairman.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Defense, in consultation with the Secretary of Energy, to contract with a Federally Funded Research and Development Center (FFRDC) to establish a panel to assess the reliability, safety, and security of the U.S. nuclear stockpile. The panel would examine the annual nuclear warhead certification documents, the processes and assumptions upon which the certification is based, and the stockpile stewardship and management criteria to be established by the Secretary of Energy pursuant to section 3158 of this Act.

The conferees believe that in order to ensure an independent assessment, no employees of the FFRDC should be appointed as panel members.

International cooperative information exchange (sec. 3160)

The House bill contained a provision (sec. 3156) that would express the sense of Congress that the President should instruct the Secretary of Energy to consult with the Secretary of Defense, the Administrator of the Environmental Protection Agency, and other appropriate officials, and submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives an assessment of whether the United States should consider favorably the "Advanced Technology Research Project" proposal which recommends establishment of an international project to facilitate the exchange of information on advanced nuclear waste technologies. The assessment should include a discussion of whether the proposal could be funded privately and administered by an international nongovernmental organization. The Secretary would also be required to identify any legislation required to carry out any such a project.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would express the sense of the Congress that the Secretary of Energy, in consultation with the Secretary of Defense, the Administrator of the Environmental Protection

Agency, and the Director of the Agency for International Development, should prepare a report on those programs that currently facilitate sharing of information on international nuclear waste problems, and any recommendations to expand or consolidate such activities under a single international cooperative program.

Protection against inadvertent release of restricted data and formerly restricted data (sec. 3161)

The Senate amendment contained a provision (sec. 3146) that would amend section 3155 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) by requiring all federal agencies, including the National Archives and Records Administration, to conduct a visual inspection of all records over 25 years old to ascertain that such records contain no information classified as restricted data or formerly restricted data. The provision would require that any records found to contain such classified information be set aside pending completion of a review by the Department of Energy.

The House bill contained no similar provision.

The House recedes with an amendment that would require the Secretary of Energy and the Archivist of the United States, after consultation with members of the National Security Council, and, in consultation with the Secretary of Defense and the heads of appropriate federal agencies, to develop a plan to prevent records containing restricted data or formerly restricted data from being inadvertently released under Executive Order 12958. The plan would include the following elements: (1) actions that will be taken to ensure that only records series that are highly unlikely to contain restricted data or formerly restricted data are released without a page-by-page review; (2) the criteria by which documents will be determined to be highly unlikely to contain restricted data or formerly restricted data; (3) steps to be taken to ensure proper training, evaluation, and supervision of declassification personnel to recognize restricted data and formerly restricted data; (4) the extent to which automated declassification technologies will be used to protect restricted data and formerly restricted data; (5) procedures for periodic Department of Energy review and evaluation of agency compliance with the plan; (6) procedures for resolving disagreements among agencies regarding declassification procedures and decisions; (7) identification of funding, personnel, and other resources required to carry out the plan; and (8) a timetable to implement the plan. Summaries of the periodic review of agency compliance would be provided to the President's National Security Advisor and to the Committee on Armed Services of the Senate and the National Security Committee of the House or Representatives. The amendment would halt the use of bulk declassification of any document covered by this provision until 60 days after the plan is submitted to the Committee on Armed Services of the Senate and the National Security Committee of the House of Representatives, and the Assistant to the President for National Security Affairs.

The conferees support current efforts to reduce the volume of information retained as classified. The conferees are, however, concerned that Executive Order 12958 does not ensure adequate protection of information classified as restricted data or formerly restricted data. This provision is intended to ensure greater review and scrutiny of those federal records that may contain information classified as restricted data or formerly restricted data prior to the bulk declassification and subsequent release of such records. The conferees do not intend this provision to slow down much needed efforts to reduce the amount of classified material maintained in federal archives.

The conferees believe that the President must ensure that each Executive Branch agency with custodial responsibility for the records described in the provision has available sufficient funds to carry out the requirements of this provision.

Sense of Congress regarding treatment of Formerly Utilized Sites Remedial Action Program under a non-defense discretionary budget function (sec. 3162)

The Senate amendment contained a provision (sec. 3143) that would express the sense of the Senate that the Office of Management and Budget should transfer funding for the Formerly Utilized Sites Remedial Action Program into a non-defense discretionary portion of the Federal budget in future years.

The House bill contained no similar provision.

The House recedes with an amendment that would modify the provision to be a sense of Congress.

Reports relating to tritium production (sec. 3163)

The House bill contained a provision (sec. 3134) that would delay the date by which the Secretary of Energy must select a primary technology for the production of tritium from December 31, 1998 to December 31, 1999. The Secretary would be prohibited from selecting a primary technology until the date that is the later of 30 days following completion of the test at the Watts Bar nuclear plant and the date that the Secretary submits to the congressional defense committees a report on the results of that test. The report would provide information regarding the amount of tritium produced, data on the leakage of tritium from the test, and any other technical findings resulting from the test.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require the Secretary of Energy to submit a report on the results of the test currently being carried out at the Watts Bar nuclear plant. The report would include data on the performance of the tritium test rods, the performance of the reactor, any leakage of tritium from the test rods, the amount of tritium produced, and any other technical findings resulting from the test. The Secretary would be required to submit to the congressional defense committees a preliminary report on the test program not later than 60 days after the test rods are removed from the Watts Bar reactor.

The amendment would also direct the Secretary of Defense, in consultation with the Secretary of Energy, to establish a task force of the Defense Science Board to examine the risks associated with each tritium production technology, the nuclear weapons proliferation implications of each technology, the ability of each technology to meet the national security requirements of the United States, and any other factors that the Secretaries of Defense and Energy consider appropriate. The Secretaries of Energy and Defense would be required to provide the task force report to the congressional defense committees not later than June 30, 1999.

LEGISLATIVE PROVISIONS NOT ADOPTED

Prohibition on Federal loan guarantees for defense environmental management privatization projects

The House bill contained a provision (sec. 3131) that would prohibit the use of Federal government loan guarantees for Department of Energy defense environmental management privatization projects.

The Senate amendment contained no similar provision.

The House recedes.

The conferees remain deeply concerned that the use of Federal loan guarantees are inconsistent with the concept of privatization in Department of Energy (DOE) environmental remediation projects. The conferees note that the Federal Credit Reform Act of 1990 requires that a large portion of the costs of Federal loan guarantees be appropriated in the fiscal year in which the project is initiated. This requirement would draw into question the cost effectiveness and desirability of any DOE privatization project that would rely upon such instruments.

The conferees note, however, that a recent General Accounting Office report on the DOE privatization program recommended a wide variety of contracting and project financing tools be made available to DOE to carry out privatized cleanup projects. Nevertheless, the conferees cannot envision many instances where Federal loan guarantees would prove beneficial to the Federal government.

The conferees intend to scrutinize any proposed use of Federal loan guarantees in DOE privatization projects to ensure that the concept of privatization is not violated. The conferees do not intend to authorize funding in future years for those projects that include a Federal loan guarantee, if utilizing a loan guarantee either removes the consequences of failure for the contractor or increases the cost of the privatization project.

The conferees direct that any use of Federal loan guarantees for privatization projects be made only in those circumstances where the Secretary of Energy certifies that (1) the loan guarantee is necessary for the contractor to obtain a private sector loan, and (2) the percentage of the loan amount covered by the loan guarantee does not harm the incentive for success.

Sense of the Senate regarding memoranda of understanding with the State of Oregon relating to Hanford

The Senate amendment contained a provision (sec. 3147) that would set forth the sense of the Senate that the Department of Energy (DOE) and the State of Washington should seek to implement existing memoranda of understanding regarding cleanup activities at the Hanford Site in ways that permit continued information sharing and participation by the State of Oregon in those decisions at the Site that affect the public health or safety of the citizens of Oregon.

The House bill contained no similar provision.

The Senate recedes.

The conferees encourage the State of Washington and the Department of Energy to continue those cooperative efforts with the State of Oregon that speed the pace of cleanup at the site and ensure appropriate participation by all external stakeholders, including the State of Oregon. The conferees note that the State of Oregon has executed memoranda of understanding with the State of Washington and with the Department of Energy. The conferees further note that the State of Oregon holds two seats on the Hanford Site Specific Advisory Board (SSAB), a group of regulators, stakeholders, and tribes that reviews clean up progress at the site and makes recommendations to DOE. The conferees believe that Oregon's participation in the Hanford SSAB and the increased access to information provided via memoranda of understanding with DOE and the State of Washington, provide Oregon with appropriate participation in Hanford cleanup programs.

Sense of Congress on funding requirements for the nonproliferation science and technology activities of the Department of Energy

The Senate amendment contained a provision (sec. 3149) that would express the sense of Congress that the budget for nonproliferation science and technology activities for fiscal years 2000 through fiscal year 2008 should be increased each year over the preceding year by at least one percent above the rate of inflation.

The House bill contained no similar provision.

The Senate recedes.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

LEGISLATIVE PROVISIONS ADOPTED

Defense Nuclear Facilities Safety Board (sec. 3201)

The House bill contained a provision (sec. 3201) that would authorize $17.5 million for the Defense Nuclear Facilities Safety Board (DNFSB) for fiscal year 1999.

The Senate amendment contained an identical provision (sec. 3201).

The conference agreement includes this provision.

The conferees anticipate that the report required by section 3202 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) regarding which Department of Energy (DOE) facilities should remain under the jurisdiction of the DNFSB will be submitted on time.

The conferees are concerned that the implementation of an additional external regulation approach could draw scarce resources away from high priority, compliance driven cleanup actions and critical national security activities. The conferees believe no decisions should be made or actions taken until the findings of the DNFSB and the comments of the Secretary of Energy and the Chairman of the Nuclear Regulatory Commission have been provided to the Congress as required by section 3202 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85) and the on-going external regulation pilot programs are completed and evaluated.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS ADOPTED

Definitions (sec. 3301)

The House bill contained a provision (sec. 3301) that would define the National Defense Stockpile and the National Defense Stockpile Transaction Fund.

The Senate amendment contained an identical provision.

The conference agreement includes this provision.

Authorized uses of stockpile funds (sec. 3302)

The House bill contained a provision (sec. 3302) that would authorize the obligation of $82.6 million for the operation of the National Defense Stockpile.

The Senate amendment contained a similar provision.

The Senate recedes.

Authority to dispose of certain materials in the national defense stockpile (sec. 3303)

The Senate amendment contained a provision (sec. 3303) that would authorize the disposal of certain materials from the National Defense Stockpile and require that sufficient materials are sold to generate receipts to the United States in the amount of $103.0 million by the end of fiscal year 1999 and $377.0 million by the end of fiscal year 2003.

The House bill had no similar provision.

The House recedes with an amendment that would modify the quantity of materials authorized for disposal in order to generate receipts of $105.0 million by the end of fiscal year 1999 and $590.0 million by the end of fiscal year 2005.

The conferees expect that any sales of tungsten ores and concentrates contained in the National Defense Stockpile shall be made at a price that is not less than the market value at the time of the proposed sale (taking into account any specific location and as-is sale adjustments), and that the Department of Defense will fully consider the views of the Market Impact Committee concerning any projected domestic economic effect by the sale of these materials. The conferees also expect that the Market Impact Committee, in developing recommendations for the sale of tungsten ores and concentrates, will consult with representatives of producers, processors, and consumers of these materials.

Use of stockpile funds for certain environmental remediation, restoration, waste management, and compliance activities (sec. 3304)

The Senate amendment contained a provision (sec. 3304) that would authorize the use of funds from the National Defense Stockpile Transaction Fund to be used for environmental remediation, restoration, waste management, or compliance activities that are required under a federal law or are undertaken by the Federal Government under an administrative decision or negotiated agreement.

The House bill contained no similar provision.

The House recedes.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

LEGISLATIVE PROVISIONS ADOPTED

Definitions (sec. 3401)

The House bill contained a provision (sec. 3401) that would provide definitions for naval petroleum reserves, Naval Petroleum Reserve Number 2, Naval Petroleum Reserve Number 3, Oil Shale Reserve Number 2, antitrust laws, general land laws, and petroleum.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would include definitions for each of these terms, except general land laws.

Authorization of appropriations (sec. 3402)

The House bill contained a provision (sec. 3402) that would authorize $22.5 million for the operations of the naval petroleum and oil shale reserves.

The Senate amendment contained a similar provision.

The Senate recedes.

Disposal of Naval Petroleum Reserve Numbered 2 (sec. 3403)

The House bill contained a provision (sec. 3404) that would require the Secretary of Energy to dispose of that portion of the Naval Petroleum Reserve Numbered 2 located within the town lots in Ford City, California, by competitive sale or lease consistent with commercial practices, by transfer to another Federal agency or a public or private entity, or by any other means. The provision would further require the Secretary of Energy to transfer to the Secretary of Interior, administrative jurisdiction and control over the remaining lands within Naval Petroleum Reserve Numbered 2 after the Secretary of Energy makes a determination to abandon oil and gas operations.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would permit, rather than require, the disposal of this property.

Disposal of Naval Petroleum Reserve Numbered 3 (sec. 3404)

The House bill contained a provision (sec. 3405) that would authorize the disposal of Naval Petroleum Reserve Numbered 3 by sale, lease, transfer, or other means.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize the disposal of this property by sale, lease, or transfer to another federal agency.

Disposal of Oil Shale Reserve Numbered 2 (sec. 3405)

The House bill contained a provision (sec. 3406) that would require the Secretary of Energy to transfer to the Secretary of Interior administrative jurisdiction and control over all public lands included in Oil Shale Reserve Numbered 2 by September 30, 1999.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize, rather than require, the transfer of this property.

Administration (sec. 3406)

The House bill contained a provision (sec. 3407) that would establish administrative requirements for the disposal of property within the Naval Petroleum and Oil Shale Reserves, as would otherwise be authorized in H.R. 3616.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Price requirement on price of certain petroleum during fiscal year 1999

The House bill contained a provision (sec. 3403) that would require that the sale of any of the U.S. share of petroleum produced from Naval Petroleum Reserve Numbered 2, or Naval Petroleum Reserve Numbered 3, shall be made at a price not less than 90 percent of the current sales price of comparable petroleum.

The Senate amendment contained no similar provision.

The House recedes.

Treatment of State of California claim regarding Naval Petroleum Reserve numbered 1

The House bill contained a provision (sec. 3408) that would eliminate the requirement for an appropriation before funds resulting from the sale of the Naval Petroleum Reserve Numbered 1 at Elk Hills can be distributed to the State of California in accordance with the Settlement Agreement entered into between the State of California and the Department of Energy.

The Senate amendment had no similar provision.

The House recedes.

TITLE XXXV—PANAMA CANAL COMMISSION

LEGISLATIVE PROVISIONS ADOPTED

Short title; references to Panama Canal Act of 1979 (sec. 3501)

The House bill contained a provision (sec. 3501) that would provide a short title to the amendments to the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.) contained in this

Act, and state that, unless otherwise noted, such amendments relate to the Panama Canal Act.

The Senate amendment contained an identical provision (sec. 3501).

The conference agreement includes this provision.

Authorization of expenditures (sec. 3502)

The House bill contained a provision (sec. 3502) that would authorize the Panama Canal Commission to make expenditures from its revolving fund, subject to certain ceilings, for fiscal year 1999.

The Senate amendment contained an identical provision (sec. 3502).

The conference agreement includes this provision, and an increase of $10,000 in the ceiling for the representation and reception expenses of the Administrator of the Panama Canal Commission.

Purchase of vehicles (sec. 3503)

The House bill contained a provision (sec. 3503) that would authorize the Panama Canal Commission to purchase vehicles built in the United States.

The Senate amendment contained a similar provision (sec. 3503) that excluded the requirement for the vehicles to be built in the United States.

The House recedes.

The conferees note that the Commission has previously purchased only vehicles built in the United States and encourage the continuation of that practice.

Expenditures only in accordance with treaties (sec. 3504)

The House bill contained a provision (sec. 3504) that would ensure amounts authorized for expenditure by the Panama Canal Commission for fiscal year 1999 be spent only in accordance with the terms of the Panama Canal Treaties of 1977 and U.S. laws implementing those treaties.

The Senate amendment contained an identical provision (sec. 3504).

The conference agreement includes this provision.

Donations to the Commission (sec. 3505)

The House bill contained a provision (sec. 3505) that would authorize the Panama Canal Commission to seek and to accept donations from private and public entities for the purpose of funding its promotional activities subject to guidelines to be established by the Commission.

The Senate amendment contained an identical provision (sec. 3505).

The conference agreement includes this provision.

Agreements for United States to provide post-transfer administrative services for certain employee benefits (sec. 3506)

The Senate amendment contained a provision (sec. 3506) that would allow the Secretary of State to enter into agreements to provide administrative services for certain Panama Canal-related employee benefits after December 31, 1999.

The House bill contained no similar provision.

The House recedes.

Sunset of United States overseas benefits just before transfer (sec. 3507)

The House bill contained a provision (sec. 3506) that would sunset certain benefits to certain U.S. citizens employed by the Panama Canal Commission to clarify the conditions of employment intended to be continued by the Government of Panama after the transfer of the Canal on December 31, 1999.

The Senate amendment contained an identical provision (sec. 3507).

The conference agreement includes this provision.

Central Examining Office (sec. 3508)

The House bill contained a provision (sec. 3507) that would repeal an obsolete provision of law relating to the Central Examining Office.

The Senate amendment contained an identical provision (sec. 3508).

The conference agreement includes this provision with a technical amendment.

Liability for vessel accidents (sec. 3509)

The House bill contained a provision (sec. 3508) that would provide the Panama Canal Commission with a degree of immunity against claims for damages occurring while vessels transiting the Canal are under the direction of pilots employed by the Commission. The provision is intended to lower the costs of Canal operations by instituting a liability regime that would prevent claims against the Commission for $1.0 million or less in damages.

The Senate amendment contained an identical provision (sec. 3509).

The conference agreement includes a provision that would allow the Panama Canal Commission to prescribe regulations that limit its exposure to liability to those damages that exceed a specified threshold amount, provided that such threshold amount does not exceed $1.0 million, by requiring claimants to look to their insurers for compensation for damages below the threshold amount.

The conferees believe that a regulatory approach will allow greater flexibility for the Commission to implement any changes through procedures and on a timetable that will allow for consideration of maritime industry concerns. The adopted provision would also allow the Commission to set the insurance requirement, and thereby its immunity against claims, at a lower threshold if a level less than $1.0 million is determined, through consultation with interested parties, to be in the best interests of the Panama Canal and world shipping.

In light of expectations that the Panama Canal Authority, the successor agency to the Commission, will implement such a liability-limiting regime after it assumes stewardship of Canal operations, this provision is pursuant to the U.S. treaty commitment to facilitate transition to Panamanian control. The conferees expect that if damages during Canal transits increase significantly under any new liability regime, that the Commission, or its successor Panamanian entity, will consider a revised liability regime that minimizes costs for world commerce as well as for Canal operations.

Panama Canal Board of Contract Appeals (sec. 3510)

The House bill contained a provision (sec. 3509) that would authorize the Panama Canal Commission to establish the salaries of members of the Panama Canal Board of Contract Appeals.

The Senate amendment contained a similar provision (sec. 3511).

The House recedes.

Restatement of requirement that Secretary of Defense designee on Panama Canal Commission supervisory board be a current officer of the Department of Defense (sec. 3511)

The Senate amendment contained a provision (sec. 3513) that would ensure the Secretary of Defense's designee on the Panama Canal Commission Supervisory Board be an officer of the Department of Defense (DOD), rather than an individual who was a DOD officer at the time of his designation and subsequently left his position in the Department.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Technical amendments (sec. 3512)

The House bill contained a provision (sec. 3510) that would make certain technical and conforming amendments to the Panama Canal Act of 1979 (22 U.S.C. 3601 et seq.).

The Senate amendment contained a similar provision (sec. 3512).

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Placement of United States citizens in positions with the United States Government

The Senate amendment contained a provision (sec. 3510) that would provide placement priority for involuntarily separated employees of the Panama Canal Commission who are U.S. citizens and were hired after the Panama Canal Treaty of 1977 that is on par with priority for other federal employees who are involuntarily separated.

The House bill contained no similar provision.

The Senate recedes.

TITLE XXXVI—MARITIME ADMINISTRATION

LEGISLATIVE PROVISIONS ADOPTED

Authorization of appropriations for fiscal year 1999 (sec. 3601)

The House bill contained a provision (sec. 3601) that would authorize $90.6 million for fiscal year 1999, as included in the budget request, for the United States Maritime Administration.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority to convey National Defense Reserve Fleet vessel (sec. 3602)

The House bill contained a provision (sec. 3602) that would authorize the Secretary of Transportation to convey a National Defense Reserve Fleet surplus vessel, M/V Bayamon, to the Trade Fair Ship Company.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that the Secretary dispose of the vessel using competitive procedures.

Authority to convey certain National Defense Reserve Fleet vessels (sec. 3603)

The House bill contained a provision (sec. 3603) that would authorize the Secretary of Transportation to sell, at fair market value, two surplus TAO class vessels that were partially built and then transferred to the National Defense Reserve Fleet.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require that the Secretary dispose of the vessels using competitive procedures.

Clearinghouse for maritime information (sec. 3604)

The House bill contained a provision (sec. 3604) that would authorize the establishment of a clearinghouse for maritime information by providing an online trade information database at a state maritime academy. The provision would require the $75,000 funding needed for this effort be derived from funds authorized for operations of the Maritime Administration.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would make the provision of funds for a clearinghouse for maritime information discretionary.

Conveyance of NDRF vessel ex-USS Lorain County (sec. 3605)

The House bill contained a provision (sec. 3605) that would authorize the Secretary of Transportation to convey, at no cost to the government, a surplus National Defense Reserve Fleet ship, ex-USS Lorain County, to a not-for-profit organization for use as a memorial to Ohio veterans.

The Senate amendment contained a similar provision (sec. 1015).

The Senate recedes.

TITLE XXXVII—INCREASED MONITORING OF PRODUCTS MADE WITH FORCED LABOR

LEGISLATIVE PROVISIONS ADOPTED

Increased monitoring of products made with forced labor (secs. 3701–3703)

The Senate amendment contained provisions (secs. 3701–3704) related to the monitoring of products derived from forced labor.

The House bill contained no similar provisions.

The House recedes with an amendment that would eliminate a provision containing findings, which emphasized products derived from forced labor from the People's Republic of China, strike direct references to indentured labor, including child labor (secs. 3701–3703), and eliminate a specific reference to mining products (sec. 3702).

The conferees note that forced labor includes convict labor, forced labor, and indentured labor, as such terms are used in section 307 of the Tariff Act of 1930 (19 U.S.C. 1301 et seq.). Accordingly, the conferees understand that indentured labor, to include child labor, is a category of labor included in the definition of forced labor as established in the Tariff Act of 1930, which thereby prohibits the importation of products made through the use of indentured or child labor. The conferees further recognize the importance of strong and enforceable laws relating to products derived from child labor, and emphasize that such laws should be enforced to the maximum extent practicable by the U.S. Customs Service.

TITLE XXXVIII—FAIR TRADE IN AUTOMOTIVE PARTS

LEGISLATIVE PROVISIONS ADOPTED

Fair trade in automotive parts (secs. 3801–3805)

The Senate amendment contained provisions (sec. 3801–3805) that would deal with trade in automotive parts. Section 3801 would provide that the title could be cited as the "Fair Trade in Automotive Parts Act of 1998." Section 3802 would define certain terms. Section 3803 would direct the Secretary of Commerce to re-establish an initiative to increase the sale of U.S.-made auto parts to Japanese markets, and prescribe the functions of the Secretary in this regard. Section 3804 would direct the Secretary to establish a special advisory committee from the automotive parts industry. Section 3805 would provide that the authority under the Act shall expire on December 31, 2003.

The House bill contained no similar provision.

The House recedes with technical amendments.

TITLE XXXIX—RADIO FREE ASIA

LEGISLATIVE PROVISIONS ADOPTED

Short title (sec. 3901)

The Senate amendment contained a provision (sec. 3901) that would provide that the provisions in this title related to international broadcasting activities to China may be cited as the Radio Free Asia Act of 1998.

The House bill contained no similar provision.

The House recedes.

Authorization of appropriations for increased funding for Radio Free Asia and Voice of America broadcasting to China (sec. 3902)

The Senate amendment contained a provision (sec. 3903) that would authorize $30.0 million for fiscal year 1998 and $22.0 million for fiscal year 1999 for the purpose of funding Radio Free Asia broadcasting to the People's Republic of China and Tibet, $5.0 million for fiscal year 1998 and $3.0 million for fiscal year 1999 for Voice of America broadcasting to China and Tibet, and an additional $10.0 million for fiscal year 1998 and $2.0 million for fiscal year 1999 for radio construction in support of such broadcasting. The provision would reserve $100,000 of the funds authorized for Voice of America broadcasting for broadcasts in the Hmong language.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the authorizations for fiscal year 1998, eliminate the requirement that certain broadcasts be in the Hmong language, and specify that the additional authorizations for fiscal year 1999 are with respect to appropriations for the U.S. Information Agency.

Reporting requirement (sec. 3903)

The Senate amendment contained a provision (sec. 3904) that would require the Broadcasting Board of Governors to submit a report on their efforts to increase Radio Free Asia and Voice of America broadcasts to China and Tibet, as well as an analysis of the control by the Government of the People's Republic of China of the media in China, to the Committees on Foreign Relations and Appropriations of the Senate and the Committees on International Relations and Appropriations of the House of Representatives.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Findings

The Senate amendment contained a provision (sec. 3902) that would make certain findings with respect to freedom of information in the People's Republic of China.

The House bill contained no similar provision.

The Senate recedes.

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

FLOYD SPENCE,
BOB STUMP,
DUNCAN HUNTER,
JOHN R. KASICH,
HERBERT H. BATEMAN,
JAMES V. HANSEN,
CURT WELDON,
JOEL HEFLEY,
JIM SAXTON,
STEVE BUYER,
TILLIE K. FOWLER,
JOHN M. MCHUGH,
J.C. WATTS, Jr.,
WILLIAM M. THORNBERRY,
SAXBY CHAMBLISS,
WALTER B. JONES,
MICHAEL PAPPAS,
BOB RILEY,
IKE SKELTON,
NORMAN SISISKY,
JOHN M. SPRATT, Jr.,
SOLOMON P. ORTIZ,
OWEN PICKETT,
LANE EVANS,
GENE TAYLOR,
NEIL ABERCROMBIE,
MARTIN T. MEEHAN,
JANE HARMAN,
PAUL MCHALE,
PATRICK J. KENNEDY,
THOMAS H. ALLEN,
VIC SNYDER,
JAMES H. MALONEY,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

PORTER J. GOSS,
JERRY LEWIS,
NORM DICKS,

As additional conferees from the Committee on Banking and Financial Services, for consideration of section 1064 of the Senate amendment:

JIM LEACH,
MICHAEL N. CASTLE,
JOHN J. LAFALCE,

As additional conferees from the Committee on Commerce for consideration of sections 601, 3136, 3151, 3154, 3201, 3401, 3403, 3404, 3405, 3406, and 3407 of the House bill, and sections 321, 601, 1062, 3133, 3140, 3142, 3144, 3201, and title XXXVIII of the Senate amendment, and modifications committed to conference:

THOMAS J. BLILEY, Jr.,
DAN SCHAEFER,
JOHN D. DINGELL,

Provided that Mr. Oxley is appointed in lieu of Mr. Dan Schaefer for consideration of section 321 of the Senate amendment.

MICHAEL G. OXLEY,

Provided that Mr. Bilirakis is appointed in lieu of Mr. Dan Schaefer for consideration of section 601 of the House bill, and section 601 of the Senate amendment.

MIKE BILIRAKIS,

Provided that Mr. Tauzin is appointed in lieu of Mr. Dan Schaefer for consideration of section 1062 and Title XXXVIII of the Senate amendment:

BILLY TAUZIN

As additional conferees from the Committee on Education and the Workforce, for consideration of sections 361, 364, 551, and 3151 of the House bill, and sections 522, 643, and 1055 of the Senate amendment, and modifications committed to conference:

TOM PETRI,
FRANK RIGGS,
TIM ROEMER,

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 368, 729, 1025, 1042, and 1101–1106 of the House bill, and sections 346, 623, 707, 805, 806, 813, 814, 815, 816, 1101–1105, 3142, 3144, 3145, 3162–3172 and 3510 of the Senate amendment, and modifications committed to conference:

DAN BURTON,
JOHN L. MICA,

As additional conferees from the Committee on International Relations, for consideration of sections 233, 1021, 1043, 1044, 1201, 1204, 1205, 1210, 1211, 1213, 1216, and Title XIII of the House bill, and sections 326, 332, 1013, 1041, 1042, 1074, 1084, 3506, 3601, 3602, and 3901–3904 of the Senate amendment, and modifications committed to conference:

BENJAMIN A. GILMAN,
DOUG BEREUTER,
LEE H. HAMILTON,

As additional conferees from the Committee on International Relations, for consideration of sections 1207, 1208, 1209, and 1212 of the House bill, and modifications committed to conference:

BENJAMIN A. GILMAN,
DOUG BEREUTER,
CHRISTOPHER H. SMITH,
DAN BURTON,
LEE H. HAMILTON,
TOM LANTOS,

As additional conferees from the Committee on the Judiciary for consideration of sections 1045 and 2812 of the House bill and section 1077 of the Senate amendment, and modifications committed to conference:

HENRY J. HYDE,
ED BRYANT,

As additional conferees from the Committee on Resources, for consideration of sections 601, 2812, and 3404–3407 of the House bill, and sections 601, 2828, and Title XXIX of the Senate amendment and modifications committed to conference:

DON YOUNG,
BILLY TAUZIN,

As additional conferees from the Committee on Science, for consideration of sections 3135 and 3140 of the Senate amendment, and modifications committed to conference:

F. JAMES SENSENBRENNER, Jr.,
KEN CALVERT,
GEORGE E. BROWN, Jr.,

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of sections 552, 601, 1411, and 1413 of the House bill, and sections 323, 601, 604, and 1080 of the Senate amendment, and modifications committed to conference:

BUD SHUSTER,
SHERWOOD BOEHLERT,
BOB CLEMENT,

As additional conferees from the Committee on Veterans' Affairs for consideration of sections 556 and 1046 of the House bill, and sections 618, 619, 644, and 1082 of the Senate amendment, and modifications committed to conference:

CHRISTOPHER H. SMITH,
MIKE BILIRAKIS,
CIRO D. RODRIGUEZ,
Managers on the Part of the House.

STROM THURMOND,
JOHN WARNER,
JOHN MCCAIN,
DAN COATS,
BOB SMITH,
DIRK KEMPTHORNE,
JIM INHOFE,
RICK SANTORUM,
OLYMPIA J. SNOWE,
PAT ROBERTS,
CARL LEVIN,
EDWARD M. KENNEDY,
JEFF BINGAMAN,
JOHN GLENN,
ROBERT C. BYRD,
CHUCK ROBB,
JOSEPH I. LIEBERMAN,
MAX CLELAND,
Managers on the Part of the Senate.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALSH: Committee of Conference. Conference report on H.R. 4112. A bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–734). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 4558. A bill to make technical amendments to clarify the provision of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplemental security income benefits; with an amendment (Rept. 105–735, Pt. 1). Ordered to be printed.

Mr. SPENCE: Conference report on H.R. 3616. A bill to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes (Rept. 105–736). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker.

H.R. 4558. Referral to the Committee on Commerce extended for a period ending not later than September 23, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII,

Mr. SOLOMON introduced A bill (H.R. 4606) to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Kyrgyzstan; which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 979: Mr. TANNER.

H.R. 2327: Mr. BACHUS, Mr. MORAN of Kansas, and Mr. EHRLICH.

H.R. 2499: Mr. DEUTSCH and Mr. LATHAM.

H.R. 2524: Mr. FROST.

H.R. 2817: Mr. BURTON of Indiana and Mr. BOUCHER.

H.R. 2828: Ms. MILLENDER-MCDONALD and Mr. COSTELLO.

H.R. 3783: Mrs. WILSON and Mr. SNOWBARGER.

H.R. 3879: Mr. BRYANT.

H.R. 3992: Mr. DOOLITTLE.

H.R. 4034: Mr. HORN.

H.R. 4242: Mr. MOLLOHAN.

H.R. 4563: Mr. DIAZ-BALART, Mr. FROST, Mr. HASTINGS of Florida, Mr. NETHERCUTT, Ms. NORTON, and Mr. SESSIONS.

H.R. 4590: Mr. KIND of Wisconsin.

H. Res. 531: Mr. BOB SCHAFFER.

H. Res. 533: Mr. GILMAN and Mr. SOLOMON.

EXTENSIONS OF REMARKS

AMERICAN POW'S AND MIA'S

HON. BARBARA CUBIN

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Mrs. CUBIN. Mr. Speaker, I rise today to recognize American POWs and MIAs. In my home state of Wyoming, there is a deep feeling of respect and grattitude to all the men and women who have defended this country when they were called.

Two thousand eighty-six of these brave Americans are still missing and unaccounted for from the Vietnam War, including six from the state of Wyoming.

Although faced with the terrors and deprivations of war, they answered their nation's call. They bravely served even when some of their countrymen reviled and unfairly criticized their efforts.

These soldiers are Americans. They did their duty. The least we can do for them and their families is insist on nothing less than a full accounting for every one of them.

I urge President Clinton and my colleagues in the Congress to press Vietnam for unilateral actions to locate and return to our nation remains that would account for hundreds of American POW/MIAs and records to help obtain answers on many more.

I am pleased that patriotism is alive and well in America today. Governor Jim Geringer has issued a proclamation designating September 18, 1998, as POW/MIA Recognition Day in the State of Wyoming. These soldiers are not forgotten. Their families are not forgotten. Their priceless contributions to our freedom are not forgotten.

Mr. Speaker, I as that the text of this proclamation be inserted in the RECORD for every American to read.

GOVERNOR'S PROCLAMATION

TWO THOUSAND EIGHTY-SIX Americans are still missing and unaccounted for from the Vietnam War, including 6 from the State of Wyoming, and their families, friends, and fellow veterans still endure uncertainty concerning their fate.

UNITED STATES Government intelligence and other evidence confirm that Vietnam could unilaterally account for hundreds of missing Americans, including many of the 446 missing in Laos and the 75 still unaccounted for in Cambodia, by locating and returning identifiable remains and providing archival records to answer other discrepancies.

THE President has normalized relations with Vietnam, believing such action would generate increased unilateral account for Americans still missing from the Vietnam War, and such increased results have not yet been provided by the Government of Vietnam.

NOW, therefore, be it resolved that the State of Wyoming calls on the President to reinvigorate United States efforts to press Vietnam for unilateral actions to locate and return to our nation remains that would account for hundreds of America's POW/MIA's and records to help obtain answers on many more.

FOR THESE SIGNIFICANT REASONS, I, JIM GERINGER, Governor of the States of Wyoming, do hereby proclaim September 18th, 1998, to be "POW/MIA Recognition Day" in Wyoming, and encourage all citizens to observe this day with appropriate ceremonies.

In witness whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming to be affixed this 29th day of July, 1998

JIM GERINGER,
Governor.

IN HONOR OF ARISTIDES SOSA

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize Aristides Sosa of Miami for the recent honor he received from the University of Nebraska. In his name, the institution created the "Aristides Sosa International Citizenship Award". It will be awarded annually to an individual who has demonstrated vision and dedication to the improvement of human relations.

This distinct recognition was presented to Dr. Sosa for his outstanding contribution to the World Affairs Conference and his extraordinary devotion to global education. For 16 years, Dr. Sosa was the director of International Programs and head of the Department of Languages for the University of Nebraska at Kearney where he established several study abroad programs in Europe and Latin America.

In the 1980's, when civil disturbances rocked South Florida, he initiated a variety of community programs to improve the inter-ethnic relations in Miami while he was the Director of the Metro-Dade County Department of Community Affairs.

After a well-deserved retirement this past year, Dr. Sosa has dedicated his time lecturing all over the United States at national and international conferences to offer his vast knowledge and expertise in the field of international relations. For his commitment to multi-cultural education and public service, I ask my colleagues to join me in distinguishing Dr. Aristides Sosa as the driving force and positive image for recipients of the "Aristides Sosa International Citizenship Award".

IN RECOGNITION OF MR. MARVIN R. SMITH, NATIONAL MINORITY ADVOCATE OF THE YEAR

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Ms. LEE. Mr. Speaker, I rise to salute Mr. Marvin R. Smith, who today will receive the National Minority Advocate of the Year Award.

Mr. Speaker, almost 16 years ago, President Ronald Reagan designated the first full week of October 1983 as Minority Enterprise Development (MED) Week. Designated by every President since then, MED Week is an annual national celebration in recognition of the contributions made by minority businesses to the Nation's economy as well as to acknowledge individuals whose efforts have advanced minority business development throughout the country.

Mr. Speaker, MED Week is the largest federal advocacy activity sponsored on behalf of minority businesses. It is jointly sponsored by the U.S. Department of Commerce's Minority Business Development Agency (MBDA) and the Small Business Administration's (SBA) Office of Minority Enterprise Development. Each fall, MED Weeks are held across the country. Observances culminate at a National Conference in Washington, D.C. The week of September 20–26, 1998, was included in this year's presidential proclamation. Each year a theme is chosen by the MED Week Committee to reflect current issues or emphasis. This year's theme is "Creating a Competitive Advantage in a Changing Business environment."

Awards are presented by MBDA and SBA to minority-owned businesses and other individuals chosen from nominations received in the respective regional offices around the country. As nominations are received, they are reviewed and evaluated by panels in the regional offices. Award winners in the various categories from the five regional offices (Atlanta, Chicago, Dallas, New York and San Francisco) are presented to MBDA headquarters and evaluated by a review panel at that level for national recognition.

Mr. Speaker, I feel honored to mention that Marvin R. Smith, who works as Manager of the Supplier Management and Business Affirmative Action Office (SM/BAAO) of the Lawrence Livermore National Laboratory (LLNL) (Livermore, CA) and a resident of the 9th District, has also been selected to receive the award of "National Minority Advocate of the Year." Just days after receiving the "Regional Minority Advocate of the Year Award" in San Francisco on September 10, 1998.

Mr. Smith has served in various managerial positions at LLNL for the past 20 years. The primary objective of the SM/BAAO is to enhance the quality of vendors doing business with LLNL and to simultaneously assist the laboratory in achieving its socioeconomic goals. As a part of this effort the SM/BAAO strives to identify qualified small, disadvantaged and women-owned businesses and to assist in enhancing their capabilities so that they become viable competitors with the larger integrated concerns currently providing supplies and service to the Laboratory, as well as to increase the extent to which they receive Laboratory Awards/Contracts, something we commonly know as procurement dollars.

I am proud to say that, during the past three fiscal years (1995, 1996 and 1997) as a result of Mr. Smith's leadership and efforts LLNL has provided $180.86 million in direct procurement awards to small disadvantaged/minority business enterprises. During that same period of time $43.7 million were awarded to 2nd tier disadvantage/minority subcontracts.

Mr. Smith, who is also a longtime civil rights activist, has held a host of positions on local, state and national committees, commissions and organizations. He has long been involved in leadership positions in a myriad of community activities relating, but not limited, to entrepreneurship, mentoring, youth awareness, community economic development, education, fairness in law enforcement/equity in justice and diversity.

Prior to assuming his position with the laboratory, Mr. Smith was the San Francisco Regional Director for the Fair Housing and Equal Opportunity Compliance Division of the U.S. Department of Housing and Urban Development. Previous to that he was a police officer for the Richmond (CA) Police Department.

Mr. Smith received a Bachelor of Arts Degree in Political Science from California State university at Hayward; earned a Masters in Public Administration Degree from Golden Gate University in San Francisco; was a Ph.D. candidate in Public Administration at Golden Gate University (ABD) and holds several professional certificates in Management and Public Administration.

Mr. Speaker, today, I join with the organizers, sponsors and most of my Congressional colleagues in expressing my sincere congratulations to Marvin Smith for his commendable efforts and contributions to minority businesses.

Thank you for your commitment and service.

COMMEMORATING THE 15TH ANNIVERSARY OF THE SAN FRANCISCO CONSERVATION CORPS

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Ms. PELOSI. Mr. Speaker, I rise today to recognize the 15th anniversary of the San Francisco Conservation Corps.

In 1983, the San Francisco Conservation Corps was one of the first urban youth corps ever established to combine job skills training and academic enhancement. Fifteen years later, over 200 million hours of community service have been performed by the San Francisco Conservation Corps and 130 youth corps groups have been created nationwide.

In San Francisco, Corpsmembers who range in age from 12 to 24 years provide a range of public benefit services while engaged in academic enrichment programs. Corpsmembers perform community outreach in schools, seismic retrofit and lead dust reduction in homes for low-income residents, install play structures for children, preserve and restore native habitats in the Presidio and coordinate neighborhood projects based on needs assessments conducted by high school aged Corpsmembers—to list just a few of their community contributions.

Through the San Francisco Conservation Corps Center's Environment-Community-Outreach Center (ECO), The Learning Center, and the Community Service and Training Center, urban youth learn the importance of teamwork, leadership, community service, and academic achievement. Most importantly, Corpsmembers develop a "can-do" attitude building self confidence.

The ECO Center provides job training, environmental education, and academic programs to adolescents and young adults in the Corps. This specialized training engages participants in technological and multi-media skills and activities necessary to prepare for today's job market.

The Learning Center focuses on challenging Corpsmembers to reach their highest level of educational achievement and aids in successful job placement. As a result, Corpsmembers are encouraged toward a commitment to lifelong learning.

The Community Service and Training Center prepares young adults for a career and higher education. It serves to provide participants with confidence, strong work ethics, and responsibility to become effective community leaders.

On Saturday, September 26, 1998, the San Francisco Conservation Corps will host their 15th anniversary celebration. I salute the San Francisco Conservation Corps, its youth, staff and supporters for the important contribution to empowering urban youth to improve their lives while also working to improve San Francisco neighborhood communities.

Congratulations to the Corps on its 15th Anniversary. Our community appreciates and celebrates the Corps' leadership in support of youth, education and training, and community service. I extend special thanks and congratulations to Corpsmembers, Staff, Board Members, Executive Director Ann Cochrane, and Justice J. Anthony Kline on this special occasion.

CELEBRATING 125 YEARS OF THE KENNETT GRANGE NO. 19

HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Mr. PITTS. Mr. Speaker, today I rise to honor an organization celebrating its 125th anniversary in my district in Pennsylvania.

The Kennett Grange No. 19 is now celebrating 125 years of continuous service to our area. Founded in the Borough of Kennett Square in 1873, this chapter is presently the third oldest in the Commonwealth of Pennsylvania, although it was the 19th one organized.

In 1932 when the Kennett School District consolidated, the members purchased the original Greenwood School building in Kennett Township and have been meeting there ever since. Now that is impressive! The dedication of the community to the continuation of this Grange must be commended.

On a local, county, state, and national level, this Grange has made a difference! Your active commitment has not gone unnoticed.

So today, I want to honor the Kennett Grange for the way they encourage family participation and promote community service and education here in Chester County and across the nation.

I and to wish them continued blessing. Here's to another 125 years!

A TRIBUTE TO TOGETHERNESS WITH LOVE CENTER ON THEIR SECOND ANNIVERSARY

HON. NYDIA VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 22, 1998

Ms. VELÁZQUEZ. Mr. Speaker, it is with great pride that I rise today to pay a special tribute to Togetherness With Love Center, Inc., an organization in my district which has worked to provide social services to low income families.

In 1993, Together With Love was founded in Brooklyn, New York by Mr. Cyril Joseph. He originally started this organization as a neighborhood alternative to the often overcrowded municipal soup kitchens in the area. Operating out of a tiny basement shop on DeKalb Ave., Mr. Joseph with the help of the Seventh-day Adventist Church and the Jesus Cares Ministries began to distribute food to those in need.

Since its founding, Togetherness With Love has added 24 new staff members and has become a vital part of the community I serve. Most of those who enter its doors on a daily basis receive aid on health and immigrant issues, as well as assistance in employment and housing.

Mr. Speaker, I ask my colleagues in Congress to join me in acknowledging and thanking the men and women of the Togetherness With Love Center for their excellent service and dedication.

HOUSE OF REPRESENTATIVES—*Wednesday, September 23, 1998*

The House met at 2 p.m.

The Reverend Dr. Warren Blakeman, St. Paul's United Methodist Church, Monroe, Louisiana, offered the following prayer:

Creator God, You have given us the precious gift of life. Between our birth and our death, we make many choices. Those who gather here make choices that affect billions beyond our shores, millions across this land, thousands in our districts and communities, and individuals within families.

We are awed when we think that these responsibilities placed upon us affect not only this time and these peoples, but also generations to come. So, humbly, we ask for Your guidance. In our choices, may truth always be combined with love, love with courage, and courage with justice and mercy. Again, we ask for Your guidance. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

> H. Con. Res. 326. Concurrent resolution permitting the use of the rotunda of the Capitol on September 23, 1998, for the presentation of the Congressional Gold Medal to Nelson Rolihlahla Mandela.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 1397. An act to establish a commission to assist in commemoration of the centennial of powered flight and the achievements of the Wright brothers.

THE HEAVY HAND OF BIG GOVERNMENT

(Mr. NORWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NORWOOD. Mr. Speaker, first, it was the IRS. Now, if we can believe it, it is the United States Army Corps of Engineers: You are guilty until you prove yourself innocent.

When my constituent, Pamela Ham, thought the worst was over after surviving a deadly tornado on Lake Thurman last May, the Corps reared its ugly head. Even though 4 months passed since this tornado, the Corps, as managers of this lake and the surrounding lands, still had not cleaned up the public property between the lake and Mrs. Ham's house, so Mrs. Ham cleaned the property herself, with her hands.

The Corps did not like this. They retaliated, Mr. Speaker, by revoking Mrs. Ham's dock permit. They didn't even ask for an explanation; they just lowered the boom, the big, heavy hand of big government, on my constituent.

I am tired of the Corps of Engineers bullying my constituents along the Savannah River, and I am putting them on alert. Stay tuned.

CONGRESS DOES NOT NEED FAST TRACK

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. America has a $60 million trade deficit with Japan, $50 billion with China, a $24 billion deficit with Canada, $20 plus billion with Mexico. The bleeding goes on and on, good-paying jobs lost by the thousands every week, every month.

After all this, Congress wants more fast track trade programs. Unbelievable. Congress does not need fast track; Congress needs a swift kick. What is next, our sons and daughters applying for a job in Mexico? Beam me up. Free trade, my ascot. This is a free ride for people overseas being paid for by American workers who are being retrained. Think about it.

URGING MEMBERS TO SUPPORT THE 90–10 PLAN TO PRESERVE SOCIAL SECURITY AND PROVIDE A TAX CUT

(Mr. JONES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES. Mr. Speaker, today Americans spend more money on taxes than on food, clothing, and shelter combined. That is an average tax burden of 38 percent. This Congress has introduced a plan to provide hard-working Americans some well-deserved relief. The 90–10 plan would set aside 90 percent of the 10-year, $1.6 trillion budget surplus to preserve Social Security, and would use the remaining 10 percent, or $80 billion, to cut taxes for middle-income Americans.

Under the plan, the marriage penalty and death taxes will be reduced, and tax relief will be available for education, child care, and military personnel who sell their homes. The 90/10 plan offers Americans what they have been asking for, tax relief now and saving Social Security for the future. I hope my colleagues will join us in supporting the 90–10 plan.

WHAT ARE THE CHILDREN IN AMERICA LEARNING TODAY ABOUT TRUTH?

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, there is a famous story told of George Washington when he was but a young boy. Every schoolchild in America is taught this story. It is the story of how, even as a young boy, Washington was a person of honor. When he was asked by his father if he had cut down his father's favorite cherry tree, he responded, I cannot tell a lie, father. I did chop down the cherry tree.

How forthright. You cannot get any more honest than that. Yet, with the rationalization being promoted by many in the media today, Washington could have responded like this and gotten away with it: "Well, father, I did not technically cut down the cherry tree, only the hatchet made contact with the tree. I did not touch the tree. I stand by my story and what I believe the meaning of the word 'cut' is."

How things have changed in America. What are the children in America learning today?

REPUBLICANS AND DEMOCRATS HAVE DIFFERENT VISIONS FOR WORKING AMERICANS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, most Democrats think they are thinking, but in reality, they are merely reorganizing and rearranging their own prejudices.

For example, when it comes to working Americans, Republicans and Democrats have major differences in their visions. Democrats believe it is fair for the government to take up to one-half of a family's income to pay for big government. Republicans do not.

Democrats believe it is fair that average Americans have to work until mid-May just to pay their taxes. Republicans do not.

Democrats believe they are doing us a favor by giving us tax breaks. Republicans believe that a tax break is not giving us anything, it is merely allowing us to keep what is already ours.

Democrats believe America is undertaxed. Republicans believe America is overtaxed. The fact is, Democrats talk as if it is their money. Republicans believe that the money belongs to those people who earned it, not the politicians, not the Federal Government or Washington bureaucrats.

Mr. Speaker, it is time that thinking Democrats stop favoring bureaucracy and start giving workers a tax break.

LET'S MAKE A DEAL

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, the White House today is sending signals that it would like to broker some type of deal in order to avoid a full inquiry via the impeachment process. But Mr. Speaker, Congress cannot shirk from its duty. We are obliged to have a full and open debate on the merits of whether or not we should go forward with a formal inquiry on impeachment.

Let us not be unduly influenced by watching poll numbers. As the gentleman from Illinois (Chairman HENRY HYDE) has said, "Poll-taking is an art, not a science." The Framers of the Constitution knew this would not be an easy or pleasant task, but they did make provisions for such a possibility. We must remember, this is a Nation of laws, not daily opinion polls. Whether or not perjury was committed will be determined in due course, not by opinion polls, but as prescribed under the Constitution.

SAVE SOCIAL SECURITY, CUT TAXES

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, the Federal Government should honor the institution of marriage, not penalize it by imposing higher taxes on married couples. I urge my colleagues to support the 90–10 proposal of the gentleman from Texas (Chairman ARCHER). The bill sets aside 90 percent of the budget surplus to save Social Security, and returns the additional 10 percent to hard-working taxpayers.

The centerpiece of the tax cut of the gentleman from Texas (Chairman ARCHER) injects some fairness into the tax code, and strengthens families by providing some much-needed relief from the marriage penalty. It mirrors a provision that I introduced in a 1997 tax cut initiative. The marriage penalty is unfair, and no one should have to pay it.

Mr. Speaker, with 77 million babyboomers nearing retirement age and taxes at an all-time high, we must reject the calls for new spending emanating from the other side. We have an historic opportunity to secure the future of Social Security and provide the American people with the additional tax relief they deserve. Let us seize it now.

NO AMERICAN IS ABOVE THE LAW

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, I would commend to my colleagues and the citizens of this Nation the lead article in today's edition of The Hill entitled "Clinton asks Dole for help on Hill."

The reason I do this, Mr. Speaker, is apparently there is a misconception being propagated by some here in Washington. Some here in Washington have confused their occupancy of a certain office with the institution itself. Let us reaffirm at this time, in this place, that the offices we hold are a reflection of public trust, and our presence in those offices does not reflect the institution one way or the other.

Indeed, Mr. Speaker, let us reaffirm at this place, in this time, that no American is above the law, no matter what office they may hold.

IMPLORING FEMA TO BEGIN PREPARATIONS TO RESPOND TO HURRICANE GEORGES

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, my community of south Florida is tensly gripping for a possible strike to the region from the dangerous Hurricane Georges, which has already caused great devastation in the neighboring islands of the Carribean, including my native homeland of Cuba, which is bracing for the worst.

Those of us from south Florida still remember the nightmare of Hurricane Andrew that only 5 years ago fiercely destroyed our way of life, and from which many areas in south Florida are yet to fully recover.

I implore the Federal Emergency Management Agency, FEMA, to begin preparations to assure a swift response to this natural disaster in the event that it does make landfall in south Florida. FEMA's assistance is critical to both protect our citizens during this hurricane or fierce storm, and to help the residents of the region in the aftermath of the natural phenomenon in an expeditious manner without much red tape.

My colleagues from south Florida and I are ready to provide FEMA with any assistance on preparations to confront Hurricane Georges.

COMMUNICATION FROM THE HONORABLE RICHARD A. GEPHARDT, DEMOCRAT LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable RICHARD A. GEPHARDT, Democrat leader:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, September 22, 1998.

Hon. NEWT GINGRICH,
Speaker of the House, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 3162 of Public Law 104–201, I hereby appoint the following individual to the Commission on Maintaining United States Nuclear Weapons Expertise:

Mr. Henry W. Kendall, Ph.D. of Massachusetts.

Yours very truly,
RICHARD A. GEPHARDT.

COMMUNICATION FROM THE HONORABLE RICHARD A. GEPHARDT, DEMOCRAT LEADER

The SPEAKER pro tempore laid before the House the following communication from the Honorable RICHARD A. GEPHARDT, Democrat leader:

HOUSE OF REPRESENTATIVES,
Washington, DC, September 21, 1998.

Hon. NEWT GINGRICH,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to section 2(b)(2) of Public Law 105–186, I hereby appoint the following members to the Presidential Advisory Commission on Holocaust Assets in the United States: Mr. Maloney of Connecticut, and Mr. Sherman.

Yours Very Truly,
RICHARD A. GEPHARDT.

□ 1415

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. UPTON). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such roll call votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

TAX CUTS TODAY, BUT AMERICAN WORKERS WILL PAY TOMORROW

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, all across America, parents use the tool of allowance to teach their children the value of money, that they have to pay for what they get. If they do not have the savings, they do not buy the goods.

But over and over, Republicans ignore that basic lesson. They want to get it now and pay later. They want to get tax cuts now and pay for them later.

Mr. Speaker, make no mistake. Someone is going to pay for it. Who? America's working families who are paying into Social Security for those benefits today and for their retirement tomorrow. They will pay for it by forking over even more in payroll taxes. They will pay for it by having to retire later. They will pay for it in reduced Social Security benefits.

Democrats want to prevent this from happening tomorrow by being responsible today, and we have an opportunity to save Social Security, and we seek to seize it.

Republicans want to get political credits for tax cuts today that America's working families will pay for tomorrow, and that, to me, is the very definition of irresponsible government.

PASSENGER VESSEL ACT

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, I rise today to discuss the domestic deep-sea passenger cruise industry, or better, the lack of it in the United States.

Currently, there is only one ocean-going cruise ship left in the entire U.S. flag fleet. That means that millions of dollars of American tourist money which are spent on cruises each year are going to our foreign competitors.

The reason there are no cruise ships in our domestic fleet is because of an archaic protectionist law known as the Passenger Services Act. The legislation was passed before the turn of the century and requires all cruise ships in the domestic service to be built in the United States.

U.S. shipyards, however, have no interest in building these types of ships and are not competitive on the international market. In fact, the last one built in this country was the U.S.S. *Independence* in 1956.

Things have gotten so bad that when Disney Corp. solicited over $1 billion in contracts to build cruise ships in this country, not a single U.S. shipyard even bid on the project. Now those ships are being built in Italy, but they will be legally barred from servicing the domestic cruise market because of the Passenger Services Act.

Mr. Speaker, this act no longer serves the interests of this country. It stifles maritime job creation and does nothing to promote domestic shipbuilding. Instead, it gives away the cruise market to our foreign competitors, whose customers are mostly Americans.

To fix this problem I am introducing legislation today that will stimulate increased domestic cruise ship opportunities for the American cruising public. My legislation will allow three foreign-built cruise ships to participate in the U.S. domestic cruising market. These cruising vessels must still hire an American crew, pay U.S. taxes, and obey all U.S. environmental, labor, and safety regulations.

Senator MCCAIN has introduced the companion bill, S. 2507, and he expects the Senate Commerce Committee to take action on the bill this session.

This legislation is absolutely necessary to help create a U.S. domestic ocean-going cruise industry and I would call upon my colleagues to support this bill.

TAX RELIEF

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, I think a lot of people forget who is paying the taxes. It is the American citizens. For too long, the Federal Government has increased taxes on our families, our seniors, our farmers and our businesses. The Taxpayer Relief Act returns $80 billion to its rightful owners, the American people, and sets aside $1.4 trillion to protect Social Security. That is 90 percent of the total surplus.

President Clinton calls this, "a gimmick to please people." Mr. Speaker, I urge Americans, do not believe him. The President has already proposed spending billions from the surplus on bigger government. He is the one with the gimmicks. President Clinton keeps forgetting the surplus belongs to the taxpayers of America.

We can protect Social Security and give tax relief. Let us do it.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

GREAT LAKES FISH AND WILDLIFE RESTORATION ACT OF 1998

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1481) to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Restoration Study Report, as amended.

The Clerk read as follows:

H.R. 1481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Great Lakes Fish and Wildlife Restoration Act of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the Great Lakes Fishery Resources Restoration Study, for which a report was submitted to Congress in 1995, was a comprehensive study of the status, and the assessment, management, and restoration needs, of the fishery resources of the Great Lakes Basin, and was conducted through the joint effort of the United States Fish and Wildlife Service, State fish and wildlife resource management agencies, Indian tribes, and the Great Lakes Fishery Commission; and

(2) the study—

(A) found that, although State, Provincial, Native American Tribal, and Federal agencies have made significant progress toward the goal of restoring a healthy fish community to the Great Lakes Basin, additional actions and better coordination are needed to protect and effectively manage the fisheries and related resources in the Great Lakes Basin; and

(B) recommended actions that are not currently funded but are considered essential to meet goals and objectives in managing the resources of the Great Lakes Basin.

SEC. 3. REFERENCE; REPEAL.

(a) REFERENCE.—Each reference in this Act (other than in subsection (b)) to the Great Lakes Fish and Wildlife Restoration Act of 1990 is a reference to the Act enacted by title I of Public Law 101–537 (104 Stat. 2370).

(b) REPEAL OF DUPLICATIVE ENACTMENT.—The Great Lakes Fish and Wildlife Restoration Act of 1990, enacted as title II of Public Law 101–646 (104 Stat. 4773), is repealed.

SEC. 4. PURPOSES.

Section 1003 of the Great Lakes Fish and Wildlife Restoration Act of 1990 (16 U.S.C. 941a) is amended—

(1) in the matter preceding paragraph (1), by striking "this Act" and inserting "this title";

(2) by striking paragraph (1);

(3) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(4) by striking paragraph (1) (as so redesignated) and inserting the following:

"(1) to develop and implement proposals for the restoration of fish and wildlife resources in the Great Lakes Basin; and"; and

(5) in paragraph (2) (as redesignated by paragraph (3)), by striking "habitat of" and inserting "habitat in".

SEC. 5. DEFINITIONS.

Section 1004 of the Great Lakes Fish and Wildlife Restoration Act of 1990 (16 U.S.C. 941b) is amended—

(1) in the matter preceding paragraph (1), by striking "this Act" and inserting "this title";

(2) by redesignating paragraphs (2), (3), (4), (5), (6), (7), (8), (9), and (10) as paragraphs (3), (4), (5), (6), (7), (14), (9), (12), and (13), respectively;

(3) by moving paragraph (14) (as redesignated by paragraph (2)) to the end of the section;

(4) in paragraph (9) (as redesignated by paragraph (2)), by striking "plant or animal" and inserting "plant, animal, or other organism";

(5) by inserting after paragraph (1) the following:

"(2) the term 'Committee' means the Great Lakes Fish and Wildlife Restoration Proposal Review Committee established by section 1005(c);";

(6) by inserting after paragraph (7) (as redesignated by paragraph (2)) the following:

"(8) the term 'non-Federal source' includes a State government, local government, Indian Tribe, other non-Federal governmental entity, private entity, and individual;";

(7) by inserting after paragraph (9) (as redesignated by paragraph (2)) the following:

"(10) the term 'Report' means the United States Fish and Wildlife Service report entitled 'Great Lakes Fishery Resources Restoration Study', submitted to the President of the Senate and the Speaker of the House of Representatives on September 13, 1995;

"(11) the term 'restoration' means rehabilitation and maintenance of the structure, function, diversity, and dynamics of a biological system, including reestablishment of self-sustaining populations of fish and wildlife;";

(8) in paragraph (12) (as redesignated by paragraph (2)), by striking "and" at the end; and

(9) in paragraph (13) (as redesignated by paragraph (2)), by striking the period at the end and inserting "; and".

SEC. 6. IDENTIFICATION, REVIEW, AND IMPLEMENTATION OF PROPOSALS.

Section 1005 of the Great Lakes Fish and Wildlife Restoration Act of 1990 (16 U.S.C. 941c) is amended to read as follows:

"SEC. 1005. IDENTIFICATION, REVIEW, AND IMPLEMENTATION OF PROPOSALS.

"(a) IN GENERAL.—The Director, in consultation with the Committee, shall encourage the development and, subject to the availability of appropriations, the implementation of proposals based on the results of the Report.

"(b) IDENTIFICATION OF PROPOSALS.—

"(1) REQUEST BY THE DIRECTOR.—The Director shall annually request that State Directors and Indian Tribes, in cooperation or partnership with other interested entities and based on the results of the Report, submit proposals for the restoration of fish and wildlife resources.

"(2) REQUIREMENTS FOR PROPOSALS.—A proposal under paragraph (1) shall be submitted in the manner and form prescribed by the Director and shall be consistent with the goals of the Great Lakes Water Quality Agreement, as revised in 1987, the 1954 Great Lakes Fisheries Convention, the 1980 Joint Strategic Plan for the Management of Great Lakes fishery resources, the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4701 et seq.), and the North American Waterfowl Management Plan and joint ventures established under the plan.

"(3) SEA LAMPREY AUTHORITY.—The Great Lakes Fishery Commission shall retain authority and responsibility for formulation and implementation of a comprehensive program for eradicating or minimizing sea lamprey populations in the Great Lakes Basin.

"(c) REVIEW OF PROPOSALS.—

"(1) ESTABLISHMENT OF COMMITTEE.—There is established the Great Lakes Fish and Wildlife Restoration Proposal Review Committee, which shall operate under the guidance of the Council of Lake Committees of the Great Lakes Fishery Commission.

"(2) MEMBERSHIP AND APPOINTMENT.—

"(A) IN GENERAL.—The Committee shall consist of representatives of all State Directors and Indian Tribes with Great Lakes fish and wildlife management authority in the Great Lakes Basin.

"(B) APPOINTMENTS.—State Directors and Tribal Chairs shall appoint their representatives, who shall serve at the pleasure of the appointing authority.

"(C) OBSERVER.—The Great Lakes Coordinator of the United States Fish and Wildlife Service shall participate as an observer of the Committee.

"(D) RECUSAL.—A member of the Committee shall recuse himself or herself from consideration of proposals that the member, or the entity that the member represents, has submitted.

"(3) FUNCTIONS.—The Committee shall at least annually—

"(A) review proposals developed in accordance with subsection (b) to assess their effectiveness and appropriateness in fulfilling the purposes of this title; and

"(B) recommend to the Director any of those proposals that should be funded and implemented under this section.

"(d) IMPLEMENTATION OF PROPOSALS.—After considering recommendations of the Committee and the goals specified in section 1006, the Director shall select proposals to be implemented and, subject to the availability of appropriations and subsection (e), fund implementation of the proposals. In selecting and funding proposals, the Director shall take into account the effectiveness and appropriateness of the proposals in fulfilling the purposes of other laws applicable to restoration of the fishery resources and habitat of the Great Lakes Basin

"(e) COST-SHARING.—

"(1) IN GENERAL.—Not less than 25 percent of the cost of implementing a proposal selected under subsection (d) (not including the cost of establishing sea lamprey barriers) shall be paid in cash or in-kind contributions by non-Federal sources.

"(2) EXCLUSION OF FEDERAL FUNDS FROM NON-FEDERAL SHARE.—The Director may not consider the expenditure, directly or indirectly, of Federal funds received by a State or local government to be a contribution by a non-Federal source for purposes of this subsection.".

SEC. 7. REPORTS TO CONGRESS.

Section 1008 of the Great Lakes Fish and Wildlife Restoration Act of 1990 (16 U.S.C. 941f) is amended to read as follows:

"SEC. 1008. REPORTS TO CONGRESS.

"On December 31, 2002, the Director shall submit to the Committee on Resources of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that describes—

"(1) actions taken to solicit and review proposals under section 1005;

"(2) the results of proposals implemented under section 1005; and

"(3) progress toward the accomplishment of the goals specified in section 1006.".

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

Section 1009 of the Great Lakes Fish and Wildlife Restoration Act of 1990 (16 U.S.C. 941g) is amended to read as follows:

"SEC. 1009. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Director—

"(1) for the activities of the Great Lakes Coordination Office in East Lansing, Michigan, of the Upper Great Lakes Fishery Resources Office, and of the Lower Great Lakes Fishery Resources Office under section 1007, $3,500,000 for each of fiscal years 1999 through 2004; and

"(2) for implementation of fish and wildlife restoration proposals selected by the Director under section 1005(d), $4,500,000 for each of fiscal years 1999 through 2004, of which no funds shall be available for costs incurred in administering the proposals.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 1481, the Great Lakes Fish and Wildlife Restoration Act. I want to compliment the gentleman from Ohio (Mr. LATOURETTE) for his outstanding leadership and tireless commitment to moving this legislation.

This measure arose from the need to coordinate management, protection and restoration of fish and wildlife resources within the Great Lakes Basin. The Great Lakes, which cover approximately 95,000 square miles in surface area, provide unique challenges for resource managers. In many respects, the Great Lakes are more comparable to oceans than lakes and require ocean-type vessels to accomplish management and research tasks.

With respect to our fishery laws, we must remember that fish do not understand or recognize geographical boundaries. It is critical, therefore, that regulatory schemes are developed throughout their ranges. H.R. 1481 establishes necessary cooperative agreements between States and Federal agencies to ensure that fish passing through jurisdictions of many management regions get the proper attention they need to sustain viable populations in the future.

The Great Lakes Fish and Wildlife Restoration Act uses cooperative agreements between States, Native American tribes, and the Federal Government to manage Great Lakes resources. The act encourages all interested parties to participate in the implementation of recommendations in the comprehensive study. These management and restoration activities were deemed necessary to restore Great Lakes fish and wildlife resources.

Finally, this bill was designed to evaluate and, where appropriate, implement the recommendations of the Great Lakes Fishery Resources Restoration Study. This 5-year study identified 32 recommendations which should be undertaken to restore the fishery resources of the Great Lakes Basin to sustainable levels.

Mr. Speaker, while I will let my Great Lakes colleagues discuss some or all of the 32 recommendations, I will point out that one of the suggestions was to conduct a cormorant fishery predation study. Since this issue has been of interest to several Members of the House, I would hope that this study would occur.

Mr. Speaker, this legislation authorizes the Department of the Interior to spend $8 million per year to carry out fish and wildlife restoration in the Great Lakes Basin. This is a sound investment in a very important region of the country.

Mr. Speaker, I urge an "aye" vote on H.R. 1481, and I look forward to early positive action by the other body on this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. KILDEE) a member of our committee.

Mr. KILDEE. Mr. Speaker, I thank the gentleman from California (Mr. MILLER) for yielding me this time.

Mr. Speaker, I want to thank the gentleman from Alaska (Chairman YOUNG) and the gentleman from California (Mr. MILLER), ranking member, for their hard work on this bill.

The Great Lakes Basin is a vibrant and diverse environment. Ecosystems of the Great Lakes support a wide array of economic and recreational activities. The long-term health of those ecosystems is fundamental to ensuring the quality of life that Americans from the Great Lakes region have come to enjoy. Protecting these precious bodies of water is of the utmost importance, since they are the largest body of fresh surface water in the United States.

While I am pleased that this bill is coming to the floor, I am disappointed to see that the language to institute a new model for a Michigan fisheries Cooperative Unit was not included.

Michigan is home to some of the finest fisheries institutions in this country, and yet it does not have the Cooperative Unit designation given to 37 States. Despite working for more than a decade to redress this issue, it has repeatedly been blocked by some who see the benefits of a Michigan fisheries designation as a threat to their own funding.

I believe the people of the United States want us to work through these fears to ensure that their best interests are of the utmost concern. This is not just about fairness. It is about capitalizing on Michigan's fisheries expertise.

Michigan State University and the University of Michigan have proposed an alternative that will cost the Federal Government next to nothing. In return for providing staff from these universities, the State of Michigan would finally receive this important fisheries research designation. This is a very creative approach that I hope we will explore in the future.

Mr. Speaker, for that purpose, I would like to engage in a colloquy with the gentleman from Maryland (Mr. GILCHREST).

Mr. Speaker, I know that the gentleman from New Jersey (Mr. SAXTON) has been more than willing to work on addressing the current inequities in the Cooperative Unit program. I would ask the gentleman, would the subcommittee be interested in exploring this model as a new way to deal with this issue? If necessary, this could be done in the next Congress.

Mr. GILCHREST. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, I have spoken with the gentleman from New Jersey (Mr. SAXTON), and he agrees there is a legitimate issue of fairness involved. As the gentleman from Michigan may know, his home State of New Jersey is another State that suffers under the present system. He would be interested in working with the gentleman and other members of the committee to find an alternative in the near future.

Mr. KILDEE. Mr. Speaker, reclaiming my time, I appreciate the interest, and I look forward to working with the gentleman from Maryland and with the gentleman from New Jersey to find a sensible solution to this problem.

Mr. GILCHREST. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. LATOURETTE) to further add to this great piece of legislation.

Mr. LATOURETTE. Mr. Speaker, I want to thank the gentleman from Alaska (Chairman YOUNG) and also the gentleman from California (Mr. MILLER), ranking member, for moving H.R. 1481 to the floor so expeditiously, despite the fact that we have so many other things coming to a conclusion at the end of the 105th Congress. The resources Committee, like others, face a daunting list of requests from Members, and for the fact that this bill has moved so quickly I am grateful on behalf of myself and other Great Lakes Members.

I also express my appreciation for the work of the gentleman from New Jersey (Mr. SAXTON), chairman of the Subcommittee on Fisheries Conservation, Wildlife and Oceans. He made time in his subcommittee's schedule to hold hearings, and he has been a strong supporter of H.R. 4181 throughout the process.

I would be remiss, Mr. Speaker, if I did not thank the staff that made today's presentation possible. Many times, Members make commitments and while these commitments are honored, it is due primarily and in large part to the hard work of our staffs.

I thank the committee staffs of both the majority and the minority, in particular Harry Burroughs and Mike Oetker. Mike has done yeoman's work on H.R. 1481, putting in long hours and making sure that this bill stayed on track.

Mr. Speaker, I also want to thank Rochelle Sturtevant, who is the coordinator for the Great Lakes task force who has been working on this legislation since 1996.

Mr. Speaker, my district borders Lake Erie, a body of water that was once considered to be "dead." I paraphrase Mark Twain when I say that the reports of the Great Lakes' demise have been greatly exaggerated. This would not be possible, of course, without the efforts of the Fish and Wildlife Service, working with State and local governments, as well as Great Lakes residents.

Now, Lake Erie fishermen can enjoy catching lake trout, walleye, bass, and perch. In fact, Lake Erie is experiencing rebounds in lake whitefish populations that just 10 years ago was thought to be impossible. Last year, the Fish and Wildlife Service report that lake trout populations in Lake Superior are now self-sustaining and need no further stocking.

Basinwide, water-related recreation and tourism are valued at $15 million annually, almost half of which is derived from fishing. Moreover, the Great Lakes contain over 281 square miles of coastal wetlands which provide habitat for endangered species and breeding grounds for waterfowl, migratory birds and fish.

While this is a great success story, the job of restoring the Great Lakes is a work in progress. Yes, we have come a very long way, but considering we still face degraded habitats, reduced fish and wildlife populations and the threat from nonindigenous species, we must press on.

The Great Lakes Fish and Wildlife Restoration Act reauthorizes legislation passed in 1990, with the same title, to continue this important mission.

The original act established the Great Lakes Coordination Office and Fishery Resources Offices in Michigan, Wisconsin and New York. The 1990 act also led to the formation of a Great Lakes ecosystem team, including partners from the States Native American tribes and the Great Lakes Fishery Commission, to coordinate restoration efforts between levels of government and agencies.

Finally, the 1990 act directed that the U.S. Fish and Wildlife Service undertake a comprehensive study of fishing resources in the Great Lakes. The Great Lakes Fishery Resource Study, which the Fish and Wildlife Service completed and reported to Congress in 1995, contained 32 specific recommendations for projects that would successfully restore the Great Lakes fishery resource.

The Great Lakes Fish and Wildlife Restoration Act will reauthorize the

Great Lakes Coordination Office and Fishery Resources Offices of the Fish and Wildlife Service, allowing them to continue coordinating internal Fish and Wildlife Service operations and other Fish and Wildlife Service activities with State, Federal, local and international operations in the Great Lakes Basin.

□ 1430

These coordination efforts are critical to prevent programs from wasting resources and precious funds by working at cross-purposes.

In addition, 1481 sets up a new grant program to enable States and Native American tribal groups to carry out restoration projects that implement the specific recommendations contained in the 1995 study. On the issue of invasive and noninvasive species, the Great Lakes Fish and Wildlife Restoration Act will continue to provide the resources to help stop the influx of these creatures. And in regard to the sea lamprey, the legislation ensures that authority for sea lamprey control is retained by the Great Lakes Fishery Commission.

Additionally, the Secretary of the Army, upon request by the Great Lakes Fishery Commission, may improve water resources projects related to sea lamprey management. However, non-Federal entities will be responsible for 25 percent of the cost of implementing any proposal other than those involved in construction of sea lamprey barriers. For Members who are unfamiliar with the sea lamprey, in addition to looking like something that comes out of a horror movie, the sea lamprey is a parasite and each lamprey can destroy 10 to 40 pounds of fish during its lifetime.

The Great Lakes are an incredible success story. It is one that no one would have believed just a few years ago. The Great Lakes Fish and Wildlife Restoration Act will build upon this success.

This is bipartisan legislation. It has strong support in the other body. In fact, it is my understanding that if H.R. 1481 receives favorable consideration today, the other body will take it up immediately.

Relative to the observations made by our distinguished colleague from Michigan, I am fully aware of the fact that he has championed the cause about which he spoke today on the floor. It is only because of some resistance in the other body that we were not able to address that in this legislation. He would have my pledge that I would do everything in my capacity from Ohio to help him realize his goals and success in that regard.

I would urge all of our colleagues today to support this essential bipartisan measure.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of this legislation. This legislation has been adequately described by our colleagues from Michigan and Ohio. It has bipartisan support and the support of the administration. I urge its passage today.

Mr. Speaker, I rise in support of the legislation.

H.R. 1481, which has already been described by the gentleman from New Jersey, would greatly improve the conservation and management of the fisheries and wildlife of the Great Lakes by implementing the recommendations of the Great Lakes Fishery Resources Restoration study.

The Great Lakes provide a vast source of natural resources for the people of the United States. In 1990, Congress authorized the restoration study to assess the status and needs of the fishery and wildlife resources of the Great Lakes and to provide recommendations for better management and conservation of those resources. Now that the study has been completed, it is time to implement those recommendations to ensure the long term sustainability of these valuable resources.

The bill has bipartisan support, as well as the support of the Administration, and I urge its passage today.

Mr. Speaker, I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

I would like to make a very quick comment to the gentleman from Ohio who said that Mark Twain made a comment that the early demise of the Great Lakes is greatly exaggerated. I think in order to continue to make that statement humorous, those of us in the House must continue to work vigilantly, steadfastly with the gentleman from Ohio (Mr. LATOURETTE), the gentleman from Michigan (Mr. KILDEE) and other Members to ensure that we understand the nature of the mechanics of natural processes so that the Great Lakes cannot only continue to be great but we can restore them to what they were 100 years ago.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. EHLERS).

Mr. EHLERS. Mr. Speaker, I first of all want to commend the sponsor and cosponsors of this bill as well as the committee members. It is an excellent bill. It will serve the Great Lakes well.

I particularly commend the gentleman from Ohio (Mr. LATOURETTE) for continuing in his efforts to be a conservator of the Great Lakes. He has done a tremendous amount of good work here on that score. I hope he continues.

There is one point in the bill I do want to raise because it might create some problems for Michigan. I simply want to get this on the record and perhaps get some assurances from either the gentleman from Ohio (Mr. LATOURETTE) or the gentleman from Maryland (Mr. GILCHREST) regarding the language here. The bill says that there is established the Great Lakes Fish and Wildlife Restoration Proposal Review Committee which shall operate under the guidance of the Council of Lakes Committees. The Review Committee shall consist of representatives of all State directors and Indian tribes with Great Lakes Fish and Wildlife management authority in the Great Lakes Basin.

The language in the report is similar to that in the bill but also adds, "* * * nothing in this bill shall be construed to enlarge or diminish the authority of any Indian tribe with respect to the management of fish and wildlife in the Great Lakes Basin."

There is a problem relating to this that just came to my attention during a call I received from the Governor's office in Michigan. As some of my colleagues may be aware, there have been several court cases on the issue of Indian fishing rights in Michigan, resulting in a substantial number of court decisions. And my concern is that this language in the bill might be interpreted to say that those tribes which have been given certain rights in court cases would be regarded as having management authority. If that were true, then we might well have 5 or 6 times more representatives of Indian tribes than from the State of Michigan on this commission. That would make it somewhat unbalanced.

I assume the intent was not to do that and I want to get that on the record. Perhaps both the chairman and the sponsor of the bill can assure me that that is not the intent, and that in fact we will use and interpret the language as it was originally intended.

Mr. GILCHREST. Mr. Speaker, will the gentleman yield?

Mr. EHLERS. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, we will continue to look at this very closely. That certainly is not our intent. Our intent with this legislation is to ensure that all participating parties improve the quality of the Great Lakes Basin, not to give one any more advantage over another.

Mr. EHLERS. I thank the gentleman for his comments.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 1481, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "To amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States

Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1481, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

KICKAPOO TRIBE OF OKLAHOMA FEDERAL INDIAN SERVICES RESTORATION ACT OF 1998

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2314) to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to clarify United States citizenship status of such members, to provide trust land for the benefit of the Tribe, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Kickapoo Tribe of Oklahoma Federal Indian Services Restoration Act of 1998".

SEC. 2. RESTORATION OF FEDERAL INDIAN SERVICES.

(a) IN GENERAL.—Notwithstanding any other provision of law, the members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, shall be eligible for all Federal services and benefits furnished to members of federally-recognized tribes without regard to the existence of a reservation for the Kickapoo Tribe of Oklahoma in Maverick County, Texas. In the case of Federal services available to members of federally-recognized tribes residing on or near a reservation, the members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, shall be deemed to be residing on or near a reservation.

(b) COOPERATION WITH THE MEXICAN GOVERNMENT.—In providing services pursuant to subsection (a), the Secretary of the Interior (referred to hereafter in this Act as the "Secretary") and the head of each department and agency shall consult and cooperate with appropriate officials or agencies of the Mexican Government to the greatest extent possible to ensure that such services meet the special tricultural needs of the members of the Kickapoo Tribe of Oklahoma residing in Texas. Such consultation and cooperation may include joint funding agreements between such agency or department of the United States and the appropriate agencies and officials of the Mexican Government.

(c) DISCLAIMER ON NEW APPROPRIATIONS.—(1) Nothing in this section shall be interpreted to—

(A) constitute an independent authorization for the appropriation of funds for benefit of the Kickapoo Tribe of Oklahoma, or

(B) result in the diminution of funding to any other federally recognized Indian tribe.

(2) The Secretary shall, upon request of the Kickapoo Tribe of Oklahoma and subject to the availability of appropriations, provide technical assistance to prevent duplication of services for members of any federally recognized tribe in Maverick County, Texas.

SEC. 3. LAND ACQUISITION.

(a) 45 ACRES.—Pursuant to section 5 of the Act of June 18, 1934 (25 U.S.C. 465), the Secretary may accept at least 45 acres of land held in fee by the Kickapoo Tribe of Oklahoma in Maverick County, Texas, to be held in trust for the benefit of the Kickapoo Tribe of Oklahoma.

(b) ADDITIONAL LAND.—Pursuant to land acquisition authority under the Act of June 18, 1934 (25 U.S.C. 461 et seq.), the Secretary may accept in trust for the benefit of the Kickapoo Tribe of Oklahoma any additional land in Maverick County, Texas, acquired by the Kickapoo Tribe of Oklahoma.

(c) NO LIMITATION OF AUTHORITY.—Nothing in this section shall be construed as limiting the authority of the Secretary under section 5 of the Act of June 18, 1934 (48 Stat. 985).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from California (Mr. MILLER), each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2314, the proposed Kickapoo Tribe of Oklahoma Federal Indian Services Restoration Act of 1998 would restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma who reside in Texas.

Mr. Speaker, I include the following letters for the RECORD:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Washington, DC, September 18, 1998.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary,
Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding H.R. 2314, a bill to provide certain benefits to the Kickapoo Tribe of Oklahoma. I understand that the Committee on the Judiciary, which has Rule X jurisdiction over section 3 of H.R. 2314 providing certain immigration benefits to the tribe, requires more time to address properly the issues raised by that section.

However, I understand that the Committee on the Judiciary will not object if the Committee on Resources proceeds to the Floor with the bill with an amendment to strike section 3. This arrangement is acceptable to the Committee on Resources and the author of the bill and we will act accordingly.

Thank you for your cooperation and that of your staff, especially Daniel Freeman and Jim Wilon, in this effort.

Sincerely,

DON YOUNG,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, September 11, 1998.

Re H.R. 2314—Kickapoo Tribe of Oklahoma.

Hon. DON YOUNG,
Chairman, Committee on Resources,
Washington, DC.

DEAR CHAIRMAN YOUNG: I understand that the Committee on Resources wishes to proceed expeditiously to the floor with H.R. 2314, a bill to provide certain benefits to the Kickapoo Tribe of Oklahoma. The Committee on the Judiciary has jurisdiction over Section 3 of the bill, which would provide certain immigration benefits to the tribe.

A number of important immigration issues are raised by Section 3 of the bill, and the Judiciary Committee has been working toward a global legislative solution of those issues for the Kickapoo Tribe and many other similarly situated Indian tribes. To that end, the Committee requested relevant information from the Justice Department's Office of Tribal Justice, the Immigration and Naturalization Service, and the Bureau of Indian Affairs on February 11, 1998. Unfortunately, much of the requested information has still not been provided, so the Committee is not yet prepared to craft an optimal legislative solution.

However, the Judiciary Committee would have no objection if the Resources Committee proceeded to the floor, on the suspension calendar, with a manager's amendment to H.R. 2314 with the Section 3 immigration provisions removed. Please let me know if this is acceptable.

Sincerely,

HENRY J. HYDE,
Chairman.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. WATKINS) for an explanation of the bill.

Mr. WATKINS. Mr. Speaker, I rise to support and ask my colleagues on both sides to support this. I believe it has bipartisan bill support and understands the administration supports it.

In fact, H.R. 2314 rectifies disputes that have arisen over housing, medical and other social services for Kickapoos that are residing in Texas down in Maverick County. This will allow the services to be provided in many areas, and it is very much needed. These disputes have been discussed for a number of years.

The proposed legislation has been agreed upon by all parties involved. I know I have worked with several of them. I would just like to encourage the Members to support this bill under suspensions at this time.

Mr. MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, this is a bill which points out how differences in cultures make it difficult to legislate on a national level.

The Kickapoo tribe is a noted tribe which inhabited lands in the States of Oklahoma, Texas and Mexico. This free lifestyle has led to questions concerning the citizenship of tribal members and the eligibility of tribal members for Federal and State health, housing and social welfare programs.

While I question the necessity of having members of the Kickapoo tribe of Oklahoma who reside in Texas apply for U.S. citizenship, it seems to me there could have been a more expedient way to handle this issue.

I strongly support the efforts being made to clarify the citizenship issue and the eligibility of these Native American Indians for Federal and State benefits. I also support the authorization for the Department of the Interior to take into trust 25 acres of land in Maverick County, Texas for the Kickapoo tribe.

This is the third of three American Indian bills being considered by the House today, and again I want to thank the gentleman from Alaska (Mr. YOUNG) of our committee and the senior Democratic member, the gentleman from California (Mr. MILLER) for their efforts in bringing this legislation to the floor. I urge my colleagues to support this bill.

I thank the gentleman from Oklahoma for his sponsorship of this legislation.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

As the gentleman from American Samoa has noted and the gentleman from Oklahoma, this restores the provision of BIA and IHS services to members of the Kickapoo tribe in Oklahoma. This bill has strong bipartisan support. I urge its passage.

Mr. Speaker, this bill as has already been noted, restores the provision of BIA and IHS services to members of the Kickapoo Tribe of Oklahoma, a largely migratory band of Indians, who often reside for part of the year in Maverick County, Texas.

Although Congress took steps in 1983 to ensure that all Kickapoos living in Texas would be eligible for federal services, there was internal political friction among the Kickapoos residing in Texas that resulted in the formation of the federally-recognized Kickapoo Traditional Tribe of Texas in 1989.

Some of the Texas Kickapoos, namely those who refused to acknowledge the leadership of the Traditional Tribe, chose instead to remain affiliated with the Kickapoo Tribe of Oklahoma.

The problem that we are addressing today is how to ensure that the Kickapoos in Texas who remain affiliated with the Oklahoma Tribe retain the full rights and benefits of the trust relationship with the United States. In other words, we want to ensure that they receive appropriate IHS and BIA services, even when they are residing in Texas.

The trick, of course, is to make sure that we don't diminish the limited resources of the Traditional Tribe of Texas. If there are Texas Kickapoos who chose to remain affiliated with the Oklahoma Kickapoos, then the costs of such services should be charged to the Oklahoma Kickapoos. That is why I am pleased that we are adding today a provision that clarifies that nothing in the bill will result in a diminishing of services to the Traditional Tribe or count as an independent authorization of funds for the Oklahoma Kickapoos.

I understand that the Traditional Tribe of Texas has concerns about the trust status acquisition of lands for the Oklahoma Kickapoos so close to their own reservation, and again I am pleased that we are making a change today that clarifies that the Secretary is not mandated to take a 45-acre parcel of land into trust for the Oklahoma Kickapoos. Leaving the Secretary with discretionary authority will insure that the Traditional Tribe is appropriately consulted in the land acquisition process.

Mr. Speaker, I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 2314, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "To restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to provide trust land for the benefit of the Tribe, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on H.R. 2314, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GALLATIN LAND CONSOLIDATION ACT OF 1998

Mrs. CHENOWETH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3381) to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co., as amended.

The Clerk read as follows:

H.R. 3381

by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gallatin Land Consolidation Act of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the land north of Yellowstone National Park possesses outstanding natural characteristics and wildlife habitats that make the land a valuable addition to the National Forest System;

(2) it is in the interest of the United States to establish a logical and effective ownership pattern for the Gallatin National Forest, reducing long-term costs for taxpayers and increasing and improving public access to the forest;

(3) it is in the interest of the United States for the Secretary of Agriculture to enter into an Option Agreement for the acquisition of land owned by Big Sky Lumber Co. to accomplish the purposes of this Act; and

(4) other private property owners are willing to enter into exchanges that further improve the ownership pattern of the Gallatin National Forest.

SEC. 3. DEFINITIONS.

In this Act:

(1) BLM LAND.—The term "BLM land" means approximately 2,000 acres of Bureau of Land Management land (including all appurtenances to the land) that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(2) BSL.—The term "BSL" means Big Sky Lumber Co., an Oregon joint venture, and its successors and assigns, and any other entities having a property interest in the BSL land.

(3) BSL LAND.—The term "BSL land" means approximately 54,000 acres of land (including all appurtenances to the land except as provided in section 4(e)(1)(D)(i)) owned by BSL that is proposed to be acquired by the Secretary of Agriculture, as depicted in Exhibit A to the Option Agreement.

(4) EASTSIDE NATIONAL FORESTS.—The term "Eastside National Forests" means national forests east of the Continental Divide in the State of Montana, including the Beaverhead National Forest, Deerlodge National Forest, Helena National Forest, Custer National Forest, and Lewis and Clark National Forest.

(5) NATIONAL FOREST SYSTEM LAND.—The term "National Forest System land" means approximately 29,000 acres of land (including all appurtenances to the land) owned by the United States in the Gallatin National Forest, Flathead National Forest, Deerlodge National Forest, Helena National Forest, Lolo National Forest, and Lewis and Clark National Forest that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(6) OPTION AGREEMENT.—The term "Option Agreement" means—

(A) the document signed by BSL, dated July 29, 1998, and entitled "Option Agreement for the Acquisition of Big Sky Lumber Co. Lands Pursuant to the Gallatin Range Consolidation and Protection Act of 1993";

(B) the exhibits and maps attached to the document described in subparagraph (A); and

(C) an exchange agreement to be entered into between the Secretary and BSL and made part of the document described in subparagraph (A).

(7) SECRETARY.—The "Secretary" means the Secretary of Agriculture.

SEC. 4. GALLATIN LAND CONSOLIDATION COMPLETION.

(a) IN GENERAL.—Notwithstanding any other provision of law, and subject to the terms and conditions of the Option Agreement—

(1) if BSL offers title acceptable to the Secretary to the BSL land—

(A) the Secretary shall accept a warranty deed to the BSL land and a quit claim deed to agreed to mineral interests in the BSL land;

(B) the Secretary shall convey to BSL, subject to valid existing rights and to other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary and BSL, fee title to the National Forest System land; and

(C) the Secretary of the Interior shall convey to BSL, by patent or otherwise, subject to valid existing rights and other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary of the Interior and BSL, fee title to the BLM land;

(2) if BSL places title in escrow acceptable to the Secretary to 11½ sections of the BSL land in the Taylor Fork area as set forth in the Option Agreement—

(A) the Secretary shall place Federal land in the Bangtail and Doe Creek areas of the Gallatin National Forest, as identified in the Option Agreement, in escrow pending conveyance to the Secretary of the Taylor Fork land, as identified in the Option Agreement in escrow;

(B) the Secretary, subject to the availability of funds, shall purchase 7½ sections of BSL land in the Taylor Fork area held in escrow and identified in the Option Agreement at a purchase price of $4,150,000; and

(C) the Secretary shall acquire the 4 Taylor Fork sections identified in the Option Agreement remaining in escrow, and any of the 6 sections referred to in subparagraph (B) for which funds are not available, by providing BSL with timber sale receipts from timber sales on the Gallatin National Forest and other eastside national forests in the State of Montana in accordance with subsection (c); and

(3)(A) as funds or timber sale receipts are received by BSL—

(i) the deeds to an equivalent value of BSL Taylor Fork land held in escrow shall be released and conveyed to the Secretary; and

(ii) the escrow of deeds to an equivalent value of Federal land shall be released to the Secretary in accordance with the terms of the Option Agreement; or

(B) if funds or timber sale receipts are not provided to BSL as provided in the Option Agreement, BSL shall be entitled to receive patents and deeds to an equivalent value of the Federal land held in escrow.

(b) Valuation.—

(1) In general.—The property and other assets exchanged or conveyed by BSL and the United States under subsection (a) shall be approximately equal in value, as determined by the Secretary.

(2) Difference in value.—To the extent that the property and other assets exchanged or conveyed by BSL or the United States under subsection (a) are not approximately equal in value, as determined by the Secretary, the values shall be equalized in accordance with methods identified in the Option Agreement.

(c) Timber Sale Program.—

(1) In general.—The Secretary shall implement a timber sale program, according to the terms and conditions identified in the Option Agreement and subject to compliance with applicable environmental laws (including regulations), judicial decisions, memoranda of understanding, small business set-aside rules, and acts beyond the control of the Secretary, to generate sufficient timber receipts to purchase the portions of the BSL land in Taylor Fork identified in the Option Agreement.

(2) Implementation.—In implementing the timber sale program—

(A) the Secretary shall provide BSL with a proposed annual schedule of timber sales;

(B) as set forth in the Option Agreement, receipts generated from the timber sale program shall be deposited by the Secretary in a special account established by the Secretary and paid by the Secretary to BSL;

(C) receipts from the Gallatin National Forest shall not be subject to the Act of May 23, 1908 (16 U.S.C. 500); and

(D) the Secretary shall fund the timber sale program at levels determined by the Secretary to be commensurate with the preparation and administration of the identified timber sale program.

(d) Rights-of-Way.—As specified in the Option Agreement—

(1) the Secretary, under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), shall convey to BSL such easements in or other rights-of-way over National Forest System land for access to the land acquired by BSL under this Act for all lawful purposes; and

(2) BSL shall convey to the United States such easements in or other rights-of-way over land owned by BSL for all lawful purposes, as may be agreed to by the Secretary and BSL.

(e) Quality of Title.—

(1) Determination.—The Secretary shall review the title for the BSL land described in subsection (a) and, within 45 days after receipt of all applicable title documents from BSL, determine whether—

(A) the applicable title standards for Federal land acquisition have been satisfied and the quality of the title is otherwise acceptable to the Secretary of Agriculture;

(B) all draft conveyances and closing documents have been received and approved;

(C) a current title commitment verifying compliance with applicable title standards has been issued to the Secretary; and

(D) the title includes both the surface and subsurface estates without reservation or exception (except as specifically provided in this Act), including—

(i) minerals, mineral rights, and mineral interests (including severed oil and gas surface rights), subject to and excepting other outstanding or reserved oil and gas rights;

(ii) timber, timber rights, and timber interests (except those reserved subject to section 251.14 of title 36, Code of Federal Regulations, by BSL and agreed to by the Secretary);

(iii) water, water rights, ditch, and ditch rights;

(iv) geothermal rights; and

(v) any other interest in the property.

(2) Conveyance of title.—

(A) In general.—If the quality of title does not meet Federal standards or is otherwise determined to be unacceptable to the Secretary of Agriculture, the Secretary shall advise BSL regarding corrective actions necessary to make an affirmative determination under paragraph (1).

(B) Title to subsurface estate.—Title to the subsurface estate shall be conveyed by BSL to the Secretary in the same form and content as that estate is received by BSL from Burlington Resources Oil & Gas Company Inc. and Glacier Park Company.

(f) Timing of Implementation.—

(1) Land-for-land exchange.—The Secretary shall accept the conveyance of land described in subsection (a) not later than 45 days after the Secretary has made an affirmative determination of quality of title.

(2) Land-for-timber sale receipt exchange.—As provided in subsection (c) and the Option Agreement, the Secretary shall make timber receipts described in subsection (a)(3) available not later than December 31 of the fifth full calendar year that begins after the date of enactment of this Act.

(3) Purchase.—The Secretary shall complete the purchase of BSL land under subsection (a)(2)(B) not later than 30 days after the date on which funds are made available for such purchase and an affirmative determination of quality of title is made with respect to the BSL land.

SEC. 5. OTHER FACILITATED EXCHANGES.

(a) Authorized Exchanges.—

(1) In general.—The Secretary shall enter into the following land exchanges if the landowners are willing:

(A) Wapiti land exchange, as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(B) Eightmile/West Pine land exchange as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(2) Equal Value.—Before entering into an exchange under paragraph (1), the Secretary shall determine that the parcels of land to be exchanged are of approximately equal value, based on an appraisal.

(b) Section 1 of the Taylor Fork Land.—

(1) In general.—The Secretary is encouraged to pursue a land exchange with the owner of section 1 of the Taylor Fork land after completing a full public process and an appraisal.

(2) Report.—The Secretary shall report to Congress on the implementation of paragraph (1) not later than 180 days after the date of enactment of this Act.

SEC. 6. GENERAL PROVISIONS.

(a) Minor Corrections.—

(1) In general.—The Option Agreement shall be subject to such minor corrections and supplemental provisions as may be agreed to by the Secretary and BSL.

(2) Notification.—The Secretary shall notify the Committee on Energy and Natural Resources of the Senate, the Committee on Resources of the House of Representatives, and each member of the Montana congressional delegation of any changes made under this subsection.

(3) Boundary adjustment.—

(A) In general.—The boundary of the Gallatin National Forest is adjusted in the Wineglass and North Bridger area, as described on maps dated July 1998, upon completion of the conveyances.

(B) No limitation.—Nothing in this subsection limits the authority of the Secretary to adjust the boundary pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Act") (16 U.S.C. 521).

(C) Allocation of land and water conservation fund moneys.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–9), boundaries of the Gallatin National Forest shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(b) Public Availability.—The Option Agreement—

(1) shall be on file and available for public inspection in the office of the Supervisor of the Gallatin National Forest; and

(2) shall be filed with the county clerk of each of Gallatin County, Park County, Madison County, Granite County, Broadwater County, Meagher County, Flathead County, and Missoula County, Montana.

(c) Compliance With Option Agreement.—The Secretary, the Secretary of the Interior, and BSL shall comply with the terms and conditions of the Option Agreement except to the extent that any provision of the Option Agreement conflicts with this Act.

(d) Status of Land.—All land conveyed to the United States under this Act shall be added to and administered as part of the Gallatin National Forest and Deerlodge National Forest, as appropriate, in accordance with the Act of March 1, 1911 (5 U.S.C. 515 et seq.), and other laws (including regulations) pertaining to the National Forest System.

(e) Management.—

(1) Public process.—Not later than 30 days after the date of completion of the land-for-land exchange under section 4(f)(1), the Secretary shall initiate a public process to

amend the Gallatin National Forest Plan and the Deerlodge National Forest Plan to integrate the acquired land into the plans.

(2) PROCESS TIME.—The amendment process under paragraph (1) shall be completed as soon as practicable, and in no event later than 540 days after the date on which the amendment process is initiated.

(3) LIMITATION.—An amended management plan shall not permit surface occupancy on the acquired land for access to reserved or outstanding oil and gas rights or for exploration or development of oil and gas.

(4) INTERIM MANAGEMENT.—Pending completion of the forest plan amendment process under paragraph (1), the Secretary shall—

(A) manage the acquired land under the standards and guidelines in the applicable land and resource management plans for adjacent land managed by the Forest Service; and

(B) maintain all existing public access to the acquired land.

(f) RESTORATION.—

(1) IN GENERAL.—The Secretary shall implement a restoration program including reforestation and watershed enhancements to bring the acquired land and surrounding national forest land into compliance with Forest Service standards and guidelines.

(2) STATE AND LOCAL CONSERVATION CORPS.—In implementing the restoration program, the Secretary shall, when practicable, use partnerships with State and local conservation corps, including the Montana Conservation Corps, under the Public Lands Corps Act of 1993 (16 U.S.C. 1721 et seq.).

(g) IMPLEMENTATION.—The Secretary of Agriculture shall ensure that sufficient funds are made available to the Gallatin National Forest to carry out this Act.

(h) REVOCATIONS.—Notwithstanding any other provision of law, any public orders withdrawing lands identified in the Option Agreement from all forms of appropriation under the public land laws are revoked upon conveyance of the lands by the Secretary.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Idaho (Mrs. CHENOWETH) and the gentleman from California (Mr. MILLER), each will control 20 minutes.

The Chair recognizes the gentlewoman from Idaho (Mrs. CHENOWETH).

Mrs. CHENOWETH. Mr. Speaker, I yield myself such time as I may consume.

H.R. 3381, the Gallatin Land Consolidation Act of 1998, was introduced by my colleague, the gentleman from Montana (Mr. HILL) on March 5 of this year. The gentleman from Montana (Mr. HILL) deserves great credit for bringing a decade of negotiations to a successful conclusion in the form of this bill.

Anyone who has worked on complicated land exchange problems of this magnitude knows the daunting task of trying to forge an agreement between the environmental community, landowners, the Federal and State government, the communities and interested parties. It is usually an impossible task. I congratulate the gentleman from Montana (Mr. HILL) for this accomplishment.

Mr. Speaker, I yield such time as he may consume to the gentleman from Montana (Mr. HILL).

Mr. HILL. Mr. Speaker, I thank the gentlewoman from Idaho for yielding me this time.

This bill represents the culmination of over a decade's work to consolidate the public and private land holdings in the Gallatin National Forest. It proposes to authorize the exchange of 54,000 private acres of privately held lands for approximately 29,000 acres of U.S. Forest Service lands.

It creatively provides also for the use of timber sale receipts to bring these values into balance. The consolidation of these holdings is a win-win proposition. Taxpayers win by consolidating lands to allow for improved and more efficient management of the public lands. It means also that sportsmen and women and recreationalists will have access to more of their land.

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It also consolidates private land holdings that can accommodate the better management of those lands. It allows for orderly and responsible resource management, and that means that we will be able to retain important natural resource jobs that are also vital to Montana communities. And this bill specifically protects critical wildlife habitat from subdivision.

These lands lie just north of Yellowstone National Park, Mr. Speaker. They will provide migration and winter range for deer and elk populations. This is a very popular hunting and fishing and recreation area. For this reason, this bill has the support of a broad range of citizen groups, including resource interest groups, conservation and sportsman organizations and environmentalists as well. It is also supported by private land owners and the U.S. Forest Service and the administration.

A companion measure is before the Senate and has the bipartisan support of both of Montana's senators.

Mr. Speaker, this bill provides flexibility in the implementing of this exchange option so that all the interested parties can include the agreement that is embodied in the exchange option.

I would like to just take a moment to thank all those who have worked to try to create this consensus-based solution. The Gallatin National Forest Supervisor, Big Sky Lumber Company, Governor Marc Racicot, the Montana Fish, Wildlife & Parks Organization, the Greater Yellowstone Coalition, Rocky Mountain Elk Foundation, the Headwaters Fish & Game Association, the Wilderness Society, the Montana Land Alliance, the Upper Gallatin Community, the Bridger Canyon Property Owners Association, the Battleridge/Bangtail Coalition, the Gallatin Valley Snowmobile Association, the Independent Forest Products Association, and members of the Montana Delegation staff, Peggy Trenk of my staff and Sue Brook and Brian Kay of the senator's staff.

I urge all my colleagues to support this bill. It has broad bipartisan support both here in Washington and in Montana.

Mrs. CHENOWETH. Mr. Speaker, I have no other requests for time, and I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of this legislation.

Mr. Speaker, at the outset, I want to commend the gentleman from Montana (Mr. HILL) for his efforts to bring this matter before the committee and to the floor of the House.

I also want to acknowledge the leadership role of Senator Bachus in developing this agreement, which contained both H.R. 3381 and a companion bill in the Senate.

As the gentleman from Montana (Mr. HILL) pointed out, this is the second phase of the congressionally authorized acquisition of checkerboard railroad grant lands in the Gallatin Range and other areas in western Montana near Yellowstone National Park.

The first phase was authorized back in 1993, at which time we acquired 37,000 acres; and this would provide for 55,000 acres of really some of the most magnificent wildlife range and scenic areas in the western United States.

In the second phase as set forth in the current bill, the Forest Service would gain an additional 55,000 acres in the Taylor Fork and other important fish and wildlife areas within the Gallatin National Forest.

Recently, Forest Service exchanges have come under the scrutiny of the Department's Inspector General and generated controversy in Nevada, Washington, and other western states. In response, Chief Mike Dombeck has adopted new procedures which include review of appraisals and approval of land exchanges by the Washington office. I welcome this heightened scrutiny of land exchanges. I have long-standing concerns about abuses of land exchanges and prefer instead that the administration give greater emphasis to land purchases using the amply endowed Land and Water Conservation Fund.

In this case, however, we are assured by the Forest Service that the exchange fosters the public interest by acquiring critical habitat for elk, moose, grizzly bear, and other fish and wildlife. These lands have significant economic value for public recreation. The agency considers the asset swap to be a fair deal for the taxpayers, based on appraisals which have been reviewed by the Chief Appraiser. And the agency has engaged in a thorough public process in developing this exchange and has submitted a detailed report to Congress.

Mr. Speaker, we should recognize that it is very difficult to develop anything close to a consensus on many western public land use issues. To the credit of the Montana delegation, they have brought to us in this legislation an agreement which has been negotiated to the satisfaction of the Forest Service and Big Sky Lumber and which is supported by an array of diverse interests in Montana, including the Governor and environmental groups such as the Greater Yellowstone Coalition and The Wilderness Society.

I urge adoption of the bill.

I want to again thank all of the parties who worked so hard on this legislation and urge its passage.

Mr. Speaker, I yield back the balance of my time.

Mrs. CHENOWETH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentlewoman from Idaho (Mrs. CHENOWETH) that the House suspend the rules and pass the bill, H.R. 3381, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read:

"A bill to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3381, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

MOUNT ST. HELENS NATIONAL VOLCANIC MONUMENT COMPLETION ACT

Mrs. CHENOWETH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1659) to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens National Volcanic Monument mandated by the 1982 Act that established the Monument, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Mount St. Helens National Volcanic Monument Completion Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds the following:

(1) The Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (96 Stat. 301; 16 U.S.C. 431 note), required the United States to acquire all land and interests in land in the Mount St. Helens National Volcanic Monument.

(2) The Act directed the Secretary of Agriculture to acquire the surface interests and the mineral and geothermal interests by separate exchanges and expressed the sense of Congress that the exchanges be completed by November 24, 1982, and August 26, 1983, respectively.

(3) The surface interests exchange was consummated timely, but the exchange of all mineral and geothermal interests has not yet been completed a decade and a half after the enactment of the Act.

(b) PURPOSE.—The purpose of this Act is to facilitate and otherwise provide for the expeditious completion of the previously mandated Federal acquisition of private mineral and geothermal interests within the Mount St. Helens National Volcanic Monument.

SEC. 3. ACQUISITION OF MINERAL AND GEOTHERMAL INTERESTS WITHIN MOUNT ST. HELENS NATIONAL VOLCANIC MONUMENT.

Section 3 of the Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (Public Law 97–243; 96 Stat. 302; 16 U.S.C. 431 note), is amended by adding at the end the following new subsections:

"(g) EXCHANGES FOR MINERAL AND GEOTHERMAL INTERESTS HELD BY CERTAIN COMPANIES.—

"(1) DEFINITION OF COMPANY.—In this subsection, the term 'company' means a company referred to in subsection (c) or its assigns or successors.

"(2) EXCHANGE REQUIRED.—Within 60 days after the date of enactment of this subsection, the Secretary of the Interior shall acquire by exchange the mineral and geothermal interests in the Monument of each company.

"(3) MONETARY CREDITS.—

"(A) ISSUANCE.—In exchange for all mineral and geothermal interests acquired by the Secretary of the Interior from each company under paragraph (2), the Secretary of the Interior shall issue to each such company monetary credits with a value of $2,100,000 that may be used for the payment of—

"(i) not more than 50 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) in the contiguous 48 States;

"(ii) not more than 10 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases in Alaska under the laws specified in clause (i);

"(iii) not more than 50 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in the contiguous 48 States issued under the laws specified in clause (i); or

"(iv) not more than 10 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in Alaska issued under the laws specified in clause (i).

"(B) VALUE OF CREDITS.—The total credits of $4,200,000 in value issued under subparagraph (A) are deemed to equal the fair market value of all mineral and geothermal interests to be conveyed by exchange under paragraph (2).

"(4) ACCEPTANCE OF CREDITS.—The Secretary of the Interior shall accept credits issued under paragraph (3)(A) in the same manner as cash for the payments described in such paragraph. The use of the credits shall be subject to the laws (including regulations) governing such payments, to the extent the laws are consistent with this subsection.

"(5) TREATMENT OF CREDITS FOR DISTRIBUTION TO STATES.—All amounts in the form of credits accepted by the Secretary of the Interior under paragraph (4) for the payments described in paragraph (3)(A) shall be considered to be money received for the purpose of section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20 of the Geothermal Steam Act of 1970 (30 U.S.C. 1019).

"(6) EXCHANGE ACCOUNT.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of law, not later than 30 days after the completion of the exchange with a company required by paragraph (2), the Secretary of the Interior shall establish an exchange account for that company for the monetary credits issued to that company under paragraph (3). The account for a company shall be established with the Minerals Management Service of the Department of the Interior and have an initial balance of credits equal to $2,100,000.

"(B) USE OF CREDITS.—The credits in a company's account shall be available to the company for the purposes specified in paragraph (3)(A). The Secretary of the Interior shall adjust the balance of credits in the account to reflect credits accepted by the Secretary of the Interior pursuant to paragraph (4).

"(C) TRANSFER OR SALE OF CREDITS.—

"(i) TRANSFER OR SALE AUTHORIZED.—A company may transfer or sell any credits in the company's account to another person.

"(ii) USE OF TRANSFERRED CREDITS.—Credits transferred or sold under clause (i) may be used in accordance with this subsection only by a person that is qualified to bid on, or that holds, a mineral, oil, or gas lease under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

"(iii) NOTIFICATION.—Within 30 days after the transfer or sale of any credits by a company, that company shall notify the Secretary of the Interior of the transfer or sale. The transfer or sale of any credit shall not be considered valid until the Secretary of the Interior has received the notification required under this clause.

"(D) TIME LIMIT ON USE OF CREDITS.—On the date that is 5 years after the date on which an account is created under subparagraph (A) for a company, the Secretary of the Interior shall terminate that company's account. Any credits that originated in the terminated account and have not been used as of the termination date, including any credits transferred or sold under subparagraph (C), shall become unusable.

"(7) TITLE TO INTERESTS.—On the date of the establishment of an exchange account for a company under paragraph (6)(A), title to any mineral and geothermal interests that are held by the company and are to be acquired by the Secretary of the Interior under paragraph (2) shall transfer to the United States.

"(h) OTHER MINERAL AND GEOTHERMAL INTERESTS.—Within 180 days after the date of the enactment of this subsection, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report—

"(1) identifying all remaining privately held mineral interests within the boundaries of the Monument referred to in section 1(a); and

"(2) setting forth a plan and a timetable by which the Secretary would propose to complete the acquisition of such interests.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Idaho (Mrs. CHENOWETH) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Idaho (Mrs. CHENOWETH).

Mrs. CHENOWETH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1659, introduced by the gentlewoman from Washington (Mrs. SMITH) directs the Secretary of the Interior to fulfill a 1982 statutory requirement that the Federal Government acquire private lands and minerals within the Mount St. Helens National Volcanic Monument.

Eighteen years ago, this tragedy happened. Mr. Speaker, 16 years after creation of the monument and 15 years after the statutory deadline for the exchange, it will finally bring this issue to a close, finally.

This legislation has the bipartisan support of members of the Washington Delegation and the administration. It equitably and finally completes the exchange previously mandated by Congress when the monument was created.

I congratulate my colleague, the gentlewoman from Washington (Mrs. SMITH), and all parties involved for their excellent work, and I urge all of my colleagues to support this very common-sense legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Mount Saint Helen's National Volcanic Monument Completion Act requires the Secretary of the Interior to acquire, by exchange, the mineral and geothermal interests of the Burlington Northern, Incorporated and the Weyerhaeuser Companies in the Mount Saint Helen's National Volcanic Monument in the State of Washington.

We appreciate the interest of the Washington delegation to see this exchange executed as soon as possible, as the matter has been unsettled for too long. Therefore, we were pleased to learn that an appraisal agreement had been reached between the federal government and the private landowners involved.

The negotiations have concluded with the Forest Service and Weyerhaeuser agreeing upon a value of $4.2 million.

The Administration has indicated that they have no objection to the substitute bill which incorporates this agreement and is being offered today.

Clearly, Burlington and Weyerhaeuser should be compensated for their mineral rights within Mount Saint Helen's National Volcanic Monument. Now that the Administration is no longer opposed to the bill because an agreed-upon value for the property has been accomplished and will be included in the bill, we see no reason to oppose the bill.

We are in strong support of this legislation. The previous problems that they had with respect to value for the property have been worked out. We urge the passage of this legislation.

Mr. Speaker, I yield back the balance of my time.

Mrs. CHENOWETH. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Washington (Mrs. LINDA SMITH).

Mrs. LINDA SMITH of Washington. Mr. Speaker, I want to thank the gentlewoman from Idaho (Mrs. CHENOWETH) for yielding. She has been a great chairman. And I want to thank her staff. This has not been one of the easier bills, and I know that they did a lot of work in trying to negotiate the final principles and values in this bill.

I want to talk about what happened in 1980 for a moment so we understand what brings us to this day. Mount St. Helens erupted in what was one of nature's most beautiful events and also most devastating. It caused a 250-mile-per-hour avalanche and high winds that destroyed over 150 square miles of forests, and it sent a plume of ash over to the eastern side of the State that was like nothing we have ever seen. In fact, it took quite a while to clean it up.

But, after that, it took until 1982 to establish a monument. And in that process, we decided to protect 110,000 acres around the volcano for future recreation and education and research. This monument actually preserves this area, but it also has become a living classroom.

Underneath this new beautiful park and living classroom, though, has been captured the mineral rights that were supposed to be exchanged in the original agreement in 1982 so that those that owned the mineral rights got mineral rights somewhere else or some compensation.

Today, after all of this time, and this started in 1980, we are finally keeping our commitment to those that own the mineral rights to make reasonable exchanges for what is their property. So I again want to thank the chairman, I want to thank the staff and all of the members of our delegation who unanimously support this legislation in bringing us to this day; a long time, but finally fairness has prevailed and we, the government, are keeping our commitment to those various landowners.

Mr. HASTINGS of Washington. Mr. Speaker, I would like to begin by applauding my colleague from Washington State, Mrs. SMITH, for bringing this matter to the attention of the House. I also commend the hard work of Mr. YOUNG, the Chairman of the Resources Committee and Mrs. CHENOWETH, the Chairman of the Subcommittee, for their excellent work in moving this legislation forward.

I encourage my colleagues to support H.R. 1659, the Mt. St. Helens National Volcanic Monument Completion Act. This legislation completes the work begun with the creation of the monument in 1982 by bringing the remaining privately owned mineral rights within the monument into federal ownership.

Mr. Speaker, as a lifetime resident of Washington State, I remember the awesome spectacle of Mt. St. Helens' eruption and the tragic loss of lives and property it caused. The federal government created the St. Helens National Monument to preserve the unique volcanic landscape that resulted. However, it was never the intent of Congress that the creation of this monument should result in an uncompensated loss of private property. In fact, the enacting legislation required all land and mineral rights to be acquired by exchange within one year. Fifteen years later, this statutory requirement has not been met.

Mr. Speaker, the completion of the original terms of the Mt. St. Helens National Volcanic Monument is long overdue. H.R. 1659 will fulfill the commitment made by the United States in a manner which is fair to both the private landowners and the American taxpayers. This is a good bill that I urge my colleagues to support.

Mrs. CHENOWETH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Idaho (Mrs. CHENOWETH) that the House suspend the rules and pass the bill, H.R. 1659, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1659, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

EXPRESSING SUPPORT FOR BICENTENNIAL OF LEWIS AND CLARK EXPEDITION

Mrs. CHENOWETH. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 144) to express support for the bicentennial of the Lewis and Clark Expedition, as amended.

The Clerk read as follows:

H. RES. 144

Whereas the Expedition commanded by Meriwether Lewis and William Clark, which came to be called "The Corps of Discovery", was one of the most remarkable and productive scientific and military exploring expeditions in all American history;

Whereas President Thomas Jefferson gave Lewis and Clark the mission to "explore the Missouri River & such principal stream of it, as, by its course and communication with the waters of the Pacific ocean, whether the Columbia, Oregon, Colorado or any other river may offer the most direct & practicable water communication across this continent for the purposes of commerce";

Whereas the Expedition, in response to President Jefferson's directive, greatly advanced our geographical knowledge of the continent and prepared the way for the extension of the American fur trade with American Indian tribes throughout the area;

Whereas President Jefferson directed the explorers to take note of and carefully record the natural resources of the newly acquired territory known as Louisiana, as well as diligently report on the native inhabitants of the land;

Whereas Lewis and Clark and their companions began their historic journey to explore the uncharted wilderness west of the Mississippi River at Wood River, Illinois, on May 14, 1804, and followed the Missouri River westward from its mouth on the Mississippi to its headwaters in the Rocky Mountains;

Whereas the Expedition held its first meeting with American Indians at Council Bluff near present-day Fort Calhoun, Nebraska, in August 1804, spent its first winter at Fort Mandan, North Dakota, crossed the Rocky Mountains by horseback in August 1805, reached the Pacific Ocean at the mouth of the Columbia River in mid-November of that year, and wintered at Fort Clatsop, near the present city of Astoria, Oregon;

Whereas the Expedition returned to St. Louis, Missouri, on September 23, 1806, after a 28-month journey covering 8,000 miles during which it traversed 11 future States: Illinois, Missouri, Kansas, Nebraska, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon;

Whereas the explorers faithfully followed the President's directives and dutifully recorded their observations in their detailed journals;

Whereas these journals describe many plant and animal species, some completely unknown to the world of science or never before encountered in North America, and added greatly to scientific knowledge about the flora and fauna of the United States;

Whereas accounts from the journals of Lewis and Clark and the detailed maps that were prepared by the Expedition enhanced knowledge of the western continent and routes for commerce;

Whereas the journals of Lewis and Clark documented diverse American Indian languages, customs, religious beliefs, and ceremonies; as Lewis and Clark are important figures in American history, so too are Black Buffalo, Cameahwait, Sacajawea, Sheheke and Watkueis;

Whereas the Expedition significantly enhanced amicable relations between the United States and the autonomous American Indian nations, and the friendship and respect fostered between the American Indian tribes and the Expedition represents the best of diplomacy and relationships between divergent nations and cultures;

Whereas the American Indian tribes of the Northern Plains and the Pacific Northwest played an essential role in the survival and the success of the Expedition;

Whereas the Lewis and Clark Expedition has been called the most perfect expedition of its kind in the history of the world and paved the way for the United States to become a great world power;

Whereas the President and the Congress have previously recognized the importance of the Expedition by establishing a 5-year commission in 1964 to study its history and the route it followed, and again in 1978 by designating the route as the Lewis and Clark National Historic Trail administered by the Secretary of the Interior through the National Park Service; and

Whereas the National Park Service, along with other Federal, State, and local agencies and many other interested groups, are preparing commemorative activities to celebrate the bicentennial of the Expedition beginning in 2003: Now, therefore, be it

Resolved, That the House of Representatives—

(1) expresses its support for the work of the National Lewis and Clark Bicentennial Council and all the Federal, State, and local entities and other interested groups that are preparing bicentennial activities to celebrate the 200th anniversary of the Lewis and Clark Expedition;

(2) expresses its support for the events to be held in observance of the Expedition at Council Bluff near present-day Fort Calhoun, Nebraska, at St. Louis, Missouri, *at Portland and Fort Clatsop, Oregon*, and at Bismarck, North Dakota, and many other cities during the bicentennial observance; and

(3) calls upon the President, the Secretary of the Interior, the Director of the National Park Service, American Indian tribes, other public officials, and the citizens of the United States to support, promote, and participate in the many bicentennial activities being planned to commemorate the Lewis and Clark Expedition.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Idaho (Mrs. CHENOWETH) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Idaho (Mrs. CHENOWETH).

Mrs. CHENOWETH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very happy to rise in support of House Resolution 144 submitted by my colleague, the gentleman from Nebraska (Mr. BEREUTER). This resolution would express congressional support for the bicentennial of the Louis and Clark Expedition, which is without a doubt one of the most remarkable and productive expeditions in American history.

In fact, not only did this extraordinary expedition find plants and animals which were virtually unknown but also discovered new peoples and resources, all of which prepared the way for the pioneers to move westward and open up the large expanse of territory known as the American West.

The spirit that was embodied in the people who were part of this westward movement lives on with us, and all of us in the West and in America, to this very day. This resolution, therefore, offers a fitting and appropriate tribute to the great achievements of the Louis and Clark Expedition.

Among other things, the resolution declares that the House of Representatives will support the work of all the Federal, State and local entities who are celebrating the Louis and Clark Bicentennial, supports the events held in observance of that anniversary of the expedition and calls upon the President and the Secretary of Interior, the National Park Service and all Americans to support and participate in honoring the great accomplishments known as the Louis and Clark Expedition.

I urge my colleagues to strongly support H. Res. 144.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to state at the outset, I agree with everything the gentlewoman from Idaho (Mrs. CHENOWETH) has said. This is an historic moment, not as historic as Louis and Clark but an historic moment.

Mr. Speaker, I rise in strong support of H. Res. 144, which is essentially a noncontroversial measure to express the support of this House of Representatives commemoration of the Louis and Clark Expedition. The expedition, under the leadership of Meriwether Lewis and William Clark was one of the great exploratory and scientific achievements of the 19th century. The upcoming bicentennial of this expedition and the recent Ken Burns film have renewed interest among the American public in the accomplishments of this expedition, and it is wholly appropriate that we commemorate the Louis and Clark Expedition, which nearly 200 years later still remains a notable event in the achievement of our country.

For those who have, because of the renewed interest, those who have gone out to the West and tried to follow their journey, although the landscape of the West to some extent has changed, they are able to retrace great portions of the journey, and they start to appreciate what kind of monumental accomplishment this expedition was when one considers what knowledge they had in hand when they started at the outset of their journey, how little they actually knew and then what they accomplished and how they persevered and the hardships that they endured and, of course, what this expedition meant for the expansion of the United States and the opening of the West.

It certainly is deserving of this kind of commendation from the House of Representatives but also renewed recognition by modern-day America of what these explorers were able to accomplish and what they encountered along the way and the extent of the journey that they accomplished.

Mr. Speaker, therefore, I rise in strong support of this legislation and urge its passage and hope that the Congress will vote overwhelmingly for this matter.

Mr. Speaker, I yield such time as he may consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, I thank the gentleman from California (Mr. MILLER) for the opportunity to speak on behalf of this legislation, and I do commend the gentlewoman from Idaho (Mrs. CHENOWETH) for bringing this legislation to the floor.

Mr. Speaker, I rise in support of House Resolution 144, which expresses the support of the House of Representatives for the National Louis and Clark Bicentennial Council and the commemorative activities that it is planning for the bicentennial of this famous expedition.

The resolution also asks others to support and participate in the bicentennial celebration activities.

Mr. Speaker, this legislation was referred to the Subcommittee on National Parks and Public Lands, but neither the subcommittee nor the Committee on Resources formally considered the legislation. The bill is, however, straightforward, and I am aware of no opposition. It commemorates and supports the efforts of two Americans who helped convince the rest of the country of the benefit of, and I do not know about this word, acquiring new lands to the West, of the then existing borders, and we have all benefited from these efforts. I support the legislation, and I ask my colleagues to do the same.

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Mr. MILLER of California. Mr. Speaker, I thank the gentleman for his comments and say how fortunate we are that so much of this historic journey is preserved in public lands where people can go and view and try to relive this experience.

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank my friend for yielding time. This resolution is very important to those of us in the Pacific Northwest. I must say as the only Member of Congress to be an alumnus of the Lewis and Clark College, as somebody who was born and raised in the Northwest and steeped in the culture of that expedition, I am very pleased and proud that this is coming forward at this time.

One hundred years ago in our community, the centennial of the Lewis and Clark Expedition was celebrated with a world's fair that had a tremendous impact on our community, on the Pacific Northwest and the West Coast. I am optimistic that we can have the same sort of national celebration along the 8,000-mile expedition route. I am pleased to commend the leadership of the gentleman from Nebraska (Mr. BEREUTER) for the hard work that he has invested on the front end of the journey, and we are hopeful that we will be able to have as much energy and activity in the Northwest to complement that effort.

The acquisition of the Louisiana Purchase was more than something that simply doubled the size of the United States. It was a purchase that helped us change our perceptions of our country and how we related to the rest of the world. It was a first step towards the United States becoming a truly global power with its bicoastal borders and the critical mass it had acquired. It also triggered some activities that are not part of perhaps some of our proudest moments in terms of our attitudes towards Native American citizens that frankly haunt us to this day. Tied up in that struggle as well was the question of slavery and how we added different chapters with each State being added to the union. And it was an activity that expanded our concept of the science of the time, the exploration adding to the geology, the botany, the geographical knowledge of the United States.

It is with the spirit of discovery, in fact, the expedition itself was labeled the Corps of Discovery, that I am hopeful over the next five years that this planning process will be something that enables people from around the country to admire, to be involved with themselves. I look forward to the work that all of us in Congress can do, taking advantage of the cultural and geologic resources along this route to make it worthy of the historic journey that took place almost two centuries ago.

Mr. MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. I thank my friend from California for yielding time.

Mr. Speaker, I just want to very briefly associate myself with this commemorative toward our great leaders Lewis and Clark. I do not know that there could be any kind of qualification for getting up to speak on a matter before Congress. Nothing seems to make us better informed than reading a book. However, if you have read the book, it does not mean that you are knowledgeable enough to get up and speak on a particular issue. I, however, take great pride in having read Stephen Ambrose's "Undaunted Courage" about Lewis and Clark's great adventure across the United States in the 1803–1804 period, of intrepid and courageous exploration, of discovery as scientists, of documenting new kinds of plant life and animal life. It is a fascinating journey that Thomas Jefferson helped argue for funding from Congress and who believed in this exploration and this courageous, intrepid, adventuresome spirit that Americans have always had. They had it then in the 1800s, they had it when we started this country, they have it today in 1998 in so many different ways. I have taken great pride and excitement in reading this book by Stephen Ambrose, "Undaunted Courage," and just want to salute my colleagues for their hard work on this bill before us today.

I have also had the pleasure of being on the Lewis and Clark trail in Montana, in following some of their path along the Madison River, in going up to some of the passes that they went through, and in really admiring what they were not only able to endure but what they were able to discover and document and take down as history for us. I think it is proof, Mr. Speaker, that providence and God have been with America for a long time. Not only were Lewis and Clark lucky and blessed in their efforts, they were skilled and talented in these efforts, to plod their way and explore their way and invent their way across America. I am very excited about this bill and this Lewis and Clark trail.

Mrs. CHENOWETH. Mr. Speaker, I yield 4 minutes to the gentleman from Nebraska (Mr. BEREUTER), the author of this resolution.

Mr. BEREUTER. Mr. Speaker, I thank my colleague for yielding me this time. I rise in strong support of H. Res. 144. This resolution which I introduced with the support of many of my friends and colleagues on both sides of the aisle expresses support for the bicentennial of the Lewis and Clark Expedition. It helps put a spotlight on the important activities which are planned to observe the 200th anniversary of Lewis and Clark's remarkable journey. I thank the Committee on Resources for permitting this resolution to come to the House floor. I particularly want to thank the distinguished majority leader the gentleman from Texas for his special assistance to this Member in bringing it to the House floor.

The resolution specifically expresses support for events which will be held in observance of the expedition at St. Louis, Missouri; at Portland and Fort Clatsop, Oregon; at Bismarck, North Dakota, where the Mandans helped the expedition survive a very difficult first winter on the journey; and at Council Bluff near present day Fort Calhoun, Nebraska, and at other potential locations. Council Bluff in Nebraska was the site, for example, of the first meeting between the Lewis and Clark Expedition and the leaders of American Indian tribes during the journey. This meeting was clearly one of the most noteworthy occasions of the expedition. The events during that council and the description of it undoubtedly influenced the U.S. military to later establish something called Cantonment, Missouri, near the site and later Fort Atkinson, the first U.S. military fort west of the Missouri River.

The resolution also expresses support for the work of the Lewis and Clark Bicentennial Council and governmental entities. In addition, it encourages participation in the bicentennial activities.

The story of this incredible expedition has appeal for Americans of all ages and backgrounds and presents an opportunity for a unifying experience for our country. In the coming months and years, the public will undoubtedly increase its demands for more information about Lewis and Clark and their bold and courageous adventures. Although the bicentennial activities will not officially start until 2003, it is important to lay the groundwork now. This resolution complements another Lewis and Clark measure passed by the House on September 9 when we approved H.R. 1560, a bill introduced by this Member with over 290 cosponsors which authorizes the minting of one-dollar and half-dollar coins to commemorate the bicentennial. These measures will play an important part not only recognizing the significance of the journey and its role it played in the Nation's development but also providing some financing to the bicentennial commission and the Interior Department.

When Thomas Jefferson took office in 1801, the United States had only 5.5 million people, all concentrated in the eastern third of the continent, primarily along the coast. As a result of the Louisiana Purchase in 1803, the size of the country nearly doubled and the stage was set for a period of unparalleled development and progress. But first the new acquisition had to be explored. President Jefferson chose Meriwether Lewis and William Clark to, quote, explore the Missouri River and such principal streams of it, as, by its course and communications with the waters of the Pacific Ocean, whether the Columbia, Oregon, Colorado, or any other river may offer the most direct and practicable water communication across this continent for the purposes of commerce.

Lewis and Clark departed St. Louis on May 14, 1804, and returned to St. Louis 28 months later, on September 23, 1806. They crossed 8,000 miles, many States. Along the way they encountered formidable challenges that could easily have thwarted their mission. However, they continued to keep their focus firmly on the ultimate goal.

This Member believes that passage of H.Res. 144 will draw increased attention to the planning and celebration of the upcoming important bicentennial activities in these States. As someone with a long-standing interest in the expedition and a member of the newly formed Lewis and Clark Caucus, this Member is pleased to have this resolution considered on the floor, thanking his colleagues on both sides of the aisle, particularly the gentleman from Oregon who helped me in securing the movement of this legislation, and to the Committee on Resources.

Mr. MILLER of California. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Oregon (Ms. FURSE).

Ms. FURSE. Mr. Speaker, I rise today in support of House Resolution 144. It expresses the support of Congress for the celebrations that will take place all across America during the Lewis and Clark Expedition bicentennial. Celebratory preparations are under way throughout my district in anticipation of the bicentennial, particularly in Astoria and all of Clatsop County. As many people know, the Lewis and Clark Expedition spent the winter of 1805 at Fort Clatsop, Oregon, which is in my district. In 1958, Congress established the Fort Clatsop National Memorial to preserve and protect this unique place in America's history. The present memorial marks the spot where Meriwether Lewis, William Clark and the entire Corps of Discovery spent 106 days during the winter of 1805, difficult days. It is interesting to note that the decision to winter at Fort Clatsop was decided by a majority vote of the Corps of Discovery. That vote included the voices of an African-American and a Native American. Long before America would grapple with the right to vote for minorities, Lewis and Clark were exercising that purist form of democracy, proving once again that we get better decisions when all are at the table.

It has been estimated that more than half a million people will visit Clatsop County and the Fort Clatsop National Memorial during the two bicentennial summers of 2004 and 2005. I was proud to help secure funding in TEA-21 to help our region plan for the upcoming celebration. In addition, I am working with our county commissioners, with the gentleman from Alaska (Mr. YOUNG) and with the gentleman from California (Mr. MILLER) on my legislation, H.R. 3378, which will allow the last piece of the Lewis and Clark trail known today as Sunset Beach to become part of the memorial itself. It is my hope we will be able to pass this bill before Congress adjourns for the year. The Lewis and Clark bicentennial will be a tremendous opportunity to reflect upon this unique and extraordinary achievement in American history.

I commend the gentleman from Nebraska (Mr. BEREUTER) for taking the time to highlight the upcoming bicentennial celebration with this important resolution, and I urge its passage.

Mr. MILLER of California. Mr. Speaker, I yield back the balance of my time.

Mrs. CHENOWETH. Mr. Speaker, I yield myself such time as I may consume. I just want to say that this has been a distinct privilege for me to be able to help manage this bill through the floor. This Member lived on the Clearwater River close to Ahsahka, Idaho, where Lewis and Clark traveled on that waterway right after one of the most difficult periods of time in their trip, when they nearly lost their life going over the Lolo Pass because of a lack of food supply and having to suffer through the elements. Yet, undaunted courage certainly was pulled out of those people in very difficult circumstances.

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In the 14 years that I spent living on that Clearwater River, living next to Ahsahka, where Lewis and Clark finally made their way to this spit of land that came out where the Clearwater joined the North Fork River of the Clearwater River, Lewis and Clark spent the winter there and carved out new canoes and reconstituted their food supply. So it has been a place of honor in my way of thinking; and, certainly, as a western woman, this has indeed been a privilege to be able to carry the bill of the gentleman from Nebraska (Mr. BEREUTER) through. I must say that the bill is constructed, the resolution is constructed and written, in a very clear and concise way and that I know and I pray that in the future it will be interpreted just as the clear meaning of the wording of the resolution simply states.

Mr. POMEROY. Mr. Speaker, I rise in strong support of House Resolution 144 expressing the support of Congress in the celebration of the bicentennial of the historic Lewis and Clark Expedition. Nearly two hundred years ago, Congress played a role in this historic journey by financing a small part of the expedition which was charged with finding an all water route to the Pacific. Today, Congress can again play a role in one of the most remarkable and productive scientific and military exploring expeditions in all of American history by signaling its support for the bicentennial celebration activities and events.

The Corps of Discovery contributed greatly to our knowledge of the West, not only with respect to geography but also of the natural resources, flora, fauna and animals present. Recognizing the pivotal role the journey played in our Nation's history and the inevitable movement westward, the National Lewis and Clark Bicentennial Council is playing a leading role in coordinating and planning a variety of activities and events to commemorate the bicentennial. In addition, many committees and advisory boards have been formed across the country and are diligently working to ensure that the Lewis and Clark expedition is highlighted not only in the States in which the Corps of Discovery transversed, but throughout the Nation.

Nearly two hundred years after the Corps of Discovery, Americans of all ages have begun a national pilgrimage to follow the steps of Meriwether Lewis and William Clark. The success of the bicentennial commemorative activities planned all along the route will require the cooperation of all Federal agencies, American Indian Tribes, public officials and citizens alike. I believe it is important for all Americans to join in the celebration of this important

American journey. We, as Members of Congress, must do all we can to support, promote and participate in the commemorative activities of the expedition, and I urge my colleagues to support the resolution.

Mrs. CHENOWETH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentlewoman from Idaho (Mrs. CHENOWETH) that the House suspend the rules and agree to the resolution, H.Res. 144, as amended.

The question was taken.

Mrs. CHENOWETH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

GENERAL LEAVE

Mrs. CHENOWETH. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks and include extraneous material on H.Res. 144, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

ANCSA LAND BANK PROTECTION ACT OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2000) to amend the Alaska Native Claims Settlement Act to make certain clarifications to the land bank protection provisions, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTOMATIC LAND BANK PROTECTION.

(a) LANDS RECEIVED IN EXCHANGE FROM CERTAIN FEDERAL AGENCIES.—The matter preceding clause (i) of section 907(d)(1)(A) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(1)(A)) is amended by inserting "or conveyed to a Native Corporation pursuant to an exchange authorized by section 22(f) of Alaska Native Claims Settlement Act or section 1302(h) of this Act or other applicable law" after "Settlement Trust".

(b) LANDS EXCHANGED AMONG NATIVE CORPORATIONS.—Section 907(d)(2)(B) of such Act (43 U.S.C. 1636(d)(2)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by adding at the end the following:

"(iv) lands or interest in lands shall not be considered developed or leased or sold to a third party as a result of an exchange or conveyance of such land or interest in land between or among Native Corporations and trusts, partnerships, corporations, or joint ventures, whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

(c) ACTIONS BY TRUSTEE SERVING PURSUANT TO AGREEMENT OF NATIVE CORPORATIONS.—Section 907(d)(3)(B) of such Act (43 U.S.C. 1636(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; or"; and

(3) by adding at the end the following:

"(iii) to actions by any trustee whose right, title, or interest in land or interests in land arises pursuant to an agreement between or among Native Corporations and trusts, partnerships, corporations, or joint ventures whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

SEC. 2. DEVELOPMENT BY THIRD-PARTY TRESPASSERS.

Section 907(d)(2)(A)(i) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(2)(A)(i)) is amended—

(1) by inserting "Any such modification shall be performed by the Native individual or Native Corporation." after "substantial modification.";

(2) by inserting a period after "developed state" the second place it appears; and

(3) by adding "Any lands previously developed by third-party trespassers shall not be considered to have been developed.".

SEC. 3. RETAINED MINERAL ESTATE.

(a) IN GENERAL.—Section 12(c)(4) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (B) the following new subparagraphs:

"(C) Where such public lands are surrounded by or contiguous to subsurface lands obtained by a Regional Corporation under subsections (a) or (b), the Corporation may, upon request, have such public land conveyed to it.

"(D)(i) A Regional Corporation which elects to obtain public lands under subparagraph (C) shall be limited to a total of not more than 12,000 acres. Selection by a Regional Corporation of in lieu surface acres under subparagraph (E) pursuant to an election under subparagraph (C) shall not be made from any lands within a conservation system unit (as that term is defined by section 102(4) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3102(4)).

"(ii) An election to obtain the public lands described in subparagraph (A), (B), or (C) shall include all available parcels within the township in which the public lands are located.

"(iii) For purposes of this subparagraph and subparagraph (C), the term 'Regional Corporation' shall refer only to Doyon, Limited."; and

(2) in subparagraph (E) (as so redesignated), by striking "(A) or (B)" and inserting "(A), (B), or (C)".

(b) FAILURE TO APPEAL NOT PROHIBITIVE.—Section 12(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by adding at the end the following:

"(5) Subparagraphs (A), (B), and (C) of paragraph (4) shall apply, notwithstanding the failure of the Regional Corporation to have appealed the rejection of a selection during the conveyance of the relevant surface estate.".

SEC. 4. AMENDMENT TO PUBLIC LAW 102–415.

Section 20 of the Alaska Land Status Technical Corrections Act of 1992 (106 Stat. 2129), is amended by adding at the end the following new subsection:

"(h) Establishment of the account under subsection (b) and conveyance of land under subsection (c), if any, shall be treated as though 3,520 acres of land had been conveyed to Gold Creek under section 14(h)(2) of the Alaska Native Claims Settlement Act for which rights to subsurface estate are hereby provided to CIRI. Within 1 year from the date of the enactment of this subsection, CIRI shall select 3,520 acres of subsurface estate in land from the area designated for selection by paragraph I.B.(2)(b) of the document identified in section 12(b) (referring to the Talkeetna Mountains) of the Act of January 2, 1976 (43 U.S.C. 1611 note). Not more than five selections shall be made under this subsection, each of which shall be reasonably compact and in whole sections, except when separated by unavailable land or when the remaining entitlement is less than a whole section.".

SEC. 5. CLARIFICATION ON TREATMENT OF BONDS FROM A NATIVE CORPORATION.

Section 29(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) is amended—

(1) in paragraph (3)(A), by inserting "and on bonds received from a Native Corporation" after "from a Native Corporation"; and

(2) in paragraph (3)(B), by inserting "or bonds issued by a Native Corporation which bonds shall be subject to the protection of section 7(h) until voluntarily and expressly sold or pledged by the shareholder subsequent to the date of distribution" before the semicolon.

SEC. 6. CALISTA NATIVE CORPORATION LAND EXCHANGE.

(a) CONGRESSIONAL FINDINGS.—Congress finds and declares that—

(1) the land exchange authorized by section 8126 of Public Law 102–172 should be implemented without further delay;

(2) the Calista Corporation, the Native Regional Corporation organized under the authority of the Alaska Native Claims Settlement Act for the Yupik Eskimos of Southwestern Alaska, which includes the majority of the Yukon Delta National Wildlife Refuge—

(A) has responsibilities provided for by the Alaska Native Claims Settlement Act to help address social, cultural, economic, health, subsistence, and related issues within the region and among its villages, including the viability of the villages themselves, many of which are remote and isolated; and

(B) has been unable to fully carry out such responsibilities;

(3) the implementation of the exchange referenced in this subsection is essential to helping Calista utilize its assets to carry out those responsibilities and to realize the benefits of the Alaska Native Claims Settlement Act;

(4) the parties to the exchange have been unable to reach agreement on the valuation of the lands and interests in lands to be conveyed to the United States under section 8126 of Public Law 102–172; and

(5) in light of the foregoing, it is appropriate and necessary in this unique situation that Congress authorize and direct the implementation of this exchange as set forth in this section in furtherance of the purposes and underlying goals of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

(b) LAND EXCHANGE IMPLEMENTATION.—Section 8126 of Public Law 102–172 (105 Stat. 1206) is amended to read as follows:

"SEC. 8126. (a)(1) In exchange for lands, partial estates, and land selection rights identified in the document entitled 'The Calista Conveyance and Relinquishment Document', dated October 28, 1991, as amended September 22, 1998 (hereinafter referred to as 'CCRD'), the United States will establish a property account for the Calista Corporation, a corporation organized under the laws of the State of Alaska, in the amount identified in the CCRD, and in accordance with the provisions of this Act.

"(2) The CCRD contains the land descriptions of the lands and interests in lands to be conveyed, the selections to be relinquished, the charges to entitlement, the quantity and class of entitlement to be transferred to the United States, the terms of the Kuskokwim Corporation Conservation Easement, and the amount that is authorized for the property account.

"(3) The covenants, terms, and conditions to be used in any transfers to the United States described in the CCRD shall be binding on the United States and the participating Native corporations and shall be a matter of Federal law.

"(b)(1) The aggregate values of such lands and interests in lands, together with compensation for the considerations set forth in congressional findings concerning the Calista Region and its villages, shall be the sum provided in section IX of the CCRD. The amounts credited to the property account described in this subsection shall not be subject to adjustment for minor changes in acreage resulting from preparation or correction of the land descriptions in the CCRD or the exclusion of any small tracts of land as a result of hazardous material surveys. The Secretary of the Interior shall maintain an accounting of the lands and interests in lands remaining to be conveyed or relinquished by Calista Corporation and the participating village corporations pursuant to this section. The Secretary of the Treasury on October 1, 1998, shall establish a property account on behalf of Calista Corporation.

"(2) The account shall be credited and available for use as provided in paragraph (4), according to the following schedule of percentages of the amount in section IX of the CCRD:

"(A) On October 1, 1999, and on October 1 of each year thereafter through October 1, 2005, the amount equal to 12.69 percent.

"(B) On October 1, 2007, the amount equal to 11.17 percent.

"(3)(A) Unless otherwise authorized by law, the aggregate amount of all credits to the account, pursuant to the schedule set forth in paragraph (2), shall be equal to the amount in section IX of the CCRD.

"(B) All amounts credited to the account shall be from amounts in the Treasury not otherwise appropriated and shall be available for expenditure without further appropriation and without fiscal year limitation.

"(4) The property account may not be used until all conveyances, relinquishments of selections, and adjustments to entitlements described in the CCRD have been made to and accepted by the United States. The Secretary of the Interior shall notify the Secretary of the Treasury when all requirements of the preceding sentence have been met. Immediately thereafter the Secretary of the Treasury shall comply with his duties under this paragraph including the computations of the amount in the account, the amount that may be expended in any particular Federal fiscal year, and the balance of the account after any transaction. The property account may be used in the same manner as any other property account held by any other Alaska Native Corporation.

"(5) Notwithstanding any other provision of law, Calista Corporation on its own behalf or on behalf of the village corporations identified in the CCRD, may assign any or all of the account upon written notification to the Secretary of the Treasury and the Secretary of the Interior.

"(6) The Secretary of the Treasury shall notify the Secretary of the Interior and Calista whenever there is a reduction in the property account, the purpose for such reduction and the remaining balance in the account. The Alaska State Office of the Bureau of Land Management shall be the official repository of such notices.

"(7) For the purpose of the determination of the applicability of section 7(i) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) to revenues generated pursuant to that section, such revenues shall be calculated in accordance with section IX of the CCRD.

"(8) The United States shall not be liable for the redistribution of benefits by the Calista Corporation to the participating Alaska Native village corporations pursuant to this section.

"(9) These transactions are not based on appraised property values and therefore shall not be used as a precedent for establishing property values.

"(10) Prior to the issuance of any conveyance documents or relinquishments and acceptance, the Secretary of the Interior and the participating Native corporations may, by mutual agreement, modify the legal descriptions included in the CCRD to correct clerical errors.

"(11) Property located in the State of Alaska that is purchased by use of the property account shall be considered and treated as conveyances of land selections under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

"(12) The conveyance of lands, partial estates and land selection rights and relinquishment or adjustments to entitlement made by the Alaska Native Corporations pursuant to this section and the use of the property account in the Treasury shall be treated as the receipt of land or any interest therein or cash in order to equalize the values of properties exchanged pursuant to section 22(f) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(f)) as provided in the first sentence in section 21(c) of that Act (43 U.S.C. 1620(c)).

"(13) With respect to the content of the CCRD, the Secretary of the Interior, the Calista Regional Corporation, and the participating village corporations agree upon the lands, interests in lands, relinquishments and adjustments to entitlement described therein that may be offered to the United States pursuant to this section. These parties also agree with the amounts to be made available in the property account once all conveyances and relinquishments are completed, and the parties agree with the needs set forth in the congressional findings in section 6(a) of the ANCSA Land Bank Protection Act of 1998. The parties do not necessarily agree on the hortatory statements, descriptions, and attributions of resource values which are included in the CCRD as drafted by Calista. But such disagreements will not affect the implementation of this section.

"(14) Descriptions of resource values provided for surface lands which are not offered in the exchange and will remain privately owned by village corporations form no part of the consideration for the exchange.".

SEC. 7. MINING CLAIMS.

Paragraph (3) of section 22(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(c)) is amended—

(1) by striking out "regional corporation" each place it appears and inserting in lieu thereof "Regional Corporation"; and

(2) by adding at the end the following: "The provisions of this section shall apply to Haida Corporation and the Haida Traditional Use Sites, which shall be treated as a Regional Corporation for the purposes of this paragraph, except that any revenues remitted to Haida Corporation under this section shall not be subject to distribution pursuant to section 7(i) of this Act.".

SEC. 8. SALE, DISPOSITION, OR OTHER USE OF COMMON VARIETIES OF SAND, GRAVEL, STONE, PUMICE, PEAT, CLAY, OR CINDER RESOURCES.

Subsection (i) of section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) is amended—

(1) by striking "Seventy per centum" and inserting "(A) Except as provided by subparagraph (B), seventy percent"; and

(2) by adding at the end the following:

"(B) In the case of the sale, disposition, or other use of common varieties of sand, gravel, stone, pumice, peat, clay, or cinder resources made during a fiscal year ending after the date of enactment of this subparagraph, the revenues received by a Regional Corporation shall not be subject to division under subparagraph (A). Nothing in this subparagraph is intended to or shall be construed to alter the ownership of such sand, gravel, stone, pumice, peat, clay, or cinder resources.".

SEC. 9. ALASKA NATIVE ALLOTMENT APPLICATIONS.

Section 905(a) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1634(a)) is amended by adding at the end the following:

"(7) Paragraph (1) of this subsection and subsection (d) shall apply, and paragraph (5) of this subsection shall cease to apply, to an application—

"(A) that is open and pending on the date of enactment of this paragraph,

"(B) if the lands described in the application are in Federal ownership other than as a result of reacquisition by the United States after January 3, 1959, and

"(C) if any protest which is filed by the State of Alaska pursuant to paragraph (5)(B) with respect to the application is withdrawn or dismissed either before, on, or after the date of the enactment of this paragraph.

"(8)(A) Any allotment application which is open and pending and which is legislatively approved by enactment of paragraph (7) shall, when allotted, be made subject to any easement, trail, or right-of-way in existence on the date of the Native allotment applicant's commencement of use and occupancy.

"(B) The jurisdiction of the Secretary is extended to make any factual determinations required to carry out this paragraph.".

SEC. 10. VISITOR SERVICES.

Paragraph (1) of section 1307(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(b)) is amended—

(1) by striking "Native Corporation" and inserting "Native Corporations"; and

(2) by striking "is most directly affected" and inserting "are most directly affected".

SEC. 11. LOCAL HIRE REPORT.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the

Secretary of the Interior shall transmit to Congress a report.

(b) LOCAL HIRE.—The report required by subsection (a) shall—

(1) indicate the actions taken in carrying out subsection (b) of section 1308 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3198);

(2) address the recruitment processes that may restrict employees hired under subsection (a) of such section from successfully obtaining positions in the competitive service; and

(3) describe the actions of the Secretary of the Interior in contracting with Alaska Native Corporations to provide services with respect to public lands in Alaska.

(c) COOPERATION.—The Secretary of Agriculture shall cooperate with the Secretary of the Interior in carrying out this section with respect to the Forest Service.

SEC. 12. SHAREHOLDER BENEFITS.

Section 7 of the Alaskan Native Claims Settlement Act (43 U.S.C. 1606) is amended by adding at the end the following:

"(r) BENEFITS FOR SHAREHOLDERS OR IMMEDIATE FAMILIES.—The authority of a Native Corporation to provide benefits to its shareholders who are Natives or descendants of Natives or to its shareholders' immediate family members who are Natives or descendants of Natives to promote the health, education, or welfare of such shareholders or family members is expressly authorized and confirmed. Eligibility for such benefits need not be based on share ownership in the Native Corporation and such benefits may be provided on a basis other than pro rata based on share ownership.".

SEC. 13. SHAREHOLDER HOMESITE PROGRAM.

Section 39(b)(1)(B) of the Alaskan Native Claims Settlement Act (43 U.S.C. 1629e(b)(1)(B)) is amended by inserting after "settlor corporation" the following: "or the land is conveyed for a homesite by the Trust to a beneficiary of the Trust who is also a legal resident under Alaska law of the Native village of the settlor corporation and the conveyance does not exceed 1.5 acres".

SEC. 14. SHORT TITLE.

This Act may be cited as the "ANCSA Land Bank Protection Act of 1998".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2000 is legislation I have introduced in consultation with the Alaskan Federation of Natives. Considerable time has been spent to resolve the Calista land exchange issue, and I want to thank all parties involved for their commitment to resolve this important land exchange for Calista.

This land exchange was authorized to provide Calista with a means of economic self-sufficiency pursuant to the purposes of ANCSA. Under Section 8126 of the Defense appropriations Bill, the Secretary of the Interior and Calista were to determine a mutual agreement value for Calista's land. However, the two parties have been unable to arrive at a mutually agreeable value. Section 6 of this bill will eliminate this impasse by establishing a total value to be credited to Calista's lands and interests, as Congress has had to do in numerous other instances in 1976. In doing so Congress, will simply be providing the figure with Calista and the Secretary of the Interior were unable to determine.

I have two letters of support for section 6, the Calista land exchange, from six conservation organizations. Mr. Speaker, these organizations stated their support for the Calista land exchange when the lands offered by Calista was 28,000 acres of surface lands and 182,000 acres of subsurface lands. Calista has gone further in their commitment to address conservation issues within the region by increasing their surface acres to 56,577 and subsurface to 161,938 acres. The land package includes an overall of 218,515 acres of land, one-third the size of Rhode Island. These five conservation organizations recognize the fish and wildlife habitat of lands offered for exchange by the Calista Corporation. All of these lands, interests in land and subsurface estates in the exchange are located within the Yukon Delta National Wildlife Refuge.

I would like to point out to the gentleman from California (Mr. MILLER), my esteemed colleague, that the white-fronted geese and pacific brant are only a couple of the species which migrate to California from the Yukon Delta National Wildlife Refuge. It appears to me that Mr. MILLER and I have birds of a feather which hold strong ties between our respective States. Let us hope this will carry over to the agreement of this important wildlife refuge land exchange.

Lastly, the language contained in Section 6 of the Calista land exchange was coauthored by the Department of Interior, and the Calista Corporation reached a consensus with this important land exchange in America. At the request of the Department, Calista Corporation provided legal descriptions of lands being exchanged, a conservation easement agreement and added more surface lands. This was accomplished after intense discussion and negotiation of the Department of Interior. The language is also a product of efforts by Calista and the Department of Interior to address issues which were raised by that Department, the Office of Management and Budget, the General Services Administration, the House Committee on the Budget and the Congressional Budget Office. I urge my colleagues to support this important exchange for the good of the environment on the terms which are very extensive and lengthy negotiations to address all parties concerned. I urge my colleagues again to support the passage of this legislation.

Mr. Speaker, I include the following for the RECORD:

THE CALISTA CONVEYANCE AND RELINQUISHMENT DOCUMENT (CCRD)

October 28, 1991

[Revised September 22, 1998]

(Revised September 22, 1998 to reflect changes to previously included Calista parcels, additions of the NIMA and The Kuskokwim Corporation (TKC) tracts to the lands being offered, The TKC Conservation Easement, and other relevant edits.)

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CALISTA CONVEYANCE AND RELINQUISHMENT DOCUMENT (CCRD)

I. PURPOSE

The purpose of this document is to identify the lands, interests in lands, and entitlements to lands owned by Calista Corporation and three Native Village Corporations which are to be exchanged for property held by the U.S. Government or otherwise conveyed to the United States, pursuant to an agreement with the Calista Corporation and the participating Native Village Corporations. The Calista Corporation represents the largest rural Native population in Alaska and includes some of the poorest economic conditions in the States. Yet, under the Alaska Native Claims Settlement Act formula, Calista received less land per capita than any other regional corporation.

The underlying purposes of the Calista land exchange, authorized by Section 8126 of P.L. 102–172, include—

(1) assisting Calista to convert its principal tangible asset, its lands, to property that can be used to help the Corporation remain viable, develop economically, and continue to carry out its responsibilities as envisioned in ANCSA to the people of the Calista Region; and

(2) helping to ensure and enhance the long-term conservation of Native-owned fish and wildlife habitat located within the boundaries of Yukon Delta National Wildlife Refuge.

The Calista land exchange authorizes the exchange of interests in land largely located within the boundaries of the Yukon Delta National Wildlife Refuge owned by Calista Corporation, NIMA Corporation, Nunapigilluraq Corporation, and The Kuskokwim Corporation (Alaska native Village Corporations) for other property owned by the federal government. The Calista exchange has been modeled on other post-ANCSA property settlements.

With respect to the content of the exchange, the Secretary of the Interior, the Calista Regional Corporation and the participating Native village corporations agree upon the lands, interests in lands, relinquishments, and adjustments to entitlement that may be offered to the United States pursuant to this document and enacting legislation consistent with its terms. The parties also agree with the amounts to be made available in the property account once all conveyances and relinquishments are completed and the needs which form the basis for such amounts. The parties do not necessarily agree on the hortatory statements and descriptions which are included in this document, but such disagreements will not affect the implementation of this exchange.

Descriptions of wildlife values are provided herein for some surface lands which are not offered in the exchange and which will remain privately owned by Native village corporations. Such surface lands and any wildlife values or other surface values of these lands form no part of the consideration for the exchange.

II. The Alaska National Interest Lands Conservation Act

The Calista land exchange involves interest in land which are largely located within the boundaries of a National conservation system unit established in 1980 by the Alaska National Interest Lands Conservation Act (ANILCA) (P.L. 96-487). Among other things, ANICLA significantly expanded the National Wildlife Refuge System in Alaska.

Among the purpose of ANILCA are these—

"to preserve unrivaled scenic and geological values associated with natural landscapes;

to provide for the maintenance of sound populations of, and habitat for, wildlife species of inestimable value to the citizens of Alaska and the Nation, including those species dependent on vast relatively undeveloped areas;

to preserve in their natural state extensive unaltered Arctic tundra, boreal forest, and coastal rainforest ecosystems;

to protect the resources related to subsistence needs. . . ."

Section 103(c) of ANILCA provides that if ". . . a Native Corporation . . . desires to convey any such lands, the Secretary may acquire such lands . . . and any such lands shall become part of the unit, and be administered accordingly."

ANILCA also provides that the purposes "for which the Yukon Delta National Wildlife Refuge is established and shall be managed include—

(i) to conserve fish and wildlife populations and habitats in their natural diversity including, but no limit to, shorebirds, seabirds, whistling swans, emperor, white-fronted and Canada geese, black brant and other migratory birds, salmon, muskox and marine mammals; . . .

(iii to provide . . . the opportunity for continued subsistence uses by local residents . . ."

consistent with the purposes of ANICLA and the Yukon Delta National Wildlife Refuge, the lands in this exchange package will become part of the Refuge upon completion of the transactions authorized in the Calista land package.

III. The Calista Land Exchange

The Calista Corporation is an Alaska Native Regional Corporation organized under authority of the Alaska Native Claims Settlement Act (ANCSA) whose lands are located in Southwestern Alaska. It includes more than 50 Yupik Villages in the Yukon-Kuskokwim Delta.

The Calista land exchange involves a total of approximately 218,515 acres of land or interests in land, including 46,577 acres of surface fee and conservation easements protecting the surface resources and habitat, and approximately 208,515 acres of subsurface estate, all within the YDNWR as well as 10,000 acres of entitlement to surface fee which may be selected adjacent to the YDNWR. The actual acreage in the conveyances is substantially larger than this because the computation of acreage deletes lakes more than 50 acres in size and rivers more than 198 feet in width. Title to these water bodies will also be transferred to the United States if the water bodies are not navigable. The subsurface lands in this lands package are in a very deep sedimentary basin whose geology indicates the potential for hydrocarbon deposits. Thus far, exploration on Calista subsurface lands has been minimal and at relatively shallow depths. If significant hydrocarbon deposits are discovered, however, it would be unlikely that such lands would be available for exchange or acquisition in the future.

IV. Fish and Wildlife Habitat Values

All of the lands, interests in lands and subsurface estates in the exchange located are within the Yukon Delta National Wildlife Refuge in southwestern Alaska. Additionally, Calista Corporation is offering an entitlement to 10,000 acres of land. The Calista Region is a sedimentary basin created over the millennia by the flow of the Yukon and Kuskokwim Rivers.

The region is composed of extensive wetlands, marshes, some highlands and mountains, estuaries, streams and riverine areas. Because of the character of the land, it has been for centuries, and is today, a highly productive and principal nesting area for countless thousands of shorebirds, waterfowl, passerines and other wildlife. (See maps following page 4)

Some of the waterfowl and other birds inhabiting this region are: Spectacled Eider, Gyrfalcon, Tundra Swans, White-fronted Goose, Steller's Eider, Bristle thighed Curlew, Northern Goshawk, Swainson's Thrush, Golden Eagle, Snow Geese, Peregrine Falcon, Gray Cheeked Thrush, King Eider, Black Brant, Great Horned Owl, Blackpoll Warbler, Northern Pintail, Cackling Canada Goose, Emperor Goose, Canvasback, Wilson's Warbler, Arctic Tern, and Harlequin Duck.

Additionally, the Calista region is also home to wolves, brown and black bear, moose, caribou, otter, fox and many other species of wildlife, as well as all major species of salmon, grayling, sheefish, rainbow trout, dolly varden, blackfish, pike and four species of white fish.

According to the U.S.F.W.S. the following are a few of the superlatives describing the Yukon Kuskokwim Delta/Calista Region:

Up to 80% of the world population of Pacific black brant breed or nest on the coastal fringe of the Yukon Koskokwim Delta Region;

Virtually the entire breeding population of cackling Canada geese nest in the Region;

Approximately 90% of the world's population of emperor geese nest in the Region;

Almost all of the world's population of white-fronted geese nest in the Region;

Sixty percent of the world's breeding bristle-thighed curlew nest in the Region;

100% of the world's black turntone population inhabit the Region;

Nesting by a majority of world's populations of Western Sandpipers and Pacific dunlins;

Highest diversity of the world's large shorebirds;

Over 800,000 ducklings, or approximately 50% of the statewide total, were produced from the region;

Eight species of raptors breed in this region.

Disclaimer: The information in this section regarding fish and wildlife habitat values of the Yukon Delta National Wildlife Refuge is intended to provide the reader with an overview of the values attendant to the Refuge itself and is not intended to relate those values to subsurface interests offered in this proposal. Also, the fish and wildlife values discussed in connection with subsurface parcels clearly relate and are intended to relate to the overlying surface estate regardless of whether the surface estate is included in this proposal. For detailed information regarding the birds which inhabit or have been identified as using the lands in specific parcels in this lands package, please refer to the document prepared by Calista, entitled "Background Information on Fish and Wildlife Habitat Resources of the Yukon-Kuskokwim Delta Region and the Calista Native Regional Corporation Land Exchange Parcels" as revised 1997, which is based on information gathered over the years from the Yupik Eskimos who inhabit the Region and other sources.

V. Calista Land Package

The following chart lists the land parcels in the package.

Parcel name and interest to be conveyed	Acreage
Dall Lake: Fee—Surface	12,486
Hamilton: Fee—Surface	7,135
Section 14(h)(8) Entitlement: Fee—Surface & Subsurface	10,000
Hooper Bay: Subsurface	21,190
Scammon Bay: Subsurface	77,512
Kusilvak: Subsurface	63,236
Calista Subsurface on TKC Surface: Subsurface	16,998
Calista Subsurface on NIMA Surface: Subsurface	9,958
TKC: Conservation Easement	16,998
NIMA: Surface	9,958
Calista Subsurface on Hamilton Surface: Subsurface	7,135
Calista Subsurface on Dall Lake Surface: Subsurface	12,486

VI. Summary

Parcel name and interest to be conveyed	Acreage
NIMA Lands: Fee—Surface & Subsurface	9,958
Hamilton Lands: Fee—Surface & Subsurface	7,135
TKC Lands: Conservation Easement & subsurface	16,998
Dall Lake: Fee—Surface & Subsurface	12,486
Calista Section 14(h)(8) Entitlement: Entitlement to Surface Fee & Subsurface	10,000
Total Fee and Conservation Easement+Subsurface	56, 577
Hooper Bay: Subsurface	21,190
Scammon Bay: Subsurface	77,512
Kusilvak: Subsurface	63,236
Total Subsurface Only	161,938

VII. Current Social Conditions

The state of living conditions for most of the Native people of the Calista Region can be difficult for outsiders to comprehend. Many of the basics of life which the rest of America takes for granted—running water, flush toilets, trash collection, paved roads, neighborhood schools, a doctor in the community, an ambulance in time of medical emergency, the fire department, a regular paycheck from a job, a public library—barely exist within the region. The following disturbing statistics reflect both causes and symptoms of the problems endemic to the region. The Calista Region has:

The highest infant mortality rate in the Nation;

A concentration of the population under the age of five, approximately 14.5%, among the highest in the Nation;

Rates of hepatitis, meningitis and tuberculosis that are among the highest in the Nation;

Higher invasive cervical cancer rates than the rest of the population, growing 335% at a time when rates for U.S. whites and blacks decreased over 40%;

High rates of alcoholism, drug abuse and domestic violence;

Extraordinarily high suicide rates: 10% of all young men will commit or attempt suicide by the age of 25;

Unemployment rates of between 60% and 90%;

Inadequate sanitation with limited running water or indoor plumbing facilities;

The second highest rate of multigenerational housing in Alaska, with 16.4% of the households containing three or more generations per household;

The highest rate of household overcrowding in Alaska, with nearly 81% of the houses in the Calista Region containing less than 300 square feet;

The lowest level of education of all Americans, Alaska Natives complete only an average of 9.3 years, compared to 12.5 years for all Americans; and

Teen pregnancy rates of more than twice the national average.

The Calista land exchange is being pursued by the Calista Corporation as a key element in its efforts to remain a viable Native Regional corporation with the capacity to help effectively address these social and health issues. The exchange will help the Calista Corporation work for improvements in basic community infrastructure and facilities in the region. In the Calista Region, there are, at present, few economic resources other than the fish and wildlife upon which to base the economy. In addition, the exchange has the potential to create business opportunities and expand employment for the Region, thereby providing individuals with greater means to help themselves and their communities.

The Calista Region has never experienced economic booms like other areas of the state. The Calista Region and its residents were left out of the Trans-Alaska pipeline construction boom. The Region was too far away to provide services and village residents had neither the skills nor the trade union membership necessary to get the jobs available during construction of the pipeline. As local economies in other areas of the state grew throughout the 1970's and 1980's, the Calista Region's economy, with the exception of construction, actually declined and local residents became even more dependent on state and federal monies for survival.

Government spending is the single most important component of the Regional economy, as is the case in much of rural Alaska. The stability of the Calista Region's economy has been largely dependent upon outside public funding; consequently the economy is very vulnerable to state or federal budgetary and program adjustments. In 1990, it was estimated that state and federal expenditures accounted for approximately 65% of the total wages earned by the residents of the Calista Region.

The growth of government, trade and services sectors has resulted in more white collar/professional jobs in the Region. However, most men living in the villages are trained as blue collar workers and laborers so the Region has a disproportionately high amount of blue collar labor available for the few labor related jobs available. As a result, new white collar jobs are often filled by outsiders coming into the Region with the necessary skills.

VIII. PREHISTORY OF YUKON DELTA REGION

The lands of this Region were probably inhabited from at least 10,000 years ago to about 7,000 years ago by people of the Paleo-Arctic Tradition. From about 7,000 years ago to about 4,000 years ago people of the Northern Archaic Tradition lived in the area. This tradition was followed by the Arctic Small Tool Tradition, 4,000 to 3,000 years ago, and by the Norton Tradition, from 3,000 to 1,000 years ago. The archaeological record documents the lengthy human habitation of the area and more importantly, the cultural roots of the Region's contemporary Yupik inhabitation. The cultural ancestors of present-day Western Region Yupik Eskimos were living in and utilizing the subsistence resources of the Region since about A.D. 1000.

While the Refuge has moderate populations of mammals, including small furbearers, moose, caribou, and recently re-established musk-ox, the primary wildlife resource is the enormous populations of ducks, geese, swans, shorebirds, and water birds that nest on the Delta. An estimated 100 million waterfowl, shorebirds, and sea birds representing over 50 species use the Delta for nesting and for resting and feeding during migration. A large percentage of the migrating birds of the Pacific Flyway originate from the Yukon Delta. (See maps in Appendix C).

The importance of the Delta as nesting grounds for North American waterfowl increases yearly as productive prairie pothole nesting habitats in the United States and Canada are drained for agriculture or are lost to drought.

IX. LAND TRANSACTION ACCOUNTING

The accounting, and, to the extent necessary, the establishment of a property account required by subsection (c) of Section 8126 of P.L. 102-172, upon relinquishment and conveyance by Calista (and where relevant, The Hamilton Corporation, The Kuskokwim Corporation, or NIMA Corporation) of the lands and interest in lands in this document shall be based on and credited with, respectively, a total amount of $39.4 million for the lands interests in lands and other considerations referenced in this document. For purposes of Section 7(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)), "Revenues" are only those realized in excess of $20 million from the compensation received by Calista under Section 8126 subsection (b)(1) as amended for subsurface estate listed in the Calista Conveyance and Relinquishment Document.

X. DESCRIPTION OF THE LANDS, INTEREST IN LANDS AND ENTITLEMENTS TO LAND TO BE CONVEYED

HAMILTON/YUKON DELTA AREA—7,135 ACRES

Location. The Hamilton parcel is located near the delta complex at the mouth of the Yukon River between Apoon Pass and Nanvaranak Slough. It is approximately 20 miles south of Norton Sound.

General Description. The Hamilton parcel consists of 7135 acres of combined surface and subsurface estate. The lands are part of the wet muskeg coastal plain with slough, lake and pond habitats. Several small sloughs head in the parcel and dozens of small lakes and ponds and their adjacent marshes and wetlands are scattered throughout the parcel. Most of the land is less than 20 feet above sea level and the dwarf tundra vegetation is underlain by sand and silty flood plain material. The southern part of the parcel contains some areas of deciduous shrub land and has more extensive grassy marshlands and riverine habitats. The parcel is five miles south of the Yukon River Delta unit of the historic Clarence Rhode Wildlife Range and the abandoned Village of Hamilton.

Refuge Values of the Surface. The chief habitat and wildlife value of the parcel is waterfowl nesting. The parcel is contiguous to coastal plain habitat to the north and west, and is used by geese, swans, sandhill cranes, ducks, loons, and numerous shorebirds, including curlews, sandpipers, and plovers. Maps of species distribution by density blocks, produced by U.S. Fish and Wildlife, show the area to have medium range densities for pintail ducks, scaup, and tundra swans: one to four birds per square mile, and up to one per square mile densities for Canada geese, Arctic loons, and sandhill cranes. Other nesting birds include white-fronted geese, scoters, shovellers, and mallards. Shorebirds of several species are common to abundant. Whitefish, sheefish (inconnu), and northern pike are common in the sloughs and larger lakes. Furbearers such as mink, otter, muskrat, beaver, Arctic and red fox are abundant, but large mammals are rare due to the lack of protective cover. The land has been assigned a medium priority rank in the Alaska Priority System.

Hamilton Subsurface. The subsurface beneath the Hamilton surface lands is part of the Yukon Delta/Norton Sound Sedimentary Basin. Calista leased the Yukon Delta subsurface lands to Amoco Exploration in 1978. These lands have also had several generations of seismic survey work since the early 1970's and the area continues to receive oil industry attention.

HAMILTON PARCEL (NUNAPIGLLURAQ CORPORATION AND CALISTA CORPORATION LANDS)

Nunapiglluraq Corporation (for the village of Hamilton) will convey to the United States of America the surface estate for the following described lands that it received in Interim Conveyance No. 562, dated October 28, 1982. Calista Corporation will convey to the United States of America the subsurface estate for the following described lands that it received in Interim Conveyance No. 563, dated October 28, 1982. Nunapiglluraq Corporation entitlement to lands under Section 12 (a) and Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description.

Hamilton Parcel Land Description

Seward Meridian, Alaska, (Unsurveyed)
T. 31 N., R. 77 W.
Secs. 29 and 30.
Containing approximately 735 acres.
T. 31 N., R. 78 W.
Secs. 1 and 2;
Secs. 11 through 14;
Secs. 23, 24, and 25.
Containing approximately 5,440 acres.
T. 32 N., R. 78 W.
Sec. 35, S½.
Sec. 36.
Containing approximately 960 acres.
Aggregating approximately 7,135 acres.

DALL LAKE AREA—12,486 ACRES

Location. The Dall Lake parcel is located along the southeastern border of Dall Lake southeast of Bethel, Alaska, about 30 miles from the Bering Sea waters of Etolin Strait. It borders the eastern boundary of the Nelson Island unit of the Clarence Rhode National Wildlife Range.

General Description. The Dall Lake parcel is a surface and subsurface selection of approximately 12,486 acres. This parcel consists of low elevation wetlands dotted with innumerable lakes and ponds along the southeastern border of Dall Lake, an extremely large inland lake covering more than 150 square miles. Wet muskeg tundra vegetation and lake margins characterize the habitat at Dall Lake.

Refuge Values of the Surface. The Dall Lake parcel lies within the Yukon-Kuskokwim lowlands unit of the Yukon Delta NWR. This unit is largely wetlands, habitat for a diversity of fish and wildlife including geese, ducks, swans, shorebirds, moose, caribou, many species of fur bearers, ptarmigan, and many other bird and mammal species.

The area is an important producer of ducks and is significant as a staging area for thousands of snow geese migrating to and from their nesting grounds on Wrangell Island in the Soviet Far East. US Fish & Wildlife Service has indicated high scaup nesting densities of four to 12 birds per square mile, and pintail and scoter densities of one to four per square mile in the area. Also occurring at densities of one to four birds per square mile are tundra swans, Canada geese, Arctic loons, and sandhill cranes. Other species noted in aerial surveys within the parcel area were red-throated loons, white-fronted geese, old squaw ducks, and mallards. Both shorebirds and ptarmigan are common in the area.

Approximately 30 musk oxen use the Dall Lake area year around. These musk oxen are part of the growing 100-head mainland herd established on Nelson Island which is currently expanding its range to inland parts of the refuge. Fur bearers such as mink, otter, muskrat, and red fox are common in the Dall Lake area and are important subsistence resources. The lakes and waterways contain resident Arctic char, whitefish, northern pike, cisco, and burbot, all used by villagers for subsistence. The land has been assigned a high priority in the Alaska Priority System.

Subsurface Values. The subsurface beneath the Dall Lake surface lands is in the central portion of the Bethel/Kuskokwim Delta Sedimentary Basin. Calista leased the Bethel Basin lands to Shell Exploration in 1974. Like the Yukon Delta area, these lands have had several generations of seismic survey work since the early 1970's and the area continues to receive oil industry attention. In 1962 a single test well was placed on the flank of what is now defined as the Bethel Basin. In the future it is likely that this sedimentary basin, which is nearly the size of Oklahoma, will receive more exploration.

DALL LAKE PARCEL (NIMA CORPORATION AND CALISTA CORPORATION LANDS)

The legal description below describes lands validly selected by NIMA Corporation (for the village of Mekoryuk) under Section 12(a) of ANCSA. NIMA Corporation will file an irrevocable prioritization with the Bureau of Land Management for all the lands described below. NIMA Corporation will relinquish any and all selections pursuant to Section 12(a) and 12(b) of ANCSA for the below described lands. NIMA Corporation entitlement to lands under Section 12(a) of ANCSA will be reduced by the acreage specified in the below described legal description. Upon filing of the irrevocable prioritization and relinquishment by NIMA Corporation, rights to the subsurface estate in the lands described below, which would accrue to Calista Corporation pursuant to Section 14(f) of ANCSA, are extinguished and Calista Corporation will not be entitled to substitute lands elsewhere by virtue of the extinguishment. Additionally Calista Corporation shall file a relinquishment to the in-lieu selections under Serial Number AA-8099-1 top filed on any lands described below that are identified for sale to the United States of America. Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description.

Dall Lake Parcel Land Description

Steward Meridian, Alaska Unsurveyed

T. 1 N., R. 82 W.
Secs. 23 through 36.
Containing approximately 7,716 acres.
T. 1 N., R. 83 W.
Sec. 25;
Secs. 26 and 27, excluding U.S. Survey 10449;
Sec. 28;
Secs. 33 through 36.
Containing approximately 4,770 acres.
Aggregating approximately 12,486 acres.

NIMA AREA—9,958 ACRES

Location. The NIMA parcel adjoins the Dall Lake parcel on its northern border. It is located near the southeastern shore of Dall Lake, southeast of Bethel, Alaska, about 30 miles from the Bering Sea waters of Etolin Strait.

General Description. The NIMA parcel is a surface and subsurface conveyance of approximately 9,958 acres. This parcel consists of low elevation wetlands and lakes and ponds near the southeastern shore of Dall Lake, an extremely large inland lake covering more than 150 square miles. Wet muskeg tundra vegetation and lake margins characterize the habitat at Dall Lake.

Refuge Values of the Surface. The NIMA parcel has the same habitat and subsurface attributes as the Dall Lake parcel, with which it is contiguous. Therefore, the Refuge and Subsurface values are the same as for the adjoining Dall Lake parcel.

NIMA PRACEL (NIMA CORPORATION AND CALISTA CORPORATION LANDS)

NIMA Corporation (for the village of Mekoryuk) will convey to the United States of America the surface estate for the following described lands it received in Interim Conveyance No. 453, dated November 20, 1981. Calista Corporation will convey the subsurface estate to the United States of America for the following described lands that it received in Interim Conveyance No. 454, dated November 20, 1981. Additionally Calista Corporation shall file a relinquishment to the in-lieu selections under Serial Number AA-8099-1 top filed on any lands described below that are identified for sale to the United States of America. NIMA Corporation entitlement to lands under Section 12(a) and Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description.

NIMA Parcel Land Description

Seward Meridian, Alaska, (Unsurveyed)

T. 1 N., R., 82 W.
Secs. 1 through 22.
Containing approximately 9,958 acres.
Aggregating approximately 9,958 acres.

HOOPER BAY AREA—21,190 ACRES

Location. The Hooper Bay parcel is located on Dall Point; Kokechik Bay is on the north, Hooper Bay on the south, and the Bering Sea to the west. It is adjacent to the Clarence Rhode National Wildlife Range unit of the Yukon Delta National Wildlife Refuge on its eastern border.

General Description. The Hooper Bay parcel consists of subsurface estate. The surface is owned by Sea Lion Corporation and is not offered as a part of this proposal. The surface estate is coastal plain with innumerable small ponds and lakes and several small sloughs. Most of the parcel is below 50 feet in elevation. Long shore sand spits form northern and southern extensions of the land, and dunes form Dall Point itself. The village of Hooper Bay is located at the mouth of Napareayak Slough on Hooper Bay.

Habitat Values of the Surface. Village corporation lands overlying the offered subsurface estate include Kokechik Bay frontage with some of the highest value habitat rankings on the Yukon Wildlife Delta Refuge. Although acquisition of the subsurface estate will prevent development of subsurface resources and any related disruption of the surface, the village corporation may develop the surface estate. These lands are biologically productive, tide-influenced marshlands critical to the Arctic nesting geese species. High densities of nesting emperor, white fronted, and cackling Canada geese utilize this rich marshland, and it is also important for nesting swans, cranes, ducks, loons and abundant numbers of several species of shorebirds. Northern pintails in the coastal zone occur at three times the density that they occur in the interior delta, averaging four to 12 per square mile in F&WS aerial surveys. Scaup also occur at these densities and other ducks such as old squaw, spectacled and common eider, scoters, shovellers, and mallards also utilize the habitat. The mudflats and sand spits in both bays are vital feeding and staging areas for vast numbers of migrating waterfowl and shorebirds.

Subsurface Values. These lands have been subject to oil and gas leases twice in the recent past. The geology is permissive of several mineral deposit types; however, there are no known occurrences of minerals in this poorly explored Region.

HOOPER BAY PARCEL (CALISTA CORPORATION LANDS)

Calista Corporation will convey the subsurface estate to the United States of America for the following described lands that it received in Interim Conveyances Nos. 511, dated May 28, 1982, and 579, dated December 22, 1982. The surface estate of these lands is being retained by Sea Lion Corporation (for the village of Hooper Bay). Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description. The surface acreage charged against Sea Lion Corporation 12(a) entitlement will not be affected.

Hooper Bay Parcel Land Description

Seward Meridian, Alaska (Unsurveyed)

T. 17 N., R. 93 W.
Secs. 1 through 4;
Secs. 5 and 8;
Secs. 9 through 12;
Sec. 13 excluding F-14703 Parcel C;
Secs. 14 through 18;
Secs. 20 through 23;
Sec. 24, excluding F-14703 Parcel C.
Containing approximately 12,155 acres.
T. 18 N., R. 93 W.
Secs. 4 and 9;
Secs. 11 through 16;
Secs. 21 and 22;
Secs. 23 through 28;
Secs. 33 through 36.
Containing approximately 9,035 acres.
Aggregating approximately 21,190 acres.

SCAMMON BAY AREA—77,512 ACRES

Location. The Scammon Bay parcel is located on the Bering Sea coast at Scammon Bay on the Yukon-Kuskokwim Delta.

General Description. The Scammon Bay parcel is a large tract (25 miles long by up to 12 miles across) of subsurface estate, whose surface estate is privately owned by Askinuk Corporation, the Native corporation of Scammon Bay village, is not involved in this conveyance. The parcel includes 77,512 acres of conveyed subsurface estate and remaining subsurface entitlements at Scammon Bay. The parcel includes about 20 miles of Bering Sea coastline.

The surface overlying this subsurface parcel consists of several distinct habitats. There is a prominent, rocky, mountainous upland to the south which is used by upland ground-nesting birds such as ptarmigan, rock sandpipers, golden and semi-palmated plovers, short-eared owls, and jaegers. Steep rocky bluffs, fast, clear streams, and small sheltered bays characterize the parcel's 14 miles of Bering Sea shoreline on the southern shore of the bay. The mountains rise to an elevation of 1,465 feet within the parcel. The intrusive volcanic rock that forms the mountains is useful as quarry material and is currently being extracted for an airport improvement project at the village of Scammon Bay. The southern border of the parcel is adjacent to the Kokechik Bay/Paimuit unit of the Clarence Rhode Unit of the YDNWR which has some of the most significant habitat values on the Yukon-Kuskokwim Delta National Wildlife Refuge due to its intensive use by Arctic nesting geese species.

To the north, the overlying habitat is a flat coastal plain utilized by Arctic nesting geese such as the endangered white-fronted geese, emperor geese and cackling Canada geese. The coastal plain is dissected by the large, shallow meanders of the Kun River and several smaller tributaries including the Kikneak and Ear Rivers. Habitat includes tidal sloughs and estuaries, beach ridges and swales, lake and pond shores, and sedge meadows important to nesting and brood-rearing.

Habitat Values of the Surface. The offered Scammon Bay surface parcel underlies Native land in the delta coastal plain unit of the Yukon Delta NWR. Although acquisition of the subsurface estate will prevent development of subsurface resources and any related disruption of the surface, the village corporation may develop the surface estate. The dominant feature of this unit is vast wetlands characterized by thousands of thaw lakes and ponds underlain by permafrost. The freeze-thaw cycle oupled with regular tidal and riverine flooding maintain a herbaceous wetland that is excellent waterfowl habitat. It is considered the best goose-brant nesting area in North America. Historically, one half of the continental populations of brant nested on the coastal fringe, as do nearly the entire populations of cackling Canada and emperor geese. Most of the Pacific flyway population of white-fronted geese also nest here. In addition to cackling Canada geese, two other subspecies of Canada geese—both Taverner's and lesser Canada geese—are also found within this unit. The three subspecies appear to favor slightly different zones with cacklers nesting in a ten mile wide band closest to the sea, Taverner's moving inland slightly, and lesser Canada's somewhat more inland.

These zones, however, do overlap. The area is also considered part of the largest and most important shorebird habitat in the Pacific Flyway. It is the largest single expanse of intertidal habitat in North or South America, and provides the major breeding grounds for North American populations of black turnstone, dunlin, western sandpiper, rock sandpiper, and bar-tailed godwit, as well as being an important staging area for bristle-thighed curlews.

The periodic flooding of the tidal marshes of the coastal plain creates a rich food source for nesting and rearing young and contributes to goose, swan, and crane densities of one to 12 per square mile with heaviest nesting densities along the coast (US Fish & Wildlife aerial surveys). Pintail and scaup (four to 12 per square mile), scoter (one to four per square mile), old squaw, spectacled eiders, loons (up to 12 per square mile), and shorebirds also nest on the coastal plain. Mink, otter, muskrat, beaver, and Arctic and red fox are common to abundant.

Subsurface Values. These lands have been subject to oil and gas leases twice in the recent past. The geology is permissive of several mineral deposit types; however, little is known of the occurrence of minerals in this poorly explored Region. The known current value of the subsurface estate in the Scammon Bay area is based to a large extent on the ready supply of sand, gravel and rock. This area is the only local source for these materials in a Region where such materials are scarce and costly.

SCAMMON BAY PARCEL (CALISTA CORPORATION LANDS)

Calista Corporation will convey the subsurface estate to the United States of America for the following described lands that it received in Interim Conveyances Nos. 573, dated November 19, 1982, and 959, dated September 28, 1984. The surface estate of these lands is being retained by Askinuk Corporation (for the village of Scammon Bay). Calista Corporation rights to lands under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description. The surface acreage charged against Askinuk Corporation 12(a) entitlements will not be affected.

Scammon Bay Parcel Land Description

Seward Meridian, Alaska (Unsurveyed)

T. 20 N., R. 88 W.
Secs. 5 through 8;
Sec. 18, excluding F–19228 Parcel A and F–19234;
Sec. 19, excluding F–19234;
Sec. 20;
Secs. 26 and 27;
Sec. 28, excluding F–15947;
Sec. 29, excluding F–15947;
Sec. 30;
Sec. 35.
Containing approximately 6,685 acres.
T. 21 N., R. 88 W.
Secs. 9 through 16;
Secs. 21 through 31;
Sec. 32, excluding F–19043 Parcel B;
Sec. 33, excluding F–19229 Parcel A;
Secs. 34, 35, and 36.
Containing approximately 14,757 acres.
T. 20 N., R. 89 W.
Secs. 1 and 2;
Sec. 3, excluding F–18977 Parcel B;
Sec. 4, excluding F–18977 Parcel B and F–19229 Parcel A;
Secs. 5 and 6;
Secs. 7 and 8, excluding F–19233;
Sec. 9;
Sec. 10, excluding F–19045;
Secs. 11 and 12;
Sec. 13, excluding F–19234;
Sec. 14, excluding F–19043 Parcel A and F–19241;
Sec. 15, excluding F–19043 Parcel A, F–19045, and F–19241;
Sec. 16;
Secs. 17 and 18, excluding F–19233;
Secs. 19, 20, and 21;
Secs. 22 and 23, excluding F–19241;
Sec. 24, excluding F–19234;
Secs. 25 through 28;
Sec. 29, excluding F–19231 Parcel B;
Secs. 30, 31, and 32.
Containing approximately 17,259 acres.
T. 21 N., R. 89 W.
Secs. 5 through 10;
Secs. 15 through 23;
Secs. 25 through 30;
Secs. 32 through 36.
Containing approximately 14,616 acres.
T. 20 N., R. 90 W.
Secs. 1 through 4;
Secs. 11 through 30;
Sec. 31, excluding F–14759 Parce C;
Secs. 32 through 36.
Containing approximately 18,232 acres.
T. 20 N., R. 91 W
Sec. 11, excluding F–19041 and F–19223 Parcel B;
Secs. 12 and 13;
Sec. 14, excluding F–19041 and F–19223 Parcel B;
Sec. 15, excluding F–19223 Parcel B;
Sec. 16, excluding F–19039 Parcel B;
Secs. 17 through 20;
Sec. 21, excluding F–15023 Parcel A and F–19224;
Sec. 22, excluding F–19224.
Containing approximately 4,573 acres.
T. 20 N., R. 92 W.
Sec. 13, excluding F–19033 Parcel A, F–19044 Parcel B;
Sec. 14, excluding F–19039 Parcel A, F–19056 Parcel A, and F–19221 Parcel B;
Secs. 23 and 24.
Containing approximately 1,390 acres.
Aggregating approximately 77,512 acres.

Any and all remaining rights that would accrue to Calista Corporation pursuant to Section 14(f) of ANCSA beneath land conveyed to Askinuk Corporation pursuant to Section 12(a) of ANCSA are hereby extinguished and no substitute subsurface will be conveyed to Calista Corporation. Any rights pursuant to Section 12(a)(1) of ANCSA accruing to Calista Corporation by virtue of any conveyance to Askinuk Corporation within the boundaries of the Clarence Rhode Unit of the Yukon Delta National Wildlife Refuge are unaffected.

KUSILVAK AREA—62,236 ACRES

Location. The Kusilvak parcel is located on the Black River several miles west of the Kusilvak Mountains and approximately twenty miles from the Bering Sea.

General Description. This parcel is a subsurface estate and subsurface entitlement of 63,236 acres. It includes 41,688 acres of conveyed subsurface estate and 21,548 acres of remaining subsurface entitlements. The surface estate is owned by Sea Lion Corporation and is not part of the lands to be conveyed. The Black River, a major waterway, runs for about 15 miles through the parcel. The parcel is characterized by coastal lowlands and river flood plains with many large lakes and innumerable small lakes and ponds. The Black River has formed numerous sloughs, oxbows, and cutoff channels.

Habitat Values of the Surface. The offered Kusilvak subsurface parcel underlies Native lands whose chief habitat and wildlife value is waterfowl nesting. Although acquisition of the subsurface estate will prevent development of subsurface resources and any related disruption of the surface, the village corporation may develop the surface estate. The Native lands are used by Canada geese, swans, loons, cranes, and many species of ducks, as well as shorebirds. Population densities of northern pintails and tundra swans have been mapped at 4 to 12 per square mile based on USF&W aerial surveys. Canada geese, scaup, scoter, cranes, and loons are common. Whitefish, sheefish (inconnu), and northern pike are important resources of the Black River and are heavily used for subsistence by nearby villages. Fur bearers such as mink, otter, Arctic and red fox are abundant in the parcel. There is moderate potential for summer and winter range for the expanding mainland musk-ox herd, which is occasionally seen in the southern part of the parcel.

Subsurface Values. These lands have been subject to oil and gas leases twice in the recent past. The geology is permissive of several mineral deposit types however there is little known about mineralization in this poorly explored Region. The current known value of the subsurface in the Kusilvak area is based to a large extent on the ready supply of sand, gravel and rock.

KUSILVAK PARCEL (CALISTA CORPORATION LANDS)

Calista Corporation will convey the subsurface estate to the United States of America for the following described lands that it received in Interim Conveyance No. 511, dated May 28, 1982. The surface estate of these lands is being retained by Sea Lion Corporation (for the village of Hooper Bay). Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description. The surface acreage charged against Sea Lion Corporation 12(a) entitlement will not be affected.

Kusilvak Parcel Land Description

Seward Meridian, Alaska (Unsurveyed)

T. 21 N., R. 84 W.
Sec. 6.
Containing approximately 525 acres.
T. 22 N., R. 84 W.
Sec. 31.
Containing approximately 508 acres.
T. 21 N., R. 85 W.
Secs. 2 through 7.
Sec. 18.
Containing approximately 4,231 acres.
Secs. 3 through 10;
Secs. 15 through 22;
Secs. 27 through 36.
Containing approximately 14,577 acres.
T. 23 N., R. 85 W.
Secs. 30, 31, and 32.
Containing approximately 1,623 acres.
T. 21 N., R. 86 W.
Sec. 4;
Sec. 5, excluding F–19237;
Sec. 6, excluding F–19238 Parcel A;
Secs. 13 and 14.
Containing approximately 2,185 acres.
T. 22 N., R. 86 W.
Secs. 19 through 25;
Secs. 28 through 31;
Sec. 32 excluding F–19237;
Secs. 33 and 36.
Containing approximately 7,574 acres.
T. 13 N., R. 86 W.
Secs. 11 through 15;
Secs. 21 through 26;
Sec. 27, excluding F–18428 Parcel A;
Sec. 28, excluding F–18428 Parcel A;
Sec. 29;
Secs. 32 through 36.
Containing approximately 10,465 acres.
Aggregating approximately 41,688 acres.

The following described lands include approximately 73,524 acres which have been validly selected by Sea Lion Corporation (for the village of Hooper Bay) under Section 12(a) of ANCSA. Sea Lion Corporation has a remaining Section 12(a) entitlement of approximately 32,289 acres. Using a portion of its remaining Section 12(a) entitlement, Sea Lion Corporation will file an irrevocable prioritization with the Bureau of Land Management for approximately 21,548 acres consistent with ANCSA selection limitations at 43 C.F.R. 2651.4 from the lands described below. Upon filing of the irrevocable prioritization, rights to the subsurface estate which would accrue to Calista Corporation pursuant to Section 14(f) of the ANCSA are extinguished and no conveyance of the subsurface estate will occur. Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the 21,548 acres specified above. At such time as the prioritized surface is patented to Sea Lion Corporation, the surveyed acreage will be charged against Sea Lion Corporation section 12(a) ANCSA entitlement.

Seward Meridian, Alaska (Unsurveyed)

T. 21 N., R. 83 W.
Sec. 3;
Secs. 6 through 10;
Secs. 15 through 18.
Containing approximately 5,616 acres.
T. 22 N., R.83 W.
Secs. 6 and 7.
Containing approximately 1,240 acres.
T. 21 N., R. 84 W.
Sec. 1;
Sec. 2, excluding F–18345 Parcel B;
Sec. 3, excluding F–16760 Parcel B and F–18345 Parcel A;
Sec. 4, excluding F–16760 parcel B;
Sec. 5;
Secs. 7, 8, and 9;
Sec. 10, excluding F–18394 parcel C and F–18345 parce A;
Secs. 11 through 15;
Sec. 24.
Containing approximately 8,142 acres.
T. 22 N., R. 84 W.
Secs. 1 and 2;
Secs. 11 and 12;
Sec. 14;
Sec. 19;
Sec. 23;
Sec. 26, excluding F–18566 Parcel B;
Secs. 27 through 30;
Sec. 32;
Secs. 33 and 34, excluding F–16760 Parcel B;
Sec. 35;
Sec. 36, excluding F–16922 Parcel B.
Containing approximately 9,681 acres.
T. 20 N., R. 85 W.
Secs. 5 through 9;
Secs. 16 and 17;
Secs. 20 and 21.
Containing approximately 4,873 acres.
T. 21 N., R. 85 W.
Sec. 1;
Secs. 8 through 12;
Sec. 16;
Sec. 17, excluding F–18394 Parcel B;
Secs. 20 and 21;
Secs. 27, 28, and 29;
Secs. 33, 34, and 35.
Containing approximately 9,035 acres.
T. 22 N., R. 85 W.
Secs. 23 through 26.
Containing approximately 1,715 acres.
T. 20 N., R. 86 W.
Sec. 1, excluding F–16922 Parcel A;
Sec. 2;
Sec. 12.
Containing approximately 1,845 acres.
T. 21 N., R. 86 W:
Secs. 1, 2, and 3;
Secs. 7 through 12;
Secs. 15 through 23;
Secs. 26, 27, and 28;
Sec. 29, excluding F–18798 Parcel A;
Secs. 30 and 31;
Sec. 32, excluding F–18976 Parcel B;
Secs. 33, 34, and 35.
Containing approximately 14,172 acres.
T. 20 N., R. 87 W.
Secs. 2 through 11;
Secs. 14, 15, and 16;
Secs. 17 and 18, excluding F–14705 Parcel B;
Secs. 19 through 23;
Sec. 25;
Sec. 26, excluding F–19226;
Sec. 27, excluding F–19226 and F–19227;
Sec. 28, excluding F–19227;
Secs. 29 through 32;
Sec. 33, excluding F–19227;
Sec. 34, excluding F–19226 and F–19227;
Sec. 35, excluding F–19226;
Sec. 36.
Containing approximately 17,205 acres.
Aggregating approximately 73,524 acres.

KUSKOKWIM AREA—16,998 ACRES

Location. This tract is located west and southwest of Whitefish Lake, which is west of Aniak, Alaska.

General Description. This tract consists of open tundra with abundant lakes and ponds. The tract includes a conservation easement on the surface estate, which is owned by the Kuskokwim Corporation, a village corporation, and Calista Corporation's subsurface estate in the corresponding acreage.

Refuge Values of the Surface. The Whitefish Lake area is generally upland tundra with some associated wetland habitat. This is a staging area for waterfowl in the spring and fall. Unlike much of the delta, black spruce stands grow on this parcel, which harbors passerines, raptors, owls, and eagles. The area provides habitat for populations of moose and brown and black bear. The Mulchatna caribou herd winters near Whitefish Lake. White fronted and Canada geese visit the area, as well as several species of puddle and diving ducks, including canvas back, scoter, and scaup. Fur-bearers including mink, fox, and wolves utilize the area. The land has been assigned a medium to low priority rank in the U.S.F.W.S. Refuge Priority System.

Subsurface Values: Whitefish Lake is at the eastern end of the Bethel Basin, which is prospective for hydrocarbons. There are reports of gas seeps at Whitefish Lake. The area lies just west of the mouth of the gold placer bearing Ophir Creek, where active mining claims exist.

KUSKOKWIM TRACT

(THE KUSKOKWIM CORPORATION AND CALISTA CORPORATION LANDS)

The Kuskokwim Corporation (successor in interest to Lower Kalskag, Incorporated) will convey a conservation easement to the United States of America (Appendix A hereto) on the surface estate of the following described lands that it received in Interim Conveyance No. 745, dated September 30, 1983. Calista Corporation will convey to the United States of America the subsurface estate to the following described lands that it received in Interim Conveyance No. 746, dated September 30, 1983. The Kuskokwim Corporation entitlement to lands under Section 12(a) and Calista Corporation rights under Section 14(f) of ANCSA will be reduced by the acreage specified in the below described legal description.

Kuskokwim Parcel Land Descripton

Seward Meridian, Alaska (Unsurveyed)

T. 14 N., R. 60 W.
Sec. 7;
Secs. 8 and 9, excluding USS 10010;
Secs. 16 through 21.
Containing approximately 5,130 acres.

Seward Meridian, Alaska (Surveyed)

T. 14 N., R. 61 W.

Secs. 1 and 2;
Sec. 11, excluding Lots 1 and 2 of USS 10063;
Sec. 12, excluding Lot 2 of USS 10063;
Sec. 13;
Sec. 14, excluding Lot 3 of USS 10063;
Sec. 23, excluding Lot 4 of USS 10063;
Sec. 24.
Containing approximately 4,473 acres.
T. 15 N., R. 61 W.
Secs. 1 and 2, excluding USS 10002;
Sec. 3;
Secs. 11 and 12, excluding USS 10002;
Sec. 13, excluding Lot 2 of USS 10013;
Sec. 14;
Sec. 23;
Sec. 24, excluding Lot 2 of USS 10013;
Secs. 25 and 26;
Secs. 35 and 36.
Containing approximately 5,625.01 acres.
T. 16 N., R. 61 W.
Secs. 33, 34, and 35.
Containing approximately 1,770 acres.
Aggregating approximately 16,998.01 acres.

SECTION 14(h)(8) ENTITLEMENT—10,000 ACRES

This entitlement is to surface and subsurface estate and can be selected from Federal lands within the Calista Region. Calista Corporation is currently under-selected under subsection 14(h)(8). It is Calista's position that because this entitlement predates expansion of the Yukon Delta National Wildlife Refuge by ANILCA, Calista retains the right to select in those portions of the Refuge which were not withdrawn prior to ANILCA. The U.S.F.W.S. disagrees and asserts that Section 304 of ANILCA bars the exercise of selection rights within the refuge. Even if the U.S.F.W.S. position is correct, the entitlement could be used to select lands adjacent to the Refuge.

The 14(h)(8) entitlement will be used to select Federal lands which contain prospective oil and gas horizons, potential mineral deposits, or surface estate development potential, such as real estate projects, hydroelectric power, and commercial uses such as fish processing.

Calista is currently leasing several 14(h)(8) tracts to various mineral exploration companies. Federal acceptance of this entitlement will help limit potential adverse impacts on the Refuge.

CALISTA CORPORATION 14(h)(8) ENTITLEMENT

Calista Corporation agrees to the extinguishment of 10,000 acres of its Section 14(h)(8) entitlement under ANCSA.

Recognizing that the various parcels being conveyed by Nunapigliuraq, NIMA, Kuskokwim, and Calista Corporation, which are described above, have not been surveyed, the Corporations affected shall neither receive any gain nor bear any loss, as a result of any future survey of these lands.

In those instances in which Calista Corporation is conveying the subsurface estate under retained or selected village Corporations surface lands, Calista Corporation agrees that it shall neither receive any gain nor bear any loss, as a result of any future survey of the surface of these lands.

Pursuant to Section 901 of ANILCA, 43 U.S.C. 1631 as amended, the submerged beds of meanderable lakes, rivers, or streams have been estimated using Bureau of Land Management Master Title Plats and will not be charged against the acreage entitlement of ANCSA corporations participating in this legislation. Upon aquisition of uplands which abut or surround non-navigable lakes, rivers, or streams, title to the lands under said water bodies attributable to the uplands conveyed to the United States shall vest in the United States.

The term in-lieu refers to the right of the Regional Corporation established under Section 123(a)(1) to select the subsurface estate in an equal acreage from outside the boundaries of refuges established prior to ANCSA.

Any lands hereafter conveyed by the United States to any person pursuant to the Alaska Native Allotment Act or Section 905 of ANILCA or any amendment or supplement to either such statute from the lands conveyed or relinquished to the United States pursuant to this contract shall not cause any adjustment in the acreage charged to the entitlement of any of the corporations participating in this contract nor shall any additional entitlement accrue to any of the foregoing corporations by virtue of any such conveyance by the United States.

THE CONSERVATION FUND,
Shepherdstown, WV, September 22, 1995.

Hon. TED STEVENS,
U.S. Senate, Washington, DC.

DEAR SENATOR STEVENS: As I understand it, you are considering legislative steps to implement the land exchange authorized in P.L. 102–172 for the benefit of the Calista Corporation and of the Yukon Delta National Wildlife Refuge. I am writing to you to voice my support for efforts in Congress to complete this exchange, which I believe would be of substantial benefit to the conservation of wildlife refuge resources in the Yukon Delta region.

By way of background, as you may know, I was with the U.S. Fish and Wildlife Service (USFWS) for 24 years. Three of those years were spent as the Alaska Regional Director of the USFWS from 1983 until 1987 and two years as the Associate Director in Washington, D.C. Since my retirement from government, I have served as the Director of Science for the Conservation Fund, a publicly supported non-profit organization dedicated to advancing land and water conservation.

From studying the Calista land exchange, it appears that approximately 28,000 acres of fee or fee entitlement would be involved and 182,000 acres of subsurface estate. Given the nature of the lands in the Yukon Delta region, acquiring the subsurface estate as proposed will go a long way toward conserving the resources of the surface estate which contains critical fish and wildlife habitat in the northern sector of the Pacific Flyway. This is a wildlife refuge of tremendous resources clearly worthy of special conservation efforts.

The exchange would make productive and creative use of certain excess or surplus government property in exchange for lands and interests in lands to be conserved. This seems to be a sensible approach to assist conservation while at the same time providing a means to enable an Alaska Native Corporation to serve the most populous, undeveloped and the poorest Native region in the state. This is especially true considering the few dimes on the excess or surplus property dollar often associated with the sale of such lands in the Federal portfolio.

I know that it has been difficult bringing this exchange to a successful conclusion. I believe, as you apparently do, that the time has come to resolve this in an expeditious way that is fair and reasonable for the landowner and for the government. As in the past, when a process gets so bogged down for whatever reason, that is it unable to deal fairly and effectively with an issue, it is likely that the Congress will need to step in to help achieve an equitable resolution. It appears that is the case here.

Thank you again for your consideration of my views on this matter and I strongly urge you and your colleagues to take action soon to implement this land exchange.

Sincerely,

ROBERT E. PUTZ, PH.D.

NATIONAL AUDUBON SOCIETY,
Anchorage, AK, July 10, 1996.

Hon. DON YOUNG,
House Resources Committee,
Longworth House Office Building,
Washington, DC.

DEAR MR. YOUNG: I'm writing on behalf of the National Audubon Society including its 2,200 Alaska members to support your legislative efforts to achieve a land exchange authorized in P.L. 102–172 for the benefit of the Calista Corporation on the Yukon Delta National Wildlife Refuge.

Audubon recognizes the Yukon Delta National Wildlife Refuge as among the premier waterfowl production areas on the continent. Its wetland habitats produce an annual fall flight of geese, ducks and swans that benefit thousands of hunters and other wildlife enthusiasts throughout the Pacific Flyway. Most importantly, these waterfowl along with millions of other migratory birds, fish and game animals constitute the mainstay of the region's subsistence economy.

After having worked with Calista and other partners for some 10 years on the Yukon-Kuskokwim Delta Goose Management Plan, we are convinced that the majority of their stockholders fully realize how essential the protection of fish and wildlife habitat through flyway-wide cooperation is to the future of their people and the wildlife that grace their lives. Through the goose management plan, and with Calista's cooperation, we are achieving great success in restoring seriously depleted goose populations to healthy levels. The proposed land exchange will further enhance these and other joint efforts to conserve refuge fish and wildlife.

We know that Calista has worked long and hard to negotiate a fair and equitable administrative land exchange with the Department of the Interior, but to no avail. Thus it appears congressional action is required to resolve the matter in a way that is most fair to Calista stockholders while providing greater protection to refuge resources of great state and national significance. We believe this can be accomplished by exchanging approximately 28,000 acres of surface and 182,000 acres of subsurface estate for certain excess or surplus government properties as P.L. 102–172 provides. With federal acquisition monies becoming increasingly scarce, this seems an innovative and practical approach to better conserve our nation's wildlife heritage while helping the Calista Corporation and its stockholders better secure their economic future. In other words, this should be a win-win solution for all concerned.

Thank you for your leadership on this important issue, Congressman Young, and for your consideration of our views.

Sincerely,

DAVID R. CLINE,
Senior Wildlife Counselor.

THE COASTAL COALITION,
Anchorage, AK, June 24, 1996.

Speaker NEWT GINGRICH,
Rayburn House Office Building,
Washington, DC.

DEAR SPEAKER GINGRICH: I am writing to you in strong support of the Calista land exchange in H.R. 2506 and urge that you act on this measure as quickly as possible. As a long time resident of Alaska and someone concerned with conservation and sustainable economic development, I cannot overstate to you how important this exchange is—both to the people and the resources of the Calista region.

The Calista land exchange involves outstanding fish and wildlife habitat located within the Yukon Delta National Wildlife Refuge (YDNWR). The Yukon Delta is one of the most unique and productive delta ecosystems in the world. And, it is a place of my heart.

Twenty years ago, I first experienced the Yukon Delta as my brother and I paddled by canoe over two thousand miles from the Great Slave Lake in the Northwest Territories of Canada across the old fur-trade route to the Yukon river, and then down to the Bering Sea. To us, the Yukon Delta had become an almost mythical destination. But, by the time we had reached the delta, we had become excited about "ending" our expedition, sponsored by Old Town Canoe Company, and we were eager to fly out. What we found there surprised and delighted both of us—a gentle and calm beauty and abundance neither of us had anticipated. This was, in our two-thousand mile journey, one of the most special places we had encountered. We decided to stay awhile.

Later, as the University of Alaska's marine extension agent for western Alaska for several years based in Kotzebue. I returned to the area many times attempting to help the local people develop a commercial economy. I came to realize then what I learned at the end of our canoe expedition—that the highest and best use of this delta was in preserving it intact, just as it was.

This is something that I think the local people came to realize long ago. Thousands of geese, ducks, loons, cranes, and swans, as well as seabirds and shorebirds migrate to this spectacular refuge every summer to breed and raise their young. The wetlands that exist on the Calista inholdings with the refuge provide critical habitat for many species of birds, fish, and mammals, making these areas an integral part of the ecosystem. Because wildlife do not often subscribe to politically constructed boundaries, any consideration for conserving this extraordinary ecosystem as a national wildlife refuge must include the Calista lands. It is crucial that Calista lands be protected in a manner consistent with the management objectives of the refuge.

Unlike some Alaska Native corporations, it has been very difficult for the native people of the Calista region to translate their land endowment into financial capital that can be used to provide shareholder dividends and to develop real, long-term cash economies.

Thus, the exchange proposed in H.R. 2505 is somewhat sublime—surplus federal property for conservation. It could well become the U.S. version of the debt-for-nature exchanges now underway between international lending institutions and third-world countries to preserve dwindling habitat.

This exchange, if approved, will help to protect ancestral lands and wildlife habitat, and it will provide Calista the money with which to hopefully jumpstart profitable ventures elsewhere. I hope your action might also help alleviate other social problems in the region, such as the alarmingly high rates of suicide, infant morality, hepatitis, meningitis, tuberculosis, alcoholism and unemployment.

This is a chance to do something right, that will be remembered as such in history. Seldom do we get such a chance. It is my sincere hope that this exchange will be the first of many, bringing conservation, social, cultural, and economic benefits to rural Alaska.

I urge that you take immediate action to ensure that this, and many other similar exchanges, are enacted.

Sincerely,

RICK STEINER.

DUCKS UNLIMITED INC.,
Washington, DC, June 21, 1996.

Hon. DON YOUNG,
Hon. GEORGE MILLER,
Committee on Resources, House of Representatives, Washington, DC.

DEAR MR. YOUNG and MR. MILLER: We are aware of a pending land trade between the federal government and Calista Native Corporation. The area that would be acquired by the U.S. Fish and Wildlife Service in this swap is land that serves as a very important waterfowl breeding area for the Pacific and Central flyways of North America. Substantial portions of the populations of several waterfowl and other bird species use the Yukon-Kuskokwim river delta for breeding and as staging and stopover habitat in their annual migratory cycle.

I understand that you have legislation under consideration that will facilitate a situation that allows the Fish and Wildlife Service to acquire these lands. Ducks Unlimited is in favor of assuring that these lands will be kept in a condition that will allow these birds maximum opportunity to complete their life cycle needs.

Sincerely,

SCOTT SUTHERLAND,
Director of Governmental Affairs.

HERNDON, VA,
September 18, 1995.

Hon. DON YOUNG, Chairman,
House Resources Committee, Washington, DC.

DEAR MR. CHAIRMAN: It has been brought to my attention that you are considering early actions to further the land exchange involving the Calista Regional Corporation (Calista) originally authorized by P.L. 102-172. As an individual with lengthy involvement in the implementation of the Alaska Native Claims Settlement Act, passage of the Alaska National Interest Lands Conservation Act, and numerous related Alaska issues including efforts to achieve completion of the Calista land exchange, I am writing this brief letter to express my support for actions that will further a fair and equitable exchange that benefits both the shareholders of Calista and the conservation interests of the Federal Government. You may recall that for nearly eight years I was in charge of the Fish and Wildlife Service efforts to support the Administration's proposals under Section 17(d)(2) of the ANCSA. In that capacity, I was directly involved with many discussions in the Calista Region regarding long-term cooperation on land and resource issues between the government and the Native leaders in the region and villages. Since leaving that FWS position, I continued having periodic involvement in Alaska matters. I am thoroughly familiar with the exchange provision in law and the efforts made by Calista to reach accord with the Department of the Interior.

It has been my intent to write you a more detailed analysis of the difficulties that have afflicted the Calista exchange and to offer my support for your efforts to remove major impediments. The suddenness of the potential actions in your committee necessitate sending this shorter communication on the subject.

The Calista Corporation has invested substantial resources and time in their efforts to resolve concerns within the Department of the Interior and to move forward with an exchange that represents fairness to the corporation and reasonable benefits to the government. Unfortunately, even with those tangible and resolute overtures by Calista, the exchange process never achieved the level of meaningful two-way communications necessary to resolve serious differences in approach. Thus, although I had sincerely hoped that a beneficial and just reconciliation of differences would be negotiated, there has been no real progress in this matter for more than a year.

Mr. Chairman, even while we have had differences through the years, each of us has worked in his own way for self-determination, fairness and equity for the Native peoples of your great state. I believe that Calista has made an honorable offer of lands and interests in lands that would benefit the long-term conservation and management of the Yukon Delta National Wildlife Refuge. They have sought fairness in the terms of the exchange, but they have been unable to engage the Interior Department representatives in meaningful negotiations. It appears necessary and important for you to assist Calista toward a just exchange arrangement that also provides the refuge with benefits at a fair cost. I will strongly support actions to accomplish those worthy goals.

Sincerely yours,

WILLIAM C. REFFALT.

CALIFORNIA STATE DIVISION, THE IZAAK WALTON LEAGUE OF AMERICA,
June 11, 1996.

Hon. DON YOUNG, Chairman,
House Resources Committee, Washington, DC.

DEAR MR. CHAIRMAN: The California Division of the Izaak Walton of America is a nonprofit grassroots organization who's members are dedicated to outdoor recreation and the conservation and the preservation of our natural resources. On behalf of the 500 members statewide. I am writing to offer my support of legislation that would facilitate the Calista Land transfers authorized by Congress in 1991 and urge that this important measure be enacted expeditiously.

This measure would help conserve and protect critical wildlife habitat located within the Yukon Delta National Wildlife Refuge (YDNWR) in the Calista region of Alaska. Much of the terrain involved provides a low lying coastal habitat for waterfowl, fish and other wildlife typical of the Calista Region and the YDNWR. The YDNWR was established in 1980, pursuant to the Alaska National Interest Lands Act, to protect nesting and breeding habitats for large numbers of migratory birds. Millions of geese, duck, loons, cranes, and swans, as well as shorebirds and seabirds migrate to the spectacular refuge every summer to breed and raise their young. The wetlands that exist on these in holdings are world class and serve as unparalleled habitat for many species of birds and other wildlife.

The specific wildlife that would be protected by this exchange is outstanding. For example, Pacific Bract, White Fronted Geese, Cackling Canada Geese and Emperor Geese nest on the parcels in the exchange. These birds are all "species of Concern" under the Migratory Bird Treaty Act. Their numbers have been declining precipitously. All waterfowl in the refuge, except for the Emperor Geese, sue the Pacific flyway, wintering over at various locations along the

U.S. West Coast and Mexico. In addition, most shorebirds nesting in the refuge also migrate along this flyway, wintering as far away as South America. Wintering overgrounds are where birds spend at least half of their lives. Securing the stability of these waterfowl populations' nesting and overwintering grounds must remain a priority if these populations are to thrive. The Calista land exchanges would greatly enhance this overall protection.

The Calista exchange involves both surface and sub-surface estates. Given the access and other rights of the subsurface estate owner to use and otherwise disturb the surface estate, in order to adequately protect the wildlife and associated habitats, it is imperative that the subsurface estate be protected as well. Consequently, acquisition of subsurface estates is crucial to carrying out the overall purposes of the refuge.

In closing, if adequately protected, the wilderness lands offered by the Calista inholdings will create a legacy of the world class natural resources in the Yukon Delta National Wildlife Refuge that can be shared by anglers, hunters, boaters, ecotourists, wildlife viewers and subsistence users alike.

Sincerely,

SAMUEL A. CARR JR.,
National Director.

Mr. YOUNG of Alaska. Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge strong support of this legislation, and I want to commend the gentleman from Alaska (Mr. YOUNG) for his long and difficult negotiations and successful negotiations to work out this legislation, and I want to recognize the contribution of Deborah Williams and many others at the Department of Interior who have worked hard to develop this consensus legislation.

Again, I thank the gentleman for all his efforts in developing this consensus legislation, and I urge the passage of this legislation.

Mr. Speaker, H.R. 2000 is the third generation of Alaska Native technical amendment bills. The fundamental premise is that these bills are developed on a consensus basis between the Alaska Federation of Natives, the Department of the Interior, the State of Alaska, and other affected parties. The notion is to avoid controversy, leaving those battles to other bills and other forums.

And while there have been bumps in the road, the two previous Alaska Native technical amendment bills have become law and it appears that H.R. 2000 is now also acceptable to the Administration.

One of the more difficult issues in this bill involves the acquisition of lands owned by Calista corporation and Native village corporations which lie within the boundaries of the Yukon Delta National Wildlife Refuge. This acquisition was first authorized on a rider added by the Senate to the FY 1990 Defense Appropriations Act, and the process of reaching agreement between Calista and the Department of the Interior has been far from smooth.

But we now have before us an agreement which has been carefully negotiated and is acceptable to both parties. Calista and the villages will receive federal property worth $39.4 million and in exchange the U.S. Fish and Wildlife Service will acquire refuge inholdings totaling over 200,000 acres of subsurface and over 46,000 acres of surface lands and easements. The Yukon Delta Wildlife Refuge provides critical habitat for migratory waterfowl and birds on the Pacific Flyway.

The value of the Native lands is established in this legislation at $39.4 million, but does not reflect fair market value as established by Fish and Wildlife Service appraisals. Instead, in the judgment of the Department of the Interior, this is the price tag that is necessary to make this a willing seller transaction. The payments in excess of fair market value are considered to be a grant of federal assets which are needed to recapitalize Native corporations in the most economically deprived region of Alaska.

As noted in the description of current social conditions set forth in the land conveyance document, the state of living conditions for most of the Native people of the Calista region can be difficult for outsiders to comprehend. Most of the basics of life which the rest of America takes for granted—such as running water and flush toilets—barely exist within the region. Among many serious problems, this area has the highest infant mortality rate in the Nation. It is for these reasons that the Administration is willing to exchange more economically valuable assets for the Calista properties within the wildlife refuge boundaries.

Mr. Speaker, I want to especially recognize the contributions of Deborah Williams and many others at the Department of the Interior who have worked very hard to develop this consensus legislation. I thank the Chairman for bringing H.R. 2000 before the House and I urge support for the bill.

Mr. YOUNG of Alaska. Mr. Speaker, I have no further requests for speakers, and I yield back the balance of my time.

Mr. MILLER of California. I, too, Mr. Speaker, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2000, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2000, as amended, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

TECHNICAL CORRECTIONS IN LAWS RELATING TO NATIVE AMERICANS

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4068) to make certain technical corrections in laws relating to Native Americans, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION FOR 99-YEAR LEASES.

The second sentence of subsection (a) of the first section of the Act entitled "An Act to authorize the leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases", approved August 9, 1955 (25 U.S.C. 415(a)), is amended—

(1) by inserting "lands held in trust for the Confederated Tribes of the Grand Ronde Community of Oregon," after "lands held in trust for the Cahuilla Band of Indians of California,"; and

(2) by inserting "the Cabazon Indian Reservation," after "the Navajo Reservation,".

SEC. 2. GRAND RONDE RESERVATION ACT.

Section 1(c) of the Act entitled "An Act to establish a reservation for the Confederated Tribes of the Grand Ronde Community of Oregon, and for other purposes", approved September 9, 1988 (25 U.S.C. 713f note; 102 Stat. 1594), is amended—

(1) by striking "10,120.68 acres of land" and inserting "10,311.60 acres of land"; and

(2) by striking all in the table after:

"4	7	30	Lots 3, 4, SW¼NW¼, SE¼NE¼, E½SW¼	240;"

and inserting the following:

"6	8	1	N½SW¼	29.59
6	8	12	W½SW¼NE¼, SE¼SW¼NE¼NW¼, N½SE¼NW¼, N½SW¼SW¼SE¼	21.70
6	8	13	W½E½NW¼NW¼	5.31
6	7	7	E½E½	57.60
6	7	8	SW¼SW¼NW¼, W½SW¼	22.46
6	7	17	NW¼NW¼, N½SW¼NW¼	10.84
6	7	18	E½NE¼	43.42
			Total	10,311.60".

SEC. 3. NAVAJO-HOPI LAND DISPUTE SETTLEMENT ACT.

Section 12 of the Navajo-Hopi Land Dispute Settlement Act of 1996 (110 Stat. 3653) is amended—

(1) in subsection (a)(1)(C), by inserting "of surface water" after "on such lands"; and

(2) in subsection (b), by striking "subsection (a)(3)" each place it appears and inserting "subsection (a)(1)(C)".

SEC. 4. TREATMENT OF CERTAIN DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of the Interior shall take such action as may be necessary to extend the terms of the projects referred to in section 512 of the Indian Health Care Improvement Act (25 U.S.C. 1660b) so that the term of each such project expires on October 1, 2002.

(b) AMENDMENT TO INDIAN HEALTH CARE IMPROVEMENT ACT.—Section 512 of the Indian

Health Care Improvement Act (25 U.S.C. 1660b) is amended by adding at the end the following:

"(c) In addition to the amounts made available under section 514 to carry out this section through fiscal year 2000, there are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2001 and 2002.".

SEC. 5. CONFEDERATED TRIBES OF COOS, LOWER UMPQUA, AND SIUSLAW INDIANS RESERVATION ACT.

Section 7(b) of the Coos, Lower Umpqua, and Siuslaw Restoration Act (25 U.S.C. 714e(b)) is amended by adding at the end the following:

"(4) In Lane County, Oregon, a parcel described as beginning at the common corner to sections 23, 24, 25, and 26 township 18 south, range 12 west, Willamette Meridian; then west 25 links; then north 2 chains and 50 links; then east 25 links to a point on the section line between sections 23 and 24; then south 2 chains and 50 links to the place of origin, and containing .062 of an acre, more or less, situated and lying in section 23, township 18 south, range 12 west, of Willamette Meridian.".

SEC. 6. HOOPA VALLEY RESERVATION BOUNDARY ADJUSTMENT.

Section 2(b) of the Hoopa Valley Reservation South Boundary Adjustment Act (25 U.S.C. 1300i–1 note) is amended—

(1) by striking "north 72 degrees 30 minutes east" and inserting "north 73 degrees 50 minutes east"; and

(2) by striking "south 15 degrees 59 minutes east" and inserting "south 14 degrees 36 minutes east".

SEC. 7. CLARIFICATION OF SERVICE AREA FOR CONFEDERATED TRIBES OF SILETZ INDIANS OF OREGON.

Section 2 of the Act entitled "An Act to establish a reservation for the Confederated Tribes of Siletz Indians of Oregon", approved September 4, 1980 (25 U.S.C. 711e note; 94 Stat. 1073), is amended by adding at the end the following:

"(c) Subject to the express limitations under sections 4 and 5, for purposes of determining eligibility for Federal assistance programs, the service area of the Confederated Tribes of the Siletz Indians of Oregon shall include Benton, Clackamas, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Washington, and Yamhill Counties in Oregon.".

SEC. 8. LOWER SIOUX INDIAN COMMUNITY.

Notwithstanding any other provision of law, the Lower Sioux Indian Community in Minnesota is hereby authorized to sell, convey, and warrant to a buyer, without further approval of the United States, all the Community's interest in the following real property located in Redwood County, Minnesota:

A tract of land located in the Northeast Quarter (NE¼) of Section Five (5), Township One Hundred Twelve (112) North, Range Tnirty-five (35) West, County of Redwood and State of Minnesota, described as follows: Commencing at the north quarter corner of Section 5 in Township 112 North, Range 35 West of the 5th Principal Meridian; thence east a distance of 678 feet; thence south a distance of 650 feet; thence South 45 degrees West a distance of 367.7 feet; thence west a distance of 418 feet to a point situated on the north and south quarter line of said Section 5; thence north a distance of 910 feet to the place of beginning, subject to highway easements of record, and containing 13.38 acres, more or less.

Nothing in this section is intended to authorize the Lower Sioux Indian Community in Minnesota to sell any of its lands that are held in trust by the United States.

SEC. 9. FEDERAL TRUST EMPLACEMENT OF TRIBAL LANDS.

The Cow Creek Band of Umpqua Tribe of Indians Recognition Act (25 U.S.C. 712 et seq.) is amended by adding at the end the following new section:

"SEC. 7. CERTAIN PROPERTY TAKEN INTO TRUST.

"The Secretary of the Interior shall accept title to 2000 acres of real property and may accept title to any additional number of acres of real property located in Umpqua River watershed upstream from Scottsburg, Oregon, or the northern slope of the Rogue River watershed upstream from Agness, Oregon, if such real property is conveyed or otherwise transferred to the United States by or on behalf of the Tribe. The Secretary shall take into trust for the benefit of the Tribe all real property conveyed or otherwise transferred to the United States pursuant to this section. Real property taken into trust pursuant to this section shall become part of the Tribe's reservation. Real property taken into trust pursuant to this section shall not be considered to have been taken into trust for gaming (as that term is used in the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.).".

SEC. 10. AMENDMENTS TO THE JICARILLA APACHE TRIBE WATER RIGHTS SETTLEMENT ACT.

(a) Section 8(e)(3) of the Jicarilla Apache Tribe Water Rights Settlement Act, as amended by Public Law 104–261, is further amended by striking "December 31, 1998" and inserting in lieu thereof "December 31, 2000".

(b) The Jicarilla Apache Tribe Water Rights Settlement Act (Public Law 102–441) is amended by adding at the end the following new section:

"SEC. 12. APPROVAL OF STIPULATION.

"Notwithstanding any other provision of Federal law, including section 2116 of the Revised Statutes (25 U.S.C. 177), the Stipulation and Settlement Agreement, dated October 7, 1997, between the Jicarilla Apache Tribe and other parties to State of New Mexico v. Aragon, No. CIV–7941 JC, U.S. Dist. Ct., D.N.M., approved by the United States District Court in that proceeding, is hereby approved.".

SEC. 11. SAN LUIS REY INDIAN WATER RIGHTS SETTLEMENT ACT.

Section 105(c) of the San Luis Rey Indian Water Rights Settlement Act (Public Law 100–675; 102 Stat. 4000), as amended by section 117 of the Department of the Interior and Related Agencies Appropriations Act, 1992 (Public Law 102–154; 105 Stat. 1012–1013), is amended—

(1) by inserting "(1)" before "Until"; and

(2) by adding at the end the following new paragraph:

"(2) Notwithstanding paragraph (1), prior to completion of the final settlement and as soon as feasible, the Secretary is authorized and directed to disburse a total of $8,000,000, of which $1,600,000 will go to each of the Bands, from the interest income which has accrued to the Fund. The disbursed funds shall be invested or used for economic development of the Bands, the Bands' reservation land, and their members and may not be used for per capita payments to members of any Band. The United States shall not be liable for any claim or causes of action arising from the Bands' use or expenditure of moneys distributed from the Fund.".

SEC. 12. NATIVE HAWAIIAN HEALTH SCHOLARSHIP PROGRAM.

(a) Eligibility.—Section 10(a)(1) of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11709(a)(1)) is amended by striking "meet the requirements of section 338A of the Public Health Service Act (42 U.S.C. 2541)" and inserting "meet the requirements of paragraphs (1), (3), and (4) of section 338A(b) of the Public Health Service Act (42 U.S.C. 254*l*(b))".

(b) Terms and Conditions.—Section 10(b)(1) of the Native Hawaiian Health Care Improvement Act (42 U.S.C. 11709(b)(1)) is amended—

(1) in subparagraph (A), by inserting "identified in the Native Hawaiian comprehensive health care master plan implemented under section 4" after "health care professional";

(2) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(3) by inserting after subparagraph (A) the following:

"(B) the primary health services covered under the scholarship assistance program under this section shall be the services included under the definition of that term under section 12(8);";

(4) by striking subparagraph (D), as redesignated, and inserting the following:

"(D) the obligated service requirement for each scholarship recipient shall be fulfilled through the full-time clinical or nonclinical practice of the health profession of the scholarship recipient, in an order of priority that would provide for practice—

"(i) first, in any 1 of the 5 Native Hawaiian health care systems; and

"(ii) second, in—

"(I) a health professional shortage area or medically underserved area located in the State of Hawaii; or

"(II) a geographic area or facility that is—

"(aa) located in the State of Hawaii; and

"(bb) has a designation that is similar to a designation described in subclause (I) made by the Secretary, acting through the Public Health Service;";

(5) in subparagraph (E), as redesignated, by striking the period and inserting a comma; and

(6) by adding at the end the following:

"(F) the obligated service of a scholarship recipient shall not be performed by the recipient through membership in the National Health Service Corps; and

"(G) the requirements of sections 331 through 338 of the Public Health Service Act (42 U.S.C. 254d through 254k), section 338C of that Act (42 U.S.C. 254m), other than subsection (b)(5) of that section, and section 338D of that Act (42 U.S.C. 254n) applicable to scholarship assistance provided under section 338A of that Act (42 U.S.C. 254*l*) shall not apply to the scholarship assistance provided under subsection (a) of this section.".

SEC. 13. MISCELLANEOUS TECHNICAL CORRECTIONS.

(a) Authorization.—Section 711(h) of the Indian Health Care Improvement Act (25 U.S.C. 1665j(h)) is amended by striking "of the fiscal years" and inserting "of fiscal years".

(b) Reference.—Section 4(12)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12)(B)) is amended by striking "Indian Self-Determination and Education Assistance Act of 1975" and inserting "Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)".

SEC. 14. REPEAL.

Section 326(d)(1) of Public Law 105–83 is repealed and section 1004(a) of Public Law 104–324 is amended by inserting "sale or" before "use".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Alaska (Mr. YOUNG) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4068 would make certain technical corrections in laws relating to Native Americans. This is an extensive bill, and I will be as brief as possible.

It corrects typographical errors in existing laws. It extends the leasing authority to 99 years for the Confederated Tribes of the Grand Ronde Community of Oregon and the Cabazon Indian Reservation. It adds 0.062 acres of land, the driveway to an Indian cemetery, to the Coos, Lower Umpqua and Siuslaw Tribal Reservation. It adjusts the bearings provided for the Hoopa Valley Reservation South Boundary Adjustment Act. It expands the service area of the Confederated Tribes of the Siletz Indians. It authorizes the Lower Sioux Indian Community to sell a 13.38 acre parcel of real property which the tribe owns in fee. It approves the transfer of certain water rights pursuant to the Jicarilla Apache Tribe Water Rights Settlement Act. It amends the Native Hawaiian Health Care Improvement Act to define primary health services covered under the scholarship assistance program.

Finally, there is a section in H.R. 4068 which authorizes the disbursement of certain interest income pursuant to the San Luis Rey Indian Water Rights Settlement Act. The Committee on Resources is concerned about the delay of the implementation of that act.

In conclusion, Mr. Speaker, H.R. 4068 is an important bill for numbers of Indian tribes. It does not pertain to many acres of land, but it does solve a lot of problems that have not been able to be solved, and I urge the passage of the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield such time as he may consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, certainly I want to thank the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Resources; and the senior Democratic ranking member, the gentleman from California (Mr. MILLER), for bringing this legislation to the floor.

Mr. Speaker, this is a bill which addresses several technical changes to existing Native American law. These are not exactly glamorous issues: boundary changes to Indian reservations, leasing authority for one of the reservations and placing into trust of additional land for another Native American tribe. There are some questions concerning sections 9 and 14 of this legislation. It is my understanding that the amendments being offered by the gentleman from Alaska (Mr. YOUNG) incorporate changes which address the concerns which have been raised.

Specifically, Section 9 which concerns 2,000 acres of land of the Cow Creek Band of the Umpqua tribe of Indians will prohibit Indian gaming on the land and the prior contents of Section 14, which would have provided tax exemption from Federal and State taxes for certain distribution funds, has been deleted. The new Section 14 addresses a different native Alaskan problem added by the Senate to Coast Guard legislation and concerning the operations of a health clinic.

Again, it is my understanding that all parties concerned with this provision support the language contained in the amendment of the gentleman from Alaska (Mr. YOUNG); and with this bill, Mr. Speaker, I urge my colleagues to support this legislation.

I again thank the gentlemen from Alaska and from California.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from American Samoa (Mr. FALEOMAVAEGA), and I rise in strong support of this legislation.

Mr. Speaker. Section 11 of H.R. 4068 authorizes a one-time disbursement of $8,000,000 in interest accrued on the Tribal Development Fund established for the La Jolla, Rincon, San Pasqual, Pauma and Pala Bands of Mission Indians pursuant to section 105 of the San Luis Rey Indian Water Rights Settlement Act of 1988 (P.L. 100–575, 102 Stat. 4000). Each band would receive $1,600,000 for investment and economic development purposes. None of the money could be used for per capita payments to Band member. The section further provides that the United States would be exempt from any liability with regard to any Band's use of the funds after the disbursement.

Full implementation of the San Luis Rey Indian Water Rights Settlement Act is conditioned on the acquisition by the United States of a source of 16,000 acre-feet of supplemental water for the Bands. However, in the decade since enactment of the settlement, no source of supplemental water has been secured, despite good faith efforts by all of the settlement parties. This delay in securing a water supply has been years longer than what the Congress and the settlement parties anticipated when the settlement was enacted.

The delay in implementing the settlement has adversely affected the five Bands. While the non-Indian communities of Vista and Escondido have continued to enjoy the use of low-cost, local water to which the Bands have a claim, the Bands have had the benefit of neither water nor funding for economic development as provided for by the settlement. Under these circumstances, the House Committee on Resources has found that the Bands' request for a one-time, partial disbursement of interest earned on the Development Fund that was establishment for their benefit is reasonable and appropriate. The other settlement parties, including the Department of the Interior, have informed the Committee of their support for the Band's request.

The San Luis Rey Tribal Development Fund was capitalized with approximately $32,000,000 appropriated by the Congress in 1989 by Public Law 101–121. The Fund has since grown to more than $52,000,000. With the distribution authorized by this section, the Fund will retain a balance of more than $44,000,000, which will continue to accrue interest and remain an incentive to the Bands to see the settlement through to full and final implementation.

The Committee on Resources expects that the factors that have prolonged fulfillment of the requirements of the settlement will not persist indefinitely. Accordingly, the Committee urges the Secretary to use the full measure of his authority to secure the acquisition of the supplemental water supply required by the Settlement Act at a cost that will enable its economical use for the benefit of the Bands and the complete implementation of the San Luis Rey Indian Water Rights Settlement.

The Committee on Resources recognizes that the Act's dual command that the Department arrange to obtain or develop not more than 16,000 acre feet per year of supplemental water, without bearing any development costs, has been a major impediment to finalizing the settlement. Nevertheless, the Committee does not agree that these requirements support an interpretation of the Act that the Tribal Development Trust Fund, which was established for the exclusive use of the Indian Water Authority on behalf of the Bands, is an appropriate source of funds to finance the delivery of water to the Bands.

Section 107(b)(4) of the Settlement Act states that all funds of the Indian Water Authority that are not required for administrative or operational expenses of the Authority or to fulfill obligations of the Authority (emphasis added) under the title, the Act or any other agreement entered into by the Authority, shall be invested or used for economic development of the Bands, the Bands' reservation lands, and their members. The Act places the obligation to arrange for the development and delivery water for the Bands squarely on the Secretary, not on the Bands. To suggest that the Tribal Development Trust Fund should be used to acquire or deliver water to the Bands is to suggest that the Bands use their own money to fulfill the Secretary's obligation to them. This suggestion is inconsistent with the content of the Act. If additional authority or funding is needed to carry out the intent of the Act, then the Department should consider submitting an appropriate request to the Congress.

Mr. REDMOND. Mr. Speaker, H.R. 4068, the Native American technical corrections bill, contains two important amendments in Section 10 of the bill. Section 10 of H.R. 4068 would amend a section of, and add a new section to, the 1992 Jicarilla Apache Tribe Water Rights Settlement Act (Act of October 23, 1992, Pub. L. No. 102–441, 106 Stat. 2237) ("Settlement Act").

By the terms of the Settlement Act, the Jicarilla Apache Tribe may nor access its "future use" water or a six million dollar water resources development fund until two partial final decrees have been entered, adjudicating the Tribe's historic and existing water rights in two stream system in New Mexico. The current statutory deadline for entry of these two decrees is December 31, 1998. See Pub. L. No. 104–261 §2, 110 Stat. 3176 (1996). If the deadline is not met, these monies, which have already been appropriated, will be returned to the general treasury.

One amendment outlined in Section 10(b) of H.R. 4068 would add a new section 12 to the Settlement Act to provide Congressional approval of an October 7, 1997, Stipulation and Settlement Agreement between the Jicarilla Apache Tribe, the Associación de Acéquias Norteñas de Rio Arriba, and certain other parties to the Rio Chama general stream adjudication, *State of New Mexico ex rel. State Engineer* v. *Aragon,* No. CIV–7941 JC. This settlement agreement has been approved by the Federal district court, but the parties to the agreement are seeking Congressional approval as an extra measure.

This settlement agreement provides for the future transfer of certain water rights from the Tribe to the Acéquias Norteñas. These water rights were perfected under state law prior to the Tribe's acquisition of a ranch from private parties in the 1980s. That land was proclaimed part of the Tribe's reservation in 1988. This agreement does not alter significantly the water rights the Tribe will receive under the Settlement Act, but still provides a fair and reasonable settlement of the concerns expressed by the Acéquias Norteñas. Because the Tribe was able to settle its differences with these and other acequias in the basin, there was no need for a trial on any of the objections filed to the Tribe's proposed Rio Chama decree. This decree was approved by the Federal district court on April 6, 1998.

However, for a host of reasons entirely outside of the Jicarilla Apache Tribe's control, the other decree required by the Settlement Act, which confirms the Tribe's water rights in the San Juan River general stream adjudication, *State of New Mexico* v. *United States of America, et al.,* v. *Jicarilla Apache Tribe,* No. 75–184–1 (11th Jud. Dist. NM), has taken far longer to complete than either the United States Departments of Justice and Interior or the Jicarilla Apache Tribe had anticipated. For this reason, an additional amendment to the Settlement Act, outlined in H.R. 4068, is necessary.

Section 10(a) of H.R. 4068 authorizes a two-year extension of the 1998 statutory deadline by which this last decree must be entered in the San Juan River adjudication. The parties are well along in the litigation, and the United States, the State, and the Tribe are actively trying to negotiate a resolution to the objections that have been filed to the decree. This is the final hurdle to conclude implementation of the Settlement Act, and although the parties are close to conclusion, there is no way for the Tribe to know whether the court will actually enter the decree before the December 31st deadline.

The delays to date have not been the fault of the Jicarilla Apache Tribe. Indeed, the Tribe has acted in good faith to fulfill the requirements of the Settlement Act. Therefore, the Tribe should not be penalized with the loss of six million dollars, which could potentially jeopardize the entire settlement. There is no justifiable reason to allow the statutory deadline to expire without an extension, especially when final settlement is so near. The Department of the Interior supports this extension, and the amendment to sanction the settlement between the Tribe and the acequias, because the Administration believes, as I do, that settlement is in the best interest of all water users in these two basins in New Mexico.

Mr. YOUNG of Alaska. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. MILLER of California. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 4068, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend remarks and include extraneous material on H.R. 4068, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

SENSE OF THE HOUSE WITH RESPECT TO IMPORTANCE OF DIPLOMATIC RELATIONS WITH PACIFIC ISLAND NATIONS

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 505) expressing the sense of the House of Representatives with respect to the importance of diplomatic relations with the Pacific Island Nations.

The Clerk read as follows:

H. RES. 505

Whereas the South Pacific region covers an immense area of the earth, approximately 3 times the size of the contiguous United States;

Whereas the United States seeks to maintain strong and enduring economic, political, and strategic ties with the Pacific island countries of the region, despite the reduced diplomatic presence of the United States in the region since World War II;

Whereas Pacific island nations wield control over vast tracts of the ocean, including seabed minerals, fishing rights, and other marine resources which will play a major role in the future of the global economy;

Whereas access to these valuable resources will be vital in maintaining the position of the United States as the leading world power in the new millennium;

Whereas Asian countries have already recognized the important role that these Pacific island nations will play in the future of the global economy, as evidenced by the Tokyo summit meeting in October 1997 with various Pacific island heads of state;

Whereas the Pacific has long been regarded as one of the "last frontiers", with an enormous wealth of uncultivated resources; and

Whereas direct United States participation in the human and natural resource development of the South Pacific region would promote beneficial ties with these Pacific island nations and increase the possibilities of access to the region's valuable resources: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) it is in the national interest of the United States to remain actively engaged in the South Pacific region as a means of supporting important United States commercial and strategic interests, and to encourage the consolidation of democratic values;

(2) a Pacific island summit, hosted by the President of the United States with the Pacific island heads of government, would be an excellent opportunity for the United States to foster and improve diplomatic relations with the Pacific island nations;

(3) through diplomacy and participation in the human and natural resource development of the Pacific region, the United States will increase the possibility of gaining access to valuable resources, thus strengthening the position of the United States as a world power economically and strategically in the new millennium; and

(4) the United States should fulfill its longstanding commitment to the democratization and economic prosperity of the Pacific island nations by promoting their earliest integration in the mainstream of bilateral, regional, and global commerce and trade.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to commend the gentleman from American Samoa (Mr. FALEOMAVAEGA) for introducing this important resolution, and I want to commend the Chairman and ranking minority member of the Subcommittee on Asia and the Pacific, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. BERMAN), for the role they played in crafting this resolution.

Mr. Speaker, it is important that the House has the opportunity to express its support for the concepts within the resolution. H. Res. 505 expresses the sense of the House that the importance of relations with the Pacific Island Nations be emphasized. Our Nation has a long history of friendship and important alliances with many of the small island nations in the South Pacific. Their overwhelming support at the United Nations for U.S. initiatives and the strategic access we are given to their waters and ports have not gone unnoticed by this committee. Their many sacrifices during the Second World War and the aftereffects in nuclear testing created the foundation that insured world peace.

Accordingly, Mr. Speaker, I support the gentlemen's resolution, and I urge my colleagues to support H. Res. 505.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of House Resolution 505. I introduced this resolution in July to recognize the importance of diplomatic relations between the United States and the Pacific Island Nations.

I am deeply appreciative of the efforts of the chairman and ranking Democratic Member of the House Committee on International Relations, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON), for supporting House Resolution 505 as original cosponsors and for passage of the measure before the full committee.

Mr. Speaker, I would also thank the chairman and ranking Democratic members of the Committee on International Relations' Subcommittee on Asia and the Pacific, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. BERMAN), as well as our esteemed colleagues in the full committee, the gentleman from New Jersey (Mr. SMITH), the gentleman from California (Mr. LANTOS) and the gentleman from Florida (Mr. HASTINGS) for joining us as original cosponsors of House Resolution 505.

Mr. Speaker, my thanks also go to the gentlewoman from Hawaii (Mrs. MINK), the gentleman from Guam (Mr. UNDERWOOD), the gentleman from Hawaii (Mr. ABERCROMBIE), the gentleman from California (Mr. MATSUI) and the gentleman from California (Mr. KIM) for their support of this resolution.

Mr. Speaker, the United States has had a long and extraordinarily deep relationship with our allies and friends of the Pacific Islands. One need only mention the names of Guadalcanal, Midway, Wake Island, Guam and Saipan to recall the critical battles waged in the Pacific during World War II. In that terrible conflict and during the Cold War, our Pacific Island allies have fought and worked alongside Americans to preserve peace and nurture democracy in the Pacific region.

The people of the Marshall Islands, in particular, have made tremendous sacrifices which have greatly contributed to America's nuclear deterrence. During the 1940s and the 1950s the homelands and the Marshallese people were subjected to some 67 U.S. nuclear tests, an ordeal from which they are still struggling to recover.

□ 1530

The contributions of Pacific islanders have truly enhanced American security and stability. Today, a half century later, Mr. Speaker, we should not forget our commitment to our friends in this part of the world.

The Pacific Ocean covers one-third of the earth's surface, and spanning it are the 7,500 islands which comprise the 22 Pacific island nations and territories.

Mr. Speaker, while budgetary cutbacks have resulted in a reduced U.S. diplomatic presence in the region, our Nation continues to have substantial interests in the Pacific, whether that be in areas of investment and trade, strategic and regional security, democratic government and human rights, or protection of the environment.

In particular, with the advent of the Law of the Sea Conference and increasing international enforcement of exclusive economic zones, the Pacific island governments wield control over vast tracks of the entire Pacific Ocean. The millions of square miles of the Pacific Ocean under the jurisdiction of island nations encompass productive fisheries, undersea minerals, and important sea lanes, increasingly vital assets in the future of a global economy.

For example, Mr. Speaker, some of the world's richest and most diverse fishing grounds are found in the Pacific region, where the United States nets the bulk of tuna consumed by our fellow Americans. I would note that much of that tuna is processed in canneries in my own district in American Samoa.

On the ocean floor by Papua New Guinea, Fiji and Tonga lie seabed mineral deposits and undersea nodules containing valuable minerals such as manganese, cobalt, nickel, copper, silver and gold. The EEZ waters of the sparsely populated Cook Islands alone are projected to contain at least $150 billion of sea bed nodules.

The lesson has not been lost on Asian nations that have invested in the region, Mr. Speaker, including China, South Korea, and, in particular, Japan. Last October, then Prime Minister Hashimoto of Japan hosted a Tokyo summit meeting with Pacific island heads of government. No doubt, Japan is making a long term investment and an economic investment for the 21st Century.

Mr. Speaker, House Resolution 505 sends the message that it is important for the United States to cultivate diplomatic relations today with the Pacific island nations to foster strong economic ties tomorrow, and this will directly facilitate access to the region's valuable marine resources in the next millennium. For economic as well as strategic reasons, the United States should not permit others to step into the vacuum created by the lack of a strong U.S. policy and presence in the Pacific region.

Mr. Speaker, in furtherance of that goal, House Resolution 505 strongly urges that the President of the United States host a summit meeting with the Pacific island Heads of State and Governments to improve diplomatic relations with the Pacific island nations.

I would humbly suggest the perfect opportunity to conduct the Pacific Island Summit would be upon the President's return from the APEC meeting scheduled for November 1999 in Wellington, New Zealand. Since it is appropriate that the summit meeting take place in the Pacific, I suggest the East-West Center in Hawaii provides the ideal forum. Since its formation in 1960, the East-West Center has been the region's most respected institution for furthering U.S. relations with the Asian-Pacific region.

Before concluding, Mr. Speaker, I would note that an identical counterpart to House Resolution 505 has been introduced this month in the Senate by my good friend and distinguished Senator from Hawaii, Senator DANIEL INOUYE. Senator INOUYE's measure, Senate Resolution 277, has been cosponsored by Senators DAN AKAKA, TED STEVENS, ORRIN HATCH, ROBERT BYRD, CRAIG THOMAS, ERNEST HOLLINGS, WILLIAM ROTH, WENDELL FORD, BARBARA BOXER, FRANK MURKOWSKI and JEFF SESSIONS, and is before the Senate Foreign Relations Committee now. I thank and commend Senator INOUYE, who has long demonstrated commitment and unmatched leadership in the affairs of the Pacific region.

Mr. Speaker, I would urge that our colleagues support adoption of House Resolution 505 as it is in the national interest of the United States that we preserve strong and enduring economic, political and strategic ties with the Pacific island nations.

America cannot afford to neglect our friends in the Pacific. Adoption of this resolution and the holding of a Pacific Island Summit will ensure that we do not, and that our allies understand that the United States intends to remain firmly engaged in the Pacific region for our mutual benefit.

Mr. Speaker, I urge my colleagues to support and adopt this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER), the distinguished chairman of the Subcommittee on Asia and the Pacific.

Mr. BEREUTER. Mr. Speaker, I want to first thank the chairman for yielding me this time.

Mr. Speaker, I rise in strong support of H. Res. 505, a resolution recognizing the tremendous importance of the Pacific island region and calling for U.S. participation and, in fact, leadership for a Pacific Island Summit.

This resolution was introduced in July, as you heard, by the distinguished gentleman from American Samoa (Mr. FALEOMAVAEGA). It is cosponsored in original cosponsorship by the chairman and ranking member of the full committee, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON) as well as the gentleman from California (Mr. BERMAN), the ranking member of the subcommittee I chair, and myself, along with other distinguished members of our subcommittee and the full committee.

Mr. Speaker, we unanimously approved of in the subcommittee this resolution on September 9th, and the full Committee on International Relations followed suit the following day, September 10th.

This Member would congratulate particularly the distinguished gentleman from American Samoa for introducing this timely and important resolution. He is rightly recognized throughout this body for his commitment and support for the Pacific islands, and today's resolution certainly reflects that commitment.

Mr. Speaker, while the Pacific island nations are a vast and important region with enormous potential, it is nonetheless true that it has recently largely escaped international attention. Of late, international attention has been focused on the political and social unrest in other parts of Asia, together with the financial crisis and nuclear and missile proliferation. The gentleman from American Samoa is to be commended for reminding this body that the Pacific islands are economically and diplomatically important to the United States, and we ignore them to our detriment.

In the years since the end of the Second World War, the United States policy toward the Pacific islands has been dominated by military and security considerations. Certainly the deep water port facilities, the missile test ranges and the jungle training facilities offered by the Pacific islands were essential considerations during the Cold War. But the legislation before this body today expands the focus beyond the security arena, correctly addressing economic issues, the environment and political cooperation.

It is, I think, self-evident in this Nation's interest to pursue such a broad agenda with these small nations of the Pacific. Endowed with vast natural resources, this ocean continent of islands is poised to make valuable contributions to the global economy. U.S. fishing companies already enjoy fishing rights in certain waters controlled by these nations, and improved diplomatic ties would increase the potential for the United States to further benefit from the Pacific's wealth of resources, as well as benefiting those nations. Similarly, there is an enormous potential to exploit the vast mineral wealth of the Pacific for the benefit of the globe and for the benefit of these Pacific island nations and their people.

House Resolution 505 also recommends that the United States host a Pacific Island Summit as a means of highlighting the myriad of bilateral-multilateral issues of the region. This Member believes that is a very important element of this resolution, and suggests indeed, as my colleague has suggested and I reiterate, that a summit is an excellent proposal. Such a summit probably could be scheduled with little difficulty in concert with the annual meeting of the Asia-Pacific Economic Community, APEC, perhaps, as the gentleman suggests, and I agree, at the East-West Center in Hawaii. This Member would urge the administration to consider and act upon such a proposal.

Lastly, I would note that the resolution's author has worked constructively with the majority, with his colleagues in the minority and with the administration to ensure that there are no unnecessary differentials in this resolution. By making this effort, the gentleman has permitted this body to speak with one voice on this important issue.

Therefore, I urge our colleagues to support H. Res. 505, and I thank the gentleman from American Samoa (Mr. FALEOMAVAEGA) for his initiative.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, let me first identify myself with the comments of the distinguished gentleman from Nebraska (Mr. BEREUTER), the chairman of the subcommittee, and my good friend and colleague from American Samoa.

The purpose of my rising is to commend the gentleman from American Samoa (Mr. FALEOMAVAEGA), not only for his leadership on this issue, but on a wide range of issues in the jurisdiction of the Committee on International Relations. The gentleman has not restricted his expertise to this most important region. His contributions to the work of our committee have extended across the globe.

But I think it is particularly appropriate that the gentleman has taken the lead on this issue. His idea of holding a summit at the East-West Center following the APEC meeting at Wellington, New Zealand, is an excellent one, and I strongly urge all of my colleagues to support this legislation. I also call on the administration to take the necessary steps to implement the gentleman's idea.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I thank my colleague from American Samoa, my fellow islander, for yielding me time.

Mr. Speaker, I, too, want to associate myself with all of the remarks previously made by the gentleman from Nebraska (Mr. BEREUTER), as well as the gentleman from California (Mr. LANTOS), and also extend my personal congratulations to my friend the gentleman from American Samoa (Mr. FALEOMAVAEGA) for this very important and timely resolution. I want to point out to the body that the gentleman personally made this suggestion to the President in a recent meeting about having a Pacific summit that would be in concert with the APEC summit, and it was very well received, and I am hopeful that the administration will heed his request and that we will see this summit come to fruition in the future.

Mr. Speaker, on Guam, we share the Pacific Ocean with island nations like Palau and Vanuatu and many of the nations that are referred to and are being considered under this resolution, and we also share many of the same values and cultural traits which already enhance our significant bonds. Our geographical and our cultural proximity with other Pacific island nations gives Guam the opportunity to facilitate cultural, educational and economic exchanges with our Pacific neighbors.

The United States already meets with Pacific island nations through such organizations as the South Pacific Forum, Pacific Economic Cooperation Council and the United Nations, but, as we enter the next millennium, I certainly encourage the United States to continue and in fact intensify its diplomatic and economic engagement.

H. Res. 505 calls for this type of cooperation, and specifically calls for a Pacific summit. A Pacific summit would be a prodigious opportunity for the United States to dialogue with the leaders of nations which control vast marine resources, from fishing rights to sea bed minerals.

The passage of H. Res. 505 is an indication that we are committed to our friends in the Pacific. As has been pointed out, the Pacific island nations are sometimes ignored in the process of even discussing the Pacific Ocean and the Asian-Pacific region. Sometimes in those discussions we are really talking about the Pacific rim nations.

I always like to tell people it is like a big donut, and we are always concerned about the rim nations and we forget that it is the hole in the middle that makes the donut, and it is the Pacific basin and it is all those tiny little islands and tiny little nations which really are sitting on top of a vast variety of resources which need attention.

□ 1545

Not only are they economically important, but certainly they also have strategic and diplomatic importance, as well. It is also significant that in this, the International Year of the Ocean, we must also mean that it must be the International Year of the Islands in those oceans, and those islands whose cooperation is vitally necessary for the development and cultivation of ocean resources in an environmentally sound manner, while making sure that the islanders profit from those resources.

This is a very timely, a very necessary resolution, and I urge its adoption.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would really like to express my appreciation to the gentleman from California (Mr. LANTOS), and my good friend, the gentleman from Guam (Mr. UNDERWOOD), my fellow Pacific Islander, for their eloquence.

I know this is probably the last piece of legislation that we will be working on as far as the Committee on International Relations Subcommittee on Asia and the Pacific is concerned, but I certainly would like to offer my highest commendation to the gentleman from Nebraska (Mr. BEREUTER), the chairman of the subcommittee, not only for his keen insight, but the tremendous eloquence of his statement, which really, I could not have stated better, his full understanding and knowledge of what is happening there in the Pacific region.

I really, really want to thank and commend him for his assistance, for his help, not only as a friend, but for his tremendous leadership that has been demonstrated as chairman of the Subcommittee on Asia and the Pacific, and of course my good friend, the gentleman from New York (Mr. GILMAN).

Mrs. MINK of Hawaii. Mr. Speaker, I rise in strong support of H. Res. 505.

The South Pacific was one of the major theaters of World War II. During that time, the United States and the island nations of the Pacific established strong bonds that endure even after the passage of over half a century.

Yet, while the United States has developed and maintained a strong economic, political, and strategic interest or presence in the Pacific, the same cannot be said of the United States diplomatic presence in the region, which has diminished considerably over the decades. This resolution expresses the sense of Congress that the United States should strengthen its diplomatic presence with the Pacific island nations.

This resolution, by encouraging a greater U.S. diplomatic presence in the Pacific, recognizes that while the United States should promote and support its commercial and strategic interests by encouraging Pacific island nations to become more fully integrated into the regional and global economy, it is equally important that such integration be accompanied by the promotion and consolidation of human rights and democratic values. And, these broader developments can better be realized by reestablishing America's diplomatic presence in the South Pacific.

Mr. FALEOMAVAEGA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, House Resolution 505.

The question was taken.

Mr. FALEOMAVAEGA. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SENSE OF CONGRESS CONDEMNING ATROCITIES BY SERBIAN POLICE AND MILITARY FORCES AGAINST ALBANIANS IN KOSOVA

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 315) expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) under the control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military action, as amended.

The Clerk read as follows:

H. CON. RES. 315

Whereas the ethnic Albanian population of the province of Kosova, which makes up the overwhelming majority of the population of that area, has been denied internationally recognized human rights and political rights, including the protection of life, freedom of speech, freedom of assembly, and freedom of the press;

Whereas Serbian police and military forces have engaged in brutal suppression of the Albanian people, and the number of Serbian police and military forces which have been deployed in Kosova is estimated at some 50,000 men;

Whereas human rights groups have reported and documented instances of Serbian forces conducting abductions and summary executions of innocent ethnic Albanian civilians in reprisal killings that are similar to those conducted by Nazi forces during World War II and are similar to the ethnic cleansing which was carried out by ethnic Serbian troops in Bosnia;

Whereas Serbian forces have indiscriminately shelled and burned villages, reducing them to rubble, in order to drive out the ethnic Albanian inhabitants, inflicting heavy material losses upon the ethnic Albanians in Kosova;

Whereas hundreds of ethnic Albanians, including women and children, have been killed and over 200,000 ethnic Albanians have been forced to flee and have become refugees as a result of this Serbian military action;

Whereas the stubborn denial of human rights and political rights to the ethnic Albanian majority in Kosova by the Government of Serbia has been the major factor in the radicalization of the political situation in the province and made the prospects of a peaceful resolution of the conflict there difficult if not impossible;

Whereas the dissolution of the Socialist Federal Republic of Yugoslavia (SFRY) resulted in 5 independent states and the ownership of the blocked assets of the SFRY has yet to be determined and apportioned among the successor states; and

Whereas the United States and the governments of other countries have blocked the assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) as part of the blocked assets of the SFRY: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) deeply deplores and strongly condemns the appalling loss of life and the extensive destruction of property in Kosova that is the consequence of the brutal actions of Serbian police and military forces against the ethnic Albanian population of the province;

(2) believes that the Government of Serbia is primarily responsible for the loss of life and destruction of property, and thus Serbia should bear the principal burden of providing compensation for the loss of life and for the costs of rebuilding areas which its forces have devastated;

(3) urges the President and officials he designates to work with the Congress to draft legislation and regulations which will permit the claims of ethnic Albanians from Kosova who have suffered as a consequence of the brutal actions of Serbian police and military forces in Kosova to be considered, without prejudice to the claims of United States nationals, when claims settlement negotiations involving the assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) which the United States has blocked or asserted control over takes place;

(4) urges that, in drafting such legislation and implementing regulations, special consideration be given to the circumstances of the Government of the Republic of Montenegro and to persons located in and organized under the laws of the Republic of Montenegro;

(5) urges the President and the Secretary of State to urge all other countries to follow a policy which permits ethnic Albanians who have suffered as a consequence of the brutal actions of Serbian police and military forces in Kosova to make claims against the assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) which are in the control of the respective country; and

(6) requests that a copy of this resolution be transmitted to the President and the Secretary of State by the Clerk of the House of Representatives and the Secretary of the Senate.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 315.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, House Concurrent Resolution 315, expresses the well-founded view that Serbia is responsible for the mayhem that police and military personnel have inflicted upon the unfortunate people of Kosova, and that Serbia should be held financially responsible for the damages done to their homes and other property of the Albanian citizens of Kosova.

I commend the distinguished gentleman from California (Mr. LANTOS), a senior member of our committee, for introducing this measure. I am pleased to be listed as an original cosponsor.

This resolution calls for our President to work with the Congress to develop laws and regulations that would make it possible to utilize the Serbian blocked assets here in our Nation under the control of our government for the purpose of providing restitution to those who have suffered property losses as a result of the conflict in Kosova.

While we recognize that there may be other claimants to these assets, we want to put the House on record that Serbia is financially accountable for the damages that its police and military have caused through unrestrained use of force and willful destruction of housing and other property belonging to members of the Albanian community in Kosova.

Just last week I called upon the President to mobilize NATO to issue an ultimatum to Milosevic to permit the hundreds of thousands of displaced people in Kosova to return to their homes in safety, and to permit unimpeded access for humanitarian assistance for these people.

Winter comes early to Kosova. We can no longer play for time for other forms of diplomacy to take effect. Milosevic is completely untrustworthy, and the lives of more than 250,000 people in Kosova now hang on the credibility of the international community's pledge to permit no more Bosnias in the Balkans. We must not wait to act until scenes of human misery flash across our TV screens in the next few weeks.

Accordingly, I urge all of our Members of the House to join with the sponsors of this resolution in sending a strong message to the Serbian leadership that in addition to any legal and political penalties they may face, they will also pay a financial penalty for their actions in Kosova.

It is our hope that other governments will undertake similar measures, so that the people of Kosova may eventually receive some restitution from the government that is directly responsible for their suffering and for their tremendous losses.

Mr. Speaker, I reserve the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first express my thanks and respect to the gentleman from New York (Mr. GILMAN), the chairman of our committee, for his strong support of this long overdue measure.

If I may, Mr. Speaker, I would like to put this whole resolution in some historic context. Kosova, an Albanian province of Serbia, was a relatively peaceful, poor place until 1989. In 1989, without the slightest provocation, Mr. Milosevic destroyed whatever modicum of autonomy the people of Kosova had and created of 1,800,000 Albanian ethnic Kosovars colonial subjects within their own country.

I visited Kosova many times during the last decade. It is, without any question, Europe's poorest region. It is the only region, Mr. Speaker, where you can meet a young man or a young woman in their twenties having only one or two or three teeth, because there are no dental services available. The grinding poverty of the Albanian ethnic population of Kosova is pitiful and heartrending.

The people of Kosova have been fortunate to have reasonable, moderate, peace-loving leadership in the person of Dr. Ibrahim Rugova, a scholar of great distinction. But he could not get anyplace with the dictatorial regime of Milosevic, and gradually an extremist element emerged within the Albanian population which started military activities.

In response to this, the Serbian army not only crushed this military uprising, but caused over 250,000 civilians, men, women, children, old folks, to leave their poor villages, many of them by now destroyed. As we speak, Mr. Speaker, over 50,000 civilian Kosovars are hiding in the mountains, and last week the first snow fell in Kosova.

My resolution calls for two things. It calls for the Congress to denounce the brutal and inhumane activities of Serbian military and paramilitary and police forces against the civilian population of Kosova; and secondly, it calls on our government to see to it that Serbian assets frozen in this country be used to compensate, to whatever extent is feasible, these poor and destitute people, so that when they return to their destroyed and devastated villages, they can start rebuilding their lives.

This is the very least that we can do for an innocent, persecuted, long-suffering people, 1,800,000 ethnic Albanian Kosovars whose sole crime is that they happen to live within the boundaries of the state of Serbia. Mr. Speaker, I strongly urge my colleagues to support this resolution.

Mr. Speaker, I am very pleased to yield such time as he may consume to my distinguished friend and colleague, the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I thank the gentleman for yielding time to me. I also want to thank the distinguished Member for sponsoring this legislation, which I am a cosponsor of, and for his leadership throughout the world for freedom.

I think if there is some day a dictionary encyclopedia that says, what does a Congressman look like, we will see Mr. Bill Natcher and the gentleman from California (Mr. TOM LANTOS). I mean that.

Also, I thank the gentleman from New York (Chairman GILMAN) for all the work he has done. Naturally, I support this resolution. I think it is on target.

I, though, would also like to recommend that my legislation that would move Kosova toward an independent state be seriously considered, for several reasons. Number one, Milosevic has shown that he is a brutal dictator, and the atrocities against ethnic Albanians may in fact produce another Bosnia for the world.

Having said that, I think it is time to look at Kosova. The population consists of 90 percent ethnic Albanians, their roots, their language, and under the former state of Yugoslavia, they had an independent status.

As much as I support this, I would like to say that ethnic Albanians do not just want an opportunity to make a claim against Serbian assets in our country, ethnic Albanians want independence, and they are crying out for freedom all over this world. I believe our administration is trying to keep the lid on, in all fairness. But I believe we can coddle this guy Milosevic a little too much, and I think it is time to get stern with this man.

I would just like to recommend to the chairman and distinguished leaders of this committee to look at the matter of independence. I believe there is no other answer because ethnic Albanians will not accept anything else, and I believe if there is to be a tempest in this teapot, we should deal with it now. But this certainly is on the right track.

I am proud to join forces with the gentleman from California (Mr. LANTOS), and I am hoping that the administration and the State Department look very carefully at the recommendation coming from the gentleman from California (Mr. LANTOS), the gentleman from New York (Mr. GILMAN), and the rest of the Congress.

Mr. HOYER. Mr. Speaker, I rise in strong support of this resolution and urge the House to pass it by a unanimous vote.

This resolution condemns the violence in Kosovo and calls for compensation for its victims from the assets of the perpetrators. This is the just and right thing to do.

And while, Mr. Speaker, we must condemn the violence and ethnic cleansing, we must do more. As we debate this resolution, Milosevic and his thugs are conducting yet another assault against civilians in the Drenica region of Kosovo. Reports indicate that 20,000 more refugees are fleeing their homes as Serb police and military units continue their scorched Earth policy. Hundreds of people, including women and children, have been killed since the violence began. More than a quarter of a million people—one-sixth of Kosovo's overwhelmingly ethnic Albanian population—have been driven from their homes. An estimated 50,000 are living in the open, threatened by starvation, hypothermia and disease.

Last week Senator Bob Dole and Assistant Secretary of State John Shattuck testified about their recent visit to Kosovo before the Helsinki Commission. Senator Dole said that what he saw in Kosovo shares many of the worst characteristics of the war in Bosnia, including the genocide in Srebrenica. Secretary Shattuck described horrendous human rights violations, violations of humanitarian law, and acts of punitive destruction on a massive scale.

Make no mistake about it. This is Bosnia—again. And as we saw in Bosnia, the only thing Milosevic responds to is force.

In December 1992, President Bush warned that if civilians in Kosovo were attacked, we would respond with force. President Clinton reiterated that warning in March 1993. The international community has threatened, NATO has planned contingencies, we have rattled our sabers, yet Milosevic and his thugs carry on with impunity.

I call on the Congress, the administration, and our NATO allies to act now to save the people of Kosovo, to halt Milosevic's reign of terror and to finally bring a chance for peace to the Balkans.

Mr. LANTOS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 315, as amended.

The question was taken.

Mr. GILMAN. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1600

RICHARD C. LEE UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1355) to designate the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse," as amended.

The Clerk read as follows:

S. 1355

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 141 Church Street in New Haven, Connecticut, shall be known and designated as the "Richard C. Lee United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Richard C. Lee United States Courthouse".

The SPEAKER pro tempore (Mr. HANSEN). Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Senate 1355, as amended, designates the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse."

Richard Lee was the mayor of New Haven, Connecticut, for eight terms, comprising 16 years in office. He was a dedicated public servant who played a significant role in American urban history. Celebrated as an urban pioneer, under his leadership the City of New Haven became a model in urban renewal for cities across the United States.

Mayor Lee recognized the importance of a thriving downtown area and healthy middle-class population to ensure a city's existence. Mayor Lee is a credit to his hometown of New Haven.

This is a fitting tribute to a dedicated public servant, and I support the Senate bill, as amended. Mr. Speaker, I urge my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Haven, Connecticut (Ms. DELAURO), the sponsor of this legislation in the House.

Ms. DELAURO. Mr. Speaker, I thank both gentlemen for the opportunity to be able to speak on this issue this afternoon. I am very, very proud to sponsor this bill which will designate the U.S. courthouse in my hometown of New Haven, Connecticut, as the "Richard C. Lee United States Courthouse."

Richard C. Lee epitomizes all that a mayor can and should be and is truly a model mayor of a city for this century.

Dick Lee's dedication to the City of New Haven is illustrated by a lifetime of public service. His career began as a reporter. He became editor of the New Haven Journal Courier. He later became editor of the Yale News Digest and director of the Yale University News Bureau. He went on to a career as a public servant after that.

After twice running and losing, he became New Haven's youngest mayor in 1953. He served for 16 years, longer than any mayor since. There is a historic dimension to Dick Lee's administration. During his tenure as a mayor, he was deeply involved with and dedicated to issues of urban renewal. He initiated an economic revitalization plan marking a turning point in New Haven's history.

He was particularly interested in the human side of urban redevelopment. He incorporated community outreach into the public school system; added staff to the public schools to facilitate relationships between faculty, students, and others; he developed job training programs; he served as President of the United States Conference of Mayors.

Because of his success in New Haven, his solid reputation led to his becoming principal advisor on urban affairs during the Kennedy and Johnson administrations, where he led the way for similar programs throughout the country.

After retiring as mayor, Dick continued to serve his community by serving as executive director of the United Way of Greater New Haven from 1975 to 1980. His later achievements included an appointment to the Committee on Judicial Review in 1976, and chairing the State Library Board from 1984 to 1986. In 1987, he was appointed to the Judicial Review Council. He later joined Union Trust as the chairman's representative in New Haven.

Let me just say that Dick Lee understood how vibrant and alive cities are and what role they can play in making sure that people have the kinds of opportunity that they needed economically and what kind of a social fabric one needs in order for a people to be able to succeed.

On a personal and political level, the DeLauro and Lee families have been close for years. I witnessed firsthand his knowledge, insight, and caring for the New Haven community. My mother, Luisa DeLauro, served on the Board of Aldermen under Dick's administration. I fondly remember Dick's relationship with my father, Ted DeLauro. They were great friends and they worked together on numerous projects for the betterment of the New Haven community. Throughout my life, Dick Lee has been both a mentor and a friend.

On September 13th, 1987, Dick was inducted into the Knights of St. Gregory, a Papal honor for "exemplary conduct as a citizen living up to his full measure of influence and creativity in the community." It is exactly this commitment to community that distinguishes the life of Richard C. Lee, and it is with great pleasure that I sponsor this legislation.

Dick Lee is now 82 years old. He probably will be angry with me for mentioning his age, but he truly epitomizes what a public servant is in our country. This courthouse will be a lasting tribute to a man who has been one of the most dedicated and effective mayors of this century, and I thank the gentlemen for allowing me this time to speak on his behalf.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Mayor Richard Lee has become known as the model mayor for our country and for this century. Having served in World War II, he returned to his hometown of New Haven and he started a lifetime of service.

There is something I would like to mention that perhaps is a little unusual as being a former sheriff. Mayor Lee petitioned the Ford Foundation and the Federal Government to join him in the fight against juvenile delinquency and urban unemployment years ago, being in advance of and understanding the unusual dynamics taking place in our country and certainly in our urban environment.

The point I want to mention to this House is during the urban unrest of the 1960s, New Haven, Connecticut, did not experience the violence which shook other major cities, now chronicled in the history of those turbulent years. New Haven, in fact, became the model for law enforcement civility without one shot being fired by a policeman during that time. Not one shot being fired.

Some of the adjectives that have been used to describe the great mayor were: Commitment, accessibility, involvement, creativity. Mr. Speaker, I believe it is prompt and proper for the House to offer another one: A great American.

I am proud to support this bill. I want to commend the two Senators from Connecticut and also the great Member here from New Haven for their bill. I support it and I urge an "aye" vote.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the Senate bill, S. 1355, as amended.

The question was taken.

Mr. KIM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

ROBERT K. RODIBAUGH UNITED STATES BANKRUPTCY COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 81) to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse".

The Clerk read as follows:

H.R. 81

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 401 South Michigan Street in South Bend, Indiana, shall be known and designated as the "Robert K. Rodibaugh United States Bankruptcy Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Robert K. Rodibaugh United States Bankruptcy Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 81 designates the United States courthouse in South Bend, Indiana, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse."

Judge Rodibaugh served the Northern District of Indiana in the area of bankruptcy law since his appointment as a bankruptcy judge in 1960. During his tenure, he oversaw the growth of the bankruptcy court from one small courtroom with a part-time referee and a clerk's office of 4 employees in South Bend, to four separate courtrooms located throughout northern Indiana. In 1985, Judge Rodibaugh was appointed Chief Bankruptcy Judge and assumed senior status in 1986.

Judge Rodibaugh has fulfilled his duties as a referee and a judge in bankruptcy proceedings with a patience, fairness, and dedication to legal scholarship which is most worthy of recognition. It is a fitting tribute to honor him and his accomplishments in this manner.

Mr. Speaker, I support this legislation and urge my colleagues to join me to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the fine gentleman from South Bend, Indiana (Mr. ROEMER), the sponsor of this legislation.

Mr. ROEMER. Mr. Speaker, I thank the gentleman from Ohio (Mr. TRAFICANT) and I also want to thank the gentleman from California (Mr. KIM) for their help on this very important piece of legislation today that we honor Judge Rodibaugh with.

Mr. Speaker, I would also like to thank the gentleman from Ohio (Mr. TRAFICANT) for his hard work on this bill. I know he has visited my hometown of South Bend a couple of different times when he played football at the University of Pittsburgh. I would like to say that he was 0 and 2 when he visited my hometown, but I think he got a win one year and was 1 and 1 against the Fighting Irish.

Mr. Speaker, I rise to salute Judge Robert Kurtz Rodibaugh, a loyal and dedicated friend, the senior bankruptcy judge for the South Bend Division of the Northern District of the State of Indiana. It is truly a great honor for me to recognize Judge Rodibaugh, who has consistently demonstrated generosity and selfless dedication to the citizens and legal community of northern Indiana.

At the beginning of this Congress, I introduced H.R. 81 to designate the recently dedicated courthouse on the corner of Western and South Michigan Streets in South Bend, Indiana, in honor of Judge Rodibaugh and his numerous contributions to the legal community. Last year, I also had the privilege to attend the dedication ceremony for the Rodibaugh Courthouse. While the courthouse has already been dedicated, I believe that H.R. 81 is an appropriate way to express our gratitude for Judge Rodibaugh's lifelong dedication to public service.

Mr. Speaker, without question, the Robert K. Rodibaugh United States Bankruptcy Courthouse is a fitting title for the new bankruptcy facility. Judge Rodibaugh is a shining example of the importance of public service whose tireless contributions provide an invaluable service to our community, my hometown, South Bend, Indiana.

Mr. Speaker, I am confident that Judge Rodibaugh will continue to play a constructive and important role in our community and will continue to serve as a powerful inspiration to all of those who come into contact with him. I thank the House of Representatives for passing this, and I thank the chairman and ranking member for their assistance, and congratulate Judge Rodibaugh.

Mr. Speaker, I rise today in appreciation of Judge Robert Kurtz Rodibaugh, a loyal and dedicated friend, the senior bankruptcy judge for the South Bend Division of the Northern District of Indiana. It is truly a great honor for me to recognize Judge Rodibaugh, who has consistently demonstrated generosity and selfless dedication to the citizens and legal community of Northern Indiana.

At the beginning of the current Congress, I introduced legislation, H.R. 81, in the U.S. House of Representatives to designate the recently dedicated courthouse on the corner of Western and South Michigan Streets in South Bend, Indiana in honor of Judge Rodibaugh and his numerous contributions to the legal community. Last year, I had the privilege to attend the dedication ceremony for the "Robert K. Rodibaugh United States Bankruptcy Courthouse." While this courthouse has already been dedicated, I believe that H.R. 81 is an appropriate way to express our gratitude for Judge Rodibaugh's life-long dedication to public service.

Mr. Speaker, as you may recall, I introduced identical legislation which was passed by the House of Representatives during the last Congress. Unfortunately, the measure was not considered by the U.S. Senate before the 104th Congress adjourned. I am honored to sponsor H.R. 81 and pleased that the majority of the Indiana Congressional delegation has cosponsored my legislation. Judge Rodibaugh is recognized by his community and his peers as an honorable man worthy of such a tribute. He is highly regarded throughout the entire country and has been a pillar of the community. Moreover, he is greatly respected by other judges and the bankruptcy bar in Northern Indiana. Since his initial appointment as a referee in bankruptcy in November 1960 and throughout his legal career as a bankruptcy judge, Judge Rodibaugh has served the citizens and legal community of the Northern District of Indiana wisely, efficiently, and honorably.

A native of Elkhart County, Indiana, Judge Rodibaugh graduated from the University of Notre Dame with a Bachelor of Science degree in 1940 and attended the University of Notre Dame Law School, where he served as the Associate Editor of the Notre Dame Law Review between 1940 and 1941. He received his Juris Doctor degree in 1941. After gaining his admittance to practice law in 1941, Judge Rodibaugh entered active duty as a private in the United States Army. He was discharged in 1946 as a Captain after serving in the infantry and armored forces during World War II. Following his release, Judge Rodibaugh entered private practice in 1946. He also served as the Deputy Prosecuting Attorney of the 60th Judicial Circuit, in St. Joseph County, Indiana, from 1948 to 1950, and again from 1953 to 1957. In addition, Judge Rodibaugh served as Attorney for the St. Joseph County Board of Zoning Appeals between 1958 and 1960.

Mr. Speaker, Judge Rodibaugh received the 33 Years of Distinguished Service to Bench and Bar Award from the Bankruptcy Judges of the Seventh Circuit in 1993, the 50 Year Golden Career Award from the Indiana State Bar Association in 1991, and the Notre Dame Law School's Distinguished Alumnus Award in 1991. Some of the significant cases that Judge Rodibaugh has decided include *Papelow* v. *Foley* and *In the Matter of John Kelly Jeffers*. Judge Rodibaugh has always enjoyed the challenge of bankruptcy law and has a special talent for working with corporate reorganizations. Recently, Judge Rodibaugh said: "I still think bankruptcy law is one of the most fascinating areas of the law. When a reorganization is successful, it is a satisfying feeling."

Mr. Speaker, throughout his tenure, Judge Rodibaugh has presided over the growth of the bankruptcy court in Northern Indiana from one small courtroom with a part-time referee and a clerk's office of two employees in South Bend, Indiana, to four different courtrooms in the cities of South Bend, Fort Wayne, Gary, and Lafayette, Indiana, with four full-time judges and a clerk's office of over forty employees. According to his colleague, Judge Harry Dees, also a bankruptcy judge for the Northern District of Indiana: "Judge Rodibaugh never complained about all the weekly traveling, he just did it."

Moreover, Judge Rodibaugh has fulfilled his duties as a bankruptcy judge with patience, fairness, dedication and legal scholarship which is most worthy of recognition. His high standards have benefitted the many law clerks and judicial personnel who have served under his tutelage, the lawyers who have practiced before the bankruptcy court, as well as the citizens residing in the Northern District of Indiana. In 1985, Judge Rodibaugh was appointed Chief Judge of the U.S. Bankruptcy Court for the Northern District of Indiana. He served in that position until he assumed full-time recall status as a senior judge one year later. Today, Judge Rodibaugh continues in this position, carrying a full case load, and he has no plans to cut back on his work with the court. Currently, Judge Rodibaugh and his wife, Eunice, live in South Bend, Indiana.

Mr. Speaker, it is important for me to indicate that the firm of Panzica Development Company with Western Avenue Properties, LLC, graciously agreed to name the new privately-owned courthouse building in Judge Rodibaugh's honor, owing to his unblemished character and numerous professional achievements in the bankruptcy field. I am confident that the "Robert K. Rodibaugh United States Bankruptcy Courthouse" is an appropriate title for the new bankruptcy court facility. Judge Rodibaugh is a shining example of the importance of public service, whose tireless contributions provide an invaluable service to our community. I am confident that Judge Rodibaugh will continue to play a constructive and important role in our community, and will continue to serve as a powerful inspiration to all of those who come into contact with him.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Indiana (Mr. ROEMER) the young man from South Bend, was, I believe, about 4 years old when I was in South Bend. I am amazed that he has such a recollection. I know he loves football and that is what makes him so avid.

Mr. Speaker, I compliment the gentleman for recognizing this great judge. When the bankruptcy courts opened up back there, I think they had one part-time clerk and a small office. They graduated to four full bankruptcy courts in Mr. ROEMER's hometown of South Bend, and also Fort Wayne, Gary, and Lafayette.

This is a very respected judge, noted for fairness, dedication, and legal scholarship. Nearly everyone that endorsed this talked body legal scholarship and helping to bring bankruptcy matters to the forefront of consideration of the court system.

So, I want to compliment and commend the gentleman from Indiana (Mr. ROEMER) for his efforts. I want to also say that without a doubt, we not only have a great jurist, but a great American. I am proud to support the legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 81.

The question was taken.

Mr. KIM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

□ 1615

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 81, the bill just considered.

The SPEAKER pro tempore (Mr. HANSEN). Is there objection to the request of the gentleman from California?

There was no objection.

NONCITIZEN BENEFIT CLARIFICATION AND OTHER TECHNICAL AMENDMENTS ACT OF 1998

Mr. CAMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4558) to make technical amendments to clarify the provision of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplemental security income benefits, as amended.

The Clerk read as follows:

H.R. 4558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998".

SEC. 2. CONTINUING ELIGIBILITY FOR SSI AND RELATED BENEFIT FOR NONQUALIFIED ALIENS WHO WERE RECEIVING BENEFITS ON THE DATE OF THE ENACTMENT OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is amended by inserting after paragraph (4) the following new paragraph:

"(5) Subsection (a) shall not apply to eligibility for benefits for the program defined in section 402(a)(3)(A) (relating to the supplemental security income program), or to eligibility for benefits under any other program that is based on eligibility for benefits under the program so defined, for an alien who was receiving such benefits on August 22, 1996.".

SEC. 3. EXTENSION OF AUTHORIZATION OF SELF-EMPLOYMENT ASSISTANCE PROGRAMS.

(a) In General.—Paragraph (2) of section 507(e) of the North American Free Trade Agreement Implementation Act (26 U.S.C. 3306 note) is hereby repealed.

(b) Conforming Amendments.—Subsection (e) of section 507 of such Act is further amended—

(1) by amending the heading after the subsection designation to read "Effective Date.—"; and

(2) by striking "(1) Effective date.—" and by running in the remaining text of subsection (e) immediately after the heading therefor, as amended by paragraph (1).

SEC. 4. CORRECTIONS TO THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998.

(a) Reduction of Penalty for State Failure to Meet Deadline for Compliance With Child Support Data Processing and Information Retrieval Requirements if Performance of Certain Aspect of State IV-D Program Meets Performance Threshold.—

(1) In general.—Section 455(a)(4)(C) of the Social Security Act (42 U.S.C. 655(a)(4)(C)) is amended by adding at the end the following:

"(iii) The Secretary shall reduce the amount of any reduction that, in the absence of this clause, would be required to be made under this paragraph by reason of the failure of a State to achieve compliance with section 454(24)(B) during the fiscal year, by an amount equal to 20 percent of the amount of the otherwise required reduction, for each State performance measure described in section 458A(b)(4) with respect to which the applicable percentage under section 458A(b)(6) for the fiscal year is 100 percent, if the Secretary has made the determination described in section 458A(b)(5)(B) with respect to the State for the fiscal year.".

(2) Effective Date.—The amendment made by paragraph (1) of this subsection shall take effect as if included in the enactment of section 101(a) of the Child Support Performance and Incentive Act of 1998, and the amendment shall be considered to have been added by section 101(a) of such Act for purposes of section 201(f)(2)(B) of such Act.

(b) Clarification of Effective Date for Certain Medical Child Support Provisions.—

(1) In general.—Section 401(c)(3) of the Child Support Performance and Incentive Act of 1998 (42 U.S.C. 652 note) is amended by striking "of the enactment of this Act" and inserting "specified in subparagraph (A)".

(2) Effective date.—The amendment made by paragraph (1) of this subsection shall take effect as if included in the enactment of section 401(c)(3) of the Child Support Performance and Incentive Act of 1998.

SEC. 5. ELIGIBILITY OF NONRESIDENT ALIENS TO RENEW PROFESSIONAL LICENSES.

(a) Federal.—Section 401(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)(2)) is amended—

(1) at the end of subparagraph (A) by striking "or";

(2) at the end of subparagraph (B) by striking the period and inserting "; or"; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.".

(b) State or Local.—Section 411(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)(2)) is amended—

(1) at the end of subparagraph (A) by striking "or";

(2) at the end of subparagraph (B) by striking the period and inserting "; or"; and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.".

SEC. 6. CLARIFICATION OF OBLIGATION OF WELFARE-TO-WORK FUNDS.

(a) In General.—Section 403(a)(5)(A)(iv)(II) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(iv)(II)) is amended by striking "or sub-State entity" and inserting ", other than funds reserved by the State for distribution under clause (vi)(III) and funds distributed pursuant to clause (vi)(I) in any State in which the service delivery area is the State".

(b) Retroactivity.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 5001 of the Balanced Budget Act of 1997.

SEC. 7. DISREGARD OF LIMITED AWARDS MADE TO CHILDREN WITH LIFE-THREATENING CONDITIONS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) Income Disregard.—Section 1612(b) of the Social Security Act (42 U.S.C. 1382a(b)) is amended—

(1) by striking "and" at the end of paragraph (20);

(2) by striking the period at the end of paragraph (21) and inserting "; and"; and

(3) by adding at the end the following:

"(22) any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—

"(A) in the case of an in-kind gift, if the gift is not converted to cash; or

"(B) in the case of a cash gift, only to the extent that the total amount excluded from the income of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed $2,000.".

(b) Resource Disregard.—Section 1613(a) of the Social Security Act (42 U.S.C. 1382b(a)) is amended—

(1) by striking "and" at the end of paragraph (11);

(2) by striking the period at the end of paragraph (12) and inserting "; and"; and

(3) by inserting after paragraph (12) the following:

"(13) any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—

"(A) in the case of an in-kind gift, if the gift is not converted to cash; or

"(B) in the case of a cash gift, only to the extent that the total amount excluded from the resources of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed $2,000.".

(c) Retroactivity.—The amendments made by this section shall apply to gifts made on or after the date that is 2 years before the date of the enactment of this Act.

SEC. 8. ENHANCED RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) In General.—Part A of title XI of the Social Security Act is amended by adding at the end the following new section:

"RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

"Sec. 1147. (a) In General.—(1) Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made under the supplemental security income program under title XVI of this Act (including, for purposes of this section, under section 1616(a) of this Act or section 212(b) of Public Law 93–66) to a person who is not currently eligible for cash benefits under the program, the Commissioner, notwithstanding section 207 of this Act but subject to paragraph (2) of this subsection, may recover the amount incorrectly paid by decreasing any amount which is payable to the person under title II of this Act in any month by not more than 10 percent of the amount payable under such title II.

"(2) The 10 percent limitation set forth in paragraph (1) shall not apply to an overpayment made to a person if—

"(A) the person or the spouse of the person was involved in willful misrepresentation or concealment of material information in connection with the overpayment; or

"(B) the person so requests.

"(b) No Effect on SSI Eligibility or Benefit Amount.—In any case in which the Commissioner of Social Security takes action in accordance with subsection (a) to recover an amount incorrectly paid to any person, neither that person, nor any individual whose eligibility for benefits under the supplemental security income program under title XVI, or whose amount of such benefits, is determined by considering any part of that person's income, shall, as a result of such action—

"(1) become eligible for benefits under such program, or

"(2) if such person or individual is otherwise so eligible, become eligible for increased benefits under such program.".

(b) Conforming Amendments.—

(1) Section 204 of such Act (42 U.S.C. 404) is amended by adding at the end the following:

"(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI of this Act (including State supplementary payments paid under an agreement pursuant to section 1616(a) of this Act or section 212(b) of Public Law 93–66), see section 1147.".

(2) Section 1631(b) of such Act (42 U.S.C. 1383(b)) is amended by adding at the end the following:

"(5) For provisions relating to the recovery of benefits incorrectly paid under this title from benefits payable under title II, see section 1147.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to amounts incorrectly paid which remain outstanding on or after such date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. LEVIN), each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CAMP).

GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4558.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to take a moment and extend the regrets of the gentleman from Florida (Mr. SHAW) that, due to a death in his family, he could not be here personally to manage this bill on the floor today.

Mr. Speaker, this is a time-sensitive bill that makes technical amendments to clarify provisions of benefits for noncitizens and to improve the provision of unemployment insurance, child support and supplemental security income benefits.

This legislation includes a handful of seemingly minor but in fact important changes that serve several goals. Each of its provisions has drawn bipartisan support, and I see my colleague from Michigan is here as well. None of the provisions is opposed by the administration.

The bill's major provision ensures that every elderly or disabled noncitizen already dependent on supplemental security income benefits when we passed welfare reform will remain eligible. At the same time we are maintaining the underlying policy on welfare for newly arriving immigrants achieved in the welfare reform law, that those who arrived after 1996 must work or naturalize before becoming eligible for government benefits.

Second, we are making a number of common sense changes that encourage work and personal responsibility in several programs under the jurisdiction of the Committee on Ways and Means.

Finally, many people are familiar with the Make-A-Wish Foundation or the many similar organizations that fulfill the dreams of children with life threatening conditions by, for example, sending a child with terminal cancer to Disney World. Yet under current rules a sick child granted such a wish can lose some supplemental security income benefits or even lose SSI benefits altogether. We are fixing this problem so children who have their wishes fulfilled by charitable groups will no longer risk losing this critical support.

This legislation is completely paid for and has drawn bipartisan support. I urge its swift adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

I join with the gentleman from Michigan (Mr. CAMP) today. I regret that the gentleman from Florida (Mr. SHAW) cannot be here because of a death in the family. We have been working together on this matter as well as other issues, and I am glad that the gentleman from Michigan (Mr. CAMP) can be here in his stead.

Mr. Speaker, the bipartisan legislation before us makes compassionate and common sense changes to several important programs. Most importantly, the bill provides for a permanent extension of supplemental security income for so-called nonqualified aliens. When we passed the Balanced Budget Act last year, we promised to continue SSI benefits for all legal immigrants who were receiving benefits before the enactment of welfare reform.

However, the statute only applied this grandfather status to qualified aliens, a criteria which excluded certain legal immigrants formerly referred to as persons residing under the color of law.

This legislation makes good on our original pledge to continue SSI benefits for all legal aliens regardless of their particular immigration status.

This bill more than offsets the cost of this change by providing the Social Security Administration with limited authority to recoup SSI overpayments from Social Security checks. In fact, as a whole the legislation will save the Federal Government $93 million over the next 5 years.

This clearly illustrates that we can both be socially compassionate and fiscally prudent if we work together on our Nation's problems.

There are a few important points to remember about the population we are helping with this legislation. First, recent studies have clearly indicated that up to ¾ of those now classified as nonqualified aliens are, in fact, U.S. citizens or qualified aliens.

Second, many of the remaining individuals in this nonqualified group have been in our country for decades and, therefore, cannot be accused of coming to the U.S. to collect public benefits.

Third, these individuals are, by definition, poverty stricken and disabled or elderly, meaning the elimination of their SSI benefits would leave them in a dire predicament.

Beyond protecting the SSI safety net for long time legal residents of this country, the legislation we are considering includes several other beneficial provisions, as mentioned by the gentleman from Michigan (Mr. CAMP).

For example, the bill permanently extends the self-employment assistance program, which aids unemployment insurance recipients in starting their own businesses. The bill also clarifies that the 1996 welfare law does not bar foreign nationals from obtaining or renewing professional licenses in this country.

Finally, the legislation will ensure that sick children do not lose their SSI benefits when they receive gifts from nonprofit organizations such as the Make-A-Wish Foundation.

Mr. Speaker, I urge my colleagues to support this legislation to strengthen our Nation's safety net for those less fortunate than ourselves. The bill is bipartisan. It is paid for, and it makes good sense and fulfills our promise.

Mr. Speaker, I include for the RECORD a Statement of Administration Policy in support of this bill:

STATEMENT OF ADMINISTRATION POLICY

(This statement has been coordinated by OMB with the concerned agencies.)

H.R. 4558—NONCITIZEN BENEFIT CLARIFICATION AND OTHER TECHNICAL AMENDMENTS ACT OF 1998

Reps. Shaw (R) FL and Levin (D) MI

The Administration strongly supports H.R. 4558. The bill would allow certain vulnerable legal immigrants to continue to receive Supplemental Security Income and Medicaid benefits for which they otherwise would be ineligible after September 30, 1998. H.R. 4558 would further the President's efforts to reverse unduly harsh benefit restrictions on legal immigrants that have nothing to do with moving people from welfare to work. The Administration applauds this bipartisan effort.

PAY-AS-YOU-GO SCORING

H.R. 4558 would affect direct spending; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget's preliminary scoring estimate is that the bill would result in a net decrease in direct spending of $5 million in FY 1999 and a total of $58 million during FYs 1999 through 2003.

Mr. Speaker, I reserve the balance of my time.

Mr. CAMP. Mr. Speaker, I include the following letters as part of the RECORD:

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 22, 1998.

Hon. BILL ARCHER
Chairman, Committee on Ways and Means,
Lonworth House Office Building,
Washington, DC.

DEAR MR. CHAIRMAN: On September 18, 1998, the Committee on Ways and Means ordered reported H.R. 4558, the "Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998". The bill makes technical amendments to clarify the provisions of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplemental security income benefits. As you know, Section 2 and 5—which relate to aliens—fall within the

Rule X jurisdiction of the Committee on the Judiciary.

Given the importance of this legislation and your interest in moving the bill to the House Floor in an expeditious manner, I will agree not to request a referral of this bill. By agreeing not to exercise the Judiciary Committees's jurisdiction, the Committee does not waives its jurisdictional interest in this bill or similar legislation. Further, the Committee would preserve its prerogative to seek to be represented in any House-Senate conference committee that may be convened on H.R. 4558.

I appreciate your consideration of our interest in this legislation and look forward to working with you on its passage. Further, I would appreciate an acknowledgement of this letter and would request that our exchange of letters be included in the Record of debate on this bill.

Sincerely,

HENRY J. HYDE,
Chairman.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 22, 1998.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary,
Rayburn HOB, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 4558, the "Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998."

I acknowledge your interest in this legislation and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree to work with you as this legislation moves forward and also agree that your decision to forego further action on the bill will not prejudice the Judiciary Committee with respect to its jurisdictional prerogatives on H.R. 4558, or similar legislation.

Thank you again for your cooperation.

Sincerely,

BILL ARCHER,
Chairman.

COMMITTEE ON COMMERCE,
Washington, DC, September 22, 1998.

Hon. BILL ARCHER,
Chairman, House Committee on Ways and Means; Longworth House Office Building, Washington, DC.

DEAR BILL: On May 13, 1998, the Committee on Ways and Means ordered reported H.R. 4558, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998. Among other provisions, this bill addresses the Medicaid eligibility for individuals who receive Social Security Insurance ("SSI"). As you know, standards for medicaid eligibility fall within the Committee's jurisdiction under Rule X of the Rules of the House of Representatives.

Because of the importance of this matter, I recognize your desire to bring this legislation before the House in an expeditious manner. Therefore, I will waive consideration of the bill by the Commerce Committee. By agreeing to waive its consideration of the bill, the Commerce Committee does not waive its jurisdiction over these provisions or similar legislation. In addition, the Commerce Committee reserves its authority to seek conferees on the provisions of the bill that are within the Commerce Committee's jurisdiction during any House-Senate conference that may be convened on this legislation. I request that you support any request by the Commerce Committee for conferees on this or similar legislation.

I also request that you submit this letter for the record during consideration of H.R. 4558 on the House floor. Thank you for your attention to these matters.

Sincerely,

TOM BLILEY,
Chairman.

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 22, 1998.

Hon. THOMAS J. BLILEY, JR.,
Chairman, House Committee on Commerce,
Rayburn House Office Building,
Washington, DC.

DEAR CHAIRMAN BLILEY: Thank you for your letter regarding your Committee's interest in H.R. 4558, the "Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998." As you know, the bill, as introduced, was referred to the Committee on Ways and Means, and in addition, to the Committee on Commerce. I understand that it is scheduled to be considered on the House floor on September 23, 1998.

I further understand that the motion to suspend the rules will include a manager's amendment clarifying that the restoration of Supplemental Security Income (SSI) benefits for certain non-qualified aliens contained in the bill applies, accordingly, to eligibility for benefits under other programs, such as Medicaid, that are based on eligibility for SSI.

I acknowledge your jurisdictional interest in this legislation and appreciate your cooperation in moving the bill forward to the House floor expeditiously. As you requested, I will insert a copy of our exchange of letters on this matter in the Record during floor consideration of the bill.

Thank you again for your assistance on this matter. With best personal regards,

Sincerely,

BILL ARCHER,
Chairman.

Mr. CAMP. Mr. Speaker, I yield myself such time as I may consume.

This legislation, as my colleague, the gentleman from Michigan (Mr. LEVIN) correctly pointed out, was very much a bipartisan piece of legislation. I would like to particularly note that there was one provision regarding the Make-A-Wish Foundation and other similar organizations that help children who have life-threatening diseases fulfill their childhood dreams or their wishes.

Under current law, SSI benefits or supplemental security income benefits could be lost by the child receiving such a benefit. That could be a trip to Disney World, as I said, or some other type of trip. Because those were deemed as a benefit, these children were put at risk.

My colleague, the gentleman from Pennsylvania (Mr. ENGLISH) was absolutely instrumental in making this change. This was a problem he had heard about, he knew about. He brought this to the attention of the committee and did a tremendous job in making this change. I just wanted to make sure that the RECORD reflected his leadership on this particular issue.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I rise today in strong support of H.R. 4558.

This is good legislation that does a number of things that I think Congress needs to do before we leave. Among others, it permanently reauthorizes the self-employed assistance program. This program enables individuals who would otherwise be unemployed to create their own jobs by creating microenterprises. The efforts of the Ridge administration in my home State of Pennsylvania demonstrate that this is an effective tool in helping people become re-employed.

This legislation also corrects a problem that has given bureaucrats a bad name. The Social Security Administration has a policy of cutting the SSI benefits of children with life-threatening illnesses who receive cash from tax exempt groups that grant their wish, say, to visit Walt Disney World, go on a shopping spree or meet a celebrity.

Under current policy, Mr. Speaker, accepting cash for expenses means that the family has to report it as an increase in income. This could result in the reduction of SSI benefits and, in a number of rare cases, elimination of Social Security benefits. This is an absurd situation.

Since 1980, the Make-A-Wish Foundation, as an example, has worked to grant one special wish to every child referred to them with a life-threatening illness. They give these children their fondest dream as a way of relieving the daily pain, stress and worries that their illness forces them to face daily. The Make-A-Wish Foundation volunteers make sure that every detail of the wish experienced, every phone call, every travel expense is taken care of.

Mr. Speaker, it simply is not fair to take needed benefits from sick children just because they have a dream and a charity is willing to make it come true. The Shaw-English provision of H.R. 4558 would exempt up to $2000 in cash awards given to these children and their families for incidentals when their wish is granted.

This important legislation ensures that organizations like the Make-A-Wish Foundation can continue to grant the wishes of sick children. It is wrong for bureaucrats to turn a child's wish into a parent's nightmare. I urge my colleagues to support H.R. 4558.

I include for the RECORD a statement from the chairman of the board of the Make-A-Wish Foundation:

STATEMENT FROM THE CHAIRMAN OF THE BOARD OF THE MAKE-A-WISH FOUNDATION® OF AMERICA REGARDING H.R. 4558

(By Tony Leal, Jr.)

Since its founding in 1980, the Make-A-Wish Foundation has striven to accomplish one simple task: to grant one special wish to every child who is referred to us with a life-threatening illness. Our goal is to fulfill our children's fondest dream in a way that relieves them and their families of the daily pain, stress, and worries that come when children are forced to fight a very grown-up battle. Whether the wish is to visit a theme park, meet a celebrity, go on a shopping spree or to be a cowboy at a dude ranch, our volunteers make sure every detail of the wish experience—every expense, every phone call, every travel arrangement—is taken care of. We don't want families to have a worry in the world as our wish children live their fondest dreams.

The dedicated staff and more than 13,000 volunteers of the Make-A-Wish Foundation have accomplished this task for more than 50,000 children since 1980. From time to time, we grant wishes to children whose families receive Supplemental Security Insurance benefits. Because many wishes, such as one involving travel, include providing the family with enough spending money to sustain them through the experience, we have found that an unintended consequence of the SSI eligibility rules has forced families to choose between having their sick children's wishes granted or retaining their SSI benefits. To accept any spending money as part of the wish experience forces them to report increased income, resulting in a reduction—or in rare cases the elimination—of SSI benefits.

The effect of Section 7 of House Resolution 4558 on our wish families would be to relieve them from having to make the impossible choice between SSI benefits and a wish for their children. After all, these families have enough tough decisions to make. The Make-A-Wish Foundation appreciates the dedication and attention that Make-A-Wish volunteers in our communities, as well as members of Congress, have devoted to this issue.

Mr. LEVIN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I thank the gentleman for yielding me the time.

I thank the authors of H.R. 4558, the Noncitizen Benefit Clarification Act, for their efforts that brought us this legislation today. When we passed the welfare reform bill in 1996, at that time I cautioned my colleagues that we were reaching too far, that we were hurting people who genuinely needed assistance, and we would have to right the bill's wrong at some point.

I am glad that today we will rein in the overreaching arm of this so-called reform, correct the overbite of this legislation and bring comfort and aid to those unjustly affected.

Among its several corrections, this bill includes one that will immediately impact and assist residents in my congressional district in San Diego, California. When Congress approved that 1996 legislation, thousands of resident immigrants who had been receiving SSI benefits had their benefit eligibility rescinded. The bill overreached and mistakenly categorized these people as nonqualified aliens ineligible to receive SSI benefits.

As I said at the time and as the Social Security Administration has since verified, the benefits of thousands of qualified recipients were swept away by the extreme nature of the 1996 legislation. While Congress has sought to correct the situation and to help those individuals with short-term benefit extensions, today we will make that eligibility permanent.

This legislation is about guaranteeing humane treatment to people who need assistance and to protect them from the unintended effects of so-called welfare reform. I hope we will remember this serious error when next we try to reform a program that provides critical assistance to our citizens and residents.

I urge my colleagues to support this vital legislation.

Mr. UNDERWOOD. Mr. Speaker, the bill before us today, H.R. 4558, is important in that it clarifies the eligibility of immigrants in receiving Supplemental Security Income (SSI) benefits. As you know, the 1997 Balanced Budget Act permanently grandfathered most but not all noncitizens who were receiving SSI benefits when the welfare reform law was signed into law on August 22, 1996. About 22,000 "nonqualified" noncitizens were grandfathered through on September 30, 1998 in order to give the Social Security Administration adequate time to determine their status. This legislation would clarify that these individuals—many of whom are elderly or disabled and who claim citizenship but lack documentation or are not capable of documenting their immigration status—will continue to receive SSI benefits from the federal government.

While there should be strong and vigorous debate on the ensuring that those most in need of public assistance not fall through the safety net, perhaps it is not clearly known that not all U.S. citizens are eligible for participation in the SSI program. SSI is available to citizens who live in one of the 50 States; however, U.S. citizens residing in Guam, American Samoa, the U.S. Virgin Islands and Puerto Rico are not eligible for assistance under the SSI program. Given the fact that the cost of living is much higher in the territories than almost any mainland location, and given the fact that we have a permanent cap on Medicaid, I sincerely believe that there is a definite need to extend the SSI program to the territories.

Citizenship in this country and the privileges associated with it should not be measured by geographic choice in residency or the size of one's pocketbook. Whether one chooses to live in Hagatna, St. Croix or Peoria, a federally funded program should be accessible to everyone.

I urge my colleagues to pass H.R. 4558 and to extend the SSI program to the American citizens in the territories.

Mr. TOWNS. Mr. Speaker, I rise today in support of H.R. 4558 legislation which will "grandfather" SSI and Medicaid eligibility for those elderly and disabled legal immigrants who were receiving benefits on August 22, 1996 and are designated as "not qualified" under the 1996 welfare law.

Currently, over 12,000 such immigrants nationwide, most of whom are elderly, are scheduled to lose their SSI benefits on September 30, 1998. In New York State alone, approximately 1,865 people will lose these benefits. Many in New York, and the rest of the country, will also lose their Medicaid.

Many in this group are actually qualified immigrants eligible for continuing to receive SSI benefits, but are miscoded in the Social Security Administration (SSA) files and stand to lose their benefits because of administrative error. Eighty percent or more of those coded "not qualified" by SSA are in fact qualified immigrants whom the 1997 restoration was meant to benefit. Yet they will lose their benefits unless we, their elected officials, grandfather these individuals.

Those who would lose assistance include the most vulnerable immigrants in need, the elderly and disabled, many homebound and frail, who are least able to comprehend or respond to efforts to reach out and protect them. For example, a 100 year old woman in New York receiving 24 hour home care is at risk of losing her benefits. I know none of us wants this type of tragedy to occur.

I urge my colleagues on both sides of the aisle to join me in supporting and passing this legislation before the September 30th, 1998 deadline and avoid a needless crisis.

Mr. STARK. Mr. Speaker, I rise in support of H.R. 4558, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998.

H.R. 4558 will extend Supplemental Security Income (SSI) benefits for nonqualified aliens who were receiving benefits before the enactment of welfare reform.

This group of about 12,000 aliens, all of whom are elderly or disabled or both, will lose SSI and Medicaid on October 1 of this year unless Congress votes to permanently extend their benefits. The vast majority of affected recipients reside in California.

The Federal Government has a responsibility to set guidelines that protect the vulnerable in this country. As a society, we have an obligation to support the elderly, the disabled and the poor. By gouging our food stamp program and denying benefits to legal immigrants, welfare reform doesn't even come close to those standards.

Welfare reform pushes more children into poverty and leaves more of the poor without the health care they need. I support this correction and believe we should be doing more to give the needy a helping hand.

Mr. CAMP. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. CAMP) that the House suspend the rules and pass the bill, H.R. 4558, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

☐ 1630

RECESS

The SPEAKER pro tempore (Mr. HANSEN). Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 4:45 p.m.

Accordingly (at 4 o'clock and 30 minutes p.m.), the House stood in recess until approximately 4:45 p.m.

☐ 1647

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. HANSEN) at 4 o'clock and 47 minutes p.m.

PRIVILEGES OF THE HOUSE—IMPEACHING KENNETH W. STARR

Mr. HASTINGS of Florida. Mr. Speaker, I rise to introduce a question of privilege pursuant to rule IX and call up House Resolution 545 for consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

RESOLUTION

Impeaching Kenneth W. Starr, an independent counsel of the United States appointed pursuant to 28 United States Code §593(b), of high crimes and misdemeanors.

Resolved that Kenneth W. Starr, an independent counsel of the United States of America, is impeached for high crimes and misdemeanors, and that the following articles of impeachment be exhibited to the Senate;

Articles of Impeachment exhibited by the House of Representatives of the United States of America in the name of itself and of all the people of the United States of America, against Kenneth W. Starr, an independent counsel of the United States of America, in maintenance and support of its impeachment against him for high crimes and misdemeanors.

ARTICLE I

In his conduct of the office of independent counsel, Kenneth W. Starr has violated his oath and his statutory and constitutional duties as an officer of the United States and has acted in ways that were calculated to and that did usurp the sole power of impeachment that the Constitution of the United States vests exclusively in the House of Representatives and that were calculated to and did obstruct and impede the House of Representatives in the proper exercise of its sole power of impeachment. The acts by which Independent Counsel Starr violated his duties and attempted to and did usurp the sole power of impeachment and impede its proper exercise include:

(1) On September 9, 1998, Independent Counsel Kenneth W. Starr transmitted two copies of a "Referral to the United States House of Representatives pursuant to Title 28, United States Code, §595(c)." As part of that Referral, Mr. Starr submitted a 445-page report (the "Starr Report") that included an extended narration and analysis of evidence presented to a grand jury and of other material and that specified the grounds upon which Mr. Starr had concluded that a duly elected President of the United States should be impeached by the House of Representatives. By submitting the Starr Report, Mr. Starr usurped the sole power of impeachment and impeded the House in the proper exercise of that power in various ways, including the following:

(a) In preparing the Starr Report, Mr. Starr misused the powers granted and violated the duties assigned independent counsel under the provisions of Title 28 of the United States Code. Section 595(c) does not authorize or require independent counsel to submit a report narrating and analyzing the evidence and identifying the specific grounds on which independent counsel believes the House of Representatives should impeach the President of the United States. By submitting the Starr Report in the form he did, Mr. Starr misused his powers and preempted the proper exercise of the sole power of impeachment that the Constitution assigned to the House of Representatives. Mr. Starr thereby committed a high crime and misdemeanor against the Constitution and the people of the United States of America.

(b) In his preparation and submission of the Starr Report, Mr. Starr further misused his powers and violated his duties as independent counsel and arrogated unto himself and effectively preempted and undermined the proper exercise of power of impeachment that the Constitution allocated exclusively to the House of Representatives. Mr. Starr knew or should have known, and he acted to assure, that the House of Representatives would promptly release to the public any report that he transmitted to the House of Representatives under the authority of Section 595(c). With that knowledge, Mr. Starr prepared and transmitted a needlessly pornographic report calculated to inflame public opinion and to preclude the House of Representatives from following the procedures and observing the precedents it had established for the conduct of a bipartisan inquiry to determine whether a President of the United States had committed a high crime or misdemeanor in office meriting impeachment. Mr. Starr thereby committed a high crime and misdemeanor against the Constitution and the people of the United States.

(2) Independent Counsel Kenneth W. Starr further usurped and arrogated unto himself the powers that belong solely to the House of Representatives by using and threatening to use the subpoena powers of a federal grand jury to compel an incumbent President of the United States to testify before a federal grand jury as part of an investigation whose primary purpose had become and was the development of evidence that the President had committed high crimes and misdemeanors justifying his impeachment and removal from office. With respect to the President of the United States, the only means by which the holder of that office may be called to account for his conduct in office is through the exercise by the House of Representatives of the investigative powers that the constitutional assignment of the sole power of impeachment conferred upon it. Mr. Starr improperly used and manipulated the powers of the grand jury and his office to effectively impeach the President of the United States of America and to force the House of Representatives to ratify his decision. Mr. Starr thereby committed a high crime and misdemeanor against the Constitution and the people of the United States.

In all this, Kenneth W. Starr has acted in a manner contrary to his trust as an independent counsel of the United States and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

Wherefore Kenneth W. Starr, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE II

In his conduct of the office of independent counsel, Kenneth W. Starr violated the oath he took to support and defend the Constitution of the United States of America and his duties as an officer of the United States and acted in ways that were calculated to and that did unconstitutionally undermine the office of President of the United States and obstruct, impede, and impair the ability of an incumbent President of the United States to fully and effectively discharge the duties and responsibilities of his office on behalf and for the benefit of the people of the United States of America, by whom he had been duly elected. The acts by which Mr. Starr violated his oath and his duties and undermined the office of President and obstructed, impeded, and impaired the ability of the incumbent President to fully and effectively discharge the duties of that office include:

(1) Mr. Starr unlawfully and improperly disclosed and authorized disclosures of grand jury material for the purpose of embarrassing the President of the United States and distracting him from and impairing his ability to execute the duties of the office to which the people of the United States had elected him. Mr. Starr has thereby committed high crimes and misdemeanors against the Constitution and people of the United States.

(2) Mr. Starr engaged in a wilfull and persistent course of conduct that was calculated to and that did wrongfully demean, embarrass, and defame an incumbent President of the United States and that thereby undermined and impaired the President's ability to properly execute the duties of the office to which the people of the United States had elected him, including not only Mr. Starr's wrongful disclosures of grand fury material, but also other improper conduct, such as his actions and conduct calculated to suggest, without foundation, that the incumbent President had participated in preparing a so-called "talking points" outline to improperly influence the testimony of one or more persons scheduled to be deposed in a private civil action. By his wilful and persistent conduct in misrepresenting as well as improperly disclosing evidence that he had gathered, Mr. Starr committed high crimes and misdemeanors against the Constitution and the people of the United States of America.

(3) Mr. Starr intentionally, willfully, and improperly embarrassed the people and the President of the United States by including in the Starr Report an unnecessary and improper and extended detailed, salacious, and pornographic narrative account of the consensual sexual encounters that a grand jury witness testified she had with the incumbent President of the United States. By including the unnecessary and improper pornographic narrative, Mr. Starr intended to and did undermine and imperil the ability of the President to conduct the foreign relations of United States of America and otherwise to execute the duties of the office to which the people of the United States had elected him, and he knowingly and improperly embarrassed the United States as a nation. By including that narrative, knowing and intending that it would be published and disseminated, Mr. Starr committed a high crime and

misdemeanor against the Constitution and the people of the United States of America.

In all of this, Kenneth W. Starr has acted in a manner contrary to his trust as an independent counsel of the United States and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

Wherefore Kenneth W. Starr, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE III

In his conduct of the office of independent counsel, Kenneth W. Starr violated the oath he took to support and defend the Constitution of the United States of America and the duties he had assumed as an office of the United States and acted in ways that were calculated to and that did unconstitutionally arrogate unto himself powers that the Constitution of the United States assigned to the federal courts; that were calculated to and did undermine the institution of the grand jury established by the Constitution of the United States; and that were calculated to and did undermine and bring into disrepute the office of independent counsel and offices of all those charged with investigating and prosecuting crimes against the United States. The acts by which Mr. Starr violated his oath and his duties and by which he undermined the federal courts and the grand jury and undermined and demeaned the office and role of all federal prosecutors include:

(1) Mr. Starr disclosed and authorized and approved the disclosure and misuse of grand jury materials in violation of Rule 6(e)(2) of the Federal Rules of Criminal Procedure and with contempt for the federal courts and for the rights of those who appear before grand juries of the United States and of those who are subjects of grand jury investigations.

(2) Throughout his investigations, Mr. Starr abused the powers of his office and condoned the abuse of those powers to improperly intimidate and manipulate citizens of the United States who were interviewed or called to testify before a grand jury or who were actual or potential targets of his investigations and to deprive them of rights guaranteed to all citizens of the United States. Mr. Starr and subordinates for whose conduct he is responsible further abused and misused the powers of the office of independent counsel and the powers of the grand jury to improperly invade and needlessly intrude upon the privacy of individuals and to demean the rights guaranteed to all by the First and Fifth Amendments to the Constitution of the United States.

(3) Throughout his investigations, Mr. Starr has abused and misused and has authorized and approved the abuse and misuse of the powers of his office in ways that have demeaned the prosecutorial office and that have undermined and will undermine the ability of other prosecutorial officers of the United States to discharge their duty to take care that laws of the United States be faithfully executed.

(4) In his conduct of the office of the independent counsel, Mr. Starr has needlessly and unjustifiably expended and wasted funds of the United States. Over the past four years, Mr. Starr has expended more than forty million dollars ($40,000,000) in a relentless pursuit of investigations and prosecutions that he knew or should have known did not merit and could not justify such extraordinary expenditures.

By the conduct described in this Article III of these Articles of Impeachment, Kenneth W. Starr committed high crimes and misdemeanors against the Constitution and the people of the United States of America.

In all of this, Kenneth W. Starr has acted in a manner contrary to his trust as an independent counsel of the United States and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

Wherefore Kenneth W. Starr, by such conduct, warrants impeachment and trial, and removal from office.

ARTICLE IV

By his conduct as an officer of the United States of America, including the conduct described in Articles I through III of these Articles of Impeachment, Kenneth W. Starr has violated the oath he took to uphold and defend the Constitution of the United States of America. He has acted and persisted in acting in ways that were calculated to and did embarrass the United States and the people of the United States before the international community and that were calculated to and did undermine the ability of the Legislative Branch, the Executive Branch, and the Judicial Branch to effectively exercise the powers and discharge the duties assigned to each by the Constitution of the United States of America. He has unconstitutionally and improperly exercised powers that were not his to exercise and has acted in ways that were calculated to and did improperly demean a President of the United States and diminish the capacity of the President to effectively discharge the duties that the people of the United States elected him to perform. He has unconstitutionally and improperly exercised his powers and has acted in ways that were calculated to and did demean the House of Representatives and that have effectively deprived the House of Representatives of its right to exercise its sole power of impeachment in a deliberate and bipartisan manner that was consistent with the procedures and precedents it had established in prior proceedings and inquiries to determine whether the President of the United States should be impeached. He has unlawfully and improperly exercised his powers in ways that demeaned the institution of the federal grand jury, that demonstrated contempt of the courts of the United States and the rules that govern their proceedings, and that demeaned the office of independent counsel and offices of all those charged with responsibility for seeing that the laws of the United States are faithfully executed. By his conduct as an independent counsel, Kenneth W. Starr has committed high crimes and misdemeanors against the Constitution and the people of the United States.

In all of this, Kenneth W. Starr has acted in a manner contrary to his trust as an independent counsel of the United States and subversive of constitutional government, to the great prejudice of the cause of law and justice, and to the manifest injury of the people of the United States.

Wherefore Kenneth W. Starr, by such conduct, warrants impeachment and trial, and removal from office.

□ 1700

The SPEAKER pro tempore (Mr. HANSEN). The resolution constitutes a question of the privileges of the House under rule IX.

MOTION TO TABLE OFFERED BY MR. LAHOOD

Mr. LAHOOD. Mr. Speaker, I move to table the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. LAHOOD) to lay House Resolution 545 on the table.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HASTINGS of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 340, nays 71, not voting 23, as follows:

[Roll No. 453]

YEAS—340

Abercrombie
Aderholt
Allen
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Ewing
Fawell
Fazio
Foley
Forbes
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kildee
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Luther
Maloney (CT)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan

Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Salmon
Sánchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Young (AK)
Young (FL)

NAYS—71

Ackerman
Andrews
Blumenauer
Bonior
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Carson
Clay
Clayton
Clyburn
Conyers
Cummings
Davis (IL)
DeFazio
Deutsch
Dixon
Engel
Farr
Fattah
Filner
Ford
Frost
Furse
Gephardt
Gordon
Green
Gutierrez
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Hooley
Jackson (IL)
Jefferson
Johnson, E.B.
Kanjorski
Kennedy (RI)
Kilpatrick
Lee
Lewis (GA)
Martinez
McKinney
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Mink
Nadler
Oberstar
Olver
Owens
Pastor
Payne
Pelosi
Rahall
Rangel
Rush
Sabo
Scott
Slaughter
Stokes
Thompson
Vento
Waters
Watt (NC)
Wexler
Wynn
Yates

NOT VOTING—23

Burton
Coburn
Diaz-Balart
Ensign
Gonzalez
Goss
Graham
Hunter
Kaptur
Kennelly
Lofgren
Maloney (NY)
McDade
Poshard
Pryce (OH)
Riggs
Sanders
Schumer
Shaw
Torres
Towns
Velazquez
Watts (OK)

☐ 1724

Messrs. KIM, LINDER, BALDACCI, MCDERMOTT, LUTHER, SAWYER, ALLEN, COSTELLO and ROHRABACHER and Mrs. JOHNSON of Connecticut and Ms. SANCHEZ changed their vote from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, on rollcall No. 453, I was detained due to mechanical difficulties on my flight back to Washington, D.C. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. GRAHAM. Mr. Speaker, on rollcall No. 453, I was in meetings with Members of Parliament from the U.K. and missed the vote. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Ms. LOFGREN. Mr. Speaker, I would like to note that on rollcall vote 453, I was absent because of the cancellation of the United flight from San Jose and the inability to rebook all the passengers.

Had I been present, I would have voted "aye."

☐ 1730

PRIVILEGES OF THE HOUSE—ORDERING IMMEDIATE PRINTING OF ENTIRE COMMUNICATION RECEIVED ON SEPTEMBER 9, 1998, FROM AN INDEPENDENT COUNSEL

Mr. CONDIT. Mr. Speaker, I offer a resolution (H. Res. 546) and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. HANSEN). The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 546

Whereas the entire communication of the Office of the Independent Counsel received by the House of Representatives on September 9, 1998, includes information of fundamental constitutional importance;

Whereas the American people have a right to receive and review this communication in its entirety;

Whereas the House Committee on the Judiciary has failed to make the entire communication available to the American people; and

Whereas failure to make the entire communication available to the American people raises a question of privilege affecting the dignity and integrity of the proceedings of the House under rule IX of the Rules of the House of Representatives: Now, therefore, be it

Resolved, That the entire communication received, including all appendices and related materials, on September 9, 1998, from an independent counsel, pursuant to section 595(c) of title 28, United States Code, shall be printed immediately as a document of the House of Representatives.

The SPEAKER pro tempore. Does any Member wish to be heard on the question of whether the resolution constitutes a question of privilege?

Mr. SOLOMON. Mr. Speaker, I wish to be heard on the question of whether the resolution offered by the gentleman from California constitutes a question of privilege.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) is recognized.

Mr. SOLOMON. Mr. Speaker, questions of privilege under rule IX are those affecting the rights of the House collectively, its safety, its dignity, and the integrity of its proceedings, and the rights, reputation, and the conduct of Members. A question of privilege, Mr. Speaker, may not be raised to effect a change in House rules.

Mr. Speaker, House Rule 525, which was adopted by the House on September 11 by a vote of 363 to 63, delegated the authority to review and release Independent Counsel Starr's report from the House to the Committee on the Judiciary.

The House delegated this authority to the Committee on the Judiciary as an exercise in its rule-making power. Mr. Speaker, the resolution offered by the gentleman from California (Mr. CONDIT) seeks to change the rule of the House as established in House Resolution 525. Therefore, Mr. Speaker, the gentleman's resolution does not constitute a legitimate question of privilege.

Mr. Speaker, let me just cite line 15 of the resolution that passed the House. It says, "The balance of such material shall be deemed to have been received in executive session, but shall be released from the status on September 28, 1998, except as otherwise determined by the committee."

That is the rule of the House. Therefore, Mr. Speaker, the gentleman's resolution does not constitute a legitimate question of privilege in that change of House rule, and a privilege clearly is not in order.

The SPEAKER pro tempore. Are there other Members who want to be heard on this question?

Mr. DEUTSCH. Mr. Speaker, I wish to be heard.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I appreciate the comments of the distinguished chairman of the Committee on Rules regarding the standard of what privilege is. I would agree with him completely, that is the standard of what privilege is.

I would also say, though, that I believe this resolution clearly meets that standard, because what is going on right now in the Committee on the Judiciary with the selective release of information is clearly a disservice on this House, and is clearly putting this House in disrepute, which is exactly what the rules of the House in terms of our privileged resolution are set up to deal with.

I would say to the gentleman and to the Speaker that this resolution is clearly exactly why we have privileged resolutions in the House. What is happening right now in terms of the procedures of the Committee on the Judiciary, in terms of what has happened with the release of information, in the partisanship that has occurred within that committee, is absolutely putting this House into the type of situation, the type of disrespect that privileged resolutions are exactly in purpose for using.

I would urge the Speaker to rule this in order, and I urge its adoption.

Mr. CONDIT. Mr. Speaker, I want to speak to the resolution.

The SPEAKER pro tempore. The gentleman from California (Mr. CONDIT) is recognized.

Mr. CONDIT. Mr. Speaker, I understand the point of the chairman of the Committee on Rules. This is an attempt to allow all the Members of this House to have access to the information. It is an attempt to speed the process along so we can bring it to closure. The American people want us to bring this issue to closure.

There is no reason why every Member of this House cannot have that information. We are not grade school kids. We understand it, and we know ultimately we need to make a decision. So my intent, Mr. Speaker, is simply to speed this process along so that we can make a decision and get back to the business of living our lives and running this country.

Mr. SOLOMON. Mr. Speaker, I ask for a ruling.

The SPEAKER pro tempore. The Chair is prepared to rule.

The gentleman from California (Mr. CONDIT) offers House Resolution 546 as a question of the privileges of the House under rule IX. The resolution would direct the Committee on the Judiciary to release all executive session material referred to the committee by the House pursuant to House Resolution 525.

That resolution was reported to the House by the Committee on Rules as a privileged rule, and its adoption governs subsequent review and release of that executive session material referred to the Committee on the Judiciary.

A resolution may not be offered under the guise of a question of the privileges of the House if it effects a change in the rules or standing orders of the House or their interpretation. This principle is annotated in section 662f of the House Rules and Manual. The House has delegated to the Committee on the Judiciary the final decision-making authority on the extent of release from executive session of materials contained in the Independent Counsel's report. Indeed, section 2 of House Resolution 525 establishes a release date for all materials contained in that report, except as otherwise determined by the Committee on the Judiciary.

In an illustrative case under the precedents, even an alleged refusal by the committee to make certain staff memos available to the public, and refusal to permit committee Members to take photostatic copies of committee files, have been held not to constitute questions of privilege. This principle is annotated in section 662d of the manual.

To rule otherwise would suggest that valid committee determinations as to the executive session nature of committee files could be collaterally challenged under the guise of questions of privileges.

In the opinion of the Chair, the resolution does not constitute a question of the privileges of the House within the meaning of rule IX, and may not be considered at this time.

Mr. CONDIT. I thank the Speaker.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: House Resolution 144, de novo; House Resolution 505, de novo; House Concurrent Resolution 315, by the yeas and nays; S. 1355, de novo; and H.R. 81, de novo..

The first vote will be a 15-minute vote. The subsequent votes will be 5-minute votes.

EXPRESSING SUPPORT FOR BICENTENNIAL OF LEWIS AND CLARK EXPEDITION

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and agreeing to the resolution, House Resolution 144, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Idaho (Mrs. CHENOWETH) that the House suspend the rules and agree to the resolution, H. Res. 144, as amended.

The question was taken.

RECORDED VOTE

Mr. BEREUTER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 416, noes 0, not voting 18, as follows:

[Roll No. 454]

AYES—416

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gilman
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)

Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sánchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traficant
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—18

Burton
Diaz-Balart
Ensign
Gillmor
Gonzalez
Goss
Kaptur
Kennelly
Millender-McDonald
Poshard
Pryce (OH)
Radanovich
Riggs
Sanders
Schumer
Shaw
Torres
Velazquez

□ 1754

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, on rollcall No. 454, I was detained due to mechanical problems on my flight back to Washington, D.C. Had I been present, I would have voted "aye."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HANSEN). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

SENSE OF THE HOUSE WITH RESPECT TO IMPORTANCE OF DIPLOMATIC RELATIONS WITH PACIFIC ISLAND NATIONS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, H. Res. 505.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, H. Res. 505.

The question was taken.

RECORDED VOTE

Mr. FRANK of Massachusetts. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 414, noes 1, not voting 19, as follows:

[Roll No. 455]

AYES—414

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traficant
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NOES—1

Paul

NOT VOTING—19

Becerra
Burton
Diaz-Balart
Ensign
Gonzalez
Goss
Hyde
Kennelly
Martinez
Poshard
Pryce (OH)
Riggs
Sánchez
Sanders
Shaw
Torres
Velazquez
Waters
Yates

□ 1804

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ENSIGN. Mr. Speaker, on rollcall No. 455, I was detained due to mechanical difficulties on my flight back to Washington, D.C. Had I been present, I would have voted "aye."

SENSE OF CONGRESS CONDEMNING ATROCITIES BY SERBIAN POLICE AND MILITARY FORCES AGAINST ALBANIANS IN KOSOVA

The SPEAKER pro tempore (Mr. SNOWBARGER). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 315, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 315, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 410, nays 0, answered "present" 1, not voting 23, as follows:

[Roll No. 456]

YEAS—410

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traficant
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

ANSWERED "PRESENT"—1

Paul

NOT VOTING—23

Becerra
Burton
Cannon
Diaz-Balart
Gekas
Gonzalez
Goss
Hinchey
Hinojosa
Hyde
Kennelly
Kleczka
Martinez
Poshard
Pryce (OH)
Riggs
Sánchez
Sanders
Shaw
Souder
Torres
Velazquez
Yates

□ 1812

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, due to a death in my immediate family I was not present during today's House proceedings. Had I been here, I would have voted in the following way: "Yea" on roll call number 453; "Yea" on roll call number 454; "Yea" on roll call number 455; and "Yea" on roll call number 456.

RICHARD C. LEE UNITED STATES COURTHOUSE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the Senate bill, S. 1355, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the Senate bill, S. 1355, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

The title of the Senate bill was amended so as to read: "A bill to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the Richard C. Lee United States Courthouse".

A motion to reconsider was laid on the table.

□ 1815

ROBERT K. RODIBAUGH UNITED STATES BANKRUPTCY COURTHOUSE

The SPEAKER pro tempore (Mr. SNOWBARGER). The pending business is the question of suspending the rules and passing the bill, H.R. 81.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 81.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 2281, WIPO COPYRIGHT TREATIES IMPLEMENTATION ACT

Mr. COBLE. Pursuant to clause 1 of rule XX and by direction of the Committee on the Judiciary, I move to take from the Speaker's table the bill (H.R. 2281), to amend title 17, United States Code, to implement the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

I have consulted, Mr. Speaker, with the minority prior to making this motion. This is only a motion to go to conference.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE).

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. HYDE, COBLE, GOODLATTE, CONYERS and BERMAN.

From the Committee on Commerce, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. BLILEY, TAUZIN AND DINGELL.

There was no objection

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1991 AND H.R. 4236

Ms. DUNN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1991 and H.R. 4236.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

CONTINUATION OF EMERGENCY WITH RESPECT TO UNITA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105–315)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total Independence of Angola ("UNITA") is to continue in effect beyond September 26, 1998, to the *Federal Register* for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. The actions and policies of UNITA pose a continuing unusual and extraordinary threat to the foreign policy of the United States. United Nations Security Council Resolutions 864 (1993), 1127 (1997), 1173 (1998), and 1176 (1998) continue to oblige all member states to maintain sanctions. Discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA to reduce its ability to pursue its aggressive policies of territorial acquisition.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 23, 1998.*

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SNOWBARGER). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

DISTURBING NEW DETAILS IN AFTERMATH OF U.S. EMBASSY BOMBINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. WHITFIELD) is recognized for 5 minutes.

Mr. WHITFIELD. Mr. Speaker, I rise today to bring to the attention of the Congress and the American people disturbing new details of national policy decisions made in the aftermath of the bombing of the U.S. embassies in East Africa last month. This emerging information focuses on the Clinton administration's decision to retaliate against terrorists it suspected of carrying out the embassy attacks and in particular the decision to attack a pharmaceutical factory in the Sudan suspected of producing chemical weapons for the use of the terrorists led by Mr. bin Laden.

This new insight is contained in an article in the September 21, 1998 issue of the New York Times by reporters Tim Weiner and James Risen. It raises serious questions regarding the accuracy of intelligence information on which the decision was made and the credibility of statements made by senior officials in the Clinton administration as they sought to justify their decisions after the bombing in which it is estimated 20 to 50 people were killed.

The article reconstructs how a group of 6 senior administration officials and the President picked the bombing targets. It is based on interviews with participants and others at high levels of the national security apparatus and recounts how an act of war was approved on the basis of fragmented and disputed intelligence.

I quote from the article: Within days of the attack, some of the administration's explanations for destroying the factory in the Sudan proved inaccurate. Many people inside and outside the American government began to ask whether the questionable intelligence had prompted the United States to blow up this factory under false information.

I note that today former President Jimmy Carter asked for a congressional investigation about this matter.

Quoting further, Senior officials now say their case for attacking the factory relied on inference, as well as evidence that it produced chemical weapons for Mr. bin Laden's use. However, in analyzing more closely the efforts of those officials to justify their actions, it should be noted that since United States spies were withdrawn from the Sudan more than 2 years ago reliable information about the plant was scarce. In fact, in January 1996, weeks after American diplomats and spies were pulled out of the Sudan, the CIA withdrew as fabrications over 100 reports furnished to it by an outside source regarding terrorist threats against U.S. personnel in the Sudan.

A month after the attack, the same senior national security advisors, who had described the pharmaceutical plant as a secret chemical weapons factory, financed by bin Laden, are now conceding that they had no evidence to substantiate that claim or the President's decision to order the strike. It is now clear that the decision to bomb the factory was made amidst a three-year history of confusion in the intelligence community and conflicting foreign policy views within the administration regarding the Sudan.

It is with sadness that we must acknowledge the inevitable probability that these revelations will feed public suspicion that the heightened domestic turmoil enveloping the White House may cause other acts of misjudgment. This is regrettable but it is a graphic illustration of the debilitating consequences of the commander in chief's unfortunate personal behavior.

Of more concern are the important national security questions that are raised by the decision-making process that let the President target a factory in the Sudan that may not have been manufacturing chemical weapons.

More hard information, however, needs to be developed and I urge the appropriate committees in the Congress to investigate this matter in more detail.

SEPTEMBER 23 AND NO BUDGET RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I rise today to call attention to the fact that it is now September 23 and we do not yet have a budget resolution that has been passed by Congress. It is 7 days before the beginning of the next fiscal year and we do not have a budget resolution. We have had in place requirements that we established to follow a budgeting process that is governed by a budget resolution. We have had this in place for 24 years. This is the first time, it appears, that Congress will fail to comply with its own requirements.

I ask my colleagues, what has happened, where is the leadership in this institution, if we are not complying with the basic requirement of having a budget resolution?

I would also point out this is not a divided Congress in terms of leadership. Both the House and the Senate have leadership from the same side of the aisle. It is critical that if we are going to have fiscal integrity, if we are going to seriously commit ourselves to balancing the budget, to reducing the deficit, to not using Social Security money for other programs, that we commit ourselves to observing the principle of having a budget resolution.

It is very difficult to explain why we place budget discipline on the books and then ignore it in practice. It is very difficult to explain why we say to local communities and to States that they must have a budget plan for the use of Federal money and we do not have a budget plan. It is very difficult to say to the United Nations why it must have fiscal discipline when we fail to observe the elemental part of fiscal discipline and budget discipline in this body.

I urge my colleagues to join with me in calling on the leadership of this institution to forthwith appoint conferees so that they may meet with the Senate, reconcile whatever differences exist between the two initial resolutions, one passed on one side of the building, the other on the other, and bring to this body a budget resolution for final action.

□ 1830

TRIBUTE TO YOSEPH GETACHEW, NATIONAL INDUSTRIES FOR THE BLIND EMPLOYEE OF THE YEAR

The SPEAKER pro tempore (Mr. SNOWBARGER). Under a previous order of the House, the gentleman from Virginia (Mr. GOODE) is recognized for 5 minutes.

Mr. GOODE. Mr. Speaker, I rise today to pay tribute to Yoseph Getachew who will be honored on October 20, 1998, by the National Industries for the Blind as the 1998 Peter J. Salmon National Service Employee of the Year.

At age 22, Mr. Getachew developed a massive, fast-growing brain tumor that cost him most of his vision. When hospitals in his homeland of Ethiopia were not able to perform the necessary surgery and when he lacked financial resources to have surgery elsewhere, Dr. John Jane at the University of Virginia offered tc perform surgery without charge.

Following recovery from surgery, Mr. Getachew was hired by the Virginia Industries for the Blind, where he uses a computer adapted to use speech software. Mr. Getachew is independent and self-sufficient. He has expressed appreciation to Dr. John Jane and the Department for the Visually Handicapped for their compassion, support and generosity.

Mr. Speaker, please join me in congratulating Mr. Getachew.

Mr. Speaker, I rise today to pay tribute to a young man of courage and fortitude, Yoseph Getachew. On October 20, 1998, in St. Louis, Missouri, National Industries for the Blind will honor Mr. Getachew as the 1998 Peter J. Salmon National Service Employee of the Year.

At the age of 22, Yoseph, then an engineering student in his homeland of Ethiopia developed a massive, fast growing brain tumor. Local hospitals were unable to perform the necessary surgery and Yoseph was forced to begin a desperate search for a capable neurosurgeon. Mr. Getachew lacked the financial resources needed to fund such treatment, but after writing to physicians and hospitals in both the United States and Great Britain, he finally received word from Dr. John Jane at the University of Virginia Medical Center who offered to perform the operation for free.

Yoseph's condition was very grave by the time he arrived in the United States; the tumor had deprived him of most of his vision and left him deaf in one ear and a few days before the operation Mr. Getachew slipped into a coma. Dr. Jane's procedure removed the tumor and saved Yoseph's life, but as he recovered, Yoseph found himself in a daunting situation. Mr. Getachew was alone in America, lacking money, friends and family, and he was blind.

A social worker for the Virginia Department for the Visually Handicapped approached Yoseph during his convalescence and arranged for a temporary home and rehabilitation training. Through the department, Mr. Getachew learned orientation and mobility, vocational and daily living skills, how to read Braille and use a specially adapted computer. Dr. Jane also stepped in with much needed financial support while he got back on his feet.

In 1995 Mr. Getachew applied for and was hired by Virginia Industries for the Blind who had just acquired a service contract with the General Services Administration in Springfield, Virginia. In his job, Yoseph uses a computer adapted to use special speech software which enables him to process orders from government customers over the phone.

Mr. Getachew has made a new life for himself here in the United States and has no plans to return to Ethiopia. "The awareness level and support of people with disabilities is very high and the technology and specialized training has enabled me to become independent and self-sufficient." Yoseph takes great pains to recognize those who supported him along the way. "Dr. John Jane and the Department for the Visually Handicapped. . . . Their compassion, support and generosity helped me beyond all my expectations . . . I love America".

Mr. Speaker, please join me in congratulating Mr. Getachew on the receipt of this award. His courage and determination are an example to us all.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3616, STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–740) on the resolution (H. Res. 549) waiving points of order against the conference report to accompany the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4112, LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–741) on the resolution (H. Res. 550) waiving points of order against the conference report to accompany the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE SURPLUS AND TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin (Mr. NEUMANN) is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Mr. Speaker, I rise tonight to talk about a very current issue in Washington, D.C. I spent the weekend back in Wisconsin, and back in Wisconsin it seemed like when I turned on the news almost the only thing I heard about was the Clinton situation.

I would like all of my colleagues to know that we are paying attention, and there is a lot more going on out here in Washington, D.C., right now than just the Clinton situation. As a matter of fact, we are at a point where we are going to next month, the first of October, report to the American people the amount of our first surplus since 1969.

What is going on out here right now, it is almost like a feeding frenzy where, since we are seeing this surplus, some people want to use the surplus for tax cuts, some people want to use it for spending reductions, some people say it is Social Security.

What I would like to dedicate this hour to this evening is talking about what the surplus really is, where it comes from; how we can cut taxes and how we have cut taxes in the past; in 1997 we had the first tax cut in 16 years, how did we get that done; what is different between the discussion today and last year, and how all these things fit together.

I want to start by going way back in history to just help us all remember what has happened in our country and how we got into the financial problems that were staring us in the face, the fact that we have not had a balanced budget, a situation where our government spent less money than they had in their checkbook, that has not happened since 1969.

I think before we go on in this, the fact that we are having some debates in this community about what to do with budget surpluses, we first need to put this into perspective and understand that having a surplus is a good thing. It is the first time since 1969 that that has happened. In deciding whether we are going to put it all aside for Social Security or cutting taxes or repaying debt, this is a discussion that could not have even been thought about for the last 30 years. So first I think we should give some credit to the people that took over in 1995 and led us to control spending, which we are going to talk a little bit more about here, but led us to this situation that we are right now at today where we are in fact in surplus.

Before we even get there, though, I want to go all the way back to 1982 and I want to talk about what happened in Washington, D.C., and in America in 1982. I brought with me a chart that shows the growing debt facing the United States of America. Generally when I look at this chart I do not stop at any particular date.

One can see from 1960 to 1980, the debt did not grow very much. Then all of a sudden this growing debt took a sharp turn and it started going right through the roof. What happened out here in these years that caused this debt to start growing as we can see in this picture it did?

In the early 1980s what happened is the Republicans under Ronald Reagan looked at the tax burden in America and they said this tax burden is not right, it should be stopped, we are overtaxing the people and they ought to be allowed to keep more of their own money. They were right. I was in the private sector at that point in time. I was in a situation where literally the tax rate got to 70 percent of my earnings by October. I was in the real estate business, so if I did not sell any houses, I did not earn any money. By October of that year, I started paying 70 cents out of every dollar I earned to the government so I quit working, and this is a true story, I went pheasant hunting for most of the fall because it did not make any sense to work and pay the government. The tax rates were too high. Ronald Reagan was right when he said tax rates are too high and we need reduce the tax burden on Americans.

What was wrong about it is the way they got the tax cuts passed. Because in exchange for passing tax cuts, they allowed increased spending, a massive increase in spending. So in 1982, in these early 1980 years, they did partially the right thing and partially the wrong thing. The idea of reducing the tax burden on Americans was the right thing. But the idea of getting the votes to pass the tax cuts by allowing increased spending, that was the wrong thing.

We are going to come back to that because that is really where we are right here in 1998. We are right on the edge of this whole thing and making the same mistake again. We have finally reached a balanced budget, finally reached a surplus, and there are many Republicans, myself included, recognizing that the tax burden is too high on Americans and we want to reduce taxes. The mistake we cannot afford to make again is the mistake that was made right back here in the early 1980s that turned this deficit chart into growth. We can cut taxes if we also control spending. If we both lower taxes and lower spending, that is good. That is what I came here for, because I think government is too big and it spends too much of the people's money. So to the extent we can control spending and use the savings from spending for purposes of tax cuts, this is a good thing. But what we cannot do and what we are on the verge of doing is the same mistake that was made in the early 1980s, cutting taxes and getting the votes for tax cut packages by increasing spending.

Mark my words right here and now tonight. Before this fall is over and before this Congress leaves, what is going to happen is the tax cuts that the House of Representatives wants and can pass are going to be rolled into a bill that the Senate wants to spend more money. So we are going to be right back in that situation where before this year is over, I will make the prediction here and now tonight to all my colleagues listening. Before this year is over, the tax cut package using Social Security money that the House is proposing is going to be rolled into the Senate proposals to spend more money, and before this year is over, we are going to be asked to vote on a bill that uses tax cuts, cuts revenue, and increases spending.

I keep pointing back to this turn in our deficit chart, the growing debt facing America, I keep pointing back to that year. We need to learn from that history lesson. We need to learn that lower taxes are a fine thing, but when you lower taxes you also have to control spending. Because if you do not, the debt piles up in a hurry.

I want to talk a little bit more about that debt so we know how far we came in these years basically since the early 1980s. The debt today is about $5.5 trillion. To translate that into something that is more understandable, if you divide the debt by the number of people in the United States of America, that is, the 5.5 by the number of people in our country, the United States Government has borrowed $20,500 on behalf of every man, woman and child in the United States of America. For a family of five like mine, I have got three kids and my wife back in Wisconsin, they have literally borrowed $102,000 basically over the last 15 to 20 years. It was that combination of tax cuts and getting the votes for a tax cut package by increasing spending that has led us to this mess.

The real kicker in this picture is down here, because this is the legacy we are going to give our children. This is the legacy of our generation on the next generation. The kicker is down here. A family of five in America today is literally paying $580 a month every month to do absolutely nothing but pay interest on this Federal debt. If anybody thinks they are not paying $580 a month for a family of five, just think about buying those kids shoes in the store. When you go in the store and you buy a pair of shoes, naturally the store owner makes a profit, we hope the store owner makes a profit, otherwise they are going out of business, so you go in and you buy that pair of shoes and when you buy the pair of shoes the store owner makes a profit and part of that profit gets sent to Washington, D.C., in the form of taxes. In fact, one dollar out of every six that the United States Government spends today does nothing but pay interest on this Federal debt. That is what the mistakes of the early 1980s led us to. The lower taxes were a good idea, but getting the votes to pass tax cuts by increasing spending, that is a very bad idea. We are right on the verge of that again.

What happened in the 1980s? Well, the deficits grew. They kept getting bigger and bigger and bigger. Many people remember the Gramm-Rudman-Hollings Act. In 1985 under the Gramm-Rudman-Hollings Act, I was in the private sector, we were building houses by then, and I started cheering. Our government said under Gramm-Rudman-Hollings that they were going to balance the budget, that they were going to quit overdrawing their checkbook, quit spending our kids' money and get to a balanced budget. That was the promise of Gramm-Rudman-Hollings in 1985. Then 1987 came along and they said, "Well, we can't really keep that promise we made in 1985, but here's a new promise," and they gave us Gramm-Rudman-Hollings of 1987. They broke that. Then came 1990, then came 1993 and, of course, the infamous tax increases of 1993.

I brought a chart along that shows what was supposed to happen to the deficit under Gramm-Rudman-Hollings of 1987. This blue line shows how it was supposed to go to zero. Well, the red line shows what actually happened to the deficit. Again that concept of cutting taxes and getting the votes to cut taxes by raising spending, which is not what it is going to appear like initially out here in Washington, but before the year is over that is where we are going to be, that is what happened. They promised a balanced budget and we had the deficits.

I would point out that 1993 came along and those deficits were still there. We recognized that we had a serious financial problem facing our country. But in 1993 the people that were in Washington at that point made the wrong decision. They looked at this deficit and they concluded that the only thing they could do is raise taxes on Americans. So they raised the gas tax, they raised taxes on Social Security benefits, they raised small business taxes. They raised taxes to try and solve this problem. That is the wrong answer. The American people did not want higher taxes. The American people wanted less wasteful government spending. That is really what this is all about. That is what the change is about in 1994.

In 1994, America changed. I did not do it. The class with 73 new members out here, we did not do it. The American people did it. Because in the 1994 elections the American people said:

> We've had it right up to here with this. We've had it with this wasteful government spending and the idea that every time the government can't control their pocketbook, they simply take more out of our pocketbooks. They collect more taxes.

It was the wrong answer in 1993. So they sent a new group to Washington, D.C., and the idea with the new group, we did not understand everything about government because people like myself, we had never been in office before, but we understood one simple concept: Higher taxes means more Washington spending, and the right answer for the American people was not higher taxes but less wasteful government spending. That was the fundamental principle that we started on in 1995.

I brought another chart with me that illustrates that about as definitively as you possibly can. In 1993, the year before the biggest tax increase in American history, this is the fiscal year going on, we had spending increases that year of 2 percent. We had a growth rate of government spending of 2 percent. What does that mean? That means if government spent $100 last year, they spent $102 this year. That is a growth rate of 2 percent. Well, in 1993 they passed that big tax increase bill and look what happened to government spending. The growth rate of government spending nearly doubled the following year. Higher taxes very simply meant more government spending. It was the wrong answer and it could not possibly solve the problem.

So in 1995 when we got here we said, "Wait a second, we can't do it that way. The right answer is getting government spending under control." Again you can see in this chart now, fiscal year 1996 was the first year that the new Republican Congress dealt with spending, you can see how the spending growth rates have now started back down again. It is that controlled growth of government spending that has put us in the position where we now have these surpluses. The economy is strong, no doubt about it, but that strong economy coupled with controlled government spending has given us these surpluses. But you see how that is the opposite of the 1982 thing. We did not go out and all of a sudden just pass a tax cut plan and increase spending to get the votes to do it. We got spending under control first so that we could get to a balanced budget.

What about 1997 and the 1997 tax cut plan? Why is it all right to cut taxes in 1997 and all of a sudden there is this debate going on in Washington whether it is all right in 1998? I brought two sheets of paper with me to help illustrate that. I am sure my colleagues are not going to be able to see them, but if they call my office they can certainly get copies of these. In one hand I have got the tax cut cost or the reduced revenue from the tax cut package of 1997. In the other hand I have the corresponding spending reductions. We cut taxes and we cut spending. If you cut taxes and cut spending, less government spending, lower taxes on the American people, this is a good thing. This is not a bad thing. This is a good thing. If we can get government spending under control and let the people then keep the money in their own homes to decide how they are going to spend it instead of having that money come out here to Washington, D.C., this is a good thing. That is what happened.

Again I want to emphasize this. The 1997 tax cut cost was about $100 billion in revenue. The 1997 spending reductions, $127 billion. So if you take these numbers and you look at them, we reduced spending, we reduced taxes. This is a good thing. Government is too big, it spends too much of the people's money and to the extent that we can get to lower taxes and lower spending, this is a good thing. This is 1997.

But it is not, and I emphasize again, it is not 1998. The tax cut proposal that is currently out here today is going into the Social Security surplus and using Social Security surpluses for purposes of cutting taxes. I ran a business out in the private sector. I guess this is why I am so adamantly opposed to this idea. In the private sector, if you are running a pension fund for your employees, you could not possibly put IOUs in the pension fund and use the cash to go out and buy a new car for the executive. That does not work in the private sector. You would be arrested for that. So what we are suggesting out here in Washington is that somehow it is all right to go into the Social Security trust fund, that pension fund called Social Security, and take that money out and use it to cut taxes.

□ 1845

That is the wrong answer. Tax cuts are good. The tax cut package that the gentleman from Texas (Mr. ARCHER) wrote is dynamite, it is great. I am a hundred percent in favor of cutting taxes provided we correspondingly reduce spending. But if we are going to cut taxes by using Social Security money, you could not do that in any business in America, and government had not ought to be doing it either.

Now I want to go into detail in the Social Security discussion, and I want to make this as clear as I possibly can so that there is no mistaking where we are at in the Social Security discussion.

Mr. Speaker, where we are at now is we were about to start into a detailed discussion on Social Security, and remember we have gotten to this point, and this is a wonderful discussion. I realize I am in opposition to some of my Republican colleagues who would like to cut taxes even if it means using some of the Social Security money to do it. I realize I am in opposition with them, but before we get into this debate with my Republican colleagues and, I might add, some of the Democrat colleagues from the other side, I think it is important that we give them the appropriate amount of credit, what a wonderful opportunity that we have that for the first time since 1969 our government spent less money than they have in their checkbook.

So, before we get into this debate where we may disagree, I think it is very important we give the appropriate credit.

Also on the tax cut package that has been written by Chairman ARCHER, I think it is a tax cut package, and I think in all fairness that he should get credit for it. But I also think that we should find corresponding spending to reduce so that we are not using Social Security money to offset the tax cuts that we are about to pass, and I do disagree with some of my colleagues on that issue. Tax cuts are good provided they are paid for by spending reductions or they come from the general fund surplus. But tax cuts that come from the Social Security surplus should not be done, and I feel very adamantly about that.

Let me go to Social Security, and I am going to go into some details tonight that I do not usually go into in this discussion, but for my colleagues that might be watching this evening I want to make sure that this is clear, and Chairman ARCHER just asked me that when I do this presentation tonight that I make absolutely certain that I clarify the differences between us because there are some people on the other side of the aisle that are going to use this issue to demagogue because, after all, it is an election season.

So, I want make sure I am very, very clear.

Social Security this year will collect $480 billion in revenue. It is going to pay back out to seniors in benefits $382 billion. Now to put this in perspective as to how this thing is working, I would like to forget the billions for just a minute and forget that it is Social Security, and I would like my colleagues to think about their own personal checkbooks.

If you have 480 bucks in your checkbook, and you wrote out a $382 check, your checkbook would not be overdrawn, and in fact that is how Social Security is working right now. We are collecting more money than we are paying back out to our seniors in benefits. Social Security is collecting $98 billion this year more than it is paying back out to seniors in benefits.

Now that extra money that they are collecting that is supposed to be put away and saved, because you see the baby boom generation people in my age group, and there is lots of us; when we go to retirement, there will be too much money going out and not enough money coming in, and again if we go to the personal checkbook analysis or comparison here, if you got yourself in a situation where over a period of years you have put these surpluses away into a savings account, and then you get to a point you overdraw your checkbook, that is when the baby boom generation gets to retirement, we spend too much money and do not take enough in. The idea is that we are supposed to be able to go to that savings account, get the money and make good on Social Security, because you see if we do not have that savings account, and we get to this point, and it happens in the next 15 years where there is too much money going out and not enough money coming in, the question we have to ask is where do you think the government is going to get the money from to repay those IOUs that are in the trust fund? Where is government going to get the money to make up this shortfall in Social Security if we have not put the money away the way we are supposed to? And the alternatives, of course, are higher taxes, and I mean it is ironic we are here tonight fighting about whether we should do tax cuts with Social Security money and doing it effectively means that we are going to wind up raising taxes in the not distant future to offset the shortfalls in Social Security.

So it just does not make sense to do it. But one option is raising taxes; another is to reduce benefits on seniors because, of course, if you reduce benefits, then you do not need the money out of the savings account. Neither of those are acceptable as we look at what is happening in Social Security.

All right, back to the Social Security analysis.

They are taking in $480 billion. We are writing checks out to seniors of $382 billion. It leaves a $98 billion surplus. This money that is coming in comes from a variety of sources, and I brought with me just a little bit of discussion here on where those sources are. Part of the Social Security money, part of that $480 billion, it is money collected out of workers' paychecks. That is the bulk of it. So the largest portion of the 480 is money collected out of workers' paychecks, but that is not all. You see this surplus has been accumulating over a period of years, and there is a whole pile of IOUs sitting off here on the side that are supposed to be accumulating interest. So part of that $480 billion is interest on those IOUs.

Now it should come as no great surprise to anybody that the government is currently paying the interest on those IOUs with, you guessed it, another IOU. So when we talk about this Social Security revenue, part of the Social Security revenue is those IOUs and the interest on those IOUs. So we have got $480 billion total. It comes from workers' paychecks, comes from interest on the IOUs and one other significant source, and that is called intergovernmental transfers.

You see, if you are an employer out there in America, you are already providing a portion of the Social Security payment on behalf of your employees. Well, the government has got lots of employees. That portion of the Social Security payment for the government employees, well, that is called intergovernmental transfers. So there is really three sources for this $480 billion. One is the money that comes straight out of workers' paychecks, one is the interest on the IOUs, and one is the intergovernmental transfers.

Now the debate that is going on here, and I am going to be a little more technical than usual on this, but the debate that is going on here: the Republicans are saying that we can put all the money that is collected from workers' paychecks aside and still have a tax cut. That is true. We can put all the money that is coming in from workers' paychecks over and above what is being paid back out to seniors in benefits aside and still have a tax cut; that is true. But what we cannot do is put all the money that is coming in from workers' paychecks, plus the intergovernmental transfers that is supposed to be going into Social Security and the interest on the savings. So the debate that is going on out here is when we look at this Social Security revenue, should we count just the money that is coming from workers' paychecks, or should we count the money that is coming from workers' paychecks plus the intergovernmental transfers, plus the interest on those IOUs?

And again, you know, I am not an expert at this from the government side of it, but I can tell you in the private sector if I am looking at a pension fund and I look at how much money I have accumulated in that pension fund to pay my employees benefits, it would not be acceptable in any business practice to say I am only going to count the new money going in this year and for the interest on the pension fund I am going to write an IOU to the account. That would not work. That interest gets paid in real money to any pension fund in America, so I respectfully disagree with my colleagues when they somehow indicate that we do not have to count that interest on the IOUs or these intergovernmental transfers. From a private sector prospective running a pension fund for employees you could not possibly get away with having a pension fund there, pulling the earnings out, replacing the earnings with an IOU and spending those earnings on something different. That is just absolutely you could not get away with that in the private sector.

So again I go back to if it makes sense out there in America, and that is the way the rest of the country runs, why in the world should we just because we are government work under a different set of rules? I think we should go back to the private sector, look at how the pension funds are run and do the best we can to do the same things here that we would consider acceptable and write off in the private sector.

All right, back to this picture then. We do have $480 billion total coming in for Social Security this year. We are writing out about 382 billion in checks to our seniors, leaving a $98 billion surplus. The problem we have today out here in Washington is that $98 billion surplus is deposited directly into, and think of this middle circle as the big government checkbook. So government gets this surplus, they put the money in the big government checkbook, and they spend all the money out of that big checkbook so, of course, there is no money left at the end of the year, so they simply write an IOU down here in the Social Security trust fund.

But now this year is a little bit different because you see this year we are taking the money, putting it in the big government checkbook, but for the first time since 1969, when we get out here and look at the checkbook at the end of the year, there is money left. Now the amazing thing to me is that our government and what we are doing today is we are looking at this 98 billion, we are putting it in our checkbook, we are getting to the end of the year and there is a little bit of money left out there, and we are going, great, we got money to spend; great, we got money to reduce revenue. But the point is if we did not put that money in the big government checkbook, we would have zero left in our checkbook. It is still balanced; I mean I am very happy to report the progress that has been made here. We would still be in balance or for all intents and purposes in balance this year, but we certainly do not have money left over to do tax cuts with.

So when you hear this debate unfolding before us and you say should we do tax cuts or should we not do tax cuts, the question you have got to ask yourself is: Is it fair to take that surplus and use it for something, new spending or tax cuts, when in fact it belongs down here in the Social Security trust fund?

Now in my office we have written a bill. It is called the Social Security Preservation Act and it would effectively solve this problem. What the Social Security Preservation Act does is it simply takes that $98 billion and puts it down here in the Social Security trust fund, and to most people in America that does not look like Einstein kind of thinking. It really is not. In the private sector if I was running a pension fund and I had money that was supposed to go into the pension fund at the end of the year, I sure as shooting would not put it in my government, in my business checkbook and spend the money. I would have to put the money down here in the trust fund, where it belonged.

So what we are doing here is no different than what any company in America is doing as it relates to pension. So our Social Security Preservation Act would simply take the $98 billion and put it directly down here in the Social Security trust fund, and you can see I kind of got it walled off. The idea is we do not want that money to wind up being spent out of the big government checkbook.

Now as far as the big government checkbook, and I think this is real important in understanding because we are about to move into a new era; you see, the Social Security fund has been in surplus now for quite some years, and they have been spending the money and for the first time we are in a position we could actually put it aside, which is the right thing to do. But there is another dynamic happening here. This general fund without the Social Security money is also about to go into surplus, and that is an entirely different discussion. The Social Security trust fund is in surplus. That money should not be spent, it should not be used for tax cuts. Social Security money should be set aside for Social Security. But when the general fund gets into surplus, that is a different story, and we have got to start asking ourselves the question now, if we are not using the Social Security money, but the general fund is in surplus any way, and when we get done at the end of the year, we have got money left in our checkbook, what should we do with it?

I mean after all this money does not belong to Mark Neumann and the Members of Congress. This is the people's money. This comes from the people's paycheck. It is their taxes that we are talking about. So when we look at this general fund, assuming we set Social Security aside, what should we be doing?

And let me just lay out my plan and where I think we should be going. I wrote a bill called the National Debt Repayment Act. The National Debt Repayment Act says, if we get in surplus in the general fund, we use it really for two things. First, we use it to make a payment on the Federal debt and we pay off the Federal mortgage much like you would pay off a home mortgage anywhere in America. So as we get into surplus in the general fund, we first make a mortgage payment on the Federal debt. Under our bill we would pay off the entire Federal debt within 30 years, much the same way as any American might pay off their home mortgage.

What about the rest of it after we made our mortgage payment? Well, I think that should go back to the people in the form of tax cuts.

So you see how this picture can all work together. We can set the Social Security money aside and when we are in surplus now, which we physically are in Fiscal Year 1999 unless we go into a severe recession, and I do think that we should wait and see that we have actually got the money in hand before we go spend it, but assuming things stay as they are and we are in surplus in the general fund, not the Social Security money, in the general fund, if we are in surplus in Fiscal Year 1999, I think we should look seriously at doing tax cuts with general fund surpluses, and I think we should look seriously at starting to repay the Federal debt.

When you think about this picture for the economics of a country we are now saying that we can put the Social Security money aside because we are in that position today, and as we go into surplus, we start making payments on the Federal debt, we pay off the debt in its entirety so we can pass America on to our children debt free, and the leftover money we get to use for tax cuts so we can actually reduce the tax burden on American citizens.

That is kind of my vision for what we ought to be doing out here. Now how does that relate back then to what the discussions that we are having right now? First off, I hear it all the time. In our district the AFL-CIO started running ads implying ironically that I support the tax cut using Social Security money even after I have given several speeches like this on the floor. But at any rate the other side is basically implying that we want to cut taxes with Social Security money, and at the same time what they are not telling the American people is about all these proposals for new spending. And I keep going right back to this. It is every bit as wrong to propose new spending with the Social Security money as it is to propose tax cuts. But what the American people are hearing about, aside from Clinton, what they are hearing about is the Social Security money being used for tax cuts, and what they are not being told about is this thing called emergency spending that effectively spends Social Security money for new government spending programs, and they are both wrong.

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One is as wrong as the other.

I am optimistic that as we move forward, we will move into an opportunity to stop both of those things from happening, but it is going to be a huge debate this fall.

For my colleagues that might be watching this evening, watching this floor speech, I would reiterate my prediction: That before this fall is over, you are going to be asked to vote on a joint package that includes $80 billion of tax cuts and at least $80 billion over five years of new spending.

I reiterate where we started the hour this evening, and that is that we are effectively going back to 1982. In 1982, President Reagan wanted tax cuts, and he was right to want tax cuts, but he got the votes for those tax cuts by allowing new spending, and that is exactly what is going on out here in 1998. There is such a mess going on in the media with, of course, all of the Clinton problems, that what is happening is this is being buried below the surface so the American people are really not very aware of this at this point in time, that we are about to start making the same mistakes that I think we made back in 1992.

I am optimistic we can get it under control and stop that from happening, but it is very, very important that my colleagues engage in this discussion with their constituents and that the constituents provide that feedback to my colleagues on how they feel about using Social Security money for tax cuts or about how they feel about using Social Security money for new spending.

I would hope that what would happen is as my colleagues engage in this interaction with their constituents, I would hope in their district they ask their constituents how they feel, and I think they would find they feel much the same as the people do in Wisconsin.

Tax cuts are good. No one disagrees with the facts the taxes are too high. The '97 tax cut package, and, again, I reiterate, we think of the tax cut package, here are the tax cuts, here are the spending reductions that went with them, lower spending, lower taxes, this is a good thing, no one disagrees with that.

But when you ask the other question, when you ask the question, and I have seen all the poll numbers floating around Washington, D.C., the Republicans have one set, the Democrats have a different set, but I would like to encourage our pollsters to start asking the question that I ask to normal typical people, which, by the way, all tell me they never get these poll calls, but I think what they ought to start asking is, okay, you support tax cuts, and I think you will find most people believe taxes are too high and they support tax cuts. But then you ought to ask the next question: Is it all right to use the Social Security money for tax cuts? I think you are going to find a dramatic answer "no." I think it is our responsibility to see to it that we start treating Social Security properly.

One more thing before I end this hour this evening that I would like to talk a little bit more about, because I found when I traveled Wisconsin, there are so few people talking about the tax cut package that is already passed. It is like there is this frenzy out here, it is election season, we have to pass another tax cut package. When I go around Wisconsin, most of the people do not know about the package passed already. So I would like to stop talking for a minute about what we might do this fall and talk about what has already happened and what has already been passed into law.

Last year, 1997, we passed a tax cut package for middle income Americans. When middle income Americans do their tax returns next April, they are going to find that they get a $400 per child tax refund. This is not an additional deduction or anything like that. You do your taxes, you get to the bottom line, and when you get to the bottom line you get $400 back in the form of a refund for each child under the age of 17.

If you have a college student, and costs of college are astronomical, it is very difficult for middle income families to pay for college today, if you have a freshman or sophomore in college, you get to the bottom line on your taxes and subtract 1,500 off. You get literally a tax-free fund of $1,500 to help pay college tuition. If you are a junior or a senior, it is 20 percent of the first $5,000, but basically it is $1,000 for most middle income families.

Let me put that in perspective. For a family of five in Janesville, Wisconsin, with two kids at home and a freshman in college, they would expect a tax refund of $2,300 next April. This is real money. We are talking middle income, $50,000 a year family in Janesville, Wisconsin, with two kids at home and a freshman in college, they are going to get a $2,300 refund next year.

I will tell you, this is not really about just the money. It is not about money. It is about those families having the opportunity to spend more time with their kids, because, you see, when they keep that $2,300, they might be able to make a choice of not taking an extra job, and when they do not take the extra job, they have more of an opportunity to spend time with their kids and their families, and that really is what the tax cuts are all about.

Then I hear well, but that is only for families with kids, Mark. What did you do for the rest of us?

They do not know at this point, some people know that the capital gains tax has been reduced from 28 to 20, and it is going to 18. That has already passed into law and is on the books. Some people, especially our young people, and some middle income people my age, especially when they get to be empty-nesters, when you turn 45, 46, 47, a funny thing happens, when your kids start leaving home to go to college or maybe they get married and start their own families, all of a sudden you realize you are a full generation now closer to retirement yourself.

We start looking at these empty-nesters and we start saying, what is happening with empty-nesters? A couple things happen. One is many of them sell their home and buy a smaller home, that is one, and another thing is they start saving money for their own retirement.

There are two significant changes passed last year. The first is the Roth IRA. For those empty-nesters, that are now with the kids in college or out of college even starting their own families, and they are thinking about their own retirement, those empty-nesters can now put $2,000 each into an account; the interest accumulates tax-free all the way to retirement; and when they take the money out at retirement, there is no taxes to pay. So they can start saving in a much better way for their own retirement.

One more thing on the Roth IRA that I think is real important, because I saw it with my own family, I have a 21-year-old son who started his own Roth IRA. The Roth IRA for young people is very, very important because it allows them to put money away that they can later take out tax-free to either buy a home or continue their education.

So when my Andy literally gets out of school and decides it is time to buy his own home, the money he put into the Roth IRA, whatever it has earned, he can take it back out tax-free and use it to purchase his first home, up to $10,000, or he could use it to return to college as well. So that Roth IRA is very important for the young people, it is also very important for the empty-nesters starting to think about taking care of themselves in their own retirement.

But there a second thing that I mentioned with the empty-nesters happening to lots of people between 45 and 55. That is that their home that they had when they had their kids is too big, so they buy a smaller home to now maybe help save additional money as they move toward retirement. There is no longer any Federal taxes due on the sale of virtually any home in America. There is a way-high like $500,000 top end cap on this, but if you sell a home for less than the $500,000 number, virtually all homes in Wisconsin, if you sell a home for less than that, there is no Federal taxes due. So if an empty-nester makes the decision to sell the larger home and move into a smaller home, there is no taxes due when you sell that house.

One more thing. For senior citizens who may have made that decision in the past, they sold that larger home and moved into a smaller home, they took the onetime age 55 exclusion which would have allowed them to avoid paying taxes at age 55 on a certain amount of the profit they made only their home. For our senior citizens who sold their home, took the one time exclusion and bought another home, when those seniors make the decision to sell their home again now, there are no taxes due.

So this tax cut package of 1997, very, very few people even know what was in it at this point in time, and I think what we should be doing, to my colleagues that are listening this evening, is rather than make a decision to cut taxes using Social Security money, let me give you my first choice. My first choice would be to do the tax cuts, find corresponding spending reductions, so we have less spending and less taxes. That would be my first choice.

But if we find that this body between the House and Senate does not have the will power to find the corresponding spending reductions in order to reduce taxes, if we do not have that willpower today, and, by the way I would do it in a heartbeat myself, but it takes 218 votes to pass these things, so if we do not have the will and we do not have the votes to find the spending reductions, for goodness' sake, let us not go and cut taxes using Social Security money. That is the wrong answer.

Let us just give this thing a little chance. Let us talk about the tax cuts of '97, let us let America know what we have already accomplished in reaching a balanced budget. Let us let America know we have actually takes passed a tax cut package that going to significantly impact them. Let us let our country know about the improvements that have been made in Medicare, where diseases and testing for diseases that were never covered in the past are now covered, and how we save money by doing things like testing for diabetes ahead of time, instead of making the senior get sick before Medicare kicks in and covers that.

Let us get that information out to the American people during this fall, as opposed to going ahead and doing something that I think repeats the mistakes of 1982, and that was decreasing taxes effectively using Social Security money to do it. Decreasing taxes while we increase spending is such a bad precedent to set and that is not what we came here for in 1995. That is not what the American people elected us to do. I sincerely hope as we look at this fall and we look at the days ahead of us this fall, I sincerely hope we make the right decision and do not allow that to happen.

I would just like to conclude with my vision of where I hope we go as we move forward. I think from the economic side of a vision for the future of this country, I think the first thing we need to do is make sure that Social Security is safe and secure for our senior citizens.

We talked about the Social Security Preservation Act. That extra money coming in for Social Security, this needs to be used for Social Security. It needs to go into a safe, secure savings account for our senior citizens. That is goal one.

Goal two: This debt that we have accumulated, we need to start making payments on the debt. The National Debt Repayment Act would repay the Federal debt, much like you would repay a home mortgage over a period of 30 years. So goal two for the future of this country, wouldn't it be great if our generation, while we are still in the work force, could pay off the bills that we have run up over the last 15 years and give America to our children absolutely debt free? Remember, that means that you can simply reduce the tax burden by $1 out of every $6 simply by not having the debt, because that is how much the interest on the Federal debt costs today.

So the second goal that I would make on the economic side, let us pay off the Federal debt and leave our children the legacy of a debt-free Nation, where they do not have to pay $580 a month to do nothing but pay interest on the Federal debt.

The third goal, and I think it is equally important, the tax burden today is nearly 50 percent higher than it was a generation ago. When my parents had me 40-odd years ago in the fifties, the bottom line was the tax burden then was about 25 cents out of every dollar they earned. Today that number is all the way up to 37.

So I keep asking this question, what is it that government is doing today that is so much more important that they did not have to do before, that my parents were doing for themselves back in the fifties that now government can do better than my parents could do for themselves back in the fifties? What is it that would allow your government to collect this extra 12 cents on the dollar, forcing so many second and third jobs in our families all across America?

So when I look at our goals as we move from this generation forward, I think we need to get the tax burden down to where it was in the fifties, not more than 25 cents out of the dollar at all levels of taxation, state, Federal, local, property taxes, the whole shooting match, not more than 25 cents out of the workers' paycheck out of a dollar should be used for taxes. So that is the economic side.

On the social side, I think the most important issue facing America today is education. We look at our kids and where they were once up here ranking in the world, we are now down in the twenties, depending on which study you look at, as to where we rank in the world. And, you know, government's answer to this education problem has been hey, I am out here in Washington and I know how to educate your kids, so I am going to start a new government program; and when I get done, because I am in Washington and know how to educate your kids, education will improve.

Well, education did not improve. Government started 760 different programs with a course of bureaucracy to go with every one of those 760 programs, and our kids just kept dropping in the rankings more and more and more.

The reason they kept going down in the rankings is because every time government takes a responsibility away from the parents, the parents have less say in the education of their kids, and the less the parents are involved in that education, naturally the poorer the success rate with education.

So I think as we look at this education problem, the right answer is to do everything we can to get the Federal Government out of the way and return the power of education to decide what the kids are taught, where it is taught, and how it is taught, that needs to be returned to our parents, to our teachers, to our communities, to our school boards, and not be controlled out here.

There is an interesting side benefit from this, and we voted on this bill last week. If we could get that money back to the control of the local schools, and we get these bureaucracies, because, remember, 760 different education programs, 760 different bureaucracies, all the bureaucrats getting paid before any money gets to the classroom to help the kids.

If we could require that 95 cents of every dollar that the Federal Government spends on education actually winds up in the classroom, it would mean there would be an additional $9,000 for every school in the country without raising taxes open the people, $400-plus for every classroom in America if we just get the Federal Government out of the way. That money today is paying government bureaucrats in Washington.

Again, I just keep going back, I almost think of Washington people kind of grabbing their coat and saying well, I know better about education than all you people out there in America. Why in the world would anyone believe that just because you are here in Washington, you know better how to educate Wisconsin kids than people in Wisconsin do? It just makes absolutely no sense to me.

So when I look at the education, how we are going to fix the problem, get control of education back in the hands of the parents, let us let our parents decide what the kids are taught, where it is taught and how it is taught, there is a huge by-product if we can do that.

We looked to the study of thousands of teenagers, and what we found was not unexpected. Some had drug problems, there were crime problems, there were teen pregnancies, there was teen smoking, but there was also a whole mess of good kids. There was a whole bunch of good kids that we found. So we started looking at the difference between the ones that had crime problems and the ones that did not; the ones that had drug problems and the ones that did not; the ones that had teen pregnancies and the ones that did not; and teen smoking, and the list goes on.

The single most important factor in determining which group these kids are going to be in, and, again, this does not come as a surprise, it is the amount of involvement of the parents in the kids' lives.

So when we look at our social problems facing America, if we could solve the education problem, or at least move in the right direction by reempowering our parents to be more actively involved in our kids' education, we would also see significant improvement in areas of crime, drugs, teen pregnancies and teen smoking.

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One other thing on the social side that I think should be mentioned, today we have a practice in America called partial birth abortions. The Senate just voted last week to not override the President's veto of a partial birth abortion ban.

Many people in America still do not know exactly what a partial birth abortion is. This is not going to be anywhere near as graphic as what we have seen about the President, but I do think it is important we understand what it is.

In a partial birth abortion, it occurs as late as the 7th, 8th, or 9th month of a woman's pregnancy. The child is partially delivered feet first, all the way up to the head. The delivery is stopped, the child's life is ended, and they then complete the delivery. Remember, just seconds more on that delivery and the child lives. We are talking about a healthy baby whose life is ended just before it takes its first breath.

Folks, I think when we look at America, this partial birth abortion issue, it is not about Republicans or Democrats or even pro-choice or pro-life. Many pro-choice Democrats voted the same way as pro-life Republicans like myself to end the practice of partial birth abortion.

We can have this other abortion debate, and I at least understand, I do not agree with, but I understand the other side in the abortion debate. But when we talk about partial-birth abortions, it says something about us as a Nation. If we are going to allow this sort of a practice to continue, what does it say about America as a country? What does it say about us as a people? That is why we need to keep at that, on the social side of problems facing this country, and we do need to end partial birth abortions.

Let me paint this picture and just kind of wrap up tonight with a total picture, here. If we can pay down the Federal debt, the government no longer needs to pay the interest on the debt. That interest money makes it easier to put the money away for Social Security that should be put away so our seniors are safe. They get up in the morning knowing their Social Security is safe. It also makes it easier to lower taxes, because we do not need the interest money. That is $1 out of every $6 the government is spending today. It makes it much easier to lower the tax burden on all Americans.

Let us think about lowering the tax burden for just a minute, because those ramifications are great. When we lower the tax burden, families can make decisions to not take second and third jobs, because they will be keeping more of their own money, rather than go out and earn that extra money they were sending to Washington before.

As we lower the tax burden, parents will be able to make the decision to spend more time with their families, and when they spend more time with their families, hopefully they are actively involved in their kids' education. So we have reempowered the parents to have control of their kids' education, what they are taught, how it is taught, and where it is taught. They now have more free time.

As we reduce this tax burden, they are not forced into the second, third, and fourth jobs, so they are more involved in their kids' education. It solves the education problem, or at least moves in the right direction of solving the education problem.

Of course, the by-product is that those other social problems we mentioned, we expect to see lower crime rates, less drug use, fewer teen pregnancies, less teen smoking.

When we put this picture together, we pay off the debt, no interest payments, it is easy to put money away for social security. Lower taxes empowers parents not to have to take a second and third job. It puts us in a position where we can now start seeing solutions to social problems, not by Washington mandates or somebody out here grabbing their jacket and say, I know how to do it, but rather, empowering parents to be actively involved in the kids' lives.

The greater involvement by the parents in the kids' lives, the farther we move down the road towards solving the social problems facing our country. That is how we spend the majority of our time.

I should conclude by saying I am not so naive to think that I or somehow somebody in this city or any of my colleagues can wave a magic wand of some sort and say, okay, it all happens. I am not that naive.

But when we start thinking about goals for a generation, paying off debt, restoring Social Security, reducing the tax burden so parents can have more time with their families, improving the involvement of parents in the education process, and as parents are more involved in their kids' lives, lower crime rates and fewer drugs, fewer teen pregnancies, those are the goals we need to be working for as a country.

We need as Americans to focus on a positive bright light out there, and start looking again as to what we can do for the good of the future of this country over the course of the next 5, 10, 15, 20 years, over the course of the next generation.

BOLSTERING OUR COUNTRY AGAINST THE EFFECTS OF THE GLOBAL ECONOMIC CRISIS

The SPEAKER pro tempore (Mr. SNOWBARGER). Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, I want to spend the next several minutes talking about something that is very important to all Americans, but something that is being, at least until recently, largely ignored here in our country; that is, the global economic crisis that originally expressed itself in Japan some 7 years ago, and then gradually swept across all of east Asia, and is now expressing itself in Russia, with the devaluation of the ruble and other economic problems in that country, and also in countries in South America and Latin America and elsewhere around the world.

We, as the strongest economy in the world, have been somewhat insulated from the first direct effects of this global economic crisis. But the fact of the matter is that we are not immune from its effects, and we need to begin to bolster ourselves against it if we are going to maintain strength in our own economy.

One of the most important things that we need to do is to reduce our real interest rates. That will enable our economy to strengthen by making money less expensive, so people can make the purchases they need, the longer term purchases they need to make, so that business can strengthen themselves and be prepared for the impact of this economic onslaught.

Real interest rates, adjusted for inflation, are currently at a 9-year high. Federal Reserve Board Chairman Alan Greenspan admitted as much to the House Committee on Banking earlier this year when he said the following: "Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period."

We may wonder why short-term interest rates can be so high when the Federal Reserve has held them steady at 5.5 percent since March of 1997. The answer to that question, of course, is inflation, or more precisely, the lack of inflation in our economy.

As measured by the Consumer Price Index, the rate of inflation is currently at 1.6 percent. The CPI in fact has been below 2 percent for many months. When we factor in this low inflation rate, real interest rates currently are more than 4 times as high as they were in 1992 at the end of the last recession. We are paying more in interest than we should be paying.

The Federal Reserve Board has been hypervigilant about wringing inflation from our economy. They interpret every positive indicator, low unemployment, rising wages, increasing productivity, every one of those indicators are interpreted by the Fed as a sign that prices are going to rise. Of course, they have been wrong every time.

The Fed, in fact, in its fixation on inflation, is fighting, in effect, the last major war on inflation, which occurred back in the 1970s. Their mindset is a 1970s mindset. The economy has changed, of course, dramatically since that period.

I began calling for the Federal Reserve to lower interest rates more than a year ago, last summer, when it became clear that falling unemployment was not going to cause inflation to rise. I was concerned at that time that the Fed would see the first real, albeit modest, increase in workers' wages in almost two decades as a precursor to inflation, and that they would act to slow the economic growth, either by raising interest rates or not by lowering them. This was before the east Asian economic situation was a factor in the rest of the world, and particularly, in our economy.

At the end of the last October, when the dimensions of the Asian crisis became apparent, I urged Chairman Greenspan to hold the line on interest rates until we knew how Asia would play out here in this country. I was concerned that disinflation or even deflation due to the strong dollar and increased imports might be the real problem facing us. In fact, currently our trade deficit is the major economic deficit we are confronting as a Nation.

Since that time, the situation in Asia has not gotten any better. In fact, it continues to worsen. Barely a month ago the Russian government devalued the ruble and defaulted on their obligations, setting off another global economic problem. Latin America is already the next trouble spot, as investors are beginning to pull their money from emerging markets there and elsewhere around the world.

The down side of living in a global economy has finally hit home, and we are unprepared for it. We have rushed into this global economy without our eyes open sufficiently. Interest rates on 30-year Treasuries are at record lows, and are actually below the Federal funds rate. Corporate earnings were down in the second quarter and are likely to be off again in the third quarter, judging from the early reports of many companies. The farm debt is at its highest level since 1985, as commodity prices slide and the global markets for goods dry up. Our trade deficit is the highest it has ever been, and it keeps increasing at record increments each and every month, month after month.

The stock market seems to be on a daily roller coaster ride, and a decline in equity values, which is apparent, could dampen confidence and slow consumer and business spending as people watch their wealth evaporate.

Mr. Speaker, this is why I am introducing a sense of the Congress resolution calling on the Federal Reserve Board to lower the Federal funds rate promptly. I hope that this resolution will be supported by all the Members.

DUTY, HONOR, AND COUNTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Colorado (Mr. McINNIS) is recognized for 60 minutes.

Mr. McINNIS. Mr. Speaker, as I begin my remarks this evening, I know some Members may have to leave the floor. Some may have other business. But there are three words that I ask Members when they leave this evening to remember: duty, honor, and country. Those words obviously come from the speech given in 1962 by General MacArthur: duty, honor, country.

Our country right now is not in a constitutional crisis. Our country right now is not like the situation in Russia, where, because we have a bump in the road dealing with the highest levels of our government, our government is on the verge of collapse. It is not on the verge of collapse.

Our country has the strongest economy yet remaining in the world. Our economy has the strongest military in the world. Our economy has the strongest educational system in the world. Our economy has the strongest health care system in the world. Our country clearly has more freedoms than any other country in the world. Our country helps more immigrants than any other country in the world. Our country welcomes more immigrants than any other country in the world.

So as we go through these times, trying times in Washington, D.C., do not be mistaken, for there is a lot more that is going right in our country than there is that is going wrong. But tonight, by necessity, I want to talk about some of the things that I think are necessary for this country to continue to have that reputation, that reputation being that there are more things going right in this country than there are going wrong.

I think, as an elected official, and this would apply to any publicly elected official in this country, we must remember three other words: always for them. Always for them, that is our duty, that is our obligation, and that is our commitment. We come second, you come first: always for them.

Let us go back to duty, honor, and country. As some watch the news here, as we watch it here in the next few days, and hopefully we can expedite through the difficulties we have back here in this city, but as it goes on for months, as we watch it through the months, if we have questions about integrity, if we have questions about actions, if we have questions about commitment, if we have questions about leadership, I think we can always safely return to General MacArthur's words: duty, honor, and country.

I am not going to go through all of General MacArthur's speech this evening, but I think there are some appropriate spots to talk about within this speech, and then we can get to a little more of the substance of the other issues which I earlier discussed.

The address by General of the Army Douglas MacArthur to the cadets of the United States Military Academy, on May 12, 1962, was a memorable tribute to the ideals that inspired America. As long as other Americans serve their country as courageously and honorably as the general did, our country will remain great, and General MacArthur's words, duty, honor, and country, will live on.

Let me take an excerpt from the speech: "Duty, honor, country. Those three hallowed words reverently dictate what you ought to be, what you can be, and what you will be."

"They are your rallying point to build courage when courage seems to fail. To regain faith when there seems to be little cause for faith. To create hope when hopes become forlorn.

"Unhappily, I possess neither the eloquence of dictation, that poetry of imagination, nor the brilliance of metaphor to tell you what they all mean. The unbelievers will say they are but words, but a slogan, but a flamboyant phrase. Every pundit, every demagogue, every cynic, every hypocrite, every troublemaker, and I am sorry to say some others of entirely different character, will try to downgrade them even to the extent of mockery and ridicule. But those are some of the things they do.

"These words build your basic character. They mold you for your future roles as custodians of the Nation's defense. They make you strong enough to know when you are weak and brave enough to face yourself when you are afraid.

"What the words teach. They teach you to be proud and unbending in honest failure, but humble and gentle in success. Not to substitute words for actions, not to seek the path of comfort, but to face the stress and spur of difficulty and challenge. To learn to stand up in the storm, but to have compassion on those who fall. To master yourself before you seek to master others. To have a heart that is clean, a goal that is high, to learn to laugh, yet never forget how to weep. To reach into the future, yet never neglect the past.

"To be serious, yet never to take yourself too seriously. To be modest so that you will remember the simplicity of true greatness, the open mind of true wisdom, the meekness of true strength.

"They give you a temperate will, a quality of the imagination, a vigor of the emotions, a freshness of the deep springs of life, a temperamental predominance of courage over timidity, of an appetite for adventure over love of ease. They create in your heart the sense of wonder, the unfailing hope of 'what next?' and joy and inspiration of life."

□ 1930

Those words should be read by everybody in this country who is running for public office in this November's election. These words should be read by every teacher, every college professor, every minister, everybody who has someone younger than they or everybody who has somebody looking to them for advice.

Those words should be read, because this country is a country of standards. This country is a country of expectations. This country is a country of great people. But it is a country that is tested at every turn. And if we do not meet these standards, truthfulness, dedication, patriotism, and it goes on and on, if we do not meet those simple standards, this country will go around a bend and go right off the curve.

Now, we have been tested, as I said, for 300 years. Tested before the country became a country. Tested when we came to this land. Tested throughout this history. And, of course, overall we have succeeded. But most of the time if we look at our success, it is not a matter of luck. It is a matter of standards.

When we talk about some of the areas that we need to look at that make this country great, there are three areas I think are specific. One of them is called the rule of law. Now, the basic philosophy of the rule of law in our country is that the law is king. Remember that. The law is king. The king is not the law.

Now, there are other countries in the world, and of course throughout our history, where the king was above the law. In our country, we do not make that exception. In our country, the law is the king. Nobody is above the law. It is elementary for the success of this country.

Mr. Speaker, I want to visit for a minute, we have had lots of discussion in the last few weeks about telling the truth, about fundamental honesty, about a word called "perjury." I have here the definition of perjury. For the rule of law to work, we have got to have a system that demands honesty.

In our system, we have an oath that we take before we testify in court. We have all heard that oath 100,000 times on TV shows. Some have experienced that oath in a court of law. Those who, like me, went through law school and were accepted by the local courts went through an oath with that court. We swear to tell the truth. We swear to it.

Those who serve in public office were sworn to an oath and in that oath if it was not explicit, it was certainly implied that they had a commitment and a duty to tell the truth.

Perjury: False declarations before a grand jury or court, or a court, any jury, any court. Whoever, under the oath at any proceeding before or any ancillary to the court or grand jury of the United States, knowingly makes any false material declaration.

Notice that for our rule of law to prevail, we do not put a comma there and we do not put the words after the comma, "except when it is uncomfortable." We do not allow an exception to perjury if it is uncomfortable to tell the truth. We do not allow an exception to perjury. We do not put a comma there and allow an exception to perjury if it is embarrassing to tell the truth. We do not allow an exception to perjury if it is a private matter and we do not want to share it with anybody. We do not allow someone not to tell the truth because they do not want to share it with anybody. We require, it is very simple, that they must tell the truth and the reason is that our system has to work.

Those out there could put a lot of blanks behind this comma. We could come up with any kind of exception we want. But at end of the day, we are going to find out that it is very simple. There are not exceptions. At the end of the day, we will say to ourselves: It is a beautifully designed definition.

Because, Mr. Speaker, if we allowed exceptions, how could we stop? And certainly if we allow an exception for one person, let us say we have somebody who is a great friend, a good citizen in the community, he has done a lot for the community. We do not put a comma on there that says, "Except for Scott McInnis." We do not put a comma on there that says, "Except for Good Guy John" or "Good Lady Jane." We cannot do it. It will not work. The system cannot afford a leak like that. Through years and years, our system, our court system, public officers, publicly elected officials, have sustained this definition by following it.

Recently, I have gotten some interesting correspondence, as some might guess, from constituents regarding issues. Let me say this evening and make it very clear, there may appear to be gaps in my comments tonight. As we all know, we have the strictest protocol in the country as to what we can and cannot say on this floor, and I am doing everything I can to stay within those rules. It is my obligation as a Congressman to follow the rules of this House. So, the comments I am about to make have been heavily edited so as not to offend the protocol or the rules of the House of Representatives.

Mr. Speaker, this is a constituent letter:

"I've never written to any elected official before." By the way, this is dated Friday, September 11. "I've never written to any elected official before. But in light of current events, I find it necessary to write now. I am a resident of Denver County and currently not registered as either a Republican or an Independent. I am a swing voter, since I usually vote for the person and not the party, having voted for Bill Clinton in 1992, Bob Dole in 1996, Dukakis in 1998 and anybody but Reagan in 1980 and 1984.

"I do not know the answers yet to the action that should be taken about the current presidency. I do not know whether impeachment is the ultimate answer until all the facts have come out. But I do feel strongly that hearings should commence. If nothing else, if no action winds up being taken, this country needs to address morality and honesty for all of us.

"What is it that makes this country great? I used to be a court reporter and administered the oath daily and it means something to me. It is hard for me to hear anyone saying, "Everybody does it. Nobody prosecutes people that do not tell the truth under oath." If that is so, why do we, Mr. Congressman, bother to even administer the oath?

"I have two young men that I am raising as a single parent. One is 12 years old and one is 8 years old. My 12-year-old son, Alex, and I were talking about the current events one evening and he remarked, 'Can someone not tell the truth and get away with it?' When I said it is possible and I do not know that they will be punished for not telling the truth, he had a stunned look of disbelief and it was somewhat painful to me.

"This is a young man who cannot lie. He has a job walking dogs and one day he forgot to do his job. He did not try to hide or conceal it. He called up the woman he works for and he told her what had happened. He was sorry; to not pay him for that day because he had been careless and irresponsible. He could have committed a lie of omission, but he did not. He fessed up immediately and he took responsibility.

"That is the kind of adult I want him to become. Though I did not tell him right when he made his decision on what course to take, I would have made him quit his job immediately had he not done the right thing. I am trying to raise children in a society that is coming apart in many ways. But I will raise them like my parents raised me. To respect the truth, to take personal responsibility immediately and effectively.

"The greatest sin of character in my mind is to take the easy path, the path of least resistance, the popular way.

"Holding hearings, Mr. Congressman, may not be popular, but it may be the only way we the American people can sort out who we are and what it is that means something. Can our leaders take as much responsibility as my 12-year-old son? Make no mistake, Mr. Congressman, that job means as much to my son as the President's job probably means to him.

"This country must find the will to figure out who we are again. Do we make excuses for everything and everyone, or do we take the more difficult path? We are trusting you, Mr. Congressman, to do what is right, not what is expedient or popular. I am not sure I know what that is, but I know this country cannot crumble just because of a scandal. This must be looked into and the facts must be determined."

Mr. Speaker, John Adams wrote a dissertation on the canon and feudal law and the rule of law, and I quote from John Adams: "The people have a right, an indisputable, unalienable, indefensible, divine right to that most dreaded and envied kind of knowledge. I mean of the characters and the conduct of their rulers."

Let me repeat that. "I mean of the characters and the conduct of their rulers. Rulers are no more than attorneys, agents and trustees for the people. And if the cause, the interest, and the trust is insidiously betrayed or wantonly trifled away, the people have the right to revoke the authority that they themselves have deputed and to constitute and have abler and better agents, attorneys and trustees."

□ 1945

The people have that right. Remember, you can always come back, throughout this speech this evening, if you are leaving us midspeech, walk out of here with just those three words: duty, honor and country. For those of you who have to leave tonight that want to continue your public service, remember the other three words: Always for them, always for them.

I want to say to some of you, as an elected official, let me tell you, I am not perfect. I had some entertaining days in my younger days. I was one of those people that got out of high school and people said I could not wait to get out. I had a blast. I had a great time in college. In fact, every day I have had the opportunity and the privilege by the Good Lord to be on this earth, I have enjoyed it.

Sure, we have gone through some tragedies, but I am not pretending to be perfect. I remember one time when I was young, lying in my folks' hammock with my air gun, it is like a BB gun, that is what they used to call it. I was shooting through the hedge. What I did not think about was, as I shot through the hedge, I was shooting out the neighbor's windows.

Now, I can tell you that when the neighbor came over, alarmed and, of course, the police came because they thought somebody was shooting at them, I thought they had kind of overexaggerated the situation, but now when I look back, I wonder why they did not shoot back. But when they came to my folks and my folks got me, I told my folks I was sorry. My dad said to me, that is good. We forgive you. But there are consequences. Just saying you are sorry does not mean you get to keep your BB gun. You do not, son. Give us the BB gun. We are locking it up. And by the way, locking up the BB gun is not your only consequence. You not only give up the privilege that we trusted you with, and that was that gun, but, son, you have damages. You have consequences. We have got some windows over there in the neighbor's house that you broke. Your apology does not go far enough. You will go out and work to pay for the cost of those window repairs.

What am I alluding to? I am alluding to the fact that as a public official, our private lives are to an extent private. For example, I do not think that the public that I represent as a Congressman, mind you, I am a Congressman from the State of Colorado, I am voted for by the people of the 3rd congressional district of the State of Colorado, but I represent the United States of America. I am a Congressman of the United States, not just Colorado. Obviously, I would love to tell you more about Colorado. That is a lot of my heritage and so on and so forth, but the fact is that my constituents in Colorado or constituents throughout this country should not have the right to go in and photograph me going to the bathroom. My private matters with my wife are not necessarily matters of the public. But when we step up to the plate to represent you, there are matters of our private life that do become public business.

You have a lot of trust in us. You have a lot of faith in us. So do not let somebody say to you, well, their private lives are of no consequence. What if SCOTT MCINNIS was a sleeping Chinese spy? That is of consequence. What if I was driving a brand new Rolls-Royce every day and you knew my income was $136,000 a year? You have a reasonableness to inquire as to, SCOTT, where did this money come from.

What if I do not show up in Congress to represent you. I show up for roll call and leave the day after. And when you say, where have you been all day, you are missing a lot of votes? Sorry, that is my private life. That is my private life, my private life. You have no right to inquire just because you elected me as to what I do with my day if I am doing it privately. Of course, our private lives have windows in them. That is to be expected. We knew that in advance. Sometimes that can go too far.

Let me move on to the next part that I spoke of, I think it is important to address tonight. That is moral character. There are 6 pillars of character, core elements of character. Not too many years ago an organization called Character Counts, which is a bipartisan organization, had people like Congresswoman Barbara Jordan, actor Tom Selleck and many other people from across the country, sat down and said, as I said earlier in this speech, the pillars of this country are based not on the person but the character of the person. It is character that builds a person.

And our country, to assure ourselves of the future as much as we have had comfort and satisfaction out of the past, must continue and enhance its obligation to character.

And they outlined 6 areas that I think we should look at every time we question somebody who serves you. If we have a general in the military, we should question about these 6 pillars. If we have a private in the military, we ought to ask, we ought to look at it. If we have a school teacher, we ought to look at it. If we have a Congressman, we ought to look at it. The President? We ought to look at it. These are 6 standards of character.

Let me say to you that if we drop any of these standards, you have created not a small leak, you have just put a gap in the Titanic. You have got to have standards. I am not saying perfect. I have already told you, I shot out the windows of my neighbor's house sitting in a hammock, not knowing what I was doing, when I was 8 or 10 years old. Of course, we do not have perfect leaders, but we all know right here in the gut, we know in the gut what common sense tells us is a good leader. What common sense, right here in the gut. You know when you are doing something wrong. You know when somebody else is doing something wrong. You also in the gut know when it is about time to stand up and say, what about the 6 pillars of character.

Trustworthiness. You have every right in private life, in public life when you elect somebody to serve you in public office, when you appoint a public official to serve you, when you have a police officer that is hired, when you have a school teacher, your clergy, you have every right to trust them. You have every right to have an expectation from them flowing to you of trustworthiness, respect. How can you have leadership without respect?

Let me bring this point up. Do you know that since about August 17th, every group of people that I have met with, say, three people or more, there has not been one group that somebody has not pulled me aside and told me a joke, not to be mean or anything, but told me a joke degrading the Presidency of this country. We cannot do that. We have to have respect for that highest office. If we do not have respect for the highest office in the country, then we have got to sit down all of us, Democrat, Republican, unaffiliated, nonregistered, we have to sit down and we have to say, what do we need to repair a model? The model has to have respect.

Responsibility. Obviously, you have responsibility. You have to be responsible for your actions. I used to be a police officer. That is why I keep coming back with these police officer examples. If a police officer goes through town and he runs through a red light, he has got lights and sirens, you have a code 1 call, an officer is down, you have the responsibility to drive that vehicle at a safe speed in a safe manner to get to the scene where you are going. You have a responsibility with that job.

In the letter that I just read to you from a constituent, that young man had the responsibility to walk his dogs, walk the neighbor's dogs. His mother had a responsibility to make sure that when her son did not carry out his responsibility, that it was her responsibility to tell him about that and fill the gap. Responsibility. It comes from the top down.

Remember the boy that walked the dogs. He looked from the top and said, what if at the top there is not responsibility? Do I have to have responsibility? That is the consequences of not keeping this pillar of responsibility strong.

Justice and fairness. We talked about justice and fairness. The rule of law. Let me repeat that for those of you who have just come on to the floor, the rule of law. Remember, in our country justice and fairness says that the law is king. The king is not the law.

Caring. Caring is important. There are not a lot of people that I have met in my life, met one or two that I have seen through the criminal court system that were not caring, but I have met very few people outside of that that did not have a caring bone in them. Of course, they care, either a death in the family or somebody, despite the stories you read about once in a while in the newspapers. When I travel the highways, as I do extensively in the State of Colorado, whenever there is an accident, usually the biggest problem the police have is there is too many volunteers. There is too much help. So people in this country care. That is an important pillar.

I think our country has a lot of it, and it is demonstrated by what we do for hungry people. We feed more hungry people than any other country in the world. I am talking about hungry people in other countries as well as our own country.

Civic virtue and citizenship. Of course we need to have citizenship. Boy Scouts, Girl Scouts, we will talk about them in a few minutes.

Mr. Speaker, we are going to talk about here in a minute about the Boy Scouts and the Girl Scouts and some other societies and our clergy. We have civic virtue and citizenship. We talk about that. We talk about that in schools.

I commented to my wife, Lori, the other day, I said, do you know something, is it not neat to go to any event where they play our national anthem? You do not see anybody sitting. They all stand. You do not see anybody that has to be helped up, hey, stand up, stand up, this is our national anthem. It is automatic. There is a lot of pride. There is a lot of citizenship. What builds that? Greatness. What builds greatness? These 6 pillars.

Let me talk about integrity for a moment. I was going through the different books and looking, I love quotes. I love reading quotes. I found one on integrity by John F. Kennedy, our President. Let me read it:

> For of those to whom much is given, of those to whom much is given, much is required. And when at some future date the high court of history sits in judgment on each one of us, recording whether in our brief span of service we fulfilled our responsibilities to the State, our success or failure in whatever office we hold will be measured by answers to four questions. First, were we truly men of courage? Second, were we truly men of judgment? Third, were we truly men of integrity? And finally, were we truly men of dedication?

Every one of us on this House floor, every one of us and everybody in public service, whether elected or appointed, should ask those four. First, were we truly men of courage? Second, were we truly men of judgment? Third, were we truly men of integrity? And finally, were we truly men of dedication?

There are lots of questions that we need to ask when we talk about integrity. There are lots of questions that we need to ask when we talk about these 6 pillars of character.

Today, Mr. Speaker, let us ask them of ourselves. What would happen and what should happen to us in the United States Congress if we did not tell the truth, if we did not have that kind of integrity? Unfortunately, as you and I know, in the past, as in any profession, whether it is the clergy or whether it is any profession, some people have not lived up to that standard. Thankfully, during my tenure here, when some of our colleagues have failed to live up to that standard, the process has stood up to them. So we have had accountability.

Let us ask about the rule of law. We need to ask ourselves about the rule of law. How is not telling the truth any different than a burglar? In fact, my way of looking at things, it could be much, much more significant, because we all hold positions of trust. There are a lot of people that depend on us. There are not a lot of people in this country who watch what we do day-to-day. Why? Because they depend on us. There are not a lot of people who do not have to go to work, who can sit and watch C-SPAN or read books or read reports on us or come observe us here on the House floor every day. Why? Because they have other things to do. They expect us to do our job.

Is it asking too much of us to do our job right, to do the thing that is right? Oh, sure, we are going to have disagreements on philosophy. Somebody may agree with welfare reform; somebody may oppose it. Somebody may want to spend more government money, raise taxes; somebody may want to cut taxes. That is not what I am talking about, not honest dispute. What I am talking about is integrity.

□ 2000

I am talking about these pillars of character counts. Does not the character of our leaders reflect the people that they represent? It does, and it can be seen here.

I have been lucky enough to serve with my colleagues. I consider it a privilege. I consider myself very, very fortunate. As John F. Kennedy said, for those of us to whom much is given, much is required. I, like my colleagues, work many, many long hours. I, like my colleagues, travel to the district, travel throughout, listen to lots and lots of people. Not because we are great leaders but because we have great people that we represent.

What is the difference between us and others? We actually have a higher standard. The average person, for example, a few minutes ago my colleagues will remember we were talking about the private life and the public life of an elected official, well, the average citizen has a much larger parameter protecting their private lives. In fact, in our Constitution we go to great length to make sure that the government cannot, without warrant, knock down a door and come into someone's house.

When we are serving the public, we give up a portion of that. When we give up a portion of that, we come to those standards I talked about, and we have standards and we have standards that are fairly uniform.

Let us take a couple of examples. In the military, in our military academies, we have all dreamed at one time or another probably of our kids having the privilege to go to a military academy; one of the highest honors in your college, when you go to college, one of the highest honors you can achieve in this country. Let me say, those standards are impeccable, impeccable. If someone lies at the academy, they are out; if they go out and do something they are not supposed to do, they are out. Why? Because these people will go on to be great leaders.

Well, it ought to go on up the ladder and it does go on up the ladder.

Not long ago we had a military pilot. This military pilot flew nuclear bombers. This military pilot was alleged to have an affair, something else on the side. It was against the rules. We could not risk it. We cannot risk that high standard because of the consequences of what could happen. It may not have happened with that particular individual but it could happen if we allowed this standard to be lowered, if we put a comma behind the definition of perjury.

We have other military examples. We have people that go through a pretty rough sledding, for example, our Supreme Court appointees, before they get put into their slot.

Ladies and gentlemen, we have an obligation in this country, Democrat, Republican, whatever, we have an obligation in this country to make sure that that standard becomes higher and higher as it goes up the ladder of leadership. They should expect it of us and we should expect it of the leaders that we have amongst ourselves, and the people have every right to expect that. We want it from our teachers, we want it from our coaches, we want it from our policeman.

Listen to Thomas Jefferson, "He who permits himself to tell a lie once, finds it much easier to do it a second and a third time, till at length it becomes habitual; he tells lies without attending to it, and truths without the worlds believing him. This falsehood of the tongue leads to that of the heart, and in time depraves all its good disposition."

Ralph Waldo Emerson, not referring specifically to these six character, pillars of character but referring to character in general, said, and many of my colleagues know this, if you act, you show character; if you sit still, you show character; if you sleep, you show character.

Thomas Jefferson again: "Sometimes it is said that man cannot be trusted with the government of himself." Let me repeat that. "Sometimes it is said that man cannot be trusted with the government of himself. Can he then be trusted with the government of others?"

That is the first inaugural address, March 4, 1801, Thomas Jefferson.

We have certain standards in our society. We have oaths that we take. You remember the letter I read earlier. I have other letters I will comment on but the one that says, hey, not everybody does it. Why do we administer an oath? I was a court reporter. I gave those oaths.

I was not, but I am quoting from this letter.

We have standards in office. We have the oaths to the office of the presidency, I do solemnly swear that I will faithfully, faithfully, faithfully, execute the office of the President of the United States and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.

We have standards for many other jobs, which are very important, and in their own regards, as important as perhaps the office of the presidency is to the occupant of that office. Remember the lady who wrote about their 12-year-old that walked the dog and she said, you know, to that 12-year-old boy of mine his job was as important to him as the President's job is to him.

Well, let us look at what we have. Policemen, remember, policemen, 24 hours a day, I used to be one, 24 hours a day, you are on duty 24 hours a day. You are expected to respond to the standards, to the needs of the citizens, to the commitment to this country, to the commitment to your department, 24 hours a day. That does not mean you have to be perfect, but it does mean you have to come in above those standards. Firemen, same thing; minister, rabbi, my gosh, what a crushing blow it would be to any one of us to find out that our rabbi or our priest or our minister did not meet the standards of which he spoke to us, of which he taught us, of which he guided us.

The coach, the teacher, the CEO, chief executive officer, the judge, a supervisor at any level, a supervisor at any level, we all have standards. If any of these people worked for you, think about that, if any of these people worked for you, what would you do?

By the way, I work for the people. We all work for the people of this country. The President works for the people of this country. Police officers work for their community. A coach works.

Let us take an example. You all know a good teacher. You all know that your communities had good teachers and good coaches. Think what would happen in your community if you had the best teacher you had ever had in the history of your school, best teacher you had ever had and let us say that allegations of sexual impropriety between that teacher and a student became known in your community and were factually shown to be true.

How long, despite the fact that this teacher was an excellent teacher, despite the fact that this teacher was your good friend and a friend of many people in the community, how long would it be before that teacher or that coach lost their job?

It would happen like that. You cannot show me one school district in this country where a teacher would get a report like that on a Friday and be in a classroom teaching again on a Monday. It does not happen. We have basic standards.

I can tell my colleagues that we cannot have higher standards for our teachers than we do for our congressmen. We cannot have higher standards for our teachers than we do for the President of the United States. It is called the rule of law. It is called the greatness of this country. It is called the standards of character. We are role models. Every one of us in this chamber is fortunate to be here. Every one that I know, and I know every one of the Members personally, some not as well as others but I know my colleagues well enough to know that they take their oath seriously; I know them well enough to know that they work a lot of long hours in here.

Sure, we get a lot of criticism, some of it deserved, a lot of it not, but the fact is I know that there are a lot of dedicated people on both sides of the aisle. That is what it should be. That is how it ought to be.

Remember that when Kennedy in his speech, again going back to those words he said to us, for of those to whom much is given, much is required.

What are one of the elements that is required? I will tell my colleagues what is required: Be a role model, to be a role model.

Now, our Boy Scouts take oaths, our Girl Scouts take oaths, our students stand up for the National Anthem because we have role models in this country. If we have a role model who for some reason can no longer be a role model, it is incumbent, it is incumbent upon us, it is our responsibility right there, it is our responsibility to get a new role model because we cannot afford to have poor role models in this country.

Take a look, for example, about the Boy Scouts and Girl Scouts principles. The Boy Scout law, do you know what the first element of the Boy Scout law is? Trustworthy. A scout tells the truth. He keeps his promises. His honesty is a part of his code of conduct. People can depend on a scout.

Girl Scout law, I will do my best to be honest. It is honesty. It is honesty.

Let me go back and talk about the scout for a moment, a letter that I got recently, very, very discouraged because the Eagle Scout award is signed by elected officials in our country. In fact, the Boy Scout, Eagle Scout award is signed by the President of the United States. The question that came in on this was, my son just got his Eagle Scout award. What does this certificate mean?

We should ask ourselves, should the certificate that has our signatures on it meet those standards? I think it should. It is kind of automatic that we put the President's signature on something like that because we expect the office of the presidency to meet those kind of standards.

Have they been met? I do not know. I do not think so. Do we have a role model? If we have a problem with a role model, are we ready to look at the role model? What do we need to improve the role model? Because we want the future Boy Scouts to be proud of that. We want, when you go in a classroom anywhere in this country, and you ask these young people, name the 5 people for which you have the most respect, we want the very highest elected officials in our country to be on that list of 5.

How did you get on that list of 5? By fulfilling standards, by living up to those standards, by being great. That is what takes you to greatness.

I want to talk now and switch gears for a minute and talk about integrity and honesty. We have said they are the key components of leadership, obviously. We said that the key components of leadership are not a private matter but it is of extreme public interest, whether our elected leaders have such characteristics and use them daily in their important decisions. We talked about that. We talked about standards. We talked about duty, honor, country.

Now let us talk about something very practical: Effectiveness. You may be an honorable Congressman. You may be a well liked Congressman. You may be a well liked president. The question is, are you effective? And I think the best example to use when we talk about this is to talk about football.

This is football season right now. We have a pretty clear understanding of what football is, and what we need. Now, from Colorado, of course, I take great pride in John Elway of the Denver Broncos. I probably just lost some of my colleagues here on the floor, but that aside, I want them to know I think we are going to have a repeat year for the Broncos, for those who might be interested, but let us talk about a football example. Let us say we have got a great team, that is the United States of America, and let us say that our line people, the people that defend and allow us to move forward in progression or stop our opponents from moving against us, let us say those line people are your elected officials or your appointed public officials.

Let us say that for a minute on this example. Let us say we have got a quarterback that is a very popular quarterback, and a quarterback who, in some people's mind, a quarterback who has performed very well in his past performances, a matter of controversy but let us just say for the sake of the argument the quarterback was well liked and performed well. The quarterback shows up one day and kind of has hidden in his coat his arm, he will not bring his arm out. Finally the fact comes out that the quarterback has a broken arm.

Now, you may disagree but we all huddle together and we argue and say, well, how did he break his arm? Well, I happen to think, says one, he broke it himself but somebody else says, no, no, it got broken but it was not his fault. The guy has been such a great quarterback, he should not have a broken arm.

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The bottom line is our quarterback has a broken arm.

Now, no matter how much you like the quarterback, no matter how unfortunate you think it is that the quarterback got his arm broken, no matter what party affiliation you are, no matter whether or not you are a registered player or a voter, the fact is you have got a lot of risk, you have got a lot invested in this football team. It is your team. It is the greatest team in the world.

Now, do you put the quarterback with the broken arm back on the field no matter how much you like him? The fact is with a broken arm, the quarterback cannot pass, the quarterback cannot hand off, the quarterback cannot run with the football, and because the quarterback came into the locker room kind of concealing the fact that he had a broken arm, not everybody is sure what the quarterback is up to. So our line, our front line is beginning to say, "Wait a minute. Wait a minute. You know, if I had to ask, maybe that quarterback would have come on the field or maybe the quarterback did come on the field and it was not until we started running plays that we figured out he had a broken arm."

That is what we have got here. Let me come back to saying that our quarterback has to be extremely effective. Now, the beauty of what our football team has, again comparing it to our country, is that we have got a backup quarterback. We do not have to give up and forfeit our game. We do not have to walk off the football field because our quarterback has got a broken arm. We have got a backup quarterback. Without missing one beat, without missing one play, we can put a backup quarterback in that slot and our team can continue with its great progress forward, or it can stop with great strength the progress of the other team or the attempted progress coming this direction. The system has got checks and balances in it.

Folks, we need to think about what is the effect of the difficulties that our country is now facing. We need to ask ourselves the question, does our quarterback have a broken arm? We need to also say to ourselves, "I love that quarterback. I like the guy. You know, it's not right that he got his arm broken." But even those of you who say that, and I do not think that is widely shared, but even those who say that, I think you especially have an obligation to step forward to the rest of the team and say, "Look, I love the guy, I love the quarterback, but he can't pass the ball. He can't be top-notch. He can't deliver as he has delivered in the past. It is time to bring the backup quarterback onto the field."

Now, I should tell you that effectiveness is questioned in a number of editorials across this country. Let me just for a couple of minutes say to all of you, I hope that tonight you have gotten the gist of my comments. As I have said to you, my comments have been highly edited. Not because there was nasty language, not because there were sexual terms that should not have been used. None of that was in the speech to start with. None of it. But we have very strict protocol. I agree with that. I have an obligation and a duty to follow it. But I hope you have gotten the gist of it. The gist of it is that we have a moral duty in this country to make sure that the leaders that you elect are there and there for you. We have the rule of law that we have to live by. And we have the standards of conduct that we have got to stand by.

Let me just say to you that our effectiveness at this level has been called into question by probably 166 major newspapers. This is a list of calls for resignation:

Asheville, NC; Appleton, WI; Amarillo, TX; Albuquerque; Cincinnati Enquirer; Columbia, SC; Los Angeles; Lynchburg, VA; Kingston; Hamilton, OH; Franklin, IN; Rocky Mountain News, CO; Denver Post, CO; Durham, NC; Douglas, AZ; Des Moines Register; Dalton, GA, Daily Citizen; Mobile Register; Monroe, LA; New Orleans; New London; New Orleans Times; Newport News; Newton Kansan; Norfolk; North Platte; Ogden, UT; Orange County; Rochester; St. George, UT; San Antonio, TX; Washington; Watertown, NY; Wisconsin; Topeka; Stockton, CA; Oregon; South Carolina; South Dakota; Washington; Seattle, WA; Nebraska; Savannah. You name it. One hundred sixty-six major players in this country are saying to us, "Your quarterback has a broken arm. This team needs to get the backup quarterback onto the field."

Mr. Speaker, let me conclude the same way that I started. That is, with six words. First of all, the three words of General MacArthur's speech. As I said earlier, those three words. Any time that you have got a question about what is occurring here, anytime that as you go through the pressure that we are talking about, that we are seeing here in the next few days, anytime any of you out there have a question about the standards and the character and the ethics and can our quarterback play, remember, let me forget the other three words, let me just talk about the three most important words: Duty, honor and country. Let us do what we can do. Let us do what we were elected to do. Let us do what we are committed to do, to be sure that General MacArthur's words live on: Duty, honor and country.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SNOWBARGER). The Chair would remind the Member to refrain from discussing the personal conduct of the President, even as a point of reference.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BURTON of Indiana (at the request of Mr. ARMEY) for today and the balance of the week on account of a death in the family.

Mr. GOSS (at the request of Mr. ARMEY) for today and September 24 on account of illness in the family.

Mr. SHAW (at the request of Mr. ARMEY) for today on account of a death in the family.

Mr. DIAZ-BALART (at the request of Mr. ARMEY) for today on account of official business in connection with the impending hurricane in his district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCNULTY) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, today, for 5 minutes.
Mr. HINCHEY, today, for 5 minutes.
Mr. MINGE, today, for 5 minutes.
Mr. GOODE, today, for 5 minutes.

(The following Members (at the request of Mr. WHITFIELD) to revise and extend their remarks and include extraneous material:)

Mr. WHITFIELD, today, for 5 minutes.
Mr. RIGGS, today, for 5 minutes.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HINCHEY for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. MCNULTY) and to include extraneous material:)

Mr. MILLER of California.
Mr. SKELTON.
Mr. VISCLOSKY.
Mr. MENENDEZ.
Mr. KIND.
Mr. HAMILTON.
Ms. SÁNCHEZ.
Mr. KLINK.
Mr. LEVIN.
Mr. KANJORSKI.
Mr. STOKES.
Mr. RODRIGUEZ.
Mr. POMEROY.
Mr. LANTOS.
Mr. BORSKI.
Ms. SLAUGHTER.
Mr. KUCINICH.
Mr. KLECZKA.
Ms. LEE.
Mr. NEAL of Massachusetts.
Mr. DEUTSCH.
Mr. CLYBURN.
Mr. FARR of California.
Mr. ADAM SMITH of Washington.

(The following Members (at the request of Mr. WHITFIELD) and to include extraneous material:)

Mr. PETRI.
Mr. BURTON of Indiana.
Mr. SAXTON.
Mr. LEWIS of California.
Mr. EHRLICH.
Mr. CRANE.
Mr. WOLF.
Mrs. ROUKEMA.
Mr. RADANOVICH.
Mrs. JOHNSON of Connecticut.
Mr. FRELINGHUYSEN.

(The following Members (at the request of Mr. MCINNIS) and to include extraneous material:)

Mr. PACKARD.
Mr. WEYGAND.
Mr. JENKINS.
Mr. STARK.
Mrs. MYRICK.
Mr. REDMOND.
Mr. HOYER.
Mr. COSTELLO.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1856. An Act to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefit of national wildlife refuges, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1695. An Act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

ADJOURNMENT

Mr. MCINNIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Thursday, September 24, 1998, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from the Record of September 22, 1998]

11084. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Kiwifruit Grown in California; Temporary Suspension of an Inspection Requirement [Docket No. FV98–920–2 FR] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11085. A letter from the Deputy Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Maintenance of Minimum Financial Requirements by Futures Commission Merchants and Introducing Brokers [17 CFR Part 1] received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11086. A letter from the Deputy Executive Director, Commodity Futures Trading Commission, transmitting the Commission's final rule—Orders Eligible for Post-execution Allocation [17 CFR Part 1] received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11087. A letter from the Administrator, Food Safety and Inspection Service, Department of Agriculture, transmitting the Department's "Major" final rule—Refrigeration and Labeling Requirements for Shell Eggs [Docket No. 97–069F] (RIN: 0583–AC04) received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11088. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Kiwifruit Grown in California; Decreased Assessment Rate [Docket No. FV98–920–3 IFR] received August 27, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11089. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Nectarines and Peaches Grown in California; Revision of Handling and Reporting Requirements for Fresh Nectarines and Peaches [Docket No. FV98–916–1 FIR] received August 27, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11090. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Fluid Milk Promotion Order; Amendments to the Order [DA–98–04] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11091. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Increased Assessment Rate [Docket No. FV98–905–3 FR] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11092. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Fresh Prunes Grown in Designated Counties in Washington and Umatilla County, Oregon; Increased Assessment Rate [Docket No. FV98–924–1 FR] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11093. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Irish Potatoes Grown in Southeastern States; Increased Assessment Rate [Docket No. FV98–953–1 FIR] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11094. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Winter Pears Grown in Oregon and Washington; Increased Assessment Rate [Docket No. FV98–927–1 FR] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11095. A letter from the Administrator, Rural Development, Department of Agriculture, transmitting the Department's final rule—Year 2000 Compliance, Telecommunications Program (RIN: 0572–AB43) received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11096. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Brucellosis; Increased Indemnity for Cattle and Bison [Docket No. 98–016–2] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11097. A letter from the Special Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Risk-Based Capital Standards: Unrealized Holding Gains on Certain Equity Securities [Regulations H and Y; Docket No. R–0982] received September 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11098. A letter from the Legislative and Regulatory Activities Division, Comptroller of the Currency, Administrator of National Banks, transmitting the Office's final rule—Risk-Based Capital Standards: Unrealized Holding Gains on Certain Equity Securities [Docket No. 98–12] (RIN: 1557–AB14) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11099. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Termination of an Approved Mortgagee's Origination Approval Agreement [Docket No. FR–4239–F–02] (RIN: 2502–AG99) received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11100. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Filing Procedures and Delegations of Authority; Unsafe and Unsound Banking Practices; Registration of Transfer Agents; International Banking; Management Official Interlocks; and Golden Parachutes and Indemnification Payments (RIN: 3064–AC02) received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11101. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7248] received August 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11102. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA–7691] received August 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11103. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations [44 CFR Part 67] received August 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11104. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Suspension of Community Eligibility [Docket No. FEMA–7692] received August 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11105. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [44 CFR Part 65] received August 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11106. A letter from the Federal Register Liaison Officer, Office of Thrift Supervision, transmitting the Office's final rule—Risk-Based Capital Standards: Unrealized Holding Gains on Certain Equity Securities [Docket No.] (RIN 1550–AB11) received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11107. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits [29 CFR Part 4044] received August 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

11108. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Acquisition Regulation: Administrative Amendments [FRL 6.55–5] received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11109. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District [CA 20–7–0084a FRL–6138–8] received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11110. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Illinois [IL172–1a; FRL 6152–5] received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11111. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Louisiana: Reasonable Available Control Technology for Emissions of Volatile Organic Compounds from Batch Processes [LA–47–1–7388a; FRL–6156–3] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11112. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants; Commonwealth of Virginia; Control of Total Reduced Sulfur Emissions from Existing Kraft Pulp Mills [VA 011–5034a; FRL–6155–9] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11113. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Characteristic Slags Generated from Thermal Recovery of Lead by Secondary Lead Smelters; Land Disposal Restrictions; Final Rule; Extension of Effective Date [FRL–6155–7] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11114. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Determination of Attainment of the Air Quality for PM–10 in the Liberty Borough, Pennsylvania Area [FRL–6149–3] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11115. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—State of New Jersey; Final Program Determination of Adequacy of State Municipal Solid Waste Landfill Permit Program [FRL–6155–8] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11116. A letter from the Secretary, Federal Trade Commission, transmitting the Commission's final rule—Rule Concerning Disclosures Regarding Energy Consumption And Water Use Of Certain Home Appliances And Other Products Required Under The Energy Policy and Conservation Act ("Appliance Labeling Rule") [16 CFR Part 305] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11117. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Radiology Devices; Classifications for Five Medical Image Management Devices; Correction [Docket No. 96N–0320] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11118. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Irradiation in the Production, Processing and Handling of Food; Correction [Docket No. 98N–0392] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11119. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Pediculicide Drug Products for Over-the-Counter Human Use; Final Monograph; Technical Amendment; Correction [Docket No. 81N–0201] (RIN: 0910–AA01) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11120. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Status of Certain Additional Over-the-Counter Drug Category II and III Active Ingredients [Docket No. 98N–0636] (RIN: 0910–AA01) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11121. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Listing of Color Addititves for Coloring Sutures; D & C Violet No. 2; Confirmation of Effective Date [Docket No. 95C–0399] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11122. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers [Docket No. 98F–0057] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11123. A letter from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Nuclear Criticality Safety Standards for Fuels and Material Facilities [Regulatory Guide 3.71] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11124. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Consolidated Guidance about material Licenses: Applications for Sealed Source and Device Evaluation and Registration [NUREG–1556] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11125. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11126. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions and Deletions—received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11127. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits Program: Contributions and Withholdings (RIN: 3206–AI33) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11128. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Prohibition of "Gag Clauses" in the Federal Employees Health Benefits Program (RIN: 3206–AI27) received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11129. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Migratory Bird Hunting; Early Seasons and Bag and Possession Limits for Certain Migratory Game Birds in the Contiguous United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands (RIN: 1018–AE93) received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11130. A letter from the Assistant Secretary of Labor for Mine Safety and Health, Department of Labor, transmitting the Department's final rule—Improving and Eliminating Regulations; Flame Safety Lamps and Single-Shot Blasting Units (RIN: 1219–AA98) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11131. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Revised Notice of Guidelines for Determining Comparability of Foreign Programs for the Protection of Sea Turtles in Shrimp Trawl Fishing Operations [Public Notice 2876] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11132. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Fixed Gear Sablefish Mop-Up [Docket No. 971229312–7312–01; I.D. 081998B] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11133. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Atlantic Mackerel, Squid, and Butterfish Fisheries; Closure of Directed Fishery for Illex Squid [Docket No. 971107264-8001–02; I.D. 082098A] received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11134. A letter from the Deputy Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Red Snapper Management Measures and Closure of the Recreational Fishery [Docket No. 980818222–8222–01; I.D. 081898A] (RIN: 0648–AL61) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11135. A letter from the Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Northern Anchovy Fishery; Quotas for the 1998–99 Fishing Year [Docket No. 980806211–8211–01; I.D. 071598I] (RIN: 0648–AK24) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11136. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; Bank/Area-Specific Harvest Guidelines [Docket No. 980603145–8186–02; I.D. 052998C] (RIN: 0648–AL33) received September 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11137. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Toward a Better Life Fireworks Display, Dorchester Bay, Boston, MA [CGD01–98–131] (RIN: 2115–AA97) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11138. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area: Copper Canyon, Lake Havasu, Colorado River; Correction [CGD11–97–010] (RIN: 2115–AE84) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11139. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Gloucester Schooner Festival Fireworks Display, Gloucester Harbor, Gloucester, MA [CGD01–98–130] (RIN: 2115–AA97) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11140. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: Around Alone 98/99 Fireworks, Custom House Reach, Charleston, SC [COTP CHARLESTON 98–053] (RIN: 2115–AA97) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11141. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; 1998 Busch Beer Drag Boat Classic; Kaskaskia River Mile 28.0–29.0, New Athens, Illinois [CGD08–98–054] (RIN: 2115–AE46) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11142. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulation; Lafourche Bayou, LA [CGD08–98–052] (RIN: 2115–AE47) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11143. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Victoria Channel, TX [CGD08–98–049] (RIN: 2115–AE47) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11144. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Railroad Communications [Docket No. RSOR–12; Notice No. 5] (RIN: 2130–AB19) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11145. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SA.315B, SA.316B, SA.316C, SA.319B, and SE.3160 Helicopters [Docket No. 98–SW–23–AD; Amendment 39–10725; AD 98–10–09] (RIN: 2120–AA64) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11146. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29315; Amdt. No. 1886] (RIN: 2120–AA65) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11147. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29316; Amdt. No. 1887] (RIN: 2120–AA65) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11148. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Schempp-Hirth K.G. Model Cirrus Sailplanes [Docket No. 98–CE–51–AD; Amendment 39–10722; AD 98–18–06] (RIN: 2120–AA64) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11149. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A300–600 Series Airplanes [Docket No. 95–NM–200–AD; Amendment 39–10718; AD 98–18–02] (RIN: 2120–AA64) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11150. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; General Electric Company CF6-6 Series Turbofan Engines [Docket No. 98-ANE-18-AD; Amendment 39-10726; AD 98-18-10](RIN: 2120-AA64) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11151. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Improved Standards for Determining Rejected Takeoff and Landing Performance [Docket No. 25471; Amendment Nos. 1-48, 25-92, 91-256, 121-268, 135-71] (RIN: 2120-AB17) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11152. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Collegeville, PA [Airspace Docket No. 98-AEA-06] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11153. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revocation of Class D and E Airspace; Crows Landing, CA [Airspace Docket No. 98-AWP-12] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11154. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Leeville, LA [Airspace Docket No. 98-ASW-27] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11155. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Grand Chenier, LA [Airspace Docket No. 98-ASW-26] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11156. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Venice, LA [Airspace Docket No. 98-AWS-25] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11157. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Grand Isle, LA [Airspace Docket No. 98-AWS-29] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11158. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Sabine Pass, TX [Airspace Docket No. 98-ASW-28] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11159. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace, San Diego, North Island NAS, CA [Airspace Docket No. 98-AWP-20] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11160. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revocation of Class D Airspace; Tustin MCAS, CA [Airspace Docket No. 98-AWP-19] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11161. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Process and Criteria for Funding State and Territorial nonpoint Source Management Programs in FY 1999—received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11162. A letter from the Chief Counsel, Bureau of the Public Debt, transmitting the Bureau's final rule—Offering Regulations for United States Savings Bonds, Series I [31 CFR Part 359] received August 31, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11163. A letter from the Chief, Regulations Division, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureu's final rule—Implementation of Public Law 105-34, Sections 908, 910, and 1415, Related To Hard Cider, Semi-Generic Wine Designations, and Wholesale Liquor Dealers' Signs (97-2523) [T.D. ATF-398] (RIN: 1512-A71) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11164. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Designated Private Delivery Services [Notice 98-47] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11165. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Forms and Instructions [Revenue Procedure 98-49] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11166. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Limitations [Rev. Rul. 98-44] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11167. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Income of participants in common trust fund [Revenue Ruling 98-41] received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11168. A letter from the National Director of Appeals, Internal Revenue Service, transmitting the Service's final rule—Dollar-Value LIFO Segment of Inventory Excluded from The Computation of the LIFO Index—received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11169. A letter from the National Director of Appeals, Internal Revenue Service, transmitting the Service's final rule—Dollar-Value LIFO Bargain Purchase Inventory—received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11170. A letter from the Chief Counsel, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Notice 98-34] received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11171. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Requirements incident to adoption and use of LIFO inventory method [Revenue Procedure 98-46] received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11172. A letter from the National Director of Appeals, Internal Revenue Service, transmitting the Service's final rule—Covenants Not to Compete—received September 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11173. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural and Miscellaneous Roth IRA Guidance [Notice 98-49] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11174. A letter from the Secretary of Health and Human Services, transmitting the Department's "Major" final rule—Medicaid and Title IV-E Programs; Revision to the Definition of an Unemployed Parent [HCFA-2106-FC] (RIN: 0938-AH79) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

11175. A letter from the Secretary of Defense, transmitting a report on the retirement of General William W. Hartzog, United States Army, and his advancement to the grade of general on the retired list; to the Committee on National Security.

11176. A letter from the Secretary of Defense, transmitting a report on the retirement of Lieutenant General Douglas D. Buchholz, United States Army, and his advancement to the grade of lieutenant general on the retired list; to the Committee on National Security.

11177. A letter from the Secretary of Defense, transmitting a report on the retirement of General David A. Bramlett, United States Army, and his advancement to the grade of general on the retired list; to the Committee on National Security.

11178. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving U.S. exports to Croatia, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

11179. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 98-61), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

11180. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Spain (Transmittal No. 15-98), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

11181. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to the Taipei Economic and Cultural Representative Office in the United States (Transmittal No. 17-98), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

11182. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting text of agreements in which the American Institute in Taiwan is a party between January 1 and December 31, 1997, pursuant to 22 U.S.C. 3311(a); to the Committee on International Relations.

11183. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12-426, "Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Second Temporary Act of 1998" received September 10, 1998, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

11184. A letter from the Chairman, Council of the District of Columbia, transmitting Council of the District of Columbia's response to the legislative recommendations of the District of Columbia Financial Responsibility and Management Assistance Authority regarding regulatory reform dated May 29, 1998, pursuant to D.C. Code section 1—732 and 1—734(a)(1)(A); to the Committee on Government Reform and Oversight.

11185. A letter from the Mayor, District of Columbia, transmitting a copy of a response to the legislative recommendations of the District of Columbia Financial Responsibility and Management Assistance Authority, pursuant to D.C. Code section 47—117(d); to the Committee on Government Reform and Oversight.

11186. A letter from the Information Officer, Defense Nuclear Facilities Safety Board, transmitting a report of activities under the Freedom of Information Act from January 1, 1997 to September 30, 1997, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

11187. A letter from the Director, Office of Personnel Management, transmitting the annual report of the Civil Service Retirement and Disability Fund for Fiscal Year 1997, pursuant to 5 U.S.C. 1308(a); to the Committee on Government Reform and Oversight.

11188. A letter from the Inspector General, Railroad Retirement Board, transmitting the budget request for the Office of Inspector General, Railroad Retirement Board, for fiscal year 2000, pursuant to 45 U.S.C. 231f; to the Committee on Government Reform and Oversight.

11189. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

11190. A letter from the Secretary of Transportation, transmitting the Department's Annual Report on the Transition to Quieter Airplanes, pursuant to Public Law 101—508, section 9308(g) (104 Stat. 1388—383); to the Committee on Transportation and Infrastructure.

11191. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Intracoastal City, LA [Airspace Docket No. 98-ASW-24] received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

[Submitted for the Record of September 23, 1998]

11192. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Specifically Approved States Authorized to Receive Mares and Stallions Imported from Regions Where CEM Exists [Docket No. 98-059-2] received September 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11193. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Almonds Grown in California; Increased Assesment Rate [Docket No. FV98-981-2 FR] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11194. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's fianl rule—Imidacloprid; Pesticide Tolerances [OPP-300717; FRL-6027-1] (RIN: 2070-AB78) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11195. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the System's final rule—Extended Examination Cycle for U.S. Branches and Agencies of Foreign Banks [Regulation K; Docket No. R-1012] received August 25, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11196. A letter from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting the Office's final rule—Capital; Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Servicing Assets [Docket No. 98-10] (RIN: 1557-AB14) received August 7, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11197. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Parts 2, 15, and 97 of the Commission's Rules to Permit Use of Radio Frequencies Above 40 GHz for New Radio Applications [ET Docket No. 94-124] [RM-8308] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11198. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of the Commission's Rules to Establish a Radio Astronomy Coordination Zone in Puerto Rico [ET Docket No. 96-2] [RM-8165] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11199. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Standards For Business Practices Of Interstate Natural Gas Pipelines [Docket No. RM96-1-008; Order No. 587-H] received August 7, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11200. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting the Commission's final rule—Reporting Interstate Natural Gas Pipeline Marketing Affiliates on the Internet [Docket No. RM98-7-000] received August 7, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11201. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severly Disabled, transmitting the Committee's final rule—Procurement List; Additions and Deletions—received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11202. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Revisions to the Export Administration Regulations; Shipper's Export Declaration requirements for exports valued less than $2,500 [Docket No. 980730200-8200-01] (RIN: 0694-AB71) received September 2, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11203. A letter from the Acting Director, Bureau of the Census, Department of Commerce, transmitting the Department's final rule—Revisions to the Foreign Trade Statistics Regulations; Shipper's Export Declaration Requirements for Exports Valued at Less Than $2,500 [Docket No. 980729198-8198-01] (RIN: 0607-AA28) received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11204. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Stand Down Requirements for Trawl Catcher Vessels Transiting Between the Bering Sea and the Gulf of Alaska [Docket No. 980903229-8229-01; I.D. 051898A] (RIN: 0648-AK73) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11205. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna Fishery [I.D. 0710981] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11206. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Cumulative Limit Period Changes [Docket No. 971229312-7312-01; I.D. 081498B] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11207. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Framework 10 to the Atlantic Sea Scallop Fishery Management Plan [Docket No. 980817220-8220-01; I.D. 081098A] (RIN: 0648-AL17) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11208. A letter from the Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Stone Crab Fishery of the Gulf of Mexico; Amendment 6 [Docket No. 980501114-8213-02; I.D. 041698G] (RIN: 0648-AK48) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11209. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; West Coast Salmon Fisheries; Closures of the Ocean Recreational Salmon Fisheries from Cape Alava to Queets River, Washington, and Leadbetter Point, Washington, to Cape Falcon, Oregon [Docket No. 980429110-8110-01; I.D. 081998A] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11210. A letter from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Cultivator Shoal Whiting Fishery [Docket No. 980724194-8194-01; I.D. 072098B] (RIN: 0648-AL37) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11211. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska [Docket No. 971208297–8054–02; I.D. 090998A] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11212. A letter from the Senior Attorney, Federal Register Certifying Officer, Financial Management Service, transmitting the Service's final rule—Adminstrative Offset—Collection of Past-Due Support (RIN: 1510–AA58) received August 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

11213. A letter from the Deputy Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Administrative Revisions to the NASA FAR Supplement [48 CFR Parts 1805, 1822, and 1844] received August 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11214. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Partnering for Construction Contracts [48 CFR Parts 1836 and 1852] received August 14, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11215. A letter from the Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Revision to the NASA FAR Supplement on Contractor Performance Information [48 CFR Parts 1842 and 1853] received August 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11216. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Revenue Procedure 98–53] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11217. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Source Rules for Foreign Sales Corporation Transfer Pricing [TD 8782] (RIN: 1545–AV90) received September 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11218. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low-Income Housing Credit [Rev. Rul. 98–49] received September 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11219. A communication from the President of the United States, transmitting his requests for FY 1998 emergency supplemental appropriations of $1.8 billion in budget authority to support $2.3 billion in emergency agricultural programs, pursuant to 31 U.S.C. 1107; (H. Doc. No. 105—313); to the Committee on Appropriations and ordered to be printed.

11220. A communication from the President of the United States, transmitting his requests for FY 1998 Emergency Supplemental Appropriations of $1.8 billion because of the emergency expenses arising from the consequences of the recent bombing of our embassy facilities in Nairobi, Kenya and Dar es Salaam, Tanzania, as well as for emergency requirements necessary to strengthen our security, anti-terrorism, and counter-terrorism efforts, pursuant to 31 U.S.C. 1107; (H. Doc. No. 105—314); to the Committee on Appropriations and ordered to be printed.

11221. A letter from the Principal Deputy, Department of Defense, transmitting a report on funding, personnel and project data by major command, installation, and state for all elements of the Defense Environmental Quality Program; to the Committee on National Security.

11222. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation to strengthen law enforcement's ability to combat illegal bulk cash smuggling; to the Committee on Banking and Financial Services.

11223. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Turkey (Transmittal No. 18–98), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

11224. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Navy's proposed lease of defense articles to Turkey (Transmittal No. 16–98), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

11225. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to make technical changes to the laws establishing various individual units of the National Wildlife Refuge System and to provide for a lower penalty for violation of Refuge System regulations; to the Committee on Resources.

11226. A letter from the Acting Assistant Secretary Environmental, Safety and Health, Department of Energy, transmitting the Final Environmental Impact Statement on Management of Certain Plutonium Residues and Scrub Alloy Stored at Rocky Flats Environmental Technology Site (DOE/EIS–0277F, August 1998); to the Committee on Resources.

11227. A letter from the Acting Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation to amend section 879 of title 18, United States Code, to provide clearer coverage over threats against former Presidents, members of their families, and for other purposes; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calender, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1154. A bill to provide for administrative procedures to extend Federal recognition to certain Indian groups, and for other purposes; with an amendment (Rept. 105–737). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 4578. A bill to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust fund; with an amendment (Rept. 105–738). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 4579. A bill to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes; with an amendment (Rept. 105–739). Referred to the Committee of the Whole House on the State of the Union.

Mr. SOLOMON: Committee on Rules. House Resolution 549. Resolution waiving points of order against the conference report to accompany the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes (Rept. 105–740). Referred to the House Calendar.

Mr. McINNIS: Committee on Rules. House Resolution 550. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–741). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BOSWELL:

H.R. 4607. A bill to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CRANE:

H.R. 4608. A bill to reauthorize the Generalized System of Preferences, and for other purposes; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 4609. A bill to amend title 38, United States Code, to require the Secretary of Veterans Affairs to notify local law enforcement agencies of allegations of a missing patient or of certain misconduct and to enable such agencies to investigate such allegations; to the Committee on Veterans' Affairs.

By Mr. GIBBONS:

H.R. 4610. A bill to require the Secretary of the Interior to make reimbursement for certain damages incurred as a result of bonding regulations adopted by the Bureau of Land Management on February 28, 1997, and subsequently determined to be in violation of Federal law; to the Committee on Resources.

By Mr. NEAL of Massachusetts (for himself, Mr. MATSUI, Mrs. KENNELLY of Connecticut, Mr. COYNE, Mr. STARK, Mr. MCDERMOTT, Mr. FRANK of Massachusetts, and Mr. PAUL):

H.R. 4611. A bill to provide a temporary waiver for taxable year 1998 of the minimum tax rules that deny many families the full benefit of nonrefundable personal credits, pending enactment of permanent legislation to address this inequity; to the Committee on Ways and Means.

By Mr. ROGAN:

H.R. 4612. A bill to amend title 39, United States Code, to require certain notices in any mailing using a game of chance for the promotion of a product or service, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. SCHUMER:

H.R. 4613. A bill to authorize the President to award a gold medal on behalf of the Congress to Mrs. Yaffa Eliach in recognition of her outstanding and enduring contributions toward scholarship about the Holocaust, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. SUNUNU:

H.R. 4614. A bill to provide for the conveyance of Federal land in New Castle, New Hampshire, to the town of New Castle, New Hampshire, and to require the release of certain restrictions with respect to land in such town; to the Committee on Transportation and Infrastructure.

By Mr. THUNE (for himself, Mrs. EMERSON, Mr. HILL, Mr. WATKINS, Mr. MINGE, Mr. HINOJOSA, Mr. POMEROY, and Mr. PETERSON of Minnesota):

H.R. 4615. A bill to amend the Agricultural Market Transition Act to provide for the retroactive lifting of the caps on loan rates for marketing assistance loans for the 1998 crop; to the Committee on Agriculture.

By Mr. VISCLOSKY (for himself, Mr. SOUDER, Mr. HAMILTON, Mr. McINTOSH, Mr. PEASE, Mr. ROEMER, Ms. CARSON, Mr. BURTON of Indiana, Mr. BUYER, and Mr. HOSTETTLER):

H.R. 4616. A bill to designate the United States Post Office located at 3813 Main Street in East Chicago, Indiana, as the "Corporal Harold Gomez Post Office"; to the Committee on Government Reform and Oversight.

By Mr. HINCHEY:

H. Con. Res. 329. Concurrent resolution expressing the sense of Congress regarding the reduction of the Federal Funds rate by the Federal Open Market Committee; to the Committee on Banking and Financial Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

394. The SPEAKER presented a memorial of the House of Representatives of the Commonwealth of The Mariana Islands, relative to House Resolution No. 11–64 memorializing Congress to amend the U.S. Fisheries Conservation and Management Act; to urge Pacific region Nations to adopt the U.N. agreement conserving fishing resources; to urge harmonization of laws regulating fishing companies and to promote the development of fishing-related industries; jointly to the Committees on Resources and International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of September 22, 1998]

H.R. 26: Mr. PICKETT.

H.R. 3949: Mr. HOLDEN, Mr. RILEY, and Mr. THOMAS.

[Submitted September 23, 1998]

H.R. 45: Mr. LAMPSON.

H.R. 145: Mr. SCHUMER.

H.R. 306: Mr. OWENS.

H.R. 633: Mr. SHERMAN.

H.R. 902: Mrs. BONO and Mr. ENGLISH of Pennsylvania.

H.R. 1173: Ms. BROWN of Florida.

H.R. 1200: Mr. BONIOR.

H.R. 1323: Mr. SHERMAN.

H.R. 1375: Mrs. MORELLA, Mrs. CAPPS, Mr. BOSWELL, and Mr. DICKEY.

H.R. 1450: Mr. MINGE and Mr. DOYLE.

H.R. 1748: Mr. BLAGOJEVICH.

H.R. 1995: Mr. BEREUTER.

H.R. 2409: Mr. SANDERS and Mrs. BONO.

H.R. 2560: Mr. GOODE, Mr. JOHN, Mr. STARK, Mr. DAVIS of Florida, Mr. PRICE of North Carolina, Mr. KING of New York, Mr. GREEN, Mr. BRADY of Pennsylvania, Mr. SABO, Mr. BORSKI, Mr. BOUCHER, Mr. WEXLER, Mr. RAHALL, MR. McHALE, Mr. FAZIO of California, Mr. DICKS, Mr. PICKETT, Mr. HEFNER, Mr. MINGE, Mr. ABERCROMBIE, Mr. HAMILTON, Mr. ADERHOLT, Mr. EHLERS, Ms. GRANGER, Mr. HYDE, Mr. LARGENT, Mr. BECERRA, Mr. CARDIN, Mr. HINOJOSA, Mr. KIND of Wisconsin, Mr. FOSSELLA, Mr. GUTKNECHT, Mr. INGLIS of South Carolina, Mr. PAPPAS, Mr. BOYD, Mrs. CAPPS, Mr. DELAHUNT, Mr. JOHNSON of Wisconsin, Mr. KLINK, Mr. LaFALCE, Mr. MOAKLEY, Mr. SKELTON, Ms. STABENOW, Mr. TAYLOR of Mississippi, Mr. WEYGAND, Mr. BLUMENAUER, Mrs. EMERSON, Ms. McCARTHY of Missouri, Mr. LEVIN, Mr. OBEY, Ms. SLAUGHTER, Mr. TANNER, Mr. VENTO, Mr. BLAGOJEVICH, Mrs. McCARTHY of New York, Mr. TURNER, Ms. VELÁQUEZ, Mr. WAMP, Mr. GREENWOOD, Mr. CALLAHAN, Mr. ARMEY, Mr. ENGLISH of Pennsylvania, Mr. ISTOOK, Mr. McINTOSH, Mr. PETERSON of Pennsylvania, Mr. THORNBERRY, Mr. CUNNINGHAM, Mr. BURR of North Carolina, Mr. DeLAY, Mr. GINGRICH, Mr. LEWIS of Kentucky, Mr. NETHERCUTT, Mr. RADANOVICH, Mr. SESSIONS, Mr. SUNUNU, and Mr. SHADEGG.

H.R. 2601: Mr. POMBO.

H.R. 2708: Mr. PALLONE, Mr. ROYCE, Mr. DAVIS of Virginia, Mr. LAMPSON, Mr. HASTINGS of Washington, and Mr. BOUCHER.

H.R. 2733: Mr. JEFFERSON, Mrs. WILSON, Mr. HILL, Mr. QUINN, Mr. BURTON of Indiana, Mr. SCOTT, and Mr. COX of California.

H.R. 2882: Mr. BUYER.

H.R. 2923: Ms. ROS-LEHTINEN.

H.R. 2938: Mr. SAM JOHNSON of Texas.

H.R. 3081: Mr. FARR of California, Mr. KUCINICH, and Mr. CARDIN.

H.R. 3342: Ms. BROWN of Florida.

H.R. 3436: Mr. NEAL of Massachusetts and Mr. DELAHUNT.

H.R. 3550: Mr. HILLIARD.

H.R. 3766: Mr. EHRLICH, Mr. RADANOVICH, and Mr. EWING.

H.R. 3783: Mr. WELLER.

H.R. 3792: Mr. CUNNINGHAM and Mr. HASTINGS of Washington.

H.R. 3794: Mr. BILBRAY.

H.R. 3795: Mr. SNOWBARGER.

H.R. 3855: Mrs. EMERSON, Mr. HASTINGS of Florida, Mr. FARR of California, Ms. KILPATRICK, Ms. DANNER, Ms. ROS-LEHTINEN, Mr. VENTO, Ms. PELOSI and Mr. CAMP.

H.R. 3865: Mr. WELLER.

H.R. 3946: Mr. QUINN and Mr. YATES.

H.R. 3948: Mr. PASCRELL.

H.R. 3991: Mr. Bob SCHAFFER.

H.R. 3995: Mr. McGOVERN.

H.R. 4019: Mr. McINTOSH and Mr. SOLOMON.

H.R. 4053: Mr. VENTO.

H.R. 4071: Mr. JOHN, Mr. LaFALCE, and Mr. OLVER.

H.R. 4075: Mr. HILL.

H.R. 4092: Mrs. THURMAN and Mr. BERRY.

H.R. 4121: Mr. HINCHEY and Ms. WOOLSEY.

H.R. 4125: Mr. SOLOMON.

H.R. 4151: Mr. BONIOR and Mr. SMITH of Texas.

H.R. 4233: Mr. DEUTSCH and Ms. ROYBAL-ALLARD.

H.R. 4296: Mr. GOODLATTE.

H.R. 4339: Ms. WOOLSEY.

H.R. 4340: Mr. UNDERWOOD, Mr. CONDIT, and Mr. GILMAN.

H.R. 4344: Mr. PAPPAS, Mr. SNOWBARGER, Mr. JOHNSON of Wisconsin, Mr. BLUNT, and Mr. ENSIGN.

H.R. 4346: Mr. SANDLIN, Mrs. KELLY, Mr. HILLIARD, Mr. FROST, and Mr. GOODLATTE.

H.R. 4353: Mr. TOWNS.

H.R. 4383: Mr. CHAMBLISS, Mr. EHRLICH, and Ms. STABENOW.

H.R. 4404: Mr. CLEMENT, Mr. HANSEN, Mr. HASTINGS of Washington, Mr. STEARNS, and Ms. WOOLSEY.

H.R. 4446: Mr. BALLENGER and Mr. GOODLATTE.

H.R. 4447: Mr. HERGER.

H.R. 4450: Ms. LOFGREN.

H.R. 4480: Mr. DICKS.

H.R. 4489: Mr. KUCINICH and Mr. FRANK of Massachusetts.

H.R. 4495: Mr. KANJORSKI.

H.R. 4531: Ms. JACKSON-LEE of Texas, Mr. WYNN, Mr. BROWN of Ohio, Mr. PETERSON of Minnesota, Mr. TURNER, Mr. GREEN, Mr. CALVERT, Mr. ENGLISH of Pennsylvania, Mr. BARCIA of Michigan, Ms. HOOLEY of Oregon, and Mr. OXLEY.

H.R. 4567: Mr. BOEHNER, Mr. WAMP, Mr. BEREUTER, Mr. FRANK of Massachusetts, Mr. SERRANO, Mr. DELAHUNT, Mr. HINOJOSA, Mr. ROGERS, Ms. SLAUGHTER, Mr. THOMPSON, Mr. NORWOOD, Mr. ALLEN, Mr. STENHOLM, Mr. STUPAK, Ms. KAPTUR, Mrs. MINK of Hawaii, Mr. HULSHOF, Mr. INGLIS of South Carolina, Mr. OBERSTAR, Mr. HOBSON, Mr. WALSH, and Mr. McHUGH.

H.R. 4574: Mr. TRAFICANT.

H.R. 4577: Mr. LaFALCE and Mr. RAHALL.

H.R. 4578: Mr. HERGER, Mr. WELLER, and Mr. BUNNING of Kentucky.

H.R. 4579: Mr. CRANE, Mr. THOMAS, Mr. SHAW, Mr. BUNNING of Kentucky, Mr. HOUGHTON, Mr. HERGER, Mr. McCRERY, Mr. CAMP, Mr. RAMSTAD, Mr. SAM JOHNSON of Texas, Ms. DUNN of Washington, Mr. COLLINS, Mr. PORTMAN, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. CHRISTENSEN, Mr. WATKINS, Mr. HAYWORTH, Mr. WELLER, Mr. HULSHOF, Mr. GALLEGLY, Mr. GREENWOOD, and Mr. BLILEY.

H.R. 4587: Mr. HUNTER and Mr. PETERSON of Pennsylvania.

H.R. 4597: Mr. OBEY, Ms. BROWN of Florida, Ms. DeLAURO, Ms. PELOSI, Mr. OLVER, Mr. VENTO, Mr. MOAKLEY, Mr. FROST, and Mr. POMEROY.

H.J. Res. 125: Mr. BACHUS.

H.J. Res. 126: Mr. CUMMINGS, Ms. KILPATRICK, Mr. HASTINGS of Florida, Mrs. CAPPS, Mr. WATT of North Carolina, and Mr. FALEOMAVAEGA.

H. Con. Res. 52: Mr. BLUMENAUER, Mr. BRADY of Pennsylvania, Mr. BLUNT, and Mr. EVERETT.

H. Con. Res. 243: Mr. BALDACCI.

H. Con. Res. 283: Mr. MILLER of California, Mrs. KENNELLY of Connecticut, Mr. CHRISTENSEN, Mr. ACKERMAN, Mr. INGLIS of South Carolina, Ms. FURSE, and Ms. KILPATRICK.

H. Con. Res. 286: Mr. KUCINICH.

H. Con. Res. 295: Mr. DOOLITTLE.

H. Con. Res. 302: Mr. POMEROY and Mr. JONES.

H. Con. Res. 314: Mr. JONES.

H. Con. Res. 315: Mr. McGOVERN, Mr. HASTINGS of Florida, and Mr. HOYER.

H. Con. Res. 316: Mr. RIGGS, Mr. JENKINS, Mr. RADANOVICH, Mr. LIVINGSTON, Mr. ROMERO-BARCELO, and Mr. FORBES.

H. Con. Res. 317: Ms. HOOLEY of Oregon and Mr. LANTOS.

H. Con. Res. 322: Mr. CAMPBELL, Mr. CONYERS, Mr. DINGELL, Mr. FRANK of Massachusetts, Mr. GEJDENSON, Mr. HAMILTON, Mr. KILDEE, Mr. LANTOS, Ms. LOFGREN, Mr. MEEKS of New York, Mr. MORAN of Virginia, Mr. OLVER, and Mr. RODRIGUEZ.

H. Con. Res. 328: Mr. SHERMAN, Ms. RIVERS, Mr. LAFALCE, Mr. GILLMOR, Mr. GREENWOOD, Mr. FRANK of Massachusetts, and Mrs. THURMAN.

H. Res. 460: Mr. JEFFERSON, Ms. MCCARTHY of Missouri, Mr. FORBES, and Ms. BROWN of Florida.

H. Res. 483: Mr. KANJORSKI, Mr. KLECZKA, Mr. COSTELLO, Mr. ACKERMAN, Mr. HASTINGS of Washington, Mr. RANGEL, Ms. HOOLEY of Oregon, Mr. MALONEY of Connecticut, and Mr. GEJDENSON.

H. Res. 519: Mr. DOOLITTLE, Mr. CANNON, and Mr. BATEMAN.

H. Res. 533: Mr. BROWN of Ohio and Mr. ENGLISH of Pennsylvania.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1991: Ms. DUNN of Washington.

H.R. 4236: Ms. DUNN of Washington.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

[Omitted from the Record of September 22, 1998]

76. The SPEAKER presented a petition of Bobby E. Yates, of Brownsville, TX, relative to a report to Congress on the Falsification of official public records in the Police Department and other public offices of this city, in attempts to cover-up crimes in city offices, and, in attempts to stifle my just complaints; to the Committee on the Judiciary.

[Submitted September 23, 1998]

77. The SPEAKER presented a petition of The Legislature of Rockland County, relative to Resolution No. 215 of 1998 petitioning Congress to support the Credit Union Membership Act to clarify the position of credit unions and to protect their ability to serve American Working men and women; to the Committee on Banking and Financial Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2621

OFFERED BY: MS. MCKINNEY

AMENDMENT NO. 1: In section 102(b)(7), add the following at the end:

(C) To ensure that any entity that receives benefits under any trade agreement entered into under this title adopts and adheres to the following principles in all domestic and foreign operations:

(i) Provide a safe and healthy workplace.

(ii) Ensure fair employment, including the prohibition on the use of child and forced labor, the prohibition on discrimination based upon race, gender, national origin, or religious beliefs, the respect for freedom of association and the right to organize and bargain collectively, and the payment of a living wage to all workers.

(iii) Uphold responsible environmental protection and environmental practices.

(iv) Promote good business practices, including prohibiting illicit payments and ensuring fair competition.

(v) Maintain, through leadership at all levels, a corporate culture that respects free expression consistent with legitimate business concerns, does not condone political coercion in the workplace, encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates, and promotes ethical conduct that is recognized, valued, and exemplified by all employees.

(vi) Require, under terms of contract, partners, suppliers, and subcontractors of the entity to adopt and adhere to the principles described in clause (v).

(vii) Implement and monitor compliance with the principles described in clauses (i) through (vi) through a program that is designed to prevent and detect conduct that is not in compliance with such principles by any employee of the entity, or any employee of the partner, supplier, or subcontractor of the entity, and that includes—

(I) standards for ethical conduct of such employees which refer to the principles;

(II) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance with the principles;

(III) procedures for reporting violations of the principles by such employees;

(IV) procedures for selecting qualified individuals who are not employees to monitor compliance with the principles, and for auditing the effectiveness of such compliance monitoring;

(V) procedures for disciplinary action in response to violations of the principles;

(VI) procedures designed to ensure that, in cases in which a violation of the principles has been detected, reasonable steps are taken to correct the violation and prevent similar violations from occurring;

(VII) procedures for providing educational and employment-related counseling to any child employee in violation of the principles; and

(VIII) communication of all standards and procedures with respect to the principles to every employee, by requiring the employee to participate in a training program, or by disseminating information in writing that explains the standards and procedures.

H.R. 3736

OFFERED BY: MR. SMITH OF TEXAS

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 3: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.

(a) SHORT TITLE.—This Act may be cited as the "Temporary Access to Skilled Workers and H–1B Non-immigrant Program Improvement Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents, amendments to Immigration and Nationality Act.

TITLE I—PROVISIONS RELATING TO H–1B NONIMMIGRANTS

Sec. 101. Temporary increase in access to temporary skilled personnel under H–1B program.
Sec. 102. Protection against displacement of United States workers in case of H–1B dependent employers.
Sec. 103. Changes in enforcement and penalties.
Sec. 104. Collection and use of H–1B nonimmigrant fees for scholarships for low-income math, engineering, and computer science students and job training of United States workers.
Sec. 105. Computation of prevailing wage level.
Sec. 106. Improving count of H–1B and H–2B nonimmigrants.
Sec. 107. Report on older workers in the information technology field.
Sec. 108. Report on high technology labor market needs, reports on economic impact of incresae in H–1B nonimmigrants.

TITLE II—SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES

Sec. 201. Special immigrant status for certain NATO civilian employees.

TITLE III—MISCELLANEOUS PROVISION

Sec. 301. Academic honoraria.

(c) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—Except as otherwise specifically provided in this Act, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to that section or other provision of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

TITLE I—PROVISIONS RELATING TO H–1B NONIMMIGRANTS

SEC. 101. TEMPORARY INCREASE IN ACCESS TO TEMPORARY SKILLED PERSONNEL UNDER H–1B PROGRAM.

(a) TEMPORARY INCREASE IN SKILLED NONIMMIGRANT WORKERS.—Paragraph (1)(A) of section 214(g) (8 U.S.C. 1184(g)) is amended to read as follows:

"(A) under section 101(a)(15)(H)(i)(b), may not exceed—

"(i) 65,000 in each fiscal year before fiscal year 1999;

"(ii) 115,000 in fiscal year 1999;

"(iii) 115,000 in fiscal year 2000;

"(iv) 107,500 in fiscal year 2001; and

"(v) 65,000 in each succeeding fiscal year; or".

(b) EFFECTIVE DATES.—The amendment made by subsection (a) applies beginning with fiscal year 1998.

SEC. 102. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS IN CASE OF H–1B-DEPENDENT EMPLOYEES

(a) PROTECTION AGAINST LAYOFF AND REQUIREMENT FOR PRIOR RECRUITMENT OF UNITED STATES WORKERS.—

(1) ADDITIONAL STATEMENTS ON APPLICATION.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

"(E)(i) In the case of an application described in clause (ii), the employer did not displace and will not displace a United States worker (as defined in paragraph (4)) employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application.

"(ii) An application described in this clause is an application filed on or after the date final regulations are first promulgated to carry out this subparagraph, and before October 1, 2001, by an H–1B-dependent employer (as defined in paragraph (3)) or by an employer that has been found under paragraph (2)(C) or (5) to have committed a willful failure or misrepresentation on or after the date of the enactment of this subparagraph. An application is not described in this clause of the only H–1B non-immigrants sought in the application are exempt H–1B nonimmigrants.

"(F) In the case of an application described in subparagraph (E)(ii), the employer will not place the nonimmigrant with another employer (regardless of whether or not such other employer is an H–1B-dependent employer) where—

"(i) the nonimmigrant performs duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

"(ii) there are indicia of an employment relationship between the nonimmigrant and such other employer;

unless the employer has inquired of the other employer as to whether, and has no knowledge that, within the period beginning 90 days before and ending 90 days after the date of the placement of the nonimmigrant with the other employer, the other employer has displaced or intends to displace a United States worker employed by the other employer.

"(G)(i) In the case of an application described in subparagraph (E)(ii), subject to clause (ii), the employer, prior to filing the application—

"(I) has taken good faith steps to recruit, in the United States using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), United States workers for the job for which the nonimmigrant or nonimmigrants is or are sought; and

"(II) has offered the job to any United States worker who applies and is equally or better qualified for the job for which the nonimmigrant or nonimmigrants is or are sought.

"(ii) The conditions described in clause (i) shall not apply to an application filed with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).".

(2) NOTICE ON APPLICATION OF POTENTIAL LIABILITY OF PLACING EMPLOYERS.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by adding at the end the following: "The application form shall include a clear statement explaining the liability under subparagraph (F) of a placing employer if the other employer described in such subparagraph displaces a United States worker as described in such subparagraph.".

(3) CONSTRUCTION.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is further amended by adding at the end the following: "Nothing in subparagraph (G) shall be construed to prohibit an employer from using legitimate selection criteria relevant to the job that are normal or customary to the type of job involved, so long as such criteria are not applied in a discriminatory manner.".

(b) H–1B-DEPENDENT EMPLOYER AND OTHER DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) (8 U.S.C. 1182(n)) is amended by adding at the end the following:

"(3)(A) For purposes of this subsection, the term 'H–1B-dependent employer' means an employer that—

"(i)(I) has 25 or fewer full-time equivalent employees who are employed in the United States; and (II) employs more than 7 H–1B nonimmigrants;

"(ii)(I) has at least 26 but not more than 50 full-time equivalent employees who are employed in the United States; and (II) employs more than 12 H–1B nonimmigrants; or

"(iii)(I) has at least 51 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

"(B) For purposes of this subsection—

"(i) the term 'exempt H–1B nonimmigrant' means an H–1B nonimmigrant who—

"(I) receives wages (including cash bonuses and similar compensation) at an annual rate equal to at least $60,000; or

"(II) has attained a master's or higher degree (or its equivalent) in a specialty related to the intended employment; and

"(ii) the term 'Nonexempt H–1B nonimmigrant' means an H–1B nonimmigrant who is not an exempt H–1B nonimmigrant.

"(C) For purposes of subparagraph (A)—

"(i) in computing the number of full-time equivalent employees and the number of H–1B nonimmigrants, exempt H–1B nonimmigrants shall not be taken into account during the longer of—

"(I) the 6-month period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998; or

"(II) the period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 and ending on the date final regulations are issued to carry out this paragraph; and

"(ii) any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer.

"(4) For purposes of this subsection:

"(A) The term 'area of employment' means the area within normal commuting distance of the worksite or physical location where the work of the H–1B nonimmigrant is or will be performed. If such worksite or location is within a Metropolitan Statistical Area, any place within such area is deemed to be within the area of employment.

"(B) In the case of an application with respect to one or more H–1B nonimmigrants by an employer, the employer is considered to 'displace' a United States worker from a job if the employer lays off the worker from a job that is essentially the equivalent of the job for which the nonimmigrant or nonimmigrants is or are sought. A job shall not be considered to be essentially equivalent of another job unless it involves essentially the same responsibilities, was held by a United States worker with substantially equivalent qualifications and experience, and is located in the same area of employment as the other job.

"(C) The term 'H–1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

"(D) The term 'lays off', with respect to a worker—

"(i) means to cause the worker's loss of employment, other than through a discharge for inadequate performance, violation of workplace rules, cause, voluntary departure, voluntary retirement, or the expiration of a grant or contract (other than a temporary employment contract entered into in order to evade a condition described in subparagraph (E) or (F) of paragraph (1)); but

"(ii) does not include any situation in which the worker is offered, as an alternative to such loss of employment, a similar employment opportunity with the same employer (or, in the case of a placement of a worker with another employer under paragraph (1)(F), with either employer described in such paragraph) at equivalent or higher compensation and benefits than the position from which the employee was discharged, regardless of whether or not the employee accepts the offer.

"(E) The term 'United States worker' means an employee who—

"(i) is a citizen or national of the United States; or

"(ii) is an alien who is lawfully admitted for permanent residence, is admitted as a refugee under section 207, is granted asylum under section 208, or is an immigrant otherwise authorized, by this Act or by the Attorney General, to be employed.".

"(2) CONFORMING AMENDMENTS.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by striking "a nonimmigrant described in section 101(a)(15)(H)(i)(b)" each place it appears and inserting "an H–1B nonimmigrant".

(c) IMPROVED POSTING OF NOTICE OF APPLICATION.—Section 212(n)(1)(C)(ii) (8 U.S.C. 1182(n)(1)(C)(ii)) is amended to read as follows:

"(ii) if there is no such bargaining representative, has provided notice of filing in the occupational classification through such methods as physical posting in conspicuous locations at the place of employment or electronic notification to employees in the occupational classification for which H–1B nonimmigrants are sought.".

(d) REQUIREMENTS RELATING TO BENEFITS.—

(1) IN GENERAL.—Section 212(n)(1)(A) (8 U.S.C. 1182(n)(1)(A)) is amended—

(A) in clause (i), by striking "and" at the end;

(B) in clause (ii), by striking the period at the end and inserting ", and"; and

(C) by adding at the end the following:

"(iii) is offering and will offer to H–1B nonimmigrants, during the period of authorized employment, benefits and eligibility for benefits (including the opportunity to participate in health, life, disability, and other insurance plans; the opportunity to participate in retirement and savings plans; cash bonuses and noncash compensation, such as stock options (whether or not based on performance)) on the same basis, and in accordance with the same criteria, as the employer offers benefits and eligibility for benefits to United States workers.".

(2) ORDERS TO PROVIDE BENEFITS.—Section 212(n)(2)(D) (8 U.S.C. 1182(n)(2)(D)) is amended—

(A) by inserting "or has not provided benefits or eligibility for benefits as required under such paragraph," after "required under paragraph (1),"; and

(B) by inserting "or to provide such benefits or eligibility for benefits" after "amounts of back pay".

(e) EFFECTIVE DATES.—The amendments made by subsections (a) and (c) apply to applications filed under section 212(n)(1) of the Immigration and Nationality Act on or after the date final regulations are issued to carry out such amendments, and the amendments made by subsection (b) take effect on the date of the enactment of this Act.

(f) REDUCTION OF PERIOD FOR PUBLIC COMMENT.—In first promulgating regulations to implement the amendments made by this section in a timely manner, the Secretary of Labor and the Attorney General may reduce to not less than 30 days the period of public comment on proposed regulations.

SEC. 103. CHANGES IN ENFORCEMENT AND PENALTIES.

(a) INCREASED ENFORCEMENT AND PENALTIES.—Section 212(n)(2)(C) (8 U.S.C. 1182(n)(20(C)) is amended to read as follows:

"(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B), (1)(E), or (1)(F), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(G)(i)(I), or a misrepresentation of material fact in an application—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 of 214(c) during a period of at least 1 year for aliens to be employed by the employer.

"(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an application, or a violation of clause (iv)—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

"(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer displaced a United States worker employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $35,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 3 years for aliens to be employed by the employer.

"(iv) It is a violation of this clause for an employer who has filed an application under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other persion, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer's compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.

"(v) The Secretary of Labor and the Attorney General shall devise a process under which an H–1B nonimmigrant who files a complaint regarding a violation of clause (iv) and is otherwise eligible to remain and work in the United States may be allowed to seek other appropriate employment in the United States for a period (not to exceed the duration of the alien's authorized admission as such a nonimmigrant).

"(vi) It is a violation of this clause for an employer who has filed an application under this subsection to require an H–1B nonimmigrant to pay a penalty (as determined under State law) for ceasing employment with the employer prior to a date agreed to by the nonimmigrant and the employer. If the Secretary finds, after notice and opportunity for a hearing, that an employer has committed such a violation, the Secretary may impose a civil monetary penalty of $1,000 for each such violation and issue an administrative order requiring the return to the nonimmigrant of any amount required to be paid in violation of this clause, or, if the nonimmigrant cannot be located, requiring payment of any such amount to the general fund of the Treasury.".

"(b) Use of Arbitration Process for Disputes Involving Qualifications of United States Workers Not Hired.—

(1) In general.—Section 212(n) (8 U.S.C. 1182(n)), as amended by section 102(b), is further amended by adding at the end the following:

"(5)(A) This paragraph shall apply instead of subparagraphs (A) through (E) of paragraph (2) in the case of a violation described in subparagraph (B).

"(B) The Attorney General shall establish a process for the receipt, initial review, and disposition in accordance with this paragraph of complaints respecting an employer's failure to meet the condition of paragraph (1)(G)(i)(II) or a petitioner's misrepresentation of material facts with respect to such condition. Complaints may be filed by an aggrieved individual who has submitted a resume or otherwise applied in a reasonable manner for the job that is the subject of the condition. No proceeding shall be conducted under this paragraph on a complaint concerning such a failure or misrepresentation unless the Attorney General determines that the complaint was filed not later than 12 months after the date of the failure or misrepresentation, respectively.

"(C) If the Attorney General finds that a complaint has been filed in accordance with subparagraph (B) and there is reasonable cause to believe that such a failure or misrepresentation described in such complaint has occurred, the Attorney General shall initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from the roster of arbitrators maintained by such Service. The procedure and rules of such Service shall be applicable to the selection of such arbitrator and to such arbitration proceedings. The Attorney General shall pay the fee and expenses of the arbitrator.

"(D)(i) The arbitrator shall make findings respecting whether a failure or misrepresentation described in subparagraph (B) occurred. If the arbitrator concludes that failure or misrepresentation was willful, the arbitrator shall make a finding to that effect. The arbitrator may not find such a failure or misrepresentation (or that such a failure or misrepresentation was willful) unless the complainant demonstrates such a failure or misrepresentation (or its willful character) by clear and convincing evidence. The arbitrator shall transmit the findings in the form of a written opinion to the parties to the arbitration and the Attorney General. Such findings shall be final and conclusive, and, except as provided in this subparagraph, no official or court of the United States shall have power or jurisdiction to review any such findings.

"(ii) The Attorney General may review and reverse or modify the findings of an arbitrator only on the same bases as an award of an arbitrator may be vacated or modified under section 10 or 11 of title 9, United States Code.

"(iii) With respect to the findings of an arbitrator, a court may review only the actions of the Attorney General under clause (ii) and may set aside such actions only on the grounds described in subparagraph (A), (B), or (C) of section 706(a)(2) of title 5, United States Code. Notwithstanding any other provision of law, such judicial review may only be brought in an appropriate United States court of appeals.

"(E) If the Attorney General receives a finding of an arbitrator under this paragraph that an employer has failed to meet the condition of paragraph (1)(G)(i)(II) or has misrepresented a material fact with respect to such condition, unless the Attorney General reverses or modifies the finding under subparagraph (D)(ii)—

"(i) the Attorney General may impose administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation or $5,000 per violation in the case of a willful failure or misrepresentation) as the Attorney General determines to be appropriate; and

"(ii) the Attorney General is authorized to not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of not more than 1 year for aliens to be employed by the employer.

"(F) The Attorney General shall not delegate, to any other employee or official of the Department of Justice, any function of the Attorney General under this paragraph, until 60 days after the Attorney General has submitted a plan for such delegation to the Committees on the Judiciary of the United States House of Representatives and the Senate with respect to such delegation.".

(2) Conforming amendment.—The first sentence of section 212(n)(2)(A) (8 U.S.C. 1182(n)(2)(A)) is amended by striking "The Secretary" and inserting "Subject to paragraph (5)(A), the Secretary".

(c) Liability of Petitioning Employer in Case of Placement of H–1B Nonimmigrant With Another Employer.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

"(E) If an H–1B-dependent employer places a nonexempt H–1B nonimmigrant with another employer as provided under paragraph (1)(F) and the other employer has displaced or displaces a United States worker employed by such other employer during the period described in such paragraph, such displacement shall be considered for purposes of this paragraph a failure, by the placing employer, to meet a condition specified in an application submitted under paragraph (1); except that the Attorney General may impose a sanction described in subclause (II) of subparagraph (C)(i), (C)(ii), or (C)(iii) only if the Secretary of Labor found that such placing employer—

"(i) knew or had reason to know of such displacement at the time of the placement of the nonimmigrant with the other employer; or

"(ii) has been subject to a sanction under this subparagraph based upon a previous placement of an H–1B nonimmigrant with the same other employer.".

(d) Spot Investigations During Probationary Period.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)), as amended by subsection (c), is further amended by adding at the end the following:

"(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) (or has been found under paragraph (5) to have committed a willful failure to meet the condition of paragraph (1)(G)(i)(II)) or to have made a willful misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether or not the employer is an H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).".

(e) INVESTIGATIVE AUTHORITY.—Section 212(n)(2) (8 U.S.C. §1182(n)(2) is further amended by adding at the end the following:

(G)(i) If the Secretary receives specific, credible information, from a source likely to have knowledge of an employer's practices, employment conditions or compliance with the employer's labor condition application whose identity is known to the Secretary, that provides reasonable cause to believe that an employer has committed a willful failure to meet a condition of paragraph (1)(A), (1)(B), (1)(E), (1)(F), or (1)(G)(i)(I), a pattern and practice of failures to meet the [aforementioned conditions], or a substantial failure to meet the [aforementioned conditions] that affects multiple employees, the Secretary may conduct a 30 day investigation of these allegations, provided that the Secretary personally (or the Acting Secretary in the case of the Secretary's absence or disability) certifies that the requirements for conducting such an investigation have been met and approves commencement of the investigation. At the request of the source, the Secretary may withhold the identity of the source from the employer, and the source's identity shall not be disclosable pursuant to a Freedom of Information Act request.

"(ii) The Secretary shall establish a procedure for any individual who provides the information to DOL that constitutes part of the basis for the commencement of an investigation on the basis described above to provide that information in writing on a form that the Department will provide to be completed by, or on behalf of, the individual.

"(iii) It shall be the policy of the Secretary to provide to the employer notice of the potential initiation of an investigation of an alleged violation under the authority granted in this [] with sufficient specificity to allow the employer to respond before the investigation is actually initiated unless in the Secretary's judgment such notice would interfere with efforts to secure compliance.

"(iv) Nothing in this section shall authorize the Secretary to initiate or approve the initiation of an investigation without the receipt of information from a person or persons not employed by the Department of Labor that provides the reasonable cause required by this section. The receipt of the l.c.a. and other materials the employer is required in order to obtain an H–1B visa shall not constitute "receipt of information" for purposes of satisfying this requirement.".

SEC. 104. COLLECTION AND USE OF H–1B NONIMMIGRANT FEES FOR SCHOLARSHIPS FOR LOW-INCOME MATH, ENGINEERING, AND COMPUTER SCIENCE STUDENTS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) IMPOSITION OF FEE.—Section 214(c) (8 U.S.C. 1184(c)) is amended by adding at the end the following:

"(9)(A) The Attorney General shall impose a fee on an employer (excluding an employer described in subparagraph (A) or (B) of section 212(p)(1) and an employer filing for new concurrent employment) as a condition for the approval of a petition filed on or after October 1, 1998, and before October 1, 2001, under paragraph (1)—

"(i) initially to grant an alien non-immigrant status described in section 101(a)(15)(H)(i)(b); or

"(ii) to extend for the first time the stay of an alien having such status.

"(B) The amount of the fee shall be $500 for each such non-immigrant.

"(C) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(s).

"(D)(i) An employer may not require an alien who is the subject of the petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

"(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).".

(b) ESTABLISHMENT OF ACCOUNT; USE OF FEES.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

"(s) H–1B NONIMMIGRANT PETITIONER ACCOUNT.—

"(1) IN GENERAL.—There is established in the general fund of the Treasury a separate account, which shall be known as the 'H–1B Nonimmigrant Petitioner Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).

"(2) USE OF FEES FOR JOB TRAINING.—63 percent of amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Secretary of Labor until expended for demonstration programs and projects described in section 104(c) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.

"(3) USE OF FEES FOR LOW-INCOME SCHOLARSHIP PROGRAM.—32 percent of the amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Director of the National Science Foundation until expended for scholarships described in section 104(d) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 for low-income students enrolled in a program of study leading to a degree in mathematics, engineering, or computer science.

"(4) USE OF FEES FOR APPLICATION PROCESSING AND ENFORCEMENT.—2.5 percent of the amounts deposited into the H–1B non-immigrant Petitioner Account shall remain available to the Secretary of Labor until expended for decreasing the processing time for applications under section 212(n)(1), and 2.5 percent of such amounts shall remain available to such Secretary until expended for carrying out section 212(n)(2). Notwithstanding the preceding sentence, both of the amounts made available for any fiscal year pursuant to the preceding sentence shall be available to such Secretary, and shall remain available until expended, only for carrying out section 212(n)(2) until the Secretary submits to the Congress a report containing a certification that, during the most recently concluded calendar year, the Secretary substantially complied with the requirement in section 212(n)(1) relating to the provision of the certification described in section 101(a)(15)(H)(i)(b) within a 7-day period.".

(c) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS.—

(1) IN GENERAL.—Subject to paragraph (3), in establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of the enactment of this Act, or demonstration programs or projects under section 171(b) of the Workforce Investment Act of 1998, the Secretary of Labor shall establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

(2) GRANTS.—Subject to paragraph (3), the Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of the enactment of this Act; or

(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under section 121 of the Workforce Investment Act of 1998; or

(B) regional consortia of councils or local boards described in subparagraph (A).

(3) LIMITATION.—The Secretary of Labor shall establish programs and projects under paragraph (1), including awarding grants to carry out such programs and projects under paragraph (2), only with funds made available under section 286(s)(2) of the Immigration and Nationality Act, and not with funds made available under the Job Training Partnership Act or the Workforce Investment Act of 1998.

(d) LOW-INCOME SCHOLARSHIP PROGRAM.—

(1) ESTABLISHMENT.—The Director of the National Science Foundation (referred to in this subsection as the "Director") shall award scholarships to low-income individuals to enable such individuals to pursue associate, undergraduate, or graduate level degrees in mathematics, engineering, or computer science.

(2) ELIGIBILITY.—

(A) IN GENERAL.—To be eligible to receive a scholarship under this subsection, an individual—

(i) must be a citizen or national of United States or an alien lawfully admitted to the United States for permanent residence;

(ii) shall prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require; and

(iii) shall certify to the Director that the individual intends to use amounts received under the scholarship to enroll or continue enrollment at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965) in order to pursue an associate, undergraduate, or graduate level degree in mathematics, engineering, or computer science.

(B) ABILITY.—Awards of scholarships under this subsection shall be made by the Director solely on the basis of the ability of the applicant, except that in any case in which 2 or more applicants for scholarships are deemed by the Director to be possessed of substantially equal ability, and there are not sufficient scholarships available to grant one to each of such applicants, the available scholarship or scholarships shall be awarded to the applicants in a manner that will tend to result in a geographically wide distribution throughout the United States of recipients' places of permanent residence.

(3) LIMITATION.—The amount of a scholarship awarded under this subsection shall be determined by the Director, except that the Director shall not award a scholarship in an amount exceeding $2,500 per year.

(4) FUNDING.—The Director shall carry out this subsection only with funds made available under section 286(s)(3) of the Immigration and Nationality Act.

SEC. 105. COMPUTATION OF PREVAILING WAGE LEVEL.

(a) In General.—Section 212 (8 U.S.C. 1182) is amended by adding at the end the following:

"(p)(1) In computing the prevailing wage level for an occupational classification in an area of employment for purposes of subsections (n)(1)(A)(i)(II) and (a)(5)(A) in the case of an employee of—

"(A) an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), or a related or affiliated nonprofit entity; or

"(B) a nonprofit research organization or a Governmental research organization;

the prevailing wage level shall only take into account employees at such institutions and organizations in the area of employment.

"(2) With respect to a professional athlete (as defined in subsection (a)(5)(A)(iii)(II)) when the job opportunity is covered by professional sports league rules or regulations, the wage set forth in those rules of regulations shall be considered as not adversely affecting the wages of United States workers similarly employed and be considered the prevailing wage.".

(b) Effective Date.—The amendment made by subsection (a) supplies to prevailing wage computations made for applications filed on or after the date of the enactment of this Act.

SEC. 106. IMPROVING COUNT OF H–1B AND H–2B NONIMMIGRANTS.

(a) Ensuring Accurate Count.—The Attorney General shall take such steps as are necessary to maintain an accurate count of the number of aliens subject to the numerical limitations of section 214(g)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(b) Revision of Petition Forms.—The Attorney General shall take such steps are as necessary to revise the forms used for petitions for visas or nonimmigrant status under clause (i)(b) or (ii)(b) of section 101(a)(15)(H) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)) so as to ensure that the forms provide the Attorney General with sufficient information to permit the Attorney General accurately to count the number of aliens subject to the numerical limitations of section 214(g)(1) of such Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(c) Reports.—Beginning with fiscal year 1999, the Attorney General shall provide to the Congress—

(1) on a quarterly basis a report on the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3-month period under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(i)(b)); and

(2) on an annual basis a report on the countries of origin and occupations of, educational levels attained by, and compensation paid to, individuals issued visas or provided nonimmigrant status under such sections during such period.

Each report under paragraph (2) shall include the number of individuals described in paragraph (1) during the year who were issued visas pursuant to petitions filed by institutions or organizations described in section 212(p)(1) of such Act (as added by section 105 of this Act).

SEC. 107. REPORT ON OLDER WORKERS IN THE INFORMATION TECHNOLOGY FIELD.

(a) Study.—The Secretary of Commerce shall enter into a contract with the President of the National Academy of Sciences to conduct a study, using the best available data, assessing the status of older workers in the information technology field. The study shall consider the following:

(1) The existence and extent of age discrimination in the information technology workplace.

(2) The extent to which there is a difference, based on age, in—

(A) promotion and advancement;

(B) working hours;

(C) telecommuting;

(D) salary; and

(E) stock options, bonuses, and other benefits.

(3) The relationship between rates of advancement, promotion, and compensation to experience, skill level, education, and age.

(4) Differences in skill level on the basis of age.

(b) Report.—Not later than October 1, 2000, the Secretary of Commerce shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a).

SEC. 108. REPORT ON HIGH TECHNOLOGY LABOR MARKET NEEDS; REPORTS ON ECONOMIC IMPACT OF INCREASED IN H–1B NONIMMIGRANTS.

(a) National Science Foundation Study and Report.—

(1) In general.—The Director of the National Science Foundation shall conduct a study to assess labor market needs for workers with high technology skills during the next 10 years. The study shall investigate and analyze the following:

(A) Future training and education needs of companies in the high technology and information technology sectors and future training and education needs of United States students to ensure that students' skills at various levels are matched to the needs in such sectors.

(B) An analysis of progress made by educators, employers, and government entities to improve the teaching and educational level of American students in the fields of math, science, computer science, and engineering since 1998.

(C) An analysis of the number of United States workers currently or projected to work overseas in professional, technical, and management capacities.

(D) The relative achievement rates of United States and foreign students in secondary schools in a variety of subjects, including math, science, computer science, English, and history.

(E) The relative performance, by subject area, of United States and foreign students in postsecondary and graduate schools as compared to secondary schools.

(F) The needs of the high technology sector for foreign workers with specific skills and the potential benefits and costs to United States employers, workers, consumers, postsecondary educational institutions, and the United States economy, from the entry of skilled foreign professionals in the fields of science and engineering.

(G) The needs of the high technology sector to adapt products and services for export to particular local markets in foreign countries.

(H) An examination of the amount and trend of moving the production or performance of products and services now occurring in the United States abroad.

(2) Report.—Not later than October 1, 2000, the Director of the National Science Foundation shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in paragraph (1).

(3) Involvement.—The study under paragraph (1) shall be conducted in a manner that ensures the participation of individuals representing a variety of points of view.

(b) Reporting on Studies Showing Economic Impact of H–1B Nonimmigrant Increase.—The Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Management and Budget, the Chair of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Labor, and any other member of the Cabinet, shall promptly report to the Congress the results of any reliable study that suggests, based on legitimate economic analysis, that the increase effected by section 101(a) of this Act in the number of aliens who may be issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act has had an impact on any national economic indicator, such as the level of inflation or unemployment, that warrants action by the Congress.

TITLE II—SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES

SEC. 201. SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES.

(a) In General.—Section 101(a)(27) (8 U.S.C. 1101(a)(27)) is amended)—

(1) by striking "or" at the end of subparagraph (J),

(2) by striking the period at the end of subparagraph (K) and inserting "; or", and

(3) by adding at the end the following new subparagraph:

"(L) an immigrant who would be described in clause (i), (ii), (iii), or (iv) of subparagraph (I) if any reference in such a clause—

"(i) to an international organization described in paragraph (15)(G)(i) were treated as a reference to the North Atlantic Treaty Organization (NATO);

"(ii) to a nonimmigrant under paragraph (15)(G)(iv) were treated as a reference to a nonimmigrant classifiable under NATO–6 (as a member of a civilian component accompanying a force entering in accordance with the provisions of the NATO Status-of-Forces Agreement, a member of a civilian component attached to or employed by an Allied Headquarters under the 'Protocol on the Status of International Military Headquarters' set up pursuant to the North Atlantic Treaty, or as a dependent); and

"(iii) to the Immigration Technical Corrections Act of 1988 or to the Immigration and Nationality Technical Corrections Act of 1994 were a reference to the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.".

(b) Conforming Nonimmigrant Status for Certain Parents of Special Immigrant Children.—Section 101(a)(15)(N) (8 U.S.C. 1101(a)(15)(N)) is amended—

(1) by inserting "(or under analogous authority under paragraph (27)(L))" after "(27)(I)(i)", and

(2) by inserting "(or under analogous authority under paragraph (27)(L))" after "(27)(I)".

TITLE III—MISCELLANEOUS PROVISION

SEC. 301. ACADEMIC HONORARIA.

(a) In General.—Section 212 (8 U.S.C. 1182), as amended by section 105, is further amended by adding at the end the following:

"(q) Any alien admitted under section 101(a)(15)(B) may accept an honorarium payment and associated incidental expenses for a usual academic activity or activities (lasting not longer than 9 days at any single institution), as defined by the Attorney General in consultation with the Secretary of Education, if such payment is offered by an institution or organization described in subsection (p)(1) and is made for services conducted for the benefit of that institution or entity and if the alien has not accepted such payment or expenses from more than 5 institutions or organizations in the previous 6-month period.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to activities occurring on or after the date of the enactment of this Act.

SENATE—*Wednesday, September 23, 1998*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God our Father, we pause in the midst of the changes and challenges of life to receive a fresh experience of Your goodness. You are consistent; You constantly fulfill Your plans and purposes; and You are totally reliable. There is no shadow of turning with You; as You have been, You will be forever. All of Your attributes are summed up in Your goodness. It is the password for Your presence, the metonym for Your majesty, and the synonym for Your strength. Your goodness is generosity that You define. It is Your abundant, unqualified love poured out in graciousness and compassion. You are good when circumstances seem bad. When we ask for Your help, Your goodness can bring what is best out of the most complicated problems.

Thank You for Your goodness given so lavishly to our Nation throughout our history. Today, we turn again to You for Your guidance about what is good for our country. Keep us grounded in Your sovereignty, rooted in Your Commandments, and nurtured by the absolutes of Your truth and righteousness. May Your goodness always be the source of our Nation's greatness. In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

SCHEDULE

Mr. LOTT. Mr. President, this morning, the Senate will immediately resume consideration of S. 1301, the Consumer Bankruptcy Protection Act. At long last, I think we are going to be able to complete action on this legislation and get it into conference and give us a good opportunity then to get this work completed by the session's end.

It is expected that several amendments will be offered and debated this morning, with a stacked series of rollcall votes occurring at approximately 11:45 a.m. It looks like there will be two votes, probably, in that sequence, at 11:45. Those votes will hopefully include passage of bankruptcy legislation. Following disposition of that bill, the Senate may consider any other legislative or executive items cleared for action.

At this time, I believe we will probably go to the Internet taxation bill. Although we have had discussions with the Democratic leadership, no further agreements have been reached on other bills. I wanted to put the managers of that legislation, Internet taxation, on notice that we may very well go to that, which would be shortly in the afternoon.

From 10 until 11 o'clock, there will be a ceremony in the Rotunda where the Hon. Nelson Mandela will receive the Congressional Gold Medal. A number of Senators will be involved in that ceremony. We will continue to work on this bill, but we will defer votes until after that ceremony is over.

I yield the floor.

CONSUMER BANKRUPTCY REFORM ACT OF 1998

The PRESIDING OFFICER (Mr. BENNETT). Under the previous order, the Senate will now resume consideration of S. 1301, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Lott (for Grassley/Hatch) Amendment No. 3559, in the nature of a substitute.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the majority leader for announcing the schedule this morning. Those who have followed the last few days of Senate debate know we are considering a reform of the bankruptcy code. We will be joined shortly by the Senator from Connecticut, Senator DODD, who will offer an amendment.

For those who have not paid attention to this debate, I hope that they have followed at least the outline of it and understand that what we are about is to try to change the bankruptcy code in a way that will reduce abusive filings—in other words, people who may be going into bankruptcy court to file for bankruptcy in a situation where they can, in fact, pay back either their debts or a sizable portion of those debts. We have tried to address this at several different levels. We have had a spirited debate about how to do it.

We understand the complexity of this. Historically, there has been a national commission which has taken a look at this rather complicated area of the law. I find myself in an unusual position here, having worked with my staff and studied this issue for a year, because I come to this with an interesting experience when it comes to bankruptcy law. Thirty years ago, I took a course in bankruptcy in law school. Twenty years ago, I was appointed trustee of a bankruptcy in my hometown of Springfield, IL, in one case. Now I bring that wealth of experience to this debate in an attempt to try to find our way through a very complicated area of the law. It was interesting.

Yesterday, when I spoke to a colleague of mine about bankruptcy, she had said that she was surprised to learn how few people file bankruptcy with incomes over $50,000 a year. I told her that the average income of a person filing for bankruptcy in the United States of America is less than $18,000. So folks who are going into bankruptcy court, by and large, are people of very limited means. The average debt of the person going into bankruptcy court is about $28,000.

So if we are out to stop the high rollers and the abusers of the system, I hope that we take care in this bill, as well as in conference, to protect the vast majority of people petitioning the bankruptcy court for relief of their debts, who are, in fact, in lower-income categories, with a debt that is beyond their comprehension or at least their control.

As we go about these changes, I am glad to see that we have included amendments that not only try to tighten up the procedures in the bankruptcy court, but also say to the people in the credit industry that they have an equal obligation here. We want you to continue to extend credit across America so that American families and businesses can use credit cards and second mortgages and other things to finance their lives and businesses; but we want you to be certain that you follow some rules, too.

We have talked a lot about personal responsibility here when it comes to consumers. I think that is a valid observation. We also want to speak to corporate responsibility, so that those who are peddling these credit cards around the country, in fact, give full disclosure to the would-be consumers about the terms. Many of us will go home tonight and look through the mail, and you know what you are going to find—a stack of preapproved credit card applications. It is luring. People say: This can be easy. I will take all my debts and put them on one card. Look at this low interest rate; this is terrific. Let's do this right away.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Yet, they find that it is a teaser rate and only applies for a few months. If they decide in some instances to pay off their credit card at the end of each month, they may face a penalty. Yes, a penalty for paying off the balance on your card because, of course, the company makes money if you continue to really roll over the debt month after month and pay interest.

Senator REED of Rhode Island successfully offered an amendment that said that you have to have full disclosure if that is going to occur, and other amendments in this bill try to say to the consumers that you have a right to know, too. For example, if you pay the minimum monthly balance on your credit card, we have a provision in this bill that says you should state right under it how long it will take to pay off the credit card debt and how much you will pay in interest if you pay the minimum monthly amount.

So we are trying to strike a balance here—a balance that says those who come into court have to be, in fact, deserving of bankruptcy procedure, and that those who extend credit in this country have to be more open and honest in the way that they deal with consumers. I think that is the right balance. It still puts the burden on each of us to make the right decisions for ourselves and our families. It gives us the information about the credit card companies to make that decision more knowledgeably and with an understanding of what we are getting into.

At this time, I see my colleague from the State of Connecticut is here to offer his amendment under the unanimous consent agreement.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut is recognized to offer an amendment regarding student loans on which there will be 15 minutes: 10 minutes under the control of the Senator from Connecticut, and 5 minutes under the control of the Senator from Iowa.

The Senator from Connecticut.

Mr. DODD. Mr. President, first of all, we want to wrap this bill up, I gather, fairly quickly. I want to extend my congratulations to Senator GRASSLEY of Iowa, Senator HATCH, my colleague from Utah, and Senator DURBIN, the manager for this side of the aisle on this legislation. It has been a long journey for them, I know, in committee in trying to deal with this legislation. I am particularly grateful for the courtesies which they have extended to me, and for the various ideas we have had for inclusion in this legislation.

AMENDMENT NO. 3614 TO AMENDMENT NO. 3559

(Purpose: To improve certain bankruptcy procedures relating to dependent children)

Mr. DODD. Mr. President, with that in mind, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD) proposes an amendment numbered 3614 to amendment No. 3559.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.—Section 541(b) of title 11, United States Code, as amended by section 403 of this Act is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

"(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief; or

"(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.".

Mr. DODD. Mr. President, this amendment is a third amendment to two others that have been offered and have actually been included in the managers' amendment.

I thank, again, Senator HATCH, Senator DURBIN, Senator GRASSLEY, and others for their consideration.

This amendment, the third, is designed to protect children who through no fault of their own are involved in bankruptcy. It provides legal and legitimate college savings accounts established for the benefit of children which will be beyond the reach of creditors.

This amendment parallels Senator HATCH's provisions to protect retirement savings accounts, and particularly contains measures to prevent fraudulent transfers of assets intended solely to avoid the rightful reach of creditors. So we have written into this the exact same kind of parallel provisions that the seniors' retirement accounts include.

The amendment complements other provisions that are included in the managers' amendment. Those provisions ensure that the lawful funds for the benefit of children—such as child support, disability payments, and foster care payments—would also be preserved for children and not creditors.

Again, that goes back almost 100 years in trying to see to it that innocent children are not going to be harmed and hurt as a result of this process.

In addition, we agreed that household goods exclusively and primarily for children, such as toys, children's furnishings, and items used by parents provided for their children, would also be protected.

Again, it was a consensus. I commend my colleagues for recognizing that these issues are important as well.

Taken together, the provisions of this amendment and the managers' amendment will continue the 95-year-old principle of the bankruptcy code that women and children must be first in bankrupt credit alliances.

I believe that these important improvements in the bill reinforce the historic protections that are given families in bankruptcy proceedings. Those who are innocent and most vulnerable deserve the most protection.

I am very grateful, as I said a moment ago, to the chairman of the full committee and the subcommittee and the ranking member, Senator DURBIN, who has worked hard to ensure these protections for children and families were not weakened in the pending legislation.

In the rush that was going on around here a number of weeks ago, we almost blew by these historic protections which we provide for families. As a result of their leadership, these protections have been included in legislation. I am confident that in conference they will preserve them.

This amendment would strengthen the principle that children ought to come before credit card companies. Legal proceedings, including bankruptcy proceedings, should be designed to protect against the impoverishment of children and innocent adults. Otherwise, impoverishment will produce dependency, in which case no one wins—neither the individual impoverished, nor the credit card company.

I also would like to express for the record my concern that my colleagues in conference firmly support the Senate legislation. I think it is critically important that we hold these provisions.

Again, we all recognize the importance of this legislation. There has been a flood of people taking advantage of the Bankruptcy Act. Too many have been doing that. This legislation is going to tighten that up considerably. But I think as we call for a higher degree of responsibility on the part of our citizenry when it comes to their fiscal and financial responsibility, it is also incumbent that we ask the credit card companies to exercise responsibility as well.

This legislation, I think, strikes a good balance between stopping the incredible amount of people taking advantage of the Bankruptcy Act with little or no repercussions, it would appear, and also seeing to it that the innocents—particularly children—are not going to be adversely affected by this process.

As has been noted by some of our colleagues over the last week or so, as you consider this bill, just last year alone 3 billion credit card solicitations were sent out across this country, many with already preapproved proposals.

I hope that credit card companies will exercise some restraint and responsibility in trying to slow down what is an exploding amount of consumer debt in this country. During good times, no one talks about it much. But when you get a downturn in the economy, it becomes a major problem. There is corporate debt, and consumer debt. We have to try to get a better handle on it.

I am very grateful to the managers of the legislation—I see my colleague from Iowa has arrived on the floor as well as the Senator from Utah—and for their consideration of this amendment.

As I said, it tracks Senator HATCH's very good amendment on seniors' retirement accounts to see to it that education is going to be something that we continue to support as strongly as we have for the 21st century because of rising college costs, to see to it that these educational accounts are going to be for the children that need them. I think it is a very wise decision. Indeed, I am grateful for their support.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I would like to commend my colleague, the distinguished Senator from Connecticut, for his initiative on this particular amendment, as well as his contributions to this legislation as a whole.

We have worked closely on several issues on this bankruptcy legislation, including providing for enhanced protection of domestic and child support payments in bankruptcy. And I have appreciated both his and his staff's dedication, sincerity, and cooperation on this important bankruptcy legislation.

I am sure my colleague, the chairman of the subcommittee, Senator GRASSLEY, feels the same way.

Mr. President, this amendment is well intentioned. I fully support the policy of providing enhanced protections for educational savings accounts in bankruptcy. That is why we have agreed to this amendment. However, Senator DODD is aware that I have some concerns with the amendment as currently drafted, because it may have the unintended consequence of encouraging and rewarding fraud and abuse in bankruptcy.

I thank the Senator from Connecticut for agreeing to work with us on this amendment as this legislation progresses to ensure that it will do just what it is intended to do; that is, protect funds that have been set aside for the education of the child of the debtor.

Some of my specific concerns include the fact that under the amendment as currently drafted the debtor will not have to disclose the existence of these accounts in any way in the bankruptcy case, or the schedules filed with the court because they are deemed "not the property of the estate." The trustees will not even know these accounts exist, and they cannot be audited.

I would like to see these accounts to be created exempt properties of the estate of the bankrupt similar to the treatment we have given pension plans and retirement savings accounts in this legislation.

Moreover, we need to place some limits on these accounts to prevent them from becoming bankruptcy shelters for those seeking to abuse the bankruptcy system as a financial planning tool.

Again, this could be done by placing limits similar to those we have imposed on individual retirement accounts and the way we have done that.

Finally, we need to ensure that the funds protected in such accounts will actually be spent on the education of the bankrupt's child, not simply withdrawn after bankruptcy to be used as the bankruptcy wishes, leaving the future education of the child in jeopardy.

I know that the Senator from Connecticut shares my concerns that this amendment not provide a new means for fraud and abuse.

Again, I thank him and his staff for their willingness to work with us to address these concerns.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, before we accept this amendment—I understand that we will do that, and I prefer that we do—I commend the Senator from Connecticut for his hard work on this issue. I have to say that I think the Senator is on to something here. We ought to encourage parents, obviously, to save for education and to protect these savings in bankruptcies. So philosophically we are all on the same page.

The problem in a situation like this is the devil is in the details, especially when it comes to making changes to the bankruptcy code.

I want to express my concern that the amendment of the Senator from Connecticut could unintentionally open a loophole for abuse. I understand that the Senator from Connecticut is also concerned about this and that he does not want any unintended consequences of his amendment which would allow for more bankruptcy abuse.

Accordingly, I intend to continue working to improve this amendment so that it accomplishes its goal without giving crooks an opportunity to hide and shield their assets during bankruptcy proceedings.

I had similar concerns about the amendment that Senator HATCH offered to protect retirement savings. I think we worked hard and good and accomplished a lot with Senator HATCH to tighten up that amendment.

As a result, the amendment that we passed to protect the retirement accounts is better and less subject to abuse. I am sure that we can improve the amendment by Senator DODD in the same way.

I yield the floor.

Mr. DODD. Mr. President, I ask my colleague to yield for a minute on that point, if I could. Let me again thank him for his courtesies and his staff's courtesies over the last number of days in working this out. He has made a very good point. What we will certainly try to do here—and I agree with him—is to see to it that this amendment, the safeguard aspects of it, conform in many ways—exactly, if it is not the case—with the retirement savings accounts since both are parallel ideas. I have instructed my staff to work with the Senator's staff to iron out those details, to check this out thoroughly. Obviously, I think we all agree this is needed to protect the long-term education needs of families, but obviously—and I want to state it very clearly—it certainly also is our intention to see to it that people are not given an opportunity to avoid their responsibilities when it comes to their financial matters. So we think we can do that pretty effectively.

My intention and that of the Senator from Iowa is to see that it is done before this bill goes to the President for his signature. I thank him again for his support.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. We will yield back the time, if there is any on this side, on this Dodd amendment.

Mr. DODD. I yield back the time.

The PRESIDING OFFICER. Under the previous order, the Dodd amendment No. 3614 is agreed to and the motion to reconsider the vote is laid upon the table.

The amendment (No. 3614) was agreed to.

AMENDMENT NO. 3599 TO AMENDMENT NO. 3559

(Purpose: To express the sense of the Senate regarding misuse of the homestead exemption to the bankruptcy laws)

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin, Mr. KOHL, is recognized to offer an amendment under a time limit of 10 minutes under his control and 5 minutes under the control of the Senator from Iowa.

Mr. KOHL. I thank the Chair.

Today I rise to offer an amendment to reaffirm the Senate's commitment to cap the homestead exemption. The Kohl-Sessions homestead cap is already in the bill, but a sense of the Senate on this issue is important. It sends a message to the House, which does not have a homestead cap in its bill, that this provision is essential to meaningful bankruptcy reform. The $100,000 cap in the homestead exemption is a bipartisan measure I offered with Senator SESSIONS which was endorsed by Senator GRASSLEY and was approved unanimously in subcommittee. It also has the endorsement of the congressionally appointed National Bankruptcy Review Commission.

Our bipartisan measure closes a loophole that allows too many debtors to keep their luxury homes while their legitimate creditors, such as children, ex-spousal alimony, State governments, universities, retailers, and banks, get left out in the cold. Currently, five States—Florida, Texas, Kansas, Iowa, and South Dakota—allow debtors to protect their homes no matter how high their value. And time after time, millionaire debtors take advantage of this loophole by moving to expensive homes in these States, especially Florida and Texas, and then declare bankruptcy, yet continue to live in a style which is not appropriate to their circumstances. Let me give you just a few examples.

A failed Ohio savings and loan owner, who was convicted of securities fraud, wrote off almost $300 million in bankruptcy claims but still held onto the multimillion-dollar ranch that he bought in Florida. A convicted Wall Street financier filed bankruptcy while owing at least $50 million in debts and fines but still kept his $5 million mansion with 11 bedrooms and 21 bathrooms. After his law firm went bankrupt and creditors were already in the process of seizing his two homes in the New York area, former Baseball Commissioner Bowie Kuhn fled to a new $1 million home in Florida although he and his partners were on the line for $100 million. This may not be the most common abuse of the bankruptcy system but it is the most egregious. And given this record, it is not surprising to hear complaints that bankruptcy is no longer used as a tool of last resort and that it has become just another kind of financial planning. If we really want to restore the stigma attached to bankruptcy, these high-profile abuses are the best places to start.

Mr. President, our $100,000 homestead cap will stop these abuses, and unless we keep it in the bill in conference we will not really have bankruptcy reform at all, in my opinion. So I urge my colleagues to support this resolution.

At this point I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL] proposes an amendment numbered 3599 to Amendment No. 3559.

Mr. KOHL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. ___. SENSE OF THE SENATE REGARDING THE HOMESTEAD EXEMPTION.

(a) FINDINGS.—The Senate finds that—

(1) one of the most flagrant abuses of the bankruptcy system involves misuse of the homestead exemption, which allows a debtor to exempt his or her home, up to a certain value, as established by State law, from being sold off to satisfy debts;

(2) while the vast majority of States responsibly cap the exemption at not more than $40,000, 5 States exempt homes regardless of their value;

(3) in the few States with unlimited homestead exemptions, debtors can shield their assets in luxury homes while legitimate creditors get little or nothing;

(4) beneficiaries of the homestead exemption include convicted insider traders and savings and loan criminals, while short-changed creditors include children, spouses, governments, and banks; and

(5) the homestead exemption should be capped at $100,000 to prevent such high-profile abuses.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) meaningful bankruptcy reform cannot be achieved without capping the homestead exemption; and

(2) bankruptcy reform legislation should include a cap of $100,000 on the homestead exemption to the bankruptcy laws.

Mr. KOHL. I believe that Senator SESSIONS is prepared to come down to the floor to talk on behalf of this amendment, and while he is on his way I suggest the absence of a quorum.

Mr. GRASSLEY. Mr. President, before that happens, could I have the floor, please.

The PRESIDING OFFICER. Will the Senator withhold his request?

Mr. KOHL. I will.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. First of all, before I speak on this amendment, I want to make clear that everybody in this body ought to know that this issue is before us both as part of the bill and now on a motion to instruct because of the hard work of the Senator from Wisconsin. He is to be commended for that because there is abuse in this area and our bill reflects that.

So I say to the other 99 Members of this body—and also it would include people who are helping Senator KOHL on this amendment—Senator KOHL should be recognized as a leader in this area to bring some uniformity to our bankruptcy code among the 50 States to stop a very serious abuse. I have been trying to work with the Senator from Wisconsin, supporting his amendment to cap homesteads since he offered that amendment in the subcommittee markup. In fact, he was the very first Senator to be recognized in our subcommittee when we had the markup of this bill. He was successful there.

In the last Congress, I accepted Senator KOHL's amendment to cap homesteads at $500,000. This principle actually passed the Senate unanimously at the end of the 104th Congress, but the House failed to act on the technical corrections bill to which the homestead matter was attached.

In this Congress, the idea of capping homesteads is a genuine bipartisan one, and I know both the Senator from Wisconsin and the junior Senator from Alabama are strong supporters of the $100,000 cap currently in this bill. But the fact is that the other body has passed a bill which does not have homestead caps. In other words, we have a key difference between House and Senate bills on this point.

Obviously, I support the Senate bill, which I have worked on so hard with Senator DURBIN, but I don't want to go into the conference situation with my hands tied in any way. Some have tried to get me to do this on other provisions in this legislation, and to do so prior to conference. I have resisted all efforts in this area. I am compelled to resist this effort of instructing conferees. However, I am not going to object to this sense of the Senate going into my bill since it restates what is already in the legislation, and I think that restatement is a perfectly legitimate thing for us to do this way. And so from that standpoint, I compliment Senator KOHL for his continued hard work and his efforts.

I yield the floor.

Mr. KOHL. I yield to Senator DURBIN.

Mr. DURBIN. I thank the Chair.

I thank the Senator from Wisconsin and I rise in strong support of his resolution.

Let's understand what we are talking about. We decided long ago that if a person filed bankruptcy, we would allow them to protect certain things that we considered essential, and one of those things was a home. Now, of course, that is understandable; 50 percent of the people filing for bankruptcy are homeowners; but we left it to the States to come up with the amount of money that your home could be worth, and you could exempt it.

As a consequence, with 50 different States, we have basically 50 different approaches. Some of these approaches, unfortunately, have led to abuse. The Senator from Wisconsin described two or three cases where people literally owed millions of dollars and quickly raced out to buy a multimillion-dollar home to put everything they could into it and to basically guard it away from any creditor in bankruptcy. I do not think that is what we had in mind when we put the homestead exemption in place. It was a legitimate effort to protect someone's home.

I see the Senator from Alabama has taken the floor. I congratulate him, Senator SESSIONS, as well as Senator KOHL for their leadership here.

Let me tell you why I think this is important. The idea behind this bill was to stop the abuses in bankruptcy. Professor Elizabeth Warren of Harvard Law School, whom I have really come to respect for her knowledge of this subject, calls the disparity among

State homestead exemptions "the biggest single scandal in the consumer bankruptcy system."

To think, in the instance of a doctor in Miami who refused to carry malpractice insurance, who was sued by four different people, one of them a person who lost a leg, and then when they went to collect against the doctor personally, because he had no insurance, he basically hid behind the homestead exemption and said, "Everything I own is in my home and you cannot touch it"—that really is an abuse of the system. I am glad Senator SESSIONS and Senator KOHL have shown leadership on this and I am happy to support their efforts.

Mr. KOHL. Does Senator SESSIONS wish to speak?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I thank Senator KOHL and Senator DURBIN for their leadership and commitment on this issue and others. This is simply a matter of fairness. The Constitution of the United States authorizes the bankruptcy system and provides for Congress to establish uniform bankruptcy laws. That is a matter that is without dispute. All bankruptcy cases are held in Federal court. It is not too much to ask, since we set every other rule involving bankruptcy, that this body would consider the abuses that arise from the disparity in treatment of homesteads throughout the country. It is really a shocking matter.

The New York Times has written about this on a number of occasions and has given some of the examples that are afoot.

> The First American Bank and Trust Company in Lake Worth, FL, closed in 1989, and its chief executive, Roy Talmo, filed for personal bankruptcy in 1993. Despite owing $6.8 million, Mr. Talmo was able to exempt a bounty of assets. During the proceedings, he drove around Miami in a Rolls-Royce and tended the grounds of his $800,000 tree farm in Boynton Beach. Never one to slum it, Mr. Talmo had a 7,000 square-foot mansion with five fireplaces, 16th century European doors and a Spanish-style courtyard, all on a 30-acre lot. Yet in Mr. Talmo's estimation, this was chintzy. He also owned an adjacent 112 acres and he tried to add those acres to his homestead.

The court finally refused to allow this 112 acres, but he was able to keep his homestead, live in this huge house, and keep all this money that ought to have been shared with his creditors. Bankruptcy is to help people start over again. It is not to help them defeat their creditors and remain millionaires.

There is example after example in this New York Times article. Talmadge Wayne Tinsley maintained his house during bankruptcy and then he sold his house for $3.5 million, using the proceeds to write a check to the Internal Revenue Service and another one to pay off the mortgage. That left him $700,000 after closing costs and other expenses were deducted from the proceeds.

In other words, if you have a multimillion-dollar mansion and go into bankruptcy, you put all your money—except what is in your house—into the bankruptcy pot that trickles out to the people to whom you owe money. You keep the house. As soon as your bankruptcy is over, you can turn around and sell this multimillion-dollar house and live like a king. That is why people are moving to Florida and Texas on the eve of filing bankruptcy.

I live in Alabama. We have a very low homestead exemption, but it is only 50 miles from my home of Mobile to Pensacola, FL. Somebody from Mobile could easily move to Pensacola, buy a huge beach home, and then defraud his Alabama creditors.

Some think this is a State matter. Senator KOHL talked about this. They say it is an advantage to the State. But the truth is, 90 percent of the people who abuse this system on the homestead—90 percent of their debts are going to be debts in their own State. So really it is a situation in which we have some Senators who are supposedly protecting State interests, but really they are not. I encourage these Senators to think about it. They are not protecting State interests because what this does is allow a scandal to take place. The people who most frequent lose in this process will be the lenders in their own States. That is just not fair. I believe the Bankruptcy Commission has listed this as one of their top priorities for reform.

I can see how some Senators may not really be familiar with the bankruptcy process and might think they want to preserve their State systems. But bankruptcy is a classical Federal matter. It is set forth in the Constitution as a Federal matter. All bankruptcy cases are handled in Federal court, not State courts, and the bankruptcy court sets all the rules in almost every category. This is just one that we have, by tradition, allowed to be nonuniform. As a matter of fact, it has been challenged in the Supreme Court, on the basis that the nonuniformity violates the Constitution.

The PRESIDING OFFICER (Mr. BROWNBACK). The time of the Senator has expired.

Mr. SESSIONS. Mr. President, I thank Senator KOHL for his leadership.

Mr. KOHL. Mr. President, I end by suggesting this is a very important piece of legislation. I am concerned, if we do not have it in the final piece of legislation, that the administration will veto the Bankruptcy Reform Act. So I stress, we need to see to it that the conference report contains this homestead cap of $100,000.

The PRESIDING OFFICER. The Senator from Iowa has 1 minute 30 seconds.

Mr. GRASSLEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back. Under the previous order, the KOHL amendment, No. 3599, is agreed to. The motion to reconsider the vote is laid upon the table.

The amendment (No. 3599) was agreed to.

AMENDMENT NO. 3615 TO AMENDMENT NO. 3559

(Purpose: To provide for a study and report by the Board of Governors of the Federal Reserve System regarding credit industry practices)

The PRESIDING OFFICER. The hour of 10 a.m. having arrived, under the previous order, the Senator from California, Mrs. FEINSTEIN, is recognized to speak for up to 10 minutes.

Mrs. FEINSTEIN. Mr. President, on behalf of Senator DURBIN, Senator JEFFORDS, and myself, I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection to considering this amendment at this time?

Mr. GRASSLEY. Mr. President, reserving the right to object.

The PRESIDING OFFICER. Is there objection?

Without objection, the clerk will report.

The assistant legislative clerk read as follows:

> The Senator from California [Mrs. FEINSTEIN], for herself, Mr. DURBIN and Mr. JEFFORDS, proposes an amendment numbered 3615 to amendment no. 3559.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place in title VII, insert the following:
>
> **SEC. . ENCOURAGING CREDITWORTHINESS.**
>
> (a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—
>
> (1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and
>
> (2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.
>
> (b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—
>
> (1) consumer credit industry practices of soliciting and extending credit—
>
> (A) indiscriminately;
>
> (B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and
>
> (C) in a manner that encourages consumers to accumulate additional debt; and
>
> (2) the effects of such practices on consumer debt and insolvency.
>
> (c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—
>
> (1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

Mrs. FEINSTEIN. Mr. President, I support S. 1301, and intend to vote for its passage. It gives bankruptcy judges the tools they need to require that capable debtors take responsibility for their debts. Furthermore, it does so in a manner that empowers bankruptcy judges to seek solutions to consumer insolvency, rather than straitjacketing them with a strict formula. Finally, S. 1301 contains strengthened provisions to protect the priority of child support and spousal support, which I supported in the Judiciary Committee.

Responsibility cannot be a one-way street, however. The blame for the current record number of consumer bankruptcies lies not only with unsound consumer spending habits, but often with unwise and irresponsible lending practices that facilitate and even foster such recklessness. This amendment aims to deter such recklessness in credit practices.

It authorizes the Federal Reserve Board to conduct a study of industry practices of soliciting and extending credit indiscriminately, without taking steps to ensure that consumers are capable of repaying their debt, or in a manner that encourages consumers to accumulate additional debt. The Federal Reserve Board is further authorized to study the effects of such practices on consumer debt and insolvency.

Within two years of enactment, the Federal Reserve Board will make public a report on its findings, regarding the credit industry's indiscriminate solicitation and extension of credit.

The amendment allows the Federal Reserve Board to issue regulations that would require additional disclosures to consumers, and to take any other actions, consistent with its statutory authority, that the board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

This amendment directly addresses one of the major causes of personal bankruptcies: bad consumer debt.

It's a simple matter of arithmetic. The typical family filing bankruptcy in 1997 owed more than one-and-a-half times its annual income in short-term, high interest debt. This means that the average family in bankruptcy, with a median income of just over $17,500, had $26,500 in credit card and other short-term, high interest debt.

Studies by the Congressional Budget Office, the FDIC, and independent economists all link the rise in personal bankruptcies directly to the rise in consumer debt.

Last year, the credit card industry sent out a record 3.1 billion unsolicited offers. That's 30 solicitations to every household in America. The number of solicitations jumped 20% last year alone. Based on industry estimates, between 1992 and 1996, credit card companies offered about a million dollars of credit to every household in the United States.

There are well over a billion cards in circulation—a dozen credit cards for every household in the country. Three-quarters of all households have a least one credit card, and three out of four of them also carry credit card debt from month to month.

Not surprisingly, credit card debt has increased accordingly. Credit card debt doubled between 1993 and 1997: The amount of credit card debt outstanding at the end of 1997 was $422 billion, twice as much as the amount in 1993.

Credit card usage has grown fastest in recent years among debtors with the lowest incomes. Since the early 1990's, Americans with incomes below the poverty level nearly doubled their credit card usage, and those in the $10,000-25,000 income bracket came in a close second in the rise in debt. The result is not surprising: 27% of the under-$10,000 families have consumer debt that is more than 40% of their income. Nearly one in ten has at least one debt that is more than sixty days past due. These are the families for whom real income has actually declined since 1989.

Credit card issuers earn about 75% of their revenues from the interest paid by borrowers who do not pay in full each month. Several companies have instituted charges or even canceled credit cards for customers who pay in full each month, preferring customers with large credit balances who pay minimum monthly payments.

As bankruptcy levels have risen, total credit card profitability has grown—credit card lending is now twice as profitable as all other lending activities. In the third quarter of 1997, credit card banks showed a 2.59% return on assets, compared to a 1.22% return on assets reported by all commercial banks.

This amendment most likely would not affect the vast majority of the credit card industry, who responsibly check consumer credit history before issuing or "pre-approving" credit cards. Representatives of large credit card issuers such as Bank of America have assured me and my staff that they do not provide credit cards to consumers without a thorough credit history check.

However, I should note that every credit card issuer that I and my staff spoke with said that one thing they do not check is income. In other words, credit card issuers have no idea whether persons to whom they issue credit cards have the means to pay their bills each month.

Furthermore, major credit cards such as Visa and Mastercard do not require banks who issue their cards to check credit history.

This bill would affect lenders who fail to even inquire into a consumer's ability to pay, or those who specifically target consumers who can't or won't repay balances.

A growing segment of the credit industry known as "sub-prime" lenders increasingly searches for risky borrowers, who they know will make inappropriately low minimum monthly payments, carry large monthly balances from month to month, and pay high interest rates. Such lending has become the fastest growing, most-profitable subset of consumer lending. Although losses are substantial, interest rates of 18 to 40% on credit card debt make this lending profitable.

Many of these often relatively unsophisticated borrowers don't realize that minimum monthly payments just put them deeper in a hole, which in many cases leads to bankruptcy. For example, industry analysts estimate that, using a typical minimum monthly payment rate on a credit card, in order to pay off a $2,500 balance—assuming the consumer never used the card to charge anything else ever again—it would take 34 years to pay off the balance, and total payments would exceed 300% of the original principal.

The FDIC observes that by marketing high-risk debt to customers who are at substantial risk for non-payment, credit card issuers have contributed to the rise in consumer bankruptcies.

On May 2, 1997, the FDIC issued warnings to banks about the risks posed by increased subprime lending. Some industry analysts predict that overall loan default rates will double by the year 2001 and thus warn that "by lowering their credit standards and saturating the market with loans, many banks will be unable to avoid potentially enormous delinquencies and write-offs."

Subprime lending is growing even among reputable lenders. Senator LAUCH FAIRCLOTH, who notes that he "abhors . . . constraints on the private sector," recently stated about the subprime market: "We have very reputable, very fine institutions, spinning off subsidiaries to get into what I would consider very precarious, reckless, bordering on sleazebag lending."

Since the Senate Judiciary Committee considered this bill in June, I have received examples from constituents of credit card companies who offer credit cards to persons who are wholly unable to afford them. I have also had my staff review solicitations they have received.

I want to give you some examples of the sort of inappropriate credit card solicitations my constituents and my staff have received.

A constituent from San Ramon, CA, wrote that her 7-year old son received a "charter membership offer" for a Visa Signature Card. The constituent writes:

> If banks are offering bankcards to small children, who else (or what else) are they offering them to. This kind of unsolicited mail is ridiculous.

This is not an isolated occurrence. Both sons of a staff member who works in my San Francisco office received credit card offers—and they're 12 and 15 years old. The 12-year-old is an eighth grader, with no income other than a $25 a month allowance and gifts from his grandmother and holiday and birthday gifts. He is a Star Trek fan, and he was offered a "Star Trek Platinum Plus MasterCard," with up to $100,000 in credit. The card features discounts on Star Trek merchandise and entertainment events. The solicitation noted an introductory 3.9 percent annual percentage rate in large, bold print. The small print on the back explains that the rate applies only to initial balance transfers and cash advance checks. The actual annual percentage rate is 14.99 percent.

The 12-year-old's 15-year-old brother was also offered a credit line of up to $100,000 on the "First USA Platinum MasterCard for Science Fiction Enthusiasts." This card offered a free space pen and a 9.99 percent "fixed" annual percentage rate. The small print explained that if payment is received "late" twice in any 6-month period, the annual percentage rate balloons to 19.99 percent. If payment is not received for 2 consecutive months, the rate balloons further to 22.99 percent.

It's not just children. A constituent from Lakewood, CA, wrote to me last month:

> I am sending to you [a solicitation] which I received in the mail yesterday. It was addressed to my mother and was offering her a platinum credit card with a $100,000 credit line. What's wrong with this? My mother's been dead for seven years!

The constituent continues:

> What really bugs me about this is that credit card companies send out these solicitations for their plastic cards and then when they get burned, they start crying foul. They want all kinds of laws passed to protect them from taking hits when it's their own practices that caused the problem.

A 22-year-old constituent from Pacifica, CA, who makes $25,000 a year, was offered 3 platinum cards with a credit limit of up to $100,000 on each card. Two of the cards advertised in large, bold print, "introductory" annual percentage rates of 3.9 percent for cash advance checks and balance transfers. The fine print on both cards disclosed the actual annual percentage rates on purchases of 14.99 percent. The other card offered free mileage on US Airways. The fine print disclosed its annual percentage rate as 18.4 percent; 21.9 percent if the account is in default.

Another constituent, also from Pacifica, CA, who is unemployed, was offered a platinum card with an up to $50,000 credit line. As with a number of these offers, the solicitation boldly advertised an "introductory" annual percentage rate of 3.9 percent for cash advance checks and balance transfers, but the fine print on both cards disclosed the actual annual percentage rate on purchases of 14.99 percent. The other card offered free mileage on US Airways.

Besides low introductory interest rates, which inevitably balloon, and frequent flier miles, the range of gifts offered to induce people to take on new credit cards is incredible. In the past couple of months that I have been asking my staff to save solicitations, "free" gifts offered to them—and to me—to take on new credit cards, have included everything from: free telephone calling cards, to transistor radios, attaché cases, Godiva chocolates, Waterford crystal, and electronic organizers.

And the credit card companies are anything if not persistent. Over the past couple months, one of my staff members has received 4 offers for second mortgages, totaling $75,000 in credit, one of which was sent twice; $230,000 in credit, with free gifts as incentives; and a "college alumni" card, offering a "third opportunity" to apply.

These sort of come-on's, targeting people who oftentimes are simply incapable of affording the credit card, are by no means unique to Californians.

Bankruptcy Judge John Akard of the Northern District of Texas wrote that the attorneys for one couple who filed Chapter 13 bankruptcy asked them to record solicitations received after filing for bankruptcy. The received over 50 solicitations over the next 24 months, offering cumulatively over $2 million in credit; 25 of these were "preapproved."

Consumer bankruptcy attorneys tell my staff that some companies send credit cards to bankruptcy filers courtesy of their bankruptcy attorneys.

In fact, a staff member informed me that when he did pro bono work for indigent people filing bankruptcy, the pro bono attorneys had to constantly tell the bankruptcy filers not to take on new credit cards, which credit card companies targeted to them, knowing that they could not disavow their debt for a period of six years following bankruptcy.

In many cases, credit cards offered to consumers who have no ability to repay them and no reason having them is a direct cause of personal bankruptcy. The U.S. Bankruptcy Trustee for the Southern District of California provided my office with some examples, taken directly from the rolls of recent bankruptcy filers in San Diego: One bankruptcy filer had $41,989 in debt, run up on 25 retail and credit cards—but only $17,520 in yearly income; another bankruptcy filer, had $23,826 in debt, run up on 6 credit cards and 7 retail cards—and only $4,320 in yearly income; still another bankruptcy filer had $28,054 in debt, run up on 6 credit cards and 9 retail cards, but only $11,520 in yearly income; and in the most egregious case, one filer had $97,372 in debt, run up on a total of 26 cards—13 credit cards and 13 retail cards—and had no yearly income. Another filer had over $50,000 in debt run up on 7 credit cards—and no yearly income.

Similarly, the United States Trustee for the Northern District of California provided my office with a case study of some of the recent bankruptcy cases filed in San Francisco; a "naturopath" with an annual income of $8,100, accumulated $44,690 in credit card debt, on 13 credit cards before declaring bankruptcy; a truck driver with $22,368 in annual income, accumulated $102,645 in credit card debt on 14 credit cards before declaring bankruptcy; an unemployed person with no annual income, accumulated $50,927 in debt on 14 different credit cards before declaring bankruptcy; and the list goes on.

U.S. bankruptcy trustees have also provided my office with letter after letter, originally sent by U.S. bankruptcy panel trustees to creditors, alleging "bad faith" on behalf of consumers, because the debtor accumulated credit card debts they could have had no realistic expectation of repaying. For example, one letter notes that the debtor accumulated over $110,635 in credit card debt, but had $500 in monthly income, and had incurred a net loss in income in 1996 and 1997.

If the consumer acted in bad faith, one wonders about the faith of the credit card companies that issued the credit cards in the first place and allowed the consumer to continue to accumulate debt.

Obviously, in each of these cases, banks kept on issuing credit cards, and kept on allowing consumers to rack up still more debt on the cards, despite clear evidence that the consumer would never be able to repay the debt.

During the debate on this bill, we have heard much about the financial burden that consumer bankruptcies levy on each of us as consumers. Clearly, part of the responsibility for that financial burden rests with the credit card companies and retailers who irresponsibly continue to issue credit in such cases. Indeed, industry consultants have estimated that credit card companies could cut their bankruptcy losses by more than 50% if they would institute minimal credit screening.

As I mentioned at the outset, I support S. 1301, which gives bankruptcy judges effective tools to require responsible behavior from debtors once bankruptcies occur. This amendment is necessary to promote the responsible behavior needed to prevent such bankruptcies from occurring in the first place, by preventing the runaway consumer debt that is one of the principal causes of the rise in personal bankruptcies.

I urge my colleagues to vote for the adoption of this amendment.

I end my comments with one statement: Responsibility is a two-way street. And what is sauce for the gander is also sauce for the credit card company.

Mr. President, it is my understanding that the amendment has been accepted by both sides.

I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this amendment will be accepted. And I would like to say, after listening to Senator FEINSTEIN's statement, as well as studying the legislation in great detail, we can enthusiastically back this and fight for its retention in conference as well. I was not that certain when I visited with the Senator privately, but I would like to state publicly that we think she has a very good idea here and that we can work to keep it in conference. I cannot guarantee anything, but at least I feel very strongly about it.

It kind of backs up some of the things that we have done on disclosure in the managers' amendment as well. Those things will probably be much more controversial in conference than what the Senator from California is trying to do. She, from my standpoint, through the year that we have worked on this legislation, and being prodded also by the Senator from Illinois about the problems that we have or the potential problems we have with credit card companies, and they not being too careful in their anticipation of who they take on to give credit to, does back up the study that the Senator from California has called for.

She does not give new statutory authority to the Federal Reserve. She does give the Federal Reserve authority, after the study, if the Federal Reserve wants to do it, to issue regulations that would require additional disclosure to consumers, then, within their existing statutory authority, if the board finds necessary, "to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency."

This is all based upon a study which we believe, based upon our year's consideration of this legislation, probably is a very worthwhile thing for us to have and to promote. So with those ideas in mind, we accept the amendment and congratulate the Senator from California. Most importantly, we thank her for her cooperative attitude toward our resolving a lot of differences we have had with her original legislation.

Mrs. FEINSTEIN. I thank the Senator.

The PRESIDING OFFICER. Is there any further debate on Feinstein amendment No. 3615?

Hearing none, the question is on agreeing to the amendment No. 3615.

The amendment (No. 3615) was agreed to.

Mr. GRASSLEY. I move to reconsider the vote and to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRASSLEY. I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mr. BROWNBACK. Mr. President, I rise to make a few remarks on the Consumer Bankruptcy Reform Act, which is the pending business at this point in time.

I commend the hard work of Senator GRASSLEY and the Senate Judiciary Committee for crafting this much-needed reform of our bankruptcy laws. Bankruptcy filings rose to almost 1.4 million last year. That is up from 172,000 in just 1978—enormous growth in bankruptcy filings. More than 70 percent of those who filed for bankruptcy last year did so under chapter 7 of the U.S. bankruptcy code, which erases most debt incurred.

The cost of these bankruptcies to the U.S. economy last year has been estimated at more than $44 billion—enormous cost. And these losses are passed on to consumers, costing every household that pays its bills $400 in hidden taxes. That is not fair to the millions of families who pay their bills—mortgages, car loans, student loans, and credit card tabs—every month.

This legislation goes a long way in addressing the fraud and abuse of our bankruptcy system while ensuring that people who are in considerable economic pain will be protected.

However, I am extremely concerned about a provision in this bill which places a cap on the homestead exemption. My State of Kansas has a homestead law in our State constitution dating back to 1859. Many farmers have used this law during times of economic hardship to protect their farms, their homes and their 160 acres. While the Consumer Bankruptcy Reform Act exempts family farmers from the homestead provision, many small farmers would not qualify under the bankruptcy code as a family farm because they or their spouse earn off-farm taxable income.

I might note for my fellow Members that over half of the people involved in agriculture today in my State and in many States across the country have considerable off-farm income from either themselves or their spouses and yet are full-time involved in agriculture. They have the outside income for various numbers of reasons, but this provision will not allow them to qualify for that agricultural exemption, the family farm exemption, if it remains as we have it in this particular act.

Many farming States have similar homestead laws dating back frequently to the time of statehood and of the settling of many places in the Midwest, where people could keep their home and 160 acres if they would just settle this land for a period of 5 years. That is the basis of this homestead law. This provision that is in the bankruptcy code and the changes that we have before us today could have a significant impact on farmers who are already faced with cash flow problems caused by low commodity prices.

This bill also does not take into consideration the vastly different property values in various States that will be affected by this particular homestead provision.

While I believe we should prevent fraud and abuse of our bankruptcy system, preempting State homestead laws and imposing a one-size-fits-all approach is not the answer. I hope that my colleagues will consider this as we look forward in dealing with this provision and working together with the House to get a fine Consumer Bankruptcy Reform Act put together. We should not penalize, we should not usurp, the States that have put forward a particular homestead exemption.

With that, Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I understand debate on the Harkin amendment was to begin at 11 a.m.?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. I ask unanimous consent that the full 45 minutes allowed for debate on the Harkin amendment begin now.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, Senator HARKIN is on his way. He spoke briefly on this amendment yesterday afternoon, and I would like to make a couple comments on it. This amendment is very simple. It is an amendment that expresses the sense of Congress that the Federal Reserve Board, through the Federal Open Market Committee, should reduce its Federal funds rate. The Federal Reserve Board will meet soon and consider once again what it wishes to do with monetary policy, and especially with short-term interest rates.

I would like to show a couple of charts just to describe where we are at this point with the American economy.

"Consumer Price Index." As we know, the Federal Reserve Board has been chasing inflation now for, oh, 4 years or so. Every quarter they have another discussion and wring their hands and gnash their teeth and fret and worry and sweat about what is happening to inflation and when the next wave of inflation is going to hit. Of course, inflation has gone down, down, way down.

The Federal Reserve Board told us, by the way, at the start of this, that the inflation rate would jump up almost certainly if the unemployment rate went below 6 percent. Of course, the unemployment rate has been below 6 percent for over 4 years and the inflation rate keeps coming down. The Federal Reserve Board was dead wrong on that issue.

But the Federal Reserve Board sits in that house of theirs on a hill impenetrable by the American public, closes its doors, makes its decisions in secret about interest rates. Only, and then tells us after the decisions are made what the interest rates in this country will be.

The Federal funds rate set by the Federal Reserve's Open Market Committee is much higher than it ought to be. Prior to Mr. Greenspan becoming Chairman of the Federal Reserve Board, from 1950 to 1987, the average real Federal funds rate was 1.8 percent; for 37 years on average. The real Federal funds rate, the economic rent for money, adjusted for inflation, that was set by the Federal Reserve Board, was 1.8 percent. Today that short-term interest rate, after inflation, is 3.9 percent—the highest level since just before the last recession in 1990.

One must ask the question, Why, why are the American people in effect being taxed with higher interest rates? Why is the Federal Reserve Board punishing the American people with interest rates that are higher than they should be? The answer: Because they have served their constituent interests, which are the large money center banks; they want the higher interest rates. But that moves against the interests of the American people, of the people who produce and work and borrow.

I have brought to the floor from time to time pictures of the Federal Reserve Board of Governors and the presidents of the regional Fed banks, and the reason I have done that is because they control monetary policy and nobody knows who they are. So I thought we should probably have pictures of all of them, when they were appointed, where they were educated, what their background is, and how much money they make. And so here, once again, is a picture of the Federal Reserve Board of Governors and the regional Fed bank presidents. On a rotating basis, these regional Fed bank presidents join the board of governors, they go into a room, shut the door, and in secret determine what our interest rates are going to be in this country. Here is who they are. You could put them all in a barrel, shake it up, roll it downhill, and you would always have somebody with a gray suit on top. They are economists. They all come from the same background. They all pretty much look the same, and they all pretty much think the same. There is not a person among them who represents somebody who manufactures something or fixes something or sells something, but that is the way the Fed is.

When I was a kid in a town of 300 people in southwestern North Dakota, we had a circus come to town. That circus—it was a very small circus because you do not get a big top in a town of 300 people—but that circus had an elephant. It was the first elephant I had ever seen, and the first elephant, I think, that had ever come to my hometown. The thing that interested me as a little boy is that that big old elephant would stand out there by the tent and he had a steel cuff around his foot and a chain of about 6 or 8 feet attached to a stake that was pounded into the ground. I thought to myself, how on Earth can that little stake hold that big elephant? How can that work?

Then I was told later, when I grew up, about that elephant and that chain and that stake. They say that when they capture wild elephants in Thailand, they get a wild elephant and they put a big metal cuff around the elephant's leg, put a chain on that cuff, and then they tie the other end of that chain to a big banyan tree. And for 6 days, 10 days, 12 days, maybe 2 weeks that elephant will pull and struggle and grunt and groan and try to pull that chain away from that big banyan tree. Of course the banyan tree doesn't budge an inch. After a certain period of time, the elephant understands that the elephant cannot move. Then they take the chain off the banyan tree and just put a stake in the ground and the elephant stands there with a cuff around his leg and a chain and a small stake. The elephant is chained to his habit. His habit is he knows he cannot move.

I was thinking about that the other day and I was thinking about the Federal Reserve Board. What a wonderful analogy, chained to his habit. You talk about a board chained to their habits, the Federal Reserve Board has been, for 4 or 5 years—despite all the evidence to the contrary in this country that the global economy is putting downward pressure on wages, that there are no new fires of inflation out there in the country, that the inflation rate is coming down even as the unemployment rate has come down. These gray-suited folks, chained to their old habits, have continued to insist, no, they must keep interest rates higher than they ought to be because they are worried about some future specter of inflation despite the fact that inflation is running in the opposite direction.

What does that mean? What does it mean when these folks lock their doors and in secret say, "We are going to keep interest rates higher than what it ought to be"? What it means is everybody who owns a house, everybody who is paying off a credit card, anybody who has any debt at all of any type is paying higher interest rates than they ought to pay. In a number of cases it means some homeowners might be paying $100 or $200 a month more in interest than they ought to pay. Somebody is just taking it out of their pocket. In effect, they have taxed them—to the detriment of the individual, to the reward of the lender. That is why I asked the question earlier: Whose interest does this Fed serve?

Some say its constituent's interest is that of the big money center banks. It looks that way. How else would they justify interest rates that are more than 2 full percentage points above the real rate of inflation, when in fact for nearly 40 years prior to Mr. Greenspan joining the Federal Reserve Board the real interest rates above inflation set by the Board were 1.8 percent? How else would you justify that kind of massive overcharge of the American people through higher interest rates?

The Federal funds rate is not charged to everybody. It happens to set the fee, set the charge. The prime rate comes off the Federal funds rate. Other rates come off the prime rate. The fact is, when the Federal Reserve Board decides in secret to set interest rates that are higher than they ought to be, then everybody else ends up paying more than they should pay. And who benefits? The big money center banks.

It is interesting, these folks who will be in that room making the decision when the door is closed—the last dinosaur in America that makes decisions in secret, the last dinosaur that exists in our Government—when they go into a room and close that door and make decisions in secret, they will be representing—who? Who hired them? Their boards of directors. Who hires the regional Fed bank president? The regional board of directors. And who is that? The regional bankers. Whose interests are they going to look after in that room when the door is locked? They are not accountable. Their names did not come here for the Senate to say, yes, we would like to sanction you to go into a room and make decisions about monetary policy. They are not accountable to anybody. They were not confirmed by anybody. They are not accountable. Yet they go into a room with a locked door and make a secret decision with others and tell the American people what they are going to pay in interest rates.

We have people come here and talk about taxes forever—that is a tax. A higher interest rate than ought to be paid is a tax; it is a big tax on almost all working families in this country. So who are these people going to represent? Are they going to be sent to the Open Market Committee to make decisions that contradict the interests of their boards of directors? I don't think so. Would it be logical to assume that they would come to this decision-making point representing the interests of those who gave them their jobs? I think so.

The amendment to be offered by Senator HARKIN and myself and a couple of others is an amendment that asks the Congress to express itself to the Federal Reserve Board. I know we have people who say, "Oh Lord, the last thing Congress ought to be involved in is monetary policy." Why should we not be involved in making our views known to the Federal Reserve Board? Anybody who comes out here opposing this, I would like to ask them this: If for 40 years the real economic rent for money set by the Fed through Federal funds rate is 1.8 percent, if that is the rate for 40 years, how do you justify having a rate that is nearly 2 points higher, on average during the Greenspan years? How do you justify it? Do you think it is fine? If so, how do you justify taxing your constituents with the higher interest rate because the Fed decides it is going to represent their interests, not ours?

I am not here arguing for easy money, easy credit. I am here arguing for fairness. I am here asking the Federal Reserve Board to represent the entire public interest here, not just their interest.

Our economy, from most recent evidence, looks to be slowing down some. Our economy faces a number of international threats. We have an Asian economy that is in shreds—Korea, Japan, China, Indonesia. The difficulty in the Asian economy, a very significant difficulty, is beginning to be felt in this economy. It seems to me, when we have a Federal Reserve Board that imposes higher interest rates than are justified, much higher interest rates than we have historically had with respect to real economic rent for money, it seems to me when they do that at a time when we begin to face what appears to be some significant difficulty from external economic forces, the Fed ought to take a look at doing what it should have done long ago, and that is reduce real short-term interest rates to where they ought to be.

I know this discussion causes a lot of people just to fog out and glaze over and go to sleep because, frankly, it is in the interests of those who make monetary policy to keep the monetary policy questions outside of the purview of public discussion. A century ago you could go to a barber shop or a bar in this country and get into an aggressive, interesting, lively discussion about interest rates. All over the country they talked about interest rates. Mr. President, 35 years ago there was going to be a one-quarter percent increase in the Federal funds rate. And the fellow who was heading the Federal Reserve Board was thinking about the one-quarter of 1 percent increase. There were front page headlines all across the country. Lyndon Johnson invited this fellow, the head of the Federal Reserve Board, McChesney Martin, invited him down to the ranch at Perdinales, in Texas, and they say almost squeezed the barbecue sauce out of that guy, he was so upset the Federal Reserve was going to increase interest rates by one-quarter of 1 percent.

Interest rates used to be part of substantial discussion and lively interest in this country, but we now have a Federal Reserve Board, as I said, that is the last dinosaur. It wants to keep monetary policy outside the purview of normal public debate. It wants to do what it wants to do in a locked room behind a closed door, and decide to keep interest rates about 2 full percentage points above where they ought to be given the real rate of inflation in this country today.

The Senator from Iowa will offer an amendment. The sense of the Congress at the end is very simple. It is one short sentence:

> It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal funds rate.

It is very simple. That is preceded by a series of pieces of information that make the case.

Let me finish, Mr. President. I know Senator HARKIN is on his way. I know Senator DOMENICI is also scheduled to speak. We have a vacancy on the Federal Reserve Board. There is one seat vacant. The Federal Reserve Board of Governors has seven people, all appointed by the President, confirmed by the Congress. The confirmation process requires there be accountability, so that is what we have, a Presidential appointment with confirmation.

That is not the case with regional Federal bank presidents. They serve on the Open Market Committee and make decisions, but they are not confirmed by anybody.

We have one vacancy. I have come to the floor to say I would like my Uncle Joe to be considered. My Uncle Joe is retired. My Uncle Joe used to fix generators and alternators in his shop behind his house. He is pretty good with his hands. He knows how to fix things. My theory is, there is nobody on the Fed who has ever fixed anything or ever manufactured anything or ever been in a part of the business where one is actually involved in a consumptive use of credit to make a business work.

For a couple of centuries, we had tensions in this country between those who produced and those who financed production, and in some decades those who produced have had an upper hand, and in some decades those who financed production have had an upper hand. With the help of the Federal Reserve Board, in most recent years those who finance production have had the upper hand. That ought not be the case.

There is a clear and compelling case, made by Senator HARKIN yesterday, and I hope by myself, that the current Federal funds rate established by the Federal Reserve Board responds to a threat that does not exist and, as a result, keeps interest rates substantially higher than they should be on a real basis. As a result of that, the Federal Reserve overtaxes every American family that pays a higher cost for credit than can now be justified.

The Congress has every right to send a message to the Federal Reserve Board that: "When next you meet and close that door and begin deciding in secret the fate of this country's monetary policy and interest rates, we encourage you, given all the evidence, to decide to reduce interest rates."

Mr. President, I notice Senator HARKIN has not yet arrived on the floor. Let me go down the findings briefly while we are awaiting Senator HARKIN to come to the floor.

While interest rates, we hear on the news, continue to decline, long-term mortgage rates, and so on, the inflation rate, of course, is way, way, way down. The question is the real interest rates, the economic rent for money. And also the question is, What is happening to our economy? Is it slowing down? And if so, would paying higher interest rates, as imposed by the Federal funds rate, be beneficial to this economy?

Real interest rates are at historically high levels, the highest in 9 years—real interest rates. The Federal funds rate is 5.5 percent. It has been there since March of 1997, despite an inflation rate of 1.7 percent. Between 1992 and 1994, the Federal funds rate averaged 3.6 percent, while inflation was at 2.8 percent.

The Chairman of the Federal Reserve Board, Mr. Greenspan, said during his testimony before the House Banking and Financial Services Committee on February 24 of this year:

> Statistically, it is a fact that real interest rates are higher now than they have been on the average of post-World War II periods.

Actually, real interest rates are higher now than they have been prior to Mr. Greenspan becoming Chairman of the Fed. Inflation over the last 2 years, preceding the date of enactment of this act, was at its lowest level since the 1960s. Corporate earnings are down 1.3 percent from a year earlier, and, as I mentioned, farm debt is at its highest level since 1985. Broad commodity price indexes are extremely low. There are signs of global depression or at least severe recession and the potential of depression in parts of the economies of Asia, and there are signs that that will negatively impact this country through fewer purchases of U.S. exports and through a greater influx of cheap imports to the United States.

We, as a result of this resolution, want to put the Senate on record as saying to the Federal Reserve Board: "You ought to do what the evidence requires you to do; you ought to do what the American people know you should do; you ought to do what most good economists would advise you do now, even though you have not done it for sometime now; you ought to reduce the Federal funds rate to a level that is fair and fairly reflects the economic rent for money relative to the real rate of inflation."

The Federal Reserve Board has kept the Federal funds rate artificially high because it has worried about inflation. As I indicated in the chart, the rate of inflation has come down, down, way down, even as unemployment has come down. The Federal Reserve Board, predicting new waves of inflation at every step along the way, has been consistently wrong about this. Some say the Federal Reserve Board should be given credit for the fact it is down. The Federal Reserve Board did nothing but predict this was going to be different. It requires no credit to be wrong.

So I ask, and I think Senator HARKIN would ask, the Federal Reserve Board to do the right thing when it meets in the Federal Open Market Committee, and make the reduction in interest rates that is justifiable and is important to this country.

Mr. President, I reserve the remainder of the time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I as unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, may I discuss with Senator DORGAN the current situation? We have a unanimous-consent agreement that says at 11:45 a.m. I am to be recognized to move to table the amendment. I am here. I only have 5 minutes to speak, and I don't choose to use that at this moment.

What is the Senator's understanding about how we are going to handle this unanimous-consent agreement that sets 11:45 a.m. as a vote time?

Mr. DORGAN. Mr. President, the 11:45 a.m. time has been extended, I think, by about 8 minutes by unanimous consent.

The PRESIDING OFFICER. By 5 minutes; the Senator is correct.

Mr. DORGAN. By 5 minutes. That would be 11:50 a.m. I am waiting for Senator HARKIN to arrive on the floor. He is the principal sponsor, along with myself, on the legislation. He wants to speak on it. I just finished speaking. I am waiting for Senator HARKIN. I suspect he will want to provide some remarks, after which the Senator from New Mexico can proceed.

Mr. DOMENICI. I appreciate that. I guess while we are in a quorum call, time is not running. I ask unanimous consent that up to 5 minutes of the quorum call not be charged and, thus, we will have 5 additional minutes before the time the Senator from New Mexico makes a motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Parliamentary inquiry. What is the floor situation right now in terms of time under the unanimous-consent agreement agreed to yesterday?

The PRESIDING OFFICER. The Senator has the right to offer an amendment and the Senator has 15 minutes remaining on his time.

Mr. HARKIN. I did not hear that. How much time?

The PRESIDING OFFICER. Fifteen minutes.

Mr. HARKIN. On our side?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Fifteen minutes left on this side?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, I yield 7 minutes to the Senator from Minnesota, Senator WELLSTONE.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Parliamentary inquiry, Mr. President. Has the amendment been called up?

AMENDMENT NO. 3616 TO AMENDMENT NO. 3559

(Purpose: To express the sense of the Congress regarding the reduction of the Federal Funds rate by the Federal Open Market Committee)

Mr. HARKIN. Mr. President, before I yield to the Senator, I ask that the amendment be called up at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] for himself, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. BRYAN and Mr. KERREY, proposes an amendment numbered 3616 to amendment No. 3559.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS REGARDING INTEREST RATES.

(a) FINDINGS.—The Congress finds, as of the date of enactment of this Act, that—

(1) real interest rates are at historically high levels, the highest in 9 years;

(2) the Federal Funds rate is 5.5 percent, where it has been since March 1997, despite an inflation rate of 1.6 percent;

(3) between 1992 and 1994, the Federal Funds rate averaged 3.6 percent, while inflation was at 2.8 percent;

(4) to confirm that real interest rates are historically high, the Chairman of the Board of Governors of the Federal Reserve System, Alan Greenspan, said during his Humphrey-Hawkins testimony before the Committee on Banking and Financial Services of the House of Representatives on February 24, 1998, "Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.";

(5) inflation over the 2 years preceding the date of enactment of this Act was at its lowest level since the 1960's;

(6) interest rates on 30-year Treasury bonds have sunk to record lows and are below the Federal Funds rate, a signal that the United States economy could be headed for a recession;

(7) United States corporate earnings in the second quarter of 1998 were down 1.3 percent from a year earlier;

(8) a reduction in interest rates would increase resources for business growth;

(9) the farm debt is at its highest level since 1985, and broad commodity price indexes are extremely low;

(10) there are significant, widespread signs of global deflation, to which the United States has not been exposed since the Great Depression;

(11) there has been a deterioration in a number of economies around the world, which will negatively impact the United States through fewer purchases of United States exports and a greater influx of cheap imports to the United States;

(12) the United States economy is a large, healthy economic engine, and if the United States economy does slow, it would be exceedingly difficult for the worldwide economy to recover;

(13) a decline in equity values could dampen confidence and slow consumer and business spending, which together represents four-fifths of the United States economy;

(14) a decline in United States interest rates would help bolster the currencies of countries throughout the world suffering from economic hardships; and

(15) a reduction in interest rates would strengthen the United States economy over the next year while the world's weakened economies recover.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal Funds rate.

Mr. HARKIN. I yield to the Senator from Minnesota 7 minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

I thank my colleague from Iowa.

I do not think I am going to be able to do justice to the question that is before us. There was a bit of confusion. We were over hearing President Nelson Mandela and lost some valuable time on the floor, although I must say I would have never traded that experience to hear President Mandela.

Mr. President, for the last few months, we have been so absorbed with the crisis at the White House I am afraid we have neglected another crisis that might end up having a far greater impact on ordinary working Americans. I am talking about a global economic crisis whose effects are already being felt on our shores.

The situation in the global economy today is much more than troubling; it is dangerous. I believe we must act now to stop the world from slipping into a deflationary spiral. And by the way, I would like to give Bill Greider, and his book "One World: Ready or Not," just a little bit of mention. I think Bill Greider deserves a tremendous amount of credit. That book, written about two years ago, was really prophetic about where the international economy might go.

As I said, I believe we must act now to stop the world from slipping into a deflationary spiral. Surely part of the solution—not the whole solution—is for the Federal Reserve to cut short-term interest rates significantly.

I hope that Alan Greenspan, Chairman Greenspan, today in his testimony will, indeed, signal that he is ready to do that. This may be only one part of the solution, but it is an important part, and that is what this Sense-of-the-Congress resolution is all about.

Mr. President, this global economic crisis is unlike anything many of us have ever experienced in our lifetimes. For the first time since the 1930s, we see the GDP falling in over one-quarter of the world economy. Last week, President Clinton called this "the greatest financial challenge in the last half-century." And he was right.

If we choose to do nothing, we will have little hope of escaping from this crisis unscathed. As Chairman Greenspan recently testified, we cannot forever be an oasis of growth when so much of the world's economy is contracting.

Lowering interest rates will address the global crisis in several ways. It will supply some much needed liquidity to a world economy starved by massive currency devaluations. It should help restart capital flows to crisis countries. Lower rates should also weaken the dollar, making it easier for foreign borrowers to repay their dollar-dominated debt. Boosting the yen against the dollar should make other Asian countries more competitive and help stabilize their economies. The end result should be higher world economic growth and less instability in the financial markets.

Mr. President, I cannot emphasize enough how important this Sense-of-the-Congress amendment is, because we are attempting to send a signal here. I come from the Midwest. We see a contraction in the farm economy. We see farmers driven off the land because of record-low prices. But what I also see is an absolutely impossible situation right now where what is happening in this world economy is surely going to affect us. And there is no question that, by lowering interest rates in coordination with other countries—like Germany and the G–7 countries—we can at least increase demand.

If there is one thing we must do, it is increase demand in all of our economies so that people will be able to consume, so we will have markets to sell to. Bill Greider was right. The major threat right now, not only to the international economy but to our own economy, is not inflation. It is deflation.

All the arguments about the NAIRU—the Non-Accelerating Inflation Rate of Unemployment—don't stand up. It is not true that when you have low levels of unemployment you automatically set into gear an inflationary spiral in your economy. That has not happened. There is no evidence that it will happen.

The No. 1 enemy right now is not inflation, but the whole question of deflation, the whole question of a depression in a good part of the international economy which is going to dramatically, crucially, affect the quality of our lives, our children's lives and our grandchildren's lives.

The Federal Reserve Board, led by Mr. Greenspan, must lower short-term interest rates. They are too high. It makes no sense whatever—from the point of view of the best macroeconomic management, from the point of view of economic performance, from the point of view of stimulating demand in these economies, from the point of view of coordinating with other countries like Germany—for the Federal Reserve Board not to lower the federal funds rate. That is what this resolution calls for. That is why I am pleased to join my colleague from Iowa.

This is why a rising chorus of voices is now calling for lower rates. Many of them are conservatives. They include the Wall Street Journal, Jack Kemp, the National Association of Manufacturers, the Business Roundtable, Stephen Roache, C. Fred Bergsten, Roger Altman, Steve Forbes, and many others.

But there are also many who don't share my sense of alarm. A few may simply be afraid to say anything that could trigger a panic. Others may not see any need to take precautions against a forecasted hurricane—especially when the skies directly above us are sunny and clear. Well, maybe they are right. Maybe this storm will veer off course. But what if they're wrong?

Some of my colleagues may well say, "We already have low interest rates. The Fed hasn't raised short-term rates for a year and a half." True enough. But if you adjust those rates for inflation, they've actually been rising for some time. Chairman Greenspan himself testified earlier this year that "Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post World War II period." In fact, the inflation-adjusted federal funds rate hasn't been this high since 1989.

Unfortunately, there has been a strong bias, at the Federal Reserve and elsewhere, against lowering rates, though this may be changing as we speak. The reason for this is simple: an inordinate fear of inflation. But inflation today stands at 1.6 percent, down from 3 percent in 1996. Where is the evidence of any inflationary pressure on the horizon? This downward trend cannot be attributed solely to the Asian crisis, either: the producer price index fell for the first seven months of 1997, before the crisis even began. To quote Bruce Steinberg, chief economist at Merrill Lynch, "People who cry about inflation are in some other universe of reality right now."

Moreover, an expected slowdown in economic growth should douse any possible inflationary pressures. Corporate earnings in the second quarter were down 1.3 percent from the previous year. Economic growth slowed from 5.5 percent in the first quarter to 1.6 percent in the second. The OECD predicts lower U.S. growth next year. Chairman Greenspan himself has acknowledged that "there are the first signs of erosion at the edges, especially in manufacturing." Manufacturing capacity utilization is at a six year low, commodity prices are falling, and farm debt is the highest it's been since 1985. And the Fed says its monetary policy must be based on forecasts of economic conditions 6 to 9 months in the future!

In his speech last week, President Clinton recognized that these new circumstances call for a reexamination of some of our most basic economic assumptions. "For most of the last 30 years, the United States and the rest of the world has been preoccupied by inflation," he said. "But clearly the balance of risks has now shifted, with a full quarter of the world's population living in countries with declining economic growth or negative economic growth. Therefore, I believe the industrial world's chief priority today, plainly, is to spur growth."

The Federal Reserve's obsession with inflation-fighting can be traced back to the so-called NAIRU [Non-Accelerating Inflation Rate of Unemployment] theory. What NAIRU boils down to is this: it's a belief that lowering unemployment too much will cause inflation to spiral out of control. Tragically, this theory has too often stood in the way of policies that would reduce unemployment.

Yet it seems to have little, if any, correlation to our actual economic experience. For four years now we've had unemployment rates below 6 percent. They've been under 5 percent for well over a year. During that time, inflation has been falling, not rising. The fact is, there's little reason to believe low unemployment causes inflation to come unhinged. It seems to me that this NAIRU theory is about as out-moded as the Nehru jacket. And frankly, I have serious doubts whether either of these fads was ever really defensible.

In the past, the Fed has focused on fighting inflation over all other considerations, which puts it at odds with its own statutory mandate. Let me remind my colleagues, once again, that the Federal Reserve is a creature of Congress. The 1946 Employment Act directs the Fed to pursue policies of "maximum employment, production, and purchasing power." The 1978 Humphrey-Hawkins Act amendments call for policies of "full employment," "balanced growth," and "reasonable price stability." Instead, it seems the Fed sees its mandate as stifling real wage growth.

Sometimes Washington seems like a different world than the one where most Americans live, and never more so than when it's engulfed in scandal. But it can seem like a pretty odd place even in more normal times. In testimony before Congress, Fed Chairman Greenspan has seemed to express satisfaction that job insecurity keeps workers from demanding higher wages. More recently he has voiced concern that wages are rising, despite the fact that wage growth has not kept up with productivity. I'm not sure which is more outrageous: that anybody in a position of power in this country would say such things, or that so few people would be bothered by them.

In all fairness, the Fed has resisted the temptation to raise short-term rates for some time now. That's probably because falling unemployment has not led to higher wages until very recently, and inflation has continued on its downward path. But now, in the seventh year of this economic recovery, we are finally starting to see signs of wage growth. Real wages have risen 2.6 percent annually for the typical American worker since 1996, though they have still not regained their 1989 levels. And the trend toward income inequality has also begun to slow.

This is good news, and it is a tremendous breakthrough. The mystery of falling wages and rising inequality over the past three decades turns out to be not so mysterious after all. The fact is, we know how to raise wages and reduce inequality. We do not have to reinvent the wheel. Among other things, we need to maintain low unemployment over a sustained period. We've done this before and we can do it again. Surveying the U.S. economy since World War II, economist James Galbraith finds that income inequality has generally risen when unemployment was above 5 percent and fallen when unemployment was below 5 percent.

Simply put, we need to pursue a policy of full employment. The 1998 Report of the Council of Economic Advisers hails recent trends in income inequality and concludes, "Maintaining a full employment economy is essential if this progress is to continue." The experience of the last two years should drive that lesson home. It would be a tragedy if an unjustified fear of rising wages or an economic downturn kept us from continuing that progress. With economic growth falling overseas and the growing danger of deflationary aftershocks here at home, I believe the Fed needs to cut interest rates now.

There are few things, I think, that would improve the lives of ordinary working Americans more than full employment. As the 1998 Report of the Council of Economic Advisers says:

> A high employment economy brings enormous economic and social benefits. Essential to personal economic security is the knowledge that work is available to those who seek it, at wages sufficient to keep them and their families out of poverty. A tight labor market encourages the confidence of job losers that they will be able to return to work, lures discouraged workers back into the labor force, enhances the prospects of those already at work to get ahead, enables those who want or need to switch jobs to do so without a long period of joblessness, and lowers the duration of a typical unemployment spell. . . . Wasted resources from not producing at potential, together with the human cost of unemployment, are intolerable; the elimination of this waste is the principal benefit of a sustained return to full employment.

As James Galbraith argues in his powerful new book, Created Unequal, lower interest rates and full employment help sustain not only a healthy economy, but also a healthy society. Lower rates make it easier to balance the budget. They help reduce inequality by lowering unemployment and reducing poverty, by preserving a competitive dollar that doesn't destabilize wages, and by checking the unearned income of top earners. They ease social strains by pushing up wages and lifting the burden of private debt. For all these reasons, in a full employment economy, citizens are more able and willing to make necessary investments in education, training, infrastructure, research, and other public goods.

But the flip side of this picture is not so rosy. Inequality has been rising since about 1970, and today is the highest it's been since the Great Depression. Growing inequality brings out the worst in us. It eats away at middle class solidarity. It encourages those who feel secure about their life chances to disavow any connection to their brethren in need. Growing inequality finds expression in bitter struggles over issues such as affirmative action, welfare, crime, entitlements, and even intelligence. And if income inequality had not so undermined middle class solidarity, I don't think the campaign to privatize Social Security would have ever gotten off the ground.

There are specific responses to each of these challenges, but the larger issue is the erosion of solidarity among Americans of different economic circumstances. The answer, it seems to me, is clear. We must rebuild that solidarity with higher wages and lower inequality. These lessons have a direct bearing on one of the paramount issues before Congress today: an America with rising wages and declining inequality is an America that need not worry about the future of Social Security.

What is true for the American economy is equally true for the world economy. The best global citizens are countries that generate their own domestic demand, and healthy demand depends on rising wages and lower inequality. There's been a lot of talk about virtuous cycles lately. Well, when income gains are broadly shared, it creates a virtuous cycle of mass purchasing power, growth, savings, and new investment. We can promote this kind of good citizenship by helping other countries raise their wages from the bottom up—through higher minimum wages, recognition of labor rights, and fiscal and monetary stimulus.

This kind of policy would be good not only for them, but for us too. And it would be good for the global system as a whole. We cannot forever be the buyer of last resort. We cannot forever help other countries develop economically by absorbing all their manufacturing exports. They need to create their own domestic demand. Trade should be a complement to healthy demand at home, not a substitute for weak demand. Otherwise we cannot escape the trap of excess production and overcapacity, with too many goods being produced and not enough prosperous consumers to buy them. As the AFL–CIO urged back in January, "The United States, Europe, and Japan must work together to stimulate domestic demand in the developing economies and avert a dangerous tendency toward global deflation."

Needless to say, we haven't been doing that. It certainly hasn't helped that, working through the IMF and other multilateral institutions, we have imposed deflation on countries in Asia and the rest of the world. We have depressed foreign demand by insisting that other governments cut spending, close banks, weaken labor laws, and raise interest rates. And we've insisted that they deregulate financial markets to remove any checks on often destabilizing flows of foreign capital. As the AFL–CIO said back in February, "These terms may solve some short-term credibility problems with foreign investors, but will necessarily exacerbate the tensions, inequality, and instability of the global economy." That, I believe, is exactly the problem facing us today.

This is a time for bold new thinking. In his speech last Monday, President Clinton called on Chairman Greenspan and Secretary Rubin to convene a meeting of their counterparts in the G–7 and key developing countries within the next 30 days to strengthen the international financial architecture for the 21st Century. Fifty years ago, he said, we learned to tame the cycle of booms and busts that had plagued national economies, and we must now do the same for the international economy.

But what does that entail, exactly? Countries must be able to reap the benefits of free-flowing capital in a way that is safe and sustainable, the President said. The IMF should emphasize pro-growth budget, tax, and monetary policies. The World Bank should embark on a new "social compact" initiative focusing on job assistance and basic needs of children and the elderly. The World Bank and the Asian Development Bank should both double their support for the social safety net in Asia.

Meanwhile, it was reported yesterday that British Prime Minister Tony Blair has joined the call to restructure the institutions and rules governing the global financial system. And the IMF just released a report endorsing the kind of capital controls Chile has maintained for years to discourage destabilizing short-term capital inflows. This appears to represent a 180 degree about-face from its previous dogged insistence on liberalizing capital markets.

These are extraordinary developments. I believe they are a sign of the seriousness of the crisis we face. They also indicate that deeply entrenched assumptions are now being reexamined. That's something we should welcome and encourage.

I believe we can prevent the worst from happening, but we must act now. These are times that cry out for American leadership. The most pressing need, and our most immediate priority, must be to deliver a preemptive strike against deflation. At the next meeting of the FOMC, Federal Open Market Committee, on September 29, the Fed should lower interest rates significantly.

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes 38 seconds remaining.

Mr. HARKIN. I yield whatever time I consume.

Mr. President, this amendment that we have offered is cosponsored by Senators DORGAN, CONRAD, WELLSTONE, ROBERT KERREY, and Senator BRYAN.

Because of the actions of the Federal Open Market Committee, real interest rates are rising. In fact, real interest rates are at historically high levels, the highest in 9 years, because inflation has fallen while the Federal Reserve failed to lower the Federal funds rate.

This chart points it out. The Federal funds rate continues to go up at about 3.9 percent. Fed Chairman Greenspan said in February of this year:

> Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.

I have said time and again that the high interest rate policy being imposed by the Federal Reserve is a stealth tax on hard-working American families, and I believe it is a contributing factor to the near collapse of several economies worldwide.

Again, interest rates have a significant impact on virtually every family in America, every producer, business, and family farmer in this country. Lower rates have been needed for some time, but now quick action is truly crucial for our country's well-being. The economic signs not only in the U.S. economy but in economies worldwide demand swift and appropriate action.

I note in the front page of the Washington Post this morning it says, "Signs Point to Interest Rate Cut," and:

> Federal Reserve Board Chairman Alan Greenspan will testify before Congress today amid growing signs that he may propose cutting interest rates when Fed policymakers meet next Tuesday.

And it goes on to say how many executives and economists have called for that.

Now, the amendment that I have at the desk reads that we ask the Federal Open Market Committee to promptly reduce interest rates. Now, the Senator from New Mexico had suggested that perhaps we might want to alter that a little bit to just say that perhaps we should advise them or urge them to do something like that.

I refer back to a congressional resolution passed by the Senate on December 18, 1982. It passed by 93–0. I believe the Senator from New Mexico may have been here at that time. I didn't check that, but I think he may have been here at that time. It passed 93–0. That resolution also called on the Fed to reduce interest rates. I will just read one sentence of it:

> It is the sense of the Congress that they should continue to take such actions as are necessary to achieve and maintain a level of interest rates low enough to generate significant economic growth, and thereby reduce the current intolerable level of unemployment.

At that time, December 18, 1982, the Senate saw fit by a vote of 93–0 to tell the Federal Open Market Committee that they should do something. That is what we are saying here in this resolution. They should promptly reduce interest rates because every sign points to the need to do so. Again, we could say that they should consider doing it, but I am just saying in 1982 we didn't say they should consider taking such actions. The resolution said, "They should continue to take such actions."

So there was a direction from the Senate at that time to the Fed. To those who say we shouldn't interfere with the Fed, I say where in the Constitution of the United States is the Federal Reserve system given such a standing? It is nowhere to be found in the Constitution. Article I, section 8 of the Constitution gives the power to coin and regulate the power of money to Congress. We have, of course, delegated that power to the Federal Reserve System under the Federal Reserve Act, as amended, many times. Obviously, I don't believe Congress should coin money or regulate the value it. We couldn't do it. That is why we have the Federal Reserve.

However, as policymakers, because the Federal Reserve is a creature of Congress, it exists only because of an amended law, passed by Congress. We have the right, and I believe the obligation, to tell the Federal Reserve what we feel, what we hear, what we see, what we think is happening in the economy. We are the policymakers and we should give them that guidance and direction when and if we believe that we should do so.

Again, if there are those who don't believe that we should reduce interest rates, that we shouldn't tell the Federal Reserve that they should reduce interest rates, that I can understand. That is a clear policy difference. But to say that we shouldn't tell the Fed what to do flies in the face, I believe, of our responsibilities and our obligations as policymakers here in the U.S. Senate.

Policy wise, I believe they should lower interest rates. So does the head of the National Association of Manufacturers, the president of General Motors, and a number of other economists both on the conservative side and on the liberal side. They are saying that we should lower interest rates.

I think the purpose of this resolution and why I am offering it is to back up what I understand Chairman Greenspan is attempting to do. I understand there are still some members of the Federal Open Market Committee who don't believe we should lower interest rates. I think we should send them a very strong signal. We should back up what I understand Chairman Greenspan is now saying that they probably ought to do, and that is lower interest rates. That is the purpose of this amendment.

Mr. ABRAHAM. Mr. President, although I agree with the economic case for lower interest rates made by the Senator from Iowa, I must vote to table this amendment. While Members of Congress and Senators certainly have the right to express their opinions about the conduct of monetary policy, it is highly inappropriate for the Congress as an institution to take formal legislative action designed to influence decisions made by the Federal Reserve board members. To do so would undermine the political independence of the Fed and thus the stability of our financial and monetary system.

Having said this, Mr. President, I am concerned about the volatility and uncertainty enveloping worldwide financial markets and the role that U.S. monetary policy is playing in our global financial system. There are proliferating signs of deflation that many economists suggest are at least partially responsible for the recent market turmoil.

Gold prices have fallen by more than 30% since early 1996, commodity prices have fallen to 21-year lows, the yield curve has now inverted and real interest rates remain very high. Chairman Greenspan himself has said in the past that these indicators were important signals of the direction of inflationary pressures.

Nonetheless, rather than focusing on these market indicators, some members of the Fed appear to have placed more focus on the unemployment rate, rising stock prices and wage growth. In the meantime, corporate profits have declined on a year-over-year basis for the first time in a decade, farm prices are plummeting, bankruptcies have accelerated and now the stock market is reflecting slower growth ahead.

Mr. President, in my judgment, the best environment for business is an environment of price stability. Price stability should be the Federal Reserve's number one priority. And this means avoiding both inflation and deflation. Today, it appears that the risks of deflation have risen excessively.

History clearly shows that when monetary policy is focused on managing stock markets, wages or unemployment, mistakes can be made. I do not believe that higher rates of economic growth creates inflation. In my view, rising stock prices, rising wages, and falling unemployment reflect the incredible wealth creating capacity of a free market system, not the artificial result of an easy monetary policy. In today's high-tech world of higher productivity, using discredited models of the economy, based in the Phillips Curve, seems archaic.

The recent currency devaluations in emerging economies has also increased deflationary pressures. As these currencies decline in value, the worldwide demand for U.S. dollars has dramatically increased. However, because there has been no matching increase in the supply of dollars, the global economy faces a severe liquidity squeeze. And as Mr. Greenspan said during his recent remarks at the University of California, Berkeley, "it is just not credible that the United States can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress."

Given the mounting evidence of deflation and the growing global financial difficulties, I believe the Federal Reserve should seriously consider reducing short-term interest rates at this juncture. The "real" federal funds rate has steadily increased as inflation has declined, implying a continued tightening of monetary policy. A rate cut would provide much needed liquidity to global economy, stabilize world-wide financial markets, and ensure continued non-inflationary economic growth.

Mr. President, in summary, while I personally believe that the economic case for lower interest rates is strong, I do not believe it is the proper role of the Congress to dictate that the Fed implement a specific monetary policy action through formal legislative action.

Mrs. FEINSTEIN. Mr. President, I will vote to table this amendment to S. 1301, the Bankruptcy Reform bill, which expresses the sense of the Congress "that the Federal Reserve Open Market Committee should promptly reduce the Federal Funds rate." My vote to table this amendment should not be construed as opposition to lower interest rates. Rather, I do not believe it is the duty of this body, nor do I believe that it is appropriate for this body, to tell the Federal Reserve Open Market Committee what to do.

Mr. HARKIN. How much time remains?

The PRESIDING OFFICER. The Senator has 50 seconds remaining.

Mr. HARKIN. I reserve my 50 seconds.

Mr. DOMENICI. Mr. President, the question before the U.S. Senate is not whether the Federal Reserve Board should reduce interest rates; it is whether or not the U.S. Senate should say that the Federal Open Market Committee should promptly reduce the Federal funds rate.

Any Senators who have traveled the world, including Europe, and are asked what institution that the United States has in place that is the best thing going for global success, American capitalism and prosperity, guess what they will say? They won't say the Senate, they won't say the House, they won't say the President; they will say the Federal Reserve Board and its Chairman, who have been permitted, by act of Congress, to act independently of political pressures.

Now, frankly, there is a very serious problem with global economic faltering. Nobody has an answer to it. There are many suggestions as to what we didn't do that we should do. But I submit, for the world to find out, after Alan Greenspan and this Federal Reserve Board have done a most marvelous job in controlling interest rates and monetary policy that the whole world is looking at and saying they did it perfect, absolutely right—for us to come along now and say, "Well, look, that is really so, but we would like to tell them right now"—in a way taking away some of their independence because we want to put political pressure on them—"that they should promptly reduce interest rates," frankly, I believe we will send the wrong signal, because I think the signal we need is the stability of the Federal Reserve Board making decisions on behalf of America, and America in a global market. That is the kind of stability that the world is looking for.

You know, I don't think anybody believes—and I am not saying Senator HARKIN does—that we should regularly on the floor of the Senate be critiquing the Federal Reserve Board and then telling them what they ought to do. I don't think anybody thinks that. But I think we are falling right into that trap here.

I have suggested—and I give it again to the sponsor—why don't we do what we ought to do and say the Federal Open Market Committee should seriously consider reducing the Federal funds rate? That way, we would be chiming in by whatever vote occurs with many people who think that, but we would not take this time in economic history to say that we are opting to say that the U.S. Senate says you should do it promptly. That is my argument. The Senate can do what it would like. I believe we ought not adopt it. If we want to state our case in this regard, we ought to state it another way, so that we are just joining in with comments and observations, but not drawing a conclusion that says if we were doing it, we would change it right now and we urge that you do that and do it promptly.

That is essentially the issue.

Mr. President, we are in the most complicated quasi-world recession that we have been in perhaps in modern times because capitalism is faltering around the world—not because capitalism and entrepreneurship doesn't work, but there are institutions that have fallen apart in other countries that are affecting us. I have no doubt that the Federal Reserve Board is going to do the right thing. There is no doubt in my mind that they are. I also suggest that if they reduce interest rates, everybody should not expect that the world economy is going to get fixed. There are many serious problems that it won't fix.

I reserve the remainder of my time.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, this amendment does not set monetary policy. It is a nonbinding sense of the Congress. William Gaston from the Congressional Research Service writes in a CRS report that, "Congress has enacted nonbinding language to express its monetary policy preferences to the Fed."

The last time this Senate debated a sense-of-the-Senate resolution to ask the Fed to lower interest rates was December 18, 1982. Again, I will read—it did not say it should seriously consider, it said, "It is declared that it is the sense of the Congress that they should continue to take such actions as are necessary." That is what it said in 1982. It didn't say they should "seriously consider," but they should "take such actions."

That is what this amendment says. It says they should reduce interest rates. The Business Roundtable said, "The President and Congress should encourage the Federal Reserve to lower U.S. interest rates. . ." not to seriously consider it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. Mr. President, I ask unanimous consent for 1 more minute.

Mr. DOMENICI. Mr. President, it is not that I am worried about arguments, but we have been changing to accommodate. But I will not oppose the Senator having 1 more minute.

Mr. HARKIN. I thank the Senator.

The PRESIDING OFFICER. The Senator is recognized for another minute.

Mr. HARKIN. This says, "The President and Congress should encourage the Federal Reserve to lower interest rates." It didn't say we should have them consider it. That time has passed. I might have agreed with the Senator from New Mexico a year ago, that they should consider it. Now the time is critical. If the Federal Open Market Committee doesn't act next week, they don't meet again until November. That is why it is so crucial that we, as policymakers, send a strong signal, not that they should consider reducing interest rates, but they ought to do it. We ought to back up what we know is right, back up what the Business Roundtable and almost every economist is saying that we have to do. Is that interfering with the Fed? Not at all. But it is telling them what we, as policymakers, believe and feel they should do at their next meeting, and that is to promptly reduce interest rates.

I thank the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have been here a long time and I voted on that resolution that the Senator is talking about. I didn't think I ever voted on a resolution that told the Federal Reserve Board what to do in precise terms like, "Lower the interest rates." The resolution that we adopted overwhelmingly was much more in the tone and tenor and words of what I recommended. It says: "They should continue to take such actions as are necessary to achieve and maintain interest rates low enough to generate significant economic growth."

Frankly, that is precisely what we ought to be doing. We ought to be saying take whatever action is necessary; we should not say to them that we are saying, as a matter of policy, you should lower the interest rates. We ought not do that to the Federal Reserve. It will not do anything but discredit them over the long run and add instability where stability is needed.

Mr. HARKIN. Maybe we could reach an agreement on language here.

Mr. DOMENICI. I gave the Senator the language. I believe I am entitled to make a motion to table.

The PRESIDING OFFICER. Under the previous order, the Senator is recognized to move to table the amendment.

Mr. DOMENICI. I would like to do this, because there is a desire to talk for a minute. Without losing my right to move to table this when we come out of a quorum call, I ask unanimous consent that we can have a quorum call and that I may reserve the right to move to table. Is that language precise enough?

The PRESIDING OFFICER. Yes.

Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, pursuant to the order, I have a right to move to table at this point.

I move to table the amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. I announce that the Senator from Virginia (Mr. WARNER) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 283 Leg.]

YEAS—71

Abraham
Allard
Ashcroft
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Durbin
Enzi
Faircloth
Feinstein
Frist
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kerry
Kohl
Kyl
Landrieu
Leahy
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Robb
Roberts
Rockefeller
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Wyden

NAYS—27

Akaka
Baucus
Boxer
Bryan
Bumpers
Cleland
Conrad
Daschle
Dorgan
Feingold
Ford
Gorton
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Lautenberg
Levin
Lieberman
Mikulski
Reed
Reid
Sarbanes
Torricelli
Wellstone

NOT VOTING—2

Glenn
Warner

The motion to lay on the table the amendment (No. 3616) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico. Will the Senator from New Mexico withhold? May we have order in the Chamber, please? All conversations should be moved to the cloakrooms. The Senator from New Mexico deserves to be heard.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, a number of Senators who voted on the motion to table which I proposed indicated that they would like to see an expression regarding the interest rates, but not a mandate. I ask unanimous consent—I am not sure I will get it—but I ask unanimous consent that it be in order that I offer a similar resolution, but the resolve clause would state:

> It is the sense of the Congress that the Federal Open Market Committee should consider reducing the Federal funds rate.

The PRESIDING OFFICER. Is there objection?

Mr. HARKIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. Mr. President, I say to Senators, I will speak to the leader and maybe we can offer it somewhere else. We cannot offer it on this bill. I regret we cannot vote on it. I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa. Will the Senator suspend? May we have order in the Chamber, please? All conversations in the aisle should be moved to the cloakrooms.

The Senator from Iowa.

Mr. HARKIN. Mr. President, usually when votes are cast, I don't like to revisit them. People have their reasons; we vote and we move on around here. But I heard so much in the well from people voting on this last sense-of-the-Senate resolution that I felt I should take a little bit of time to perhaps clarify a couple of things and to make an additional point.

First of all, this was a sense-of-the-Congress amendment. It was nonbinding. Someone said, "We shouldn't be legislating what the Federal Reserve should do." With that I wholeheartedly agree. We were not legislating a law to tell the Federal Reserve what to do, No. 1. That is my first point. This was a nonbinding sense of the Congress—we adopt those all the time around here—basically to say, "Here is what I, a policymaker, think should be done."

Secondly, this is not without precedent. This body has in the past voted on sense-of-the Congress amendments and resolutions that have told the Fed what we believe they should do.

Third, I heard it said that we should not be politicizing the Fed. With that I wholeheartedly agree. But article I, section 8 of the Constitution gives the power to coin money and regulate the value thereof to the Congress of the United States. It did not give it to the Federal Reserve System.

The Congress, in its wisdom, in the past set up the Federal Reserve System to do that. We delegated our powers to the Fed to do that. Over the intervening years, we have amended the Federal Reserve Act. It is not carved in stone. It has been amended and changed several times since 1913. But the Federal Reserve System remains a creature of Congress. It exists only by the laws passed by the Congress. It is not a separate branch of Government.

It is not some kind of supreme being, some kind of item of sanctity that we can never touch. I believe it is not only our right but our responsibility as policymakers at certain times, if we feel a certain way, to be able to tell the Federal Reserve System what we believe they should do.

So on this past vote I have no quarrel with anyone who believes the Federal Reserve should not lower interest rates. I may debate that point with them, because I believe they should lower interest rates. That is a good debating point. But if someone voted on this and said no, the Federal Reserve should not lower interest rates, that I believe is a valid position that someone might hold, of which I disagree.

Mr. REID. Would the Senator from Iowa yield for a question?

Mr. HARKIN. Let me finish this, and I will.

But to say we cannot vote to tell the Fed what to do because it would be politicizing it or we cannot interfere I believe somehow is an abdication of our responsibilities, not only our rights but our responsibilities as policymakers to tell a creature of the Congress what we believe they should do. We do not do it very often in terms of the Fed. In fact, I pointed out the last time we had a Sense of the Congress calling on the Fed to lower interest rates was in 1982. So this is not something we take lightly.

But I believe at this point in time, with the world economy being what it is, with the tremendous drop in commodities and commodity prices here and around the world, with the specter of depression and deflation facing us—almost every economist, conservative, liberal, head of the Business Roundtable, head of General Motors, head of the National Association of Manufacturers, all say the Fed should lower interest rates.

I offered this amendment, along with others, in good faith, to back them up to say, yes, you should lower interest rates. And that is what this was meant to do, to send that sense of the Congress that that is what we believe they should do. Obviously, we did not prevail. So I can only assume that most people do not believe they should lower interest rates.

I would be delighted to yield to my friend from Nevada for a question.

Mr. REID. Does the Senator from Iowa realize that Senator DORGAN and I have offered legislation on several occasions to have the Federal Reserve System audited on a yearly basis? Is the Senator aware we have done that?

Mr. HARKIN. This Senator is not aware of that specific legislation, no.

Mr. REID. Would the Senator acknowledge that the Federal Reserve Board—it would be a good idea to see how they spend their money?

Mr. HARKIN. We don't know that?

Mr. REID. The Federal Reserve System is not audited.

Mr. HARKIN. No. I ask the Senator—I am not being facetious. Is the Senator from Nevada telling me that the General Accounting Office, the GAO, does not audit——

Mr. REID. Absolutely not.

Mr. HARKIN. Can the Senator tell me why the GAO does not audit the Federal Reserve?

Mr. REID. The Senator from North Dakota and I have been wondering for a couple of years. We have offered legislation time and time again to have the Federal Reserve System audited, like every other Government entity in this country. But no. In fact, we asked for a General Accounting Office study to find out a little bit about the inner workings of the Federal Reserve System, and we found, among other things, they have what we refer to as a "slush fund," what they refer to as a "rainy day fund" that they have kept there for 80 years, or thereabouts, 70-some-odd years. It is billions of dollars that they just keep there.

That money, we believe, should be taken out of the Federal Reserve System and applied toward the deficit to take down the debt that we owe. But no, they keep hanging on to that money year after year.

I appreciate, very much, this amendment having been offered by the Senator from Iowa, because, if nothing else, it allows me the opportunity to ask the Senator from Iowa a question: Shouldn't we audit the Federal Reserve System? The American public thinks so, but here the message is without response. We cannot get people to support us on that.

Mr. HARKIN. This Senator was not aware of that.

Is the Senator telling me that the Federal Reserve, which I have just stated is a creature of Congress, and exists by law, that the General Accounting Office, our accountant, cannot audit the Federal Reserve?

Mr. REID. Cannot, does not, and will not.

Mr. HARKIN. I would respond to the Senator by again asking the Senator a question. Have we ever tried to pass something here to have an audit done for the Federal Reserve?

Mr. REID. Yes.

Mr. DORGAN. I wonder if the Senator would yield for a question.

Mr. HARKIN. I yield to the Senator from North Dakota for a question.

Mr. DORGAN. The Senator from Nevada talked about this audit that was done of the Fed by the GAO. What the audit showed was a $3.7 billion fund accumulated at the Federal Reserve Board—$3.7 billion. And they pointed out that the Fed has not had a loss for nearly 80 years—will never have a loss. You can't lose money when you create money. So there was no reason to have a rainy day fund or some sort of provisional fund of $3.7 billion. And the GAO recommended that it be returned to the Treasury. It belongs to the American people.

Not only has it not been returned, the $3.7 billion has now been increased to $5.2 billion. So you have to say to somebody, if you think there is reason to get some of these resources to do something with it—pay down the Federal debt or to do some of the other issues—there is $5.2 billion down at the Fed that they have for a rainy day fund, and they never have rain down there. They create money. They make their own money. And they have never had an annual loss, and will never have a loss; and yet they have squirreled away $5.2 billion of resources. And we have raised this issue.

The GAO—not us—the GAO says that ought to be returned. But it will not be, I assume because this Senate—Congress says, "Gee, we don't want to touch that house on the Hill that's got those big gates around it, the big fence. And it's an American dinosaur. We can't crawl in there and see what's going on." But the GAO did a 2-year study. I would commend my colleagues to take a look at what they found in that study.

There is plenty wrong down there. There is not good accounting. There is not good contracting. There is a rainy day fund of billions of dollars. So there is plenty of work to do with the Fed.

I ask the Senator from Iowa, isn't it the case that all we were doing today was to say, "Gee, we think it's time for you to reduce interest rates the next time you meet, given all the evidence that exists"?

Several Senators addressed the Chair.

Mr. HARKIN. I yield to my friend from Nevada.

Mr. REID. I say to my friend from Iowa, I do not think the Senator from Iowa realizes, in the GAO report we also found that the governors of the Federal Reserve System, some of them fly first class, some of them fly whatever class they want. We found the most interesting things there, how they have no rules or guidance, how they travel, how their expenses are determined.

I recommend to my friend from Iowa, and everyone within the sound of our voices, that we need to take a better look at the Federal Reserve System. I commend and applaud the Senator from Iowa for bringing this amendment here today because it gives us a chance to focus, as you have said, on a creature we created. Congress created this. And we have statements here: "Hey, we can't suggest to the Federal Reserve System because it might hurt us internationally." Congress created the Federal Reserve System. Can't we do a little bit about it, for example, to see how they spend their money? The answer to this point is no.

Mr. HARKIN. I hope that the Senator, then, would try again to bring up some legislation to provide for an audit of the Federal Reserve. I honestly cannot believe we are not doing that. I appreciate the Senator for his enlightenment on that issue.

I yield to the Senator from Utah for a question.

Mr. BENNETT. I cannot let this exchange go without giving a word or two of explanation. The Federal Reserve Board, as the Senator from Iowa has accurately stated, was created by the Congress, and presents to the Congress an audited statement of its financials every year. It is addressed to the Speaker of the House.

It is true that it was not done by the General Accounting Office, but they are audited by a legitimate outside auditor, and their activities, down to the penny, are reported to the Speaker of the House in a written document every year. I will be happy to supply it to any Member of this body that may wish it.

Mr. HARKIN. I thank the Senator for this enlightenment.

I am responding to what the Senator from Nevada said, that they were not audited.

Mr. BENNETT. The Senator from Nevada is correct; they are not audited regularly by the General Accounting Office, but it is audited. A copy of the audited and exact financial activities of the Federal Reserve Board are submitted in writing to the Speaker of the House every year.

I have constituents who are constantly saying to me that the Federal Reserve Board is owned by a group of Swiss bankers or foreign interests somewhere and that it has never been audited. I always send them a copy of the audited report of the Federal Reserve Board that is submitted to the Speaker so that they can know that this creation of the Congress does not go unexamined by an appropriate auditing firm.

It is true to say that it is not audited regularly by the General Accounting Office. I think that is the point the Senator from Nevada was making. However, I think we should not let people be under the assumption that the Federal Reserve Board goes without anybody paying any attention to how they handle their money.

Mr. HARKIN. Without losing my right to the floor, I yield for a further answer from the Senator from Nevada.

Mr. REID. I say to my friend from Utah through the Senator from Iowa that I think this is something that really deserves a debate. I hope that when our bill is offered on a subsequent occasion that the Banking Committee will at least give us a hearing on this.

I say to my friend from Utah, yes, there is a document that they call an audit, but it is a self-audit. You cannot audit yourself. That is, in effect, what has happened. We think there should be oversight by the Congress of the United States which created the Federal Reserve System. They shouldn't be able to hire whoever they want to look at their books. They may do a great job, but from a perception standpoint it doesn't look great.

When the General Accounting Office tried to get the information requested by the Senator from Nevada and the Senator from North Dakota, it was extremely difficult to get. The Federal Reserve System is an island to itself. They don't like to be messed with, bothered, or give information.

Mr. HARKIN. If I might yield further without losing my right to the floor, I yield to the Senator.

Mr. BENNETT. Mr. President, I am happy to have a debate about this with the Senator from Nevada or anyone else. I think it is a legitimate issue to be aired, but I did not want to let the opportunity go by with the misimpression that some might have gathered. I know it was not intended for the Senator from Nevada to grant that misimpression, but some might have the misimpression that the Federal Reserve Board does not respond to the Congress that created it in an orderly fashion.

Mr. HARKIN. If I might say to my friend from Utah and Nevada, is it proscribed by law that the GAO cannot audit the Federal Reserve? Is that proscribed or is it just that they don't do it until we tell them to do it?

Mr. REID. I say to my friend from Iowa, I can't answer that question. I just know they don't do it. They have never done it.

When we asked for the review by the General Accounting Office of the Federal Reserve System, they fought us every step of the way. It took 2 years to get information that should have been obtained in a matter of a couple of months.

Mr. HARKIN. I ask the Senator from Utah if they do this audit that the Senator says is done what would be wrong with having the GAO do their own separate audit? What is wrong with that?

Mr. BENNETT. I don't know, either, I say to the Senator from Iowa. I have not looked into that.

Frankly, I have examined the annual report that the Fed submits to the Congress, addressed, as I say, to the Speaker of the House every year. They do it in accordance with law. They respond to the law that created them in that fashion. At least to my satisfaction, after examining that document, I haven't felt the need for any additional information.

As to whether there is a legal proscription against GAO, I have no knowledge one way or the other.

Mr. HARKIN. I thank the Senator from Utah.

Again, this raises another issue that was not in the sense-of-the-Congress amendment that I sent to the desk on which we just expressed ourselves.

I wanted to get back to the point, again, that it is a creature of Congress. I am somewhat disturbed, not so much by the outcome of the vote. I have lost votes around this place before. That is not the point. But the issue is the kind of talk that I heard among Senators after voting on this that, (a) we shouldn't politicize the Fed; (b) we shouldn't tell the Fed what to do; (c) the Fed is a separate entity and we shouldn't have anything to do with them.

I just don't understand where this comes from. I don't understand why this is the perception of so many people. I don't know why the Federal Reserve System has become so sacrosanct that we simply cannot deal with it. It is like the "Holy of Holies."

I find it strange that, as policymakers, we can't stand up and tell the Fed what we think they should do. That is not politicizing it. To politicize it would be for us to pass a law mandating that interest rates be at a certain level, or a law mandating that the Federal Reserve should vote this way or that. That is politicizing. That is what this Senator would even vote against.

But for the Senate to say to the Federal Reserve, a creature of the Congress, we have looked at the landscape, we see what is happening in our economy, we see what is happening worldwide, we don't like what we see. We believe that the time has come to lower interest rates. We believe something should be done.

Now, again, I see nothing wrong with this debate. I think that is part not only of our rights, but our responsibility.

I want to take a couple more minutes to say why I believe so deeply and so strongly that we should be saying to the Fed that they should lower interest rates. Sometimes you would think this is a liberal proposition. I don't define it in terms of left, right, liberal, conservative. I really don't define it in that way. I define it in terms of whether or not we believe interest rates should be lower or whether we think they shouldn't be lower; whether we think the economy is going into a recession, or whether we think the economy may be verging on inflation. If you think the economy is experiencing an acceleration of inflation, you would not want to cut interest rates; if you think the economy is verging on recession, you would want to lower interest rates.

That is where I believe we are. Don't take my word for it. I will point out what the Business Roundtable said on September 16, last week:

> The President and Congress should encourage the Federal Reserve to lower U.S. interest rates. In addition, the President, Congress and the Federal Reserve should work with our international trading partners to stimulate their domestic economies.
>
> . . . should encourage the Federal Reserve to lower U.S. interest rates.

It doesn't say we should ask the Fed to "consider." It doesn't say that. It says they should "lower" the rates, not "consider."

There is talk that the Senator from New Mexico wants an amendment to say that we would just consider, that we should tell the Fed they should consider lowering interest rates. I don't believe that language is strong enough. Again, it is as if for some reason we almost have to ask the Fed for their permission to tell them what we think they should do.

Mr. WELLSTONE. Will the Senator yield?

Mr. HARKIN. I yield for a question to my friend from Minnesota.

Mr. WELLSTONE. Mr. President, for some reason I don't understand, as well, why Senators are unwilling to speak to this issue and provide our judgment about what should be done. We don't talk about monetary policy much.

The Business Roundtable says, "The President and Congress should encourage the Federal Reserve to lower U.S. interest rates." The Business Roundtable doesn't fit into the label "liberal," although I think that label is irrelevant. Why has the Business Roundtable taken that position? What is it about real interest rates that is so important to the people you represent in Iowa and the people I represent in Minnesota? Can we talk for a moment about that?

Mr. HARKIN. Sure. I thank the Senator. That is really the point. I have a chart to show that the real Federal funds rate is at its highest level in nine years. What does that mean? What that means is that real rates of interest are at a very high point. For example, even Chairman Greenspan said earlier this year that real interest rates are at a historically high level, compared to all the years from World War II until now.

What does that mean? Well, that means that the farmers in America whose commodity prices are going down all the time, our livestock producers and our farmers have to pay exorbitantly high interest rates—real interest rates—when they are already squeezed with low prices. It means that our business sector, small businesses, and others who are creating jobs, who need to borrow money for expansion or even for job training or retraining, find that they are squeezed because of high interest rates. So they don't do it. So what happens then is our economy starts to slow down.

I will point out that in the first quarter of this year, our growth was 5.5 percent; it was 1.6 percent in the last quarter. Many economic signs point to a possible recession, possibly a downward spiral in prices. Then we see what is happening in foreign economies and in foreign currencies. Because of our high interest rates, we find that their economies are going down and they, in turn, can't buy any of our products because of the excessively strong dollar that we have. So when you add it all up, because of the insistence of the Fed to keep a tight money policy, high interest rate policy, they have moved us to the brink of recession.

In further responding to the Senator's question, from 1994 to 1995 the Federal Reserve raised interest rates by 100 percent, from three percent to six percent. They raised interest rates because they were beholden—most of them, or at least the voting majority—to an economic theory called NAIRU, Non-Accelerating Inflation Rate of Unemployment. That is a fancy term. What some economists have believed in the past is if unemployment fell to a certain level, inflation would take off and it would spiral upward and accelerate—it would not just rise, it would accelerate, if unemployment got to a certain level.

Well, a couple years ago, economists said they thought that rate was 6 percent. They thought that if unemployment went below 6 percent, we would be in deep trouble. Then unemployment went below 6 percent and the Fed said, "Oh, my gosh, we have to tighten monetary policy," and they started raising interest rates. Inflation never went up. Then unemployment went down. And, they said, "Well, we changed our minds. The natural rate of unemployment is actually 5.5 percent." Well, then unemployment went below 5.5 percent. Now we are at 4.5 percent unemployment, and still no inflation. Yet, the Federal Reserve has continued to keep a tight money, high interest rate policy in effect, because they were afraid; they felt that because of this economic theory, inflation was going to take off.

What happened is, because of that high interest rate policy, our farmers are squeezed, our consumers are squeezed, homeowners have to pay more monthly interest on mortgages on their homes, small businesses pay more money when they borrow to expand, or they just don't do it. A larger business, whether it is General Motors or Ford, would have to pay higher interest rates. The economy starts to slow down. That is exactly what happened.

I submit further to my friend from Minnesota that because of their policies over the last couple years, because they would not move, it has helped generate the kind of economic collapse we have seen in other parts of the world. The high interest rate policy at the Fed is a contributing factor to the continual decline of the Asian economy.

Mr. WELLSTONE. If the Senator will yield, I will not take much more time. I have two quick questions, I say to my colleague from Florida, because I know he is waiting. I will ask the question to the Senator from Iowa who gives the lengthy answers. I think it is just incredible, I say to my colleague from Iowa, it is just incredible how this whole issue of real interest rates and monetary policy—which has such a critical impact on small business, on farmers, and on industry and housing—is taken off the table. We are even unwilling to give our best judgment as to what the Federal Reserve ought to do. It is amazing to me.

Let me ask you this question: Would you agree——

Mr. HARKIN. I will keep it short.

Mr. WELLSTONE. I want to hear the Senator's answer, because this is a critical issue. Would you agree that our taking the lead in lowering short-term interest rates also would be critical to what the Germans might do, what the other G–7 countries might do? Shouldn't this be put in the context of a coordinated response at an international level, dealing with this contraction of the international economy, dealing with this problem of deflation? Maybe you could spell out a little bit what you mean.

In other words, the Senator talked about the effects of high real interests rates within our country, but could we not also say another part of the argument is the effect on exchange rates? That a strong dollar ultimately means other countries will try and export their way out of crisis? That they will dump a lot of products on our market and end up competing with workers in our country?

Aren't you really saying that, in the absence of something being done through monetary policy, we are not going to be able to get enough demand going in these countries? That we are not going to have enough economic stimulus? That people are not going to have money to buy products, which would help create jobs? And that the major problem is not going to be what you were talking about—inflation, which the Fed seems to be excessively focused on—but deflation? Am I not correct that that is part of what is going on?

Mr. HARKIN. Absolutely.

Mr. WELLSTONE. Bill Greider, who wrote, "One World: Ready or Not," has been talking about this for some time. In part, you are talking about the effects of monetary policy within our country. But you are also talking about our taking the lead in trying to fashion a coordinated response at an international level to deal with what has happened. We have a depression in part of the international economy.

Mr. HARKIN. The Senator is right. I wish the Fed would pay more attention to Bill Greider's writings. Monetary policy has to work for all of our people, not just a few. It has to be cognizant of what is happening to ordinary people in this country.

As the Senator spoke about what is happening internationally, I was looking through the papers. The Wall Street Journal pointed this out in an editorial on August 31, calling for the Fed to lower interest rates. They said, "Since last year, currencies in emerging markets, from Thailand to Russia, have been collapsing like popped bubble wrap." This is a significant threat to us and people in those countries. Our dollar is much too strong right now. Because of that, they can't get the kinds of foodstuffs and things they need for their own people.

(Ms. COLLINS assumed the Chair.)

If we want to help the Japanese economy and the Asian economy, what we should do is lower interest rates. Many economists have noted that the value of currencies in several countries will not only reduce the rate of inflation but also sharply increase our trade deficit, eliminating many jobs and slowing growth in the process.

Again, if we don't address this because of their slowdown, because they are not buying our products, we are going to lose jobs in this country. We are going to have a drastic slowdown.

The fear I have, I say to my friend from Minnesota, is that we may have waited too long. The Fed was so frozen by this outdated, outmoded economic concept called NAIRU that they couldn't see what was really happening because they only focused on the rate of unemployment, and that caused them to be blind to everything else that was going on.

Mr. WELLSTONE. I ask my colleague, this concept that he is talking about—NAIRU—is the idea that if you reduce employment too much, you automatically set off an inflationary spiral?

Mr. HARKIN. Inflation would not only start but accelerate.

Mr. WELLSTONE. My last question, I say to my colleague—and I look forward to coming to the floor and having a further discussion about this. I hope we are wrong. But I think this discussion of political economy, both in terms of what is happening to the global economy and also what is happening in our own economy, is going to become a very, very critical issue. We are seeing it already in agriculture. But this is just the beginning.

But this is my last question. Is it not also true that, when they talk about the alleged danger of unemployment continuing to go down, that this would also bring up the bargaining power of wage earners? It wouldn't be just a matter of unemployment going down. This would also mean that people in a tight labor market would see their wages go up and would have a better chance of working at living-wage jobs? I think the Federal Reserve Board tends to be more responsive to bond holders, financial people, and the creditors, and they want to keep interest rates up.

Isn't it also true that having real interest rates so high is one of the reasons we have a maldistribution of wealth and income today in this country? We have this paradox of some people being able to purchase all the goods that make life richer in possibility. But then we also have so many families—maybe the majority of families in our country—who cannot. Maybe this is one of these hidden issues that we don't talk about, with everything swirling around in Washington, that so many families are still struggling to make ends meet and do well by their kids.

What would be the harm in moving toward full employment? What would be the harm in making sure that wage earners make better wages? What would be the harm in having more people have access to living-wage jobs? Isn't the whole question of real interest rates one piece of it?

Mr. HARKIN. I say to the Senator from Minnesota that he is absolutely correct.

Mr. WELLSTONE. I agree.

Mr. HARKIN. It is bigger by a tremendous magnitude.

We deal here in budgets in terms of billions of dollars. I know it sounds like a lot of money. But what the Fed does affects the entire $7 trillion economy.

The Senator from Minnesota is absolutely right, what the Federal Reserve System does has a more profound effect on the daily lives of our citizens—how they live, how they are able to take care of their families, what kind of jobs they have, and what they have paid—than anything that we ever vote on around here in terms of budget matters.

I thank the Senator for his inquiries and enlightenment on this issue. He has been a long-time fighter for the average working families and making sure that working people get a fair deal. I know the Senator from Minnesota understands that if you have lower interest rates, that helps working families. It helps families.

The Senator from Minnesota also knows, as most of us know, that in the last couple of years, with this tight money policy, this high interest rate policy at the Federal Reserve, some people have said, "Well, gee, whatever they have done has been good. Our economy is great. Whatever the Fed has done is good. Look at what is happening in our economy. Look what is happening in our economy. Unemployment is down."

That is true. But if unemployment is so low, I ask you, why is it that when I went to Sioux City last Friday and visited the food bank, or earlier on when I visited the food bank in Des Moines, I was told by the directors of those two food banks that their demand for commodity foods—that the USDA commodities plus the food they get contributed from businesses, churches, and schools—is skyrocketing higher than ever?

I did some checking. It is not only in Iowa, but in almost every State, the demand for food at our food banks has gone up in the last year or so. Why? If everyone is working, unemployment is so low, and the Fed has done such a great job, it is because, as I have been told and as I have found out, many of these people are working—usually single parents, usually single mothers with one or more children. They go to work every day. They work every day. They make a paycheck. They qualify for food stamps. They get food stamps. And then the food stamps run out before the end of the month. The only place they have to go is to the food bank to get free food.

Don't take my word for it. Ask your staffs. Go out and ask your food banks. In any State, go out and ask those food banks. Find out what is happening. You will find that it is true. The demand for food from those food banks has gone up and continues to go up, and they are concerned about what is going to happen this winter.

What has that to do with the Federal Reserve System? I am just saying, if they have done such a good job in this economy, why are they falling below the safety net? Because the high interest rate policy has ignored what is happening to the working families of America. A lower interest rate policy, everyone agrees, might mean that wages might go up and that businesses might be able to pay more in wages. I don't see anything drastically wrong with that. I think it would be a good thing for this country if wages went up. It would give people a little bit more buying power.

Again, what we are seeing happen in our country happened in the 1920s. Fewer and fewer people are making more and more money. More and more people are making less and less and having less of a stake in our economy. It is true. It is happening in the agriculture sector, too.

Neil Harroly, the distinguished agricultural economist at Iowa State, said what we are seeing in agriculture is not like the 1980s, it is like the 1920s. I think that is also what we are seeing happening in our country, too. So that is why I make the strong case that we have an obligation.

I see my friend from Florida is ready to speak. I am going to wrap up very shortly, but I just want to make a couple of points.

The Federal Open Market Committee may or may not be in a mode to lower interest rates. I quote the September 18 issue of the Christian Science Monitor, which noted that some Fed policymakers "remain in a hawkish anti-inflation mode rather than worrying about the impact of deflation."

These include William Poole, president of the St. Louis Regional Fed; Fed Governor Edward Gramlich; and an analyst, Jerry Gordon, president of the Cleveland Fed.

I don't say that. I am just quoting from the Christian Science Monitor.

Madam President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Christian Science Monitor, September 18, 1998]

NEW SIGNS OF WEAKNESS IN U.S. ECONOMIC 'FORTRESS' FORECAST FOR SLOWDOWN

(By David R. Francis)

Concern is growing in the top echelons of Wall Street and Washington that cheap exports from overseas—everything from shovels to chopsticks—may drive down the American economy. The "R" word—recession—is now being heard more often.

As troubles persist in East Asia, Russia, and Latin America, US companies are finding fewer buyers for their goods overseas while foreign products are filling US shelves and showrooms. The concern was reflected on Wall Street Thursday, as stock prices plunged in early trading.

It was a "double whammy," says Joel Prakken, chief economist of Macroeconomic Advisers in St. Louis. Investors were disturbed by new statistics on the American economy and by unsettling testimony to Congress by Federal Reserve Chairman Alan Greenspan and Treasury Secretary Robert Rubin Wednesday.

Though terming the United States economy strong, Mr. Greenspan noted, "There are the first signs of erosion at the edges, especially in manufacturing."

A plunge in prices on the Tokyo Stock Exchange to a 12-year low didn't help. In New York Thursday, the Dow Jones Industrial Average dropped more than 200 points in early trading.

Economists still are forecasting moderate economic growth in the US this year and in 1999. "The slowdown is a little worse than we thought," says David Wyss, chief economist of Standard & Poor's DRI, an economic consulting firm in Lexington, Mass. "And the risks of a recession are rising."

Nonetheless, DRI sees growth in the national output of goods and services at about a 2.5 percent annual rate the rest of this year, helped by a rebound from the General Motors strike. Mr. Wyss predicts 1.5 percent growth next year.

He would like to see the Federal Reserve cut interest rates. Wall Street would, too. It wants interest rates lowered by other industrial nations as well. One reason for the less-than-happy face of many investors yesterday was Mr. Greenspan's testimony that, "at the moment, there is no endeavor to coordinate interest-rate cuts" among the major powers.

Wyss hopes for and expects lower U.S. rates by the end of the year, though not necessarily at the Fed's next gathering Sept. 29.

Some of those policymakers remain in a hawkish anti-inflation mode, rather than worrying about the impact of falling prices (deflation). These include William Poole, president of the St. Louis regional Fed, Fed Governor Edward Gramlich, and, analysts say, Jerry Jordan, president of the Cleveland Fed. "They have got to come around," says Wyss. "I'm not sure what it will take."

Some, though, oppose a Fed rate cut at this time. They don't see the economy slowing that much. Prakken, for one, expects a 2 percent growth in gross domestic product next year.

One concern of economists is that the decline in stock prices itself will hurt growth. Wyss figures $2 trillion in paper household wealth disappeared between the July 17 peak in the stock market and the end of August. If the downturn lasts, it could trim consumer spending by as much as $50 billion.

The Asian crisis has hit U.S. exports hard, too. "The trade data were terrible," says Wyss.

The U.S. trade deficit widened to $13.9 billion in July. Currency devaluations and depressed economies in Asia resulted in exports hitting a 17-month low.

So far this year, the trade deficit in goods and services is running at a record annual rate of $185 billion, 68 percent higher than last year's record deficit of $110 billion. America's deficit with Pacific Rim countries hit $87.8 billion in the first seven months—42 percent above the imbalance for the period in 1997.

"The trade balance could get a lot worse if there is another round of devaluations," warns C. Fred Bergsten, director of the Institute of International Economics in Washington.

The inflation news was not so bad. In August, the Consumer Price Index was up a seasonally adjusted 0.2 percent, same as in July. For the year, inflation is running at a 1.6 percent annual rate, compared with 1.7 percent for all of last year.

Prakken expresses concern that the "core" inflation rate—a measure that removes volatile energy and food prices—is up 2.5 percent for the past year. His partial explanation of the stock market decline is that Wall Street is finally recognizing that corporate shares have been overpriced, and that earnings will not rise nearly as much as analysts had anticipated.

He expects a "virtual stall" in earnings. The reasons: reduced profits from overseas operation as well as rising wages at home and difficulties in cost cutting.

Mr. HARKIN. I thank the President.

As David Wisk, chief economist of Standard & Poor's DRI, has complained, "They have got to come around. I'm not sure what it will take."

Let me repeat that. As David Wisk, chief economist of Standard & Poor's DRI, said, "They"—the Federal Reserve—"have got to come around. I'm not sure what it will take."

I thought one of the things it might take is for the Senate of the United States to clearly express itself to the members of the Federal Open Market Committee to lower interest rates now.

There are increasing signs of a possible recession. Thirty-year Treasury bond rates have sunk to record lows and are now below the short-term Federal funds rate. This is a drastic warning signal.

Again, I would point to the chart here "30-year Bonds" now lower than the Federal funds rate. That should scare us all. That should point to what we have to do in terms of lowering our short-term interest rates. Wholesale prices slid a steep 0.4 percent in August. In fact, for the first 8 months of this year producer prices have fallen at a 1.4-percent annual rate, compared with a 1.2-percent rise in 1997.

Again, I have talked about our farmers at great length and about what is happening to them and what is happening to our commodity prices.

I would start to wrap up my comments again just by saying that if someone voted because they don't want to lower interest rates, that is fine. While I think they are wrong, I will be glad to debate that, if we could ever get a debate on this issue in the Senate; no one seems to want to debate that issue.

Do we say somehow we can't express ourselves in telling the Federal Open Market Committee that they should lower interest rates—our language said promptly reduce interest rates—that somehow we can't say that because the Fed is independent, because the Fed is so sacrosanct that we can't touch it, that somehow we have to couch it in weak terms such as the Fed should only "consider" lowering interest rates? Why do we have to beg the Federal Open Market Committee to do something? Does the Congress of the United States work for the Federal Reserve System? Are they our bosses? Are they the ones who pull the strings and tell us what we can and cannot do?

We seem very reluctant in even expressing our views, because somehow it would politicize the Fed. We were not politicizing the Fed; that would take legislation. This was a sense-of-the-Congress, a non-binding resolution.

I hope that the members of the Federal Open Market Committee will promptly reduce interest rates six days from today. Unfortunately, as the Christian Science Monitor recently reported, there are members of the Fed Open Market Committee who still believe we should worry about an acceleration in inflation. I am just hopeful that Mr. Greenspan and others do not take this vote as a vote that they should not reduce interest rates.

A number of Senators said to me, "Well, that's what they are going to do anyway." Well, I am not so certain. I hope they will. They should have reduced interest rates two years ago when I took to the floor at that time and started calling on the Fed to do that because there were drastic signs in our economy, that there was little inflation in the economy, that there was no reason for them not to reduce interest rates at that time to help our farmers and our working families out there. I just hope it is not too late. I just hope that the Federal Reserve does not misinterpret this vote.

One of the reasons that I objected to the Senator from New Mexico bringing up this other sense of the Senate that would just ask them to consider lowering interest rates is that I personally believe it is beneath our dignity and our responsibility and rights as Senators to go hat in hand to the Federal Reserve and sort of beg them to do something when we ought to be able to stand on our own two feet and tell them what we believe they should do.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Florida.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, before proceeding with my remarks, I ask unanimous consent that Ms. Allison Morgan, of my staff, be granted floor privileges during the remaining consideration of the bankruptcy reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL DISTRICT COURT JUDGES

Mr. GRAHAM. Mr. President, today I rise to discuss the issue of the congressional response, or in this case, the lack of response to the need for additional Federal district court judges. We are facing an increasing disparity between the judicial resources available at many of our Federal district courts and the workload imposed upon those judges.

The question might be asked, "Why are you offering this amendment to a bankruptcy reform bill?" It is interesting to note that the underlying legislation would create 18 new Federal bankruptcy judgeships. The basis of those 18 new Federal bankruptcy judgeships is that this legislation is created in response to additional workloads requiring that additional number of judges in order to discharge their responsibilities.

I suggest that, similarly, we should apply the same rationale to our Federal district court judges, and that is—that as their workload increases, either because of demographic or economic or social circumstances, or because we add to their workload by expanding their jurisdiction, it is our commensurate responsibility to increase the number of Federal district judge positions. These judge positions are responsible for handling some of the most complex civil and criminal cases in our judiciary.

In recognition of that, in March of 1997, the Judicial Conference of the United States, chaired by the Chief Justice of the U.S. Supreme Court, recommended the creation of 24 additional permanent and 12 additional temporary Federal district court positions. The Judicial Conference also recommended the establishment of 12 additional judges to the circuit courts of appeals. However, my remarks this afternoon are confined to the needs that exist with the U.S. district court judges.

Mr. BRYAN. Will the Senator from Florida yield for a question?

Mr. GRAHAM. I will yield to my friend and colleague from Nevada.

Mr. BRYAN. I appreciate the courtesy of the senior Senator from Florida.

I note from the chart the Senator has brought to the floor that the State of Nevada is included. The Judicial Conference has recommended, as I understand, two additional district court judges for Nevada. Would it be the Senator's intention to include in the amendment that he is about to discuss with greater particularity the two additional judges that were recommended by the Conference for Nevada?

Mr. GRAHAM. Absolutely, I say to my friend. I am not proposing that this Congress insert its greater wisdom for that of the Judicial Conference. I am proposing that we accede to the wisdom of the Judicial Conference and where it, for instance, has recommended two additional permanent Federal judgeships in Nevada, that the Congress should sanction them. The reason for the recommendation of two additional judges in Nevada is that, of the 93 districts, including those in the 50 States plus the District of Columbia and Puerto Rico, of that number, the Nevada district ranks eighth in terms of caseload. Its caseload of 736 cases per judge is 171 percent of the stated standard that is used by the Judicial Conference to indicate that new judges are needed.

Mr. BRYAN. I appreciate the statesmanship my friend has provided and the information that is made available with respect to the situation in Nevada. I might just add to the comments of the Senator that, having lived in Nevada for more than 57 years and knowing each of our four district court judges personally, I do not know of a harder working bench at either the State or Federal level anywhere in America. Frankly, it required considerable statesmanship of the former chief judge in Nevada in electing to take senior status, which the Senator from Florida fully understands, that allowed a new district court judge to come on board. That senior judge, together with another colleague of his who is a senior judge, maintains an extraordinarily active caseload. So that has helped but has not eliminated the backlog to which the Senator has addressed his comments.

I must say, "justice delayed is justice denied." The State of Nevada has the fastest growing population in the country over the past decade. That is reflected in the litigation in the Federal court system, based not only in the demographics but other situations which I am sure the Senator will allude to. So I want to join with the Senator from Florida in calling this very important issue to the attention of our colleagues and the American people. This is not an issue about lawyers or judges per se. What we are talking about are the needs of people who have their issues brought to the Federal court system and who are entitled to have those issues resolved in a prompt manner. With respect to those who violate Federal law, they need to have those matters addressed promptly in the interests of justice for all Americans. I think the proposal the Senator is about to unveil and explain in greater detail is entitled to the support of our colleagues. I wish him well and pledge my support in his efforts.

I thank him again for his leadership on this issue.

Mr. GRAHAM. I appreciate those very generous comments of the Senator. As my colleague knows, his State is not alone. This map indicates in blue those States that have been determined by the Judicial Conference, chaired by our chief justice, to require one or more additional Federal judges in order to keep pace with that particular judicial district's workload.

The States of Alabama, California, Florida, New Mexico, North Carolina, Texas, Arizona, Colorado, Nevada, New York, Oregon and Virginia would all receive permanent additional judges under the Judicial Conference's report.

Mr. BRYAN. I thank the Senator for his comments.

Mr. GRAHAM. As an example—I see we are joined by the Senator from Alabama. The middle district of his State happens to be the seventh busiest district in the country with a workload that is 176 percent of the standard which the Judicial Conference utilizes in assessing whether an additional Federal district judge is appropriate.

Mr. SESSIONS. Will the Senator from Florida yield?

Mr. GRAHAM. I yield to the Senator from Alabama.

Mr. SESSIONS. Mr. President, I do respect the concern of the Senator from Florida. As a Federal prosecutor for almost 15 years in Alabama, which is part of the 11th circuit, of which Florida is a part—the 11th circuit, I have come to admire and be extremely impressed with the workload and work ethic of the Florida Federal judges, as well as the Alabama Federal judges. Both groups have very high caseloads, higher than the national average. I think probably the middle district of Florida, and maybe the southern district of Florida, are two of the top districts in the country in so needing additional judges. The middle district of Alabama, as you noted, has one of the very highest caseloads.

I would share, this bankruptcy bill actually reduces the workload for Federal district judges a bit by not having them handle appeals from bankruptcy. That is the only thing it really affects for Federal district judges, because bankruptcy judges are separate.

I would just want to advise the Senator from Florida, I share his concern, but I have been working with Senator GRASSLEY, who chairs this subcommittee involving courts and administrative matters. He has been studying this. We have been having some hearings from judges, particularly courts of appeals. But we have not, in depth, analyzed this problem yet. I know Senator GRASSLEY intends to.

I would like to share some things. If a business had a court like the middle district of Florida that not only has a heavy caseload—it has complicated, big drug cases, international cases—they would probably look at the D.C. circuit that has 15 judges and they average 259 cases per judge instead of 855 in Florida and they might decide the taxpayers—or their business—would be better served if we shifted some from places that are not so busy to those that are more busy. I hope we will be able to analyze that, because a Federal judgeship, once you approve it, is a lifetime appointment. They get it for life and it costs $1 million a year for each Federal judge. What we need to begin to look at is some of those circuits that need to shift some judges to high-work districts. We could do that over the years. I think Senator GRASSLEY is committed to this. I am on that subcommittee so I am concerned about it. If we do it right, we can improve justice with a minimal cost to the taxpayer. I think that is what we are called to do and I thank the Senator from Florida for raising the problem.

Mr. GRAHAM. Mr. President, I appreciate the comments of the Senator from Alabama who, from his long experience in a variety of significant legal positions, is very familiar with the basic principle of my remarks, which is the relationship between changing workload and demand on judicial resources.

The Judicial Conference has proposed as a method of balancing that workload of judicial resources—a formula. That formula essentially takes the number of cases filed within a particular Federal district, weights those cases based on their complexity, and then divides that number by the number of judges currently assigned to the district. The standard for each Federal district judge is 430 weighted cases per year. When the caseload exceeds 430, that district is entitled to be reviewed for purposes of an additional judge. These judgeships are needed to help the Federal judiciary, a co-equal branch of our Government, to fulfill its constitutional obligations. It should be understood that Congress has not granted the Federal judiciary any additional Article III judges since 1990.

During the previous three occasions on which Congress has authorized new Federal judgeships under the standards of the Judicial Conference, the cycle for such authorization has been six years. For instance, in September of 1976, the Judicial Conference recommended 106 permanent and 1 temporary Federal district judge. Congress considered that recommendation and, on October 20, 1978, approved 113 permanent and 4 temporary judges. That was done under a Senate which was in Democratic control.

Mr. President, 6 years later, in September of 1982, the Judicial Conference recommended 43 permanent, 8 temporary, and 2 conversions from temporary to permanent. On July 10, 1984, a Republican Senate authorized 53 permanent, 8 temporary, and 2 temporary to permanent conversions.

In 1990, June, the Judicial Conference recommended 47 permanent, 29 temporary, and various conversions. Then on December 1, 1990, a Democratic Senate approved 61 permanent and 13 temporary and various conversions.

The point of this is that on a bipartisan basis, whether it was a Republican Senate or a Democratic Senate, every 6 years since 1978, the Congress has responded to the Judicial Conference's recommendation. It is also significant that in each one of those cases, the Congress actually approved more judges than the Judicial Conference had recommended.

However, the last recommendation that was made was in March of 1997, following recommendations that were unheeded in September of 1992 and in September of 1994. There were recommendations made in March of 1996 to convert a temporary judge to a permanent judge and to convert a temporary extended to a permanent status. But there have been no new judgeships created since December 1, 1990. So we are now 2 years past the point which has been the standard for the creation of new Federal judgeships as recommended by the Judicial Conference.

Mr. President, I submit that it is high time for us to respond to the need for more U.S. district court judges in accordance with the Judicial Conference's recommendation. Today, many of our district court judges are strained beyond capacity in trying to meet the increasing caseloads which they face.

For example, in 1997, the Federal judiciary saw increases in both criminal and civil cases.

The number of cases filed in the district courts increased by 24 percent.

The most significant increases occurred in drug and immigration cases, particularly, as this chart will indicate, in many of our border States which are the front lines for drug and immigration litigation.

This growth in Federal caseloads has been coupled with a growing trend by the Congress to federalize an increasing number of laws that have traditionally been considered State responsibilities. These new laws have opened our courts to more cases without the requisite judges to meet the demand. For that reason, it is essential that we take this opportunity to eliminate the disparity between resources and workload in the Federal judiciary by an expansion in the number of judges at the earliest possible time.

I do not submit my word as being final in this matter. Let me quote the December of 1997 statement by the Chief Justice of the United States Supreme Court and the Chair of the Judicial Conference, The honorable William Rehnquist. This is what the Chief Justice had to say about the current status of our Federal judiciary:

> Fiscal year 1997 saw courts of appeals and bankruptcy filings at the highest rates in history. District courts also were very busy. In addition to a small increase in civil filings, there was a five percent increase in criminal cases in 1997, producing the largest federal criminal caseload in sixty years.

The Chief Justice went on to say:

> Many factors have produced this upward spiral, including laws enacted by Congress that expand federal jurisdiction over crimes involving drugs and firearms, Supreme Court decisions, large class-action litigation, and changes in executive prosecution policies.

I think our Chief Justice's statement is a strong message to the Congress, Mr. President.

If I can illustrate what is happening on a national basis by reference to what is happening in my home State of Florida, I have seen the strain placed on the judiciary due to lack of adequate judicial resources needed to fulfill its constitutional obligations.

Two of Florida's three districts are feeling the crushing pressure of this strain. These two districts have one of the highest caseloads per judge in the Nation. Under the Judicial Conference recommendation, Florida should receive six additional judgeships that include two additional judges in the southern district of Florida, three permanent judges in the middle district of Florida, and one temporary position in the middle district.

In the southern district of Florida, the court's weighted filings stand at 590 per judgeship. This is in contrast to the average used by the Judicial Conference of 430.

In the middle district, the story is even worse. This court's weighted filing is 809 filings per judgeship, which is 88 percent above the acceptable levels the Judicial Conference has established, and is the third highest number in the Nation.

Mr. President, if I can make reference to this chart which indicates that as recently as 1990, the number of weighted cases in the middle district of Florida were 509 as against a national average of 448. At that time, the middle district was overburdened but not in a crisis situation.

By 1993, the number had increased to 729, while the national average had dropped to 417. It is significant that there were additional judges added as a result of that December 1990 act of Congress, but it took a full 3 years before the effect of those additional judges had the consequence of reducing the average in the middle district of Florida to 575. No new judges have been added since that period, and currently, at the time of the preparation of this chart, the number was 812 weighted cases per judge in the middle district. I have heard that this figure may have now grown to 855.

As a result of this, a significant case backlog has developed. Currently, the middle district has 1,200 criminal cases pending and over 6,000 cases pending on the civil side.

In response to this growing backlog of civil cases, Florida's middle district chief judge, Elizabeth Kovachevich, was forced this summer to declare a state of emergency. She closed the Federal courthouses in Jacksonville and Orlando and reassigned these district judges to work with the Tampa district judges in an aggressive targeting and disposing of the oldest pending civil cases. While such innovative measures may be effective in the short term, Congress will need to find the long-term solution of providing adequate judicial resources.

This increase in caseload is not only a problem for the Florida courts, but nationally. This chart, again, illustrates the number of States which the Judicial Conference has found additional judicial resources are required.

The southern district of California is 100 percent above acceptable levels of the Judicial Conference; the district of Arizona, 83 percent above acceptable levels. As our friend and colleague from Alabama has already spoken, the middle district of Alabama is 76 percent over acceptable levels. The western district of North Carolina, 70 percent over acceptable levels.

The caseload in all of these districts, and all the other districts the Judicial Conference has recommended for additional judgeships, only stand to get worse until Congress acts and acts with a sense of urgency.

The U.S. Federal district courts are the first line of defense for most of our citizens involved in the Federal judicial system. Most Federal cases are disposed of at the district court level. But by not acting soon, we make it harder for thousands of crime victims and civil litigants in our district courts to receive the justice which they deserve.

Mr. President, as I have indicated, I am prepared to offer my amendment to the bankruptcy bill to authorize additional Federal judgeships. Before proceeding, however, I would like to inquire as to the plans for consideration of this issue by the Judiciary Committee next year.

I wonder if my distinguished colleague from the State of Utah, chairman of the Senate Committee on the Judiciary, which has oversight on these matters, could engage me in a discussion regarding this matter.

Mr. HATCH. Mr. President, I am pleased to engage in a discussion with the distinguished Senator from Florida on the substance of this matter.

Mr. GRAHAM. Mr. President, I thank the Senator for his time.

I ask the chairman, is it his assessment that a number of Federal district court jurisdictions face a growing disparity between resources and workload?

Mr. HATCH. I agree with the view that there appears to be a workload problem facing a number of district courts in Florida and some other areas. The Senate Judiciary Committee intends to act to review the matter and where necessary provide the additional judicial resources to those jurisdictions in need, if warranted and appropriate.

Mr. GRAHAM. In my home State of Florida, I have seen the strain placed on the Judiciary due to the lack of judicial resources needed to fulfill its constitutional obligations.

Will the Senator from Utah agree to review the Judicial Conference recommendations and the need for additional judges early next year?

Mr. HATCH. As I have indicated to my colleague, I will, as the chairman of the Judiciary Committee, review this matter early next year and work with my colleague from Iowa, Senator GRASSLEY, in a good-faith effort to consider this issue early next year.

Mr. GRAHAM. I thank Senator HATCH for his support and for his work in this area critical to the State of Florida and the Nation.

I also thank the Administrative Office of the U.S. Courts for their assistance during this process.

I look forward to working with all my Senate colleagues in considering this important issue in future.

Mr. President, in our colloquy, Senator HATCH recognizes, as he has done on many previous occasions, the importance of a strong judiciary in order to meet our Government's responsibility of equal justice to all of its citizens, and indicates that it is his intention that the Judiciary Committee consider this urgent need for additional judicial resources early in the next Congress. So I will desist from offering an amendment at this time on this legislation to that effect, and look forward to working with Senator HATCH and the other members of the Judiciary Committee to see that this important responsibility of the Congress is discharged as quickly as possible.

Thank you, Mr. President.

Mr. MACK. Mr. President, I come before the Senate in support of today's colloquy regarding Federal judgeship needs in Florida. Although I was unable to participate in the colloquy between my esteemed colleagues, Senators HATCH and GRAHAM, I wish to express my support for their position. It is my hope that the Judiciary Committee will lend serious consideration to Florida's unique and acute judgeship needs.

The pressures currently upon Florida's court system, particularly in the Middle District, are some of the most severe in the nation. The Judicial Conference of the United States has recommended three permanent district judgeships and one temporary judgeship for the Middle District. This is the most judgeships recommended for any Federal district in the Nation.

Statistics kept by the Administrative Office of the U.S. Courts underscore the need for additional judgeships in this district. Recent statistics place Florida's Middle District second in the nation in weighted case filings per judge, with an average of 855. This is far above the national average of 519 weighted case filings per judge. It is expected that these numbers will continue to climb, given this area's explosive population growth. Although 55 percent of Florida's population currently resides in the Middle District, the district is home to only one-third of the state's federal judges. According to projected population growth figures, the Middle District will comprise two-thirds of the state's population by the year 2005.

The Middle District contains some of the world's most frequently visited cities, beaches and tourist attractions, including Disney World in Orlando and Busch Gardens in Tampa. The heavy flow of both tourists and the "snowbird" population serve to make the needs of this judicial district unique.

Adding to this problem, what will be the nation's largest federal prison, the Coleman Prison Complex, is scheduled to be completed in 1999 in the Middle District. This will place an additional strain on the already overburdened courts of this district due to increased prisoner petitions. Further complicating the problem, a portion of the Middle District has recently been designated a High Intensity Drug Trafficking Area. An increase in drug cases will result as criminals are apprehended and prosecuted, placing additional demands upon this district.

It is not possible to provide Floridians with a safe environment and access to justice unless there is a court system in place which can handle the demands of this dynamic and growing part of our country. Increased judicial resources are integral in providing such a court system.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Iowa is recognized.

Mr. GRASSLEY. I listened to everything that the Senator from Florida has said and of course, have had to be considering the points of view that he makes, as well as a lot of my colleagues, and will be happy to continue working with him.

Mr. President, my subcommittee has been looking at the need for increased or decreased numbers of judges across the country.

I've been looking at the middle district of Florida for some time, and have corresponded and met with the chief judge.

At this time, I am still not clear on what the needs of the district are or how its caseload is being managed. For instance, how are the many senior judges in the district helping with the caseload? I asked the chief judge this, and all I got were the judges certification papers that didn't say much of anything about caseload. It mostly mentioned what conferences they attended. I would ask the proponents to explain to us how the senior judges and magistrates help in reducing the caseload? Do the proponents realize that the senior judges in the middle district don't even take full cases?

Nevertheless, I will continue working with my colleagues regarding judgeship needs. I will soon be releasing a subcommittee report on our efforts to review the circuit courts.

The bottom line I've been advocating is that if we increase judges, we need to also decrease judges where they're not needed. I know this is a new concept, and one that has been met with some resistance. But, I intend to continue this effort in the next Congress.

AMENDMENT NO. 3617 TO AMENDMENT NO. 3559

Mr. GRASSLEY. Mr. President, I send to the desk the manager's amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 3617 to amendment No. 3559.

Mr. GRASSLEY. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding:

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open credit plan and is subject to a security interest under that plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to coerce reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to:

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

Insert at an appropriate place:

Section 546 of title 11, United States Code, is amended by inserting at the end thereof—

"(I) Notwithstanding section 545(2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by Section 7–209 of the Uniform Commercial Code."

Insert at an appropriate place:

Section 330(a) of Title 11 is amended:

(1) in subsection (3)(A) after the word "awarded", by inserting "to an examiner, Chapter 11 trustee, or professional person", and

(2) by adding at the end of subsection (3)(A) the following:

"(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved."

On page 59 of amendment 3595, after clause "(v)", insert:

"(vi) not unfair because excessive in amount based upon the value of the collateral."

On page 60 of amendment 3595, after clause "(iii)" insert:

"(iv) the following statement: If your current rate is a temporary introductory rate, your total costs may be higher."

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. GRASSLEY. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment.

The amendment (No. 3617) was agreed to.

DEFINITION OF HOUSEHOLD GOODS

Mr. DODD. Mr. President, a provision of this bill that the Senator from Illinois and I drafted and had put into the Managers' Package would require the Federal Trade Commission to promulgate regulations to define household goods "in a manner suitable and appropriate for cases under Title 11 of the U.S. Code." What would be "suitable and appropriate" in the bankruptcy context?

Mr. DURBIN. The Federal Trade Commission should keep in mind that the definition will define the household goods that a debtor may keep after the bankruptcy, as part of the debtor's fresh start. The defining regulations should specify any tangible personal property reasonably necessary for the support of the debtor and the debtor's dependents.

Mr. DODD. May I add something?

Mr. DURBIN. Certainly.

Mr. DODD. My concern with the definition is particularly for children, and is about personal property of little value to creditors. Would you agree that the Federal Trade Commission should promulgate regulations that will allow debtors to keep property that is commonly used by children or commonly used for the upbringing of children?

Mr. DURBIN. Are you talking about items like bicycles or toys or washing machines?

Mr. DODD. Yes. A debtor's child and parent should be allowed to keep these items. Children's property generally has no resale value, but replacement costs can be substantial.

Mr. DURBIN. I would agree. Similarly, I believe the Federal Trade Commission should keep in mind that when we talk about a dependent of the debtor we are referring to people like an elderly parent or relative, or a disabled person. Property belonging to a dependent elderly or disabled person should also figure into the definition.

Moreover, I would note that although some members of the Judiciary Committee have tried to tell the FTC what to do, this provision ultimately leaves the decision in the hands of the FTC. We have never had hearings or conducted any inquiry whatsoever into what household goods are necessary or appropriate in bankruptcy. The point of this provision is to ask the FTC to make the necessary inquiries and provide a suitable definition. As the lead Democratic co-sponsor of this bill, as the author of this provision—which I proposed during the Committee debate—and as the ranking member on the Subcommittee with jurisdiction over the bankruptcy code, I believe the FTC is much better suited to do this than we. In addition, I would note that the definition of dependent must be drawn from the bankruptcy code itself in order for any FTC definition to be at all meaningful or useful.

Mr. DODD. As the co-author of this provision, I concur.

Mr. DURBIN. Let me take this opportunity to compliment the distinguished Senator from Connecticut for all of his hard work on this issue. He identified the unique problems of children in bankruptcy before anyone else, and no one has worked harder on this problem than he. We both had different approaches to the household goods issue, and the provision in this bill blends our two approaches.

Mr. DODD. And I think we have achieved a sensible result. In light of the fact that we have taken no testimony on this issue and have no real expertise in this area, it only makes sense to have the FTC attempt to craft a definition. I compliment the Senator from Illinois for his efforts. It has been a pleasure working with him.

PATENT REFORM LEGISLATION AMENDMENT

Mr. HATCH. Mr. President, let me take a moment to speak about an amendment that has not been discussed in the last several days. Under the unanimous-consent agreement, I am permitted and had planned to offer a scaled-down version of broadly supported and bipartisan patent reform legislation, which was favorably reported to the Senate by the Judiciary Committee more than a year ago. Nevertheless, having spoken with the majority leader, and in the interest of expediting activity on pending Senate business, I have agreed to withhold my amendment.

But I want to take a moment to clarify why I believe this amendment is so important. In short, the provisions of this amendment represent the most important and most comprehensive reforms to our nation's patent system in nearly half a century. In the last 50 years, our nation has witnessed an explosion of technology growth and a tremendous expansion of the global market for American intellectual property. Yet our patent laws have remained largely unchanged. My bill would effect those changes that are necessary to bring our patent system up to speed with the growing demands of the global economy, to preserve American competitiveness into the 21st century, and to ensure adequate protection for American innovators, both at home and abroad.

In all, there have been nine days of hearings and 78 witnesses who have testified in the House and Senate on the provisions of this legislation. Seventeen of those witnesses appeared before the Senate Judiciary Committee. In addition, I have engaged in endless negotiations to address concerns regarding the effect of the bill on small businesses and independent inventors. The result of that process was a comprehensive package of amendments that was endorsed by the Judiciary Committee, including several outspoken opponents of the original bill, in an overwhelming bipartisan 17–1 vote last year. Since then, I have sought a vote on the Senate floor for this legislation, thus far without success.

The failure to bring this bill to a vote in the Senate has largely been the result of the opposition of a very few Senators who have objected to even its consideration by the full Senate. Over the past year, I have made numerous additional changes to the bill in an attempt to address their concerns. As a result of those changes, the bill now enjoys even broader support, ranging from the smallest of American entrepreneurs and innovators to Fortune 100 companies. It is endorsed by the small business community, as well as by the experts on the subject, including 5 of the past 6 commissioners of the Patent and Trademark Office and thousands of patent practitioners and patent owners. Unfortunately, despite my efforts, and despite this broad support, a vocal minority, which apparently opposes any patent reform, continues to object this bill. Repeated invitations to sit down with them to fashion a reasonable accommodation have been rejected.

Mr. President, at some point, the interests of inventors, the continued strength of our intellectual property base, consumers, and an overwhelming majority of the Senate must prevail over the interests of the few who would oppose any patent reform. I believe that this legislation must be debated and real patent reforms enacted if America is to retain its competitive edge into the next century.

In acceding to the majority leader's request to refrain from exercising my rights in offering this bill as an amendment to the bankruptcy bill, I am relying on his assurance that this patent reform legislation will be brought up for floor consideration and a vote early next year, with the expectation being that we complete action on the measure prior to March 1999. I would reiterate my willingness and desire to work with my colleagues to resolve any outstanding concerns, and I hope any Senator who still has genuine concerns with this bill will take me up on my offer.

I look forward to working with my colleagues and to seeing reasonable patent reforms enacted by the Senate next year.

DRUNK-DRIVING VICTIMS

Mr. LAUTENBERG. Mr. President, I would like to commend the authors of this legislation, Senators DURBIN and GRASSLEY, for their efforts on this legislation and their acceptance of my amendment which will help prevent drunk drivers from escaping the debts they owe to their victims by filing for bankruptcy.

As my colleagues know, Congress has always worked in a bipartisan way when working to protect the victims of drunk-drivers under the Bankruptcy Code. In 1984, Congress passed the Bankruptcy Amendments and Federal Judgeship Act of 1984 which contained provisions to prevent drunk drivers from avoiding their debts to victims by filing for bankruptcy under Chapter 7. Although that Act closed a loophole in Chapter 7 of the Bankruptcy Code, drunk drivers began to file for bankruptcy under Chapter 13. Consequently, in 1990, Congress passed another measure to protect drunk-driving victims under Chapter 13.

As originally drafted, S. 1301 contained a number of provisions that would have diluted the ability of drunk-driving victims to receive damages. Consequently, I drafted an amendment designed to ensure that victims would be paid for their injuries when the drunk driver filed for bankruptcy. Additionally, the amendment extended protections to victims of drunk boaters. The Coast Guard reports that drunk boating continues to be a problem with more than 200 fatalities in some years, and I thought it was important that irresponsible boaters not be able to escape liability by filing for bankruptcy.

I am pleased that Senators DURBIN and GRASSLEY have incorporated my amendment into the managers' amendment. I appreciate their efforts and cooperation. We must ensure that the victims of drunk drivers and drunk boaters are protected in bankruptcy and I urge the conferees to make this issue a priority when working out differences with the House bill.

Mr. LEAHY. Mr. President, I urge my colleagues to support the Consumer Bankruptcy Reform Act, S. 1301. Senator DURBIN and Senator GRASSLEY have worked together to mold a bipartisan bill that seeks to correct abuses in the bankruptcy system while preserving access to it for honest debtors. Every American agrees with the basic principle that debts should be repaid. The vast majority of Americans are able to meet their obligations. But, for those who fall on financial hard times, bankruptcy should be available in a fair and balanced way.

Unfortunately, more and more Vermonters and more and more Americans are filing for bankruptcy. The numbers are disturbing. While the unemployment rate keeps going down and inflation remains low, the nation's personal bankruptcies keep going up. Thus, this rise in bankruptcy filings has occurred at the same time that we enjoy a robust economy. If fact, Vermont's unemployment rate hit a 10-year low just the other day. Vermont's personal bankruptcy rate increased by about 40 percent for each of the last two years.

Still, Vermont was ranked next to last among the 50 states in personal bankruptcy filings last year. In most other states, personal bankruptcy rates increased even more dramatically while unemployment rates declined. I do not know all the answers why more and more Americans are filing for bankruptcy. I think some may be abusing the system. I think most are not. My guess is that stagnant wages and more consumer credit card debt are the primary reasons.

Where there are abuses in the bankruptcy law, we should move to correct them. I believe that this bill does that by establishing standards for bankruptcy judges to consider with respect to Chapter 7 and 13 filings and by discouraging bad-faith repeat filings. This bill also includes better bankruptcy data collection procedures so that we can learn more about the root causes of the recent rise in bankruptcy filings. Accurate data will also allow us to better evaluate the impact of this reform legislation.

But we must also remember that bankruptcy serves as a safety net for many of our constituents. Those who use bankruptcy are the most vulnerable of the American middle class. They are older Americans who have lost their jobs or are unable to pay their medical debts. They are women attempting to raise their families or secure alimony and child support after a divorce. They are individuals struggling to recover from unemployment. This bankruptcy reform bill protects them.

As we move forward with reforms that are appropriate to eliminate abuses in the system, we need to remember the people who use the system, both the debtor and the creditor. We need to balance the interests of creditors with those of middle class Americans who need the opportunity to resolve overwhelming financial burdens.

Unfortunately, the House-passed consumer bankruptcy reform bill requires an arbitrary means testing of debtors to be eligible for Chapter 7 filings. Many bankruptcy practitioners and bankruptcy judges predict that the radical means-testing requirements in the House bill would swamp the bankruptcy process with a flood of new litigation over a debtor's filing status. Indeed, the Congressional Budge Office estimates that H.R. 3150 would cost taxpayers up to $16 million a year for new bankruptcy judges and other court administrative expenses. Moreover, CBO estimates that the House bill would impose new private sector mandates, as defined in the Unfunded Mandates Reform Act, of at least $100 million on our economy. We need balanced bankruptcy reform, not more unfunded mandates and costs to taxpayers.

The House bankruptcy reform bill also fails to adequately protect our most vulnerable citizens—our children. More than one-third of the one million annual bankruptcies involve spouse and child support orders. But the House bill proposes profound changes to the bankruptcy code for spouse and child support obligations by placing them on a equal footing with some consumer debt. As a result, custodial parents and ex-spouses may have to fight in court against the deep pockets of corporate lenders with little chance of success. This is unacceptable for America's children.

I believe that the Senate version of the Consumer Bankruptcy Reform Act, S. 1301, carefully balances the competing interests of debtors and creditors. The bankruptcy reform bill passed by the House of Representatives, H.R. 3150 is not a balanced piece of legislation. The Administration has promised a veto if the House bill were to be adopted by Congress.

I have already spoken to the other Senators who will serve on a House-Senate bankruptcy reform conference about holding firm to the Senate bill in conference. If we want to enact balanced bankruptcy reforms into law this year, the Senate bill is that measure. If this Congress wants to enact consumer bankruptcy reforms into law, then the conference report must be along the lines of S. 1301. I am glad to report that a majority of the Republicans who will serve on the conference with Senator DURBIN and me agree. I expect that we will strongly support the Senate position and prevail in conference.

I hope that the Senate will adopt this bipartisan bill that corrects the abuses in the bankruptcy system without unfairly penalizing women and children who depend on child support and alimony, as well as older Americans and small business owners.

I want to take a moment to commend Senator DURBIN for his leadership and for working to reform our bankruptcy system in a fair and balanced manner. Senator DURBIN has served as a most effective manager of this important measure. He has been informed and exercised good judgment at every turn. He has met every challenge and maintained the bipartisanship that made this possible. Without his extraordinary efforts, there would be no bankruptcy reform legislation being considered for final passage by the Senate.

I also commend Senator GRASSLEY. I know that is has not always been easy for him to keep this legislation on course. I know that some in his caucus have criticized his efforts to be fair and to continue to work in a bipartisan fashion. I am glad that he did not succumb to that bad advice. Senator GRASSLEY and I have worked together for many years. We agree on many things and we have disagreed on some. I congratulate him for his outstanding efforts as the principal author, subcommittee chairman and floor manager of this bill. He has done a fine job and created a measure for which he deserves our thanks. In this effort I have tried to be constructive—even foregoing offering an important amendment to this particular bill, at Senator HATCH's request.

I also want to applaud the work of the staff on the Senate Judiciary Committee principally responsible for this bill: Victoria Bassetti and Anne McCormick with Senator DURBIN, and Kolan Davis and John McMickle with Senator GRASSLEY. Each worked hard on this very complex issue and helped craft a fine piece of bipartisan legislation. They were here late into many nights and worked ceaselessly for the public interest.

I urge my colleagues to support S. 1301, the Consumer Bankruptcy Reform Act. It is a bill that the Senate should pass.

Mr. FEINGOLD. Mr. President, although I object to numerous provisions in the underlying bill, S. 1301, the Consumer Bankruptcy Reform Act, I was pleased to work with the Chairman and Ranking Member to include provisions important to the farmers of this country.

Mr. President, everyone knows that family farming is a high risk business. One that's effected more by outside, unanticipated forces—for example, unstable markets, weather, and disease—

than any other industry. To survive in such a volatile vocation, farmers are often given a bit of flexibility. This flexibility is the key to the survival of most family farms.

Unfortunately, some farmers become overburdened by the financial hazards associated with the business and seek assistance in dealing with their creditors. In 1986, Senator GRASSLEY added Chapter 12 to the bankruptcy code to satisfy the unique risks and needs of family farmers. Prior to that, farmers were forced to file for bankruptcy under Chapter 11, the Small Business specific Chapter.

Although Chapter 12 has provided much needed relief for hundreds of family farmers, through the years, Chapter 12 has become outdated; its definitions, eligibility requirements and other provisions have not kept pace with changes in agriculture or in the nation's economy. Most disturbingly, the out of date eligibility requirements of this provision have excluded many who need it most and forced many farmers into Chapter 11.

I was pleased that three amendments I authored with Senators CONRAD and Bob KERREY were accepted by Senators GRASSLEY and DURBIN and included in the manager's amendment. Two of these provision change the eligibility requirements of Chapter 12 to include those originally intended under the 1986 statute.

One provision indexes the Chapter 12 debt limit. The current maximum debt limit on Chapter 12 is $1,500,000. This limit has not been changed since the 1986 law took effect, while most other Code dollar figures have been increased for inflation and will have automatic adjustments in the future. At this point, the debt limits exclude many farmers for whom Chapter 12 was originally intended.

A second eligibility problem had been the requirement that more than 50% of a farm family's taxable income for the prior year came from a farming operation. Farm families, expecting low return on their commodities, usually seek off-farm employment for one of the household adults. A few years of low prices and negligible farm income would make many farmers ineligible under this provision. Current law assumes that farmers throw in the towel after just one bad year. I cannot think of one Wisconsin farmer that gives up that easily. They keep working and hope for better markets next year. My provision changes this requirement so that farmers have a bit more flexibility. More specifically, my amendment will allow the 50% income requirement can be satisfied in any of the past three years.

The last provision simply prohibits retroactive assessment of disposable income by the courts. To have a payback schedule confirmed by the bankruptcy courts, a debtor in Chapter 12 must commit projected disposable income—over and above living expenses, operating expenses and secured debt payments—to pay unsecured debtors. Some courts have started "adjusting" these payments upward in hindsight, if the debtor's income was greater than projected. My amendment will make Chapter 12 consistent with Chapter 13 and prohibit the retroactive assessment and instead modifies the coming year's payment schedule to reflect the additional income.

Again, Mr. President, I wish to thank Senators KERREY, CONRAD, GRASSLEY and DURBIN for their work on these amendments. It will give family farmers across the country the flexibility they need to make good on their debts.

Mr. WELLSTONE. Mr. President, there is no doubt that more and more Americans are turning to the consumer bankruptcy system and the financial protection it offers. More than 1.3 million families filed for bankruptcy last year. Where there is fraud and abuse we must take steps to reduce and eliminate it. But this bill will not help reduce fraud. It will encourage riskier lending habits by credit companies. It will lead to more credit being extended to poor families. It will ensure that those families will file more bankruptcies. It will force these families to file different types of bankruptcies, the kind of bankruptcy that ensures that they will never be free of their debt and able to restart their lives.

This is a complex issue and I must provide some background in order to explain my stance. There are two types of bankruptcies that individuals can file: Chapter 7 and Chapter 13. Under current law, individuals can choose either type. Chapter 7 bankruptcy allows debtors to discharge all their debt (besides child support, taxes, home loans, and student loans). Chapter 13 bankruptcies discharge no debt, but allow debtors to bargain directly with their creditors on reduced debt and payment schedules. Under the bill we passed today, Chapter 7 bankruptcies, which have provided a new start to millions of families over the years, will become a thing of the past. First of all, a judge now will have discretion to reject a debtor's Chapter 7 claim, and require her to file under Chapter 13, if it can be proven that the debtor has the ability to pay off 30% of her debt over the next five years. Secondly, any of the debtor's creditors can enter the court—without legal counsel—and require the court to make a judgement as to whether the debtor can afford this 30%. Thirdly, if the judge believes that the debtor can pay off this 30%, the debtor's attorney—and this is unheard of in the law to date—will be forced to pay the cost of the Chapter 13 Trustee. This is a hugely expensive tax on bankruptcy attorneys and they will certainly avoid taking on new Chapter 7 bankruptcies.

The truth is that this bill treats all debtors as likely criminals. Yes, bankruptcies in this country are up. But debtors now wait longer to file bankruptcy and are deeper in debt than those who filed bankruptcy a decade ago. Furthermore, increased filings can be attributed to job loss, divorce, increasing health care costs, declining real wages—and most importantly—an entire industry of easy credit which ten years ago did not exist in any where near today's scale.

Harvard Business School researchers David Moss and Gibbs Johnson state "the evidence suggests that shifts in the volume of and distribution of consumer credit—rather than declining stigma [of bankruptcies]—are the most likely sources of the recent surge in consumer filings." They add that the surge of filings that began in the late 1980s can be attributed to "consumer creditors [which] began reaching substantially further down into the income distribution beginning in the mid 1980s." It should also be noted that credit-card mail solicitations have skyrocketed, from 3.1 million mail solicitations in 1996 to over 881 million mail solicitations in 1997. Yet it is this consumer credit industry that benefits most from this bill; because it is this industry that will use this bill to prevent individuals from discharging their credit card debt. Simply put, this bill will increase the amount of money that credit card companies would receive from low-income bankrupt debtors. Meanwhile, opponents argue that sophisticated individuals with good legal advice will be able to get around the bill's new changes (as is often the case with financial laws).

Who will benefit from this bill? I will quote Senator Metzenbaum, Public Citizen, and Consumers Union: "The only reason we're having this debate is because the credit industry, primarily the credit card industry, has spent well-orchestrated millions on ads and lobbyists demonizing American families in crisis." Even the title of a Wall Street Journal article says it all: "As Bankruptcies Surge, Creditors Lobby Hard to Get Tougher Laws; But Whether Many People Shirk Bills They Can Pay Remains Open To Debate; Changing the Lender's Image." I quote from that article: "As the legislation moves quickly through Congress, many academics, lawyers, and judges who specialize in bankruptcy question why. A government-appointed commission spent two years studying the matter and was deeply divided. Five of its nine members found no major abuse of the system or need for a crackdown: only two endorsed anything like the bills Congress is embracing. More than 100 jurists wrote lawmakers to urge them to slow down. * * * A major reason [for the bill]? A multi-million public-relations and lobbying blitz run largely by companies with the most to gain: credit card issuers and other lenders."

Who will suffer under this bill? When job loss, divorce, or medical emergency strike, some families have no choice but to file for bankruptcy in order to stabilize themselves. Divorced women file for bankruptcy in greater proportions than divorced men. Victims of abuse file for bankruptcy, often from debt incurred entirely by those who abused them. Single parents are forced into bankruptcy after any substantial period of unemployment. African Americans and Hispanics are dramatically over-represented in bankruptcy. With health insurance in its current state, families that suffer even one major medical emergency often find themselves in need of bankruptcy protection. But this bill responds to the need of these families by basically reinstituting life-long debtor's prison. All to the benefit of easy-credit companies. I could not in good conscience support this bill.

Mr. KOHL. Mr. President, the dramatic rise in bankruptcies is very troubling, regardless of whether the blame lies with credit card companies, a culture that disparages personal responsibility, the bankruptcy code or, most probably, with all of the above. While none of us wants to return to the era of "debtors' prison," we need to do something to reverse this trend.

But true "reform" will only occur if we prevent the most egregious abuse of the bankruptcy laws—misuse of the homestead exemption. And we will only have true reform if we target other abuses without overburdening the vast majority of debtors who truly need—and deserve—relief. And, true reform also requires a balanced approach that targets abusive practices by creditors as well as by debtors.

That is why I intend to vote for this bill. It does all three: prevents the most egregious abuses by capping the homestead exemption, uses "means testing" to deter other serious abuses without placing unfair burdens on honest debtors, and requires credit card companies to disclose the information consumers need to make intelligent choices.

In particular, let me focus on the cap on the homestead exemption that Senator SESSIONS and I introduced in subcommittee. This proposal, which was adopted by a unanimous 7–0 vote in subcommittee and was unanimously reaffirmed on the floor through a Sense of the Senate resolution, closes a loophole that allows too many debtors to shield their assets in luxury homes, while their creditors get left out in the cold. Currently, a handful of states allow debtors to protect their homes no matter how high their value. And time after time, millionaire debtors move to states with unlimited exemptions, like Florida and Texas, declare bankruptcy—yet continue to live like kings while their creditors get little or nothing. If we want to restore the stigma attached to bankruptcy, these high profile abuses are the best place to start.

Our proposal is simple and effective. It caps at $100,000 the maximum homestead exemption that an individual filing bankruptcy can claim. With the cap in place, bankrupt debtors will retain their right to a roof over their heads, but not to luxury accommodations.

I am concerned, however, that if this homestead cap is dropped in Conference, the President will veto the bill. That is, if it reaches him, because if the cap is removed, I'll filibuster the Conference Report myself.

But since all of the conferees support the homestead cap provision, and since the Senate has now gone on record as saying that the "cap" is "essential to meaningful bankruptcy reform," I am confident that we won't have to go that route.

Mr. President, when people talk about bankruptcy abuse, the notion of stashing cash in a lavish Florida home is the first thing they think about. And that's not surprising. To borrow a phrase from Bill Bennett, Congress needs to act responsibly to put "a death to this outrage."

Overall, I commend Senators GRASSLEY and DURBIN for their hard work and close collaboration. I look forward to a final product that continues tackling the worst abuses, while still helping honest debtors.

Mr. REED. Mr. President, I voted in favor of S. 1301, the Consumer Bankruptcy Reform Act of 1998, to address certain abuses regarding consumer bankruptcy laws, while providing bankruptcy protection to those who genuinely need it. Indeed, in recent years, there have been record increases in bankruptcy filings. In 1997 alone there were 1.3 million bankruptcy filings—an all-time high. While I think this increase is in part a result of the significant rise in outstanding consumer credit, I believe it is also attributable to the reduced stigma associated with filing for bankruptcy. As such, I believe that S. 1301 will be an important tool in curtailing irresponsible debtor practices.

The version of S. 1301 passed by the Senate is the product of significant compromise by both Democrats and Republicans and is much-improved over the Judiciary Committee-passed bill. I am pleased that my amendments prohibiting certain credit card terminations, limiting consumer debit card liability, and providing greater disclosure for "high LTV" loans were adopted by the Senate. Nonetheless, I am concerned about the means-testing provisions in the bill and would be inclined to oppose the Conference Report if the means-testing provisions are made mandatory or if consumer credit protections are deleted.

S. 1301 signifies a fundamental change in bankruptcy policy by establishing a system of means testing for determining eligibility for Chapter 7 relief. Heretofore, debtors have had the power to determine the type of bankruptcy relief to be sought, regardless of their ability to repay. S. 1301, however, gives a bankruptcy judge the discretion to convert a Chapter 7 case to Chapter 13 upon a motion by the creditor, if the debtor can afford to repay 30 percent of his or her debts.

My concern with the provision is that it does not contemplate whether the creditor acted responsibly and in good faith in extending credit to the debtor. Statistics showing that household debt has increased to 104 percent of household income, as compared to 24 percent in 1975, suggests that some creditors may be irresponsibly extending credit. In response to my concerns, I offered an amendment to the bill that would have required creditors to act in good faith in their dealings with debtors. Unfortunately, this amendment did not pass.

Despite my concerns with the means testing provision, I was able to support the bill because the means testing provision does not require the judge to convert a case to Chapter 13, but instead gives the judge discretion. If the Conference Report eliminates this judicial discretion and incorporates the House-passed means testing provision that requires conversion, I would have a difficult time supporting the Conference Report.

Lastly, my support for S. 1301 was in part predicated on the significant consumer credit protections incorporated in the bill. For example, the bill includes an amendment that I offered that would prohibit credit card companies from terminating a consumer's account simply because the consumer paid his or her bill in full each month. This is a detestable practice which flies in the face of the goals being promoted in S. 1301. If this provision, or other such provisions are not included in the Conference Report, I would seriously consider opposing the Conference Report.

Mr. GRAMS. Mr. President, on July 6th, the Federal Financial Institutions Examination Council (FFIEC), published for public comment in the Federal Register, its proposed changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status. FFEIC is on the verge of adopting the changes in the proposals, with or without modifications based on the public input they received. I would like to ask my distinguished colleague, the Senator from Iowa whether the bankruptcy reform legislation currently before the Senate would significantly affect the agency's policy guidelines? My concern is that shortly after the FFIEC's new guidelines are adopted, it will have to rewrite them, according to the new bankruptcy reform legislation.

Mr. GRASSLEY. That is correct. If the bill before us is enacted this fall, it will have a substantial impact upon creditors' recovery in many consumer bankruptcy cases. It will take some time to evaluate the full impact of the new law.

Mr. GRAMS. Accordingly then, it is my view that the FFIEC should delay implementing any changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status until it is clear whether and in what final form the bankruptcy reform is enacted.

Mr. GRASSLEY. I would agree with my colleague from Minnesota and urge FFIEC to delay implementing changes to its Uniform Policy for Classification of Consumer Installment Credit Based on Delinquency Status, in light of the pending bankruptcy reform legislation.

The PRESIDING OFFICER. Are there further amendments?

If there are no further amendments, the question is on agreeing to the substitute amendment, as amended.

The substitute amendment (No. 3559), as amended, was agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the reported committee substitute amendment, as amended.

Without objection, the committee substitute amendment, as amended, is agreed to.

The committee substitute amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. If the Senator would withhold for a moment.

Under the previous order, the Senate will now proceed to the House companion bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3150) to amend title 11 of the United States Code, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause of H.R. 3150 is stricken and the text of S. 1301, as amended, is inserted in lieu thereof.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. GRASSLEY. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Virginia (Mr. WARNER), is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

The PRESIDING OFFICER (Mr. THOMAS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 284 Leg.]

YEAS—97

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Enzi
Faircloth
Feingold
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Wyden

NAYS—1

Wellstone

NOT VOTING—2

Glenn
Warner

The bill (H.R. 3150), as amended, passed as follows:

Resolved, That the bill from the House of Representatives (H.R. 3150) entitled "An Act to amend title 11 of the United States Code, and for other purposes.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Consumer Bankruptcy Reform Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—NEEDS-BASED BANKRUPTCY

Sec. 101. Conversion.
Sec. 102. Dismissal or conversion.

TITLE II—ENHANCED PROCEDURAL PROTECTIONS FOR CONSUMERS

Sec. 201. Allowance of claims or interests.
Sec. 202. Exceptions to discharge.
Sec. 203. Effect of discharge.
Sec. 204. Automatic stay.
Sec. 205. Discharge.
Sec. 206. Discouraging predatory lending practices.
Sec. 207. Enhanced disclosure for credit extensions secured by dwelling.
Sec. 208. Dual-use debit card.
Sec. 209. Enhanced disclosures under an open end credit plan.
Sec. 210. Violations of the automatic stay.
Sec. 211. Discouraging abusive reaffirmation practices.
Sec. 212. Sense of the Senate regarding the homestead exemption.
Sec. 213. Encouraging creditworthiness.
Sec. 214. Treasury Department study regarding security interests under an open end credit plan.

TITLE III—IMPROVED PROCEDURES FOR EFFICIENT ADMINISTRATION OF THE BANKRUPTCY SYSTEM

Sec. 301. Notice of alternatives.
Sec. 302. Fair treatment of secured creditors under chapter 13.
Sec. 303. Discouragement of bad faith repeat filings.
Sec. 304. Timely filing and confirmation of plans under chapter 13.
Sec. 305. Application of the codebtor stay only when the stay protects the debtor.
Sec. 306. Improved bankruptcy statistics.
Sec. 307. Audit procedures.
Sec. 308. Creditor representation at first meeting of creditors.
Sec. 309. Fair notice for creditors in chapter 7 and 13 cases.
Sec. 310. Stopping abusive conversions from chapter 13.
Sec. 311. Prompt relief from stay in individual cases.
Sec. 312. Dismissal for failure to timely file schedules or provide required information.
Sec. 313. Adequate time for preparation for a hearing on confirmation of the plan.
Sec. 314. Discharge under chapter 13.
Sec. 315. Nondischargeable debts.
Sec. 316. Credit extensions on the eve of bankruptcy presumed nondischargeable.
Sec. 317. Definition of household goods and antiques.
Sec. 318. Relief from stay when the debtor does not complete intended surrender of consumer debt collateral.
Sec. 319. Adequate protection of lessors and purchase money secured creditors.
Sec. 320. Limitation.
Sec. 321. Miscellaneous improvements.
Sec. 322. Bankruptcy judgeships.
Sec. 323. Definition of domestic support obligation.
Sec. 324. Priorities for claims for domestic support obligations.
Sec. 325. Requirements to obtain confirmation and discharge in cases involving domestic support obligations.
Sec. 326. Exceptions to automatic stay in domestic support obligation proceedings.
Sec. 327. Nondischargeability of certain debts for alimony, maintenance, and support.
Sec. 328. Continued liability of property.
Sec. 329. Protection of domestic support claims against preferential transfer motions.
Sec. 330. Protection of retirement savings in bankruptcy.

Sec. 331. Additional amendments to title 11, United States Code.
Sec. 332. Debt limit increase.
Sec. 333. Elimination of requirement that family farmer and spouse receive over 50 percent of income from farming operation in year prior to bankruptcy.
Sec. 334. Prohibit retroactive assessment of disposable income.
Sec. 335. Amendment to section 1325 of title 11, United States Code.
Sec. 336. Protection of savings earmarked for the postsecondary education of children.

TITLE IV—FINANCIAL INSTRUMENTS

Sec. 401. Bankruptcy Code amendments.
Sec. 402. Recordkeeping requirements.
Sec. 403. Damage measure.
Sec. 404. Asset-backed securitizations.
Sec. 405. Prohibition on certain actions for failure to incur finance charges.
Sec. 406. Fees arising from certain ownership interests.
Sec. 407. Bankruptcy fees.
Sec. 408. Applicability.

TITLE V—ANCILLARY AND OTHER CROSS-BORDER CASES

Sec. 501. Amendment to add a chapter 6 to title 11, United States Code.
Sec. 502. Amendments to other chapters in title 11, United States Code.

TITLE VI—MISCELLANEOUS

Sec. 601. Executory contracts and unexpired leases.
Sec. 602. Expedited appeals of bankruptcy cases to courts of appeals.
Sec. 603. Creditors and equity security holders committees.
Sec. 604. Repeal of sunset provision.
Sec. 605. Cases ancillary to foreign proceedings.
Sec. 606. Limitation.
Sec. 607. Amendment to section 546 of title 11, United States Code.
Sec. 608. Amendment to section 330(a) of title 11, United States Code.

TITLE VII—TECHNICAL CORRECTIONS

Sec. 701. Definitions.
Sec. 702. Adjustment of dollar amounts.
Sec. 703. Extension of time.
Sec. 704. Who may be a debtor.
Sec. 705. Penalty for persons who negligently or fraudulently prepare bankruptcy petitions.
Sec. 706. Limitation on compensation of professional persons.
Sec. 707. Special tax provisions.
Sec. 708. Effect of conversion.
Sec. 709. Automatic stay.
Sec. 710. Amendment to table of sections.
Sec. 711. Allowance of administrative expenses.
Sec. 712. Priorities.
Sec. 713. Exemptions.
Sec. 714. Exceptions to discharge.
Sec. 715. Effect of discharge.
Sec. 716. Protection against discriminatory treatment.
Sec. 717. Property of the estate.
Sec. 718. Preferences.
Sec. 719. Postpetition transactions.
Sec. 720. Technical amendment.
Sec. 721. Disposition of property of the estate.
Sec. 722. General provisions.
Sec. 723. Appointment of elected trustee.
Sec. 724. Abandonment of railroad line.
Sec. 725. Contents of plan.
Sec. 726. Discharge under chapter 12.
Sec. 727. Extensions.
Sec. 728. Bankruptcy cases and proceedings.
Sec. 729. Knowing disregard of bankruptcy law or rule.
Sec. 730. Rolling stock equipment.
Sec. 731. Curbing abusive filings.
Sec. 732. Study of operation of title 11 of the United States Code with respect to small businesses.
Sec. 733. Transfers made by nonprofit charitable corporations.
Sec. 734. Effective date; application of amendments.

TITLE I—NEEDS-BASED BANKRUPTCY

SEC. 101. CONVERSION.

Section 706(c) of title 11, United States Code, is amended by inserting "or consents to" after "requests".

SEC. 102. DISMISSAL OR CONVERSION.

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

"§ 707. Dismissal of a case or conversion to a case under chapter 13";

and

(2) in subsection (b)—

(A) by inserting "(1)" after "(b)"; and

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking "but not" and inserting "or";

(II) by inserting ", or, with the debtor's consent, convert such a case to a case under chapter 13 of this title," after "consumer debts"; and

(III) by striking "substantial abuse" and inserting "abuse"; and

(ii) by striking the last sentence and inserting the following:

"(2) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall consider whether—

"(A) under section 1325(b)(1), on the basis of the current income of the debtor, the debtor could pay an amount greater than or equal to 30 percent of unsecured claims that are not considered to be priority claims (as determined under subchapter I of chapter 5); or

"(B) the debtor filed a petition for the relief in bad faith.

"(3)(A) If a panel trustee appointed under section 586(a)(1) of title 28 brings a motion for dismissal or conversion under this subsection and the court grants that motion and finds that the action of the counsel for the debtor in filing under this chapter was not substantially justified, the court shall order the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting the motion, including reasonable attorneys' fees.

"(B) If the court finds that the attorney for the debtor violated Rule 9011, at a minimum, the court shall order—

"(i) the assessment of an appropriate civil penalty against the counsel for the debtor; and

"(ii) the payment of the civil penalty to the panel trustee or the United States trustee.

"(C) In the case of a petition referred to in subparagraph (B), the signature of an attorney shall constitute a certificate that the attorney has—

"(i) performed a reasonable investigation into the circumstances that gave rise to the petition; and

"(ii) determined that the petition—

"(I) is well grounded in fact; and

"(II) is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and does not constitute an abuse under paragraph (1) of this subsection.

"(4)(A) Except as provided in subparagraph (B), the court may award a debtor all reasonable costs in contesting a motion brought by a party in interest (other than a panel trustee or United States trustee) under this subsection (including reasonable attorneys' fees) if—

"(i) the court does not grant the motion; and

"(ii) the court finds that—

"(I) the position of the party that brought the motion was not substantially justified; or

"(II) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

"(B) A party in interest that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A).

"(5) However, only the judge, United States trustee, bankruptcy administrator or panel trustee may bring a motion under this section if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national median household monthly income calculated on a monthly basis for a household of equal size. However, for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals plus $583 for each additional member of that household.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

"707. Dismissal of a case or conversion to a case under chapter 13.".

TITLE II—ENHANCED PROCEDURAL PROTECTIONS FOR CONSUMERS

SEC. 201. ALLOWANCE OF CLAIMS OR INTERESTS.

Section 502 of title 11, United States Code, is amended by adding at the end the following:

"(k)(1) The court may award the debtor reasonable attorneys' fees and costs if, after an objection is filed by a debtor, the court—

"(A)(i) disallows the claim; or

"(ii) reduces the claim by an amount greater than 20 percent of the amount of the initial claim filed by a party in interest; and

"(B) finds the position of the party filing the claim is not substantially justified.

"(2) If the court finds that the position of a claimant under this section is not substantially justified, the court may, in addition to awarding a debtor reasonable attorneys' fees and costs under paragraph (1), award such damages as may be required by the equities of the case.".

SEC. 202. EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking "a false representation" and inserting "a material false representation upon which the defrauded person justifiably relied"; and

(2) by striking subsection (d) and inserting the following:

"(d)(1) Subject to paragraph (3), if a creditor requests a determination of dischargeability of a consumer debt under this section and that debt is discharged, the court shall award the debtor reasonable attorneys' fees and costs.

"(2) In addition to making an award to a debtor under paragraph (1), if the court finds that the position of a creditor in a proceeding covered under this section is not substantially justified, the court may award reasonable attorneys' fees and costs under paragraph (1) and such damages as may be required by the equities of the case.

"(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a)(2) if—

"(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

"(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

"(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

"(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

"(ii) the refusal to negotiate by the creditor involved to was not reasonable.".

SEC. 203. EFFECT OF DISCHARGE.

Section 524 of title 11, United States Code, is amended by adding at the end the following:

"(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of an injunction under subsection (a)(2).

"(j) An individual who is injured by the failure of a creditor to comply with the requirements for a reaffirmation agreement under subsections (c) and (d), or by any willful violation of the injunction under subsection (a)(2), shall be entitled to recover—

"(1) the greater of—

"(A)(i) the amount of actual damages; multiplied by

"(ii) 3; or

"(B) $5,000; and

"(2) costs and attorneys' fees.".

SEC. 204. AUTOMATIC STAY.

Section 362(h) of title 11, United States Code, is amended to read as follows:

"(h)(1) An individual who is injured by any willful violation of a stay provided in this section shall be entitled to recover—

"(A) actual damages; and

"(B) reasonable costs, including attorneys' fees.

"(2) In addition to recovering actual damages, costs, and attorneys' fees under paragraph (1), an individual described in paragraph (1) may recover punitive damages in appropriate circumstances.".

SEC. 205. DISCHARGE.

Section 727 of title 11, United States Code, is amended—

(1) in subsection (c), by adding at the end the following:

"(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a) if—

"(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

"(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

"(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

"(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

"(ii) the refusal to negotiate by the creditor involved to was not reasonable."; and

(2) by adding at the end the following:

"(f)(1) The court may award the debtor reasonable attorneys' fees and costs in any case in which a creditor files a motion to deny relief to a debtor under this section and that motion—

"(A) is denied; or

"(B) is withdrawn after the debtor has replied.

"(2) If the court finds that the position of a party filing a motion under this section is not substantially justified, the court may assess against the creditor such damages as may be required by the equities of the case.".

SEC. 206. DISCOURAGING PREDATORY LENDING PRACTICES.

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking "or" at the end;

(2) in paragraph (9), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(10) the claim is based on a secured debt if the creditor has failed to comply with the requirements of subsection (a), (b), (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639).".

SEC. 207. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY DWELLING.

(a) Open-End Credit Extensions.—

(1) Credit applications.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking "consultation of tax advisor.—A statement that the" and inserting the following: "tax deductibility.—A statement that—

"(A) the"; and

(B) by striking the period at the end and inserting the following: "; and

"(B) in any case in which the extension of credit exceeds the fair market value of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes.".

(2) Credit advertisements.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking "If any" and inserting the following:

"(1) In general.—If any"; and

(B) by adding at the end the following:

"(2) Credit in excess of fair market value.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value of the dwelling shall include a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.".

(b) Non-Open End Credit Extensions.—

(1) Credit applications.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

"(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value of the dwelling, a clear and conspicuous statement that—

"(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(B) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges."; and

(B) in subsection (b), by adding at the end the following:

"(3) In the case of a credit transaction described in paragraph (15) of subsection (a), disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.".

(2) Credit advertisements.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

"(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value of the dwelling shall clearly and conspicuously state that—

"(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

"(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.".

(c) Effective Date.—This section shall become effective one year after the date of enactment of this Act.

SEC. 208. DUAL-USE DEBIT CARD.

(a) Consumer Liability.—

(1) In general.—Section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g) is amended—

(A) by redesignating subsections (b) through (e) as subsections (d) through (g), respectively;

(B) in subsection (a)—

(i) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(ii) by inserting "Cards Necessitating Unique Identifier.—

"(1) In general.—" after "(a)";

(iii) by striking "other means of access can be identified as the person authorized to use it, such as by signature, photograph," and inserting "other means of access can be identified as the person authorized to use it by a unique identifier, such as a photograph, retina scan,"; and

(iv) by striking "Notwithstanding the foregoing," and inserting the following:

"(2) Notification.—Notwithstanding paragraph (1),"; and

(C) by inserting before subsection (d), as so designated by this section, the following new subsections:

"(b) Cards Not Necessitating Unique Identifier.—A consumer shall be liable for an unauthorized electronic fund transfer only if—

"(1) the liability is not in excess of $50;

"(2) the unauthorized electronic fund transfer is initiated by the use of a card that has been properly issued to a consumer other than the person making the unauthorized transfer as a means of access to the account of that consumer for the purpose of initiating an electronic fund transfer;

"(3) the unauthorized electronic fund transfer occurs before the card issuer has been notified that an unauthorized use of the card has occurred or may occur as the result of loss, theft, or otherwise; and

"(4) such unauthorized electronic fund transfer did not require the use of a code or other unique identifier (other than a signature), such as a photograph, fingerprint, or retina scan.

"(c) Notice of Liability and Responsibility To Report Loss of Card, Code, or Other Means of Access.—No consumer shall be liable under this title for any unauthorized electronic fund transfer unless the consumer has received in a timely manner the notice required under section 905(a)(1), and any subsequent notice required under section 905(b) with regard to any change in the information which is the subject of the notice required under section 905(a)(1).".

(2) Conforming amendment.—Section 905(a)(1) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)(1)) is amended to read as follows:

"(1) the liability of the consumer for any unauthorized electronic fund transfer and the requirement for promptly reporting any loss, theft, or unauthorized use of a card, code, or other means of access in order to limit the liability of the consumer for any such unauthorized transfer;".

(b) Validation Requirement for Dual-Use Debit Cards.—

(1) In general.—Section 911 of the Electronic Fund Transfer Act (15 U.S.C. 1693i) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following new subsection:

"(c) VALIDATION REQUIREMENT.—No person may issue a card described in subsection (a), the use of which to initiate an electronic fund transfer does not require the use of a code or other unique identifier other than a signature (such as a fingerprint or retina scan), unless—

"(1) the requirements of paragraphs (1) through (4) of subsection (b) are met; and

"(2) the issuer has provided to the consumer a clear and conspicuous disclosure that use of the card may not require the use of such code or other unique identifier.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 911(d) of the Electronic Fund Transfer Act (15 U.S.C. 1993i(d)) (as redesignated by subsection (a)(1) of this section) is amended by striking "For the purpose of subsection (b)" and inserting "For purposes of subsections (b) and (c)".

SEC. 209. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.

(a) AMENDMENTS TO THE TRUTH IN LENDING ACT.—

(1) ENHANCED DISCLOSURE OF REPAYMENT TERMS.—

(A) IN GENERAL.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

"(11)(A) In a clear and conspicuous manner, repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

"(i) the required minimum monthly payment on that balance, represented as both a dollar figure and a percentage of that balance;

"(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that current balance if the consumer pays only the required minimum monthly payments and if no further advances are made;

"(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays only the required minimum monthly payments and if no further advances are made; and

"(iv) the following statement: 'If your current rate is a temporary introductory rate, your total costs may be higher.'.

"(B) In making the disclosures under subparagraph (A) the creditor shall apply the annual interest rate that applies to that balance with respect to the current billing cycle for that consumer in effect on the date on which the disclosure is made.".

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 195 of the Truth in Lending Act for the purpose of compliance with section 127(b)(11) of the Truth in Lending Act, as added by this paragraph.

(C) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: "In connection with the disclosures referred to in subsections (a) and (b) of section 1637 of this title, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 1635, 1637(a), or of paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 1637(b) or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 1610(a)(2) as any of the terms or items referred to in section 1637(a), paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 1637(b) of this title.".

(2) DISCLOSURES IN CONNECTION WITH SOLICITATIONS.—

(A) IN GENERAL.—Section 127(c)(1)(B) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(B)) is amended by adding the following:

"(iv) CREDIT WORKSHEET.—An easily understandable credit worksheet designed to aid consumers in determining their ability to assume more debt, including consideration of the personal expenses of the consumer and a simple formula for the consumer to determine whether the assumption of additional debt is advisable.

"(v) BASIS OF PREAPPROVAL.—In any case in which the application or solicitation states that the consumer has been preapproved for an account under an open end consumer credit plan, the following statement must appear in a clear and conspicuous manner: 'Your preapproval for this credit card does not mean that we have reviewed your individual financial circumstances. You should review your own budget before accepting this offer of credit.'.

"(vi) AVAILABILITY OF CREDIT REPORT.—That the consumer is entitled to a copy of his or her credit report in accordance with the Fair Credit Reporting Act.".

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 195 of the Truth in Lending Act for the purpose of compliance with section 127(c)(1)(B) of the Truth in Lending Act, as amended by this paragraph.

(b) EFFECTIVE DATE.—The provisions of this section shall become effective on January 1, 2001.

SEC. 210. VIOLATIONS OF THE AUTOMATIC STAY.

(a) Section 362(a) is amended by adding after paragraph (8) the following:

"(9) any communication threatening a debtor, at any time after the commencement and before the granting of a discharge in a case under this title, an intention to file a motion to determine the dischargeability of a debt, or to file a motion under section 707(b) of title 11, United States Code, to dismiss or convert a case, or to repossess collateral from the debtor to which the stay applies.".

SEC. 211. DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)(2)(B) by adding at the end the following:

"(C) such agreement contains a clear and conspicuous statement which advises the debtor what portion of the debt to be reaffirmed is attributable to principal, interest, late fees, creditor's attorneys fees, expenses or other costs relating to the collection of the debt.".

(2)(A) in subsection (c)(6)(B), by inserting after "real property" the following: "or is a debt described in subsection (c)(7)"; and

(B) by adding at the end of subsection (c) the following:

"(7) in a case concerning an individual, if the consideration for such agreement is based in whole or in part on an unsecured consumer debt, or is based in whole or in part upon a debt for an item of personalty the value of which at point of purchase was $250 or less, and in which the creditor asserts a purchase money security interest, the court, approves such agreement as—

"(A) in the best interest of the debtor in light of the debtor's income and expenses;

"(B) not imposing an undue hardship on the debtor's future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

"(C) not requiring the debtor to pay the creditor's attorney's fees, expenses or other costs relating to the collection of the debt;

"(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

"(E) not entered into after coercive threats or actions by the creditor in the creditor's course of dealings with the debtor.

"(F) not unfair because excessive in amount based upon the value of the collateral.".

(3) in subsection (d)(2) by striking "subsections (c)(6)" and inserting "subsections (c)(6) and (c)(7)", and after "of this section," by striking "if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor" and adding at the end: "as applicable".

SEC. 212. SENSE OF THE SENATE REGARDING THE HOMESTEAD EXEMPTION.

(a) FINDINGS.—The Senate finds that—

(1) one of the most flagrant abuses of the bankruptcy system involves misuse of the homestead exemption, which allows a debtor to exempt his or her home, up to a certain value, as established by State law, from being sold off to satisfy debts;

(2) while the vast majority of States responsibly cap the exemption at not more than $40,000, 5 States exempt homes regardless of their value;

(3) in the few States with unlimited homestead exemptions, debtors can shield their assets in luxury homes while legitimate creditors get little or nothing;

(4) beneficiaries of the homestead exemption include convicted insider traders and savings and loan criminals, while shortchanged creditors include children, spouses, governments, and banks; and

(5) the homestead exemption should be capped at $100,000 to prevent such high-profile abuses.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) meaningful bankruptcy reform cannot be achieved without capping the homestead exemption; and

(2) bankruptcy reform legislation should include a cap of $100,000 on the homestead exemption to the bankruptcy laws.

SEC. 213. ENCOURAGING CREDITWORTHINESS.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

SEC. 214. TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) STUDY.—Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the

general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding—

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open end credit plan and is subject to a security interest under that plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to coerce reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to—

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) SUBMISSION OF REPORT.—The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

TITLE III—IMPROVED PROCEDURES FOR EFFICIENT ADMINISTRATION OF THE BANKRUPTCY SYSTEM

SEC. 301. NOTICE OF ALTERNATIVES.

(a) IN GENERAL.—Section 342 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

"(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, that individual shall be given or obtain (as required in section 521(a)(1), as part of the certification process under subchapter I of chapter 5) a written notice prescribed by the United States trustee for the district in which the petition is filed pursuant to section 586 of title 28. The notice shall contain the following:

"(1) A brief description of chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters.

"(2) A brief description of services that may be available to that individual from a credit counseling service that is approved by the United States trustee or the bankruptcy administrator for that district.".

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, is amended—

(1) by inserting "(a)" before "The debtor shall—";

(2) by striking paragraph (1) and inserting the following:

"(1) file—

"(A) a list of creditors; and

"(B) unless the court orders otherwise—

"(i) a schedule of assets and liabilities;

"(ii) a schedule of current income and current expenditures;

"(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

"(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition pursuant to section 110(b)(1) indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b); or

"(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

"(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;

"(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days prior to the filing of the petition;

"(vi) a statement of the amount of projected monthly net income, itemized to show how calculated; and

"(vii) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;"; and

(3) by adding at the end the following:

"(b)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents.

"(2) At any time, a creditor, in a case under chapter 13, may file with the court notice that the creditor requests the plan filed by the debtor in the case and the court shall make that plan available to the creditor who requests that plan.

"(c) An individual debtor in a case under chapter 7 or 13 shall file with the court—

"(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

"(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;

"(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

"(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's income and expenditures in the preceding tax year and monthly income, that shows how the amounts are calculated—

"(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

"(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

"(d)(1) A statement referred to in subsection (c)(4) shall disclose—

"(A) the amount and sources of income of the debtor;

"(B) the identity of any persons responsible with the debtor for the support of any dependents of the debtor; and

"(C) the identity of any persons who contributed, and the amount contributed, to the household in which the debtor resides.

"(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (e).

"(e)(1) Not later than 30 days after the date of enactment of the Consumer Bankruptcy Reform Act of 1998, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

"(2) The procedures under paragraph (1) shall include restrictions on creditor access to tax information that is required to be provided under this section.

"(3) Not later than 1 year after the date of enactment of the Consumer Bankruptcy Reform Act of 1998, the Director of the Administrative Office of the United States Courts shall prepare, and submit to Congress a report that—

"(A) assesses the effectiveness of the procedures under paragraph (1); and

"(B) if appropriate, includes proposed legislation—

"(i) to further protect the confidentiality of tax information; and

"(ii) to provide penalties for the improper use by any person of the tax information required to be provided under this section.

"(f) If requested by the United States trustee or a trustee serving in the case, the debtor provide a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor and such other personal identifying information relating to the debtor that establishes the identity of the debtor.".

(c) TITLE 28.—Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(7) on or before January 1 of each calendar year, and also not later than 30 days after any change in the nonprofit debt counseling services registered with the bankruptcy court, prescribe and make available on request the notice described in section 342(b)(3) of title 11 for each district included in the region.".

SEC. 302. FAIR TREATMENT OF SECURED CREDITORS UNDER CHAPTER 13.

(a) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking the matter preceding subparagraph (A) and inserting the following:

"(5) with respect to an allowed claim provided for by the plan that is secured under applicable nonbankruptcy law by reason of a lien on property in which the estate has an interest or is subject to a setoff under section 553—"; and

(2) by adding at the end of the subsection the following flush sentence:

"For purposes of paragraph (5), section 506 shall not apply to a claim described in that paragraph.".

(b) PAYMENT OF HOLDERS OF CLAIMS SECURED BY LIENS.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

"(B)(i) the plan provides that the holder of such claim retain the lien securing such claim until the debt that is the subject of the claim is fully paid for, as provided under the plan; and".

(c) DETERMINATION OF SECURED STATUS.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

"(e) Subsection (a) shall not apply to an allowed claim to the extent attributable in whole or in part to the purchase price of personal property acquired by the debtor during the 90-day period preceding the date of filing of the petition.''.

SEC. 303. DISCOURAGEMENT OF BAD FAITH REPEAT FILINGS.

Section 362(c) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' before ''Except as'';

(2) by striking ''(1) the stay'' and inserting ''(A) the stay'';

(3) by striking ''(2) the stay'' and inserting ''(B) the stay'';

(4) by striking ''(A) the time'' and inserting ''(i) the time'';

(5) by striking ''(B) the time'' and inserting ''(ii) the time''; and

(6) by adding at the end the following:

''(2) Except as provided in subsections (d) through (f), the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the later case if—

''(A) a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13; and

''(B) a single or joint case of that debtor (other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b)) was pending during the preceding year but was dismissed.

''(3) If a party in interest so requests, the court may extend the stay in a particular case with respect to 1 or more creditors (subject to such conditions or limitations as the court may impose) after providing notice and a hearing completed before the expiration of the 30-day period described in paragraph (2) only if the party in interest demonstrates that the filing of the later case is in good faith with respect to the creditors to be stayed.

''(4) A case shall be presumed to have not been filed in good faith (except that such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) with respect to the creditors involved, if—

''(i) more than 1 previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was pending during the 1-year period described in paragraph (1);

''(ii) a previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was dismissed within the period specified in paragraph (2) after—

''(I) the debtor, after having received from the court a request to do so, failed to file or amend the petition or other documents as required by this title; or

''(II) the debtor, without substantial excuse, failed to perform the terms of a plan that was confirmed by the court; or

''(iii)(I) during the period commencing with the dismissal of the next most previous case under chapter 7, 11, or 13 there has not been a substantial change in the financial or personal affairs of the debtor;

''(II) if the case is a chapter 7 case, there is no other reason to conclude that the later case will be concluded with a discharge; or

''(III) if the case is a chapter 11 or 13 case, there is not a confirmed plan that will be fully performed; and

''(B) with respect to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor, if, as of the date of dismissal of that case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay with respect to actions of that creditor.

''(5)(A) If a request is made for relief from the stay under subsection (a) with respect to real or personal property of any kind, and the request is granted in whole or in part, the court may, in addition to making any other order under this subsection, order that the relief so granted shall be in rem either—

''(i) for a definite period of not less than 1 year; or

''(ii) indefinitely.

''(B)(i) After an order is issued under subparagraph (A), the stay under subsection (a) shall not apply to any property subject to such an in rem order in any case of the debtor.

''(ii) If an in rem order issued under subparagraph (A) so provides, the stay shall, in addition to being inapplicable to the debtor involved, not apply with respect to an entity under this title if—

''(I) the entity had reason to know of the order at the time that the entity obtained an interest in the property affected; or

''(II) the entity was notified of the commencement of the proceeding for relief from the stay, and at the time of the notification, no case in which the entity was a debtor was pending.

''(6) For purposes of this section, a case is pending during the period beginning with the issuance of the order for relief and ending at such time as the case involved is closed.''.

SEC. 304. TIMELY FILING AND CONFIRMATION OF PLANS UNDER CHAPTER 13.

(a) FILING OF PLAN.—Section 1321 of title 11, United States Code, is amended to read as follows:

''§ 1321. Filing of plan

''The debtor shall file a plan not later than 90 days after the order for relief under this chapter, except that the court may extend such period if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.''.

(b) CONFIRMATION OF HEARING.—Section 1324 of title 11, United States Code, is amended by adding at the end the following: ''That hearing shall be held not later than 45 days after the filing of the plan, unless the court, after providing notice and a hearing, orders otherwise.''.

SEC. 305. APPLICATION OF THE CODEBTOR STAY ONLY WHEN THE STAY PROTECTS THE DEBTOR.

Section 1301(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) Notwithstanding subsection (c) and except as provided in subparagraph (B), in any case in which the debtor did not receive the consideration for the claim held by a creditor, the stay provided by subsection (a) shall apply to that creditor for a period not to exceed 30 days beginning on the date of the order for relief, to the extent the creditor proceeds against—

''(i) the individual that received that consideration; or

''(ii) property not in the possession of the debtor that secures that claim.

''(B) Notwithstanding subparagraph (A), the stay provided by subsection (a) shall apply in any case in which the debtor is primarily obligated to pay the creditor in whole or in part with respect to a claim described in subparagraph (A) under a legally binding separation or property settlement agreement or divorce or dissolution decree with respect to—

''(i) an individual described in subparagraph (A)(i); or

''(ii) property described in subparagraph (A)(ii).

''(3) Notwithstanding subsection (c), the stay provided by subsection (a) shall terminate as of the date of confirmation of the plan, in any case in which the plan of the debtor provides that the debtor's interest in personal property subject to a lease with respect to which the debtor is the lessee will be surrendered or abandoned or no payments will be made under the plan on account of the debtor's obligations under the lease.''.

SEC. 306. IMPROVED BANKRUPTCY STATISTICS.

(a) AMENDMENT.—Chapter 6 of part I of title 28, United States Code, is amended by adding at the end the following:

''§ 159. Bankruptcy statistics

''(a) The clerk of each district shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 1998, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

''(B) the current total monthly income, projected monthly net income, and average income and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 111, 521, and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

''(III) of those cases, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed for failure to make payments under the plan; and

''(iii) the number of cases in which the debtor filed another case within the 6 years previous to the filing; and

''(G) the extent of creditor misconduct and any amount of punitive damages awarded by the court for creditor misconduct.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 307. AUDIT PROCEDURES.

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a), as amended by section 301 of this Act, by striking paragraph (6) and inserting the following:

"(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and"; and

(2) by adding at the end the following:

"(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title.

"(B) Those procedures shall—

"(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

"(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 500 cases in each Federal judicial district shall be selected for audit;

"(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed; and

"(iv) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

"(2) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

"(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(B) If a material misstatement of income or expenditures or of assets is reported the United States trustee shall—

"(i) report the material misstatement, if appropriate, to the United States Attorney pursuant to section 3057 of title 18, United States Code; and

"(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11, United States Code.".

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, U.S.C.—Section 521 of title 11, United States Code, is amended in paragraphs (3) and (4) by adding "or an auditor appointed pursuant to section 586 of title 28, United States Code" after "serving in the case".

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, U.S.C.—Section 727(d) of title 11, United States Code, is amended—

(1) by deleting "or" at the end of paragraph (2);

(2) by substituting "; or" for the period at the end of paragraph (3); and

(3) adding the following at the end of paragraph (3)—

"(4) the debtor has failed to explain satisfactorily—

"(A) a material misstatement in an audit performed pursuant to section 586(f) of title 28, United States Code; or

"(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files and all other papers, things, or property belonging to the debtor that are requested for an audit conducted pursuant to section 586(f) of title 28, United States Code.".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 308. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.

Section 341(c) of title 11, United States Code, is amended by inserting after the first sentence the following: "Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than one creditor) shall be permitted to appear at and participate in the meeting of creditors in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor. Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.".

SEC. 309. FAIR NOTICE FOR CREDITORS IN CHAPTER 7 AND 13 CASES.

Section 342 of title 11, United States Code, is amended—

(1) in subsection (c), by striking ", but the failure of such notice to contain such information shall not invalidate the legal effect of such notice"; and

(2) by adding at the end the following:

"(d)(1) If the credit agreement between the debtor and the creditor or the last communication before the filing of the petition in a voluntary case from the creditor to a debtor who is an individual states an account number of the debtor that is the current account number of the debtor with respect to any debt held by the creditor against the debtor, the debtor shall include that account number in any notice to the creditor required to be given under this title.

"(2) If the creditor has specified to the debtor, in the last communication before the filing of the petition, an address at which the creditor wishes to receive correspondence regarding the debtor's account, any notice to the creditor required to be given by the debtor under this title shall be given at such address.

"(3) For purposes of this section, the term 'notice' shall include—

"(A) any correspondence from the debtor to the creditor after the commencement of the case;

"(B) any statement of the debtor's intention under section 521(a)(2);

"(C) notice of the commencement of any proceeding in the case to which the creditor is a party; and

"(D) any notice of a hearing under section 1324.

"(e)(1) At any time, a creditor, in a case of an individual under chapter 7 or 13, may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case.

"(2) If the court or the debtor is required to give the creditor notice, not later than 5 days after receipt of the notice under paragraph (1), that notice shall be given at that address.

"(f) An entity may file with the court a notice stating its address for notice in cases under chapter 7 or 13. After the date that is 30 days following the filing of that notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (e) with respect to a particular case.

"(g)(1) Notice given to a creditor other than as provided in this section shall not be effective notice until that notice has been brought to the attention of the creditor.

"(2) If the creditor has designated a person or department to be responsible for receiving notices concerning bankruptcy cases and has established reasonable procedures so that bankruptcy notices received by the creditor will be delivered to that department or person, notice shall not be brought to the attention of the creditor until that notice is received by that person or department.".

SEC. 310. STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.

Section 348(f)(1) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B)—

(A) by striking "in the converted case, with allowed secured claims" and inserting "only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12"; and

(B) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(C) with respect to cases converted from chapter 13, the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of that claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding.".

SEC. 311. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(e)"; and

(2) by adding at the end the following:

"(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

"(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

"(B) that 60-day period is extended—

"(i) by agreement of all parties in interest; or

"(ii) by the court for such specific period of time as the court finds is required for good cause.".

SEC. 312. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.

Section 707 of title 11, United States Code, as amended by section 102 of this Act, is amended by adding at the end the following:

"(c)(1) Notwithstanding subsection (a), and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under section 521(a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

"(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. The court shall, if so requested, enter an order of dismissal not later than 5 days after that request.

"(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period of not to exceed 50 days to file the information required under section 521(a)(1) if the court finds justification for extending the period for the filing.".

SEC. 313. ADEQUATE TIME FOR PREPARATION FOR A HEARING ON CONFIRMATION OF THE PLAN.

Section 1324 of title 11, United States Code, as amended by section 304 of this Act, is amended—

(1) by striking "After" and inserting the following:

"(a) Except as provided in subsection (b) and after"; and

(2) by adding at the end the following:

"(b) If not later than 5 days after receiving notice of a hearing on confirmation of the plan, a creditor objects to the confirmation of the plan, the hearing on confirmation of the plan may be held no earlier than 20 days after the first meeting of creditors under section 341(a).".

SEC. 314. DISCHARGE UNDER CHAPTER 13.

Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

"(1) provided for under section 1322(b)(5);

"(2) of the kind specified in paragraph (2), (4), (5), (8), or (9) of section 523(a);

"(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

"(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.".

SEC. 315. NONDISCHARGEABLE DEBTS.

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:

"(14A) incurred to pay a debt that is nondischargeable by reason of section 727, 1141, 1228 (a) or (b), or 1328(b), or any other provision of this subsection, where the debtor incurred the debt to pay such a nondischargeable debt with the intent to discharge in bankruptcy the newly-created debt.".

SEC. 316. CREDIT EXTENSIONS ON THE EVE OF BANKRUPTCY PRESUMED NONDISCHARGEABLE.

Section 523(a)(2) of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subparagraph (A), by striking the semicolon at the end and inserting the following: "(and, for purposes of this subparagraph, consumer debts owed in an aggregate amount greater than or equal to $400 incurred for goods or services not reasonably necessary for the maintenance or support of the debtor or a dependent child of the debtor to a single creditor that are incurred during the 90-day period preceding the date of the order for relief shall be presumed to be nondischargeable under this subparagraph); or";

(2) in subparagraph (B), by striking "or" at the end; and

(3) by striking subparagraph (C).

SEC. 317. DEFINITION OF HOUSEHOLD GOODS AND ANTIQUES.

Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall promulgate regulations defining "household goods" under section 522(c)(3) in a manner suitable and appropriate for cases under title 11 of the United States Code. If new regulations are not effective within 180 days of enactment of this Act, then "household goods" under section 522(c)(3) shall have the meaning given that term in section 444.1(i) of title 16, of the Code of Federal Regulations, except that the term shall also include any tangible personal property reasonably necessary for the maintenance or support of a dependent child.

SEC. 318. RELIEF FROM STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.

(a) AUTOMATIC STAY.—Section 362 of title 11, United States Code, as amended by section 303, is amended—

(1) in subsection (c)(1), in the matter preceding subparagraph (A), by striking "(e) and (f)" and inserting "(e), (f), and (h)";

(2) by redesignating subsection (h) as subsection (i); and

(3) by inserting after subsection (g) the following:

"(h) In an individual case under chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to property of the estate securing in whole or in part a claim that is in an amount greater than $3,000, or subject to an unexpired lease with a remaining term of at least 1 year (in any case in which the debtor owes at least $3,000 for a 1-year period), if within 30 days after the expiration of the applicable period under section 521(a)(2)—

"(1)(A) the debtor fails to timely file a statement of intention to surrender or retain the property; or

"(B) if the debtor indicates in the filing that the debtor will retain the property, the debtor fails to meet an applicable requirement to—

"(i) either—

"(I) redeem the property pursuant to section 722; or

"(II) reaffirm the debt the property secures pursuant to section 524(c); or

"(ii) assume the unexpired lease pursuant to section 365(d) if the trustee does not do so; or

"(2) the debtor fails to timely take the action specified in a statement of intention referred to in paragraph (1)(A) (as amended, if that statement is amended before expiration of the period for taking action), unless—

"(A) the statement of intention specifies reaffirmation; and

"(B) the creditor refuses to reaffirm the debt on the original contract terms for the debt.".

(b) DEBTOR'S DUTIES.—Section 521(a)(2) of title 11, United States Code, as redesignated by section 301(b) of this Act, is amended—

(1) in the matter preceding subparagraph (A), by striking "consumer";

(2) in subparagraph (B)—

(A) by striking "forty-five days after the filing of a notice of intent under this section" and inserting "30 days after the first meeting of creditors under section 341(a)"; and

(B) by striking "forty-five-day period" and inserting "30-day period"; and

(3) in subparagraph (C), by inserting ", except as provided in section 362(h)" before the semicolon.

SEC. 319. ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.

(a) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding after section 1307 the following:

"§ 1307A. Adequate protection in chapter 13 cases

"(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2)(A), to—

"(i) any lessor of personal property; and

"(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

"(B) The debtor or the plan shall continue making the adequate protection payments until the earlier of the date on which—

"(i) the creditor begins to receive actual payments under the plan; or

"(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

"(I) the lessor or creditor; or

"(II) any third party acting under claim of right, as applicable.

"(2) The payments referred to in paragraph (1)(A) shall be determined by the court.

"(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount and timing of the dates of payment of payments made under subsection (a).

"(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

"(B) The amount of a payment referred to in paragraph (1) shall not be less than the reasonable depreciation of the personal property described in subsection (a)(1), determined on a month-to-month basis.

"(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides—

"(1) for payments to a creditor or lessor described in subsection (a)(1); and

"(2) for the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

"(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

"1307A. Adequate protection in chapter 13 cases.".

SEC. 320. LIMITATION.

Section 522 of title 11, United States Code, as amended by section 207(a), is amended—

(1) in subsection (b)(3)(A), by inserting "subject to subsection (n)," before "any property"; and

(2) by adding at the end the following new subsection:

"(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

"(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

"(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

"(C) a burial plot for the debtor or a dependent of the debtor.

"(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(2)(A) by a family farmer for the principal residence of that farmer.".

SEC. 321. MISCELLANEOUS IMPROVEMENTS.

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

"(h)(1) Subject to paragraphs (2) and (3) and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 90-day period preceding the date of filing of the petition of that individual, received credit counseling, including, at a minimum, participation in an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing an initial budget analysis, through a credit counseling program (offered through an approved credit counseling service described in section 111(a)) that has been approved by—

"(A) the United States trustee; or

"(B) the bankruptcy administrator for the district in which the petition is filed.".

"(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

"(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than one year after the date of that determination, and not less frequently than every year thereafter.

"(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

"(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

"(ii) states that the debtor requested credit counseling services from an approved credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request; and

"(iii) is satisfactory to the court.

"(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.".

(b) Chapter 7 Discharge.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking "or" at the end;

(2) in paragraph (10), by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111 that was administered or approved by—

"(A) the United States trustee; or

"(B) the bankruptcy administrator for the district in which the petition is filed.".

(c) Chapter 13 Discharge.—Section 1328 of title 11, United States Code, is amended by adding at the end the following:

"(f) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111 that was administered or approved by—

"(1) the United States trustee; or

"(2) the bankruptcy administrator for the district in which the petition is filed.".

(d) Debtor's Duties.—Section 521 of title 11, United States Code, as amended by sections 301(b) and 318(b) of this Act, is amended by adding at the end the following:

"(e) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

"(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

"(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).".

(e) Exceptions to Discharge.—Section 523(d) of title 11, United States Code, as amended by section 202 of this Act, is amended by striking paragraph (3)(A)(i) and inserting the following:

"(i) within the applicable period of time prescribed under section 109(h), the debtor received credit counseling through a credit counseling program in accordance with section 109(h); and".

(f) General Provisions.—

(1) In general.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

"§111. Credit counseling services; financial management instructional courses

"(a) The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and that have been approved by—

"(1) the United States trustee; or

"(2) the bankruptcy administrator for the district.

"(b) The United States trustee or each bankruptcy administrator referred to in subsection (a)(1) shall—

"(1) make available to debtors who are individuals an instructional course concerning personal financial management, under the direction of the bankruptcy court; and

"(2) maintain a list of instructional courses concerning personal financial management that are operated by a private entity and that have been approved by the United States trustee or that bankruptcy administrator.".

(2) Clerical amendment.—The table of sections at the beginning of chapter 1 of title 11, United States Code, is amended by adding at the end the following:

"111. Credit counseling services; financial management instructional courses.".

(g) Definitions.—Section 101 of title 11, United States Code, as amended by section 317 of this Act, is amended—

(1) by inserting after paragraph (13) the following:

"(13A) 'debtor's principal residence'—

"(A) means a residential structure, including incidental property, without regard to whether that structure is attached to real property; and

"(B) includes an individual condominium or co-operative unit;"; and

(2) by inserting after paragraph (27A), as added by section 318 of this Act, the following:

"(27B) 'incidental property' means, with respect to a debtor's principal residence—

"(A) property commonly conveyed with a principal residence in the area where the real estate is located;

"(B) all easements, rights, appurtenances, fixtures, rents, royalties, mineral rights, oil or gas rights or profits, water rights, escrow funds, or insurance proceeds; and

"(C) all replacements or additions;".

SEC. 322. BANKRUPTCY JUDGESHIPS.

(a) Short Title.—This section may be cited as the "Bankruptcy Judgeship Act of 1998".

(b) Temporary Judgeships.—

(1) Appointments.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the southern district of Florida.

(D) Two additional bankruptcy judgeships for the district of Maryland.

(E) One additional bankruptcy judgeship for the eastern district of Michigan.

(F) One additional bankruptcy judgeship for the southern district of Mississippi.

(G) One additional bankruptcy judgeship for the district of New Jersey.

(H) One additional bankruptcy judgeship for the eastern district of New York.

(I) One additional bankruptcy judgeship for the northern district of New York.

(J) One additional bankruptcy judgeship for the southern district of New York.

(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(M) One additional bankruptcy judgeship for the western district of Tennessee.

(N) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) Vacancies.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);

shall not be filled.

(c) Extensions.—

(1) In general.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) Applicability of other provisions.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship position.

(d) Technical Amendment.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: "Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.".

(e) Travel Expenses of Bankruptcy Judges.—Section 156 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(g)(1) In this subsection, the term 'travel expenses'—

"(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and

"(B) shall not include the travel expenses of a bankruptcy judge if—

"(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and

"(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

"(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.

"(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district

(including the travel expenses of the chief bankruptcy judge of such district).

"(B) The annual report under this paragraph shall include—

"(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;

"(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and

"(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.

"(4)(A) The Director of the Administrative Office of the United States Courts shall—

"(i) consolidate the reports submitted under paragraph (3) into a single report; and

"(ii) annually submit such consolidated report to Congress.

"(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).".

SEC. 323. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.

Section 101 of title 11, United States Code, as amended by section 321(g) of this Act, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

"(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

"(A) owed to or recoverable by—

"(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

"(ii) a governmental unit;

"(B) in the nature of alimony, maintenance, or support (including assistance provided by a govermental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

"(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

"(i) a separation agreement, divorce decree, or property settlement agreement;

"(ii) an order of a court of record; or

"(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

"(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.".

SEC. 324. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking "First" and inserting "Second";

(4) in paragraph (3), as redesignated, by striking "Second" and inserting "Third";

(5) in paragraph (4), as redesignated, by striking "Third" and inserting "Fourth";

(6) in paragraph (5), as redesignated, by striking "Fourth" and inserting "Fifth";

(7) in paragraph (6), as redesignated, by striking "Fifth" and inserting "Sixth";

(8) in paragraph (7), as redesignated, by striking "Sixth" and inserting "Seventh"; and

(9) by inserting before paragraph (2), as redesignated, the following:

"(1) First, allowed claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied:

"(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or parent, or is filed by a governmental unit on behalf of that person.

"(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.".

SEC. 325. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

"(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that become payable after the date on which the petition is filed.";

(2) in section 1325(a)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed."; and

(3) in section 1328(a), as amended by section 314 of this Act, in the matter preceding paragraph (1), by inserting ", and with respect to a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before or after the petition was filed) have been paid" after "completion by the debtor of all payments under the plan".

SEC. 326. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.

Section 362(b) of title 11, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

"(2) under subsection (a)—

"(A) of the commencement or continuation of an action or proceeding for—

"(i) the establishment of paternity as a part of an effort to collect domestic support obligations; or

"(ii) the establishment or modification of an order for domestic support obligations; or

"(B) the collection of a domestic support obligation from property that is not property of the estate;";

(2) in paragraph (17), by striking "or" at the end;

(3) in paragraph (18), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

"(19) under subsection (a) with respect to the withholding of income pursuant to an order as specified in section 466(b) of the Social Security Act (42 U.S.C. 666(b)); or

"(20) under subsection (a) with respect to—

"(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

"(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)); or

"(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).".

SEC. 327. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.

Section 523 of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subsection (a), by striking paragraph (5) and inserting the following:

"(5) for a domestic support obligation;";

(2) in subsection (c), by striking "(6), or (15)" and inserting "or (6)"; and

(3) in paragraph (15), by striking "governmental unit" and all through the end of the paragraph and inserting a semicolon.

SEC. 328. CONTINUED LIABILITY OF PROPERTY.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5);"; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting "of a kind that is specified in section 523(a)(5); or".

SEC. 329. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

"(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or".

SEC. 330. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.

(a) In General.—Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking "(2)(A) any property" and inserting:

"(3) Property listed in this paragraph is—

"(A) any property";

(ii) in subparagraph (A), by striking "and" at the end;

(iii) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(iv) by adding at the end the following:

"(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 and which has not been pledged or promised to any person in connection with any extension of credit.";

(B) by striking paragraph (1) and inserting:

"(2) Property listed in this paragraph is property that is specified under subsection (d) of this section, unless the State law that is applicable to the debtor under paragraph (3)(A) of this subsection specifically does not so authorize.";

(C) in the matter preceding paragraph (2)—

(i) by striking "(b)" and inserting "(b)(1)";

(ii) by striking "paragraph (2)" both places it appears and inserting "paragraph (3)";

(iii) by striking "paragraph (1)" each place it appears and inserting "paragraph (2)"; and

(iv) by striking "Such property is—"; and

(D) by adding at the end of the subsection the following:

"(4) For purposes of paragraph (3)(C), the following shall apply:

"(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303, those funds shall be presumed to be exempt from the estate.

"(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

"(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

"(ii)(I) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

"(II) the retirement fund fails to be in substantial compliance with such applicable requirements, the debtor is not materially responsible for that failure.

"(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(C) by reason of that direct transfer.

"(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(C) by reason of that distribution.

"(ii) A distribution described in this clause is an amount that—

"(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

"(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount."; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "subsection (b)(1)" and inserting "subsection (b)(2)"; and

(B) by adding at the end the following:

"(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.".

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (17), by striking "or" at the end;

(2) in paragraph (18), by striking the period and inserting "; or";

(3) by inserting after paragraph (18) the following:

"(19) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

"(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

"(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title."; and

(4) by adding at the end of the flush material following paragraph (19) the following: "Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.".

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, as amended by section 202, is amended—

(1) by striking "or" at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting "; or"; and

(3) by adding at the end the following:

"(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

"(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

"(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title.

Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.".

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

"(f) A plan may not materially alter the terms of a loan described in section 362(b)(19).".

SEC. 331. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.

(a) Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

"(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.".

(b) Section 523(a)(9) of title 11, United States Code, is amended by inserting "or vessel" after "vehicle".

SEC. 332. DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

"(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.".

SEC. 333. ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.

Section 101(18)(A) of title 11, United States Code, is amended by striking "the taxable year preceding the taxable year" and inserting "at least one of the three calendar years preceding the year".

SEC. 334. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.

(a) Section 1225(b) of title 11, United States Code, is amended by adding at the end the following:

"(3) If the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B) of this subsection, those amounts equal or exceed the debtor's projected disposable income for that period, and the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.

(b) Section 1229 of title 11, United States Code, is amended by adding at the end the following:

"(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

"(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

"(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.".

SEC. 335. AMENDMENT TO SECTION 1325 OF TITLE 11, UNITED STATES CODE.

Section 1325(b)(2) of title 11, United States Code, is amended by inserting after "received by the debtor", "(other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law and which is reasonably necessary to be expended)".

SEC. 336. PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN

Section 541(b) of title 11, United States Code, as amended by section 404 of this Act, is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

"(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief; or

"(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.".

TITLE IV—FINANCIAL INSTRUMENTS

SEC. 401. BANKRUPTCY CODE AMENDMENTS.

(a) DEFINITIONS OF SWAP AGREEMENT, SECURITIES CONTRACT, FORWARD CONTRACT, COMMODITY CONTRACT, AND REPURCHASE AGREEMENT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking "means a contract" and inserting "means—

"(A) a contract";

(ii) by striking ", or any combination thereof or option thereon;" and inserting ", or any other similar agreement;"; and

(iii) by adding at the end the following new subparagraphs:

"(B) any combination of agreements or transactions referred to in subparagraphs (A) and (C);

"(C) any option to enter into any agreement or transaction referred to in subparagraph (A) or (B);

"(D) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B) or (C), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that the master agreement shall be considered to be a forward contract under this paragraph

only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B) or (C); or

“(E) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subparagraph (A), (B), (C) or (D);”;

(B) by amending paragraph (47) to read as follows:

“(47) the term ‘repurchase agreement’ (which definition also applies to a reverse repurchase agreement)—

“(A) means—

“(i) an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds; or any other similar agreement; and

“(ii) any combination of agreements or transactions referred to in clauses (i) and (iii);

“(iii) any option to enter into any agreement or transaction referred to in clause (i) or (ii);

“(iv) a master agreement that provides for an agreement or transaction referred to in clauses (i), (ii) or (iii), together with all supplements, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this subparagraph, except that the master agreement shall be considered to be a repurchase agreement under this subparagraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii) or (iii); or

“(v) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in clauses (i), (ii), (iii) or (iv); and

“(B) does not include any repurchase obligation under a participation in a commercial mortgage loan,

and, for purposes of this paragraph, the term ‘qualified foreign government security’ means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Co-operation and Development.”; and

(C) by amending paragraph (53B) to read as follows:

“(53B) the term ‘swap agreement’—

“(A) means—

“(i) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement;

“(ii) any agreement similar to any other agreement or transaction referred to in this subparagraph that—

“(I) is presently, or in the future becomes, regularly entered into in the swap agreement market (including terms and conditions incorporated by reference therein); and

“(II) is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

“(iii) any combination of agreements or transactions referred to in this subparagraph;

“(iv) any option to enter into any agreement or transaction referred to in this subparagraph;

“(v) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is described in any of such clause, except that the master agreement shall be considered to be a swap agreement only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

“(C) is applicable for purposes of this title only and shall not be construed or applied to challenge or affect the characterization, definition, or treatment of any swap agreement or any instrument defined as a swap agreement herein, under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.”;

(2) by amending section 741(7) to read as follows:

“(7) the term ‘securities contract’—

“(A) means—

“(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or any interest in a mortgage loan, or a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

“(ii) any option entered into on a national securities exchange relating to foreign currencies;

“(iii) the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interest therein, or group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

“(iv) any margin loan;

“(v) any other agreement or transaction that is similar to any agreement or transaction referred to in this subparagraph;

“(vi) any combination of the agreements or transactions referred to in this subparagraph;

“(vii) any option to enter into any agreement or transaction referred to in this subparagraph;

“(viii) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this subparagraph, except that the master agreement shall be considered to be a securities contract under this subparagraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); and

“(ix) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this subparagraph; and

“(B) does not include any purchase, sale, or repurchase obligation under a participation in or servicing agreement for a commercial mortgage loan.”; and

(3) in section 761(4)—

(A) by striking “or” at the end of subparagraph (D); and

(B) by adding at the end the following new subparagraphs:

“(F) any other agreement or transaction that is similar to any agreement or transaction referred to in this paragraph;

“(G) any combination of the agreements or transactions referred to in this paragraph;

“(H) any option to enter into any agreement or transaction referred to in this paragraph;

“(I) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G) or (H), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that the master agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G) or (H); or

“(J) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this paragraph;”.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by amending paragraph (22) to read as follows:

“(22) the term ‘financial institution’ means a Federal reserve bank, or a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such person and, when any such Federal reserve bank, receiver, or conservator or person acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741(7) of this title, such customer;”;

(2) by inserting after paragraph (22) the following new paragraph:

“(22A) the term ‘financial participant’ means any entity that, at the time it enters into a securities contract, commodity contract or forward contract, or at the time of the filing of the petition, has 1 or more agreements or transactions that is described in section 561(a)(2) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of at least $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of at least $100,000,000 (aggregated across counterparties) in 1 or more such agreements or transactions with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;”; and

(3) by amending paragraph (26) to read as follows:

“(26) the term ‘forward contract merchant’ means a Federal reserve bank, or a person whose business consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761(8) of this title, or any similar good, article, service, right, or interest which is presently

or in the future becomes the subject of dealing or in the forward contract trade;".

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

"(38A) the term 'master netting agreement' means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing. If a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of the paragraphs (1) through (5) of section 561(a);

"(38B) the term 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;".

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC-STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, is amended—

(A) in paragraph (6), by inserting ", pledged to, and under the control of," after "held by";

(B) in paragraph (7), by inserting ", pledged to, and under the control of," after "held by";

(C) by amending paragraph (17) to read as follows:

"(17) under subsection (a), of the setoff by a swap participant of any mutual debt and claim under or in connection with 1 or more swap agreements that constitute the setoff of a claim against the debtor for any payment due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property of the debtor held by, pledged to, and under the control of, or due from such swap participant to guarantee, secure, or settle any swap agreement;";

(D) in paragraph (20), by striking "or" at the end;

(E) in paragraph (21), by striking the period and inserting "; or"; and

(F) by inserting after paragraph (18) the following new paragraph:

"(22) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with 1 or more master netting agreements to the extent such participant could offset the claim under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.".

(2) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following new subsection:

"(i) LIMITATION.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), (17), or (22) of subsection (b) shall not be stayed by any order of a court or administrative agency in any proceeding under this title.".

(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (g) (as added by section 103 of Public Law 101-311)—

(A) by striking "under a swap agreement";

(B) by striking "in connection with a swap agreement" and inserting "under or in connection with any swap agreement";

(2) by redesignating subsection (g) (as added by section 222(a) of Public Law 103-394) as subsection (i); and

(3) by inserting before subsection (i) (as redesignated) the following new subsection:

"(h) Notwithstanding sections 544, 545, 547, 548(a)(2), and 548(b) of this title, to the extent that under subsection (e), (f), or (g), the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with each individual contract covered by any master netting agreement that is made before the commencement of the case, the trustee may not avoid a transfer made by or to such master netting agreement participant under or in connection with the master netting agreement in issue, except under section 548(a)(1) of this title.".

(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking "and";

(2) in subparagraph (D), by striking the period and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement takes for value to the extent of such transfer, but only to the extent that such participant would take for value under paragraph (B), (C), or (D) for each individual contract covered by the master netting agreement in issue.".

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—

(1) by amending the section heading to read "**Contractual right to liquidate, terminate, or accelerate a securities contract**"; and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—

(1) by amending the section heading to read "**Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract**"; and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—

(1) by amending the section heading to read "**Contractual right to liquidate, terminate, or accelerate a repurchase agreement**"; and

(2) in the first sentence, by striking "liquidation" and inserting "liquidation, termination, or acceleration".

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

(1) by amending the section heading to read "**Contractual right to liquidate, terminate, or accelerate a swap agreement**"; and

(2) in the first sentence, by striking "termination of a swap agreement" and inserting "liquidation, termination, or acceleration of 1 or more swap agreements"; and

(3) by striking "in connection with any swap agreement" and inserting "in connection with the termination, liquidation, or acceleration of 1 or more swap agreements".

(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—Title 11, United States Code, is amended by inserting after section 560 the following new section:

"§561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts

"(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset, or net termination values, payment amounts or other transfer obligations arising under or in connection with the termination, liquidation, or acceleration of 1 or more—

"(1) securities contracts, as defined in section 741(7);

"(2) commodity contracts, as defined in section 761(4);

"(3) forward contracts;

"(4) repurchase agreements;

"(5) swap agreements; or

"(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

"(b) EXCEPTION.—

"(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

"(2)(A) A party may not exercise a contractual right described in subsection (a) to offset or to net obligations arising under, or in connection with, a commodity contract against obligations arising under, or in connection with, any instrument listed in subsection (a) if the obligations are not mutual.

"(B) If a debtor is a commodity broker subject to subchapter IV of chapter 7 of this title, a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments listed in subsection (a) if the party has no positive net equity in the commodity account at the debtor, as calculated under subchapter IV.

"(c) DEFINITION.—As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right whether or not evidenced in writing arising under common law, under law merchant, or by reason of normal business practice.".

(l) MUNICIPAL BANKRUPTCIES.—Section 901 of title 11, United States Code, is amended—

(1) by inserting ", 555, 556" after "553"; and

(2) by inserting ", 559, 560, 561, 562" after "557".

(m) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, is amended by adding at the end the following new subsection:

"(d) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a foreign proceeding under this section or any other section of this title so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any proceeding under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be *limited based on the presence or absence of assets of the debtor in the United States).''.*

(n) Commodity Broker Liquidations.—Title 11, United States Code, is amended by inserting after section 766 the following new section:

"§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights or affect the provisions of this subchapter IV regarding customer property or distributions.''.

(o) Stockbroker Liquidations.—Title 11, United States Code, is amended by inserting after section 752 the following new section:

"§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of rights or affect the provisions of this subchapter regarding customer property or distributions.''.

(p) Setoff.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting ''(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 555, 556, 559, 560, or 561 of this title)'' before the period; and

(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 555, 556, 559, 560, 561''.

(q) Securities Contracts, Commodity Contracts, and Forward Contracts.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant'';

(2) in section 546(e), by inserting ''financial participant'' after ''financial institution,'';

(3) in section 548(d)(2)(B), by inserting ''financial participant'' after ''financial institution,'';

(4) in section 555—

(A) by inserting ''financial participant'' after ''financial institution,''; and

(B) by inserting before the period '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and

(5) in section 556, by inserting '', financial participant'' after ''commodity broker''.

(r) Technical and Conforming Amendment.—Section 104 of title 11, United States Code, is amended by adding at the end the following new subsection:

''(c) Exception For Certain Defined Terms.—No adjustments shall be made under this section to the dollar amounts set forth in the definition of the term 'financial participant' in section 101(22A).''.

SEC. 402. RECORDKEEPING REQUIREMENTS.

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following new subparagraph:

SEC. 403. DAMAGE MEASURE.

(a) Title 11, United States Code, is amended by inserting after section 561 (as added by section 7(k)) the following new section:

"§561. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements

''If the trustee rejects a swap agreement, securities contract as defined in section 741 of this title, forward contract, repurchase agreement, or master netting agreement pursuant to section 365(a) of this title, or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates any such contract or agreement, damages shall be measured as of the earlier of—

''(1) the date of such rejection; or

''(2) the date of such liquidation, termination, or acceleration.''.

(b) Claims Arising From Rejection.—Section 502(g) of title 11, United States Code, is amended—

(1) by designating the existing text as paragraph (1); and

(2) by adding at the end the following new paragraph:

''(2) A claim for damages calculated in accordance with section 562 of this title shall be allowed under subsection (a),(b), or (c) of this section or disallowed under subsection (d) or (e) of this section as if such claim had arisen before the date of the filing of the petition.''.

SEC. 404. ASSET-BACKED SECURITIZATIONS.

Section 541 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''or'' at the end of paragraph (4);

(2) by redesignating paragraph (5) of subsection (b) as paragraph (6);

(3) by inserting after paragraph (4) of subsection (b) the following new paragraph:

''(5) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a); or''; and

(4) by adding at the end the following new subsection:

''(e) Definitions.—For purposes of this section, the following definitions shall apply:

''(1) Asset-Backed Securitization.—The term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer;

''(2) Eligible Asset.—The term 'eligible asset' means—

''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

''(B) cash; and

''(C) securities.

''(3) Eligible Entity.—The term 'eligible entity' means—

''(A) an issuer; or

''(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto;

''(4) Issuer.—The term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto.

''(5) Transferred.—The term 'transferred' means the debtor, pursuant to a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), irrespective, without limitation of—

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

SEC. 405. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.

Section 106 of the Truth in Lending Act (15 U.S.C. 1605) is amended by adding at the end the following:

''(g) Prohibition on Certain Actions for Failure To Incur Finance Charges.—A creditor may not, solely because a consumer has not incurred finance charges in connection with an extension of credit—

''(1) refuse to renew or continue to offer the extension of credit to that consumer; or

''(2) charge a fee to that consumer in lieu of a finance charge.''.

SEC. 406. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ''dwelling'' the first place it appears;

(2) by striking ''ownership or'' and inserting ''ownership,'';

(3) by striking ''housing'' the first place it appears; and

(4) by striking ''but only'' and all that follows through ''such period,'', and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.

SEC. 407. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915 of this title, the parties'' and inserting ''Subject to subsection (f), the parties''; and

(2) by adding at the end the following:

''(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

''(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor is unable to pay that fee in installments.

''(3) A filing fee referred to in paragraph (2) is—

''(A) a filing fee under subsection (a)(1); or

"(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

"(4) In addition to waiving a fee described in paragraph (3) under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual is unable to pay that fee in installments.".

SEC. 408. APPLICABILITY.

The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act.

TITLE V—ANCILLARY AND OTHER CROSS-BORDER CASES

SEC. 501. AMENDMENT TO ADD A CHAPTER 6 TO TITLE 11, UNITED STATES CODE.

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 5 the following:

"CHAPTER 6—ANCILLARY AND OTHER CROSS-BORDER CASES

"Sec.
"601. Purpose and scope of application.

"SUBCHAPTER I—GENERAL PROVISIONS

"602. Definitions.
"603. International obligations of the United States.
"604. Commencement of ancillary case.
"605. Authorization to act in a foreign country.
"606. Public policy exception.
"607. Additional assistance.
"608. Interpretation.

"SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

"609. Right of direct access.
"610. Limited jurisdiction.
"611. Commencement of bankruptcy case under section 301 or 303.
"612. Participation of a foreign representative in a case under this title.
"613. Access of foreign creditors to a case under this title.
"614. Notification to foreign creditors concerning a case under this title.

"SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

"615. Application for recognition of a foreign proceeding.
"616. Presumptions concerning recognition.
"617. Order recognizing a foreign proceeding.
"618. Subsequent information.
"619. Relief that may be granted upon petition for recognition of a foreign proceeding.
"620. Effects of recognition of a foreign main proceeding.
"621. Relief that may be granted upon recognition of a foreign proceeding.
"622. Protection of creditors and other interested persons.
"623. Actions to avoid acts detrimental to creditors.
"624. Intervention by a foreign representative.

"SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

"625. Cooperation and direct communication between the court and foreign courts or foreign representatives.
"626. Cooperation and direct communication between the trustee and foreign courts or foreign representatives.
"627. Forms of cooperation.

"SUBCHAPTER V—CONCURRENT PROCEEDINGS

"628. Commencement of a case under this title after recognition of a foreign main proceeding.
"629. Coordination of a case under this title and a foreign proceeding.
"630. Coordination of more than 1 foreign proceeding.
"631. Presumption of insolvency based on recognition of a foreign main proceeding.
"632. Rule of payment in concurrent proceedings.

"§ 601. Purpose and scope of application

"(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

"(1) cooperation between—

"(A) United States courts, United States Trustees, trustees, examiners, debtors, and debtors in possession; and

"(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

"(2) greater legal certainty for trade and investment;

"(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

"(4) protection and maximization of the value of the debtor's assets; and

"(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

"(b) This chapter applies where—

"(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

"(2) assistance is sought in a foreign country in connection with a case under this title;

"(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

"(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

"(c) This chapter does not apply to—

"(1) a proceeding concerning an entity identified by exclusion in subsection 109(b); or

"(2) a natural person or a natural person and that person's spouse who have debts within the limits specified in under section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States.

"SUBCHAPTER I—GENERAL PROVISIONS

"§ 602. Definitions

"For the purposes of this chapter, the term—

"(1) 'debtor' means an entity that is the subject of a foreign proceeding;

"(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

"(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

"(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

"(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

"(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapters 9 or 13 of this title; and

"(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed to be located within that territory, including any property that may properly be seized or garnished by an action in a Federal or State court in the United States.

"§ 603. International obligations of the United States

"To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

"§ 604. Commencement of ancillary case

"A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 615.

"§ 605. Authorization to act in a foreign country

"A trustee or another entity designated by the court may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

"§ 606. Public policy exception

"Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

"§ 607. Additional assistance

"(a) Nothing in this chapter limits the power of the court, upon recognition of a foreign proceeding, to provide additional assistance to a foreign representative under this title or under other laws of the United States.

"(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

"(1) just treatment of all holders of claims against or interests in the debtor's property;

"(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

"(3) prevention of preferential or fraudulent dispositions of property of the debtor;

"(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

"(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

"§ 608. Interpretation

"In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

"SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

"§ 609. Right of direct access

"(a) A foreign representative is entitled to commence a case under section 604 by filing a petition for recognition under section 615, and upon recognition, to apply directly to other Federal and State courts for appropriate relief in those courts.

"(b) Upon recognition, and subject to section 610, a foreign representative has the capacity to sue and be sued.

"(c) Recognition under this chapter is prerequisite to the granting of comity or cooperation to a foreign proceeding in any State or Federal court in the United States. Any request for comity or cooperation in any court shall be accompanied by a sworn statement setting forth whether recognition under section 615 has been sought and the status of any such petition.

"(d) Upon denial of recognition under this chapter, the court may issue appropriate orders

necessary to prevent an attempt to obtain comity or cooperation from courts in the United States without such recognition.

“§610. Limited jurisdiction

“The sole fact that a foreign representative files a petition under sections 604 and 615 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

“§611. Commencement of bankruptcy case under section 301 or 303

“(a) Upon filing a petition for recognition, a foreign representative may commence—

“(1) an involuntary case under section 303; or

“(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

“(b) The petition commencing a case under subsection (a) of this section must be accompanied by a statement describing the petition for recognition and its current status. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) of this section prior to such commencement.

“(c) A case under subsection (a) shall be dismissed unless recognition is granted.

“§612. Participation of a foreign representative in a case under this title

“Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

“§613. Access of foreign creditors to a case under this title

“(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

“(b)(1) Subsection (a) of this section does not change or codify law in effect on the date of enactment of this chapter as to the priority of claims under section 507 or 726, except that the claim of a foreign creditor under those sections shall not be given a lower priority than the class of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

“(2)(A) Subsection (a) of this section and paragraph (1) of this subsection do not change or codify law in effect on the date of enactment of this chapter as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

“(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

“§614. Notification to foreign creditors concerning a case under this title

“(a) Whenever in a case under this title, notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

“(b) The notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

“(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

“(1) indicate the time period for filing proofs of claim and specify the place for their filing;

“(2) indicate whether secured creditors need to file their proofs of claim; and

“(3) contain any other information required to be included in such a notification to creditors pursuant to this title and the orders of the court.

“(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

“SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

“§615. Application for recognition of a foreign proceeding

“(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

“(b) A petition for recognition shall be accompanied by—

“(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

“(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

“(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

“(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

“(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

“§616. Presumptions concerning recognition

“(a) If the decision or certificate referred to in section 615(b) indicates that the foreign proceeding is a foreign proceeding within the meaning of section 101(23) and that the person or body is a foreign representative within the meaning of section 101(24), the court is entitled to so presume.

“(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether the documents have been subjected to legal processing under applicable law.

“(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

“§617. Order recognizing a foreign proceeding

“(a) Subject to section 606, an order recognizing a foreign proceeding shall be entered if—

“(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 602 and is a foreign proceeding within the meaning of section 101(23);

“(2) the person or body applying for recognition is a foreign representative within the meaning of section 101(24); and

“(3) the petition meets the requirements of section 615.

“(b) The foreign proceeding shall be recognized—

“(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

“(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 602 in the foreign country where the proceeding is pending.

“(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding shall constitute recognition under this chapter.

“(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The foreign proceeding may be closed in the manner prescribed for a case under section 350.

“§618. Subsequent information

“From the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

“(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

“(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

“§619. Relief that may be granted upon petition for recognition of a foreign proceeding

“(a) From the time of filing a petition for recognition until the petition is decided upon, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

“(1) staying execution against the debtor's assets;

“(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person designated by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and

“(3) any relief referred to in paragraph (3), (4), or (7) of section 621(a).

“(b) Unless extended under section 621(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.

“(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

“(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

“(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

“§620. Effects of recognition of a foreign main proceeding

“(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—

“(1) section 362 applies with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States; and

“(2) transfer, encumbrance, or any other disposition of an interest of the debtor in property within the territorial jurisdiction of the United States is restrained as and to the extent that is provided for property of an estate under sections 363, 549, and 552.

Unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the powers of a trustee under section 549, subject to sections 363 and 552.

“(b) The scope, and the modification or termination, of the stay and restraints referred to in subsection (a) of this section are subject to the exceptions and limitations provided in subsections (b), (c), and (d) of section 362, subsections (b) and (c) of section 363, and sections 552, 555 through 557, 559, and 560.

“(c) Subsection (a) of this section does not affect the right to commence individual actions or

proceedings in a foreign country to the extent necessary to preserve a claim against the debtor.

"(d) Subsection (a) of this section does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

"§621. Relief that may be granted upon recognition of a foreign proceeding

"(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

"(1) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's assets, rights, obligations or liabilities to the extent they have not been stayed under section 620(a);

"(2) staying execution against the debtor's assets to the extent it has not been stayed under section 620(a);

"(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 620(a);

"(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

"(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, designated by the court;

"(6) extending relief granted under section 619(a); and

"(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

"(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, designated by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected.

"(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

"(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

"§622. Protection of creditors and other interested persons

"(a) In granting or denying relief under section 619 or 621, or in modifying or terminating relief under subsection (c) of this section, the court must find that the interests of the creditors and other interested persons or entities, including the debtor, are sufficiently protected.

"(b) The court may subject relief granted under section 619 or 621 to conditions it considers appropriate.

"(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 619 or 621, or at its own motion, modify or terminate such relief.

"§623. Actions to avoid acts detrimental to creditors

"(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a pending case under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).

"(b) When the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) of this section relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

"§624. Intervention by a foreign representative

"Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.

"SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

"§625. Cooperation and direct communication between the court and foreign courts or foreign representatives

"(a) In all matters included within section 601, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

"(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

"§626. Cooperation and direct communication between the trustee and foreign courts or foreign representatives

"(a) In all matters included in section 601, the trustee or other person, including an examiner, designated by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

"(b) The trustee or other person, including an examiner, designated by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

"(c) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322(a).

"§627. Forms of cooperation

"Cooperation referred to in sections 625 and 626 may be implemented by any appropriate means, including—

"(1) appointment of a person or body, including an examiner, to act at the direction of the court;

"(2) communication of information by any means considered appropriate by the court;

"(3) coordination of the administration and supervision of the debtor's assets and affairs;

"(4) approval or implementation of agreements concerning the coordination of proceedings; and

"(5) coordination of concurrent proceedings regarding the same debtor.

"SUBCHAPTER V—CONCURRENT PROCEEDINGS

"§628. Commencement of a case under this title after recognition of a foreign main proceeding

"After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of that case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 625, 626, and 627, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) and 1334(e), to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

"§629. Coordination of a case under this title and a foreign proceeding

"Where a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

"(1) When the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

"(A) any relief granted under sections 619 or 621 must be consistent with the case in the United States; and

"(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 620 does not apply.

"(2) When a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

"(A) any relief in effect under sections 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

"(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 620(a) shall be modified or terminated if inconsistent with the case in the United States.

"(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

"(4) In achieving cooperation and coordination under sections 628 and 629, the court may grant any of the relief authorized under section 305.

"§630. Coordination of more than 1 foreign proceeding

"In matters referred to in section 601, with respect to more than one foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

"(1) Any relief granted under section 619 or 621 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.

"(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

"(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

"§631. Presumption of insolvency based on recognition of a foreign main proceeding

"In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts.

"§632. Rule of payment in concurrent proceedings

"Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 5 the following:

“6. Ancillary and Other Cross-Border Cases .... 601”.

SEC. 502. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: ''and this chapter, sections 307, 555 through 557, 559, and 560 apply in a case under chapter 6''; and

(2) by adding at the end the following:

''(j) Chapter 6 applies only in a case under that chapter, except that section 605 applies to trustees and to any other entity designated by the court, including an examiner, under chapters 7, 11, and 12, to debtors in possession under chapters 11 and 12, and to debtors or trustees under chapters 9 and 13 who are authorized to act under section 605.''.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended by striking paragraphs (23) and (24) and inserting the following:

''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign state, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

''(24) 'foreign representative' means a person or body, including 1 appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

(A) in subparagraph (N), by striking ''and'' at the end;

(B) in subparagraph (O), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(P) recognition of foreign proceedings and other matters under chapter 6.''.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 6 of title 11, nothing in''.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by inserting ''6,'' after ''chapter''.

TITLE VI—MISCELLANEOUS

SEC. 601. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.

Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

''(4)(A) Subject to subparagraph (B), in any case under any chapter of this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected and the trustee shall immediately surrender that nonresidential real property to the lessor if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B) The court may extend the period determined under subparagraph (A) only upon a motion of the lessor.''.

SEC. 602. EXPEDITED APPEALS OF BANKRUPTCY CASES TO COURTS OF APPEALS.

(a) IN GENERAL.—Section 158 of title 28, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e);

(2) by inserting after subsection (c) the following new subsection:

''(d)(1) Any final judgment, decision, order, or decree of a bankruptcy judge entered for a case in accordance with section 157 may be appealed by any party in such case to the appropriate court of appeals if—

''(A) an appeal from such judgment, decision, order, or decree is first filed with the appropriate district court of the United States; and

''(B) the decision on the appeal described under subparagraph (A) is not filed by a district court judge within 30 days after the date such appeal is filed with the district court.

''(2) On the date that an appeal is filed with a court of appeals under paragraph (1), the chief judge for such court of appeals shall issue an order to the clerk for the district court from which the appeal is filed. Such order shall direct the clerk to enter the final judgment, decision, order, or decree of the bankruptcy judge as the final judgment, decision, order, or decree of the district court.''; and

(3) in subsection (e), (as redesignated by paragraph (1) of this section) by striking ''subsections (a) and (b)'' and inserting ''subsections (a), (b), and (d)''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 305(c) of title 11, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(2) Section 1334(d) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(3) Section 1452(b) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

SEC. 603. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.''.

SEC. 604. REPEAL OF SUNSET PROVISION.

Section 302 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).

SEC. 605. CASES ANCILLARY TO FOREIGN PROCEEDINGS.

Section 304 of title 11, United States Code, as amended by section 410 of this Act, is amended by adding at the end the following:

''(e)(1) In this subsection—

''(A) the term 'domestic insurance company' means a domestic insurance company, as that term is used in section 109(b)(2);

''(B) the term 'foreign insurance company' means a foreign insurance company, as that term is used in section 109(b)(3);

''(C) the term 'United States claimant' means a beneficiary of any deposit referred to in paragraph (2)(A) or any multibeneficiary trust referred to in subparagraph (B) or (C) of paragraph (2);

''(D) the term 'United States creditor' means, with respect to a foreign insurance company—

''(i) a United States claimant; or

''(ii) any business entity that operates in the United States and that is a creditor; and

''(E) the term 'United States policyholder' means a holder of an insurance policy issued in the United States.

''(2) Notwithstanding subsections (b) and (c), the court may not grant relief under subsection (b) to a foreign insurance company that is not engaged in the business of insurance or reinsurance in the United States with respect to any claim made by a United States creditor against—

''(A) a deposit required by an applicable State insurance law;

''(B) a multibeneficiary trust required by an applicable State insurance law to protect United States policyholders or claimants against a foreign insurance company; or

''(C) a multibeneficiary trust authorized under an applicable State insurance law to allow a domestic insurance company that cedes reinsurance to the debtor to reflect the reinsurance as an asset or deduction from liability in the ceding insurer's financial statements.''.

SEC. 606. LIMITATION.

Section 546(c)(1)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''45''.

SEC. 607. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.

Section 546 of title 11, United States Code, is amended by inserting at the end thereof:

''(I) Notwithstanding section 545 (2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by section 7–209 of the Uniform Commercial Code.''.

SEC. 608. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.

Section 330(a) of title 11, United States Code, is amended—

(1) in subsection (3)(A) after the word ''awarded'', by inserting ''to an examiner, chapter 11 trustee, or professional person''; and

(2) by adding at the end of subsection (3)(A) the following:

''(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''.

TITLE VII—TECHNICAL CORRECTIONS

SEC. 701. DEFINITIONS.

Section 101 of title 11, United States Code, as amended by section 317, is amended—

(1) by striking ''In this title—'' and inserting ''In this title:'';

(2) in each paragraph, by inserting ''The term'' after the paragraph designation;

(3) in paragraph (35)(B), by striking ''paragraphs (21B) and (33)(A)'' and inserting ''paragraphs (23) and (35)'';

(4) in each of paragraphs (35A) and (38), by striking ''; and'' at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting ''who is not a family farmer'' after ''debtor'' the first place it appears; and

(B) by striking ''thereto having aggregate'' and all that follows through the end of the paragraph;

(6) by amending paragraph (54) to read as follows:

''(54) The term 'transfer' means—

''(A) the creation of a lien;

''(B) the retention of title as a security interest;

''(C) the foreclosure of a debtor's equity of redemption; or

''(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

''(i) property; or

''(ii) an interest in property;'';

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (56A) (including paragraph (54), as amended by paragraph (6) of this

section), by striking the semicolon at the end and inserting a period; and

(8) by redesignating paragraphs (4) through (56A) in entirely numerical sequence, so as to result in numerical paragraph designations of (4) through (77), respectively.

SEC. 702. ADJUSTMENT OF DOLLAR AMOUNTS.

Section 104 of title 11, United States Code, is amended by inserting "522(f)(3), 707(b)(5)," after "522(d)," each place it appears.

SEC. 703. EXTENSION OF TIME.

Section 108(c)(2) of title 11, United States Code, is amended by striking "922" and all that follows through "or", and inserting "922, 1201, or".

SEC. 704. WHO MAY BE A DEBTOR.

Section 109(b)(2) of title 11, United States Code, is amended by striking "subsection (c) or (d) of".

SEC. 705. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.

Section 110(j)(3) of title 11, United States Code, is amended by striking "attorney's" and inserting "attorneys' ".

SEC. 706. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.

Section 328(a) of title 11, United States Code, is amended by inserting "on a fixed or percentage fee basis," after "hourly basis,".

SEC. 707. SPECIAL TAX PROVISIONS.

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking ", except" and all that follows through "1986".

SEC. 708. EFFECT OF CONVERSION.

Section 348(f)(2) of title 11, United States Code, is amended by inserting "of the estate" after "property" the first place it appears.

SEC. 709. AUTOMATIC STAY.

Section 362(b) of title 11, United States Code, as amended by sections 326 and 401 of this Act, is amended—

(1) in paragraph (21), by striking "or" at the end;

(2) in paragraph (22), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (22) the following:

"(23) under subsection (a) of this section of any transfer that is not avoidable under section 544 and that is not avoidable under section 549;

"(24) under subsection (a)(3) of this section, of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement and the debtor has not paid rent to the lessor pursuant to the terms of the lease agreement or applicable State law after the commencement and during the course of the case;

"(25) under subsection (a)(3) of this section, of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated pursuant to the lease agreement or applicable State law;

"(26) under subsection (a)(3) of this section, of any eviction, unlawful detainer action, or similiar proceeding, if the debtor has previously filed within the last year and failed to pay postpetition rent during the course of that case; or

"(27) under subsection (a)(3) of this section, of eviction actions based on endangerment to property or person or the use of illegal drugs.".

SEC. 710. AMENDMENT TO TABLE OF SECTIONS.

The table of sections for chapter 5 of title 11, United States Code, is amended by striking the item relating to section 556 and inserting the following:

"556. Contractual right to liquidate a commodities contract or forward contract.".

SEC. 711. ALLOWANCE OF ADMINISTRATIVE EXPENSES.

Section 503(b)(4) of title 11, United States Code, is amended by inserting "subparagraph (A), (B), (C), (D), or (E) of" before "paragraph (3)".

SEC. 712. PRIORITIES.

Section 507(a) of title 11, United States Code, as amended by section 323 of this Act, is amended—

(1) in paragraph (3)(B), by striking the semicolon at the end and inserting a period; and

(2) in paragraph (7), by inserting "unsecured" after "allowed".

SEC. 713. EXEMPTIONS.

Section 522 of title 11, United States Code, as amended by section 320 of this Act, is amended—

(1) in subsection (f)(1)(A)(ii)(II)—

(A) by striking "includes a liability designated as" and inserting "is for a liability that is designated as, and is actually in the nature of,"; and

(B) by striking ", unless" and all that follows through "support"; and

(2) in subsection (g)(2), by striking "subsection (f)(2)" and inserting "subsection (f)(1)(B)".

SEC. 714. EXCEPTIONS TO DISCHARGE.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)(3), by striking "or (6)" each place it appears and inserting "(6), or (15)";

(2) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert it after paragraph (14) of subsection (a);

(3) in subsection (a)(9), by inserting ", watercraft, or aircraft" after "motor vehicle";

(4) in subsection (a)(15), as so redesignated by paragraph (2) of this subsection, by inserting "to a spouse, former spouse, or child of the debtor and" after "(15)";

(5) in subsection (a)(17)—

(A) by striking "by a court" and inserting "on a prisoner by any court";

(B) by striking "section 1915 (b) or (f)" and inserting "subsection (b) or (f)(2) of section 1915"; and

(C) by inserting "(or a similar non-Federal law)" after "title 28" each place it appears; and

(6) in subsection (e), by striking "a insured" and inserting "an insured".

SEC. 715. EFFECT OF DISCHARGE.

Section 524(a)(3) of title 11, United States Code, is amended by striking "section 523" and all that follows through "or that" and inserting "section 523, 1228(a)(1), or 1328(a)(1) of this title, or that".

SEC. 716. PROTECTION AGAINST DISCRIMINATORY TREATMENT.

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting "student" before "grant" the second place it appears; and

(2) in paragraph (2), by striking "the program operated under part B, D, or E of" and inserting "any program operated under".

SEC. 717. PROPERTY OF THE ESTATE.

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting "365 or" before "542".

SEC. 718. PREFERENCES.

Section 547 of title 11, United States Code, is amended—

(1) in subsection (b), by striking "subsection (c)" and inserting "subsections (c) and (h)"; and

(2) by adding at the end the following:

"(h) If the trustee avoids under subsection (b) a security interest given between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such security interest shall be considered to be avoided under this section only with respect to the creditor that is an insider.".

SEC. 719. POSTPETITION TRANSACTIONS.

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting "an interest in" after "transfer of";

(2) by striking "such property" and inserting "such real property"; and

(3) by striking "the interest" and inserting "such interest".

SEC. 720. TECHNICAL AMENDMENT.

Section 552(b)(1) of title 11, United States Code, is amended by striking "product" each place it appears and inserting "products".

SEC. 721. DISPOSITION OF PROPERTY OF THE ESTATE.

Section 726(b) of title 11, United States Code, is amended by striking "1009,".

SEC. 722. GENERAL PROVISIONS.

Section 901(a) of title 11, United States Code, as amended by section 408, is amended by inserting "1123(d)," after "1123(b),".

SEC. 723. APPOINTMENT OF ELECTED TRUSTEE.

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by adding at the end the following:

"(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election. Upon the filing of a report under the preceding sentence—

"(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

"(ii) the service of any trustee appointed under subsection (d) shall terminate.

"(B) In the case of any dispute arising out of an election under subparagraph (A), the court shall resolve the dispute.".

SEC. 724. ABANDONMENT OF RAILROAD LINE.

Section 1170(e)(1) of title 11, United States Code, is amended by striking "section 11347" and inserting "section 11326(a)".

SEC. 725. CONTENTS OF PLAN.

Section 1172(c)(1) of title 11, United States Code, is amended by striking "section 11347" and inserting "section 11326(a)".

SEC. 726. DISCHARGE UNDER CHAPTER 12.

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking "1222(b)(10)" each place it appears and inserting "1222(b)(9)".

SEC. 727. EXTENSIONS.

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking "or October 1, 2002, whichever occurs first"; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking "or October 1, 2002, whichever occurs first"; and

(ii) in the matter following subclause (II), by striking "October 1, 2003, or"; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking "before October 1, 2003, or"; and

(ii) by striking ", whichever occurs first".

SEC. 728. BANKRUPTCY CASES AND PROCEEDINGS.

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking "made under this subsection" and inserting "made under subsection (c)"; and

(2) by striking "This subsection" and inserting "Subsection (c) and this subsection".

SEC. 729. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting "(1) the term" before "'bankruptcy"; and

(B) by striking the period at the end and inserting "; and"; and

(2) in the second undesignated paragraph—

(A) by inserting "(2) the term" before "'document"; and

(B) by striking "this title" and inserting "title 11".

SEC. 730. ROLLING STOCK EQUIPMENT.

(a) In General.—Section 1168 of title 11, United States Code, is amended to read as follows:

"§1168. Rolling stock equipment.

"(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that that right to take possession and enforce those other rights and remedies shall be subject to section 362, if—

"(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

"(B) any default, other than a default of a kind described in section 365(b)(2), under such security agreement, lease, or conditional sale contract—

"(i) that occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;

"(ii) that occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—

"(I) the date that is 30 days after the date of the default or event of the default; or

"(II) the expiration of such 60-day period; and

"(iii) that occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.

"(2) The equipment described in this paragraph—

"(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and

"(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, that is to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

"(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

"(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).

"(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement of the case under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.

"(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

"(d) With respect to equipment first placed in service on or prior to October 22, 1994, for purposes of this section—

"(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

"(2) the term 'security interest' means a purchase-money equipment security interest.

"(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.".

(b) Aircraft Equipment and Vessels.—Section 1110 of title 11, United States Code, is amended to read as follows:

"§1110. Aircraft equipment and vessels

"(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

"(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 if—

"(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

"(B) any default, other than a default of a kind specified in section 365(b)(2), under such security agreement, lease, or conditional sale contract—

"(i) that occurs before the date of the order is cured before the expiration of such 60-day period;

"(ii) that occurs after the date of the order and before the expiration of such 60-day period is cured before the later of—

"(I) the date that is 30 days after the date of the default; or

"(II) the expiration of such 60-day period; and

"(iii) that occurs on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.

"(3) The equipment described in this paragraph—

"(A) is—

"(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or

"(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and

"(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

"(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

"(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

"(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.

"(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

"(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

"(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

"(2) the term 'security interest' means a purchase-money equipment security interest.".

SEC. 731. CURBING ABUSIVE FILINGS.

(a) In General.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking "or" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

"(A) transfer of all or part ownership of, or other interest in, the real property without the *consent of the secured creditor or court approval; or*

"(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered pursuant to this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing.".

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 709, is amended—

(1) in paragraph (24), by striking "or" at the end;

(2) in paragraph (25) by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(26) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order. The debtor in a subsequent case, however, may move the court for relief from such order based upon changed circumstances or for other good cause shown, after notice and a hearing; or

"(27) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property—

"(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; or

"(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.".

SEC. 732. STUDY OF OPERATION OF TITLE 11 OF THE UNITED STATES CODE WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11 of the United States Code and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

SEC. 733. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.

(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended—

(1) by striking "only" and all that follows through the end of the subsection and inserting "only—

"(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

"(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362".

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

"(14) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.".

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, is amended by adding at the end the following:

"(e) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.".

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

SEC. 734. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply only with respect to cases commenced under title 11, United States Code, on or after the date of enactment of this Act.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. DURBIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendments and requests a conference with the House, and the Chair appoints conferees.

Thereupon, the Presiding Officer (Mr. THOMAS) appointed Mr. HATCH, Mr. GRASSLEY, Mr. SESSIONS, Mr. LEAHY, and Mr. DURBIN conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, first of all I want to thank everyone in this body for the overwhelming vote of confidence on the work that Senator DURBIN and I have done on this bankruptcy bill. Getting to this point has been a very tough process involving a lot of compromise and a lot of refinement.

You heard me say on the first day of debate that for the entire time that I have been in the Senate and on this subcommittee on the subject of bankruptcy—maybe not on every subject, but the subject of bankruptcy—there has been a great deal of bipartisan cooperation, first of all between Senator Heflin of Alabama, now retired, and myself. Sometimes I was chairman when Republicans were in the majority. When we were in the minority, I was ranking member and he was chairman. But this legislation has always passed with that sort of tradition.

So I want to say to all of my colleagues that I not only thank them for their support but, more importantly, thank Senator DURBIN, who worked so closely with me on this legislation, and that tradition has continued. I thank him for carrying on that tradition, because I don't think we would have had the vote that we had today if it had not been for the bipartisanship that has been expressed since he first took over leadership for his party on our subcommittee.

I also want to give commendation to his staff, Victoria Bassetti and Ann McCormick; and also to Senator HATCH's staff, Maken Delrahim and Rene Augustine; and also my staff, John McMickle and Kolan Davis, because without the long hours of staff work that went into this bill, we would not have had the great compromise that we had to make this vote possible.

Mr. President, I'm pleased that we've come to the point where the Senate has passed the Grassley-Durbin consumer bankruptcy bill. Getting to this point has been a tough process involving a lot of compromise and refinement. Of course, I thank Senator DURBIN for his help and suggestions for improving the bill. I think that Chairman HATCH also deserves a great deal of credit as well.

The bill we voted is a very fair and balanced piece of legislation with broad support. The administration, in its "statement of administration policy," encourages the Senate to pass this bill. The Judiciary Committee was almost unanimous in passing the bill, and many changes have been made to the version of the bill reported by the committee to accommodate the concerns of the minority. So, this is a bill I think we can all support regardless of party. Again, Senator DURBIN has been instrumental in making this bill truly bi-partisan.

As I've said numerous times on the floor during the debate on bankruptcy reform, the American people are foursquare in support of meaningful bankruptcy reform. The fact is that some people use bankruptcy as a convenient financial planning tool to skip out on debts they could repay. This has to stop.

Mr. President, there's no such thing as a free lunch. Bankruptcies of convenience are like shoplifting. Honest consumers have to pick up the tab for losses due to bankruptcy just as they pick up the tab for shoplifting. Bankruptcies of convenience impose a hidden bankruptcy tax of $400 per family of four. My bill will cut that tax.

Mr. President, it's not just consumers paying higher prices who stand to lose from bankruptcy abuse. Small businesses, a vital component of our healthy economy, can be crippled by bankruptcy losses. That's why the National Federation of Independent Business supports bankruptcy reform.

Let's cut the bankruptcy tax. Let's restore personal responsibility to the bankruptcy system. Let's help protect American consumers and small businesses.

Mr. President, I want to thank the people from the administration, because they have followed the course of this legislation. They have issued a statement of administrative policy in support of this legislation.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, September 17, 1998.

STATEMENT OF ADMINISTRATION POLICY

S. 1301—CONSUMER BANKRUPTCY REFORM ACT OF 1998

(Grassley (R) Iowa and Durbin (D) Illinois)

The Administration encourages Senate passage of S. 1301 as an important step toward balanced bankruptcy reform; however, the Administration ultimately would support enactment of bankruptcy legislation only if the essential reforms incorporated by the Senate managers' amendment are preserved and strengthened and the unbalanced and arbitrary elements of the current House bill are omitted.

The Administration supports bankruptcy reform that asks both debtors and creditors to act more responsibly. Debtors who genuinely have the ability to repay a portion of their debts should remain responsible for those debts. But creditors must also be responsible for treating debtors fairly, recognizing creditors' superior information and bargaining power.

As reported from Committee, S. 1301 focused heavily on perceived debtor abuse, with little to curtail abuses by creditors. However, if changes incorporated in the manager's amendment are adopted, the Senate bill will take significant steps to address abusive practices by both debtors and creditors. Essential changes included in the managers' amendments include: (1) new disclosure requirements to ensure that credit card companies provide consumers with the information about their accounts that they need to manage their budgets; (2) procedural protections to avoid inappropriate and unwise reaffirmations of unsecured and certain secured consumer debts; and (3) modifications made to the nondischargeability provisions in the bill so that the bill no longer inappropriately puts credit card debt in competition with child support, alimony, and other societal priorities like education loans and taxes.

The Administration also strongly prefers the discretionary approach to limiting access to Chapter 7 used in S. 1301 over the rigid and arbitrary approach in the House bill. We support changes made by the Senate bill to ensure that those debtors denied access to Chapter 7 under Section 707(b) of the Bankruptcy Code are those that have a strong likelihood of successfully completing a Chapter 13 plan.

More can and should be done to produce a truly balanced bill. The bill must address the potentially coercive effect of allowing creditors to bring 707(b) motions based on any allegation of abuse and strengthen the protections against coercive reaffirmations.

The Administration also supports financial contract netting provisions in the bill, which are important to reducing systemic risk in our financial markets and are based on a proposal from the President's Working Group on Financial Markets.

The Administration supports Senate passage of the "Omnibus Patent Act of 1998" as an amendment to S. 1301 because that bill supports American innovation through needed patent law reforms. While the Administration is disappointed that the bill does not include all of the performance based organization reforms it proposed, the provision's inclusion of the annual performance agreement is welcome.

Finally, the Senate is expected to vote on an amendment to raise wages of 12 million Americans and help ensure that parents who work hard and play by the rules do not have to raise their children in poverty. Two years ago, the President signed into law a moderate increase in the minimum wage. The results of that action are clear: it raised the wages of the lowest paid workers and did not cost jobs. Now we must continue to take actions to ensure that all Americans are benefitting from our prospering economy. That is why the Administration strongly supports raising the minimum wage by $1 over two years.

Mr. GRASSLEY. Mr. President, I thank Senator DURBIN very much for his cooperation.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Thank you, Mr. President.

I would like to echo the comments of Senator GRASSLEY. I really believe this vote of 97 to 1 is a tribute to his patience, endurance, and hard work. It has been a joy to be with him as part of this process. We have serious differences on many aspects of this bill. I am sure we will continue to debate them. But the core bill is a bill which I was happy to support because I think it is a more reasonable approach to reforming bankruptcy. We attempt to reform it in the responsible way, trying to stop the abuses in filing in the bankruptcy court and at the same time calling on the credit industry to accept some responsibility for those risky credit practices which lure unwitting consumers into a trap from which they cannot escape.

I want to give acknowledgment as well to staff who have made this bill possible. Seated to my left is Victoria Bassetti, my staff attorney on the Judiciary Committee, who has spent more time looking at the bankruptcy code than almost anything else in the past year; Anne McCormick, who is with us as a detailee from the Department of Justice, who has done an extraordinary job; on the majority side, John McMickle and Kolan Davis have become friends during the course of this debate and have added greatly to the work product; Makan Delrahim and Rene Augustine of Senator HATCH's staff; Kara Stein and Brooke Byers of Senator DODD's staff; Ed Pagano of Senator LEAHY's staff; Kristi Lee of Senator SESSIONS' staff; and Brian Lee of Senator KOHL's staff; as well as Joel Wiginton, who once worked on my staff and now serves Senator FEINGOLD. They all have added to the value of this bill. I thank each and every one of them.

I would like to just note four or five things that I am particularly proud of in this legislation.

We have worked back and forth in the banking industry, as well as with experts in the law, to come to a good conclusion about the ways to reduce abuse when it comes to bankruptcy filings.

We have added some provisions here which I think many consumers will appreciate because it really does bring more balance to this endeavor.

With the help of Senator DODD, who is in the Chamber today, as well as Senator SARBANES of Maryland, we have added some disclosure provisions to this bill which will make credit card statements clearer and make it more understandable when credit card companies solicit your business as to what you are going to have to do, how much you will have to pay in interest rates and what other conditions might be important to your relationship.

We have an amendment here I am particularly proud of on predatory home lending. These are those unscrupulous credit practices where lenders prey particularly on senior citizens, forcing them into a situation where they sign second mortgages on their home without any real understanding of what they are getting into. They lose the most important asset in their life because of these unscrupulous practices. This bill comes down hard on that kind of conduct.

We also have increased court supervision on reaffirmation. A person files for bankruptcy and says, Here is a debt which I will keep; I will continue to pay on it. For instance, a car loan because you need an automobile, or with a company that your family has done business with for generations. You reaffirm the debt. That is perfectly acceptable. It is something which should be encouraged where it works. But we say the court should look at it to make certain it is fair.

I salute Senator SESSIONS and Senator KOHL for the homestead exemption cap. The unlimited homestead exemption in a few states is the single worst abuse in the bankruptcy system. Our friends in the House saw it differently on a floor vote. It is up to us in conference to convince them that ours is a better way. We protect retirement income in bankruptcy, a concept which I pushed for and was happy to join with Senator HATCH in finally passing in this Chamber.

I thank Senator FEINGOLD for his efforts to protect the poorest of the poor who file in bankruptcy. I also salute Senator FEINSTEIN and others who have asked for studies which we think will improve credit practices in this country. And, finally, this bill provides for the creation of 18 new bankruptcy judgeships sorely needed in the States which will receive them.

This is the first major legislation I have had in the Chamber. I don't expect every one of them to pass 97 to 1, but it really is a good feeling to know that all of this work over this time has resulted in a truly bipartisan response to this important issue.

Thank you, Mr. President. I yield the floor.

Mr. HATCH. Mr. President, S. 1301, the Consumer Bankruptcy Reform Act of 1998, was reported out of the Judiciary Committee with strong bipartisan support and is one of the most important legislative efforts to reform the bankruptcy laws in 20 years.

I would like to begin by commending my colleagues, Senators GRASSLEY and DURBIN, respectively, the chairman and ranking minority member of the Subcommittee on Administrative Oversight and the Courts, for their tireless efforts in crafting this much needed legislation. I also want to thank them for conducting numerous important hearings at the subcommittee level on the complex issue of bankruptcy reform. I particularly appreciate the dedication they have shown to making the passage of this bill an inclusive and bipartisan process.

The compelling need for reform is underscored by the dramatic rise in bankruptcy filings each year. The Bankruptcy Code was liberalized back in 1978, and ever since that time, consumer bankruptcy filings have gone up at an unprecedented rate. Even during the economic boom years of 1994 to 1997, consumer bankruptcy filings almost doubled.

Mr. President, the bankruptcy system was intended to provide a "fresh start" for those who need it. We need to preserve the bankruptcy system within limits to allow individuals to emerge from financial ruin, which may have been precipitated by unforeseen events such as medical problems or unemployment. What we don't need is to preserve those elements of the system that allow it to be abused, and that allow some debtors to use bankruptcy as a financial planning tool rather than as a last resort. I firmly believe that by allowing people to escape from their financial obligations, we are doing them a great disservice by not encouraging them to manage their finances and control their debt.

It always has been my view that individuals should take personal responsibility for their debts, and repay them to the extent possible. Under the present system, it is too easy for debtors who have the ability to repay some of what they owe to file for Chapter 7 bankruptcy. Under Chapter 7, debtors can liquidate their assets and discharge all debt, while protecting certain assets from liquidation, irrespective of their income. Mr. President, I believe that the complete extinguishing of debt should be reserved for debtors who truly cannot repay their debts.

According to the Wall Street Journal (Nov. 8, 1996) bankruptcy protection laws give an alarming number of "obscure, but perfectly legal places for anyone to hide assets." For instance, one Virginia multimillionaire incurred massive debt, but under State law was entitled to keep certain household goods, farm equipment, and "one horse." This particular individual opted to keep a $640,000 race horse, noting that the law only limits the number of horses, but not the individual value of a horse.

While this is a particularly egregious example, these kinds of loopholes exist in the Bankruptcy Code, and people are using them to avoid paying their debts. As a result, the rest of us end up footing the bill through higher prices and higher interest rates.

S. 1301 provides a remedy for these abuses by adopting a needs-based approach to bankruptcy reform.

It is important to note that the administration has urged that bankruptcy law should "discourage bad faith repeat filings and other attempts to abuse the privilege accorded by access to bankruptcy."

This bipartisan legislation, created by Senators GRASSLEY and DURBIN, is carefully structured to achieve an appropriate balance between debtor and creditor rights. The legislation maintains the aspects of the bankruptcy system that serve those in need of a "fresh start." At the same time, S. 1301 reforms current bankruptcy laws to prevent the system from being abused at the expense of all Americans.

The impact of this important legislation will not only be to curb the rampant number of frivolous bankruptcy filings, but also to give a boost to our economy.

Mr. President, again I would like to applaud the bipartisan efforts of my colleagues who have made S. 1301 a broadly supported bill.

Mr. SARBANES. Mr. President, I would like to take this opportunity to congratulate Senator DURBIN, the Ranking Member of the Courts Subcommittee, on passage of S. 1301, the Consumer Bankruptcy Reform Bill of 1998.

I especially want to thank him for insisting that S. 1301 address not only the need for greater responsibility on the part of debtors, but also the need for greater responsibility on the part of creditors. In particular, this bill takes notice of the fact that credit card companies often act as enablers to individuals who end up in bankruptcy after falling prey to one too many promises of easy credit from these companies. S. 1301 requires that credit card companies provide consumers with the information they need to behave in a responsible manner, rather than luring them into tighter financial straits with false promises of easy credit.

The bill that passed out of the Judiciary Committee did not take such an evenhanded approach, and I, among others both on and off the Judiciary Committee, noted the need to bring greater balance to this issue on the floor. Thanks to Senator DURBIN's leadership, the efforts of several other Democratic Senators, and the cooperation of Senator GRASSLEY and other Republicans, the bill we will soon pass is a product that, as amended, acknowledges the shared responsibility for the rise in bankruptcies between creditors and debtors, and strives to discourage reckless behavior on both sides of credit transactions.

Mr. DURBIN. I thank my colleague from Maryland for his kind words, and for his assistance in making S. 1301 a bill that the Senate can be proud of.

As Ranking Member of the Senate Committee on Banking, Housing and Urban Affairs, Senator SARBANES has long been interested in the issue of consumer lending practices, and his efforts were invaluable in drawing the necessary connection between increased bankruptcy filings and the lending practices of credit card companies.

Due to the efforts of a number of Democratic Senators, including Senator SARBANES, we were able to have inserted into the managers amendment to this bill a number of important provisions dealing with consumer credit information. These provisions require credit card companies to provide in their monthly statements and initial solicitation materials information that will help consumers manage their finances in a way that will, I believe, obviate the need for bankruptcy in many cases. The bill also now provides for studies regarding (1) the extension of credit to individuals with a high debt-to-income ratio and (2) the use of credit card security interests to coerce reaffirmations of debt in bankruptcy.

In short, we now have before us a bill that is balanced and that is not simply the wish list of the credit card companies. I thank Senator SARBANES for helping to make this possible.

Mr. SARBANES. I thank Senator DURBIN for his kind words. I also note, however, that we still have much work to do in this area. None of the consumer-oriented provisions that we have succeeded in adding to S. 1301 are in the House-passed bankruptcy bill, and I daresay that the credit card companies are less than thrilled with even the modest steps we have taken on behalf of consumers here in the Senate. I ask my colleague from Illinois, is it not safe to expect that there will be efforts during the bankruptcy conference to strip out some of these provisions from the conference report, and to bring to the Senate a bankruptcy bill that is, once again, merely a wish list of the credit card companies?

I further ask my colleague, will we not need to be vigilant in our efforts to preserve these consumer-oriented provisions during the conference?

Mr. DURBIN. My colleague from Maryland sadly may be correct. Neither our Republican colleagues in the House nor the credit card companies are likely to be as enthusiastic as he or I about the efforts at cooperation and compromise that went into crafting the Senate bill.

We will, indeed, have to be vigilant in regard to the consumer-oriented provisions in S. 1301, and I hope that we will be joined in this effort both by our Senate Republican colleagues, who have agreed to accept most of these provisions without any debate, as well as by the White House, which has indicated the importance of preserving the Senate managers' amendment to its own consideration of bankruptcy reform legislation. We have our work cut for us, but I commit to my colleague from Maryland that I will do my utmost to ensure that the bankruptcy conference report contains the vital consumer protections we worked so hard to add to the Senate bill.

Mr. SARBANES. I thank my distinguished colleague from Illinois, and pledge my support for his efforts in this regard. Only if we are able to preserve our hard-fought gains in the Senate in conference will we be able to pass bankruptcy reform legislation that will stand the tests of time and fairness.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

UNANIMOUS CONSENT REQUEST—S. 442

Mr. McCAIN. Mr. President, on behalf of the leader, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to the consideration of Calendar No. 509, S. 442, and it be considered under the following limitations:

The Commerce Committee amendment be agreed to, and the Finance substitute then be agreed to, and the substitute then be considered as original text for the purpose of further amendment. I further ask unanimous consent that the only other amendments in order to the bill be the following:

A managers' amendment; McCain-Wyden amendment extending length of moratorium; Coats, Internet porn, 1 hour equally divided; Bennett amendment, relevant; Senator Kay Bailey Hutchison amendment, relevant; Bond amendment, relevant; Bumpers amendment, mail order; three Enzi relevant amendments; Domenici, an amendment on interest rates; Graham, relevant; Abraham, Government paperwork; and Bumpers, a commission amendment.

I further ask unanimous consent that relevant second-degree amendments be in order to all amendments other than the Coats amendment.

I further ask unanimous consent that there be 2 hours of general debate equally divided on the bill. I finally ask that following the disposition of the above-listed amendments and the expiration of time, the bill be read a third time and the Senate proceed to a vote on passage of the bill with no other intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. I object on behalf of a number of colleagues.

The PRESIDING OFFICER. Objection is heard.

Mr. DASCHLE. Mr. President, let me just explain.

I support this legislation, and I hope we can come to some resolution here. Obviously, this is an important bill that ought to be passed. The problem is that, once again, we are presented with an untenable circumstance. Colleagues on this side of the aisle, certainly through no fault of the distinguished Senator from Arizona, have been precluded, to date, from offering our Patients' Bill of Rights. We are running out of time. We are running out of vehicles. We are running out of opportunities for us to have the kind of debate that we all have asked for and expected to have by this day.

Because we are again put into a difficult position of not knowing how we are going to resolve that outstanding question, recognizing that it is at least as important as this issue, in spite of the fact that I do support S. 442, we are compelled to object today.

My hope is that at some point in the not-too-distant future we can resolve the issue of how we will debate the Patients' Bill of Rights, and we will then resolve our ability to bring up the request made by the Senator from Arizona. So I object at this time with the hope that we can find some resolution at some point soon.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. McCAIN. I ask unanimous consent that the Senate turn to the immediate consideration of S. 442 and that only amendments in order to the bill be relevant amendments.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCAIN. Mr. President, let me just point out that I think the Democratic leader makes a very legitimate point. Obviously, he believes there are very important issues that need to be addressed. The Patients' Bill of Rights is a very important issue. But let me also point out, Mr. President, that we have been working on this legislation for 2 years. All of Silicon Valley, especially the State of Massachusetts as well as other places where high tech is a very important part of the economy of the various States and the Nation, want this bill done.

Senator WYDEN, who is the originator of this bill, and I, along with many others, have worked very hard for a long period of time. We have made concession after concession; we have made compromise after compromise on this bill, including having the Finance Committee play a major role in it. All I hope is that on the Democrat side we can get some agreement to address the Patients' Bill of Rights, and I also ask that we make every effort to get this bill up and passed. We have approximately 11, 12 remaining legislative days, as I understand it.

I respect and understand the objection of the Democratic leader. I hope we can get this issue resolved, up and passed so that we can ensure the future of perhaps one of the most important and vital parts of America's economy.

UNANIMOUS CONSENT AGREEMENT—S. 2279

Mr. McCAIN. So again now, Mr. President, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to S. 2279, the FAA reauthorization, and that the bill be limited to relevant amendments only, of which we will have a list shortly.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCAIN. Mr. President, I know others will want to be recognized for comments, including maybe the Senator from Massachusetts, before we move forward with the FAA bill.

Mr. KENNEDY. I thank the Senator from Arizona.

I just wanted to join in expressing support for our leader's position in raising this extremely important issue, the Patients' Bill of Rights. Our leader, Senator DASCHLE, has indicated a willingness to enter into agreements that would be reasonable and which would permit debate and discussion of these important matters that are at the heart of concerns of millions of American families, and to do it in a way we would not interrupt the important legislation that the Senator from Arizona has identified. We have been frustrated in having that opportunity.

We had similar difficulty earlier in terms of the minimum wage. We were able to address that, not with the outcome that some of us might have hoped but nonetheless we were able to at least get a judgment on that. And we wanted to try to also get a judgment on this matter which is of central concern to families all across this country.

I want to just add my support to the objections of Senator DASCHLE and also to express appreciation to the Senator from Arizona. We know that this is not his decision at this time to be making, but it is a leadership decision.

I thank him for his courtesy and recognize it.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, let me briefly say as well, I support what the Democratic leader is doing on this HMO issue. Hopefully, that matter can be resolved.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I ask unanimous consent I be allowed to speak as in morning business. It is not on this subject matter.

Mr. McCAIN. I object unless I know how long it is.

Mr. DODD. About 5 minutes.

Mr. McCAIN. I have no objection.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Y2K AND MEDICAL DEVICES

Mr. DODD. Mr. President, most of us are aware that there is a very serious computer problem, the year 2000 computer problem or Y2K problem, which has the potential to dramatically disrupt our energy, transportation, banking and health sectors, just to name a few.

As most of you know, the year 2000 computer technology problem stems from the earlier programing of two digit date codes; many old programs were written assuming the year would begin with "19." Therefore the year-2000 computer problem means that if an unknown number of programs and microchips around the world aren't fixed or replaced, computers that read "00" as the year 1900, not 2000 will fail or malfunction on January 1, 2000.

To correct this problem millions of dollars have been earmarked by government and industry to identify, correct and test the millions of lines of code and embedded chips that perform mission-critical functions.

Senator BENNETT and I co-chair the Senate's Year 2000 Committee and we are actively reviewing the progress of U.S. industry and government agencies. Both must bring their own systems into compliance and the government agencies must monitor the compliance status of the areas that they regulate.

This is truly a world-wide phenomenon, and while the United States is doing a pretty good job of playing catch up, many nations of the world have hardly begun to address their own year 2000 or Y2K problems.

From time to time I will come to the Senate floor to brief the other Members and the public on the progress of the committee's work and the highlight problems areas.

One such problem area was highlighted during the committee's hearing on health concerns. Whereas, in many industries, there are areas termed mission-critical which refers to embedded or coded systems without which the primary objective of that system fails. In the health field, there are life-critical systems which sustain human life. An example of a life-critical embedded system would be a cardiac monitor in the intensive-care unit of a hospital. If it fails, the patient could lose his or her life.

With this in mind I was deeply disturbed to learn, during one of the committee's earlier hearings, that the FDA's attempts to survey and document year 2000 compliance within the medical device industry had indicated an unacceptable low level of response. At the committee's July 23, 1998 hearing on the health care industry, I was shocked by the fact that instead of taking steps to deal with this problem, the medical device industry, as a whole, at that time, seemed to be exacerbating the problem by refusing to provide information either to the FDA or to even the hospitals and clinics which use the devices every day. I made it clear that this sort of attitude was stunningly short-sighted and could only cause harm to both the makers and users of these devices. Indeed, the committee learned that the FDA on June 28, 1998 requested that the nearly 2000 medical device manufacturers immediately respond and indicate their level of year 2000 compliance. This initial lack of response was indeed irresponsible. According to the FDA, of the nearly 1,935 medical manufacturers surveyed, approximately 755 replied.

Let me repeat this. Of the nearly 2,000 manufactures of life-critical medical devices, the FDA tells us that less than 40 percent responded to the oversight agency tasked with insuring that critical medical devices still work when you and I and the people we love are in need and might depend on this sophisticated equipment.

Again this is unacceptable. I am therefore submitting a list of those manufacturers that did not reply to the FDA's request for information to the RECORD for all Americans to see. It is my hope that these companies quickly comply and provide information as to the year 2000 readiness of these critical medical devices. It is also my hope that this will serve as a wake up call to other industries to be vigilant, responsible and pro-active in their efforts to insure that Americans wake up to a wonderful new year on January first of the year 2000.

Mr. President, I ask unanimous consent the list of these companies be printed in the RECORD. I understand the Government Printing Office estimates the cost of printing this list to be $1,426.00.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMPANY, CITY, STATE OR COUNTRY

3d Ultrasound, Inc., Durham, NC; 3m, Tustin, CA; 3m Health Care, Ann Arbor, MI; A. Stein-R.A. Consulting, Ginot Shomron, Israel; A.S. Laerdal, Stavanger, Norway; A.Z.E. Medical, Inc., Brooklyn, NY; Abaxis, Inc., Sunnyvale, CA; Absolute X-Ray Corp., New York City, NY; Abtek Biologicals, Ltd., Liverpool, United Kingdom; Accumed Intl., Inc., Chicago, IL; Accumed Intl., Inc., Westlake, OH; Accutome, Inc., Malvern, PA; Actimed Laboratories, Inc., Burlington, NJ; Acuson Corp, Mountain View, CA; Adac Medical Technologies, Washington, MO; Adac Laboratories, Milpitas,CA.

Adac Health Information Systems, Houston, TX; Adapteck, Inc, Des Plaines, IL; Advance Scientific, Inc, Guaynabo, PR; Advanced Biomedical Devices, Inc, Andover, MA; Advanced Medical Instruments, Inc, Broken Arrow, OK; Advanced Bio-Science, Inc, Santa Clara, CA; Advanced Radiation Therapy, Cordova, TN; Advanced Nuclear Imaging Corp, Hollywood, FL; Advanced Medical Products, Inc, Columbia, SC; Advantage Medical Division of CME Telemetrix, London, Canada; Aerosport, Inc, Ann Arbor, MI; AFP Imaging Corp, Elmsford, NY; Agfa-Gevaert, NV, Mortsel, Belgium.

Air Tecniques Inc, Hicksville, NY; Air Liquide-Big Three, Inc, Houston, TX; Airgas Northeast Inc, Salem, NH; Airgas South Inc, unknown, unknown; Airgas Specialty Gases, Theodore, AL; Airgas South, Marietta, GA; Airgas Mid-Atlantic Inc, Linthicum, MD; Airgas-Mid South Inc, Tulsa, OK; Airgas-Northern California & Nevada, San Leandro, CA; Airsep Corp, Buffalo, NY; Aiv Systems, Inc, Berlin, NJ; Alaris Medical Systems, Inc, San Diego, CA; Alban Scientific, Inc, St Louis, MO.

Albyn Medical Limited, Dingwall, United Kingdom; Alcon Laboratories, Ft Worth, TX; Alcopro, Inc, Knoxville, TN; Alerchek, Inc, Portland, ME; Alert Care, Inc, Mill Valley, CA; Alexander Mfg Co, Mason City, IA; Alfa Biotech Spa, Pomezia Rome, Italy; Alko Diagnostic Corp, Holliston, MA; Aloka Co, Ltd, Tokyo, Japan; Alpha Biomedical Laboratories, Bellevue, WA; Alpha Antigens, Inc, Columbia, MO; Althin Medical, Miami Lakes, FL; Alvar, Northbrook, IL; Alza Corp, Palo Alto, CA; Ambulatory Monitoring, Inc, Ardsley, NY; Amcest Corporation, Roselle, NJ.

American Technology Exchange, Inc, Island Lake, IL; American X-Ray Co, Inc, Knoxville, TN; American Science & Engineering, Inc, Billerica, MA; American Laboratory Products, Windham, NH; American Qualex, Inc, San Clemente, CA; American Blood Resources Assn, Annapolis, MD; American Bio Medica Corp, Ancramdale, NY; American Research Products Co, Solon, OH; American National Red Cross, Arlington, VA; American Medical Systems, Inc, Minnetonka, MN.

Ameriwater, Dayton, OH; Amersham Holdings, Inc, Arlington Heights, IL; Amico Lab, Inc, Nashville, TN; Amlab, Nynashamn, Sweden; Ampcor Diagnostics, Inc, Bridgeport, NJ; Amsino Intl, Inc, Pomona, CA; Amuchina Intl, Inc, Gaithersburg, MD; Analyte Diagnostics, Inc, Hallandale, FL.

Analytic Bio-Chemistries, Inc, Feasterville, PA; Ancorvis Prof Morandi

SRL, Bolonga, Italy; Andries Tek Incorporated, Austin, TX; Anesthesia Equipment Supply, Inc, Black Diamond, WA; Anesthesia Recording, Inc, Pittsburg, PA; Anesthesia Association, Inc, San Marcos, CA; Angiodynamics, Inc, Queensbury, NY; Angiodynamics, Ltd, County Wexford, Ireland; Anzai Medical Co, Ltd, Tokoyo, Japan; Aoot Zavod Komponent Moscow, Russia; Apcot Medical Systems, Philadelphia, PA; Apelex, Bagneux, France; Apheresis Technologies, Inc, Palm Harbor, FL; Apollo Dental Products, Inc, Clovis, CA; Apothecary Products, Inc, Burnsville, MN; Applied Cardiac Systems, Laguana Hills, CA; Applied Membranes, Inc, San Marcos, CA; Applied Water Engineering, Inc, Salt Lake City, UT; Applied Biometrics, Inc, Burnsvile, MN; Applied X-Ray Technologies, Inc, Denver, CO; Applied Science Group, Inc, Bedford, MA; Applied Sciences Corp, Hsinchu City, China; Aquamatch, Inc, Laguana Hills, CA; Areeda Assoc, Ltd, Los Angeles, CA; Arndorfer Medical Specialties, Greendale, WI; Aspect Medical Systems, Inc, Natick, MA; Associates In Reliable Medical Systems Corp, Inc, Pt Charlotte, FL.

Astraea, Richmond, VA; Atl-Echo Ultrasound, Reedsville, PA; Atlas Researches, Ltd, Hod Hasharon, Israel; Atmos Medizintechnik Gmbh & Co, Lenzkirch, Germany; Audo-Aid, Inc, Hato Rey, PR; Augustine Medical, Inc, Eden Prairie, MN; Automated Medical Products Corp, New York, NY; Automated Voice Systems, Inc, Yorba Linda, CA; Automed Corp, Richmond, BC, Canada, Aventric, Technologies, Madison Heights, MI;

Avionics Specialties, Inc, Charlottesville, VA; B Braum Medical, Inc, Irvine, CA; Ballco Products, Greenwich, CT; Ban Nguyen, Westminister, CA; Banta Healthcare Products, Inc, Neenah, WI; Banyan Intl Corp, Abilene, TX; Barex, Ltd, Minneapolis, MN; Bartels, Inc, Issaquah, WA; Base Ten Systems, Inc, Trenton, NJ; Baxter Cardiovascular Group, Irvine, CA; Baxter Research Medical, Inc, Midvale, UT; Bay Shore Medical Equipment Corp, Bayshore, NY; Bay Area Medical Physics, Inc, Aptos, CA; Bayer Corp, West Haven, CT; Bayer Corp, Tarrytown, NY; Bayer Corp, Elkhart, IN.

Bayer Corp, Berkeley, CA; Baylor Biomedical Services, Dallas, TX; Bbi-Source Scientific, Inc, Garden Grove, CA; Beckman Instruments, Inc, Naguabo, PR; Beckman Instruments, Inc, Chaska, MN; Behavioral Technology, Inc, Salt Lake City, UT; Behring Diagnostics, Inc, Westwood, MA; Bei Medical System Co, Inc, Hackensack, NJ;

Beijing Imports, Houston, TX; Benchmark Reagents, Horsham Vic 3400, Australia, Berliner, Corcoran & Rowe, Washington, DC; Berthold Detection Systems, Pforzheim, Germany; BG Imaging Specialties, Inc, The Bronx, NY; Biermana and Muserlain, New York, NY; Biex, Inc, Dublin, CA; Bio-Medical Products Corp, Mendham, NJ; Bio-Mechanical Healthcare, Inc, Toronto, Canada; Bio/Data Corporation, Horsham, PA.

Bio-Phase Diagnostics Laboratory, Mississauga, Ontario, Canada; Bio-Analytics Laboratories, Inc, Palm City, FL; Bio-Whittaker, Inc, Walkersville, MD; Bio-Test Medical, Inc, Gibsonia, PA; Bio-Tek Instruments, Inc, Winooski, VT; Bio-Instrumentation, Inc, Goleta, CA; Bio-Clin, Inc, St. Louis, MO; Bio-Logic Systems Corp, Mundelein, IL; Bio-Rad Laboratories Gmbh, Munchen, Germany; Bioanalytical Systems, Inc, West Lafayette, IN; Biochem Immunosystems, Inc, Allentown, PA.

Biochemical Diagnostic, Inc, Brentwood, NY; Biochemical Trade, Inc, Miami, FL; Biocon Do Brasil Industrial, Ltd, Rio De Janeiro, Brazil; Biodex Medical Systems, Inc, Shirley, NY; Biofeedback Instruments, Inc, New York, NY; Biofield Corp, Roswell, GA; Biogenetic Technologies, Inc, Tampa, FL; Biokinetix Corp, Stamford, CT; Biokit SA, Barcelona, Spain; Biomed Healthcare, Inc, Irvine, CA; Biomerieux Sa, Marcy Letoile, France; Bionostics, Inc, Acton, MA; Biopool Intl, Inc, West Chester, PA; Biopool Intl, Inc, Ventura, CA; Biosensor Corp, Maple Grove, MN.

Biosolve, Issaquah, WA; Biosyn, Ltd, Belfast, Ireland; Biosys Co, Ltd, Seoul, Korea; Biosystems, SA, Barcelona, Spain; Biotecx Laboratories, Inc, Houston, TX; Biotronik, Inc, Lake Oswego, OR; Biozonics, Inc, Mequon, WI; Blackhawk Biosystems, Inc, San Ramon, CA; Blood Trac Systems, Inc, Toronto, Canada; Blood Systems, Inc, Scottsdale, AZ; Blood Bank Computer Systems, Inc, Auburn, WA; Blue Spring Corp, Port Lavaca, TX; Bnos Meditech Ltd, Essex, United Kingdom; Bobes SA, Madrid, Spain; Body Watch, Inc, Winston-Salem, NC; Boehringer Mannheim Corp, Indianapolis, IN.

Boehringer Biochemia Robin, SPA, Monza, Italy; Boehringer Mannheim Corp, Pleasanton, CA; Booth Medical Equipment Co, Inc., Alexander, AR; Borgatta, Mexico City, Mexico; Boston Medical Products, Inc, Westborough, MA; Boston Scientific Corp, Natick, MA; Bowles, Keathing Epsteen Hering & Lowe Chartere, Chicago, IL; Boyce Regulatory & Quality Consulting, Dallas, TX; Braemer Corporation, Burnsville, MN; Brainlab Gmbh, Heimstetten, Germany; Brand X-Ray Co, Inc, Addison, IL; Brooks Medical Systems, Inc, Everett, WA; Bruce Med Supply, Waltham, MA.

Brunswick Biomedical Technologies, Wareham, MA; Buckman Co, Inc, Concord, CA; Buffington Clinical Systems, Cleveland, OH; Buhlmann Laboratories, Schonenbuch, Switzerland; Burke Neutech, Inc, St Petersburg, FL; Burkhart Raentgen, Inc, St Petersburg, FL; Buxton Biomedical, Inc, Mountain Lakes, NJ; C & C Oxygen Co, Chattanooga, TN; Caliber Medical Corp, Reno, NV; Calibur Dental Technologies, Inc, King City, Canada; Cambridge Heart, Inc, Bedford, MA.

Cameron Medical Corp, South Gate, CA; Camtronics, Ltd, Hartland, WI; Canon USA, Inc, Lake Success, NY; Canwest Medictex, Inc, Vancouver, Canada; Canyon Diagnostics, Inc, Anaheim, CA; Capintec, Inc, Pittsburgh, PA; Caprius, Inc, Wilmington, MA; Cardiac Pacemakers, Inc, St Paul, MN; Cardiac Telecom Corp, Turtle Creek, PA; Cardiac Evaluation Center, Inc, Milwaukee, WI; Cardiac Care Units, Inc, Woodlands Hills, CA; Cardiac Science, Inc, Irvine, CA; Cardio Control; The Netherlands, Netherlands, Cardio Technics, SA, Puebla, Mexico.

Cardiodynamics International Corp, San Diego, CA; Cardiodyne, Inc, Irvine, CA; Cardiovascular Diagnostics, Inc, Raleigh, NC; Caring Technologies, Inc, Bethesda, MD; Caroba Plastics, Inc, Englewood, CO; Carolina Liquid Chemistries Corp, Brea, CA; Carter-Wallace, Inc, Cranbury, NJ; Cassling Diagnostics Imaging, Omaha, NE; Catalyst Research Corp, Owings Mills, MD; CDC Technologies, Inc, Oxford, CT; Cemax-Icon, Inc, Fremont, CA; Cenogenics Corp, Morganville, NJ.

Cerium Visual Technologies, Ltd, Tenterden, United Kingdom; Cerner Corp, Kansas City, MO; Chadwick Miller, Inc, Canton, MA; Challenge Unlimited, Inc, Alton, IL; Chem-Index, Inc, Hialeah, FL; Chembio Diagnostic Systems, Inc, Medford, NY; China National Medicines & Health Products, Beijing, China; Chisolm Biological Laboratory, Aiken, SC; Chori America, Inc, New York, NY; Cimetra, West Chazy, NY; Cine Graphics, Inc, Grand Prairie, TX; Circuit Board Assemblers, Inc, Youngsville, NC; Cirrus Air Technologies, Locust Valley, NY; Clin-Chem Mfg, Minden, NV.

Clinetics Corporation, Tustin, CA; Clinical Standards Laboratories, Inc, Rancho Dominguez, CA; Clinical Diagnostics, Inc, Chester, SC; Clinico, Bad Hersfeld, Germany; Clinicomp International, Inc, San Diego, CA; Clover International Corp, Tokyo, Japan; Cobe Cardiovascular, Inc, Arvada, CO; Cobe Bct, Inc, Lakewood, CO; Coeur Laboratories, Inc, Raleigh, NC; Colin Corp, Komaki City, Japan; Colin Medical Instruments Corp, San Antonio, TX; Colorado Medtech, Inc, Longmont, CO; Columbis Scientific, Inc, Columbia, MD; Columbus Instruments Intl Corp, Columbus, OH.

Combined Instruments, Ltd, Sailkot, Pakistan; Comet AG, Liebefeld, Switzerland; Communications & Power Industries Canada, Inc, Georgetown, Canada; Composite Health Care System, Falls Church, VA; Composites Horizons, Inc, Covina, CA; Compumedics Sleep Pty Ltd, Melbourne, Australia; Compur-Electronic, Munich, Germany; Computerized Screening, Inc, Sparks, NV; Concord E & I, Woodstock, IL; Consulting Western Services, Lakewood, CA; Consumer Sensory Products, Inc, Palo Alto, CA; Continental Laboratory Products, Inc, San Diego, CA.

Cook Vascular, Inc, Leechburg, PA; Cordis Corporation, Miami Lakes, FL; Cordis Webster, Inc, Baldwin Park, CA; Cordis Corporation, Warren, NJ; Corning Samco Corp, San Fernando, CA; Corning, Inc, Corning, NY; Corp Brothers, Inc, Providence, RI; Cortex Biophysik, Frankfurt, Germany; Cranford X-Ray Co, Houston, TX.

Creative Medical Development, Inc, Nevada City, CA; Creative Biomedics, San Clemente, CA; Creative Health Products, Inc, Plymouth, MI; Critical Care Systems, Inc, Hollywood, FL; Critikon, Tampa, FL; Crossover Industry Products, Inc, Norwalk, CA; Crystal, Berlin, Germany; CTI Pet Systems, Inc, Knoxville, TN; CTI Services, Inc, Knoxville, TN; Custom X-Ray Service, Inc, Phoenix, AZ; Custom Med, Munchen, Germany; Cyberlab, Inc, Brookfield, CT; Cygnus, Inc, Patterson, NJ; Dacomed Corp, Newport Beach, CA; Dade Microscan, Inc, West Sacramento, CA.

Dade Chemistry Systems, Inc, Newark, DE; Dae II Tech Co, Ltd, Seoul, Korea; Daily Medical Products, Inc, San Diego, CA; Danby Medical Ltd, Essex, England; Dantec Medical, Inc, Allendale, NJ; Data Medical Associates, Inc, Arlington, TX; Dav-Mar Medical Products, Inc, Commack, NY; Dayton Water Systems, Dayton, OH; Del Medical Systems Corp, Valhalla, NY; Delta Quality Consulting, Plano, TX; Department of Veterans Affairs, Bay Pines, FL; Department of Veterans Affairs, Washington, DC; Deputy Intl, Ltd, Leeds, United Kingdom; Deroyal Industries, Inc, Powell, TN.

Dexall Biomedical Labs, Inc, Gaithersburg, MD; DGH Technology, Inc, Exton, PA; Diabetes Control & Care Technology, Eden Prairie, MN; Diagnostic Technology, Inc, Hauppauge, NY; Diagnostic Monitoring, Irvine, CA; Diagnostic Medical Systems, Inc, Fargo, ND; Diagnostic Systems Laboratories, Webster, TX; Diagnostic Monitoring Software, Tustin, CA; Diagnostic Resources, Inc, Bay Port, NY; Diagnostic Specialties, Metuchen, NJ; Diagnostic Instruments, Inc, Lorain, OH; Diagnostics Biochem Canada, Inc, London, Canada; Diamedix Corp, Miami, FL.

Diametrics Medical, Inc, Roseville, MN; Diametrics Medical, Ltd, HIgh Wycombe, United Kingdom; Diasorin/American Standard Co, Columbia, MD; Diasorin, Columbia, MD; Diasys Corp, Waterbury, CT; Diatech Diagnostics, Inc, Boston, MA; Difco Laboratories, Inc, Detroit, MI; Digi-Trax Corp, Buffalo Grove, IL; Digicare Biomedical Technology, Inc, West Palm Beach, FL; Digivision, Inc, San Diego, CA; Dimeda Instrumente, Tuttlingen, Germany; Direct Marketing Enterprises Healthhouse, Westbury, NY; Dis-Digital Systems, Inc, Walnut, CA; Disetronic Medical Systems, Minneapolis, MN.

Diversified Electronics Co, Inc, Philadelphia, PA; DM Davis, Inc, New York, NY; Dolphin Imaging Systems, Woodland Hills, CA; Dong-A Medical Imaging, Inc, Santa Fe Springs, CA; Dong Bang, Santa Fe Springs, CA; Dornier Medical Systems, Kennesaw, GA; Dornier Surgical Products, Inc, Phoenix, AZ; DPA Consulting, Inc, Urbanna, VA; Drager, Inc, Telford, PA; DRG International, Inc, Mountainside, NJ; Drug Screening Systems, Inc, Blackwood, NJ; Dynamic Industries Ltd, Siaikot, Pakistan; E K Ind Inc, Joliet, IL; E-Systems Medical Electronics Inc, San Antonio, TX.

E I Du Pont De Nemours and Company, Inc, Wilmington, DE;- E Merck, Darmstadt, Germany; E & M Engineering, Inc, Richmond, VA; Eagle Diagnostics, DeSoto, TX; Eagle Health Supplies, Orange, CA; Eastern Anesthesia, Inc, Newtown, PA; Eastern Export Enterprises, Wazirabad, Pakistan; Eaton Care Telemetry, Inc, Manchester, MI; Edap Technomed, Inc, Burlington, MA; Eigen Video, Nevada City, CA; Eiken Chemical Company, Inc, Venice, CA; Eisner Cit Medizintechnik Gmbh, Balgheim, Germany; Elcat, Gmbh, Wolfratshausen, Germany.

Electron Company, Ltd, Taipei, China; Electron-Catheter, Company, Rahway, NJ; Electronics Controls Design, Inc, Milwaukie, OR; Electronic Monitors International Corp, Euless, TX; Electronic Design & Research, Louisville, KY; Electronic Services Mart, Inc, St. Louis, MO; Elekon Industries USA, Inc, Torrance, CA; Elekta Instruments, Inc, Atlanta, GA; Elema-Schonander, Hoffman Estates, IL; Elgems, Ltd, Haifa, Israel; Elias USA Inc, Osceola, WI.

Em Science, Gibbstown, NJ; Emma Marketing Company, Edison, NJ; Ems Products, Inc, Kirkland, WA; Ems Handelsgesellschaft MBH, Korneburg, Austria; Endocrine Sciences, Calabasas Hills, CA; Endoscopy Technology, Inc, Miami, FL; Endosonics Corp, Rancho Gordova, CA; Enthermics Medical Systems, Inc, Menomonee Falls, WI; Environmental Tectonics Corp, Southampton, PA; Enzo Biochem, Inc, Farmingdale, NY; Ep Medsystems, Inc, Mount Arlington, NJ.

Epoch Pharmaceuticals, Inc, Bothell, WA; Eppendorf Geratebau Netheler & Hinz, Attleboro, MA; Erbrich Instrumente Embh, Tuttlingen-16, Germany; Eschenbach Optik of America, Ridgefield, CT; Eschmann Equipment, Lancing, Sussex, United Kingdom; Eschweiler Gmbh & Company, Kiel, Germany; Estrin Consulting Group, Potomac, MD; Eucardio Laboratory, Inc, San Diego, CA; Euro Advanced Technics, Barcelona, Spain; Europa Scientific, Ltd, Crewe Cheshire, United Kingdom; Ewa Industries, Inc, Miami, FL; Exocell, Inc, Philadelphia, PA; Falcon Surgical Company, Sialkot, Pakistan.

Feinfocus Medizintechnik Gmbh, Garbsen, Germany; Ferring Pharmaceuticals Inc, Tarrytown, NY; Fertility Technologies, Inc, Natick, MA; Fiberstars, Inc, Fremont, CA; Fidelity Medical, Inc, Fairfield, NJ; Fidelity Medical, Inc, Florham Park, NJ; Firehouse Medical, Inc, Anaheim, CA; Fischer Industries Incorporated, Geneva, IL; Fitcraft International, Inc, Rosemead, CA; Flowscan, Inc, Mill Valley, CA; Flowtronics, Inc, Phoenix, AZ; Fmc Bioproducts, Div Fmc Corp, Rockland, ME; Focal Corp, Tokyo, Japan; Focus Biomedical Technologies, Inc, Ontario, Canada.

Forefront Diagnostics, Inc, Laguna Hills, CA; Foshan Analytical Equipment Corporation, Foshan, China; Fresco Podologia S L, Barcelona, Spain; Fresenius Medical Care North America, Lexington, MA; Fukuda Denshi America Corp, Redmond, WA; Fukuda M-E Kogyo Company, Ltd, Tokyo, Japan; Fukuda Denshi Co, LTD, Tokyo, Japan; Futuremed America, Inc, Granada Hills, CA; G & J Electronics, Inc, Ontario, Canada; G U Manufacturing, London, United Kingdom; G Dundas Company, Black Diamond, WA; Gallant International, Inc, Flushing, NY.

Gambro Healthcare, Lakewood, CO; Gamma Biologicals, Inc, Houston, TX; Gammex, Inc, Middleton, WI; Gas Tech, Hillside, IL; Gateway Airgas, St Louis, MO; Gatron Corporation, Woburn, MA; Gds Techology, Inc, Elkhart, IN; Gelco Diagnostics, Inc, Shreveport, LA; Gelman Sciences, Inc, Ann Arbor, MI; Gendex-Del Medical Imaging Corp, Franklin Park, IL; General Laboratory Instruments, Delhi, India; General Medical, Inc, Clearwater, FL; Genesis Medical Technology, Inc, Owings Mills, MD; Genzyme Corp, Cambridge, MA; Geopure Systems & Services, Inc, Orlando, FL; Gerard Enterprises, Inc, Waukesha, WI; Glass Hi Tech Srl, Masera'Di Padova, Italy.

Glaxo Australia Ply Ltd, Victgoria, Boronia, Australia; Global Surgical Corporation, St. Louis, MO; GNS Audiometrics, Inc, Wheeling, IL; Go-Mi, Inc, San Anselemo, CA; Go Medical Industries Pty Ltd, Subiaco Perth, Australia; Golden Pacific Industrial Ltd, Tsuen Wan Nt, Hong Kong; Gordon N Stowe and Associates, Wheeling, IL; Graphic Controls Corp, Buffalo, NY; Great Smokies Diagnostic, Asheville, NC; Grundig Professional Electronics Gmbh, Fuerth/Bavaria, Germany; Guest Medical, Ltd, Edenbridge, Kent, United Kingdom; Gulmay Medical Ltd, Shepperton, Middlesex, United Kingdom.

Hacker Industries, Inc, Fairfield, NJ; Haemonetics Corp, Braintree, MA; Hal-Hen Co Inc, Long Island City, NY; Hamamatsu Corp, Bridgewater, NJ; Hamilton Medical, Inc, Reno, NV; Harley Street Software Ltd, Victoria, BC, Canada; Harpell Associates, Inc, Oakville, Ontario, Canada; Harrigan Medical Products, Inc, Manchester, VT; Harta Corp, Gaithersburg, MD; Hawaii Mega-Cor, Inc, Aiea, HI; Hawksley & Sons Ltd, Lancing, West Sussex, United Kingdom; HBCI, Los Angeles, CA; Health Images, Inc, Alpharetta, GA; Healthcentric, LLC, Secauscus, NJ.

Healthdyne Technologies, Marietta, GA; Heartlab, Inc, Westerly, RI; Heartstream, Inc, Seattle, WA; Helena Laboratories, Beaumont, TX; Helix Diagnostics, Inc, West Sacramento, CA; Heller Laboratories, Sparks, NV; Hermes Systems, SA, Angleur, Belgium; Hi-Tronics Designs, Inc, Budd Lake, NJ; Hichem Diagnostics, Brea, CA; Hill-Rom Air Shields, Hatboro, PA; Hill-Med Inc, Miami, FL; Hillusa, Inc, Miami, FL; Hitachi, Ltd, Hitachinaka, Japan; Hitachi Instruments, Inc, San Jose, CA; Hitachi Science Systems, Ltd, Hitachinaka-Shi, Japan; Hitachi Medical Systems America, Inc, Twinsburg, OH.

Hobbs Medical, Inc, Stafford Springs, CT; Hofmann-Nagel Medical Systems, Inc, Irvine, CA; Hogan & Hartson, Washington, DC; Home Diagnostics, Inc, Fort Lauderdale, FL; Honda Electronics Company, Ltd, Toyohashi, Aichi, Japan; Hope Imaging Corp, Willow Grove, PA; Horizon Medical Products, Inc, Manchester, GA; Horizons Research Laboratories Inc, Margate, FL; Hortmann Ag, Neckartenzlingen, Germany; Hti Technologies, St Petersburg, FL; Hudson Respiratory Care, Inc, Temecula, CA; Hugh Steeper Ltd, London, United Kingdom.

Huntleigh Technology, Inc, Manalapan, NJ; Hycor Biomedical, Inc, Garden Grove, CA; Hyundai Pharmaceutical Ind Co Ltd, Bucheon City, Republic of Korea; I-Fuil Enterprise Company, Ltd, Ping-Tung Hsein, China; I-Flow Corp, Lake Forest, CA; I-Stat Corp, Princeton, NJ; Ia Systems, Inc, Albany, NY; Ibl Gmbh, Hamburg, Germany; Ics Medical Corp, Schaumburg, IL; Ifci/Clonesystems Spa, Casalecchio Di Reno, Italy; Igen International, Inc, Gaithersburg, MD; Ihara Medics US, Inc, Valencia, CA; Image Analysis, Inc, Columbia, KY; Imaging Accessories, Inc, Salt Lake City, UT.

Imatron, Inc, South San Francisco, CA; Immco Diagnostics, Inc, Buffalo, NY; Immunalysis Corp, San Dimas, CA; Immuno Gmbh, Heidelberg, Germany; Immuno Concepts Inc, Sacramento, CA; Immuno-Diagnostic Lab and Products, La Mirada, CA; Immunostics, Inc, Ocean City, NJ; Immunotech Corp, Westbrook, ME; Imnet Systems, Inc, Alpharetta, GA; Infusion Medical, Inc, Wheat Ridge, CO; Innerspace, Inc, Santa Ana, CA; Innogenetics SA, Haven, Sweden; Innomed Systems, Inc, Apopka, FL; Innoserve Technologies, Inc, Arlington, TX; Innovation Instruments Inc, Tallahassee, FL.

Innovative Concept Development, Inc, Littleton, CO; Innovative Imaging, Inc, Sacramento, CA; Innovative Medical Systems Corp, Ivyland, PA; Inovix Imaging Technologies, Inc, Rockville, MD; Instromedix, Inc, Hillsboro, OR; Instrumentarium Imaging, Tuusula, Finland; Instrumentation Laboratory, Lexington, MA; Instrumentation for Medicine, Inc, Greenwich, CT; Integra Biosciences, Inc, Lowell, MA; Integrated Display Technology, Ltd, Hunghom, Hong Kong; Integrated Diagnostics, Inc, Baltimore, MD; Integrity Products, Inc, Grandview, MO.

Integrated Medical Devices Inc, Syracuse, NY; International Newtech Development, Inc, Delta, Canada; International Medical Industries, Coral Springs, FL; International Diagnostics Group Plc, Bury, United Kingdom; International Medical Equipment Brokers, Mandeville, LA; International Hospital Supply Company, Los Angeles, CA; Inventive Products, Inc, Decatur, IL; Inveresk Research (NA), Inc, San Rafael, CA; Invitro Diagnostika Gmbh, Mainz Kastel, Germany; Invivo Research, Inc, Orlando, FL; Ionetics Inc, Fountain Valley, CA; Iowa Doppler Products, Inc, Iowa City, IA.

Ironwood Industries, Inc, Libertyville, IL; Ite Sheltered Workshop, St Louis, MO; Itt Electro Optical Products Div, Roanoke County, VA; IV Diagnostics, Inc, Shelton, CT; J S Biomedicals, Inc, Ventura, CA; J J Consulting Services, Inc, Miami, FL; J & M Cylinder Gases, Inc, Decatur, AL; J & T Instruments, Tuttlingen, Germany; J & S Medical Associates, Inc, Framingham, MA; Jaco Medical Equipment, Inc, San Diego, CA; Jamieson Film Company, Dallas, TX; Jayza Corp, Miami, FL; Jim's Instrument Mfg, Inc, Iowa City, IA; Johnson & Johnson Professionals, Inc, Raynham, MA.

Johnson & Johnson Clinical Diagnostics, Inc, Rochester, NY; Jones Medical Instrument Co, Oak Brook, IL; Jostra USA, Austin, TX; Jouan S A, Saint Herblain, France; Jpi, Inc, Santa Monica, CA; JS & A Group, Las Vegas, NV; Jungwon Precision Ind Co Ltd, Seoul, Republic of Korea; K W Griffen Company, Norwalk, CT; Kam Ma Trading Company, Tsuen Wan, Hong Kong; Kardiosis Ltd Co, Ankara, Turkey; Karmel Medical Acoustic Technologies Ltd, Tirat Hacarmel, Israel; KAS and Associates, Nottingham, United Kingdom; Kasha Software, Inc, Charlotte, NC.

Katecho, Inc, Des Moines, IA; Kaulson Laboratories, Inc, West Caldwell, NJ; Keithley Instruments, Inc, Solon, OH; Keomed, Inc, Minnetonka, MN; Kimble Glass, Inc, Vineland, NJ; King Diagnostics, Inc, Indianapolis, IN; KNC Systems, Inc, Merrimack, NH; Knighton Limited, Buckhurst Hill, Essex, United Kingdom; Koda and Androlia, Los Angeles, CA; Komed, Budapest, Hungary; Konica Corporation, Hino City, Tokyo, Japan; Kontron Instruments Ag, Basel, Schweiz, Germany; Kowa Optimed, Inc, Torrance, CA; Kumar, Inc, Rio Piedros, PR; Kurt K Fetzer, Tuttlingen, Germany.

Kwm Electronics Corp, West Jordan, UT; L–3 Communications Corp, Camden, NJ; L2 Systems, Inc, Austin, TX; La Mont Medical, Inc, Madison, WI; Lab Vision Corp, Fremont, CA; Labconco Corp, Kansas City, KS; Laboratories Knickerbocker, Barcelona, Spain; Laboratory Equipment Corp, Mooresville, IN; Labsystems Oy, Helsinki, Finland; Ladd Research Industries, Inc, Burlington, VT; Lallvet Medical, Inc, West Allis, WI; LC Technologies, Inc, Fairfax, VA; Le Medikon Products Inc, Anaheim, CA; Leocor Inc, Houston, TX; Lexicor Medical Technology, Inc, Boulder, CO.

Life Sciences International, Ltd, Astmoor, Runcorn, Cheshire, United Kingdom; Life Tech International Inc, Stafford, TX; Lifecare Medical International Corp, Philadelphia, PA; Lifeline Systems, Inc, Cambridge, MA; Lifescan, Inc, Milpitas, CA; Lifesensors, Inc, Upper Montclair, NJ; Lifesign LLC, Somerset, NJ; Light Diagnostics, Temecula, CA; Lightner Specialty Gas, Inc, Wichita, KS; Linsure Industries, Ltd, Taipei, Taiwan; Liston Scientific Corp, Irvine, CA; Localmed, Inc, Palo Alto, CA; London Health Sciences Centre, London, Ontario, Canada; Low High Enterprise Co, Ltd, Kaohsiung, China.

Lp Italiana Spa, Milano, Italy; Luminaud, Inc, Mentor, OH; Lumisys, Inc, Tucson, AZ; Lumitex, Inc, Strongsville, OH; Lunar Corp, Madison, WI; Luxilon, Antwerp, Belgium; LXN Corp, San Diego, CA; Lyons Medical Instrument, Sylmar, CA; M I T Service, Inc, San Diego, CA; M & C Specialties Company, Southampton, PA; M A S, Inc, Burlington, NJ; Mabis Healthcare, Inc, Lake Forest, IL; Madsys Inc, Hasbrouck Heights, NJ; Magna Medical, Inc, Miami, FL; Magna-Lab, Inc, Syosset, NY; Magnetic Research, Inc, Provo, UT.

Maine Oxy-Acetylene Supply Company, Auburn, ME; Mallinckrodt Inc, St Louis, MO; Mardx Diagnostics, Inc, Carlsbad, CA; Marox Corporation, Springfield, MA; Marquette Hellige, Freiburg, Germany; Mars Metal Company, Ltd, Yorba Linda, CA; Master-Pak Lab, Inc, Paterson, NJ; Mathys Medical Ltd, Bettlach, Switzerland; Matreya, Inc, Pleasant Gap, PA; Matsuhita Communication Industrial Company, Ltd, Yokohama, Kanagawa, Japan; Maxxim Medical, Inc, Athens, TX; MBI Inc, Las Vegas, NV; Mca Software Services, Inc, Tucson, AZ; Med-Acoustics, Inc, Stone Mountain, GA.

Med-I-Co, Signal Hill, CA; Medamicus, Inc, Minneapolis, MN; Medela Inc, McHenry, IL; Medese Ag, Zurich, Switzerland; Medex, Inc, Hilliard, OH; Medgyn Products, Inc, Oak Brook, IL; Medi Nuclear Corp, Inc, Baldwin Park, CA; Medic, Inc, Omaha, NE; Medical Physics Colorado Inc, Boulder, CO; Medical Information Systems of Maryland, Baltimore, MD; Medical Information Technology, Inc, Westwood, MA; Medical Analysis Systems, Inc, Camarillo, CA; Medical Measurements, Inc, Hackensack, NJ; Medical Technical Gases Inc, Medford, MA; Medical Systems Engineering, Inc, Oakland, CA.

Medical Chemical Corp, Santa Monica, CA; Medical Reports Exchange Inc, Baltimore, MD; Medical Imaging Technology Associates, Inc, Mainland, PA; Medical Knowledge Systems, Inc, Boulder, CO; Medical Systems Engineering, Inc, Baltimore, MD; Medical Data Electronics, Inc, Arleta, CA; Medical Device Industry, St Wendel, Germany; Medication Delivery Devices, Inc, San Diego, CA; Medicor, Budapest, Hungary; Medilink, Montpellier, France; Medim Histotechnologie, Gieben, Germany; Medimatic, New York, NY; Medionics International Inc, Markham, Ontario, Canada.

Medis S R L, Milano, Italy; Medisense, Inc, Bedford, MA; Medisense Contract Manufacturing, Ltd, Abingdon, Oxon, United Kingdom; Medisol Ltd Medical Products, St Louis, MO; Medison America, Inc, Pleasanton, CA; Medisurg Industries, Inc, Herndon, VA; Meditec, Company Ltd, Dongdaemun-Ku, Seoul, Republic of Korea; Mediware Information Systems, Inc, Melville, NY; Medro Systems, Inc, McKinney, TX; Medstone International, Inc, Aliso Viejo, CA; Medsys, Inc, Hasbrouck Heights, NJ; Medtec Corp, Chapel Hill, NC; Medtronic Ps Medical, Goleta, CA.

Medtronic Bio-Medicus, Inc, Eden Prairie, MN; Medtronic Neurological, Minneapolis, MN; Medx, Inc, Arlington Heights, IL; Mela Gmbh Elektromdizin, Munich, Germany; Melco Wire Products Co, Glendale, CA; Memtec Corporation, Salem, NH; Mentor Corp, Santa Barbara, CA; Mercodia, Uppsala, Sweden; Mercury Enterprises, Inc, Clearwater, FL; Merss Corp, Indianapolis, IN; Mesys, Hanover, Germany; Metavox, Inc, Vienna, VA; Metra Biosystems, Inc, Mountain View, CA; Metraco Diagnostics, Inc, Houston, TX; Michigan Airgas, Midland, MI.

Micro Focus Imaging, Inc, Wheeling, IL; Micro-Shev Limited, Efrat, Israel; Micro-Processor Services, Inc, Huntington Station, NY; Micromedical, Inc, Northbrook, IL; Microwave Medical Systems, Inc, Acton, MA; Mie America, Inc, Elk Grove Village, IL; Millar Instruments, Inc, Houston, TX; Millennia Technology, Inc, Cheswick, PA; Mine Safety Appliances, Co, Cranberry Township, PA; Mir Medical International Research, Roma, Italy; Mitsubishi Electronics America, Inc, Somerset, NJ; Mizuho USA, Inc., San Diego, CA; Modular Instruments, Inc., Malvern, PA.

Moduls Data Systems, Inc, Santa Clara, CA; Molecular Bio-Products Service Corp, San Diego, CA; Monarch Medical Equipment, Ltd, Staten Island, NY; Monobind, Costa Mesa, CA; Morgan Medical Ltd, Rainham, Kent, United Kingdom; Mortara Instrument, Inc, Milwaukee, WI; MPI Medical Products, Inc, Miami, FL; MRI Devices Corp, Waukesha, WI; MTC-Quintiles, Rockville, MD; MUI Scientific, Mississauga, Ontario, Canada; Multidata Systems International Corp, St Louis, MO; Multigon Industries, Inc, Yonkers, NY; Multisciences, Inc, Berwick, ME; Multispiro/Creative Biomedics, San Clemente, CA.

MWI, Inc, Dallas, TX; Myraid Ultrasound Systems, Inc, Englewood, NJ; N-Ject LPP, McHenry, IL; Nagase Corp, Tokyo, Japan; National Medical Services, Inc, Willow Grove, PA; National Instrument Company, Inc, Baltimore, MD; NBS Medical, Inc, Costa Mesa, CA; NCS Healthcare of Oklahoma, Del City, OK; NCS Diagnostics, Inc, Etobicoke, Ontario, Canada; Neal Compton Enterprises, Inc, Benicia, CA; Nellcor Puritan Benntt Ireland, Ltd, Galway, Ireland; Nen Life Science Products Inc, Boston, MA; Neogenesis Corp, East Northport, NY.

Neometrics, Inc, East Northport, NY; Neopath, Inc, Redmond, WA; Neoterik Health Technologies, Inc, Woodsboro, MD; Network Concepts Inc, Middleton, WI; Neurocom International, Inc, Clackamas, OR; Neuromedical Systems, Inc, Suffern, NY; Neuroscientific Corp, Penndel, PA; Neurotron, Inc, Lawrenceville, NJ; New York Blood Center, Inc, New York, NY; New Product Development, Inc, East Syracuse, NY; Newmed Corp, Richardson, TX; Nexair, LLC, Memphis, TN; Nexell Therapeutics, Inc, Irvine, CA; Nichimen Europe Plc, Duesseldorf, Germany.

Nichiryo Co Ltd, Tokyo, Japan; Nichols Institute Diagnostics, San Juan, CA; Nicolet Vascular Inc, Golden, CO; Nidek Inc, Fremont, CA; Nihome Seimitsu Sokki, Gunma-Ken, Japan; Nihon Kohden Corp, Tokyo, Japan; Nihon Comac Co Ltd, Matsumoto City, Japan; Nihon Kohden, Irvine, CA; Nipro Company Ltd Research & Overseas Dept, Tokyo, Japan; Noise Cancellation Technologies Inc, Linthicum, MD; Nomos Corp, Lake Worth, FL; Norland Corp, Fort Atkinson, WI; Northeast Monitoring Inc, Sudbury, MA; Northrop Gruman Corp, Pico Rivera, CA; Norwood Coated Products, Frazer, PA.

Nova Biomedical Corp, Waltham, MA; Nova Technologies Inc, Hauppauge, NY; Novamed Ltd, Jerusalem, Israel; NTL Associates Inc, East Brunswick, NJ; Nubenco Enterprises, Inc, Paramus, NJ; Nuccardiac Software Inc, Yorba Linda, CA; Nuclin Diagnostics Inc, Northbrook, IL; Nxlink Ltd, Richland, WA; O-Two Systems, Mississaugu Ontario, Canada; Occupational Marketing Inc, Houston, TX; Ocenco Inc, Kenosha, WI; Ocular Research Associates Inc, Coconut Creek, FL; Oculus Optikgerate Gmbh, Wetzlar, Germany; Odam, Wissembourg, France.

Oec Medical Systems Inc, Salt Lake City, UT; Oem Systems Co Ltd, Uji-Shi, Japan; Ohlendorf Research Inc, Ottawa, IL; Olympic Controls Corp, Elgin, IL; Olympus America Inc, Melville, NY; Omega Medical Imaging Inc, Sanford, IL; Omron Dalian Co Ltd, Dalian, China; Oncor Inc, Gaithersburg, MD; Opthalmed Inc, San Marcos, CA; Optical Technology Devices Inc, Elmsford, NY; Optima Inc, Tokyo, Japan; Optimed Technologies Inc, Livingston, NJ; Optometrics USA Inc, Ayer, MA; Orbit Inc, Oak Ridge, TN; Organon Teknika Corp, Durham, NC; Organtec, Mainz, Germany.

Orion Diagnostica (Orion Corporation), Espoo, Finland; Orion Research Inc, Beverly, MA; Ortho-Clinical Diagnostics, Inc, Rochester, NY; Ortho-Clinical Diagnostics, Inc, Raritan, NJ; Ortivus Ab, Taby, Sweden; Osim (USA) Inc, Bellevue, WA; Ostemeter Meditech A/S, Horsholm, Denmark; Otago Corp, Ipoh, Malaysia; Oxarc Inc, Pasco, WA; Oxford Medical Inc, Largo, FL; Oxigraf Inc, Mountain View, CA; Oxis International Inc, Portland, OR; Oxygen Therapy Institute, Livonia, MI; Pace Tech Inc., Clearwater, FL, Pacific Pharmaceuticals Inc, San Diego, CA; Packard Bioscience Co, Downers Grove, IL; Pantex—Div Bio-Analysis Inc, Santa Monica, CA; Park Surgical Co, Brooklyn, NY.

Park Medical Systems Inc, Lachine Quebec, Canada; Parks Medical Electronics Inc, Aloha, OR; Parsons Airgras, San Diego, CA;

Particle Data, Inc, Elmhurst, IL; Pasadena Scientific Industries, Pasadena, MD; Paterson Scientific Inc, Paterson, NJ; Payton Associates Inc, Buffalo, NY; PDX Technologies, Westlake Village, CA; Peb Associates, Seargeantsville, NJ; Pemco Inc, Independence, OH; Perimed Inc, Smithtown, NY; Perimed Ab, Jarfalla, Sweden; Perimmune Inc, Rockville, MD; Perkens Electronics Co, Dallas, TX; Perstorp Analytical, Wilsonville, OR; Peter W Seeh Medical, Tuttlingen, Germany.

Pett Electronics Inc, Webster Groves, MO; Phamatech, San Diego, CA; Pharmacia & UpJohn, Kalamazoo, MI; Philips Lighting Co, Somerset, NJ; Philips Medizin Systeme, Hamburg, Germany; Phoenix Biomedical Corp, Norristown, PA; Phycon Medical Sciences, Inc, Tampa, FL; Physio Systems, Inc, Newark, CA; Physio-Dyne Instrument Corp, Farmingdale, NY; Pi Medical, Athens, TN; Pie Medical Equipment BV, Maastricht, Netherlands; Planet Products Corp, Madison, WI; PML Microbiologicals, Wilsonville, OR; Point Plastics, Inc, Petaluma, CA.

Pointe Scientific, Inc, Lincoln Park, MI; Polar Cryogenics, Inc, Portland, OR; PolHiTech SRL, Carsoli, Italy; Poly Scientific Research & Development Corp, Bayshore, NY; Portable Medical Laboratories, Inc, Solana Beach, CA; Positron Corp, Houston, TX; Pratt Medical, Inc, Olathe, CO; Praxair Inc, Middleburg Heights, OH; Praxair Distribution, Middleburgh Heights, OH; Praxair Distribution Southeast Llc, Middleburg Heights, OH; Precise Optics, Bay Shore, NY; Precision Systems, Inc, Natick, MA; Prentke Romich Co, Wooster, OH; Prime Ideas, Inc, Willmar, MN; Princeton Biomeditech Corp, Princeton, NJ.

Priority Healthcare Corp, Altamonte Springs, FL; Prism Microsystems, Ltd, Borehamwood, United Kingdom; Procedure Products, Inc, Vancouver, WA; Progetti SRL, Torino, Italy; Propper Mfg Co, Inc, Long Island City, NY; Protel USA, LLC, Wyckoff, NJ; Prucka Engineering, Inc, Houston, TX; Przybyla and Associates, Inc, Tomball, TX; Pt Dharma Medipro, Tangerang, Indonesia; Pulmonary Data Services Inst, Inc. Louisville CO; Pulmonox Research & Development, Tofield, Canada; Pulse Metric, Inc, San Diego, CA; Pulse Biomedical, Inc, Norristown, PA.

Pulse Metric Taiwan, Inc, Taipei, China; Pulse Scientific, Inc, Burlington, Canada; Puritan Bennett Corp, Minneapolis, MN; Puritan Bennett Corp, Carlsbad, CA; Puritan Bennett Corp, Lenexa, KS; Pyramid Biological Corp, Van Nuys, CA; QRS Diagnostic, LLC, Plymouth, MN; Qualis, Inc, Des Moines, IA; Quantimetrix, Redondo Beach, CA; Quantum Life Systems, Inc, Great Meadows, NJ; Quidel Corp, San Diego, CA; Quinton Electrophysiology Corp, Richmond Hill, Canada.

Quinton Instrument Co, Bothell, WA; R & F Imaging Systems, Inc, Smyrna, GA; R2 Diagnostics, Inc, South Bend, IN; Rad-Source, Inc, Coral Springs, FL; Radiation Oncology Computer Systems, Carlsbad, CA; Radiographic Equipment Services, Inc, Riverside, CA; Radiological Specialists, Inc, Van Nuys, CA; Randwal Instrument Co, Inc, Southbridge, MA; Rapid-Aid Ltd, Oakville, Canada; Raymax of Canada, Brampton, Canada; Reflex Industries, Inc, San Diego, CA; Reid & Priest, LLP, New York, NY; Remco Italia, South Pedrino Di Vignate, Italy.

Remedpar, Inc, Goodlettsville, TN; Republic Drug Co, Inc, Buffalo, NY; Research Consultants, Inc, Waco, TX; Respiratory Support Products, Inc, Irvine, CA; Rhomicron Electronica Medica, Buenos Aires, Argentina; Ricca Chemical Co, Arlington, TX; Riverside Corporation, Tokyo, Japan; RJ Harvey Instrument Corp, Hillsdale, NJ; RMC, Tucson, AZ; Roche Diagnostics, Somerville, NJ; Roche Diagnostic Systems, Inc, Somerville, NJ; Rocky Mountain Reagents, Inc, Denver, CO; Rodenstock USA, Inc, Danbury, CT; Roman Vladimirsky, Los Angeles, CA; Rossmax Intl, Ltd, Taipei, China.

Rova Co, Inc, Newbury, OH, Rowley Biochemical Institute, Inc, Danvers, MA; RT Technical Services, Burleson, TX; Rusch, Inc, Duluth, GA; RW Johnson Pharmaceutical, Research Inst, Raritan; S & W Medico Teknik, Aabybro, Denmark; S & M Instrument Co, Doylestown, PA; Sable Industries, Oceanside, CA; Sag Harbor Industries, Inc, Sag Harbor, NY; Saleem Surgico, Sialkot, Pakistan; Samsung-Ge Medical Systems Co, Sungnam-Shi, Korea; San Diego Biotech, San Diego, CA; Sandare International Inc, Cedar Hill, TX; Sanfan Plastic & Rubber Co, Ltd, Chengdu, China.

Sanko Junyaku Co, Ltd, Tokyo, Japan; Sanofi Diagnostics Pasteur, Redmond, WA; Sanofi Diagnostics Pasteur, Marnes-La-Coquette, France; Sanwa Kagaku Kenkyusho, Nagoya, Japan; Sarstedt, Inc, Newton, NC; Sasco, Inc, Charlotte, NC; Sato Light Industry Co, Ltd, Agei-Gun, Japan; Scan Medical, Ltd, Middlesex, United Kingdom; Scanco, Inc, Ithaca, NY; Scanditronix Medical AB, Uppsala, Sweden; Scantibodies Laboratory, Inc, Santee, Ca; SCC, Inc, Hawthorne, CA; Schiapparelli Biosystems, Inc, Fairfield, NJ; Schick Technologies, Inc, Long Island, NY.

Schiff & Co, West Calwell, NJ; Schiller AG, Baar, Switzerland; Schinkoeth Equipamentos Medico-Hospitalares LTDA, Nucleo Bandeirante, Brazil; Schoch Electronics, Regensdorf, Switzerland, Scintillation Technologies Corp, Knoxville, TN; Scribner Browne, Inc, Boulder, CO; Seac SRL, Calenzano, Italy; Sealite Sciences, Inc, Norcross, GA; Sechrist Industries, Inc, Anaheim, CA; See Sea Development, Inc, Seminole, FL; Seiko Instruments, Inc, Chiba-Shi, Japan; Sela Electronic, Inc, New York, NY; Senior Technologies, Inc, Lincoln, NE; Sens-O-Tech Industries, Inc, Tinton Falls, NJ.

Sensor Devices, Inc, Waukesha, WI; Sensormedics Corp, Yorba Linda, CA; Seracare Technology, Austin, TX; Serbio, Gennevilliers, France; Settler Medical Electronics Inc, Winnipeg, Canada; Seward, Ltd, Thetford, United Kingdom; Shandon, Inc, Pittsburgh, PA; Shanghai Medifriend Medical Products, Shanghai, China; Shanghai Joe's Automatic Devices, Inc, Shanghai, China; Shantou Institute of Ultrasonic Instruments, Shantou, China; Shared Systems, Inc, Martinez, GA; Sharper Image Corp, Little Rock, AR; Sharplan Lasers, Inc, Allendale, NJ; Sherwood Medical Co, Hazelwood, MO.

Sherwood Medical Co, Bothell, WA; Shield Diagnostics, Ltd, Dundee, United Kingdom; Siemens Medical Systems, Inc, Concord, CA; Siemens Medical Systems, Inc, Hoffman Estates, IL; Siemens Medical Systems, Issaquah, WA; Siemens Medical Systems, Danvers, MA; Siemens Medical Corp, Iselin, NJ; Sigma Chemical Co, St Louis, MO; Sigma Laboratory Centrifuges, Osterode, Germany; Sigma Diagnostics, Inc, St Louis, MO; Simonsen Medical A/S, Randers, Denmark; Sims Graseby Ltd, Watford, United Kingdom; Sims Portex Ltd, Kent, United Kingdom.

Sims Pneu Pac, Ltd, Luton, United Kingdom; Sinmed BV, Reeuwijk, Netherlands; Sita Associates, Flossmoor, IL; Sitco, Inc, Arlington Heights, IL; Skatron, Inc, Sterling, VA; Sleepnet Corporation, Manchester, NH; SLP, Ltd, Tel-Aviv, Israel; Smithkline Diagnostics, Inc, Sharon Hill, PA; SMV America, Twinsburg, OH; Snap Laboratories, LLC, Glenview, IL; Snijders Analysers BV, Tilburg, Netherlands; So-Cal Airgas, Lakewood, CA; Soft Computer Consultants, Palm Harbor, FL; Solomon Technology Corp, Chandler, AZ; Somanetics Corp, Troy, MI; Somatronix Research Corp, Granby, CT.

Sonar Hearing Health, Eagan, MN; Sono Diagnostics, Inc, Pinellas Park, FL; Sonogage, Inc, Cleveland, OH; Sonosight, Inc, Bothell, WA; Sorba Medical Systems, Inc, Brookfield, WI; Spectronic Instruments, Inc, Rochester, NY; Spirometrics Medical Equipment Co, Auburn, ME; SRD Shorashim Medical, Ltd, DN Misgav, Israel; Stanbio Laboratory, Inc, San Antonio, TX; Standard Scientific, Inc, Hebron, KY; Starkey Laboratories, Inc, Eden Prairie, MN; Statcorp, Inc, Jacksonville, FL; STC Technologies, Inc, Bethlehem, PA; Stemcell Technologies, Inc, Vancouver, Canada.

Stephenson Industries, Inc, Point Pleasant, NJ; Steritek, Inc, Moonachie, NJ; Sterne Manufacturing, Brampton, Canada; St Jude Medical Cardiac Rhythm Management Division, Sylmar, CA; Storch, Amini, & Munves, New York, NY; Stratec Elektronik, Birkenfeld, Germany; Strategic Diagnostics, Inc, Newark, DE; Summit Medical Inc, Palm Harbor, FL; Sun Nuclear Corporation, Melbourne, FL; Sun Biomedical Laboratories, Inc, Blackwood, NJ; Sunquest Information Systems, Inc, Tucson, AZ; Suntex Instruments Co, Ltd, Taipei, China; Superkit Intl, Inc, Miami, FL.

Surgical Navigation Technologies, Broomfield, CO; Surgical Technologies, Inc, Salt Lake City, UT; Surgical Instrument Co of America, Ridgefield, NJ; Surgicon, Ltd, Sialkot, Pakistan; Suzuken Co, Ltd, Hagoya-Higashi, Japan; Swelab Instrument, Stockholm, Sweden; Swemed Lab Intl, Billdal, Sweden; Sybron Intl Corp, Milwaukee, WI; Syntron Bioresearch, Inc, Carlsbad, CA; Sysmex Corp, Long Grove, IL; Systec Computer Associates, Inc, Mount Sinai, NY; Tanabe USA, Inc, San Diego, CA; Tasteful Corporation, Taipei, China; Technical Chemicals & Products, Inc, Ft Lauderdale, FL; Teco Diagnostics, Anaheim, CA; Teco Medical Instruments, Ergoldsbach, Germany.

Telediagnostic Systems, Inc, San Francisco, CA; Telex Communications, Inc, Minneapolis, MN; Terumo Medical Corp, Elkton, MD; Texas Immunology, Inc, Tyler, TX; Texas Intl Laboratories, Inc, Houston, TX; Texas Medical Electronics Co, Houston, TX; The Lahr Consulting Group, Inc, Mahwah, NJ; The Kohl Group, Scottsdale, AZ; The Anson Group, LLC, Indianapolis, IN; The Soule Company, Inc, Tampa, FL; The Perkin-Elmer Corp, Norwalk, CT; Theranol Deglaude Laboratories, Bagneux, France; Theratronics Intl, Ltd, Kanata, Canada; Thermo Separation Products, San Jose, CA.

Timm Research Co, Eden Prairie, MN; Tiyoda Mfg USA, Inc, Torrance, CA; TM Analytic, Inc, Brandon, FL; Toitu of America, Inc, Wayne, PA; Tomtec Imaging Systems, Unterschleissheim, Germany; Top Corp, Tokyo, Japan; Toray Marketing & Sales, Inc, Houston, TX; Toshiba Corp Medical Engineering Center, Otawara-Shi, Japan; Toshiba Corporation, Tochigi-Ken, Japan; Tosoh Medics, Inc, Foster City, CA; Touritu Engineering Co, Inc, Suzuka, Japan; Toys For Special Children, Inc, Hastings on Hudson, NY; Trac Medical, Inc, Raleigh, NC; Trace America, Inc, Miami, FL.

Translite, Sugarland, TX; Tri-Gas, Inc, Irving, TX; Tri-Continent Scientific, Inc, Grass Valley, CA; Trinity Biotech, Dublin, Ireland; Trionix Research Laboratory, Inc, Twinsburg, OH; Tubemaster, Inc, Grand Prairie, TX; U-Med Industrial, Inc, Tokyo, Japan; UGM Medical Systems, Inc, Philadelphia, PA; Ulster Scientific, Inc, New Paltz, NY; Ultravoice, Ltd, Berwyn, PA; UMA, Inc, Dayton, VA; UMM Electronics, Inc, Indianapolis, IN; Unipath, Ltd, Bedford, United Kingdom; United Biotech, Inc, Mountain View, CA; Universal Medical Systems, Inc, Clearwater, FL; Universal Medical Systems, Inc, Bedford Hills, NY.

Unotech Diagnostics, Inc, San Leandro, CA; UO Equipment Co, Houston, TX; Urometrics, Inc, St Paul, MN; US Endoscopy Group, Inc, Mentor, OH; US Filter/Ionpure, Inc, Lowell, MA; US Filter, St Louis Park, MN; US Filter Continental Water Systems, El Paso, TX; US Summit Co, New York, NY; USA Instruments, Inc, Aurora, OH; Validyne Engineering Sales Corp, Northridge, CA; Valmed, Inc, Northboro, MA; Varian Interay, North Charleston, SC; Varian-Tem Ltd, Crawley, United Kingdom; Varian-Arlington Heights, Arlington Heights, IL.

Varian Chromatography Systems, Walnut Creek, CA; Vasculab Medizintechnik, Poel Island, Germany; Versamed, Ltd, Tel-Aviv, Israel; VF-Works, Inc, Palm Harbor, FL; Victor Equipment Co, Denton, TX; Vidamed, Inc, Fremont, CA; Viran Clinical Diagnostics, Inc, Stevensville, MI; Virtual Corp, Portland, OR; Vision Instruments, Ltd, Melbourne, Australia, Visionics Corp, Minneapolis, MN; Vitalcom, Inc, Tustin, CA; Vitalcor, Inc, Westmont, IL; Vitalograph, Inc, Lenexa, KS; VNA Systems, Inc, Atlanta, GA; VSI Radiology, San Diego, CA; Vulcon Technologies, Grandview, MO.

Vygon Corp, East Rutherford, NJ; Wako Chemicals, USA, Inc, Richmond, VA; Wallac, Inc, Akron, OH; Walter Kidde Portable Equipment, Inc, Mebane, NC; Ware Medics Glass Works, Inc, Haverstraw, NY; Warren D. Novak Enterprises, Inc, Chappaqua, NY; Water Solution Technologies, Carlsbad, CA; Wellhofer North America, LLC, Bartlett, TN; Wenzhou Ouhai Medical Instruments Factory, Wenzhou, China; Werner Fischer, Fridingen, Germany; Western Star, Inc, Lake Oswego, OR; Whale Scientific, Inc, Commerce City, CO; Whitmore Enterprises, Inc, San Antonio, TX.

Wien Laboratories, Inc, Succasunna, NJ; Wiener Laboratories, Rosario, Argentina; William E. King, Waukegan, IL; Williams Sound Corp, Eden Prairie, MN; Willie Krawitz, Orange, CA; Wilson Sonsini Goodrich and Rosati, Palo Alto, CA; Winfield Medical, San Diego, CA; Winmed Instruments Mfg. Corp, Taipei, China; Wipro Ge Medical Systems Ltd, Bangalore, India; Wisconsin Pharmacal Co, Jackson, WI; Witt Biomedical Corp, Melbourne, FL; WL Gore & Associates, Inc, Phoenix, AZ; World Wide Plastics, Inc, Trevose, PA; Wuzi Haiying-Cal Tec Electronic Equipment Co., Wuxi, China.

Wyndgate Technologies, Rancho Cordova, CA; Wyrick, Robbins, Yates & Ponton, Raleigh, NC; X R E Corp, Littleton, MA; X-Cel X-Ray Corp, Cystal, Lake, IL; Xenos Medical Systems, Inc, New Canaan, CT; Xerox Adaptive Technologies, Peabody, MA; Xingtai Plastic Medical Apparatus Factory, Xing-Tai, China; Xitron Technologies, Inc, San Diego, CA; Xtec, Inc, Columbia City, IN; Yorke Enterprises, Ltd, Mitcham, United Kingdom; Young Dental Mfg. Co, Brownsville, TX; Ysi, Inc, Yellow Springs, OH; Yukosha Co, Inc, Tokyo, Japan.

Z-Tech, Inc, Charleston, SC; Zaxis Inc, Hudson, OH; Zee Medical, Inc, Irvine, CA; Zenex Corp, Elk Grove Village, IL; Zertl Medical, Inc, Pennington, NJ; Zetek, Inc, Aurora, CO; Zeus Scientific, Inc, Branchburg, NJ; Zewa, Hergiswil, Switzerland; Zimmer Elektromedizin Corp, Irvine, CA.

The PRESIDING OFFICER. The Senator from North Dakota.

INTERNET LEGISLATION AND THE RIGHT TO ADDRESS KEY ISSUES

Mr. DORGAN. Mr. President, going back to the previous discussion on the Internet tax issue that the Senator from Arizona raised, I want to make a comment about both the objection raised by the minority leader, Senator DASCHLE, as well as the bill itself.

The bill started out being a very controversial piece of legislation. There was great disagreement on exactly whether and how to proceed on this issue. But I must say, the Senator from Oregon, the Senator from Arizona, and others have worked with a number of us who have had reservations and concerns about the bill. I think we have made a substantial amount of progress. I expect at some point it will get to the floor of the Senate here, and I will hope to be helpful on a compromise that I think does the right thing.

I always said if the proposition is, let us not apply punitive taxes to the Internet, I am for that. I am for a prohibition against punitive taxes on the Internet. But the way it was described initially, I have a lot of concerns about that. There have been a lot of changes made on this bill and I think the changes made a lot of progress. I compliment the Senator from Arizona and the Senator from Oregon as we continue to discuss this. But I did want to mention one additional point.

The Senator from South Dakota, Senator DASCHLE, was constrained to object. I know the Senator from Arizona understands well the concerns. It is not just about the issue of the Patients' Bill of Rights. We must also find a way to address this agricultural crisis in a satisfactory manner. If we do not, about 20 percent of the family farmers in North Dakota will not be in the field next spring. It is a devastating circumstance in the farm belt.

So the Senator from South Dakota was saying we need somehow to protect our rights to address these key issues. I know the Senator from Arizona acknowledged that he understood that. I just wanted to point out, again, it is not anybody's intention to provide roadblocks. What we want to try to do is see if we can find avenues to address significant and real issues.

Yes, the Internet bill will get here and I think get done at some point. But we need to protect the rights, as legislation brought is to the floor, to deal with the Patients' Bill of Rights and to deal with the agricultural crisis which is potentially so devastating to the farm belt in this country.

I wanted to make that point clear to reinforce the comments made by Senator DASCHLE earlier.

I yield the floor. I know the Senator from Oregon wishes to be recognized.

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I will be brief. First, I thank the Senator from North Dakota for all the work he has done over the last few months on the Internet tax freedom bill. We are going to get there to no small degree because the Senator from North Dakota has worked so closely with us. I thank him for it.

In the last few minutes, we have talked about two extremely important subjects: the question of a Patients' Bill of Rights and the Internet tax freedom bill. Both of these bills are extremely important to me. In fact, shortly after I came to the U.S. Senate in 1996, I offered one of the key provisions in the Patients' Bill of Rights with Senator KENNEDY. It was legislation to ban these gag clauses, these ridiculous provisions in managed care agreements that literally keep physicians from telling their patients about all their health care options. These gag clauses are unconscionable. We received over 50 votes the first time we brought it to the floor of the U.S. Senate, at a time when people knew very little about the subject. I feel very strongly about the Patients' Bill of Rights and, hopefully, we can get an agreement, and I do think we can get an agreement that is bipartisan.

I also want to say, Mr. President, how strongly I feel about passing the Internet tax freedom legislation as well. It is time for the U.S. Senate to begin to write the rules for the digital economy. The Internet is clearly going to be the business infrastructure in the 21st century. Usage is doubling every 60 days, or thereabouts, and it is clear we don't have any ground rules to address the critical issues that involve electronic commerce.

If somebody in Iowa, for example, wants to order fruit from Harry and David's in Medford, OR, ship it to their cousin in Florida, pay for it with a bank card in New York and do it through America Online in Virginia, what are going to be the ground rules with respect to taxes?

What the Internet cannot afford is the development of a crazy quilt of discriminatory taxes with respect to this burgeoning area of our economy. That is why it is so important that the Senate move on this legislation.

I will close by saying a word about the manager of the legislation, the Senator from Arizona. Throughout these many months, the chairman of the Commerce Committee, the Senator from Arizona, and his staff have worked very closely with me and have worked very closely with a host of Members of the U.S. Senate. There have been more than 30 separate changes made in the Internet tax freedom bill from the time it was originally introduced on a bipartisan basis.

I want it understood that a bipartisan effort under the leadership of Chairman McCAIN has been made for many, many months now, involving Senator STEVENS originally, with respect to the Universal Service Fund. Senator DORGAN has had a variety of issues with respect to treatment of the States. Senator BUMPERS has had enormous contributions and questions that we felt had to be addressed, as well as Senators GREGG and ENZI.

I am very hopeful that very shortly this week this legislation is going to be brought to the floor of the U.S. Senate, and I am very hopeful that it can be brought to the floor in a way that will also allow for the important Patients' Bill of Rights legislation to go forward.

I have spent a considerable amount of my time since coming to the U.S. Senate on both of these issues, working on both of them in a bipartisan fashion. I think both of them are now ready for consideration on the floor of the Senate.

I see the chairman of the Commerce Committee is here now and has another important bill to bring up. I will close by, again, expressing my appreciation to him for all the time that he has put in to try to get the Internet tax freedom legislation specifically before the Senate. I believe we are ready now, and certainly those Senators who have brought amendments to the chairman and myself have a right to be heard and they should be heard.

I believe we are ready for an agreement that will protect the rights of every Member of the U.S. Senate and, at the same time, allow the Senate to go forward and take the first steps—it is going to be a long journey—it is time to take the first steps to writing some of the essential rules for the digital economy, the Internet, which is going to so dominate our lives in the next century.

Mr. President, I yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I say to my friend from Oregon, he is too kind in his remarks. The fact is that this legislation was originated by the Senator from Oregon. I have been glad to assist and help in that effort. He has done the heavy lifting. I appreciate his kind remarks.

I assure him that in discussions with the Democratic leader, with Senator DORGAN and others, I am confident that we will get this bill up and done in the next few days. I thank him for all of his efforts.

The Senator from North Dakota mentioned the difficulties in North Dakota. North Dakota has gotten more than its share of natural disasters this year, including one man-made in the form of an airline strike that was very damaging to the economy of his State. I certainly believe that all of us are in sympathy with the agriculture crisis in America.

Mr. President, I have been awaiting the presence of Senator FORD, who is going to manage on the other side. I am a bit reluctant to move forward, so I ask unanimous consent to proceed as in morning business for 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE SITUATION IN KOSOVO

Mr. McCAIN. Mr. President, in the already strife-torn region of the former Yugoslavia, the new year of 1998 was initiated with a new declaration of war. A then-small group of pro-independence rebels calling themselves the Kosovo Liberation Army announced its intention to fight for the independence of the Kosovo region of what remains of Yugoslavia. With the wounds from Bosnia still festering and U.S. and allied troops seemingly locked-into an intractable peacekeeping operation with no end in sight, Europe and the United States once again found themselves with a serious dilemma involving life and death decisions. The subsequent nine months of conflict in the Albanian majority province of Serbia have illuminated the degree to which the enlightened nations of the West continue to wrestle with the most fundamental tenets of conflict prevention and resolution. The results are not impressive.

We have not lacked for rhetoric, but we have proven woefully inadequate at backing up our words with resolute action. Relatively early in the conflict, but long after the gravity of the situation was apparent, Secretary of State Albright warned that Serbia would "pay a price" for its characteristically scorched-earth military campaign against the KLA and its ethnic Albanian supporters. "We are not going to stand by and watch . . .," she declared, while ". . . Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia."

During the June meeting in Luxembourg of the European Union foreign ministers, Britain's Foreign Secretary Robin Cook was quoted as stating, "Modern Europe will not tolerate the full might of an army being used against civilian centers." A few days later, as reported by the Washington Post,

> Yugoslavia's reply to threats of NATO airstrikes could be heard for miles around. The nightly bombardment of border villages occupied by rebels of the Kosovo Liberation Army has unleashed a flood of tens of thousands of refugees. Caught in the cross-fire, they have seen their homes shelled, then torched by government forces in what other nations and international organizations have denounced as "ethnic cleansing".

The next day, NATO fighter jets streaked across Albanian skies in a show of force that was less than the sum of its parts. "I'm very glad," one Albanian said, "because it shows that [NATO is] for the liberation of Kosovo." In less time than it took our fighters to land at Aviano, though, U.S. and allied credibility had descended to new depths, and the victims of Serb aggression were once again lulled into a false sense of security. United States foreign policy in the Balkans has once again been shattered by the reality of a dictatorial regime adept at manipulating the anemic diplomatic process that resulted in tens of thousands of deaths in Bosnia and has now left Kosovo in ruins.

By conducting that aerial show of force back in June without following-through, and by repeatedly allowing the regime of Yugoslav President Slobodan Milosevic to employ his tactics from Bosnia of professing compliance with United Nations demands one day only to return to his policy of ethnic cleansing the next, the United Nations has failed to accomplish the overriding goal for which it was created: the resolution of conflict so that the crimes of the past would not be repeated in the future. Mr. President, the scale of human tragedy before us cries out for a European response that it has heretofore been unwilling to countenance.

There is no question that Russian and Chinese opposition to Security Council resolutions authorizing the use of force to compel Serb compliance has been a serious, and tragic, obstacle to the kind of resolute response circumstances demand. It is also inarguably difficult to castigate the United Nations while simultaneously insisting that United States and NATO policy should not be subordinate to the dictates of the U.N. with regard to a conflict so central to European stability. As is often the case in international relations these days, we do not enjoy the luxury of the level of clarity prevalent during the Cold War when Europe was firmly and evenly divided between competing centers of power.

Europe must take responsibility for the security of the Balkins. The United States cannot and should not be vested with responsibility for maintaining security in the Balkins in perpetuity. Putting aside for a moment the utter inability of the current Administration to articulate and implement a sound policy with regard to Kosovo, both the United States and Europe must come to terms once and for all with the central imperative of supporting diplomacy with force.

Right now, the Serbs are conducting a major offensive against the remnants of the KLA. In fact, this latest offensive cannot truthfully be characterized as counterinsurgency in nature; the cold, hard fact is, as with Bosnia before it, the Serb nation is carrying out the very type of brutal, inhumane ethnic cleansing for which it was universally criticized prior to the Dayton Accords. As with Bosnia, a strong, meaningful—and I emphasize "meaningful"—employment of military power against Serb military forces and associated infrastructure at the outset could have prevented the scale of devastation that has subsequently transpired. Will Europe learn? If history is a guide, the lessons for other peoples subject to domination by stronger neighbors are not positive.

Our former majority leader, Bob Dole, upon returning from Kosovo, stated that "American and European leaders have pledged not to allow the crimes against humanity which we witnessed in Bosnia to occur in Kosovo. But from what I have seen, such crimes are already happening."

Mr. President, prominently displayed in the United Nations building in New York is Picasso's famous and haunting "Guernica." That painting symbolized for the artist the carnage, the human suffering on an enormous scale, that resulted from the Spanish Civil War—a prelude to the Second World War. Perhaps it is too abstract for those countries in the United Nations that oppose the use of force to stop the atrocities that have come to symbolize the former Yugoslavia, or that believe the war in Kosovo is the internal business of Serbia. A few minutes away from here is a reminder of what happens when Edmund Burke's adage that "all that is necessary for the triumph of evil is for good men to do nothing" is ignored.

Ethnic cleansing is not an abstract concept in the Holocaust Memorial Museum. Technology has advanced to wondrous degrees during this century, but the basic nature of man remains the same. He is capable of great good; he is just as equally capable of the kind of actions that have made places like Auschwitz, Cambodia, Rwanda, Srebrenica, the Gulag Archipelego, and Nanking synonymous with sorrow. To this list, will we have to add Kosovo? The situation is clearly not at that stage, but the onset of winter could change that very quickly, with implications that I don't want my small children to have to read about in their history books with shame.

The Europeans have never been very adept at maintaining peace within and between their boundaries. It is instructive that the longest single period of peace the continent has experienced was during the Cold War when the United States stationed over 300,000 troops there. That troop strength has since been reduced by two-thirds, and the stabilizing aspects of the bipolar structure are gone. The turbulence of the post-Cold War world demands a level of competence on the part of those entrusted with our national security and foreign policy that is sadly lacking. The history of the conflicts in Bosnia and Kosovo are histories of threats not carried out and of the strong being outmaneuvered by the weaker. This Administration's conduct of diplomacy with regard to Serbia, North Korea and Iraq is somewhat akin to what would happen if Thucydides' Melian Dialogue were reversed, and the weak were dictating terms to the strong.

But the stakes here are real. The situation in Kosovo is potentially more dangerous than was the case in Bosnia. The KLA's professed long-term goal of uniting the Albanian populations of Kosovo, Macedonia and Albania into a greater Albania cannot be ignored. The conduct of Serbia's campaign against the insurgents similarly holds the potential for spreading beyond the confines of that beleaguered province. We cannot afford the level of diplomatic ineptitude that has been prevalent with regard to the former Yugoslavia since 1992.

The United Nations' stagnation as an instrument of conflict resolution during the Cold War was, to an extent, understandable. Its failure in the Balkans, however, is a very bad omen indeed for its ability to perform its most essential core task. The Clinton Administration's inability to comprehend the limitations of that body—the U.N. is, after all, comprised of nations and not of ideals—do not augur well for the protection of United States security interests abroad. NATO, meanwhile, continues its contingency planning with a range of military options, but anything less than truly decisive force that makes the regime in Belgrade fear for its survival will leave us with a battle yet to be fought, just as it has in Iraq. A token number of cruise missiles will cost a lot of money, but will not accomplish our goals. Missing is a strategy for ending the conflict, vice compelling President Milosevic to agree to talk about negotiations. The employment of military force must be sufficient to destroy the internal power structure that sustains those prosecuting crimes against humanity. In short, NATO must either be prepared to do what militaries are trained to do, prevail, or it will reap limited gains of short duration.

Mr. President, people are dying. Prevarication, the modus operandi of this administration when decisive actions are required, carries a price in lives. The world will look to this body for a glimpse of the level of U.S. resolve, seeing little in the White House. That is a burden we must face with the grace and dignity and moral fortitude that comes from representing the citizens of the greatest country in history. It is a burden that carries with it implications that none should take lightly. Not just in Kosovo but elsewhere where our interests are threatened, the world must know that the United States will stand firm and will not follow the path that leads to the inclusion of more places in the list of sorrow.

Mr. President, last night I was at a function here in Washington. All of us who are Members of the Senate attend many functions, many of them nightly. This was kind of a special evening, at least for many of us, and that is because we honored Senator Bob Dole, our former majority leader of the Senate and former nominee of our party for President of the United States.

Bob Dole gave a moving, persuasive and compelling speech, probably the likes of which I have never heard him give in the many years I have been a friend and a compatriot of Senator Dole.

This speech that he gave last night, Mr. President, was so strong and so compelling that I ask unanimous consent that it, along with my introduction, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JOHN MCCAIN AWARDING THE IRI 1998 FREEDOM AWARD TO SENATOR ROBERT DOLE, SEPTEMBER 22, 1998

If you will permit me, I would now like to talk a little bit about some other attributes of Senator Dole's character. It is my privilege tonight to present the 1998 Freedom Award to Bob, and to make a few, brief remarks explaining why the IRI Board of Directors was pleased to recognize with this award Bob's contribution to the American cause—the cause of freedom.

I am at a little disadvantage, however. Two years ago, when Bob honored me by asking me to place his name in nomination at the Republican Convention in San Diego, I tried as best I could to state succinctly why I admire Bob so much, and why I thought he would make a great president. I fear that there is little I can offer tonight that would be a truer expression of my regard for Bob than the thoughts I offered in that speech. So I thought I would begin by doing what most politicians love to do: and that is, by quoting myself.

I wanted to open my speech in San Diego with a statement that would encompass all the reasons I believe Bob Dole to be such an honorable man; what it was that so distinguished Bob that I thought him worthy to hold the highest office in the land. After considerable thought on the matter, I came up with a description of Bob's character that could also serve as a pretty good definition of patriotism. It reads as follows:

"In America we celebrate the virtues of the quiet hero; the modest man who does his duty without complaint or expectation of praise; the man who listens closely for the call of his country, and when she calls, he answers without reservation, not for fame or reward, but for love. He loves his country."

Today, no less than two years ago, Bob Dole and patriotism are synonymous to me. He loves his country, and has served her faithfully and well all of his adult life. And though his country is honored by his service, he has asked nothing of his country in return save the opportunity to serve her further.

He loves his country's cause, and has since he took up arms many years ago to defend American freedom, been a champion for the cause of freedom wherever it is opposed. He was and is an outspoken advocate for all those who are denied their God-given rights to life, liberty and the pursuit of happiness.

His was among the first voices to bring America's attention to the terrible assault on human life and dignity in Bosnia.

For many years, he has tried to alert the world to the persecution of ethnic Albanians in Kosovo. From the Balkans to Latin America, he has distinguished himself as an ardent defender of the rights of Man, as many people who have struggled courageously to claim those rights would attest.

He has done so, I believe, because he had cause in his life to appreciate how sacred are those rights, and how great are the sacrifices that are too often necessary to defend them.

"There is nothing good about war," Bob once wrote, "for those who have known the horror of battle. Only causes can be good." And of his war, the Second World War, he wrote, "millions of servicemen like myself found a cause to justify the greatest losses."

They were losses that Lieutenant Bob Dole witnessed personally, suffered personally. But the experience did not embitter him, but only reaffirmed for him the nobility of the cause he served. And he has, since the day he lay wounded in a valley in Northern Italy, found his honor in service to that cause.

Speaking of America, Bob could have been speaking of himself when he said that in war, America "found its mission. It was a mission unique in human history and uniquely American in its idealism: to influence without conquest and to hold democratic ideals in sacred trust while many people waited in captivity."

The word "duty" was once as common to our political lexicon as the words "soundbite" and "spin control" are today. We don't hear it mentioned much anymore. Rarely do public office holders offer the pledge that we once expected of all public officials: to do their duty as God has given them light to see it.

Of course, we do have an abundance of pledges in politics today. At times, we seem to be practically drowning in them, and as another election approaches I'm sure we will hear them all more than once. But what we should hear more, what I believe every American wants to hear, is the most solemn promise of all—the promise to put the country's interest before our self-interest.

I think the American people are almost desperate to believe once again that their leaders conceive of their duty in no lesser terms than that: to put the country and its cause first, and to that end, to pledge, as our Founding Fathers once memorably pledged, our lives, our fortunes and our sacred honor.

Bob Dole always construed his duty in those terms, believing that to do otherwise would not only ill-serve his country, but shame him personally. Not once, in his long years of service, has Bob given this country any reason to doubt that he has always done his duty, that he has always put his country first.

Late in 1995, President Clinton decided to commit American troops to Bosnia in the hope that they might keep the peace while the principles of the Dayton Accords took root in that sad country. The decision was not overwhelmingly popular in Congress, even less so among many Republicans who worried that the mission was ill-defined, and the problem too distant from American interests to justify risking American lives. I must admit that I, too, harbored strong doubts, and still do about the mission.

Bob had his misgivings as well, although he believed strongly, devoutly, that rendering assistance to the victims of aggression and unspeakable human atrocities wherever they were suffering was always America's business. So, he resolved to support the President's decision, and win from the Senate he led an expression of our support as well. It was neither an easy task nor a universally popular one within our own caucus.

Bob's opponents for the Republican presidential nomination had already spoken out in opposition to the decision, and were beginning to put extraordinary pressure on Bob to do likewise.

Were he to win the nomination he would be running against the man whose controversial decision to put Americans into harm's way Bob had now resolved to defend. You will remember, at the time, most people expected our soldiers to suffer more than a few casualties. I suspect more than one of Bob's campaign consultants advised him to walk away from the issue; to let someone else assume the burden of supporting our troops. But Bob conceived his duty differently.

He is a good Republican, but he is an American first. He has personal ambitions, but they are secondary to his ideals and his ambitions for his country. The President had decided to send American soldiers to Bosnia, and so they would go. Bob Dole intended to stand with them. They would risk their lives for a just cause. Bob Dole would risk his ambitions for them.

It was a simple, and these days, all too rare act of patriotism from a public servant who cannot conceive of sacrificing his country's interests for personal gain.

I have never been prouder of any man than I was of Bob Dole on that day when he reminded me how great a love is love of country, and how richly God has blessed America to spare us leaders, when we need them most, of courage and conscience.

Bob Dole has, through all the vicissitudes and temptations of a long life in public service, stayed true to his mission, the mission he glimpsed in a long ago battle on a now tranquil field in Italy. He has done his duty, as God gave him light to see his duty. And he has been a credit to America and American ideals.

Bob's hero has always been another Kansan, Dwight David Eisenhower, and he took as the model of faithful, honorable service that exacting sense of duty that characterized Eisenhower's leadership in war and peace. In all the voluminous archives of President Eisenhower's papers, no single article expresses more perfectly his decency, his courage, and his sense of personal responsibility to America than does the statement he wrote on the night before the allied invasion of France.

Prayerful that the invasion would succeed, but prepared for it to fail, General Eisenhower sat down, alone, to write a statement that assigned the blame for the decision should D-Day prove the calamity many feared it would be. He assigned it to himself, and himself alone.

"Our landings in the Cherbourge-Havre area have failed to gain a satisfactory foothold and I have withdrawn the troops. My decision to attack at this time and place was based upon the best information available. The troops, the air and the Navy did all that bravery and devotion to duty could do. If any blame or fault attends to the attempt, it is mine alone."

When, by the end of June 6, it became clear that the allied forces had, against daunting odds, accomplished most of their initial objectives, and the invasion had been a success, Eisenhower simply crumpled up the statement and threw it into a waste basket. His foresighted aide retrieved the paper and persuaded the General to preserve it for posterity so that Americans might someday benefit from his example of patriotism and principled leadership.

It is more than fitting, Bob, that IRI's 1998 Freedom Award include as a testament to your service, a rare copy of the original hand-written note by General Eisenhower provided to us by the Eisenhower Library in Atchison, Kansas. I take great pleasure in presenting it to you along with photograph of the General addressing his troops on the eve of D-Day, and a first edition copy of his personal account of the war, Crusade in Europe.

In addition, IRI is privileged to make a contribution in your name to the cause that is today so close to your heart, and which you serve as National Co-Chairman, the World War II Memorial Campaign. We offer this award to you with the knowledge that it is but a small expression of the esteem you are held in by IRI, everyone here tonight, and by the millions of people whose aspirations IRI was formed to support.

But the most important tribute we can offer you is to simply observe of those Americans who with you once sacrificed for something greater than their self-interest—those who came home with you to the country they loved so dearly, and those who rest forever in the European cemeteries—how proud they must be of you for having honored so well, in the many years since the guns fell silent in Europe, their faith and yours in the America of our hearts, the last, best hope of Earth.

Speech delivered by Senator Bob Dole to the International Republican Institute, September 22, 1998

Senator McCain, Friends, Ladies and Gentlemen: It is a genuine honor to receive the Freedom Award from the International Republican Institute. It is an honor to be recognized by the IRI and also to be in the company of previous recipients, such as President Reagan and Colin Powell.

The IRI has made promoting freedom around the world its mission. In Latin America, Africa and Europe—in countries like Burma, Cambodia, Haiti, and Mexico. Bulgaria, Romania and Belarus, South Africa and Angola, the IRI has worked to promote freedom and in so doing, has made a real difference. Ask President Constantinescu how valuable IRI's training was. The proof was in the stunning 1996 election results that finally put Romania on the road to democracy.

IRI's mission is based on the recognition that there cannot be freedom without democracy, rule of law and free market economics. The IRI's job is to turn the legacy of communism and dictatorship into a future of liberty and prosperity. This is a monumentally important task.

I would like to commend the IRI staff and join in recognizing those staff that are here from Nicaragua, Romania and South Africa. The process of democratization is not an easy one—especially in countries like these which have a recent history of great strife, inequality and lack of liberty. Because of individuals like those recognized this evening and because of organizations like IRI, there is not only hope, but amazing progress—progress that would not have been imaginable two decades ago.

Tonight, I would like to take a few minutes to talk about a matter which I believe is of great importance to America—and of direct relevance to the critically important work of the IRI in fostering freedom. That is the situation in Kosovo.

Last Friday I met with President Clinton and National Security Adviser Berger to discuss this growing crisis. I told them what I witnessed and what I believed must be done. This is what I would like to share with you this evening.

There is a war going on right now in Kosovo because the United States, for nearly a decade, did not make liberty, democracy and free market economics the priority in the former Yugoslavia.

If the United States had made its priority in the former Yugoslavia democracy as opposed to unity, if the United States had promoted reform, instead of status quo, if the United States had isolated dictator Slobodan Milosevic, instead of embracing him, I believe we would not have seen three wars in the Balkans and would not now be witnessing the fourth—and perhaps the most dangerous conflict there since 1991.

Last week, I returned from a human rights and fact-finding mission to Kosovo with the very able Assistant Secretary John Shattuck. I was last in Kosovo in 1990, when the repression against the Kosovo Albanians had just begun. The Kosovars had been stripped of their political autonomy; the beginning of an apartheid-like system was just becoming apparent. Upon my return, I joined the few voices warning the US State Department, Pentagon and White House that war would come to Yugoslavia. And, it did. First Slovenia, then Croatia and not long after, Bosnia.

As terrible as the war in Bosnia proved to be, the war that both the Bush and Clinton administrations feared most was in Kosovo—where it seemed inevitable that conflict would easily spread into neighboring countries, thus destabilizing the entire region. In 1992, President Bush warned Serbian leader Slobodan Milosevic that the United States was prepared to use military force against Serb-instigated attacks in Kosovo. When he took office, President Clinton repeated this so-called "Christmas warning."

Now six years later, Milosevic is again on the warpath. Based on what I saw two weeks ago, there should be no doubt that Serbia is engaged in major, systematic attacks on the people and territory of Kosovo.

Prior to my trip, I had seen some television reports of the suffering in Kosovo. These few images, however, were only a pale reflection of the widespread devastation of lives, property, and society. Many homes have been firebombed; we saw one home ablaze only yards away from a Serb police checkpoint. Entire villages have been abandoned. We encountered armed Serbian police every couple of miles and twenty checkpoints in just six hours.

The Albanians we met—mostly women, children and, the elderly "are living in fear for their lives. They are afraid to go where there are Serb police or other Serb armed forces. And so, despite the near freezing temperatures at night, hundreds of thousands of Kosovar Albanians remain hiding in the hills—without adequate food, water or shelter. Many thousands no longer have homes to return to. The children, in particular, are already showing signs of a vitamin deficient diet; they have sores on their mouths and most have scabies or other skin ailments resulting from a lack of sufficient hygiene. Humanitarian aid personnel are being harassed and even attacked. These aid organizations do not enjoy freedom of access, nor can they bring in certain critical supplies because Belgrade has placed an internal embargo on them.

During our visit, we also heard chilling testimony from eyewitnesses to human rights abuses and atrocities, including direct artillery attacks on civilians; seizures at gun point; and, as in Srebrenica in Bosnia, the separation of women and children from men.

There may be some even in this audience who may think this is a terrible humanitarian disaster, but why is it important to the United States? What does it have to do with freedom and democracy and American interests?

Yes, with hundreds of thousands of displaced persons and winter fast approaching, Kosovo is a humanitarian and human rights catastrophe. However, the problem in Kosovo is not a humanitarian one. It is a political and military crisis, whose most visible symptoms are humanitarian.

And so, while more humanitarian aid is desperately needed, such assistance will not solve the problem. And not solving the problem means that stability in that entire region—from Montenegro to Albania, Macedonia and Greece—is dangerously threatened.

America cannot wait three years, as it did in Bosnia, to deal effectively with this foreign policy crisis. We cannot afford to wait three months—for humanitarian and geo-political reasons. Tiny Montenegro has closed its doors to fleeing Kosovars, burdened under the strain of thousands already seeking refugee there and by the struggle to distance itself from Milosevic. Albania is on the brink of anarchy. In the blink of an eye, violence could spread into Macedonia and tear that fragile new democracy in two.

And what is the American policy response at this moment? Active participation in diplomatic meetings that result in policy statements calling on Slobodan Milosevic to halt his attacks on Kosovo. In short, tough talk and no action.

As in Bosnia, America is asking the victims to negotiate with those who are attacking them. As in Bosnia, there is a real attempt to impose a moral equivalence—this time between Serbian forces and the rag-tag band of Albanians, known as the KLA, who have taken up arms against them. As in Bosnia, the United States is not leading its allies, but hiding behind their indecision. As in Bosnia, instead of firing up the engines, NATO is firing up excuses.

The bottom line is that once again, Western diplomats are trying to avoid the difficult decisions and are desperate not to take on the person most responsible for the misery, suffering and instability not only in Serbia, but the region: Slobodan Milosevic. As my friend Jeane, who is here tonight, has stated, Bosnia represents the single biggest foreign policy failure of the United States since World War II.

Are we ready to repeat that failure?

As the diplomats' argument often goes, the situation on Kosovo is "complicated" and NATO needs UN Security Council authorization to act. Both of these assertions are dead wrong. First, the situation is not complicated. Indeed, it could not be clearer: This is a war against civilians, and we know who is responsible: Slobodan Milosevic. Second, NATO does not need and should not seek UN Security Council resolution authorizing it to take action to respond to a crisis in Europe that threatens stability in the region. All NATO needs is some leaderhsip—from the United States first and foremost, and then from Britain, France and Germany.

Let us not forget that NATO's credibility suffered in Bosnia when it acted as a subcontractor to the United Nations. Tying NATO to the UN now—with respect to Kosovo—will repeat that mistake. And, this time it could have an even more damaging effect on the credibility and relevance of the Atlantic Alliance.

When Secretary Shattuck and I met with Milosevic two weeks ago, he did not act like a man cowering in fear of NATO action. Instead, he acted like a man who had already gotten away with murder and would be rewarded for it. Milosevic denied any offensives were underway or being planned, yet within 36 hours of our departure, a serious offensive was begun in the region of Pec.

The time is long overdue for the US to embrace a policy that will end Milosevic's reign of terror. The United States had the opportunity to do so when Milosevic was shelling the ancient Croatian port city of Dubrovnik in 1991. It did not. The United States had the opportunity again when the citizens of Sarajevo first had to man the barricades of their city in 1992. It did not. The United States had its most significant opportunity to do so at Dayton and did not. Indeed, the Clinton Administration's failure to address the status of Kosovo at Dayton may be the single greatest failure of the already badly-flawed Dayton peace process.

The United States and its NATO allies must press urgently for a cease-fire and a simultaneous withdrawal of Serbian police and military forces by a date certain. the KLA must also commit not to attack. NATO must back this ultimatum with a plan to use major force immediately and effectively against Serb military assets if all of the conditions laid out are not met.

Let me be clear, the only language Milosevic understands is force.

With a cease-fire and withdrawal of all Serbian police and Yugoslavia Army forces, people can safely return to their homes and rebuild their lives with international assistance.

There would also be progress on the diplomatic front. Only if civilians are not under attack can Albanians and Serbian leaders engage in genuine negotiations—on a level playing field—with the goal of achieving a sustainable peace that is built on democratic institutions. Such a peace would guarantee that instability would not spread into Montenegro, Macedonia or Albania.

Let me also emphasize that a peace based on democratic principles and the creation of democratic institutions would also serve to strengthen the position of the fledgling democratic opposition in Serbia—especially by depriving Milosevic of the opportunity to distract Serb citizens from their deteriorating economy and near-pariah position in Europe. Such a deal would provide significant momentum to the democratization process, momentum which the IRI could capitalize on by expanding its programs there.

In conclusion, let me emphasize that half-measures and interim deals will not do. The options are not easy, but that cannot be a justification for Bank-Aid diplomacy. Over the past eight years numerous opportunities have been wasted. American officials at the highest levels have publicly pledged not to allow the crimes against humanity that we witnessed in Bosnia to be repeated in Kosovo. From what I have seen first-hand, such crimes are already occurring—and the ramifications will not be limited to the plight of the Kosovars.

Freedom and liberty—the principles that America stands for—are at stake. American credibility and European stability are on the line. What is urgently needed now is American leadership and a firm commitment to a genuine and just peace in Kosovo. It is my hope that President Clinton will do the right thing and that there will be strong support—among Republicans and Democrats. Many of you here tonight can play a role in forging broad bipartisan support for American resolve to end this conflict once and for all.

Mr. MCCAIN. Mr. President, Senator Dole spoke about the crisis in Kosovo. We all know that with the ongoing scandal in our Nation's Capital, many of our important national security issues are being ignored, whether it be Iraq or Korea or the Middle East peace process. But Bob Dole focused the attention and riveted the attention of the audience last night, as he did in a recent op-ed piece in the Washington Post, on this terrible situation that exists today and the impending terrible tragedies that will ensue in Kosovo with the onset of winter.

Bob Dole pointed out that literally hundreds of thousands of people of Albanian nationality are in the mountains around Kosovo. These people will freeze to death, they will starve to death, and they will die by the thousands and thousands if something isn't done and done quickly.

Bob Dole's speech and his commitment on this issue should serve as a compelling call to this administration to act—to act—on Kosovo in consultation with the Congress of the United States and the American people.

Six months ago, the Secretary of State of the United States of America stated we will not allow the Serbs to do in Kosovo what we have prevented them from doing in Bosnia, and exactly what we prevented in Bosnia is taking place in Kosovo at the cost of possibly hundreds of thousands of innocent lives.

I urge all of my colleagues to read the speech that Bob Dole delivered last night, which has already been printed in the RECORD. Read it and take heed, because I know of no one who has the credentials that Bob Dole has to speak on not only all issues of national security but particularly this issue because of his deep and profound and prolonged involvement, and now very emotional involvement, in this issue.

Mr. SMITH of Oregon. Mr. President, I was inspired to come to the floor to respond and to support the words of my friend from Arizona as he spoke very eloquently and emotionally about the plight of the people of Kosovo. Growing up as a little boy, I have to tell you, I saw, with all Americans, reports and film footage from the Second World War where we saw a holocaust carried out in a previous decade. And I reacted with horror at things that I saw that humankind could do to one another.

It just seemed to me, at a young age, that if we had the ability to stop holocausts in our time that we should. I know we cannot be the policemen of the world, but I am here to tell you we are right now in Bosnia. We supported our President. And we are maintaining peace in Bosnia. But right next door we are witnessing a holocaust unfold before our eyes, and we apparently are paralyzed in our efforts to respond.

Winter is coming, and tens of thousands of Kosovar Albanians are in the hills and will soon die if something is not done to ensure their rights, to ensure their safety, and to stop the bloodshed.

Mr. President, I want to suggest that one person is solely and directly responsible for the catastrophe unfolding before our eyes, and that is President Milosevic of Serbia. He has indicated no willingness to negotiate a solution that will allow the Kosovar Albanians to exercise their legitimate political rights. He is interested in one thing and one thing only—the consolidating and maintaining of his power on that country and region. And he apparently will do anything to ensure that this remains the case.

Mr. President, for months the United States and our allies have stood by and watched one onslaught after another in Kosovo, rendering enormous tragedies in that land; and yet we just respond with critical statements in the face of Serb offenses. For months the United States has told Milosevic that we will not let him get away with in Kosovo what he has done in Bosnia, but yet we do nothing. We do nothing to stop his onslaught. For months, the United States has threatened the use of force if Mr. Milosevic does not take necessary actions to withdraw his forces from Kosovo and to begin a serious process of negotiation.

I am saddened to say the other day a reporter just outside this Chamber asked me if we were doing nothing as a country in the face of this holocaust because of the President's internal difficulties, because of his unwillingness to wag the dog, if you will. I cannot think of anything more indicative of why we need to make sure our Commander in Chief can respond, to have a Commander in Chief that can respond with the integrity of his office. And here we sit paralyzed in the face of unfolding, unspeakable tragedy.

I am here to say one thing to Mr. Milosevic: Our patience in the U.S. Senate is running out. I join the Senator from Arizona, and many others, in saying time has run out and that I will support vigorous and, if necessary, unilateral use of force against Serbian installations in Kosovo and in Serbia proper. It is time for American leadership in Kosovo. It is unfortunate that we have thus far not seen evidence of this from the Clinton administration.

If it is up to Congress to provide the leadership, so be it. I welcome Senator MCCAIN's call for action. I understand the former majority leader, Bob Dole, has made the same call. And I join them today in support of America doing something unilaterally, if necessary, to take action to stop this tragedy, this unfolding holocaust.

Thank you, Mr. President. I yield the floor.

Mr. MCCAIN. Madam President, I now ask for the regular order.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The PRESIDING OFFICER (Ms. COLLINS). Under the previous agreement, the clerk will now report the pending bill, S. 2279.

The bill clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF SECTIONS.

(a) SHORT TITLE.—This Act may be cited as the "Wendell H. Ford National Air Transportation System Improvement Act of 1998".

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:

Sec. 1. Short title; table of sections.
Sec. 2. Amendments to title 49, United States Code.

TITLE I—AUTHORIZATIONS

Sec. 101. Federal Aviation Administration operations.
Sec. 102. Air navigation facilities and equipment.
Sec. 103. Airport planning and development and noise compatibility planning and programs.
Sec. 104. Reprogramming notification requirement.
Sec. 105. Airport security program.
Sec. 106. Contract tower program.

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

Sec. 201. Removal of the cap on discretionary fund.
Sec. 202. Innovative use of airport grant funds.
Sec. 203. Matching share.
Sec. 204. Increase in apportionment for noise compatibility planning and programs.
Sec. 205. Technical amendments.
Sec. 206. Repeal of period of applicability.
Sec. 207. Report on efforts to implement capacity enhancements.
Sec. 208. Prioritization of discretionary projects.
Sec. 209. Public notice before grant assurance requirement waived.
Sec. 210. Definition of public aircraft.
Sec. 211. Terminal development costs.

TITLE III—AMENDMENTS TO AVIATION LAW

Sec. 301. Severable services contracts for periods crossing fiscal years.
Sec. 302. Foreign carriers eligible for waiver under Airport Noise and Capacity Act.
Sec. 303. Government and industry consortia.
Sec. 304. Implementation of Article 83 Bis of the Chicago Convention.
Sec. 305. Foreign aviation services authority.
Sec. 306. Flexibility to perform criminal history record checks; technical amendments to Pilot Records Improvement Act.

Sec. 307. Aviation insurance program amendments.
Sec. 308. Technical corrections to civil penalty provisions.

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

Sec. 401. Restatement of 49 U.S.C. 106(g).
Sec. 402. Restatement of 49 U.S.C. 44909.
Sec. 403. Typographical errors.

TITLE V—MISCELLANEOUS

Sec. 501. Oversight of FAA response to year 2000 problem.
Sec. 502. Cargo collision avoidance systems deadline.
Sec. 503. Runway safety areas.
Sec. 504. Airplane emergency locators.
Sec. 505. Counterfeit aircraft parts.
Sec. 506. FAA may fine unruly passengers.
Sec. 507. Higher international standards for handicapped access.
Sec. 508. Conveyances of United States Government land.
Sec. 509. Flight operations quality assurance rules.
Sec. 510. Wide area augmentation system.
Sec. 511. Regulation of Alaska air guides.
Sec. 512. Application of FAA regulations.
Sec. 513. Human factors program.
Sec. 514. Independent validation of FAA costs and allocations.
Sec. 515. Whistleblower protection for FAA employees.
Sec. 516. Report on modernization of oceanic ATC system.
Sec. 517. Report on air transportation oversight system.
Sec. 518. Recycling of EIS.
Sec. 519. Protection of employees providing air safety information.

TITLE VI—AVIATION COMPETITION PROMOTION

Sec. 601. Purpose.
Sec. 602. Establishment of small community aviation development program.
Sec. 603. Community-carrier air service program.
Sec. 604. Authorization of appropriations.
Sec. 605. Marketing practices.
Sec. 606. Slot exemptions for nonstop regional jet service.
Sec. 607. Secretary shall grant exemptions to perimeter rule.
Sec. 608. Additional slots at Chicago's O'Hare Airport.
Sec. 609. Consumer notification of e-ticket expiration dates.
Sec. 610. Joint venture agreements.
Sec. 611. Regional air service incentive options.
Sec. 612. GAO study of rural air transportation needs.

TITLE VII—NATIONAL PARK OVERFLIGHTS

Sec. 701. Findings.
Sec. 702. Air tour management plans for national parks.
Sec. 703. Advisory group.
Sec. 704. Overflight fee report.

TITLE VIII—AVIATION TRUST FUND AMENDMENTS

Sec. 801. Amendments to the Airport and Airway Trust Fund.

SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—AUTHORIZATIONS

SEC. 101. FEDERAL AVIATION ADMINISTRATION OPERATIONS.

Section 106(k) is amended to read as follows:

"(k) AUTHORIZATION OF APPROPRIATIONS FOR OPERATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for operations of the Administration $5,631,000,000 for fiscal year 1999, $5,784,000,000 for fiscal year 2000, $5,946,000,000 for fiscal year 2001, and $6,112,000,000 for fiscal year 2002. Of the amounts authorized to be appropriated for fiscal year 1999, not more than $9,100,000 shall be used to support air safety efforts through payment of United States membership obligations, to be paid as soon as practicable.

"(2) AUTHORIZED EXPENDITURES.—Of the amounts appropriated under paragraph (1) $450,000 may be used for wildlife hazard mitigation measures and management of the wildlife strike database of the Federal Aviation Administration.

"(3) UNIVERSITY CONSORTIUM.—There are authorized to be appropriated not more than $9,100,000 for the 3 fiscal year period beginning with fiscal year 1999 to support a university consortium established to provide an air safety and security management certificate program, working cooperatively with the Federal Aviation Administration and United States air carriers. Funds authorized under this paragraph—

"(A) may not be used for the construction of a building or other facility; and

"(B) shall be awarded on the basis of open competition.".

SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.

(a) IN GENERAL.—Section 48101(a) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) for fiscal year 1999—

"(A) $222,800,000 for engineering, development, test, and evaluation: en route programs;

"(B) $74,700,000 for engineering, development, test, and evaluation: terminal programs;

"(C) $108,000,000 for engineering, development, test, and evaluation: landing and navigational aids;

"(D) $17,790,000 for engineering, development, test, and evaluation: research, test, and evaluation equipment and facilities programs;

"(E) $391,358,300 for air traffic control facilities and equipment: en route programs;

"(F) $492,315,500 for air traffic control facilities and equipment: terminal programs;

"(G) $38,764,400 for air traffic control facilities and equipment: flight services programs;

"(H) $50,500,000 for air traffic control facilities and equipment: other ATC facilities programs;

"(I) $162,400,000 for non-ATC facilities and equipment programs;

"(J) $14,500,000 for training and equipment facilities programs;

"(K) $280,800,000 for mission support programs;

"(L) $235,210,000 for personnel and related expenses;

"(2) $2,189,000,000 for fiscal year 2000;

"(3) $2,250,000,000 for fiscal year 2001; and

"(4) $2,313,000,000 for fiscal year 2002.".

(b) CONTINUATION OF ILS INVENTORY PROGRAM.—Section 44502(a)(4)(B) is amended—

(1) by striking "fiscal years 1995 and 1996" and inserting "fiscal years 1999, 2000, 2001, and 2002"; and

(2) by striking "acquisition," and inserting "acquisition under new or existing contracts,".

(c) LIFE-CYCLE COST ESTIMATES.—The Administrator of the Federal Aviation Administration shall establish life-cycle cost estimates for any air traffic control modernization project the total life-cycle costs of which equal or exceed $50,000,000.

SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

(a) EXTENSION AND AUTHORIZATION.—Section 48103 is amended by—

(1) striking "September 30, 1996," and inserting "September 30, 1998,"; and

(2) striking "$2,280,000,000 for fiscal years ending before October 1, 1997, and $4,627,000,000 for fiscal years ending before October 1, 1998." and inserting "$2,410,000,000 for fiscal years ending before October 1, 1999, $4,885,000,000 for fiscal years ending before October 1, 2000, $7,427,000,000 for fiscal years ending before October 1, 2001, and $10,038,000,000 for fiscal years ending before October 1, 2002.".

(b) PROJECT GRANT AUTHORITY.—Section 47104(c) is amended by striking "1998," and inserting "2002,".

SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.

Before reprogramming any amounts appropriated under section 106(k), 48101(a), or 48103 of title 49, United States Code, for which notification of the Committees on Appropriations of the Senate and the House of Representatives is required, the Secretary of Transportation shall submit a written explanation of the proposed reprogramming to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 105. AIRPORT SECURITY PROGRAM.

(a) IN GENERAL.—Chapter 471 (as amended by section 202(a) of this Act) is amended by adding the following new section:

"§ 47136. Airport security program

"(a) GENERAL AUTHORITY.—To improve security at public airports in the United States, the Secretary of Transportation shall carry out not less than 1 project to test and evaluate innovative airport security systems and related technology.

"(b) PRIORITY.—In carrying out this section, the Secretary shall give the highest priority to a request from an eligible sponsor for a grant to undertake a project that—

"(1) evaluates and tests the benefits of innovative airport security systems or related technology, including explosives detection systems, for the purpose of improving airport and aircraft physical security and access control; and

"(2) provides testing and evaluation of airport security systems and technology in an operational, test bed environment.

"(c) MATCHING SHARE.—Notwithstanding section 47109, the United States Government's share of allowable project costs for a project under this section is 100 percent.

"(d) TERMS AND CONDITIONS.—The Secretary may establish such terms and conditions as the Secretary determines appropriate for carrying out a project under this section, including terms and conditions relating to the form and content of a proposal for a project, project assurances, and schedule of payments.

"(e) ELIGIBLE SPONSOR DEFINED.—In this section, the term 'eligible sponsor' means a nonprofit corporation composed of a consortium of public and private persons, including a sponsor of a primary airport, with the necessary engineering and technical expertise to successfully conduct the testing and evaluation of airport and aircraft related security systems.

"(f) AUTHORIZATION OF APPROPRIATIONS.—Of the amounts made available to the Secretary under section 47115 in a fiscal year, the Secretary shall make available not less than $5,000,000 for the purpose of carrying out this section.".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of such chapter (as amended by section 202(b) of this Act) is amended by adding at the end the following:

"47136. Airport security program.".

SEC. 106. CONTRACT TOWER PROGRAM.

There are authorized to be appropriated to the Secretary of Transportation such sums as may *be necessary to carry out the Federal Contract Tower Program under title 49, United States Code.*

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.

Section 47115(g) is amended by striking paragraph (4).

SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.

(a) CODIFICATION AND IMPROVEMENT OF 1996 PROGRAM.—Subchapter I of chapter 471 is amended by adding at the end thereof the following:

"§ 47135. Innovative financing techniques

"(a) IN GENERAL.—The Secretary of Transportation is authorized to carry out a demonstration program under which the Secretary may approve applications under this subchapter for not more than 20 projects for which grants received under the subchapter may be used to implement innovative financing techniques.

"(b) PURPOSE.—The purpose of the demonstration program shall be to provide information on the use of innovative financing techniques for airport development projects.

"(c) LIMITATION—In no case shall the implementation of an innovative financing technique under the demonstration program result in a direct or indirect guarantee of any airport debt instrument by the United States Government.

"(d) INNOVATIVE FINANCING TECHNIQUE DEFINED.—In this section, the term 'innovative financing technique' includes methods of financing projects that the Secretary determines may be beneficial to airport development, including—

"(1) payment of interest;

"(2) commercial bond insurance and other credit enhancement associated with airport bonds for eligible airport development; and

"(3) flexible non-Federal matching requirements.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47134 the following:

"47135. Innovative financing techniques.".

SEC. 203. MATCHING SHARE.

Section 47109(a)(2) is amended by inserting "not more than" before "90 percent".

SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COMPATIBILITY PLANNING AND PROGRAMS.

Section 47117(e)(1)(A) is amended by striking "31" each time it appears and substituting "35".

SEC. 205. TECHNICAL AMENDMENTS.

(a) USE OF APPORTIONMENTS FOR ALASKA, PUERTO RICO, AND HAWAII.—Section 47114(d)(3) is amended to read as follows:

"(3) An amount apportioned under paragraph (2) of this subsection for airports in Alaska, Hawaii, or Puerto Rico may be made available by the Secretary for any public airport in those respective jurisdictions.".

(b) SUPPLEMENTAL APPORTIONMENT FOR ALASKA.—Section 47114(e) is amended—

(1) by striking "ALTERNATIVE" in the subsection caption and inserting "SUPPLEMENTAL";

(2) in paragraph (1) by—

(A) striking "Instead of apportioning amounts for airports in Alaska under" and inserting "Notwithstanding"; and

(B) striking "those airports" and inserting "airports in Alaska"; and

(3) striking paragraph (3) and inserting the following:

"(3) An amount apportioned under this subsection may be used for any public airport in Alaska.".

(c) REPEAL OF APPORTIONMENT LIMITATION ON COMMERCIAL SERVICE AIRPORTS IN ALASKA.—Section 47117 is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(d) DISCRETIONARY FUND DEFINITION.—

(1) Section 47115 is amended—

(A) by striking "25" in subsection (a) and inserting "12.5"; and

(B) by striking the second sentence in subsection (b).

(2) Section 47116 is amended—

(A) by striking "75" in subsection (a) and inserting "87.5";

(B) by redesignating paragraphs (1) and (2) in subsection (b) as subparagraphs (A) and (B), respectively, and inserting before subparagraph (A), as so redesignated, the following:

"(1) one-seventh for grants for projects at small hub airports (as defined in section 41731 of this title); and

"(2) the remaining amounts based on the following:".

(e) CONTINUATION OF PROJECT FUNDING.—Section 47108 is amended by adding at the end thereof the following:

"(e) CHANGE IN AIRPORT STATUS.—If the status of a primary airport changes to a non-primary airport at a time when a development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 of this title at the funding level and under the terms provided by the agreement, subject to the availability of funds.".

(f) GRANT ELIGIBILITY FOR PRIVATE RELIEVER AIRPORTS.—Section 47102(17)(B) is amended by—

(1) striking "or" at the end of clause (i) and redesignating clause (ii) as clause (iii); and

(2) inserting after clause (i) the following:

"(ii) a privately-owned airport that, as a reliever airport, received Federal aid for airport development prior to October 9, 1996, but only if the Administrator issues revised administrative guidance after July 1, 1998, for the designation of reliever airports; or".

(g) RELIEVER AIRPORTS NOT ELIGIBLE FOR LETTERS OF INTENT.—Section 47110(e)(1) is amended by striking "or reliever".

(h) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS.—Section 40117(e)(2) is amended—

(1) by striking "and" after the semicolon in subparagraph (B);

(2) by striking "payment." in subparagraph (C) and inserting "payment; and"; and

(3) by adding at the end thereof the following:

"(D) in Alaska aboard an aircraft having a seating capacity of less than 20 passengers.".

(i) PASSENGER FACILITY FEE WAIVER FOR CERTAIN CLASS OF CARRIERS OR FOR SERVICE TO AIRPORTS IN ISOLATED COMMUNITIES.—Section 40117(i) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking "transportation." in paragraph (2)(D) and inserting "transportation; and"; and

(3) by adding at the end thereof the following:

"(3) may permit a public agency to request that collection of a passenger facility fee be waived for—

"(A) passengers enplaned by any class of air carrier or foreign air carrier if the number of passengers enplaned by the carriers in the class constitutes not more than one percent of the total number of passengers enplaned annually at the airport at which the fee is imposed; or

"(B) passengers enplaned on a flight to an airport—

"(i) that has fewer than 2,500 passenger boardings each year and receives scheduled passenger service; or

"(ii) in a community which has a population of less than 10,000 and is not connected by a land highway or vehicular way to the land-connected National Highway System within a State.".

(j) USE OF THE WORD "GIFT" AND PRIORITY FOR AIRPORTS IN SURPLUS PROPERTY DISPOSAL.—

(1) Section 47151 is amended—

(A) by striking "give" in subsection (a) and inserting "convey to";

(B) by striking "gift" in subsection (a)(2) and inserting "conveyance";

(C) by striking "giving" in subsection (b) and inserting "conveying";

(D) by striking "gift" in subsection (b) and inserting "conveyance"; and

(E) by adding at the end thereof the following:

"(d) PRIORITY FOR PUBLIC AIRPORTS.—Except for requests from another Federal agency, a department, agency, or instrumentality of the Executive Branch of the United States Government shall give priority to a request by a public agency (as defined in section 47102 of this title) for surplus property described in subsection (a) of this section for use at a public airport.".

(2) Section 47152 is amended—

*(A) by striking "**gifts**" in the section caption and inserting "**conveyances**"; and*

(B) by striking "gift" in the first sentence and inserting "conveyance".

(3) The chapter analysis for subchapter 471 is amended by striking the item relating to section 47152 and inserting the following:

"47152. Terms of conveyances.".

(4) Section 47153(a) is amended—

(A) by striking "gift" in paragraph (1) and inserting "conveyance";

(B) by striking "given" in paragraph (1)(A) and inserting "conveyed"; and

(C) by striking "gift" in paragraph (1)(B) and inserting "conveyance".

(k) APPORTIONMENT FOR CARGO ONLY AIRPORTS.—Section 47114(c)(2)(A) is amended by striking "2.5 percent" and inserting "3 percent".

(l) FLEXIBILITY IN PAVEMENT DESIGN STANDARDS.—Section 47114(d) is amended by adding at the end thereof the following:

"(4) The Secretary may permit the use of State highway specifications for airfield pavement construction using funds made available under this subsection at non-primary airports with runways of 5,000 feet or shorter serving aircraft that do not exceed 60,000 pounds gross weight, if the Secretary determines that—

"(A) safety will not be negatively affected; and

"(B) the life of the pavement will not be shorter than it would be if constructed using Administration standards.

An airport may not seek funds under this subchapter for runway rehabilitation or reconstruction of any such airfield pavement constructed using State highway specifications for a period of 10 years after construction is completed.".

SEC. 206. REPEAL OF PERIOD OF APPLICABILITY.

Section 125 of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 47114 note) is repealed.

SEC. 207. REPORT ON EFFORTS TO IMPLEMENT CAPACITY ENHANCEMENTS.

Within 9 months after the date of enactment of this Act, the Secretary of Transportation shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on efforts by the Federal Aviation Administration to implement capacity enhancements and improvements, such as precision runway monitoring systems and the time frame for implementation of such enhancements and improvements.

SEC. 208. PRIORITIZATION OF DISCRETIONARY PROJECTS.

Section 47120 is amended by—

(1) inserting "(a) IN GENERAL.—" before "In"; and

(2) adding at the end thereof the following:

"(b) DISCRETIONARY FUNDING TO BE USED FOR HIGHER PRIORITY PROJECTS.—The Administrator of the Federal Aviation Administration shall discourage airport sponsors and airports from using entitlement funds for lower priority projects by giving lower priority to discretionary projects submitted by airport sponsors and airports that have used entitlement funds for projects that have a lower priority than the projects for which discretionary funds are being requested.".

SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE REQUIREMENT WAIVED.

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may not waive any assurance required under section 47107 of title 49, United States Code, that requires property to be used for aeronautical purposes unless the Secretary provides notice to the public not less than 30 days before issuing any such waiver. Nothing in this section shall be construed to authorize the Secretary to issue a waiver of any assurance required under that section.

SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.

Section 40102(a)(37)(B)(ii) is amended—

(1) by striking "or" at the end of subclause (I);

(2) by striking the "States." in subclause (II) and inserting "States; or"; and

(3) by adding at the end thereof the following:

"(III) transporting persons aboard the aircraft if the aircraft is operated for the purpose of prisoner transport.".

SEC. 211. TERMINAL DEVELOPMENT COSTS.

Section 40117 is amended by adding at the end thereof the following:

"(j) SHELL OF TERMINAL BUILDING.—In order to enable additional air service by an air carrier with less than 50 percent of the scheduled passenger traffic at an airport, the Secretary may consider the shell of a terminal building (including heating, ventilation, and air conditioning) to be an eligible airport-related project under subsection (a)(3)(E).".

TITLE III—AMENDMENTS TO AVIATION LAW

SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS CROSSING FISCAL YEARS.

(a) Chapter 401 is amended by adding at the end thereof the following:

"§40125. Severable services contracts for periods crossing fiscal years

"(a) IN GENERAL.—The Administrator of the Federal Aviation Administration may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

"(b) OBLIGATION OF FUNDS.—Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of subsection (a) of this section.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by adding at the end thereof the following:

"40125. Severable services contracts for periods crossing fiscal years.".

SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER UNDER AIRPORT NOISE AND CAPACITY ACT.

The first sentence of section 47528(b)(1) is amended by inserting "or foreign air carrier" after "air carrier" the first place it appears and after "carrier" the first place it appears.

SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.

Section 44903 is amended by adding at the end thereof the following:

"(f) GOVERNMENT AND INDUSTRY CONSORTIA.—The Administrator may establish at airports such consortia of government and aviation industry representatives as the Administrator may designate to provide advice on matters related to aviation security and safety. Such consortia shall not be considered federal advisory committees for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).".

SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE CHICAGO CONVENTION.

Section 44701 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

"(e) BILATERAL EXCHANGES OF SAFETY OVERSIGHT RESPONSIBILITIES.—

"(1) Notwithstanding the provisions of this chapter, and pursuant to Article 83 bis of the Convention on International Civil Aviation, the Administrator may, by a bilateral agreement with the aeronautical authorities of another country, exchange with that country all or part of their respective functions and duties with respect to aircraft described in subparagraphs (A) and (B), under the following articles of the Convention:

"(A) Article 12 (Rules of the Air).

"(B) Article 31 (Certificates of Airworthiness).

"(C) Article 32a (Licenses of Personnel).

"(2) The agreement under paragraph (1) may apply to—

"(A) aircraft registered in the United States operated pursuant to an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in another country; or

"(B) aircraft registered in a foreign country operated under an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business or, if it has no such place of business, its permanent residence in the United States.

"(3) The Administrator relinquishes responsibility with respect to the functions and duties transferred by the Administrator as specified in the bilateral agreement, under the Articles listed in paragraph (1) of this subsection for United States-registered aircraft transferred abroad as described in subparagraph (A) of that paragraph, and accepts responsibility with respect to the functions and duties under those Articles for aircraft registered abroad that are transferred to the United States as described in subparagraph (B) of that paragraph.

"(4) The Administrator may, in the agreement under paragraph (1), predicate the transfer of these functions and duties on any conditions the Administrator deems necessary and prudent.".

SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.

(a) RECIPROCAL WAIVER OF OVERFLIGHT FEES.—Section 45301(a)(1) is amended to read as follows:

"(1) Air traffic control and related services provided to aircraft that neither take off from, nor land in, the United States, other than military and civilian aircraft of the United States Government or of a foreign government, except that such fees shall not be imposed on overflights that take off and land in a country contiguous to the United States if—

"(A) both the origin and destination of such flights are within that other country;

"(B) that country exempts similar categories of flights operated by citizens of the United States from such fees; and

"(C) that country exchanges responsibility for air traffic control services with the United States.".

(b) TECHNICAL CORRECTIONS.—Section 45301 is amended—

(1) by striking "government." in subsection (a)(2) and inserting "government or to any entity obtaining services outside the United States.";

(2) by striking "directly" in subsection (b)(1)(B); and

(3) by striking "rendered." in subsection (b)(1)(B) and inserting "rendered, including value to the recipient and both direct and indirect costs of overflight-related services, as determined by the Administrator, using generally accepted accounting principles and internationally accepted principles of setting fees for overflight-related services.".

SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY RECORD CHECKS; TECHNICAL AMENDMENTS TO PILOT RECORDS IMPROVEMENT ACT.

Section 44936 is amended—

(1) by striking "subparagraph (C))" in subsection (a)(1)(B) and inserting "subparagraph (C), or in the case of passenger, baggage, or property screening at airports, the Administrator decides it is necessary to ensure air transportation security)";

(2) by striking "individual" in subsection (f)(1)(B)(ii) and inserting "individual's performance as a pilot"; and

(3) by inserting "or from a foreign government or entity that employed the individual," in subsection (f)(14)(B) after "exists,".

SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.

(a) REIMBURSEMENT OF INSURED PARTY'S SUBROGEE.—Subsection (a) of 44309 is amended—

(1) by striking the subsection caption and the first sentence, and inserting the following:

"(a) LOSSES.—

"(1) A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

"(A) a loss insured under this chapter is in dispute; or

"(B)(i) the person is subrogated to the rights against the United States Government of a party insured under this chapter (other than under subsection 44305(b) of this title), under a contract between the person and such insured party; and

"(ii) the person has paid to such insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary of Transportation has determined is a loss covered under insurance issued under this chapter (other than insurance issued under subsection 44305(b) of this title)."; and

(2) by resetting the remainder of the subsection as a new paragraph and inserting "(2)" before "A civil action".

(b) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 is amended by striking "1998." and inserting "2003.".

SEC. 308. TECHNICAL CORRECTIONS TO CIVIL PENALTY PROVISIONS.

Section 46301 is amended—

(1) by striking "46302, 46303, or" in subsection (a)(1)(A);

(2) by striking "individual" the first time it appears in subsection (d)(7)(A) and inserting "person"; and

(3) by inserting "or the Administrator" in subsection (g) after "Secretary".

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

SEC. 401. RESTATEMENT OF 49 U.S.C. 106(g).

(a) IN GENERAL.—Section 106(g) is amended by striking "40113(a), (c), and (d), 40114(a), 40119, 44501(a) and (c), 44502(a)(1), (b) and (c), 44504, 44505, 44507, 44508, 44511–44513, 44701–44716,

44718(c), 44721(a), 44901, 44902, 44903(a)–(c) and (e), 44906, 44912, 44935–44937, and 44938(a) and (b), chapter 451, sections 45302–45304," and inserting "40113(a), (c)–(e), 40114(a), and 40119, and chapter 445 (except sections 44501(b), 44502(a)(2)–(4), 44503, 44506, 44509, 44510, 44514, and 44515), chapter 447 (except sections 44717, 44718(a) and (b), 44719, 44720, 44721(b), 44722, and 44723), chapter 449 (except sections 44903(d), 44904, 44905, 44907–44911, 44913, 44915, and 44931–44934), chapter 451, chapter 453, sections".

(b) TECHNICAL CORRECTION.—The amendment made by this section may not be construed as making a substantive change in the language replaced.

SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.

Section 44909(a)(2) is amended by striking "shall" and inserting "should".

SEC. 403. TYPOGRAPHICAL ERRORS.

(a) SECTION 15904.— Section 15904(c)(1) is amended by inserting "section" before "15901(b)".

(b) CHAPTER 491.—Chapter 491 is amended—

(1) by striking "1996" in section 49106(b)(1)(F) and inserting "1986";

(2) by striking "by the board" in section 49106(c)(3) and inserting "to the board";

(3) by striking "subchapter II" in section 49107(b) and inserting "subchapter III"; and

(4) by striking "retention of" in section 49111(b) and inserting "retention by".

(c) SCHEDULE OF REPEALED LAWS.—The Schedule of Laws Repealed in section 5(b) of the Act of November 20, 1997 (Public Law 105–102; 111 Stat. 2217), is amended by striking "1996" the first place it appears and inserting "1986".

(d) AMENDMENTS EFFECTIVE AS OF EARLIER DATE OF ENACTMENT.—The amendments made by subsections (a), (b), and (c) are effective as of November 20, 1997.

(e) CORRECTION OF ERROR IN TECHNICAL CORRECTIONS ACT.—Effective October 11, 1996, section 5(45)(A) of the Act of October 11, 1996 (Public Law 104–287, 110 Stat. 3393), is amended by striking "ENFORCEMENT;" and inserting "ENFORCEMENT:".

TITLE V—MISCELLANEOUS

SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000 PROBLEM.

The Administrator of the Federal Aviation Administration shall report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure every 3 months, in oral or written form, on electronic data processing problems associated with the year 2000 within the Administration.

SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEADLINE.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall require by regulation that, not later than December 31, 2002, collision avoidance equipment be installed on each cargo aircraft with a payload capacity of 15,000 kilograms or more.

(b) EXTENSION.—The Administrator may extend the deadline imposed by subsection (a) for not more than 2 years if the Administrator finds that the extension is needed to promote—

(1) a safe and orderly transition to the operation of a fleet of cargo aircraft equipped with collision avoidance equipment; or

(2) other safety or public interest objectives.

(c) COLLISION AVOIDANCE EQUIPMENT.—For purposes of this section, the term "collision avoidance equipment" means TCAS II equipment (as defined by the Administrator), or any other similar system approved by the Administration for collision avoidance purposes.

SEC. 503. RUNWAY SAFETY AREAS.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall initiate rulemaking to amend the regulations in part 139 of title 14, Code of Federal Regulation—

(1) to improve runway safety areas; and

(2) to require the installation of precision approach path indicators.

SEC. 504. AIRPLANE EMERGENCY LOCATORS.

(a) REQUIREMENT.—Section 44712(b) is amended to read as follows:

"(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

"(1) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft; or

"(2) the aerial application of a substance for an agricultural purpose.".

(b) EFFECTIVE DATE; REGULATIONS.—

(1) REGULATIONS.—The Secretary of Transportation shall promulgate regulations under section 44712(b) of title 49, United States Code, as amended by subsection (a) not later than January 1, 2002.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2002.

SEC. 505. COUNTERFEIT AIRCRAFT PARTS.

(a) DENIAL OF CERTIFICATE.—Section 44703 is amended by adding at the end thereof the following:

"(g) CERTIFICATE DENIED FOR DEALING IN COUNTERFEIT PARTS.—The Administrator may not issue a certificate to anyone convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.".

(b) REVOCATION OF CERTIFICATE.—Section 44710 is amended by adding at the end thereof the following:

"(g) REVOCATION FOR DEALING IN COUNTERFEIT PARTS.—The Administrator shall revoke a certificate issued to anyone convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.".

(c) PROHIBITION ON EMPLOYMENT.—Section 44711 is amended by adding at the end thereof the following:

"(c) PROHIBITION ON EMPLOYMENT OF CONVICTED COUNTERFEIT PART DEALERS.—No person subject to this chapter may employ anyone to perform a function related to the procurement, sale, production, or repair of a part or material, or the installation of a part into a civil aircraft, who has been convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.".

SEC. 506. FAA MAY FINE UNRULY PASSENGERS.

(a) IN GENERAL.—Chapter 463 is amended by redesignating section 46316 as section 46317, and by inserting after section 46315 the following:

"§ 46316. Interference with cabin or flight crew

"(a) IN GENERAL.—An individual who interferes with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft, or who poses an imminent threat to the safety of the aircraft or other individuals on the aircraft, is liable to the United States Government for a civil penalty of not more than $10,000, which shall be paid to the Federal Aviation Administration and deposited in the account established by section 45303(c).

"(b) COMPROMISE AND SETOFF.—

"(1) The Secretary of Transportation or the Administrator may compromise the amount of a civil penalty imposed under subsection (a).

"(2) The Government may deduct the amount of a civil penalty imposed or compromised under this section from amounts it owes the individual liable for the penalty.".

(b) CONFORMING CHANGE.—The chapter analysis for chapter 463 is amended by striking the item relating to section 46316 and inserting after the item relating to section 46315 the following:

"46316. Interference with cabin or flight crew.
"46317. General criminal penalty when specific penalty not provided.".

SEC. 507. HIGHER INTERNATIONAL STANDARDS FOR HANDICAPPED ACCESS.

The Secretary of Transportation shall work with appropriate international organizations and the aviation authorities of other nations to bring about their establishment of higher standards for accommodating handicapped passengers in air transportation, particularly with respect to foreign air carriers that code-share with domestic air carriers.

SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.

(a) IN GENERAL.—Section 47125(a) is amended to read as follows:

"(a) CONVEYANCES TO PUBLIC AGENCIES.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

"(1) shall request the head of the department, agency, or instrumentality owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

"(2) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources if the Secretary—

"(A) determines that the property is no longer needed for aeronautical purposes;

"(B) determines that the property will be used to generate revenue for the public airport;

"(C) provides preliminary notice to the head of such department, agency, or instrumentality at least 30 days before making the request;

"(D) provides an opportunity for notice to the public on the request; and

"(E) includes in the request a written justification for the conveyance.".

(b) APPLICATION TO EXISTING CONVEYANCES.—The provisions of section 47125(a)(2), as amended by subsection (a) apply to property interests conveyed under section 47125 of that title before, on, or after the date of enactment of this Act, section 516 of the Airport and Airway Improvement Act of 1982, section 23 of the Airport and Airway Development Act of 1970, or section 16 of the Federal Airport Act. For purposes of this section, the Secretary of Transportation (or the predecessor of the Secretary) shall be deemed to have met the requirements of subparagraphs (C), (D), and (E) of section 47125(a)(2) of such title, as so amended, for any such conveyance before the date of enactment of this Act.

SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE RULES.

Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a notice of proposed rulemaking to develop procedures to protect air carriers and their employees from civil enforcement action under the program known as Flight Operations Quality Assurance. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule establishing those procedures.

SEC. 510. WIDE AREA AUGMENTATION SYSTEM.

(a) PLAN.—The Administrator shall identify or develop a plan to implement WAAS to provide

navigation and landing approach capabilities for civilian use and make a determination as to whether a backup system is necessary. Until the Administrator determines that WAAS is the sole means of navigation, the Administration shall continue to develop and maintain a backup system.".

(b) Report.—Within 6 months after the date of enactment of this Act, the Administrator shall—

(1) report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure, on the plan developed under subsection (a);

(2) submit a timetable for implementing WAAS; and

(3) make a determination as to whether WAAS will ultimately become a primary or sole means of navigation and landing approach capabilities.

(c) WAAS Defined.—For purposes of this section, the term "WAAS" means wide area augmentation system.

(d) Funding Authorization.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out this subsection.

SEC. 511. REGULATION OF ALASKA AIR GUIDES.

The Administrator shall reissue the notice to operators originally published in the Federal Register on January 2, 1998, which advised Alaska guide pilots of the applicability of part 135 of title 14, Code of Federal Regulations, to guide pilot operations. In reissuing the notice, the Administrator shall provide for not less than 60 days of public comment on the Federal Aviation Administration action. If, notwithstanding the public comments, the Administrator decides to proceed with the action, the Administrator shall publish in the Federal Register a notice justifying the Administrator's decision and providing at least 90 days for compliance.

SEC. 512. APPLICATION OF FAA REGULATIONS.

Section 40113 is amended by adding at the end thereof the following:

"(f) Application of Certain Regulations to Alaska.—In amending title 14, Code of Federal Regulations, in a manner affecting intrastate aviation in Alaska, the Administrator of the Federal Aviation Administration shall consider the extent to which Alaska is not served by transportation modes other than aviation, and shall establish such regulatory distinctions as the Administrator considers appropriate.".

SEC. 513. HUMAN FACTORS PROGRAM.

(a) In General.—Chapter 445 is amended by adding at the end thereof the following:

"§ 44516. Human factors program

"(a) Oversight Committee.—The Administrator of the Federal Aviation Administration shall establish an advanced qualification program oversight committee to advise the Administrator on the development and execution of Advanced Qualification Programs for air carriers under this section, and to encourage their adoption and implementation.

"(b) Human Factors Training.—

"(1) Air traffic controllers.—The Administrator shall—

"(A) address the problems and concerns raised by the National Research Council in its report 'The Future of Air Traffic Control' on air traffic control automation; and

"(B) respond to the recommendations made by the National Research Council.

"(2) Pilots and flight crews.—The Administrator shall work with the aviation industry to develop specific training curricula, within 12 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, to address critical safety problems, including problems of pilots—

"(A) in recovering from loss of control of the aircraft, including handling unusual attitudes and mechanical malfunctions;

"(B) in deviating from standard operating procedures, including inappropriate responses to emergencies and hazardous weather;

"(C) in awareness of altitude and location relative to terrain to prevent controlled flight into terrain; and

"(D) in landing and approaches, including nonprecision approaches and go-around procedures.

"(c) Accident Investigations.—The Administrator, working with the National Transportation Safety Board and representatives of the aviation industry, shall establish a process to assess human factors training as part of accident and incident investigations.

"(d) Test Program.—The Administrator shall establish a test program in cooperation with United States air carriers to use model Jeppesen approach plates or other similar tools to improve nonprecision landing approaches for aircraft.

"(e) Advanced Qualification Program Defined.—For purposes of this section, the term 'advanced qualification program' means an alternative method for qualifying, training, certifying, and ensuring the competency of flight crews and other commercial aviation operations personnel subject to the training and evaluation requirements of Parts 121 and 135 of title 14, Code of Federal Regulations.".

(b) Automation and Associated Training.—The Administrator shall complete the Administration's updating of training practices for automation and associated training requirements within 12 months after the date of enactment of this Act.

(c) Conforming Amendment.—The chapter analysis for chapter 445 is amended by adding at the end thereof the following:

"44516. Advanced qualification program.".

SEC. 514. INDEPENDENT VALIDATION OF FAA COSTS AND ALLOCATIONS.

(a) Independent Assessment.—

(1) Initiation.—Not later than 90 days after the date of enactment of this Act, the Inspector General of the Department of Transportation shall initiate the analyses described in paragraph (2). In conducting the analyses, the Inspector General shall ensure that the analyses are carried out by 1 or more entities that are independent of the Federal Aviation Administration. The Inspector General may use the staff and resources of the Inspector General or may contract with independent entities to conduct the analyses.

(2) Assessment of adequacy and accuracy of FAA cost data and attributions.—To ensure that the method for capturing and distributing the overall costs of the Federal Aviation Administration is appropriate and reasonable, the Inspector General shall conduct an assessment that includes the following:

(A)(i) Validation of Federal Aviation Administration cost input data, including an audit of the reliability of Federal Aviation Administration source documents and the integrity and reliability of the Federal Aviation Administration's data collection process.

(ii) An assessment of the reliability of the Federal Aviation Administration's system for tracking assets.

(iii) An assessment of the reasonableness of the Federal Aviation Administration's bases for establishing asset values and depreciation rates.

(iv) An assessment of the Federal Aviation Administration's system of internal controls for ensuring the consistency and reliability of reported data to begin immediately after full operational capability of the cost accounting system.

(B) A review and validation of the Federal Aviation Administration's definition of the services to which the Federal Aviation Administration ultimately attributes its costs, and the methods used to identify direct costs associated with the services.

(C) An assessment and validation of the general cost pools used by the Federal Aviation Administration, including the rationale for and reliability of the bases on which the Federal Aviation Administration proposes to allocate costs of services to users and the integrity of the cost pools as well as any other factors considered important by the Inspector General. Appropriate statistical tests shall be performed to assess relationships between costs in the various cost pools and activities and services to which the costs are attributed by the Federal Aviation Administration.

(b) Deadline.—The independent analyses described in this section shall be completed no later than 270 days after the contracts are awarded to the outside independent contractors. The Inspector General shall submit a final report combining the analyses done by its staff with those of the outside independent contractors to the Secretary of Transportation, the Administrator, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives. The final report shall be submitted by the Inspector General not later than 300 days after the award of contracts.

(c) Funding.—There are authorized to be appropriated such sums as may be necessary for the cost of the contracted audit services authorized by this section.

SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EMPLOYEES.

Section 347(b)(1) of Public Law 104–50 (49 U.S.C. 106, note) is amended by striking "protection;" and inserting "protection, including the provisions for investigations and enforcement as provided in chapter 12 of title 5, United States Code;".

SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC SYSTEM.

The Administrator of the Federal Aviation Administration shall report to the Congress on plans to modernize the oceanic air traffic control system, including a budget for the program, a determination of the requirements for modernization, and, if necessary, a proposal to fund the program.

SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT SYSTEM.

Beginning in 1999, the Administrator of the Federal Aviation Administration shall report biannually to the Congress on the air transportation oversight system program announced by the Administration on May 13, 1998, in detail on the training of inspectors, the number of inspectors using the system, air carriers subject to the system, and the budget for the system.

SEC. 518. RECYCLING OF EIS.

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may authorize the use, in whole or in part, of a completed environmental assessment or environmental impact study for a new airport construction project that is substantially similar in nature to one previously constructed pursuant to the completed environmental assessment or environmental impact study in order to avoid unnecessary duplication of expense and effort, and any such authorized use shall meet all requirements of Federal law for the completion of such an assessment or study.

SEC. 519. PROTECTION OF EMPLOYEES PROVIDING AIR SAFETY INFORMATION.

(a) General Rule.—Chapter 421 of title 49, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"§42121. Protection of employees providing air safety information

"(a) DISCRIMINATION AGAINST AIRLINE EMPLOYEES.—No air carrier or contractor or subcontractor of an air carrier may discharge an employee of the air carrier or the contractor or subcontractor of an air carrier or otherwise discriminate against any such employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

"(1) provided, caused to be provided, or is about to provide or cause to be provided to the Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(2) has filed, caused to be filed, or is about to file or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(3) testified or will testify in such a proceeding; or

"(4) assisted or participated or is about to assist or participate in such a proceeding.

"(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

"(1) FILING AND NOTIFICATION.—

"(A) IN GENERAL.—In accordance with this paragraph, a person may file (or have a person file on behalf of that person) a complaint with the Secretary of Labor if that person believes that an air carrier or contractor or subcontractor of an air carrier discharged or otherwise discriminated against that person in violation of subsection (a).

"(B) REQUIREMENTS FOR FILING COMPLAINTS.—A complaint referred to in subparagraph (A) may be filed not later than 90 days after an alleged violation occurs. The complaint shall state the alleged violation.

"(C) NOTIFICATION.—Upon receipt of a complaint submitted under subparagraph (A), the Secretary of Labor shall notify the air carrier, contractor, or subcontractor named in the complaint and the Administrator of the Federal Aviation Administration of the—

"(i) filing of the complaint;

"(ii) allegations contained in the complaint;

"(iii) substance of evidence supporting the complaint; and

"(iv) opportunities that are afforded to the air carrier, contractor, or subcontractor under paragraph (2).

"(2) INVESTIGATION; PRELIMINARY ORDER.—

"(A) IN GENERAL.—

"(i) INVESTIGATION.—Not later than 60 days after receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings.

"(ii) ORDER.—Except as provided in subparagraph (B), if the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the findings referred to in clause (i) with a preliminary order providing the relief prescribed under paragraph (3)(B).

"(iii) OBJECTIONS.—Not later than 30 days after the date of notification of findings under this paragraph, the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order and request a hearing on the record.

"(iv) EFFECT OF FILING.—The filing of objections under clause (iii) shall not operate to stay any reinstatement remedy contained in the preliminary order.

"(v) HEARINGS.—Hearings conducted pursuant to a request made under clause (iii) shall be conducted expeditiously. If a hearing is not requested during the 30-day period prescribed in clause (iii), the preliminary order shall be deemed a final order that is not subject to judicial review.

"(B) REQUIREMENTS.—

"(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(3) FINAL ORDER.—

"(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—

"(i) IN GENERAL.—Not later than 120 days after conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order that—

"(I) provides relief in accordance with this paragraph; or

"(II) denies the complaint.

"(ii) SETTLEMENT AGREEMENT.—At any time before issuance of a final order under this paragraph, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the air carrier, contractor, or subcontractor alleged to have committed the violation.

"(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the air carrier, contractor, or subcontractor that the Secretary of Labor determines to have committed the violation to—

"(i) take action to abate the violation;

"(ii) reinstate the complainant to the former position of the complainant and ensure the payment of compensation (including back pay) and the restoration of terms, conditions, and privileges associated with the employment; and

"(iii) provide compensatory damages to the complainant.

"(C) COSTS OF COMPLAINT.—If the Secretary of Labor issues a final order that provides for relief in accordance with this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the air carrier, contractor, or subcontractor named in the order an amount equal to the aggregate amount of all costs and expenses (including attorney and expert witness fees) reasonably incurred by the complainant (as determined by the Secretary of Labor) for, or in connection with, the bringing of the complaint that resulted in the issuance of the order.

"(D) FRIVOLOUS COMPLAINTS.—If the Secretary of Labor finds that a complaint brought under paragraph (1) is frivolous or was brought in bad faith, the Secretary of Labor may award to the prevailing employer a reasonable attorney fee in an amount not to exceed $5,000.

"(4) REVIEW.—

"(A) APPEAL TO COURT OF APPEALS.—

"(i) IN GENERAL.—Not later than 60 days after a final order is issued under paragraph (3), a person adversely affected or aggrieved by that order may obtain review of the order in the United States court of appeals for the circuit in which the violation allegedly occurred or the circuit in which the complainant resided on the date of that violation.

"(ii) REQUIREMENTS FOR JUDICIAL REVIEW.—A review conducted under this paragraph shall be conducted in accordance with chapter 7 of title 5. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order that is the subject of the review.

"(B) LIMITATION ON COLLATERAL ATTACK.—An order referred to in subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

"(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—

"(A) IN GENERAL.—If an air carrier, contractor, or subcontractor named in an order issued under paragraph (3) fails to comply with the order, the Secretary of Labor may file a civil action in the United States district court for the district in which the violation occurred to enforce that order.

"(B) RELIEF.—In any action brought under this paragraph, the district court shall have jurisdiction to grant any appropriate form of relief, including injunctive relief and compensatory damages.

"(6) ENFORCEMENT OF ORDER BY PARTIES.—

"(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order is issued under paragraph (3) may commence a civil action against the air carrier, contractor, or subcontractor named in the order to require compliance with the order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the order.

"(B) ATTORNEY FEES.—In issuing any final order under this paragraph, the court may award costs of litigation (including reasonable attorney and expert witness fees) to any party if the court determines that the awarding of those costs is appropriate.

"(c) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28.

"(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of an air carrier, or contractor or subcontractor of an air carrier who, acting without direction from the air carrier (or an agent, contractor, or subcontractor of the air carrier), deliberately causes a violation of any requirement relating to air carrier safety under

this subtitle or any other law of the United States.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 421 of title 49, United States Code, is amended by adding at the end the following:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"42121. Protection of employees providing air safety information.".

(c) CIVIL PENALTY.—Section 46301(a)(1)(A) of title 49, United States Code, is amended by striking "subchapter II of chapter 421," and inserting "subchapter II or III of chapter 421,".

TITLE VI—AVIATION COMPETITION PROMOTION

SEC. 601. PURPOSE.

The purpose of this title is to facilitate, through a 4-year pilot program, incentives and projects that will help up to 40 communities or consortia of communities to improve their access to the essential airport facilities of the national air transportation system through public-private partnerships and to identify and establish ways to overcome the unique policy, economic, geographic, and marketplace factors that may inhibit the availability of quality, affordable air service to small communities.

SEC. 602. ESTABLISHMENT OF SMALL COMMUNITY AVIATION DEVELOPMENT PROGRAM.

Section 102 is amended by adding at the end thereof the following:

"(g) SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary shall establish a 4-year pilot aviation development program to be administered by a program director designated by the Secretary.

"(2) FUNCTIONS.—The program director shall—

"(A) function as a facilitator between small communities and air carriers;

"(B) carry out section 41743 of this title;

"(C) carry out the airline service restoration program under sections 41744, 41745, and 41746 of this title;

"(D) ensure that the Bureau of Transportation Statistics collects data on passenger information to assess the service needs of small communities;

"(E) work with and coordinate efforts with other Federal, State, and local agencies to increase the viability of service to small communities and the creation of aviation development zones; and

"(F) provide policy recommendations to the Secretary and the Congress that will ensure that small communities have access to quality, affordable air transportation services.

"(3) REPORTS.—The program director shall provide an annual report to the Secretary and the Congress beginning in 1999 that—

"(A) analyzes the availability of air transportation services in small communities, including, but not limited to, an assessment of the air fares charged for air transportation services in small communities compared to air fares charged for air transportation services in larger metropolitan areas and an assessment of the levels of service, measured by types of aircraft used, the availability of seats, and scheduling of flights, provided to small communities;

"(B) identifies the policy, economic, geographic and marketplace factors that inhibit the availability of quality, affordable air transportation services to small communities; and

"(C) provides policy recommendations to address the policy, economic, geographic, and marketplace factors inhibiting the availability of quality, affordable air transportation services to small communities.".

SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.

(a) IN GENERAL.—Subchapter II is amended by adding at the end thereof the following:

"§ 41743. Air service program for small communities

"(a) COMMUNITIES PROGRAM.—Under advisory guidelines prescribed by the Secretary of Transportation, a small community or a consortia of small communities or a State may develop an assessment of its air service requirements, in such form as the program director designated by the Secretary under section 102(g) may require, and submit the assessment and service proposal to the program director.

"(b) SELECTION OF PARTICIPANTS.—In selecting community programs for participation in the communities program under subsection (a), the program director shall apply criteria, including geographical diversity and the presentation of unique circumstances, that will demonstrate the feasibility of the program.

"(c) CARRIERS PROGRAM.—The program director shall invite part 121 air carriers and regional/commuter carriers (as such terms are defined in section 41715(d) of this title) to offer service proposals in response to, or in conjunction with, community aircraft service assessments submitted to the office under subsection (a). A service proposal under this paragraph shall include—

"(1) an assessment of potential daily passenger traffic, revenues, and costs necessary for the carrier to offer the service;

"(2) a forecast of the minimum percentage of that traffic the carrier would require the community to garner in order for the carrier to start up and maintain the service; and

"(3) the costs and benefits of providing jet service by regional or other jet aircraft.

"(d) PROGRAM SUPPORT FUNCTION.—The program director shall work with small communities and air carriers, taking into account their proposals and needs, to facilitate the initiation of service. The program director—

"(1) may work with communities to develop innovative means and incentives for the initiation of service;

"(2) may obligate funds appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 to carry out this section;

"(3) shall continue to work with both the carriers and the communities to develop a combination of community incentives and carrier service levels that—

"(A) are acceptable to communities and carriers; and

"(B) do not conflict with other Federal or State programs to facilitate air transportation to the communities;

"(4) designate an airport in the program as an Air Service Development Zone and work with the community on means to attract business to the area surrounding the airport, to develop land use options for the area, and provide data, working with the Department of Commerce and other agencies;

"(5) take such other action under this chapter as may be appropriate.

"(e) LIMITATIONS.—

"(1) COMMUNITY SUPPORT.—The program director may not provide financial assistance under subsection (c)(2) to any community unless the program director determines that—

"(A) a public-private partnership exists at the community level to carry out the community's proposal;

"(B) the community will make a substantial financial contribution that is appropriate for that community's resources, but of not less than 25 percent of the cost of the project in any event;

"(C) the community has established an open process for soliciting air service proposals; and

"(D) the community will accord similar benefits to air carriers that are similarly situated.

"(2) AMOUNT.—The program director may not obligate more than $30,000,000 of the amounts appropriated under 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 over the 4 years of the program.

"(3) NUMBER OF PARTICIPANTS.—The program established under subsection (a) shall not involve more than 40 communities or consortia of communities.

"(f) REPORT.—The program director shall report through the Secretary to the Congress annually on the progress made under this section during the preceding year in expanding commercial aviation service to smaller communities.

"§ 41744. Pilot program project authority

"(a) IN GENERAL.—The program director designated by the Secretary of Transportation under section 102(g)(1) shall establish a 4-year pilot program—

"(1) to assist communities and States with inadequate access to the national transportation system to improve their access to that system; and

"(2) to facilitate better air service link-ups to support the improved access.

"(b) PROJECT AUTHORITY.—Under the pilot program established pursuant to subsection (a), the program director may—

"(1) out of amounts appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, provide financial assistance by way of grants to small communities or consortia of small communities under section 41743 of up to $500,000 per year; and

"(2) take such other action as may be appropriate.

"(c) OTHER ACTION.—Under the pilot program established pursuant to subsection (a), the program director may facilitate service by—

"(1) working with airports and air carriers to ensure that appropriate facilities are made available at essential airports;

"(2) collecting data on air carrier service to small communities; and

"(3) providing policy recommendations to the Secretary to stimulate air service and competition to small communities.

"§ 41745. Assistance to communities for service

"(a) IN GENERAL.—Financial assistance provided under section 41743 during any fiscal year as part of the pilot program established under section 41744(a) shall be implemented for not more than—

"(1) 4 communities within any State at any given time; and

"(2) 40 communities in the entire program at any time.

For purposes of this subsection, a consortium of communities shall be treated as a single community.

"(b) ELIGIBILITY.—In order to participate in a pilot project under this subchapter, a State, community, or group of communities shall apply to the Secretary in such form and at such time, and shall supply such information, as the Secretary may require, and shall demonstrate to the satisfaction of the Secretary that—

"(1) the applicant has an identifiable need for access, or improved access, to the national air transportation system that would benefit the public;

"(2) the pilot project will provide material benefits to a broad section of the travelling public, businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited;

"(3) the pilot project will not impede competition; and

"(4) the applicant has established, or will establish, public-private partnerships in connection with the pilot project to facilitate service to the public.

"(c) COORDINATION WITH OTHER PROVISIONS OF SUBCHAPTER.—The Secretary shall carry out the 4-year pilot program authorized by this subchapter in such a manner as to complement action taken under the other provisions of this subchapter. To the extent the Secretary determines to be appropriate, the Secretary may adopt criteria for implementation of the 4-year pilot program that are the same as, or similar to, the criteria developed under the preceding sections of this subchapter for determining which airports are eligible under those sections. The Secretary shall also, to the extent possible, provide incentives where no direct, viable, and feasible alternative service exists, taking into account geographical diversity and appropriate market definitions.

"(d) MAXIMIZATION OF PARTICIPATION.—The Secretary shall structure the program established pursuant to section 41744(a) in a way designed to—

"(1) permit the participation of the maximum feasible number of communities and States over a 4-year period by limiting the number of years of participation or otherwise; and

"(2) obtain the greatest possible leverage from the financial resources available to the Secretary and the applicant by—

"(A) progressively decreasing, on a project-by-project basis, any Federal financial incentives provided under this chapter over the 4-year period; and

"(B) terminating as early as feasible Federal financial incentives for any project determined by the Secretary after its implementation to be—

"(i) viable without further support under this subchapter; or

"(ii) failing to meet the purposes of this chapter or criteria established by the Secretary under the pilot program.

"(e) SUCCESS BONUS.—If Federal financial incentives to a community are terminated under subsection (d)(2)(B) because of the success of the program in that community, then that community may receive a one-time incentive grant to ensure the continued success of that program.

"(f) PROGRAM TO TERMINATE IN 4 YEARS.—No new financial assistance may be provided under this subchapter for any fiscal year beginning more than 4 years after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"§ 41746. Additional authority

"In carrying out this chapter, the Secretary—

"(1) may provide assistance to States and communities in the design and application phase of any project under this chapter, and oversee the implementation of any such project;

"(2) may assist States and communities in putting together projects under this chapter to utilize private sector resources, other Federal resources, or a combination of public and private resources;

"(3) may accord priority to service by jet aircraft;

"(4) take such action as may be necessary to ensure that financial resources, facilities, and administrative arrangements made under this chapter are used to carry out the purposes of title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

"(5) shall work with the Federal Aviation Administration on airport and air traffic control needs of communities in the program.

"§ 41747. Air traffic control services pilot program

"(a) IN GENERAL.—To further facilitate the use of, and improve the safety at, small airports, the Administrator of the Federal Aviation Administration shall establish a pilot program to contract for Level I air traffic control services at 20 facilities not eligible for participation in the Federal Contract Tower Program.

"(b) PROGRAM COMPONENTS.—In carrying out the pilot program established under subsection (a), the Administrator may—

"(1) utilize current, actual, site-specific data, forecast estimates, or airport system plan data provided by a facility owner or operator;

"(2) take into consideration unique aviation safety, weather, strategic national interest, disaster relief, medical and other emergency management relief services, status of regional airline service, and related factors at the facility;

"(3) approve for participation any facility willing to fund a pro rata share of the operating costs used by the Federal Aviation Administration to calculate, and, as necessary, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program; and

"(4) approve for participation no more than 3 facilities willing to fund a pro rata share of construction costs for an air traffic control tower so as to achieve, at a minimum, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program, and for each of such facilities the Federal share of construction costs does not exceed $1,000,000.

"(c) REPORT.—One year before the pilot program established under subsection (a) terminates, the Administrator shall report to the Congress on the effectiveness of the program, with particular emphasis on the safety and economic benefits provided to program participants and the national air transportation system.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41742 the following:

"41743. Air service program for small communities.
"41744. Pilot program project authority.
"41745. Assistance to communities for service.
"41746. Additional authority.
"41747. Air traffic control services pilot program.".

(c) WAIVER OF LOCAL CONTRIBUTION.—Section 41736(b) is amended by inserting after paragraph (4) the following:

"Paragraph (4) does not apply to any community approved for service under this section during the period beginning October 1, 1991, and ending December 31, 1997.".

SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal year period beginning with fiscal year 1999, there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000. To carry out such sections for the 4 fiscal year period beginning with fiscal year 1999, not more than $20,000,000 shall be made available to the Secretary for obligation and expenditure out of the account established under section 45303(a) in addition to the amounts authorized to be appropriated under the preceding sentence.

SEC. 605. MARKETING PRACTICES.

Section 41712 is amended by—

(1) inserting "(a) IN GENERAL.—" before "On"; and

(2) adding at the end thereof the following:

"(b) MARKETING PRACTICES THAT ADVERSELY AFFECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—Within 180 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, the Secretary shall review the marketing practices of air carriers that may inhibit the availability of quality, affordable air transportation services to small and medium-sized communities, including—

"(1) marketing arrangements between airlines and travel agents;

"(2) code-sharing partnerships;

"(3) computer reservation system displays;

"(4) gate arrangements at airports;

"(5) exclusive dealing arrangments; and

"(6) any other marketing practice that may have the same effect.

"(c) REGULATIONS.—If the Secretary finds, after conducting the review required by subsection (b), that marketing practices inhibit the availability of such service to such communities, then, after public notice and an opportunity for comment, the Secretary shall promulgate regulations that address the problem.".

SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.

(a) IN GENERAL.—Section 41714 is amended by adding at the end thereof the following:

"(j) SLOTS FOR NONSTOP JET SERVICE EXEMPTION.—

"(1) IN GENERAL.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

"(A) an airport that is smaller than a large hub airport (as defined in section 47134(d)(2)); and

"(B) a high density airport subject to the exemption authority under subsection (a),

the Secretary shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

"(2) EXISTING SLOTS TAKEN INTO ACCOUNT.—In deciding to grant or deny the exemption, the Secretary may take into consideration the slots already used by the applicant.

"(3) CONDITIONS.—The Secretary may grant an exemption to an air carrier under paragraph (1)—

"(A) for a period of not less than 12 months;

"(B) for a minimum of 2 daily roundtrip flights; and

"(C) for a maximum of 3 daily roundtrip flights.

"(4) CHANGE OF NONHUB, SMALL HUB, OR MEDIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary may, upon application made by an air carrier operating under an exemption granted under paragraph (1)—

"(A) authorize the air carrier to upgrade its service under the exemption to a larger jet aircraft; and

"(B) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

"(i) the air carrier has been operating under the exemption for a period of not less than 12 months; and

"(ii) the air carrier can demonstrate unmitigatable losses.

"(5) FOREFEITURE FOR MISUSE.—Any exemption granted under paragraph (1) shall be terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

"(6) RESTORATION OF AIR SERVICE.—To the extent that—

"(A) slots were withdrawn from an air carrier under subsection (b) of this section;

"(B) the withdrawal of slots under that subsection resulted in a net loss of slots; and

"(C) the net loss of slots resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn.

"(7) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—In assigning slots under this subsection the Secretary shall, in conjunction with paragraph (5), give priority consideration to an application from an air carrier that, as of July 1, 1998, held fewer than 20 slots at the high density airport for which it filed an exemption application.".

(b) DEFINITIONS.—Subsection (h) of section 41714 is amended by—

(1) by striking "The term" in paragraph (1) and inserting "Except as provided in paragraph (5), the term"; and

(2) adding at the end thereof the following:

"(5) NONSTOP JET EXEMPTION DEFINITIONS.—Any term used in subsection (j) that is defined in section 41762 has the meaning given that term by section 41762.".

(c) SLOT WITHDRAWAL NOT TO AFFECT NONHUB SERVICE.—Section 41714, as amended by subsection (a), is amended by adding at the end thereof the following:

"(k) SLOT WITHDRAWAL MAY NOT AFFECT NONHUB SERVICE.—The Secretary may not withdraw a slot from a United States air carrier under this section in order to provide a slot to a foreign air carrier for purposes of international air transportation unless the Secretary finds that—

"(1) the withdrawal of that slot from the United States air carrier will not adversely affect air service to nonhub airports; and

"(2) United States air carriers seeking slots for purposes of international air transportation at an airport in the home country of that foreign air carrier receive reciprocal treatment by the government of that country.".

SEC. 607. SECRETARY SHALL GRANT EXEMPTIONS TO PERIMETER RULE.

(a) IN GENERAL.—Section 41714(d) is amended by adding at the end thereof the following:

"(3) BEYOND-PERIMETER EXEMPTIONS.—The Secretary of Transportation shall by order grant exemptions from the application of sections 49109 and 49111(e) to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of Federal Regulations, if the Secretary finds that the exemptions will—

"(A) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section; and

"(B) increase competition in multiple markets.

"(4) WITHIN-PERIMETER EXEMPTIONS.—The Secretary of Transportation shall by order grant exemptions from the requirements of section 49111(e) and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports smaller than large hub airports (as defined in section 47134(d)(2)) within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport. The Secretary shall develop criteria for distributing slots for flights within the perimeter to airports other than large hubs under this paragraph in a manner consistent with the promotion of air transportation.

"(5) LIMITATIONS.—

"(A) AIRCRAFT.—An exemption granted under paragraph (3) or (4) may not be granted with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(B) NUMBER AND TYPE OF OPERATIONS.—The Secretary shall grant exemptions under paragraph (3) and (4) that—

"(i) will result in 12 new daily air carrier slots at such airport for long-haul service beyond the perimeter;

"(ii) will result in 12 new daily commuter slots at such airport; and

"(iii) will not result in new daily commuter slots for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

"(C) HOURS OF OPERATION.—In granting exemptions under paragraphs (3) and (4), the Secretary shall distribute the 24 new daily slots fairly evenly across the hours between 7:00 a.m. and 9:59 p.m., so that—

"(i) not more than 2 slots per hour shall be added during 9 of the hours beginning during that period; and

"(ii) 1 slot per hour shall be added during 6 of the hours beginning during that period.

"(6) PROTECTION OF INCUMBENT CARRIERS.—An exemption granted under paragraph (3) or (4) may not result in the withdrawal of a slot from any incumbent air carrier at that airport.

"(7) REVIEW OF SAFETY, ENVIRONMENTAL, AND NOISE IMPACT.—The Secretary—

"(A) shall assess the impact of granting exemptions under paragraphs (3) and (4) on the environment (including noise levels) and safety during the first 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

"(B) may not grant an exemption under paragraph (3) or (4) or issue the additional slots during that 90-day period unless the Secretary has conducted such an assessment.".

(b) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, and the Governments of Maryland and Virginia that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

SEC. 608. ADDITIONAL SLOTS AT CHICAGO'S O'HARE AIRPORT.

(a) IN GENERAL.—The Secretary of Transportation may grant 100 additional slots under section 41714 of title 49, United States Code, over a 3-year period to air carriers to operate limited frequencies and aircraft on select routes between O'Hare Airport in Chicago, Illinois, and other airports if the Secretary—

(1) first converts unused military slots at that airport to air carrier slots;

(2) before granting the additional slots, finds that the additional capacity—

(A) is available; and

(B) can be used safely;

(3) before granting the additional slots, conducts an environmental review; and

(4) limits the use of the additional slots to Stage 3 aircraft (as defined by the Secretary).

(b) CERTAIN TITLE 49 DEFINITIONS APPLY.—Any term used in this section that is defined in chapter 417 of title 49, United States Code, has the meaning given that term in that chapter.

SEC. 609. CONSUMER NOTIFICATION OF E-TICKET EXPIRATION DATES.

Section 41712, as amended by section 605 of this Act, is amended by adding at the end thereof the following:

"(d) E-TICKET EXPIRATION NOTICE.—It shall be an unfair or deceptive practice under subsection (a) for any air carrier utilizing electronically transmitted tickets to fail to notify the purchaser of such a ticket of its expiration date, if any.".

SEC. 610. JOINT VENTURE AGREEMENTS.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by adding at the end the following:

"§41716. Joint venture agreements

"(a) DEFINITIONS.—In this section—

"(1) JOINT VENTURE AGREEMENT.—The term 'joint venture agreement' means an agreement entered into by a major air carrier on or after January 1, 1998, with regard to (A) code-sharing, blocked-space arrangements, long-term wet leases (as defined in section 207.1 of title 14, Code of Federal Regulations) of a substantial number (as defined by the Secretary by regulation) of aircraft, or frequent flyer programs, or (B) any other cooperative working arrangement (as defined by the Secretary by regulation) between 2 or more major air carriers that affects more than 15 percent of the total number of available seat miles offered by the major air carriers.

"(2) MAJOR AIR CARRIER.—The term 'major air carrier' means a passenger air carrier that is certificated under chapter 411 of this title and included in Carrier Group III under criteria contained in section 04 of part 241 of title 14, Code of Federal Regulations.

"(b) SUBMISSION OF JOINT VENTURE AGREEMENT.—At least 30 days before a joint venture agreement may take effect, each of the major air carriers that entered into the agreement shall submit to the Secretary—

"(1) a complete copy of the joint venture agreement and all related agreements; and

"(2) other information and documentary material that the Secretary may require by regulation.

"(c) EXTENSION OF WAITING PERIOD.—

"(1) IN GENERAL.—The Secretary may extend the 30-day period referred to in subsection (b) until—

"(A) in the case of a joint venture agreement with regard to code-sharing, the 150th day following the last day of such period; and

"(B) in the case of any other joint venture agreement, the 60th day following the last day of such period.

"(2) PUBLICATION OF REASONS FOR EXTENSION.—If the Secretary extends the 30-day period referred to in subsection (b), the Secretary shall publish in the Federal Register the reasons of the Secretary for making the extension.

"(d) TERMINATION OF WAITING PERIOD.—At any time after the date of submission of a joint venture agreement under subsection (b), the Secretary may terminate the waiting periods referred to in subsections (b) and (c) with respect to the agreement.

"(e) REGULATIONS.—The effectiveness of a joint venture agreement may not be delayed due to any failure of the Secretary to issue regulations to carry out this subsection.

"(f) MEMORANDUM TO PREVENT DUPLICATIVE REVIEWS.—Promptly after the date of enactment of this section, the Secretary shall consult with the Assistant Attorney General of the Antitrust Division of the Department of Justice in order to establish, through a written memorandum of understanding, preclearance procedures to prevent unnecessary duplication of effort by the Secretary and the Assistant Attorney General under this section and the United States antitrust laws, respectively.

"(g) PRIOR AGREEMENTS.—With respect to a joint venture agreement entered into before the date of enactment of this section as to which the Secretary finds that—

"(1) the parties have submitted the agreement to the Secretary before such date of enactment; and

"(2) the parties have submitted any information on the agreement requested by the Secretary,

the waiting period described in paragraphs (2) and (3) shall begin on the date, as determined by the Secretary, on which all such information was submitted and end on the last day to which the period could be extended under this section.

"(h) LIMITATION ON STATUTORY CONSTRUCTION.—The authority granted to the Secretary *under this subsection shall not in any way limit the authority of the Attorney General to enforce the antitrust laws as defined in the first section of the Clayton Act (15 U.S.C. 12).".*

(b) Conforming Amendment.—The analysis for subchapter I of such chapter is amended by adding at the end the following:

"41716. Joint venture agreements.".

SEC. 611. REGIONAL AIR SERVICE INCENTIVE OPTIONS.

(a) Purpose.—The purpose of this section is to provide the Congress with an analysis of means to improve service by jet aircraft to underserved markets by authorizing a review of different programs of Federal financial assistance, including loan guarantees like those that would have been provided for by section 2 of S. 1353, 105th Congress, as introduced, to commuter air carriers that would purchase regional jet aircraft for use in serving those markets.

(b) Study.—The Secretary of Transportation shall study the efficacy of a program of Federal loan guarantees for the purchase of regional jets by commuter air carriers. The Secretary shall include in the study a review of options for funding, including alternatives to Federal funding. In the study, the Secretary shall analyze—

(1) the need for such a program;

(2) its potential benefit to small communities;

(3) the trade implications of such a program;

(4) market implications of such a program for the sale of regional jets;

(5) the types of markets that would benefit the most from such a program;

(6) the competititve implications of such a program; and

(7) the cost of such a program.

(c) Report.—The Secretary shall submit a report of the results of the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 24 months after the date of enactment of this Act.

SEC. 612. GAO STUDY OF RURAL AIR TRANSPORTATION NEEDS.

The General Accounting Office, in conjunction with the Federal Aviation Administration, shall conduct a study of the effectiveness of the national air transportation system and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports, and shall assess the effectiveness of the system by reference to criteria that include whether, under the system, each resident of the United States is within a 1-hour drive on primary roads of an airport that has at least one runway of at least 5,500 feet in length at sea-level, or the equivalent altitude-adjusted length.

TITLE VII—NATIONAL PARKS OVERFLIGHTS

SEC. 701. FINDINGS.

The Congress finds that—

(1) the Federal Aviation Administration has sole authority to control airspace over the United States;

(2) the Federal Aviation Administration has the authority to preserve, protect, and enhance the environment by minimizing, mitigating, or preventing the adverse effects of aircraft overflights on the public and tribal lands;

(3) the National Park Service has the responsibility of conserving the scenery and natural and historic objects and wildlife in national parks and of providing for the enjoyment of the national parks in ways that leave the national parks unimpaired for future generations;

(4) the protection of tribal lands from aircraft overflights is consistent with protecting the public health and welfare and is essential to the maintenance of the natural and cultural resources of Indian tribes;

(5) the National Parks Overflights Working Group, composed of general aviation, air tour, environmental, and Native American representatives, recommended that the Congress enact legislation based on its consensus work product; and

(6) this title reflects the recommendations made by that Group.

SEC. 702. AIR TOUR MANAGEMENT PLANS FOR NATIONAL PARKS.

(a) In General.—Chapter 401, as amended by section 301 of this Act, is amended by adding at the end the following:

"§40126. Overflights of national parks

"(a) In General.—

"(1) General requirements.—A commercial air tour operator may not conduct commercial air tour operations over a national park or tribal lands except—

"(A) in accordance with this section;

"(B) in accordance with conditions and limitations prescribed for that operator by the Administrator; and

"(C) in accordance with any effective air tour management plan for that park or those tribal lands.

"(2) Application for operating authority.—

"(A) Application required.—Before commencing commercial air tour operations over a national park or tribal lands, a commercial air tour operator shall apply to the Administrator for authority to conduct the operations over that park or those tribal lands.

"(B) Competitive bidding for limited capacity parks.—Whenever a commercial air tour management plan limits the number of commercial air tour flights over a national park area during a specified time frame, the Administrator, in cooperation with the Director, shall authorize commercial air tour operators to provide such service. The authorization shall specify such terms and conditions as the Administrator and the Director find necessary for management of commercial air tour operations over the national park. The Administrator, in cooperation with the Director, shall develop an open competitive process for evaluating proposals from persons interested in providing commercial air tour services over the national park. In making a selection from among various proposals submitted, the Administrator, in cooperation with the Director, shall consider relevant factors, including—

"(i) the safety record of the company or pilots;

"(ii) any quiet aircraft technology proposed for use;

"(iii) the experience in commercial air tour operations over other national parks or scenic areas;

"(iv) the financial capability of the company;

"(v) any training programs for pilots; and

"(vi) responsiveness to any criteria developed by the National Park Service or the affected national park.

"(C) Number of operations authorized.—In determining the number of authorizations to issue to provide commercial air tour service over a national park, the Administrator, in cooperation with the Director, shall take into consideration the provisions of the air tour management plan, the number of existing commercial air tour operators and current level of service and equipment provided by any such companies, and the financial viability of each commercial air tour operation.

"(D) Cooperation with NPS.—Before granting an application under this paragraph, the Administrator shall, in cooperation with the Director, develop an air tour management plan in accordance with subsection (b) and implement such plan.

"(E) Time limit on response to ATMP applications.—The Administrator shall act on any such application and issue a decision on the application not later than 24 months after it is received or amended.

"(3) Exception.—Notwithstanding paragraph (1), commercial air tour operators may conduct commercial air tour operations over a national park under part 91 of the Federal Aviation Regulations (14 CFR 91.1 et seq.) if—

"(A) such activity is permitted under part 119 (14 CFR 119.1(e)(2));

"(B) the operator secures a letter of agreement from the Administrator and the national park superintendent for that national park describing the conditions under which the flight operations will be conducted; and

"(C) the total number of operations under this exception is limited to not more than 5 flights in any 30-day period over a particular park.

"(4) Special rule for safety requirements.—Notwithstanding subsection (c), an existing commercial air tour operator shall, not later than 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, apply for operating authority under part 119, 121, or 135 of the Federal Aviation Regulations (14 CFR Pt. 119, 121, or 135). A new entrant commercial air tour operator shall apply for such authority before conducting commercial air tour operations over a national park or tribal lands.

"(b) Air Tour Management Plans.—

"(1) Establishment of ATMPs.—

"(A) In general.—The Administrator shall, in cooperation with the Director, establish an air tour management plan for any national park or tribal land for which such a plan is not already in effect whenever a person applies for authority to operate a commercial air tour over the park. The development of the air tour management plan is to be a cooperative undertaking between the Federal Aviation Administration and the National Park Service. The air tour management plan shall be developed by means of a public process, and the agencies shall develop information and analysis that explains the conclusions that the agencies make in the application of the respective criteria. Such explanations shall be included in the Record of Decision and may be subject to judicial review.

"(B) Objective.—The objective of any air tour management plan shall be to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tours upon the natural and cultural resources and visitor experiences and tribal lands.

"(2) Environmental determination.—In establishing an air tour management plan under this subsection, the Administrator and the Director shall each sign the environmental decision document required by section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) which may include a finding of no significant impact, an environmental assessment, or an environmental impact statement, and the Record of Decision for the air tour management plan.

"(3) Contents.—An air tour management plan for a national park—

"(A) may prohibit commercial air tour operations in whole or in part;

"(B) may establish conditions for the conduct of commercial air tour operations, including commercial air tour routes, maximum or minimum altitudes, time-of-day restrictions, restrictions for particular events, maximum number of flights per unit of time, intrusions on privacy on tribal lands, and mitigation of noise, visual, or other impacts;

"(C) shall apply to all commercial air tours within ½ mile outside the boundary of a national park;

"(D) shall include incentives (such as preferred commercial air tour routes and altitudes,

relief from caps and curfews) for the adoption of quiet aircraft technology by commercial air tour operators conducting commercial air tour operations at the park;

"(E) shall provide for the initial allocation of opportunities to conduct commercial air tours if the plan includes a limitation on the number of commercial air tour flights for any time period; and

"(F) shall justify and document the need for measures taken pursuant to subparagraphs (A) through (E).

"(4) PROCEDURE.—In establishing a commercial air tour management plan for a national park, the Administrator and the Director shall—

"(A) initiate at least one public meeting with interested parties to develop a commercial air tour management plan for the park;

"(B) publish the proposed plan in the Federal Register for notice and comment and make copies of the proposed plan available to the public;

"(C) comply with the regulations set forth in sections 1501.3 and 1501.5 through 1501.8 of title 40, Code of Federal Regulations (for purposes of complying with those regulations, the Federal Aviation Administration is the lead agency and the National Park Service is a cooperating agency); and

"(D) solicit the participation of any Indian tribe whose tribal lands are, or may be, overflown by aircraft involved in commercial air tour operations over a national park or tribal lands, as a cooperating agency under the regulations referred to in paragraph (4)(C).

"(5) AMENDMENTS.—Any amendment of an air tour management plan shall be published in the Federal Register for notice and comment. A request for amendment of an air tour management plan shall be made in such form and manner as the Administrator may prescribe.

"(c) INTERIM OPERATING AUTHORITY.—

"(1) IN GENERAL.—Upon application for operating authority, the Administrator shall grant interim operating authority under this paragraph to a commercial air tour operator for a national park or tribal lands for which the operator is an existing commercial air tour operator.

"(2) REQUIREMENTS AND LIMITATIONS.—Interim operating authority granted under this subsection—

"(A) shall provide annual authorization only for the greater of—

"(i) the number of flights used by the operator to provide such tours within the 12-month period prior to the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; or

"(ii) the average number of flights per 12-month period used by the operator to provide such tours within the 36-month period prior to such date of enactment, and, for seasonal operations, the number of flights so used during the season or seasons covered by that 12-month period;

"(B) may not provide for an increase in the number of operations conducted during any time period by the commercial air tour operator to which it is granted unless the increase is agreed to by the Administrator and the Director;

"(C) shall be published in the Federal Register to provide notice and opportunity for comment;

"(D) may be revoked by the Administrator for cause;

"(E) shall terminate 180 days after the date on which an air tour management plan is established for that park or those tribal lands; and

"(F) shall—

"(i) promote protection of national park resources, visitor experiences, and tribal lands;

"(ii) promote safe operations of the commercial air tour;

"(iii) promote the adoption of quiet technology, as appropriate; and

"(iv) allow for modifications of the operation based on experience if the modification improves protection of national park resources and values and of tribal lands.

"(3) NEW ENTRANT AIR TOUR OPERATORS.—

"(A) IN GENERAL.—The Administrator, in cooperation with the Director, may grant interim operating authority under this paragraph to an air tour operator for a national park for which that operator is a new entrant air tour operator if the Administrator determines the authority is necessary to ensure competition in the provision of commercial air tours over that national park or those tribal lands.

"(B) SAFETY LIMITATION.—The Administrator may not grant interim operating authority under subparagraph (A) if the Administrator determines that it would create a safety problem at that park or on tribal lands, or the Director determines that it would create a noise problem at that park or on tribal lands.

"(C) ATMP LIMITATION.—The Administrator may grant interim operating authority under subparagraph (A) of this paragraph only if the air tour management plan for the park or tribal lands to which the application relates has not been developed within 24 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"(d) DEFINITIONS.—In this section, the following definitions apply:

"(1) COMMERCIAL AIR TOUR.—The term 'commercial air tour' means any flight conducted for compensation or hire in a powered aircraft where a purpose of the flight is sightseeing. If the operator of a flight asserts that the flight is not a commercial air tour, factors that can be considered by the Administrator in making a determination of whether the flight is a commercial air tour, include, but are not limited to—

"(A) whether there was a holding out to the public of willingness to conduct a sightseeing flight for compensation or hire;

"(B) whether a narrative was provided that referred to areas or points of interest on the surface;

"(C) the area of operation;

"(D) the frequency of flights;

"(E) the route of flight;

"(F) the inclusion of sightseeing flights as part of any travel arrangement package; or

"(G) whether the flight or flights in question would or would not have been canceled based on poor visibility of the surface.

"(2) COMMERCIAL AIR TOUR OPERATOR.—The term 'commercial air tour operator' means any person who conducts a commercial air tour.

"(3) EXISTING COMMERCIAL AIR TOUR OPERATOR.—The term 'existing commercial air tour operator' means a commercial air tour operator that was actively engaged in the business of providing commercial air tours over a national park at any time during the 12-month period ending on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"(4) NEW ENTRANT COMMERCIAL AIR TOUR OPERATOR.—The term 'new entrant commercial air tour operator' means a commercial air tour operator that—

"(A) applies for operating authority as a commercial air tour operator for a national park; and

"(B) has not engaged in the business of providing commercial air tours over that national park or those tribal lands in the 12-month period preceding the application.

"(5) COMMERCIAL AIR TOUR OPERATIONS.—The term 'commercial air tour operations' means commercial air tour flight operations conducted—

"(A) over a national park or within ½ mile outside the boundary of any national park;

"(B) below a minimum altitude, determined by the Administrator in cooperation with the Director, above ground level (except solely for purposes of takeoff or landing, or necessary for safe operation of an aircraft as determined under the rules and regulations of the Federal Aviation Administration requiring the pilot-in-command to take action to ensure the safe operation of the aircraft); and

"(C) less than 1 mile laterally from any geographic feature within the park (unless more than ½ mile outside the boundary).

"(6) NATIONAL PARK.—The term 'national park' means any unit of the National Park System.

"(7) TRIBAL LANDS.—The term 'tribal lands' means 'Indian country', as defined by section 1151 of title 18, United States Code, that is within or abutting a national park.

"(8) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Aviation Administration.

"(9) DIRECTOR.—The term 'Director' means the Director of the National Park Service.".

(b) EXEMPTIONS.—

(1) GRAND CANYON.—Section 40125 of title 49, United States Code, as added by subsection (a), does not apply to—

(A) the Grand Canyon National Park; or

(B) Indian country within or abutting the Grand Canyon National Park.

(2) ALASKA.—The provisions of this title and section 40125 of title 49, United States Code, as added by subsection (a), do not apply to any land or waters located in Alaska.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 401 is amended by adding at the end thereof the following:

"40126. Overflights of national parks.".

SEC. 703. ADVISORY GROUP.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration and the Director of the National Park Service shall jointly establish an advisory group to provide continuing advice and counsel with respect to the operation of commercial air tours over and near national parks.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory group shall be composed of—

(A) a balanced group of—

(i) representatives of general aviation;

(ii) representatives of commercial air tour operators;

(iii) representatives of environmental concerns; and

(iv) representatives of Indian tribes;

(B) a representative of the Federal Aviation Administration; and

(C) a representative of the National Park Service.

(2) EX-OFFICIO MEMBERS.—The Administrator and the Director shall serve as ex-officio members.

(3) CHAIRPERSON.—The representative of the Federal Aviation Administration and the representative of the National Park Service shall serve alternating 1-year terms as chairman of the advisory group, with the representative of the Federal Aviation Administration serving initially until the end of the calendar year following the year in which the advisory group is first appointed.

(c) DUTIES.—The advisory group shall provide advice, information, and recommendations to the Administrator and the Director—

(1) on the implementation of this title;

(2) on the designation of commonly accepted quiet aircraft technology for use in commercial air tours of national parks or tribal lands, which will receive preferential treatment in a given air tour management plan;

(3) on other measures that might be taken to accommodate the interests of visitors to national parks; and

(4) on such other national park or tribal lands-related safety, environmental, and air touring issues as the Administrator and the Director may request.

(d) COMPENSATION; SUPPORT; FACA.—

(1) COMPENSATION AND TRAVEL.—Members of the advisory group who are not officers or employees of the United States, while attending conferences or meetings of the group or otherwise engaged in its business, or while serving away from their homes or regular places of business, each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) ADMINISTRATIVE SUPPORT.—The Federal Aviation Administration and the National Park Service shall jointly furnish to the advisory group clerical and other assistance.

(3) NONAPPLICATION OF FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the advisory group.

(e) REPORT.—The Administrator and the Director shall jointly report to the Congress within 24 months after the date of enactment of this Act on the success of this title in providing incentives for quiet aircraft technology.

SEC. 704. OVERFLIGHT FEE REPORT.

Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to Congress a report on the effects proposed overflight fees are likely to have on the commercial air tour industry. The report shall include, but shall not be limited to—

(1) the viability of a tax credit for the commercial air tour operators equal to the amount of the proposed fee charged by the National Park Service; and

(2) the financial effects proposed offsets are likely to have on Federal Aviation Administration budgets and appropriations.

TITLE VIII—AVIATION TRUST FUND AMENDMENTS

SEC. 801. AMENDMENTS TO THE AIRPORT AND AIRWAY TRUST FUND.

Section 9502(d)(1) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "1998," and inserting "2002,"; and

(2) by striking "1996;" in subparagraph (A) and inserting "1996, or the Wendell H. Ford National Air Transportation System Improvement Act of 1998;".

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Madam President, since Senator FORD is not here yet, I will not ask for a unanimous consent agreement because I believe he would object at this time. But what I do want to do is go over the pending amendments, as I know what they are, and urge my colleagues to call in within the next half hour or come over with any amendments they may have to this bill so that we can get a unanimous consent agreement narrowed down on the amendments to the bill.

The amendments that I now understand would be pending are: McCain-Ford amendment, which is a managers' amendment, which is 10 minutes equally divided; a McCain amendment, which is relevant, 5 minutes equally divided; a Hollings amendment, relevant, 5 minutes equally divided; a Gorton, relevant amendment, 5 minutes equally divided; a Ford amendment, relevant, 5 minutes equally divided; a Bingaman amendment, overflights, bolster Native Americans' role, 30 minutes equally divided; DeWine sense of Senate, 10 minutes equally divided; Dorgan, regional jet tax incentives, 2 hours equally divided; Dorgan, mandatory interline and joint fair agreements, 2 hours equally divided; Faircloth, sense of the Senate, 5 minutes equally divided; Inhofe, FAA emergency revocation power, 10 minutes equally divided; Mikulski-Sarbanes—two amendments—Reagan National Airport, slots and perimeter rule, 30 minutes equally divided; Roth, reintroduce title VIII to the bill, 5 minutes equally divided; Thompson, criminal penalties for airmen who fly without a certificate, 10 minutes equally divided; Torricelli, Quiet Communities Act, S. 951, 1 hour equally divided; D'Amato-Moynihan, DOT issue 70 slot exemptions at JFK Airport, 10 minutes equally divided; Lott-Frist-Moynihan, limit eligible airport size for regional jet section and Reagan National commuter slots, 10 minutes equally divided; Reed of Rhode Island, noise at Rhode Island airport, 15 minutes equally divided; Reed of Rhode Island, cost-sharing notice, 15 minutes equally divided; Robb, Reagan National Airport, slots and perimeter rule, 1 hour equally divided; Snowe, handicapped access violations, increase civil penalty, 10 minutes equally divided; Snowe, community air service grants, regional distribution, 10 minutes equally divided; Warner, prohibit new Reagan National slots and perimeter rule exemptions until Washington Metropolitan Airport Authority nominees confirmed by the Senate, 1 hour equally divided; Warner, notice, comment, and hearings before proceeding with Reagan National slots and perimeter rule exemptions.

If there are additional amendments to the bill, I would urge my colleagues to send them over so that sometime within the next hour we could try to initially propose a unanimous consent agreement at least to narrow down the list of amendments.

Madam President, I want to make clear to my colleagues the importance of this legislation and why we need to resolve it as quickly as we possibly can. Today is the 23rd of September, 1998. If we do not get a bill into conference and back and passed by the 1st of October, at least $2 billion worth of moneys out of the airport trust fund/aviation trust fund will not be allowed to move forward, and also there are many letters of intent that entail hundreds of millions more.

Madam President, we all know how important aviation is to America. We all know how important it is for us to move forward with the ever growing air traffic in the United States of America.

Madam President, I rise in support of S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act of 1998. Today, I will be offering a manager's amendment to the bill as reported by the Commerce Committee on July 14, 1998. This bill, as modified by the manager's amendment, has the support of Committee Ranking Member Senator HOLLINGS, Aviation Subcommittee Chairman GORTON, Aviation Subcommittee Ranking Member Senator FORD, and myself. As I indicated on the floor last week, this is a "must-pass" piece of legislation which includes critical aviation projects such as safety, security, capacity and noise projects at airports across the Nation.

Madam President, if the Congress does not pass legislation to reauthorize the programs of the Federal Aviation Administration (FAA), the FAA will be prohibited from issuing grants to airports in every state, regardless of whether the transportation appropriations bill is signed into law. Therefore, we must act to reauthorize the programs of the FAA before we leave this year.

I would like to highlight three areas of importance which this bill addresses. First and foremost, it reauthorizes the FAA and Airport Improvement Program, AIP. Second, the bill contains essential provisions to promote a competitive aviation industry. Last but not least, it will protect the environment in our national parks from the harmful effects of excessive commercial air tour overflights. I have worked long and hard on all of these issues. And many of these long and hard times have been spent with Senator FORD, the Senator from Kentucky.

This bill provides a two-year authorization for most programs of the FAA including FAA Operations, Facilities and Equipment, and AIP, the Airport Improvement Plan. Research, Engineering and Development (RE&D) programs have already been authorized for FY 1999 by separate legislation that was signed into law on February 11, 1998. S. 2279 authorizes the AIP at $2.4 billion for Fiscal Year 1999.

The legislation also includes funding for aviation security. Two years ago, the Congress passed the 1996 FAA reauthorization bill which contained numerous provisions designed to improve security at our nation's airlines and airports. These provisions included accelerating deployment of the latest explosive detection systems; enhancing passenger screening processes; requiring criminal history record checks on screeners; and requiring regular joint threat assessments and testing baggage match procedures. While these provisions have helped secure our airlines and airports, the legislation before us builds upon the security foundation we established 2 years ago.

Madam President, S. 2279 legislation also includes several provisions to enhance competition in the airline industry. On October 29, 1997, I introduced the Aviation Competition Enhancement Act of 1997, S. 1331. The purpose of this bill was to further deregulate our domestic aviation system for the the benefit of travelers and communities, by promoting more convenient options and competitive air fares for travelers. According to the General Accounting Office report of October 1996, several factors have limited entry at many airports. These factors include the dominance of routes to and from the four slot controlled airports by one or two established airlines. In April 1996, the Department of Transportation conducted a study that estimated that almost 40 percent of domestic passengers traveled in markets with low fare competition, saving consumers an estimated $6.3 billion annually in airline fares.

Due to the interest of other Senators to increase competition in the airline industry, I worked with Senators FRIST and LOTT on a substitute to Senator FRIST'S competition legislation, S. 1353, which the Commerce Committee also reported out of Committee on July 14, 1998. These provisions are also included in the bill that is now before us.

The competition provisions—and I would like to again give great credit to Senators FRIST and LOTT—have three main elements. First, they would provide slot exemptions for nonstop regional jets to fly to and from so-called underserved communities and the four slot-controlled airports—Reagan National, O'Hare, LaGuardia, and JFK—would create 12 new round-trip flights at Ronald Reagan Washington National Airport, and provide limited exemptions to the perimeter rule at Reagan National and finally, would add additional slots at Chicago O'Hare. I will comment on each of these provisions.

The slot exemptions for nonstop regional jets must be approved by the Secretary of Transportation for service between a nonhub airport and a small hub airport and the high density airports which are O'Hare, LaGuardia, and JFK.

At Reagan National, the legislation would create 6 new daily round-trip flights beyond the 1,250-mile perimeter, a federally imposed restriction, and 6 new daily round-trip flights to underserved markets within the perimeter. Carriers can only use Stage 3 aircraft that meet strict noise requirements in the new slots. The new service will result in only one or two new flights per hour at the airport.

At Chicago O'Hare, the legislation as reported by the Commerce Committee would provide discretionary authority to the Secretary of Transportation to convert up to 100 unused military slots to air-carrier slots over three years at Chicago's O'Hare Airport. Due to concerns raised by some Senators, however, I have worked on a compromise regarding additional flights at O'Hare. Under the agreement which is included in the managers amendment we are offering today, the Secretary of Transportation would be directed to allocate 30 new daily take-off and landing slots over the next three years. Specifically, eighteen slots would provide service to under-served communities, and twelve slots would be available for general distribution.

I would now like to address those members of the Senate who have concerns about the possible increase in noise at O'Hare and Reagan National due to the increase in slots. The aircraft that operate in these new slots would be required to operated Stage 3 aircraft only. Stage 3 aircraft is the quietest technology available today. The entire domestic fleet is in the process of converting from Stage 2 aircraft to the significantly quieter Stage 3 aircraft. Currently, the fleet is 75 percent Stage 3. By 2000, thanks to legislation previously passed, it must become 100 percent Stage 3. Once the fleet becomes 100 percent Stage 3, the noise impact on areas surrounding airports will drop significantly.

At Reagan National, the FAA has already stated that the phaseout of Stage 2 aircraft will have a significant impact on noise at the airport. Therefore, adding a few more flights of quieter Stage 3 aircraft certainly should not cause noise levels to approach what they are today.

At O'Hare, before granting any of the exemptions, the Secretary is to study and report on the environmental considerations that are associated with the flights that would utilize the additional exemptions, including determining that there is no significant increase in noise. I want to repeat: including the Secretary must determine that there is no significant increase in noise. The Secretary must certify that sufficient capacity is available at O'Hare to accommodate the additional flights, and that the exemptions can be used safely.

Prior to issuing any of the slot exemptions, the Secretary is to provide 30-days public notice in the Federal Register. Furthermore, the Secretary is to consult with local officials on the noise and environmental issues surrounding granting of the exemptions. At the end of three years, the Secretary will again study and report on how safety, the environment, noise, access to underserved markets throughout the country, and competition at Chicago O'Hare have been impacted by the new exemptions.

Meanwhile, the revised bill will direct the Secretary to study and report on the community noise levels in the areas surrounding the four high density airports O'Hare, Reagan National, LaGuardia and JFK, once the national 100-percent State 3 requirement comes into effect in 2000. Among other things, the report is to compare community noise levels since enactment of the Stage 3 aircraft fleet requirements in the 1990 Airport Noise and Capacity Act. The report will also offer suggestions on improving the noise impact of these airports.

In summary, Madam President, this legislation represents over a year's work by the Commerce Committee and the Aviation Subcommittee. I cannot overemphasize the need to move quickly on this bill. As the end of the second session of the 105th Congress comes to an end, we cannot run the risk of the bill getting caught up in unrelated, politically-charged issues. This bill will have to be conferenced with the House, and we need to take the time to move through the appropriate process.

Before I conclude my remarks, I would like to comment on an important issue that is not being addressed in this bill—although I considered offering an amendment on the subject. The issue concerns the abuse of familiarization training programs at the FAA. Such programs authorize FAA employees to have free access to cockpit or cabin seating on commercial flights. Cockpit access is designed to provide these employees an opportunity to gain firsthand experience in the operational characteristics of various types of aircraft, to directly interface with cockpit crews and air traffic controllers, and to gain insight into the FAA's systems' performance.

A February 1996 audit by the Department of Transportation's Office of Inspector General found that some FAA employees violated standards of ethical conduct by using their familiarization privileges to fulfill personal travel agendas and take vacations. The IG essentially found that FAA oversight and control of the familiarization programs was inadequate. Despite the fact that the IG recommended that the FAA establish stronger guidelines and internal controls with regard to these training programs, it is my understanding that they still are not adequately managed.

Despite my concerns, I am not calling for elimination of appropriate training programs that provide valuable insight and experience for FAA employees. Taxpayers simply want to be assured that such program are being used only for legitimate training purposes and not being abused for personal gain, by managers and controllers alike. Unfortunately, the ride-along privilege seems to have evolved from a legitimate training tool into a personnel perk that is easily subject to abuse.

I recently wrote to Secretary Slater and Administrator Garvey about this matter. I strongly urged the FAA to review each of the recommendations contained in the 1996 IG report. Without strong oversight and control of these familiarization programs, they will remain open to abuse. It is inappropriate for FAA employees to use these training programs for personal travel. This issue is particularly troublesome because it involves taking advantage of an industry the FAA is responsible for regulating. Therefore, I urged the FAA to take every action to stop the abuse of these programs and establish guidelines for their proper use.

It is my understanding that the FAA, working with the DOT–IG, has set forth a plan to take decisive action to prevent further abuse of familiarization programs. I hope that changes are implemented immediately. I will continue to follow this issue very closely.

Madam President, my message to the FAA is we should not have to pass a law in order to prevent the abuse of a relatively important training program. Clean up your act and restore the Congress' and the American people's confidence in this program or we will have to act. Sometimes when we act legislatively there are unintended consequences, as well as intended consequences.

Returning to the matter of the legislation at hand, I urge all of my colleagues to support passage of S. 2279. We cannot adjourn for the year without taking final action on this important legislation. If we fail to act, the FAA's hands will be tied and they will be unable to address needed security and safety issues in every State in the Nation.

Madam President, about a week ago I included in the RECORD the amounts of money that will be allocated to each State to take care of or begin to address many of their aviation requirements. At a later time, I will include that again in the RECORD.

The last thing we want is a disruption of not only the funding, but also the ongoing safety measures that are a part of this bill and that are a follow-on to the legislation that the Senator from Kentucky had to deal with a couple years ago.

I urge my colleagues, again, to call in their amendments. We will include them in a unanimous consent agreement which we will try to propound. I understand that there is an important function this evening which will require the Senate to go out around 6 o'clock. I would like to try, at the least, to get our agenda refined by that time.

I know that the Senator from Kentucky has remarks, so I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I thank my friend, Senator MCCAIN, chairman of the Commerce, Science, and Transportation Committee. I compliment him on his remarks. I think he fully and fairly explained the legislation that is before the Senate. One of the things I want to reiterate that he stated is that every State in this Nation has a vital part in this piece of legislation as it relates to air transportation, not only domestically but internationally. It is important. We are talking, I think, in the neighborhood of approximately $10 billion per year. It is so important, as the chairman has said, that we work hard and quickly on this bill so that we might pass it prior to adjournment. I would hate to see this piece of legislation caught up in a continuing resolution that would generally turn into a "Christmas tree."

So, Madam President, before us today is S. 2279, a bill that my good friend, Senator TED STEVENS, and this committee named after me. I hope having that name on it won't prevent it from moving expeditiously. It is an honor to have a piece of legislation named after a Member, and I thank the Senator from Alaska for his friendship and his kindness.

As many of my colleagues know, this bill is a "must" pass bill. Without it, the FAA and our nation's airports can not continue to build to meet future needs. I have watched over my career as airports in Louisville, Cincinnati, Owensboro, Hazard and may other places in my State, have benefited from the work of the FAA. We all have seen the growth in aviation throughout the country and, yes, throughout the world. Denver, for example, was a pipe dream for many years. Today, it is a vital part of the aviation system.

Past Administrators, like Linda Daschle, and Secretaries, like Sam Skinner, have also realized how critical aviation is to our economy. In naming these two individuals, I do not mean to exclude the many fine individuals who have held those posts.

The Administrator today, Jane Garvey, and the Secretary, Rodney Slater, have seen first hand how important airport improvements are to our communities.

I had hoped, in my last FAA reauthorization bill, that we could have done more. In 1996, along with Senator MCCAIN and others, we tried to set a course to reforming the FAA. We worked through difficult issues together, and produced a good road map for the FAA. One piece remains missing—funding. There will be options that will be debated next year—a fee system, taking the Airport and Airways Trust Fund off budget, or keeping the current system. As long as you can ensure that the FAA has the money it needs to modernize and meet the future needs of the traveling public, you will succeed.

Today, we will lay down a managers' amendment. We have been working on it ever since the FAA bill was reported by the Commerce Committee. Many issues of concern of the Members have been addressed. Some remain unresolved.

I want to make clear that there are a few provisions that still need some work. Clarification of intent will be important.

The bill today does two critical things—it gives the FAA a road map to improve safety and to make sure that communities that have not benefitted from airline deregulation have a chance to improve airline services.

I have heard the Chair's distinguished colleague, who is on our Commerce Committee, talk about the air transportation problems in small communities in their area. I am hopeful that in this piece of legislation we moved in the right direction to help those communities that have not benefited from airline deregulation and have a chance to improve their services. I will talk more about the small community needs later.

As I said earlier, I think Senator MCCAIN explained the bill very well and very fairly. I am hopeful that colleagues on my side will be more than willing to accept the managers' amendment and will be Henry Clay-like—that is, in the mood of compromise—as we move into the amendments that are not quite ready to be agreed to.

I am hopeful that we will be limited to maybe five or six votes and then final passage. If we can do that, then that will be a real victory for the legislative process. I want to express a special thanks to the staff on both sides who have worked so hard since this bill was introduced to work out many of the amendments that were being proposed and suggested.

I think we come today with a package that is almost there. I am sure that once we get into the five or six amendments that might be contentious, we will be able to work it out. Even now, as we are bringing this piece of legislation to the floor, staff are working to see if they can reach an agreement on the final pieces of legislation. I agree with my colleague, Senator MCCAIN, that we are hopeful that between now and roughly 6 p.m., we will know how many amendments will be brought to this piece of legislation, how many would need a vote, and how many we would need to discuss. We are hopeful that we can be very close at the end of the day to getting this bill prepared to pass here tomorrow and send it to conference, so that we can include this must-pass bill in our agenda before we leave here somewhere around October 9.

Again, I thank my colleague for all of his hard work. He is a pretty tenacious fellow. When there are things that he believes should be done, even though he may not have a majority with him at that time, look out, here he comes. So we are down to five or six amendments, I believe, and we are still working to try to see if an accommodation can be made, because when we are talking about the transportation and the industrial development, those things are so important to this country and our ability to move in the international sphere that we must pass this bill before we leave here.

So I am ready to work. I will meet with our colleagues any time. Our staffs are prepared to meet, and we will do whatever is necessary to spend the time to work out these final few amendments. Before we leave here this afternoon, I look forward to having some kind of a finite list, if we can get it, of those that we will be considering in the next 24 hours.

Madam President, I thank the chairman for his courtesy and the time. I yield the floor.

Mr. McCAIN. Madam President, again, I thank the Senator from Kentucky. I argue that if I possess any legislative skills, a major part of the reason for that is that I learned from a master for several years. I was privileged to serve as the ranking member of the Aviation Subcommittee of which the distinguished Senator from Kentucky was the chairman. I watched the Senator from Kentucky masterfully, with enormous skill and bipartisanship, pass several pieces of landmark legislation. He did it in a way that I will always remember, and he did it even though issues may have been rather controversial, and he did it without rancor. I believe that the contributions that he has made to aviation in America will be remembered long past his time here in the U.S. Senate.

Madam President, we do have a managers' amendment, which I will bring forward in just a minute, as we attempt to get amendments. By the way, I also know that there are Members, especially from the States of Maryland, Virginia, Illinois and New York, who have very strongly held views on this issue, and I welcome their presence on the floor to help educate me and Senator FORD further on their views and the impact of this legislation on their airports and surrounding communities.

Mr. FORD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

OUR CONSTITUTIONAL RESPONSIBILITY TO AMERICA'S WORKING FAMILIES

Mr. BYRD. Madam President, once again, I come to the floor to express my opposition to fast-track procedures. Fast-track procedures were soundly defeated last year by this body, but were resurrected by the Senate Finance Committee as part of a trade bill reported under its jurisdiction.

In reviewing the trade bill reported by the Senate Finance Committee, I am reminded of a remark attributed to Napoleon in referring to one time political-supporter-turned-foe, Charles Maurice de Talleyrand-Périgord. Purportedly, Napoleon referenced Talleyrand as "a silk stocking filled with mud," believing that Talleyrand's costume and charm covered nothing but light-mindedness and egotism. Regardless of the legitimacy of Napoleon's remark, "a silk stocking filled with mud" is exactly my expectation of what would result from the provisions of the trade bill reported by the Senate Finance Committee. The bill's supporters have proclaimed a trade package promising lucrative U.S. economic gains, and have tried to stake out a claim to the moral high ground in the name of free trade. The rhetoric may extol a very pretty package, indeed, but, I am not sold by packaging. American workers simply cannot afford pleasing packaged rhetoric that in reality might leave them in an uphill fight, through an international thicket, to save their jobs.

In addition to the certainty that current fast-track trade negotiating authority offers no guarantee to the average American worker, my colleagues should take heed that, likewise, no certainty exists that rosy international economic predictions linked to fast-track authority would come true. Take a look at the current global economic crisis. There are no guarantees.

I have listened to my colleagues who urge support of the fast-track process, but I cannot, and I will not, vote to undermine a responsibility assigned to Congress through the Constitution. That responsibility is "to regulate Commerce with foreign Nations" and to "lay and collect * * * Duties, Imposts and Excises"—a responsibility that this legislation appears bent on diminishing.

Clearly, under the Constitution, the Senate is to have a meaningful role in trade negotiations. Likely, the Founding Fathers recognized the different institutional interests that affect trade negotiations and, thus, crafted provisions to provide checks and balances to ensure that the broad interests of the states—and the people—are protected. By side-stepping the Senate's authority in trade negotiations, we are circumventing the framework set up by the Founders to help guarantee that the total national interest is met. We are playing dangerously with the basic premises that underlie our system of checks and balances, and separation of powers.

I note that many of my colleagues feel that the fast-track legislation under consideration sufficiently revises past trade negotiating authority to ensure that Congress' constitutional role in the regulation of foreign trade is preserved. Particularly, in this regard, supporters are touting the bill's beefed-up notice and consultation provisions as achieving the proper balance of power between the executive and legislative branches of government.

I am supportive of continuous dialogue between the Administration and the Congress throughout any trade negotiating process. That would seem like a commonsense approach to me. But guidelines and cursory oversight provisions simply do not fulfill the Senate's constitutional role in foreign trade, and these new consultation and notification provisions can not overshadow the bill's basic shortcomings. That basic flaw is that the Congress through this measure hands the President broad authority to initiate, negotiate, and present trade agreements to the Congress. The Congress must then consider those agreements by an up-or-down vote with little or no debate and no opportunity to offer amendments.

That is where we get off the track. They may call it the fast-track process. But that is where we leave the constitutional track. That is where we leave the track, which under the Constitution, says that the Senate has the right to offer amendments.

While the Members on the committees of jurisdiction may have the opportunity to influence and develop the implementing legislation, for all practical purposes, this bill obliterates the voices of most of the Members of Congress when it comes to international trade agreements.

The Constitution says that revenue measures shall originate in the House of Representatives but that the Senate may amend as on other bills. But here in this so-called fast track, the agreement is presented to the Senate to accept—up or down, with no amendments in order.

Take it all or nothing. Frankly, I have little faith that consultations with the administration will have much impact—this or any other administration, if we are to be guided by recent administrations.

Such consultations—with this or any administration—usually do not yield significant results. They have not thus far, in recent years certainly.

So consult and notify as you will, but I am well aware of the likelihood that the President will sign an agreement, an implementing bill will stealthily materialize, and Senators will be provided with an immense document which they have little ability to change.

It is take it or leave it. This is where we leave the track. This is where we part company as far as I am concerned. Under this bill, Senators' "meaningful" role in trade pacts will continue to be a yes-or-no vote on legislation that can affect millions of American workers and their communities.

Perhaps I would be more enthusiastic about fast-track procedures if I believed that past trade agreements implemented under fast-track rules were beneficial to the nation as a whole.

Regrettably, I believe that past agreements, such as the North American Free Trade Agreement, NAFTA, which I voted against, have poorly represented the concerns of the average American worker.

By eroding the carefully crafted checks and balances provided under the Constitution, our current trade policy poorly represents the broader interests of American society.

Why can't the Senate be given an opportunity to at least offer 1 or 2 or 3 or 4 amendments? I am not suggesting that the Senate ought to be the arbiter over every little, teensy-weensy item in a trade agreement. I am not suggesting that at all. Obviously, we can't do that. But to say that the Senate cannot amend, can offer no amendments is off the track. To me that doesn't comport with the Constitution which provides that the Senate may offer amendments to bills.

Trade agreements, in principle as well as in practice, always have winners and losers. I believe the underlying issue for the average American worker is precisely who benefits most from our trade negotiations. I believe that the average American worker perceives that a select few U.S. industries keep winning, while other domestic industries keep losing, and that the promised "trickle down" of benefits from the winners to the losers never actually trickles.

Some will say that the benefits have not yet had time to trickle down. But data available today demonstrate a most distressing trend toward U.S. income inequality. That is: the rich keep getting richer and the poor keep getting poorer. Under fast-track rules, Senators cannot challenge trade provisions that appear inappropriate or unfair. They cannot question trade provisions which seem to contain juicy deals for specific industries or companies, but hold few guarantees for the average American worker just trying to make ends meet, take care of family responsibilities, and save a little bit for retirement.

Thus, it should be no mystery to Members of Congress as to why the American public is increasingly skeptical about our trade policies. During the NAFTA debate there were promises that the agreement would create lucrative economic gains for Americans—all Americans. American workers remember this promise, and they have judged that the promised gains have not materialized.

We need to wise up. Our trade negotiators are under strong pressures from certain influential industry sectors in our economy to negotiate deals which benefit them. To achieve these deals, our negotiators often offer our trading partners concessions, such as tariff reductions that adversely affect less influential U.S. industries. Such concessions, I believe, are not usually properly reviewed. Too often, the benefits achieved in our trade agreements are insignificant compared with the costs to the individual workers, and the total costs to the economy. Worse, many of the negotiated provisions to benefit U.S. industries fail to materialize because our trading partners fail to implement the promised reforms.

Therefore, we end up imposing enormous costs on various groups and segments of our economy and wind up with nothing to show for the damage. We end up with that pretty silk stocking filled with worthless mud.

Average American workers live in my state of West Virginia. They work hard for their money, very hard indeed. They labor in the coal mines, on small family-operated farms, in steel, glass or chemical manufacturing plants. These hard-working families deserve a fair slice of the pie. These and other American workers elected the various members of this body to look after their interests in national trade matters. Senators simply cannot adequately fulfill this obligation under fast-track procedures.

The Constitution established a system of government that has served the United States well for over 200 years. It created a nation filled with the promise of opportunity for all. It is our duty to do our best to make certain that the interests of every American are considered when it comes to matters of trade.

We live in an increasingly globalized world economy. I am not a protectionist and I am not against fair and free trade. But I would vote to preserve the Senate's essential role in its right to amend bills and in regulating foreign commerce. I would vote against fast-track procedures, as I have in the past, procedures that camouflage provisions that simply might not be acceptable to the majority of Americans.

I urge my colleagues to carefully consider the institutional and practical problems that fast track presents. The Constitution is clear: Congress is assigned the power "to regulate Commerce with foreign Nations: and to "lay and collect duties, imposts and excises."

The Constitution is also clear on the point that the Senate has the power and the right to amend legislation that comes before this body.

Let us not again so easily relinquish our constitutional power when it comes to issues of such importance to American working families.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GREGG. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I ask unanimous consent to speak as in morning business for a period of 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Reserving the right to object, how much time?

Mr. GREGG. Five minutes.

The PRESIDING OFFICER. Without objection, the Senator from New Hampshire is recognized.

BUDGET DISCIPLINE

Mr. GREGG. Madam President, I wanted to return to the floor; I have spoken about this issue before, but I wanted to continue to raise the issue because as we move into the final weeks of this session of the Congress, it is one of the core issues we have to address; that is, the question of budget discipline as a Congress.

It has taken us a long time—29 years, I believe—to get to a surplus, but this year we finally have a surplus. The American people place great faith in that and appreciation in that, and we as a Congress, obviously, are proud of the fact we finally reached a surplus. It was done as a result of a lot of hard work. We made some difficult decisions. We tightened down on the spending of the Federal Government and we especially maintained fiscal discipline here in the Congress. We did that through the use of what are known as caps. We set a budget in place, we had a 5-year budget agreement with the President last year, and it has led us on a glidepath to a surplus. The key to that budget agreement was that we set spending limits. We said: "We shall not exceed those spending limits."

Unfortunately, as we move towards the closing days of this Congress, we appear to be at the point of almost saying that the caps are irrelevant, that the disciplining effects which they had which got us to this surplus are going to be cast overboard. That is because we have something coming at us called an emergency supplemental.

An emergency supplemental is not an emergency, it is simply a bunch of spending which is going to be done outside the budget process, independent of the caps. On top of the spending which we said we would make, we are going to add new spending. It is as if you were running a household and you had income of $100 a week and you set your spending on your grocery bills and your electric bills so they would meet that $100. And then suddenly you said, "I happened to make $110 this week so I am going to spend $110—well, no, maybe I'll spend $120. I am not going to limit my spending by what I had originally planned, I am simply going to raise it arbitrarily."

That is what is happening here. We are using a vehicle called an emergency supplemental to arbitrarily increase the spending of the Federal Government. The projection now is that we are going to have an emergency supplemental somewhere in the vicinity of $20 billion. That is a lot of money. That is going to have a very dramatic impact on the surplus, because the surplus is projected to be not a great deal higher than $20 billion. It could literally, depending on the economic effects of the Asian situation and the slowdown of the American economy, it could literally slow down arriving at the surplus if we spend $20 billion more than we budgeted for, to exceed the caps in that way.

Why does it get designated as an emergency? It gets designated as an emergency because, if it didn't get designated as an emergency, it would be subject to a point of order and you would have to get 60 votes in order to spend it. But if it is designated as an emergency, it does not get hit with a point of order and therefore it can be spent with just a majority of Congress supporting it. So the budget discipline is lifted off.

What are these emergencies? One of the emergencies is that the year 2000 is coming. As my colleague from North Carolina, Senator FAIRCLOTH, who happens to be one of the more original folks around here, said: Are we just suddenly learning that the year 2000 is coming? That is hardly an emergency. We know and we have known for a long time that the year 2000 is coming. Thus, the additional $3 billion to address that is not an emergency. It should have been budgeted for.

Another emergency is Bosnia. Did we suddenly find out that we are in Bosnia? No. We have known we have been in Bosnia for quite a while. Obviously, that is not an emergency.

Another emergency happens to be the farm program. Originally it was asking for $2 billion in emergency spending. Now it is up to $4 billion. The leader on the other side wants to make it $7 billion. I have to tell you, every year that I have been in the Congress the farm program has come to us and asked for an emergency spending bill. There is no emergency here, other than the fact that that is the way the money gets spent—outside of the budget process. We all know that certain areas of this country every year are going to have problems with their farm program. It is simply a function of weather and factors like weather. In this case, it is a function of the international economy going flat. But every year we have this. It is a predictable event, so it is not an emergency. It is something that we should be anticipating.

Then we hear also that the President is going to come forward with emergency spending for defense. Clearly, defense needs more money. It is rather unusual that the President should be saying this, because for the last 6 years he has essentially tried to cut defense and increase spending on all the other programs in the Federal Government on the back of defense, and now it suddenly becomes an emergency that he has figured out that after 6 years he has cut defense so dramatically that it is in a horrendous situation and we are basically heading towards a military establishment which may be a shell, which may not be able to deliver the defense of the United States.

That may be an emergency in the sense that it is a clear threat to this country, but from a fiscal standpoint it was a known action which was taken by this administration over the last 6 years, to savage the defense budget, which has led us to this point. If it is the desire of the administration to suddenly increase defense funding, they should do it within the context of the budget process and take money from some of their beloved programs for which they have moved money out of defense and into those programs—take it back from those beloved programs and put it back in defense spending so this country is adequately defended.

So the fact is, as we head towards the closing days of this session, we confront a potential hemorrhaging of the budget process through an emergency supplemental. We are hearing with crocodile tears, I think, a lot of talk from the leader of the other body and from the Vice President, and even the President to some degree, that any tax cut would be an attack on the Social Security trust fund because any tax cut would come out of surplus and thus would be taken from the Social Security trust fund. That is the mantra, now, of the political operatives of this world who work for the Democratic Party, the James Carvilles. That is what they are going to try to label Republicans: "You are going to cut taxes and you are going to cut Social Security, because that's going to come out of the surplus."

What is good for the goose is good for the gander. If that is the case when the President sends up here a $20 billion supplemental request, many of which are not emergencies but which are predictable events—like the year 2000, like the agricultural situation, like Bosnia, like the defense issues—if they are going to send that amount of money up and ask that it come out of the emergency supplemental funding process, which means it comes directly out of the surplus, that also is an attack on Social Security in the same context as a tax cut on the Social Security trust fund. You can't have it both ways, Mr. President and members of the administration. You can't be saying a tax reduction has an impact on Social Security but the emergency supplemental doesn't. They both do, because the surplus is a function of excess tax revenue coming in under the Social Security trust fund.

What should we do? The proper fiscal thing to do is to offset this funding, these expenditures which we are going to undertake on the emergency supplemental. Granted, we can't do it all, I accept that, but we should certainly offset a large percentage of it. So before we come out here and hemorrhage the discipline that got us to a surplus, undermining the core elements that gave us fiscal solvency as a Nation for the first time in 29 years, I think we should pause and think about that and say, "Listen, maybe we ought to step back, try to figure out a way to pay for this supplemental so we don't undermine the budget process and undermine the surplus and, to some degree, undermine the Social Security trust fund.

Madam President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Madam President, I appreciate the remarks of the Senator from New Hampshire. Many of the economists give credit for the financial position of this country to the President and those who voted for the 1993 Budget Act, for which not a one on the side of the Senator from New Hampshire voted.

Secondly, the CBO, which is an appointment of the majority party, has said there will only be a $31 billion surplus in the general fund at the end of 10 years. He is partially right in saying if we have an emergency supplemental that it would come from the surplus, which is basically Social Security. Any tax break that is given comes from Social Security. I think whatever we might believe about the President, if a bill that goes to his desk that takes part of the Social Security trust fund money and spends it for a tax break or anything else that he will veto it, because the economic situation of this country is still an amazement to the rest of the world, how we have put our economy and our economic position in place.

What is an emergency? I think the rules are basically something similar to this. I don't have it before me to read. But it is something that doesn't come all the time, it is unexpected. The Senator from New Hampshire says you can expect a drought, or you can expect too much water, or you can expect all these things, so you should fund for it. I have gone through years when we didn't have an emergency in the farm community. I have gone through years when we did not have an emergency appropriations. So, therefore, you didn't need to budget it.

Secondly, the emergency is something that occurs and is not in perpetuity. The tax cut goes on; it doesn't stop. If you have an emergency now, you try to take care of that emergency; if it doesn't occur again, you don't have to do it again. If you give a tax break, that goes on forever, in perpetuity. So there is a difference between a tax cut and an emergency supplemental appropriations. It isn't something that reoccurs; you do it one time.

As we look at the Freedom to Farm bill that was heralded as the savior for the farm program, we see now that it really doesn't work; there is no safety net for the farmers. There is a crisis in the Midwest. The farmers who raise the grain have had a lot of trouble, and it is not necessarily no rain, a drought, and so forth, but prices. The North American Free Trade Agreement, which only seven of us in the Senate voted against at the time, has now come back to bite us. When you find farmers standing at the border between the United States and Canada preventing those 18 wheelers from coming in, it is somewhat understandable that we should be concerned about it.

I hope we can sit down and work out whatever moneys are necessary as it relates to an emergency supplemental, particularly for our farmers and particularly in defense.

I did not want the Senator from New Hampshire to get up and say all these things as fact without having a little bit of the other side from whom some people refer to as a moderate Senator from Kentucky. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Arizona.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. McCAIN. Mr. President, I say to my friend from Kentucky, I believe we now have an agreement on the managers' amendment.

AMENDMENT NO. 3618

(Purpose: To make minor additions and corrections to the reported bill)

Mr. McCAIN. Mr. President, I send the managers' amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for himself and Mr. FORD, proposes an amendment numbered 3618.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. McCAIN. Mr. President, I ask unanimous consent that the amendment be considered as part of original text for purpose of amendment.

The PRESIDING OFFICER. Is the body ready to vote on the amendment?

Mr. McCAIN. Mr. President, I ask unanimous consent that the amendment be considered as part of the original text for the purpose of amendment. This is a substitute amendment.

The PRESIDING OFFICER. Is there objection to the adoption of the amendment and inclusion as part of the original text?

Mr. FORD. Reserving the right to object, let's be sure we have the parliamentary procedure correct. This is a managers' amendment that is a part of the original bill as filed subject to amendment.

Mr. McCAIN. Subject to amendment.

The PRESIDING OFFICER. It will be considered as part of the original text for the purpose of amendment and will be subject to amendment.

Mr. FORD. I wanted to be sure. There is not any hanky-panky going on here, I know that. Every once in a while, we find we have to make a unanimous consent request to get us out of a parliamentary problem.

The PRESIDING OFFICER. Is there objection to the adoption of the amendment? Without objection, the amendment is agreed to.

The amendment (No. 3618) was agreed to.

Mr. McCAIN. Mr. President, now I ask that my colleagues, again, who are interested in this bill—we have a little less than 2 hours remaining—who wish to debate this bill, who wish to discuss it, who wish to amend it, please come to the floor and do so. The Senator from Kentucky and I intend, again, to achieve a final list of amendments for tomorrow. We have every intention of completing this bill by tomorrow evening.

I want to put my colleagues on notice. We have been working on this bill for a long, long time. If there are not Members who come to the floor to propose their amendments, then I will move to go to third reading of the bill, because there is no point in us going all the way tomorrow and into Friday and not having completed this legislation. I repeat, it must pass.

I have heard personally from a number of Members who have strongly held views on this legislation, particularly the Senators from Maryland and Virginia. I will point out, Mr. President, that one of the Senators from Virginia, Senator WARNER, has had a tragedy in his family, which is why he is not here to debate the bill at this time.

I, again, urge my colleagues to come to the floor in the next couple of hours to either propose amendments or debate the bill.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

Mr. President, I would like to preface my comments by commending the floor leaders, my good friends, Senator McCAIN and Senator FORD, for the leadership they have provided in getting this piece of legislation through the committee and on to the floor. I am not unmindful of the fact there are some points of contention, but both of them have provided the kind of leadership and experience and real statesmanship we have come to expect from both of these two leaders. And I, for one, want to praise them for their leadership.

I want to talk about one of those points that has become historically somewhat vexing when we deal with an FAA piece of legislation, and that is the so-called perimeter rule. The perimeter rule is extremely important to my State, Nevada, and particularly the expanding markets in southern Nevada. Within the next year, 20,000 new hotel rooms will come on line. It will be critically important to have additional air capacity going into southern Nevada in order that those new hotel rooms can be filled. The Metropolitan Las Vegas area will have in excess of 120,000 hotel rooms within the next 18 months.

I know of no place in the world that has that concentration of hotel rooms. It is no secret that the mainspring of the economy in southern Nevada, as well as the entire State, has been for decades tourism. And because of the relative remoteness and isolation of southern Nevada, air transport is a critical factor for our continued economic viability and the expansion that we have enjoyed over the years.

I was able, with the support of the distinguished chairman of the committee, the senior Senator from Arizona, to convene a hearing in Las Vegas earlier this spring, because one of the challenges that we face in providing additional air service to southern Nevada are some economic changes that are occurring in the airline industry itself.

During the time in which the economy was relatively soft and business travel was not particularly robust, it was much easier for us in southern Nevada to get the kind of air service and the number of flights that we needed. As a result of the expanding economy and business travel expanding quite rapidly, the airlines have reached an economic judgment which, although hard to quarrel with, nevertheless has had some profound implications for us in Las Vegas. And that is to say that business travel, as opposed to recreation travel, generates more revenue per seat mile than does resort, tourist destination travel.

So the airlines, to some extent, have shifted some of their capacity to the more profitable business routes. That change poses some real challenges to us in trying to fill those hotel rooms, I mentioned earlier in my comments, that are coming on line. That would be the largest influx of new hotel rooms in the history of Las Vegas for any given period of time. So as part of this hearing that we held in Las Vegas, we looked at a number of factors that might help to alleviate that problem.

One area in which we desperately need expanded air service is from longer distance destinations, from the east coast. And one of the things that was pointed out as part of the barrier to that new service is that there are some artificial barriers that are created either by act of Congress or by policy, and to the extent that we can remove those barriers, it will be easier for us to get expanded air service.

One of those barriers that was created by an act of Congress is the perimeter rule, established in 1986 as part of Federal legislation. That was part of the Metropolitan Washington Airport Act.

Some history of the perimeter rule. In its initial origin, there may have been some justification for it. At the time, there was considerable concern that Dulles would not attract the kind of airline service needed to fully utilize that facility if, indeed, longer distance flights could originate out of Washington National or could come to Washington National.

So this perimeter rule—which has kind of taken on a life of its own and has been exalted almost to divine status, something that is so sacrosanct that we should never touch it under any circumstances—is in point of fact an act of Congress' creation, and it is not inappropriate for the Congress to revisit that rule.

The General Accounting Office, in examining airline competition, bolsters the argument that was made at our hearing in Las Vegas when it describes the perimeter rule as "a barrier to entry service." It points out that the rules limit the ability of airlines based in the West to compete because those airlines are not allowed to serve—LaGuardia is another airport which has a perimeter rule, as well as National Airport—from the markets where they are strongest. By contrast, because of their proximity to LaGuardia and National, each of the seven largest established carriers is able to serve those airports from its principal hub. So there is an invidious discrimination in the very existence of these perimeter rules.

This report, as well as others, has suggested to the Congress that we grant authority to allow exemptions to the perimeter rule. I believe that is a sound recommendation and one that has been carefully crafted by my colleagues and friends who provide the leadership for us in the Commerce Committee, because a compromise has indeed been offered.

Let me add an additional basis, it seems to me, for that compromise to occur. Not only does this invidious discrimination make it very difficult for new entrants to come into the market, but the original justification for the rule in 1986—if it ever had any validity, if one assumes arguendo that it may have been well founded at the time of its enactment—no longer exists.

You will recall that the original or ostensible justification was to make sure that Dulles as an airport had plenty of activity and airline service, and therefore this artificial creation of the perimeter rule was designed to make sure that the longer distance flights emanated from Dulles. Having been to Dulles many times in the last month, none would argue that this airport is underutilized. It is a robust, healthy air terminal, and all of us are pleased for that.

On two bases, it seems to me, the argument can be made: No. 1, that the original rationale and predicate of the perimeter rule no longer has any operative merit; and No. 2, the competitive aspect in the discrimination which I have alluded to in citing from the airline competition, "The Barriers to Entering Into Domestic Markets," published by the General Accounting Office.

I think for that reason the provisions that have been crafted into this piece of legislation dealing with additional slots at National, particularly those 12 which will be allowed to fly outside the perimeter, represent sound policy and a reasonable compromise.

Again, I commend the chairman of the committee, Senator McCAIN, and the ranking member of the subcommittee, Senator FORD, for their leadership. I hope we can get this enacted. I salute them for their leadership.

I yield the floor.

Mr. McCAIN. Mr. President, I thank the Senator from Nevada not only on this issue but for his continued activity as a valued member of the Commerce Committee on all aviation issues. He is knowledgeable. He is given to bipartisan cooperation. I appreciate very much the opportunity to work with him not only on aviation issues but a variety of other issues, including the sport of boxing.

As I mentioned earlier in my remarks, there is a list that I had included in the RECORD about a week ago of all the different formula funds, entitlement State allocations, totaling $2.1 billion, that would be delayed at this time. In the case of the State of Washington, the amount would be $7,410,694, to randomly pick a State; for the State of Kentucky, it is $4,932,788.

Mr. FORD. What airports do they go do?

Mr. McCAIN. I do not know exactly which airports they go to, although there are some letters of intent that I had printed in the RECORD. One is the Greater Cincinnati airport, $6 million; and Louisville, $18.243 million. These are letters of intent following fiscal year 1999 grant allocations that are already in preparation.

Texas: I see the New Austin at Bergstrom, $11.43 million; Dallas/Ft. Worth International, $12.5 million. Washington: Seattle-Tacoma, known as SeaTac Airport, $4,400,000.

Mr. President, I ask unanimous consent this list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LETTERS OF INTENT

Current letters of intent assume the following fiscal year 1999 grant allocations:

Arkansas: Fayetteville (northwest Arkansas)	$5,000,000
Colorado: Denver International	24,931,000
Georgia: Hartsfield Atlanta International	7,083,000
Illinois:	
Mid-America, Belleville reliever	14,000,000
Chicago Midway	3,000,000
Kentucky:	
Greater Cincinnati	6,000,000
Louisville	18,243,000
Michigan: Detroit Metropolitan	16,400,000
Mississippi: Golden Triangle	300,000
Nevada: Reno/Tahoe International	6,500,000
New York: Buffalo International	1,700,000
Rhode Island: Theodore F. Green State	6,500,000
South Carolina:	
Hilton Head	558,000
Florence Regional	94,000
Tennessee:	
Nashville International	555,000
Memphis International	18,733,000
Texas:	
New Austin at Bergstrom	11,430,000
Dalls/Ft. Worth International	12,500,000
Midland	1,327,000
Virginia: Reagan Washington National	14,232,000
Washington: Seattle-Tacoma International	4,400,000
Total	173,486,000

(Source: United States Senate Report 105-249, Department of Transportation and Related Agencies Appropriations Bill, 1999; pp. 86)

In addition, there is $500,000,000 in discretionary funds available for assignment by the FAA after the authorization and appropriations process has been completed.

AIRPORT IMPROVEMENT PROGRAM FORMULA DISTRIBUTIONS

[Estimated FY98 entitlement and State allocations, Total formula funds at $2.1 billion][1]

Alabama	$5,823,950
Alaska	31,277,460
Arizona	8,759,576
Arkansas	4,577,601
California	31,086,667
Colorado	7,958,160
Connecticut	2,809,935
Delaware	635,295
District of Columbia	468,506
Florida	13,064,255
Georgia	8,040,687
Hawaii	1,186,786
Idaho	5,134,047

Illinois	11,777,613
Indiana	6,148,104
Iowa	5,065,177
Kansas	6,193,550
Kentucky	4,932,788
Louisiana	5,778,788
Maine	2,734,919
Maryland	4,298,977
Massachusetts	5,091,338
Michigan	12,190,141
Minnesota	7,873,545
Mississippi	4,490,016
Missouri	7,558,689
Montana	8,289,328
Nebraska	5,247,768
Nevada	6,692,991
New Hampshire	1,334,174
New Jersey	6,348,164
New Mexico	7,508,916
New York	16,573,616
North Carolina	7,827,567
North Dakota	4,180,687
Ohio	10,647,533
Oklahoma	6,061,992
Oregon	7,247,957
Pennsylvania	11,505,588
Puerto Rico	2,632,148
Rhode Island	832,693
South Carolina	4,302,524
South Dakota	4,559,359
Tennessee	5,936,395
Texas	26,942,447
Utah	5,752,302
Vermont	933,033
Virginia	6,947,024
Washington	7,410,694
West Virginia	2,638,950
Wisconsin	7,204,305
Wyoming	5,421,196
Insular areas	2,564,100
Total	388,500,000

[1] The list includes airport entitlement funds and State funds that would be foregone in fiscal year 1999, assuming the Senate AIP appropriations level of 2.1 billion dollars. These figures don't include discretionary grants & LOI payments.

(Source: United States Senate Report 105-249, Department of Transportation and Related Agencies Appropriations Bill, 1999; pp. 80-1).

(Note: This does not include funds allocated to states for general aviation, relieve, and non-primary commercial service airports, nor does it include nearly half a billion dollars in discretionary grants the FAA will allocate in FY99.)

Mr. McCAIN. Mr. President, I will be prepared shortly, perhaps in half an hour, to propound a unanimous consent agreement on amendments. Again, I urge my colleagues to have their amendments. I repeat our determination to have completed legislative action on this legislation by the close of business tomorrow night.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that I may be recognized to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BLOODSHED IN KOSOVO

Mrs. FEINSTEIN. Mr. President, I note that both Senator McCAIN and Senator SMITH came to the floor to present their thoughts on Kosovo. I would really like to join them and second their remarks.

Mr. President, it is estimated that at least 250,000 Kosovar Albanians have been displaced by the violence and bloodshed of the past several months, and that many are currently living in the forests, without access to adequate food, shelter or medical care. With winter soon approaching, we are on the verge of a major humanitarian catastrophe in Kosovo, which is the direct result of a cruel and intentional policy directed by President Milosevic and carried out by Serbian security forces in Kosovo.

The time has come—indeed, it is my belief that the time came long ago—for the United States, our NATO allies, and the entire international community, to back with resolve that what happened in Bosnia must not be allowed to happen again in Kosovo. For too long, we have stood by passively while Milosevic has acted in bad faith. He has made numerous commitments to halt the violence, such as that contained in his joint statement with President Yeltsin on June 16, and he has honored none of them.

In July, the Senate unanimously passed a bipartisan resolution which called on the United Nations War Crimes Tribunal to indict President Milosevic for his crimes in Bosnia. That resolution has not yet been carried out. In my mind, the time has come for the United States to call an end to the charade of taking at face value the word of a man the U.S. Senate believes should be indicted as a war criminal.

If thousands, or tens of thousands, of people in Kosovo now die because they have been systematically forced from their homes, forced into the forests, denied access to food, warmth, shelter and medical care, it is a crime worthy of the world's condemnation.

With winter imminent in the Balkans, the U.N. Security Council is prepared to vote on a resolution threatening force under article 7 of the U.N. Charter unless Milosevic calls a ceasefire and negotiates with Kosovo's Albanian separatists.

At the end of this week, Secretary Cohen will be meeting with other NATO defense ministers. According to press reports, the Clinton administration has already asked the North Atlantic Council to seek commitments of arms, material and troops from NATO members to complete plans for a multinational force.

I hope and trust that this means that a plan of action to halt the violence and bloodshed in Kosovo—a plan with clear benchmarks for success and a clear exit strategy—will be at the top of the NATO defense minister's agenda.

I trust that Secretary Cohen will take a strong leadership position at this meeting, and that Secretary Albright is taking an equal stand on this issue in discussions with her counterparts. Although I wish it were not the case, we have seen all too often that when Washington hesitates, our Europe allies become paralyzed.

And, lastly, I hope and trust that this time NATO, acting in coordination with the United Nations, will develop a plan consistent with this pressing humanitarian need, which will be quickly implemented, and not just talked about.

Mr. President, it took us 4 years to develop the courage to join and urge NATO to intervene in Bosnia at the cost of 200,000 dead and 2 million displaced. Hundreds, if not thousands have already been killed in Kosovo, and hundreds of thousands have been forced from their homes. What more needs to happen before the international community acts?

There is no doubt that the search for peace in Kosovo has thus far proved elusive, and that finding a solution which provides Kosovar Albanians with full political rights and civil liberties will be difficult.

But the time has come for the international community to take action: We must keep our promise not to allow Kosovo to become another Bosnia, and, unless Milosevic halts the violence immediately and unambiguously, to commit ourselves to the course of a much-needed humanitarian intervention in Kosovo.

Mr. President, I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, I was over in my office earlier in the afternoon. I heard the quorum calls. Now again we are wasting time in the middle of the afternoon. We are talking about a Wednesday afternoon at about quarter of 5. The Senate is in a quorum call when we could be debating the issue of the Patients' Bill of Rights.

I have taken the opportunity at other times to remind the Senate about the importance of that debate. Last week, we had the Republican leadership effectively close down the Senate for 5 hours, by essentially prohibiting Members of the U.S. Senate to speak at that time on the issue of the Patients' Bill of Rights. And, as has been pointed out by our Democratic leader, Senator DASCHLE, the Republican leadership shows an unwillingness to debate this issue during the evening times, which would allow us to do the country's business and do the people's business.

I rise again today to talk a bit about this issue, and the importance of it, because it is of such compelling importance to millions of Americans—more than 160 million Americans.

Every time I go back to Massachusetts—and I think it is generally true with others as they travel across the country to their States—I run into the people who have faced the kinds of situations that I will mention in just a moment or two. These are situations that cry out for action. Still we don't take the action.

We have considered other pieces of legislation that have some importance. But I daresay that none of the recent pieces of legislation that we have considered, I believe, rise to the importance of the debate and discussion on the Patients' Bill of Rights.

Mr. President, I want to include in the RECORD today the testimony and the comments of some leading American citizens who are very concerned about ensuring adequate protections for consumers of mental health services—protections that are included in the Patients' Bill of Rights, which has been introduced by Senator DASCHLE, and are not included in the Republican proposal.

In the forum that was held this afternoon, 36 groups—representing patients, families, psychiatrists, psychologists, social workers, and others who are concerned about quality of health care for people with mental illness—begged the Senate to act to pass the Patients' Bill of Rights. With every day that passes, these patients and their families are suffering because of abuses by the managed care systems. In too many instances, the stories they told were tragic. They involved suicide, spousal abuse, anxiety attacks inflicted on a Vietnam veteran, and successful courses of treatment cruelly interrupted because insurance companies are putting their bottom line first and their obligations to patients last.

One of our speakers, the president of the National Alliance for the Mentally Ill, NAMI, focused on an important provision of our legislation that has not received as much attention as some of the other issues—access to needed prescription drugs that are not on a health plan's approved list. For mental patients, the last few decades have seen a significant growth in the number of new medicines that can treat their diseases. For many patients, these new drugs represent genuine medical miracles and opportunities to resume lives that have been devastated by these cruel diseases. But too often managed care plans have said "no" to these patients and their doctors. They say: "The new drugs are too expensive. You will have to make do with older, cheaper drugs that are on our approved list. If they don't work for you, that is just too bad." That should be unacceptable to every American.

Our legislation will guarantee that no family with a mentally ill member will ever be subjected to this kind of abuse again.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of the Mental Health Liaison Group.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MENTAL HEALTH LIAISON GROUP,
Alexandria, VA, September 23, 1998.

Hon. TRENT LOTT,
Senate Majority Leader,
Capitol Building, Washington, DC.

DEAR SENATOR LOTT: The undersigned members of the Mental Health Liaison Group (MHLG) are writing to urge the Senate to pass meaningful legislation protecting consumers now enrolled in managed care before the end of the 105th Congress. If Senate passage is accomplished in an expeditious manner, ample time remains to initiate a conference committee with the House and achieve final passage of this important legislation.

Our community has a large stake in timely consideration of consumer protection legislation. Today, over 160 million Americans receive their mental health care from a mere handful of managed care plans. Virtually every organization signing onto this correspondence has received reports of:

Consumers being denied access to emergency services despite being in psychiatric crisis.

Health care plans applying rigid utilization review criteria that radically reduce the availability of outpatients mental health services.

Treatment plans, diagnoses and related clinical decisions being reviewed by health plan personnel with no prior medical or mental health training whatsoever.

HMO drug formularies insisting upon the lowest-cost psychotropic medications, which may be clinically inappropriate for individuals with more serious mental disorders.

Procedural disputes should not inhibit free and fair debate of consumer protection legislation on the floor. Key issues like access to specialists, medical necessity, point of service, legal accountability and related matters should now be considered by the full Senate. The starting point for debate could involve any of the wide array of comprehensive bills now pending, including the measures endorsed by the House and Senate Republican leadership.

In our view, at this time, the only bill that represents meaningful reform is S. 1890, the Patients' Bill of Rights Introduced by Senator Daschle.

Sincerely,

American Academy of Child and Adolescent Psychiatry; American Association for Marriage and Family Therapy; American Association for Psychosocial Rehabilitation; American Association of Children's Residential Centers; American Association of Pastoral Counselors; American Association of Private Practice Psychiatrists; American Board of Examiners in Clinical Social Work; American Counseling Association; American Federation of State, County and Municipal Employees; American Family Foundation.

American Group of Psychotherapy Association; American Nurses Association; American Occupational Therapy Association; American Orthopsychiatric Association; American Psychiatric Association; American Psychiatric Nurses Association; American Psychoanalytic Association; American Psychological Association; Anxiety Disorders Association of America; Association for the Advancement of Psychology.

Association for Ambulatory Behavioral Healthcare; Association of Behavioral Healthcare Management; Bazelon Center for Mental Health Law; Child Welfare League of America; Children and Adults with Attention Deficit Disorder; Clinical Social Work Federation; Corporation for the Advancement of Psychiatry; International Association of Psychosocial Rehabilitation Services; National Alliance for the Mentally Ill; National Association for Rural Mental Health.

National Association of Protection and Advocacy Systems; National Association of Psychiatric Treatment Centers for Children; National Association of School Psychologists; National Association of Social Workers; National Council for Community Behavioral Healthcare; National Mental Health Association.

Mr. KENNEDY. Mr. President, we heard today from Jackie Shannon. She is the president of the National Alliance for the Mentally Ill, NAMI, and the mother of a son with schizophrenia. I would like to read from her very, very moving testimony. This passage refers to a woman named Pam Childs from Miami, Florida and her problems with manic-depressive illness:

Pam was a Ph.D. psychologist who specialized in treating children and adolescents . . . Repeatedly, Pam's HMO told her that the treatment being recommended by her doctors were "not part of the plan." On several occasions, doctors who made progress in treating Pam were later told that they were "being taken off the plan." Pam Childs never got the treatment she needed, and this story did not have a happy ending. On July 2 of this year, at 34 years of age, Pam took her own life by leaping from the window of her father's 15-story apartment.

Mr. President, Jackie Shannon also told us about the problems the mental health community faces in terms of access to various prescription drugs. The prescription drug formularies used by insurance companies limit access to the newest and most effective medications. I would like to read from her testimony:

Over the past decade, the most far-reaching advances in the treatment of brain disorders such as schizophrenia and manic-depressive illness have all been in the area of prescription drugs. These new medications are highly effective in treating severe symptoms, without many of the disturbing side effects associated with older medications. While some of these medications may cost more at the front end, they deliver significant long-term savings through fewer and shorter hospitalizations, and, more importantly, a higher quality of life for consumers.

Unfortunately, managed care plans too often use formularies—restrictive lists and

> bureaucratic rules—to limit access to the newer, more effective medications. What kind of rules? A 1997 survey of managed behavioral health plans by NAMI revealed widespread use of policies such as prior authorization, and what they call "twice-fail" requirements as parts of the formulary.
>
> These "twice fail" rules are especially offensive to the NAMI members. Our survey found that some managed care plans actually require patients to fail on older, cheaper medications multiple times before being able to access the newer medication. NAMI believes that psychiatrists and their patients should be able to select the medication that is right for them based on clinical effectiveness, not on a managed care plan's financial bottom line. The best treatment available should be the treatment of first choice.

Do we understand that, Mr. President? The best treatment available ought to be the treatment of first choice. The Democratic version of the Patients' Bill of Rights guarantees that. It would allow the doctors to overrule a plan's restrictive drug formulary when it is in the patient's interests. The Republican bill would not.

Now, Mr. President, this is an issue of particular importance to persons with mental illness who need these newer drugs. We hear case after case of patients who would be helped if they had access to the newest and most effective medications. We heard of one young person whose plan required him to use the cheaper drugs and demonstrate their failure not just once, but twice, before they would even be eligible for the right drugs. This is one of the reasons that we provide this kind of protection in our Patients' Bill of Rights. We believe it is important to ensure that the doctor can to say, This is the kind of prescription drug that is necessary to deal with your particular health need and that the plan will cover it, if the plan offers drug coverage.

That is a very important protection. We would like to debate that issue. If the Republican leadership does not believe that we ought to provide that kind of protection, they should come to the floor of the Senate and let's call the roll. This is not a complicated issue. It is not a very complicated issue. But it is one of the very important protections that exist in our bill and which does not exist in the Republican bill.

The American people have been effectively denied—with the various proposals that have been offered by the majority leader in terms of the debate of the Patients' Bill of Rights—from seeing where the Senate stands on these important issues. The leadership has said, in reference to their proposal, You can either take it or leave it. They are attempting to gag not only the doctors in this country from giving the best advice on health care needs, but they are also attempting to gag the Senate from having any kind of debate or discussion on these issues, let alone a vote on them. That is very, very important, Mr. President. The National Association of Mentally Ill feel that access to prescription drugs is of enormous importance to their membership. Their view is shared by all of the leading mental health organizations. That is why the 36 different groups have indicated strong support for the Democratic Patients Bill of Rights.

Mr. President, I refer right here to this chart that compares our Patients' Bill of Rights, which puts patients before profits, and the Republican legislation. Right here, No. 11—access to doctor prescribed drugs—the question is whether you will be able to get the kind of prescription drug—new or old, perhaps somewhat more expensive—that your doctor recommends, or be forced to take only those medications that are listed on the HMO plan and just do not work for you.

Mr. President, this forum that we had was just the most recent one in which we heard patients and doctors and nurses pleading with the Republican leadership to act on real managed care reform before the end of the year.

At today s forum, I spoke about a particularly tragic set of circumstances surrounding the case of a man who died because his plan denied necessary treatment. In this case, however, like too many others, the plan was not held accountable for its abusive actions. Let me just tell you, Mr. President, about this very tragic case.

Richard Clarke of Haverhill, MA, was struggling to deal with a serious problem of substance abuse. His health plan clearly covered 30 days of inpatient rehabilitation. But when Mr. Clarke's doctor admitted him to a detoxification program, the plan provided only 5 days of treatment. His treatment was cut short, and his pattern of abuse and inadequate treatment continued. Shortly after the first hospitalization, his doctor again tried to admit him. But his HMO approved just 8 days of inpatient rehabilitation. And 24 hours after this discharge, Mr. Clarke attempted suicide. Again, he was referred for additional inpatient treatment, but this time the HMO refused to pay for any additional services—even though his policy clearly should have covered 17 additional days.

At this point, a judge committed Mr. Clarke to a State correctional center. Mr. Clarke was abused in that center and received only minimal treatment. Tragically, just a few weeks after being discharged from the correctional center, Mr. Clarke committed suicide at age 41. He left a widow and four children and 17 days of inpatient rehabilitation coverage on his insurance policy—17 days that were not used, 17 days that were repeatedly denied by the HMO. And he took his life.

His widow took the insurance plan to Federal court. But Judge William Young had no choice but to reluctantly dismiss the case because the Federal law protected the HMO from accountability for its actions.

Judge Young was frank in his opinion:

> Federal law has evolved in a shield of immunity that protects health insurers . . . and other managed care entities from potential liability for the consequences of their wrongful denial of health benefits. The Federal law thwarts the legitimate claims of the very people it was designed to protect.

There it is, Mr. President, an example of an individual who needed help, consolation, rehabilitation, and attention, but was denied it by the HMO. A tragic, tragic ending, with the HMO responsible—I believe, just from a reading of these facts—or certainly contributing to the anxiety and ultimately to the untimely death, and the loss of this father of four children. And, under current law, the HMO is able to stand back and say, no, we can't be sued. And they cannot be, Mr. President.

That particular issue is addressed in our legislation. Right here on the chart where we say "ability to hold plans accountable." But it is not in the Republican legislation. We looked through their bill. It is not there, but it is in ours. Another issue to debate. Another issue to discuss. Another issue to vote on. It is not very complicated. Are you going to hold a plan accountable when its decisions result in the death or serious injury of an individual who may be the breadwinner for a family? Are you going to deny a family the opportunity to hold insurance companies responsible if a loved one has been the recipient of negligent treatment?

We ought to be able to vote on that. It is not very complicated. But no, no, we cannot even bring that up. We cannot even debate it. It is a crucial matter, certainly, to the Clarke's or any other family in this situation. It is a crucial matter to millions of other families.

Mr. President, there are millions of Americans who have that kind of protection today, but it is not guaranteed to over 120 million Americans who receive their insurance through employers in the private sector. It is not guaranteed. It is effectively excluded. Mr. President, more than 40 million Americans can hold their HMOs accountable, but more than 120 million others cannot. The others cannot. Why not, we might ask? Because the power of the special interests will not permit us to get to this legislation, to consider it, debate it, and call the roll on it.

Mr. President, this forum was just the most recent one in which we have heard the patients and doctors and nurses pleading with the Republican leadership to act on real managed care reform. Several weeks ago, we heard from Dr. Charlotte Yeh, an emergency doctor from Boston who also is a leader in the American College of Emergency Physicians. In fact, we have had the leaders of many of these professional groups appear in these forums—representatives of from many of the more than 180 different groups of patients and doctors, nurses, health professionals that support our legislation.

Dr. Yeh described cases where HMOs denied treatment that patients needed because of managed care penny-pinching. She indicated she was appearing at the forum "representing the concerns of 20,000 emergency physicians, on behalf of 90 million patients we see every year." She went on to say, "For emergency physicians protecting patients is not just a job, it is our lives." They are strongly in support of our legislation. They strongly believe that we ought to have an opportunity to debate this legislation. They are strongly opposed to Republican leadership, and are concerned about the leadership s refusal to let us have an opportunity to debate the legislation. This is what Dr. Yeh commented on:

> For the last several years, the tactics of the managed care industry with respect to coverage of emergency care has become a national issue.
>
> * * * * *
>
> We've all heard the stories.
>
> In Detroit, a 46-year-old woman collapsed in her husband's arms and was rushed to the hospital by ambulance. She died of cardiac arrest after a failed resuscitation attempt. Unbelievably, her managed care plan later denied payment for her treatment because she did not call for prior approval.
>
> In Boston, a boy's leg was seriously injured in an auto accident. At a nearby hospital, emergency doctors told the parents he would need vascular surgery to save his leg and a surgeon was ready and available in the hospital.
>
> Unfortunately, for this young man, his insurer insisted he be transferred to an "in-network" hospital for the surgery. His parents were told if they allowed the operation to be done anywhere else, they would be responsible for the bill. They agreed to the move. Surgery was performed three hours after the accident. But by then, it was too late to save his leg.
>
> These are not episodes from the TV program, "ER". These are not anecdotes. They are real people with real lives.
>
> A bipartisan majority in the Congress has called for enactment of standards that will put an end to episodes like the ones I just described. Last year, the Congress adopted the prudent layperson standard and other protections for Medicare and Medicaid patients seeking emergency care. Millions of Medicare and Medicaid beneficiaries have these protections, but not the 160 million people outside of those programs. They do not have these protections.

She continues:

> We thought there was consensus on this issue. . . . But we are very disturbed about the way in which the emergency service protections were drafted in the Republican "Patient Protection Act." As a physician, it seems that a little unnecessary surgery was performed on the "prudent layperson" standard to the point where barely recognizable as the consumer protection we envisioned.

Mr. McCAIN. Will the Senator from Massachusetts yield?

Mr. KENNEDY. Yes.

Mr. McCAIN. Just for a question. The Senator from Massachusetts, I know, wants to indulge his colleagues. We have Senator INHOFE on the floor on an amendment on pending legislation, and Senator ROTH to follow him. So if he could perhaps very quickly allow the amendment process to proceed, I would appreciate it very much. I thank the Senator from Massachusetts.

Mr. KENNEDY. Seeing Senators are here and ready to move ahead, I will just make some few concluding remarks on this issue and then get back to it at another time. I think we could have been debating this, rather than just filling in the time with the quorum calls, which we have been doing frequently. So I indicate to colleagues, I will make some concluding remarks for just a few more minutes and then yield the floor. Again, from Dr. Yeh's testimony:

> What's the difference between the real "prudent layperson" standard included in the Balanced Budget Act and the Democratic Patients' Bill of Rights and the imposter that has been included in the GOP Patient Protection Act?
>
> The GOP Patient Protection Act would establish a weaker coverage standard for privately insured patients than what exists for Medicare and Medicaid patients.

This is not Senator DASCHLE or myself making this statement, this is a leading member of the American College of Emergency Physicians—doctors who deal with this problem every single day—talking about how the GOP Patient Protection Act is a fraud.

She continues along. I ask unanimous consent to have her full statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF CHARLOTTE YEH, MD, FACEP, CHAIR, FEDERAL GOVERNMENT AFFAIRS COMMITTEE, AMERICAN COLLEGE OF EMERGENCY PHYSICIANS

Thank you very much. I am Dr. Charlotte Yeh, a practicing emergency physician at the New England Medical Center in Boston, MA. I am here today representing the concerns of nearly 20,000 emergency physicians and on behalf of the 90 million patients we see every year. For emergency physicians, protecting patients is not just a job, it's our life.

For the last several years, the tactics of the managed care industry with respect to coverage of emergency care has become a national issue. I'm pleased to be here today as we try to enact meaningful patient protections that will ensure that patients get not only the care they deserve, but that they also get the coverage that their managed care plan promised them.

We've all heard the stories.

In Detroit, a 46-year old woman collapsed in her husband's arms and was rushed to the hospital by ambulance. She died of cardiac arrest after a failed resuscitation attempt. Unbelievably, her managed care plan later denied payment for her treatment because she did not call for prior approval.

In Boston, a boy's leg was seriously injured in an auto accident. At a nearby hospital, emergency doctors told the parents he would need vascular surgery to save his leg and a surgeon was ready and available in the hospital.

Unfortunately, for this young man, his insurer insisted he be transferred to an "in-network" hospital for the surgery. His parents were told if they allowed the operation to be done anywhere else, they would be responsible for the bill. They agreed to the move. Surgery was performed three hours after the accident. But by then, it was too late to save his leg.

These are not episodes from the TV program, "ER". These are not anecdotes. They are real people with real lives.

A bipartisan majority in the Congress has called for enactment of standards that will put an end to episodes like the one I just described. Last year, the Congress adopted the prudent layperson standard and other protections for Medicare and Medicaid patients seeking emergency care. We thought there was a consensus on this issue!

Just a few weeks ago, we were delighted to see that Republican Task Forces in both the House and Senate had decided to include the "prudent layperson" standard in their respective patient protection measures.

But we are very disturbed about the way in which the emergency services protections were drafted in the Republican "Patient Protection Act." As a physician, it seems that a little Unnecessary surgery was performed on the "prudent layperson" standard to the point where it is barely recognizable as the consumer protection we envisioned.

What's the difference between the real "prudent layperson" standard included in the "Balanced Budget Act" and the Democratic "Patient's Bill of Rights" and the "imposter" that has been included in the GOP "Patient Protection Act?"

The GOP Patient Protection Act would establish a weaker coverage standard for privately insured patients than what exists for Medicare and Medicaid patients.

The Democratic bill would provide the same protections for all patients.

The GOP Patient Protection Act establishes a two-tiered test for coverage of emergency services and guarantees coverage only for a "screening examination."

The Democratic bill would require that health plans cover all services necessary to evaluate and stabilize the patient to anyone who meets the prudent layperson standard—no questions asked!

The GOP Patient Protection Act sets no limits on the amount of cost-sharing the managed care plans would be allowed to charge patients who seek emergency services from a non-network provider.

The Democratic bill would protect patients who reasonably seek emergency services to protect their health from being charged unreasonable co-pays and deductibles.

The GOP Patient Protection Act provides sets no guidelines for the coordination of post stabilization care, making it impossible for emergency physicians to coordinate and obtain authorization for necessary follow-up care with the managed care plans.

The Democratic bill would require health plans to adhere to new federal guidelines that require managed care plans to be available to coordinate post stabilization care, instead of just permitting the managed plan to turn off the phone at 5:00 o'clock.

Obviously, we are very troubled by the changes to the "prudent layperson" standard in the "Patient Protection Act."

Our assessment is that this legislation—Will provide less protection for privately insured patients than for Medicare and Medicaid patients; Will lead to more coverage disputes, not less; Will create even more barriers, not fewer; and Will create new loopholes for managed care plans to deny coverage of emergency services.

In four years, we have come so far, but we cannot support these provisions in their current form. We will do everything in our power to ensure that the "prudent layperson" standard that is enacted will be consistent with the meaningful protections that Congress enacted for Medicare and Medicaid beneficiaries. Hard-working Americans who pay their premiums deserve no less.

Mr. KENNEDY. We heard from cancer patients, and their doctors, who explained that the Patients' Bill of Rights is critical to ensuring patients access to quality clinical trials. These trials are often the only hope for patients with incurable cancer or other diseases where conventional treatments are ineffective. They are the best hope for learning to cure these dread diseases.

Insurance used to routinely pay the doctor and hospital costs associated with clinical trials, but managed care plans are refusing to allow patients to participate. Our bill forces the insurance companies to respond to these needs, but the Republican bill does not. And they refuse to debate this issue. Here it is on the chart, "Access to Clinical Trials." We provide this protection, and they do not.

Yet, this is very important for women who are battling breast cancer. It is important for children—like my own son, Teddy, who was able to get into a clinical trial when he had osteosarcoma at age 12, and survive that dread disease. He is alive today because he was in a clinical trial.

Mr. President, as I have pointed out before, these are the guarantees that are in our legislation. Under our proposal, the doctor, the medical professional, will make the decisions on medical treatment for the patient—be that you or your spouse or your child or your grandchild. Medical decisions will not be made by an insurance company accountant. That is what is at the heart of the differences between the two pieces of legislation.

We welcome an opportunity to just say we will take 10 of the issues on this list, and vote on those measures and vote on the legislation, while permitting our Republican friends to have a similar number of amendments. But let us at least get about it in these final days. It is not too late. It must not be too late, or we would not see the kinds of activity to deny or delay action on this legislation by our Republican friends each day.

Just in conclusion, earlier in the day—although this was not advanced, it was circulated by the majority—there was a unanimous consent that was going to be proposed on the Internet tax legislation. I will include the whole provision in the RECORD.

This was circulated to see whether there would be any objection on the Democratic side. It basically allowed all types of amendments—unlimited first and second degree amendments or amendments that are not relevant to the Internet tax issues in the underlying bill—but, and this is important, no health care amendments. Here is the text that would have been spoken by the Majority leader, "I further ask that during the Senate's consideration of S. 442 or the House companion, no amendments relative to health care be in order." There you have it: One piece of legislation, with possibilities for all other legislation, except one—health care, the Patients' Bill of Rights, guaranteed protections for more than 160 million people. Under this proposal from the Republican leadership, we are permitting other kinds of amendments, but we are going to say no amendments relative to health care be in order.

Thankfully, our Democratic leader rejected this, so it was not offered. But these are the tactics we are facing. We are as committed as ever to ensuring that we will have an opportunity to debate this issue—even if not on this particular measure. So we are going to continue to pursue it.

I thank the Chair and I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. McCAIN. I yield to Senator ROTH to offer an amendment.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 3621

(Purpose: To extend the Airport and Airway Trust Fund expenditure authority)

Mr. ROTH. Mr. President, I send an amendment to the desk on behalf of Senator MOYNIHAN and myself.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself and Mr. MOYNIHAN, proposes an amendment numbered 3621.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 801. EXTENSION OF EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 1998" and inserting "October 1, 2000"; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following "or the Wendell H. Ford National Air Transportation System Improvement Act of 1998".

(b) LIMITATION ON EXPENDITURE AUTHORITY.—Section 9502 of such Code is amended by adding at the end the following new subsection:

"(f) LIMITATION ON TRANSFERS TO TRUST FUND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

"(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2000, in accordance with the provisions of this section.".

Mr. ROTH. Mr. President, this amendment contains the necessary conforming changes to the Tax Code required by this reauthorization bill. This amendment does not affect Federal revenues. Therefore, this bill remains a nonrevenue bill. This amendment will allow expenditures from the Airport and Airway Trust Fund to occur as authorized by the underlying legislation relating to airport construction, maintenance and technology.

It will also help ensure our air traffic control system continues to provide safe and efficient services.

It is my understanding that this amendment is acceptable to both sides of the political aisle. At the appropriate moment, I will urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I thank the distinguished chairman of the Finance Committee. As always, he has been extremely cooperative and helpful as we have this kind of legislation out of the Commerce Committee, which sometimes has tax implications. I am very grateful for the continued cooperation and effort to not encroach on the jurisdiction of the Finance Committee and also to make sure that their views and their authority are well recognized.

The crucial programs in this legislation are directly dependent upon the ability of the FAA to spend moneys out of the aviation trust fund, and the trust fund itself is supported by revenues from the aviation excise taxes which are paid by all air travelers.

I thank Senator ROTH for his cooperation in our effort to keep necessary funds flowing to aviation programs. His amendment will help keep the FAA on sound financial footing.

He and his staff have been very helpful in our efforts on this bill. I want to clarify with the chairman that this amendment merely authorizes expenditures from the trust fund for 2 years and prevents expenditures from the trust fund without an authorization in place?

Mr. ROTH. Mr. President, I say to my distinguished colleague, that is correct; that is the intent of the amendment.

Mr. McCAIN. Mr. President, I am not aware of any objection. In fact, I support the amendment. I will urge adoption of the amendment after the Senator from Kentucky speaks.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I thank the Chair. There is no objection to the distinguished Senator's amendment on this side.

Mr. ROTH. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment is agreed to.

The amendment (No. 3621) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Dan Alpert and Walter Dunn, fellows in the office of Senator BINGAMAN, be granted the privilege of the floor during consideration of S. 2279.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 3620

(Purpose: To provide for the immediate application of certain orders relating to the amendment, modification, suspension, or revocation of certificates under chapter 447 of title 49, United States Code)

Mr. INHOFE. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. INHOFE] proposes an amendment numbered 3620.

Mr. INHOFE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. ____. AMENDMENTS, MODIFICATIONS, SUSPENSIONS, AND REVOCATIONS OF CERTIFICATES.

Section 44709 of title 49, United States Code, is amended—

(1) in subsection (e)—

(A) by striking "When" and inserting "(1) Except as provided in paragraph (2), if"; and

(B) by striking "However, if" and all that follows through the end of the subsection and inserting the following:

"(2) If the Administrator determines, in the order, that an emergency exists and safety in air commerce or air transportation requires the order to be effective immediately—

"(A) subject to subparagraph (B), the order shall be in effect unless the Administrator is not able to prove to the Board, upon an inquiry of the Board, the existence of an emergency that requires the immediate application of the order in the interest of safety in air commerce and air transportation; and

"(B) the Board shall—

"(i) not later than 5 days after the filing of an appeal under paragraph (1), make a disposition concerning the issues of the appeal that are related to the existence of an emergency referred to in subparagraph (A); and

"(ii) not later than 60 days after the filing of an appeal under paragraph (1), make a final disposition of the appeal.

"(3) If the Administrator determines, in the order, the existence of an emergency described in paragraph (2)(A), the appellant may request a hearing by the Board on the issues of the appeal that are related to the existence of the emergency. Such request shall be made not later than 48 hours after the issuance of the order. If an appellant requests a hearing under this paragraph, The Board shall hold the hearing not later than 48 hours after receiving that request."; and

(2) in subsection (f), by inserting "by further order" after "the Administrator decides".

Mr. INHOFE. Mr. President, this amendment is one that should not be controversial. I can recall as recently as the Oshkosh meeting this last August where they voted—and we are talking about 250,000 people who were involved—to say this is the No. 1 issue for general aviation in America this entire year and perhaps for several years.

It has to do with a process that is very similar to something we went through a few years ago. When the FAA exercises its power to invoke an emergency revocation of a license, they can do so for an indefinite period of time and that person will lose that license. In many cases, it may be this person's only way of making a living.

We have worked for several years to come up with some type of a compromise that will allow an individual to recover his license in the event that it is shown there is nothing dangerous in the way that individual had been flying. It is very unfortunate that in any bureaucracy, there are a few people who will occasionally do something that is not justified.

I share with you, Mr. President, a case of an individual named Ted Stewart who had been employed by American Airlines as a pilot for more than 12 years and presently serves as a Boeing 767 captain. No complaints had ever been registered against him or his flying.

In January of 1995, the FAA suspended Mr. Stewart's examining authority. And the reason? Possibly improper issuing of ratings. He complied with the FAA request that he provide log books and/or other reliable records for inspections. On May 16, 1995, an emergency revocation was issued, and he lost his airman certificates.

June 19, 1995, the National Transportation Safety Board Administrative Law Judge Mullins ruled in Mr. Stewart's favor on all counts. In July of 1995, the full NTSB upheld Judge Mullins' initial decision. All pilot certificates were returned. I point out, this is almost 2 months after the revocation. In January of 1996, he was awarded approximately 60 percent of the money spent to defend himself. The FAA appealed the ruling and it is still pending before the full NTSB.

What I am getting at is, we have case after case where individuals have lost their ability to make their living for their families when there was not any type of an emergency, there was not any type of a hazard in their performance in terms of their acting as a pilot.

What we are trying to do is similar to what we did successfully a few years ago under the civil penalties provision, and that is, insert into the process an unbiased source that will be able to participate in the process. In the case of civil penalties, we had the NTSB to hear the cases after they have been ruled on by the FAA. This has been working very well since that time.

My amendment, as far as it addresses the emergency revocation, addresses the problem prudently by providing an airman—that is the pilot—48 hours after receiving an emergency revocation order the opportunity to request a hearing before the NTSB on the emergency nature of the revocation. This is not on the offense, this is on the emergency nature as to whether or not this would be an emergency. The NTSB then has 48 hours to hear the arguments. Within 5 days of the initial request, the NTSB must decide if a true emergency exists. During this time, the emergency revocation remains in effect.

In other words, the certificate holder loses use of his certificate for a maximum of 7 days. However, should the NTSB decide an emergency does not exist, then the certificate will be returned to the certificate holder, and he can continue to use it while the FAA pursues their revocation case against him.

Keep in mind, no emergency exists, nothing is done to impose a hazard on himself or the public.

If the NTSB decides that an emergency does exist, then emergency revocation remains in effect and the certificate holder cannot use his certificate while the case is adjudicated. That would revert back to the way the law is today. That individual would not be able to fly. So all we are talking about is whether or not there is an emergency nature in this case.

Please do not misunderstand, in no way do I want to suggest that the FAA should not have emergency revocation powers. I believe it is critical to safety that the FAA can ground unsafe airmen or other certificate holders. However, I also believe that the FAA must be judicious in its use of the extraordinary power.

The FAA will argue that because emergency certificate actions are only a small percentage of overall certificate actions, there is no reason for this concern. However, review of recent emergency cases clearly demonstrates a pattern by which the FAA uses their emergency powers far more frequently than the circumstances warrant.

For instance, of the emergency revocation orders issued during fiscal year 1990 through 1997, 50 percent occurred 4 months to 2 years after the violation occurred. In only 4 percent of the cases was the emergency revocation issued within 10 days or less of the actual violation. In fact, the median time lapse between the violation and the emergency order was a little over 4 months. That is 132 days, Mr. President. I suggest to you, how can that be considered an emergency if nothing happened until 132 days after the alleged violation?

I think clearly at issue is what constitutes an emergency. Simply defined, an emergency is "an unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action." Yet, as discussed above, the "urgent nature" of the revocation which "demands immediate action" has more often than not occurred several months previously.

There are far too many cases where the FAA unfairly uses this necessary power to prematurely revoke certificates when the circumstances do not support such drastic action.

Mr. President, I have other cases that I could drag out here and talk about, such as the case of Bob Hoover. I have had the privilege of flying in airshows with Bob Hoover for over 30 years. Bob Hoover—probably if you were to ask anyone in the aviation community who the best pilot in America is, they would probably say Bob Hoover. Yet he was the victim of the emergency revocation. We had to go to bat for him, and we had literally thousands of letters from all over America coming to the aid of Bob Hoover because everybody knew there is nothing wrong and nothing of an emergency nature to the revocation of his ability to fly.

So, Mr. President, I feel that this being the No. 1 concern and issue of general aviation today—it is a sense of fairness issue, something that has worked very well in the case of civil penalties—it is one that I feel should be changed in the FAA regulations.

Mr. President, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, I ask unanimous consent I be allowed to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Mr. President, I do not mean to end this, but we are getting to the point where we have amendments up. And apparently no one wants to vote tonight, but we would like to get our amendments up. And Senator AKAKA has remarks as it relates to the legislation itself. I do not want to prevent——

Mr. GRAMS. This will be very brief.

Mr. FORD. Fine.

Mr. GRAMS. I thank the Senator from Hawaii. I did talk to him and ask if it was all right.

Mr. FORD. We are trying to move this legislation forward. And I did not want to cut the Senator from Oklahoma off either.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota is recognized as in morning business.

Mr. GRAMS. Thank you, and I again thank the Senator from Hawaii for allowing me to make a brief statement.

TRIBUTE TO MURIEL HUMPHREY BROWN

Mr. GRAMS. Mr. President, I rise today to pay tribute to Muriel Humphrey Brown, who was the widow of the late Senator and Vice President Hubert Humphrey and known to many throughout my state as Minnesota's "First Lady."

Mrs. Humphrey Brown passed away on Sunday at the age of 86. Throughout her life, she remained steadfast in her dedication to family and her interest in politics. In her last public appearance, just 5 days before her death, she was on hand to congratulate her son, Skip Humphrey, for winning the Minnesota DFL gubernatorial primary.

Many of my colleagues knew her, respected her, and join me in offering our heartfelt condolences to her husband, Max Brown, her sons Hubert, Doug and Bob, her daughter Nancy, and the entire Humphrey family.

Muriel Humphrey Brown was born on February 20, 1912, in Huron, SD. After marrying Hubert Humphrey, she became a devoted mother and enthusiastically took on the role of a political wife.

She played an active part in her husband's numerous campaigns. After Hubert's death in 1978, Muriel was appointed to his Senate seat, the same Senate seat that I am proud to hold today. By finishing out her late-husband's term, Muriel Humphrey Brown became Minnesota's first and only female U.S. Senator and just the 12th woman to serve in the U.S. Senate. In fact, she was the only woman serving in the Senate at that time.

In carrying out her husband's Senate term, Muriel Humphrey Brown was an inspiration to women throughout Minnesota as she accepted the call to public service even in her time of great personal loss. Rather than being known simply as the wife of the most popular politician in Minnesota, Muriel left her own mark on those issues of public policy about which she felt so strongly.

Her calm and gentle manner did not mute her passionate voice on behalf of social programs, labor issues, and the mentally disabled. She once described her term in the Senate as, "the most challenging thing I have ever done in my whole life." In 1979, she married Max Brown and lived the rest of her life out of the political spotlight. Her devotion to family and public service is truly an inspiration to all Minnesotans, and I am proud to say that her legacy will remain. It is a special honor for me to hold the Senate seat she once held, in the Chamber where she served with such grace, dignity, and honor.

Thank you very much, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. AKAKA. Mr. President, I support S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act of 1998. This measure will enhance the safety and efficiency of our air transportation system, upon which the island state of Hawaii is uniquely dependent. I am pleased that this weighty legislation is named for the departing senior senator from Kentucky, whose contributions to aviation are legion. I am especially supportive of Title VII of the bill which addresses the issue of air tour operations at national parks.

Mr. President, Title VII of S. 2279 establishes a comprehensive regulatory framework for controlling air tour traffic in and near units of the National Park System. The legislation requires the Federal Aviation Administration, in cooperation with the National Park Service and with public input from stakeholders, to develop an air tour management plan (ATMP) for parks currently or potentially affected by air tour flights.

Under the ATMP process, routes, altitudes, time restrictions, limitations on the number of flights, and other operating parameters could be prescribed in order to protect sensitive park resources as well as to enhance the safety of air tour operations. An ATMP could prohibit air tours at a park entirely, regulate air tours within half a mile outside the boundaries of a park, regulate air tour operations that impact tribal lands, and offer incentives for the adoption of quieter air technology. An ATMP would include an environmental determination.

S. 2279 also creates an advisory group comprising representatives of the FAA, Park Service, the aviation industry, the environmental community, and tribes to provide advice, information, and recommendations on overflight issues.

As embodied in the ATMP process, this bill treats overflights issues on a park-by-park basis. Rather than a one-size-fits-all approach, the legislation establishes a fair and rational mechanism through which environmental and aviation needs can be addressed in the context of the unique circumstances that exist at individual national parks.

I am pleased that this procedural approach, in addition to requirements for meaningful public consultation and a mechanism for promoting dialogue among diverse stakeholders, mirrors key elements of legislation—the National Parks Airspace Management Act, cosponsored by my colleagues Senator INOUYE and Senator FRIST—that I have promoted in the last three Congresses.

Mr. President, adoption of this bill is essential if we are to address effectively the detrimental impacts of air tour activities on the National Park System. Air tourism has significantly increased in the last decade, nowhere more so than at high profile units such as Grand Canyon, Great Smoky Mountains, and Haleakala and Hawaii Volcanoes national parks in my own state. A 1994 Park Service study indicated that nearly a hundred parks experienced adverse park impacts, and that number has assuredly risen since then. Such growth has inevitably conflicted with the qualities and values of many park units, in some instances seriously.

While air tour operators often provide important emergency services, enhance park access for special populations (e.g., the handicapped and elderly), and offer an important source of income for local economies, notably tourism-dependent areas such as Hawaii, unregulated overflights have the potential to harm park ecologies, distress wildlife, and impair visitor enjoyment of the park experience. Unrestricted air tour operations can also pose a safety hazard to air and ground visitors alike.

It is therefore vital that we develop a clear, consistent national policy on this issue, one that equitably and rationally prioritizes the respective interests of the aviation and environmental communities. Congress and the Administration have struggled to develop such a policy since enactment of the National Parks Overflights Act of 1987, Congress's initial, but limited attempt to address the overflights issue. S. 2279 will finish where the 1987 Act left off, providing the FAA and Park Service with the policy guidance and procedural mechanisms that are essential to balancing the needs of air tour operators against the imperative to preserve and protect our natural resources.

Mr. President, the overflights provisions of this bill are the product of good faith efforts on the part of many groups and individuals. They include: members of the National Parks Overflights Working Group, whose consensus recommendations form the underpinnings of this legislation; representatives of air tour and environmental advocacy organizations such as Helicopter Association International and the National Parks and Conservation Association; and, officials of the FAA and Park Service, notably Park Ranger Wes Henry, the Park Service's long-serving point man on overflights, who has served as the agency's institutional memory and conscience on this issue.

However, Title VII is above all the product of the energy and vision of Senator JOHN McCAIN. As the author of the 1987 National Parks Overflights Act, Senator McCAIN was the first to recognize the adverse impacts of air tours on national parks, and the first to call for a national policy to address this problem. Since then, he has employed his moral authority and legislative acumen impel progress on this subject. For his leadership in writing this bill and for his long advocacy of park overflight issues, Senator McCAIN deserves our lasting appreciation.

Mr. President, I am tremendously honored to have worked closely with Senator McCAIN over the last year to formulate an overflights bill that promotes aviation safety, enhances the viability of legitimate air tour operations, and protects national parks from the most egregious visual and noise intrusions by air tour helicopters and other aircraft. Left unchecked, air tour activities can undermine the very qualities and resources that give value to a park; these must be protected. I believe that the pending measure reasonably and prudently balances these sometimes opposing considerations, and urge my colleagues to support this legislation.

That concludes my remarks, Mr. President. Before closing, however, I would like to recognize the staff of the Commerce Committee—including John Raidt, Mike Reynolds, Charles Chambers, Sam Whitehorn, and Ann Choiniere—for their hard work in putting this legislation together. Ann Choiniere especially deserves mention for her day-to-day management of this issue. I would also like to recognize former members of my own staff, Kerry Taylor, Bob Weir, and Steve Opperman, who made important contributions to this issue. Steve in particular has served as an expert resource whose tireless, and largely unheralded contributions have shaped the overflights debate in a major way.

I yield the floor.

Mr. McCAIN. Before my dear friend from Hawaii leaves the floor, let me thank him for his kind words. As always, he is too modest. For many years now he and I have worked together on this issue. His dedication to the protection and preservation of Haleakala's and Hawaii's volcanoes is notable. It is noteworthy and it is in keeping with his incredible dedication, passion and efforts on behalf of his Native Hawaiians, as well as all citizens of his most beautiful State.

I thank the Senator from Hawaii for his kind remarks.

Mr. FORD. I associate myself with the remarks of the distinguished chairman, and thank my friend from Hawaii for his kind remarks about me personally. It seems that more of these remarks are coming as the days near the end, and maybe I won't want the days to end, but I do thank my friend from Hawaii very much.

AMENDMENT NO. 3620

Mr. McCAIN. Mr. President, I want to go back to the amendment of the Senator from Oklahoma. I admire the tenacity and commitment to aviation of the Senator. Also, I have had the privilege of personally experiencing his piloting skills while being with him in the great State of Oklahoma. Although I must admit that my willingness to ride in an airplane with him while he was at the controls had more to do with my conviction that because of my colorful history associated with aviation having long ago convinced me I was not intended to die in an airplane, as I watched my dear friend from Oklahoma fly into what one would describe as "threatening weather" with intrepid courage and skill, I have grown to appreciate him even more.

Associated with that kind of piloting skills is his dedication to aviation and his tenacity associated with this issue specifically. I don't agree with the amendment of the Senator, but I do believe and I am convinced we can work out something which will be agreeable, because the Senator from Oklahoma does identify a problem. I don't agree with the Senator from Oklahoma that it is as big a problem, but when someone like Mr. Hoover, who he just described, is subjected to what he was subjected to, then there is a problem. But I am just not convinced that the remedy that the Senator from Oklahoma is prescribing is the proper remedy. He certainly, in a very articulate fashion, describes the problem we need to work together and address.

The FAA uses its emergency authority only as a remedial measure when a certificate holder lacks the necessary qualifications to hold the certificate, and the continued exercise of the privileges of the certificate would be contrary to public safety in air commerce or air transportation. All emergency suspensions are premised on a reasonable suspicion as to the certificate holder's qualifications.

FAA policy since approximately 1990 has generally been that an emergency exists in which a certificate holder lacks the technical qualifications, or the care, judgment, or responsibility to hold an FAA certificate, and remains in a position to use the certificated skills. In such cases, the FAA has reasoned that it intolerably threatens air safety to permit pilots, aircraft mechanics, or air carriers, for example, to operate or repair aircraft when the FAA has reasonably concluded that they do not possess the qualifications necessary to perform those functions. If it is clear that a certificate holder will be unable to exercise the privileges of the certificate, the FAA will not invoke an emergency suspension.

An emergency order is effective immediately upon issue, rather than being stayed pending conclusion of the adjudicative process. An expedited adjudication process is initiated since the certificate holder immediately loses his or her privileges. The FAA respects the privilege of holding a certificate, but must ensure as its primary mission the highest standards of aviation safety. Retaining authority to take immediate action in emergency situations is integral to the FAA's ability to carry out this mission.

While S. 842 would not limit the FAA's ability to immediately revoke a certificate, it would complicate the process of appealing such an order by providing new avenues of appeal in addition to those already existing. Currently, a person subject to an emergency revocation order may appeal the emergency nature of that order to the U.S. Court of Appeals. There is no deadline for the Court of Appeals to act although the FAA claims that the court will usually rule within 5 to 7 days. According to the GAO, few choose to do this and even fewer prevail.

This amendment changes this procedure for challenging the emergency nature of a suspension. Rather than appealing to the Court of Appeals, the emergency nature of the revocation could be appealed to the NTSB. Under the amendment, the NTSB would have 5 days to decide whether it was really an emergency. If the person does not prevail before the NTSB, he or she would then be able to appeal to the U.S. Court of Appeals under the same circumstances as currently exist. This risks placing substantial strain on limited agency resources by creating a right to appeal to the NTSB, when there is no demonstrable need for such change.

Between 1993 and 1997 the FAA initiated an average of only 2.55% of its total enforcement caseload as emergency actions. This average demonstrates the FAA's commitment to using this authority only in those cases where the FAA finds that a serious question exists as to a certificate holder's qualifications, and no other action will suffice to ensure the highest standards of safety are maintained. Additionally, the FAA prevails on the vast majority of emergency actions before the NTSB, supporting its position that it has acted properly and not abused its authority. From 1990 through 1997, the FAA was reversed in only 2% of the cases in which emergency orders or revocation were issued, and in only 1% of the cases in which emergency orders of suspension were issued.

The FAA opposes S. 842. The agency argues that the bill does not alter what may be appealed, merely who would have jurisdiction of an appeal. The FAA believes that S. 842 does not make the process more effective or efficient, but rather creates several new final agency decisions, all of which would be subject to appeal in the Courts of Appeals, which in turn would complicate and potentially prolong, not streamline, the process.

The FAA has stated that, even if the bill is enacted, an equal number of emergency actions can be expected to be issued with the only result being the additional strain on FAA and NTSB resources in response to more appeals regarding the existence of an emergency. On the other hand, if the legislation results in a significant enough strain on FAA resources that the agency is discouraged from its current use of its emergency authority, the FAA argues that it would permit allegedly unqualified certificate holder to operate one to two years or longer, while the non-emergency litigation is ongoing. In sum, the FAA does not believe that its actions and record before the NTSB support the need for any change in the current system.

Mr. President, I am always reluctant, whenever we are talking about safety—and maybe it is a bit of cowardice, but I think it is good sense when we are talking about safety to be very, very, very serious about the recommendations of those agencies that we entrust with those responsibilities.

Obviously, the NTSB is one of those. As the Senator from Kentucky will attest, we have had the NTSB before our committees on many occasions—not just aviation, but many others. They are comprised of very outstanding, knowledgeable people. Mr. Hall, in particular, has impressed us a great deal.

I understand the Senator from Oklahoma will want a recorded vote. I want to assure him that if he doesn't prevail on this vote, I want to work with him because he has cited serious examples of abuse of power—or certainly injustice, if not abuse of power. The Senator from Oklahoma deserves, as those people who have not been fairly treated or where there is the appearance of unfair treatment—I won't allege that it actually happened, but certainly if there is an appearance of it, I want to work with him in getting something added in the bill to provide additional protections. At the same time, I hope that whatever we do, we can achieve the support and cooperation of both the FAA and the NTSB, which is not the case with this amendment.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Kentucky.

Mr. FORD. Mr. President, I join my chairman in his remarks. I thought they were excellent and to the point. I agree with Senator MCCAIN that we ought to work with the Senator from Oklahoma to see if we can get something in the bill that will at least recognize the problem that he has brought forth here this afternoon.

As of now, I will join with my colleague and oppose Senator INHOFE's amendment. It is my understanding that GAO, FAA, and the Department of Transportation IG have all looked at FAA's use of its emergency authority. There are only a few cases where the FAA has been reversed. GAO found that FAA used its authority in only 3 percent of its enforcement cases from 1990 to 1997. It shows a great deal of restraint that they only use it in cases where they think it is an emergency. And, as my friend from Arizona has said, most of those cases have been upheld. So FAA must have the authority—must have the authority—to revoke certificates on an emergency basis.

The National Transportation Safety Board, FAA, and GAO all oppose any change. Beyond that, I think I will join with my friend from Arizona in trying to work out something that might be satisfactory, rather than just to look at it a little closer than we have been looking at it. We can all find one or two horror stories. I don't know how many certificates were revoked. I don't know how many charges were presented to the FAA. Those figures are not here. But in all cases, the percentage that Senator MCCAIN represented—2 percent or 1 percent—and then only 3 percent, from 1990 to 1997, of its enforcement cases have they revoked certificates. So I think it indicates that there is a concern on the part of FAA that they not do anything irrational, but that they look at the cases thoroughly and then make a judgment as it relates to emergency authority only.

So I hope that the Senator from Oklahoma will give us an opportunity to sit down and work with him. I hate to be in opposition to all the amendments that are brought, but this is one that I will have to be opposed to and would encourage my colleagues to vote against if the Senator insists that we go on.

He stops in my hometown on occasion, I say to my friend from Arizona, and buys gasoline from the chairman of the Republican Party in my county. He is keeping the Republican Party going. I want him to continue to fly over the Owensboro stop and fill up with gasoline and keep our economy going. I would not want him to not stop in Owensboro. I gave you a hometown reason for us to try to help the Senator from Oklahoma to work something out. I look forward to him agreeing to that. If not, I could not agree to a vote tonight. I am sure the Senator would not want one either. We would have to wait and set a time certain for tomorrow because I understand that his side has a little shindig tonight that they would like to get to. We will accommodate him as they accommodated us last night. We ought to reciprocate, under the circumstances.

I yield the floor.

Mr. INHOFE. Mr. President, first of all, let me respond to the distinguished Senator from Kentucky. I can assure him that I will continue to stop in Owensboro to get my gas as I fly. There is good reason for that; it is the cheapest gas between Tulsa, OK, and National Airport.

Mr. FORD. We also have mighty fine barbecue there, too.

Mr. INHOFE. I eat at the Moonlight Cafe, which is owned by the chairman of the Democratic Party.

Mr. FORD. See, he is neutral.

Mr. INHOFE. Mr. President, I don't disagree with some of the statements made here. I have a little different interpretation. I think the Senator from Arizona is correct when he says 2.55 percent of those were of an emergency nature. The numbers equate to about roughly 300 people.

Now, all too often, we stand down here and say it is such a small number that, if there is an injustice, it doesn't affect that many people. I think that is probably true, but those individuals who are affected, it is a matter of taking away their livelihoods. I disagree with the way the system works. When I look at the average between the time of the alleged offense and the emergency revocation, the average time of those in this last entire year was 132 days. I ask the question, How could there be an emergency nature to these revocations if it takes 132 days before that license is revoked?

I also comment on the extreme cases that we bring out, such as the Ted Stewarts and the Bob Hoovers. There are many others out there like that. Again, we are not talking about anything that is going to impair the safety of the flying public or the pilots because we are setting aside a process whereby there are a certain number of hours to appeal this to the NTSB. It goes back to using the same argument that was successfully used when we changed the rules having to do with civil penalties. With civil penalties, we argued that you can't have just the FAA be the judge and jury and appellate court; and, of course, it has worked out very well since then.

While I respectfully disagree with my colleagues from Arizona and Kentucky, I say that there is no interpretation that can be put on my amendment that is going to do anything to make flying more hazardous, or to keep a person from holding a certificate if there is an emergency nature to the revocation. If there is an emergency nature to the revocation, as determined by the NTSB—and that is their job—then, of course, they will keep the certificate and that individual will not have the ability to fly an airplane.

Let me just make one comment about the NTSB because, while it has been stated that the NTSB and FAA are both opposed to this amendment, I can assure you we talked as recently as yesterday to Dan Campbell, the chief counsel for the NTSB, and he says, no, it is natural that they generally don't want a heavier workload than they currently have. But he feels that this is a fair approach, and they don't have an official position against it.

Does the FAA? Yes. I think any time you are dealing with a bureaucracy—I don't care if it is the IRS, the FDA, the EPA, or the FAA, or any of the rest of them—they don't like to give up anything. This way, they would be giving up part of this appellate process. This is a matter of fairness.

I recognize that we will not be voting until tomorrow. However, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient is second.

The yeas and nays were ordered.

Mr. INHOFE. I thank the Chair.

Mr. FORD. There we go. We are working together again.

Mr. INHOFE. That is right.

Mr. President, I will make one last comment. In the event that my amendment will not prevail tomorrow, I look forward, of course, to working with both the Senator from Kentucky and the Senator from Arizona to try to make it more workable.

I yield the floor.

AIRPORT PROTECTION FROM FORCED SCHEDULED SERVICE

Mr. ALLARD. Mr. President, today I am speaking in support of an amendment to address a problem facing small reliever airports that do not accept scheduled service operations. Centennial Airport is a small reliever airport near Denver, Colorado, where operations consist primarily of small private chartered and business planes. A unique situation exists at Centennial Airport involving certain charter services and a loophole in the federal regulations governing scheduled flights.

Centennial Airport is not certificated for scheduled flight service. In fact, the Airport Authority, with strong local backing, has banned scheduled service at Centennial. According to federal law, the Federal Aviation Administration cannot force any airport to become certificated. The airport is not equipped with a terminal, baggage system, or passenger security. Furthermore, Denver International Airport is less than 25 miles from Centennial, and has the capacity to handle additional scheduled service operations.

A situation arose more than three years ago when a company called Centennial Express Airlines, Inc. began charter service at Centennial, but immediately announced that the airline's service would continue as scheduled service. The Airport Authority sued and the County District Court ordered the flights stopped. In April of this year the Colorado Supreme Court ruled in favor of Centennial Airport Authority's ban. The Court cited the safe operation of the airport as a priority, and upheld the airport's discretion to prohibit scheduled passenger service.

While this decision protected the airport's right to refuse scheduled service, a similar situation recently arose with another company, Colorado Connection Executive Air Services, and the result has been detrimental for Centennial Airport.

In 1997, Colorado Connection proposed to start public charter passenger service pursuant to a regular and public schedule. Colorado Connection, which is entirely owned by Air One Charter, tried using a combination of Department of Transportation and Federal Aviation Administration exemptions to offer scheduled service. Air One Charter indicated intent to market 6–12 daily flights to various Colorado cities and to contract baggage services for their flights.

The Centennial Airport Authority unanimously voted to deny airport access to Colorado Connection's scheduled service. The vote took place in April 1998 and a month later the FAA initiated a Part 16 investigation. The FAA claims that the Airport Authority's move to deny service is unjustly discriminatory. Recently, the FAA issued a decision to pull federal funding for Centennial Airport if the ban on scheduled service is not lifted. This decision is in direct conflict with the Colorado Supreme Court's ruling on the issue. It is the result of a loophole in a law that was not intended to force small airports to take on the responsibility and burden of supporting scheduled service.

Immediately following the announcement of the FAA's decision, the owner of Centennial Express was reported by the Denver Post to have plans to begin scheduled flights from Centennial Airport.

I have proposed legislation to rectify this situation and uphold the authority of airports like Centennial to ban all scheduled service if they choose to do so. This proposal allows a general aviation airport to deny access to a public charter operator that operates as a scheduled service, and clarifies that such action would not be in violation of requirements for federal airport aid. This will not require any airport to do anything, and it will not allow an airport to discriminate against one scheduled service operator and not another.

This measure, which is included in the manager's amendment, is nearly identical to language that the House Commerce Committee has included in its FAA Reauthorization Act. It would prohibit the FAA from charging discrimination if an airport chooses to deny access to scheduled service operators. It will only apply to reliever airports that are not certificated under Part 139 to handle scheduled service and airports within 35 miles of a large hub airport.

I appreciate my colleagues' support for the rights of small airport authorities and surrounding communities to retain control over their airports.

BANNING COMMERCIAL TOUR OVERFLIGHTS AT ROCKY MOUNTAIN NATIONAL PARK

Mr. President, I begin by thanking Chairman McCAIN and the other Committee members for their efforts to mitigate the problems presented by scenic overflights at national parks. Tour overflight disturbances are a growing problem at a number of parks. This is an issue that I have been involved in for the last four years, and I recognize that other Members of Congress have tried to address this issue.

While I support the plan put forth by the Committee, I am offering an amendment to modify the overflights bill to address a specific Colorado issue. I appreciate the Chairman's willingness to work with me on this problem.

In particular, I am concerned that helicopter sightseeing tours at Rocky Mountain National Park would seriously detract from the enjoyment of other park visitors and would have a negative impact on the resources and values of the park itself, and I worry about the serious safety risks involved with overflights in this area.

Rocky Mountain National Park is a relatively small park in the Rockies, about 70 miles from Denver. The park receives nearly three million visitors each year, almost as many as Yellowstone national park, which is eight times its size. The park is easily accessible, yet continues to provide quiet, solitude, and remoteness to visitors, especially in the back country. Trail Ridge road provides a unique experience for visitors that are not able to hike in the park. It is the highest paved highway in the United States, and crosses the park from east to west. Spectacular views of peaks and valleys can be seen from the road and nearby overlooks in every direction, similar to what you could see during a helicopter tour. Trail Ridge Road reaches above the timber line and travels for 4 miles above 12,000 feet and for 11 miles above 11,000 feet.

Several problems are specific to this mountainous national park. The elevation of the Park does not allow for a large minimum altitude to minimize noise, therefore, according to the National Park Service, natural quiet is unlikely if overflights are permitted at all. The terrain, consisting of many 13,000 foot peaks and narrow valleys, coupled with unpredictable weather presents serious safety concerns. Also, the unique terrain of Rocky Mountain National Park would cause air traffic to cumulate over the popular, lower portions of the park as pilots are forced to navigate around the dangerous peaks and high winds. Not only would the overflights be concentrated directly over the most popular portions of the park, but more powerful, and louder, helicopters must be used to achieve the necessary lift at a high altitude.

Rocky Mountain National Park has been fortunate enough to be free from overflights to this point, partially because local towns have discouraged companies that might provide such services. Last year the FAA issued a temporary ban on sightseeing flights over Rocky Mountain National Park.

In light of these distinctive qualities, one can assess that the best solution to overflight disturbance is a ban on commercial tour flights at Rocky Mountain National Park. My proposed ban will apply to commercial tour overflights only, with exceptions granted for emergency flights and commercial airlines and private planes. Both the senior Senator from Colorado and I are strongly behind this effort to permanently ban overflights at the park.

A ban would be completely consistent with the recommendations of the overflights task force. There has been public involvement and preparation of an air tour management plan. There is no need to repeat the steps required under this legislative proposal at Rocky Mountain National Park.

A commercial tour overflight ban has wide spread support throughout my state. State and local officials in areas adjacent to the park strongly support a ban on overflights. In fact, local ordinances already exist to protect the quiet at the Park. The entire Colorado delegation and Colorado's Governor are on record in support of an overflight ban. My proposal is supported by the business community, including the local Chambers of Commerce, as well as the local environmental community.

In 1995, one of our top Denver newspapers editorialized that the FAA should make Rocky Mountain National Park off-limits to low-flying aircraft use, "the sooner the better." Now, three years later, we have finally taken the opportunity to place a permanent restriction on scenic overflights.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that John Bradshaw, who is a fellow in my office, be allowed to be on the floor for the duration of this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

KOSOVO

Mr. WELLSTONE. Mr. President, I ask unanimous consent that a letter which I sent to the President about Kosovo be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SEPTEMBER 22, 1998.

President BILL CLINTON,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As NATO Defense Ministers, including Secretary Cohen, gather in Portugal this week to consider the situation in Kosovo, I write to express my deep concern over the growing humanitarian crisis there. Unless immediate and determined action by the U.S. and our western allies is taken to address this situation, it is clear we will begin to face a catastrophic loss of civilian lives with the onset of winter in the region as early as mid-October.

Despite tight constraints on their reporting by the government of Serbia, the western media daily offers new reports on the rapidly deteriorating situation there. Candid assessments by Administration officials acknowledge the growing crisis. Systematic and brutal military action by Serbian forces, accelerated during their summer-long offensive against UCK forces, has forced an estimated 300,000 or more ethnic Albanians to flee their homes. While many have fled as refugees to neighboring countries, most of these displaced persons remain inside Kosovo and are now vulnerable to exposure, starvation, disease and further Serb military attack. I understand that Assistant Secretary for Refugees Julia Taft concluded during her recent visit there that over 210 villages in the region have already been looted, and many torched, by Serbian security forces.

Serbia has failed utterly to comply with the persistent demands of the Contact Group to: (1) cease attacks on civilian populations, and withdraw its forces used to repress civilians; (2) permit the establishment of an effective international observer group in

Kosovo; (3) allow refugees and displaced persons to return to their homes safely, under international supervision; (4) allow unimpeded access for humanitarian organizations and supplies; and (5) make rapid progress in the dialogue with the Kosovar leadership.

While Ambassador Hill is to be commended for his persistent diplomatic efforts, it is clear that the time has come for a more vigorous and sustained high-level multilateral effort to pressure President Milosevic to comply fully with Contact Group demands. I urge you therefore to proceed immediately with a series of steps designed to prevent the looming humanitarian crisis and to prepare for possible implementation of more forceful options developed by NATO planners. These actions include:

Moving forward now, under NATO auspices, with the pre-deployment phase of NATO military plans on Kosovo, including securing base rights agreements in the region, immediately assessing the contributions of each NATO member in the event military action is necessary, and then forward-deploying appropriate levels of NATO military forces and equipment, thus preparing us to take any appropriate military action that may be necessary to secure Serb compliance with Contact Group demands, and with international law regarding the treatment of Kosovar civilians;

Bolstering border security efforts through preventive NATO force deployments which can increase regional stability and assist in international monitoring and anti-arms smuggling efforts;

Leading an immediate multilateral effort, at the United Nations and through regional bodies like the European Union, to tighten the existing sanctions regime on Serbia, and to re-impose the trade embargo, total airflight and investment bans, and other sanctions lifted after signing of the Dayton Peace Accords, coupled with renewed enforcement initiatives to prevent the flourishing of black markets under a full embargo;

Accelerating U.S. and NATO logistical support for the ongoing international humanitarian aid effort in Kosovo, including pre-deployment of humanitarian supplies in Kosovo in anticipation of winter distributions by NGOs—but only in a way which avoids absolutely the prospect of a repeat of the disgraceful "safe haven" disaster of Srebenica;

Pressing for more extensive access for human rights monitoring in Kosovo by internationally-recognized organizations, including the Organization for Security and Cooperation in Europe, and non-governmental monitors, and providing appropriate support and assistance for their efforts;

Encouraging the International Criminal Tribunal for the Former Yugoslavia immediately to send its Chief Prosecutor to Belgrade and Kosovo; increasing aid and intelligence support to the Tribunal; and assisting them in placing forensics teams on the ground there, thus signaling to all parties that the Tribunal is committed to prosecuting war crimes committed in Kosovo, including attacks on innocent civilians, and has begun to actually gather evidence to support potential indictments against perpetrators—and their commanders and political leadership to whom they answer;

I believe it is essential that these actions be taken as quickly as possible. We must act now, before the onset of winter in Kosovo, to prevent a potential humanitarian tragedy of historic proportions. I also recognize that these steps in themselves may not be sufficient to force Serbia to comply with the Contact Group's demands in a timely manner, and that further NATO military actions may need to be considered if the situation in Kosovo has not substantially improved, the massacres of civilians continues, and unimpeded access for humanitarian relief workers has not been granted.

Thanks you for your consideration.

Sincerely,

PAUL D. WELLSTONE,
United States Senator.

Mr. WELLSTONE. Mr. President, I thank my colleagues who have come to the floor today to speak about Kosovo for their words.

Mr. President, I rise to call for urgent Presidential action to forestall a humanitarian catastrophe in Kosovo. Unless immediate and determined action by the U.S. and our western allies is taken to address this situation, it is clear we will begin to face a massive loss of civilian lives with the onset of winter in the region as early as mid-October.

The western media offers new reports daily on the rapidly deteriorating situation there. Candid assessments by Administration officials acknowledge the growing crisis. Systematic and brutal military action by Serbian forces, accelerated during their summer-long offensive against UCK forces, has forced an estimated 300,000 or more ethnic Albanians to flee their homes. In recent weeks Serb forces have shelled entire villages, not just rebel positions, forcing more civilians to flee. While many have fled as refugees to neighboring countries, most of these displaced persons remain inside Kosovo and are now vulnerable to exposure, starvation, disease and further Serb military attack. I understand that Assistant Secretary of State for Refugees Julia Taft concluded during her recent visit there that over 210 villages in the region have already been looted, and many torched, by Serbian security forces.

With winter approaching, international relief agencies now fear that tens of thousands of refugees without food or shelter could face death. By some estimates there are 50,000 to 100,000 people in Kosovo living out in the open, without any shelter. Unless they can return to their homes or be provided adequate shelter within the next few weeks they may die of exposure.

Our respected former colleagues Senator Bob Dole recently returned from Kosovo warning that there is a "human catastrophe in the making." President Clinton said last week that there is a potential for a "major humanitarian disaster" in Kosovo and that it is "important that we move as quickly as possible with our allies to avert a tragedy." The President cautioned: "We don't want a repeat of Bosnia."

The President is right. We cannot wait any longer to take more vigorous action to force Serbia to cease making this crisis worse and to allow necessary humanitarian relief into the area. Serbia must comply with the persistent demands of the Contact Group: (1) cease attacks on civilian populations, and withdraw its forces used to repress civilians; (2) permit the establishment of an effective international observer group in Kosovo; (3) allow refugees and displaced persons to return to their homes safely, under international supervision; (4) allow unimpeded access for humanitarian organizations and supplies; and (5) make rapid progress in the dialogue with the Kosovar leadership.

In recent days there have been some positive developments in the UN Security Council and in NATO which indicate that those organizations may be ready to take necessary action. The Security Council is contemplating a resolution stating that the situation in Kosovo "constitutes a threat to peace and security" that impels the council to demand an immediate cease-fire. This demand would be in accordance with Chapter 7 of the UN charter. There are indications that Russia may be willing to support this resolution. The resolution does not call for the use of force, but I note that Chapter 7 authorizes the use of armed force by NATO members to compel compliance with the council's orders.

Parallel progress is being made at NATO headquarters in Brussels where the U.S. has asked the North Atlantic Council to canvass member countries to determine which countries are willing to provide personnel and equipment to military operations in Kosovo. This action will be useful in precipitating consultations between NATO governments and their respective parliaments and bringing into the open the debate on military options.

I applaud these developments and call on the UN and NATO to accelerate them.

I also want to commend U.S. Ambassador Chris Hill for his persistent diplomatic efforts. The U.S. should continue to work toward a political solution to this problem along the lines pursued by Ambassador Hill. At the same time, though, we must also proceed with a more vigorous and sustained high-level multilateral effort to pressure President Milosevic to comply fully with Contact Group demands.

Mr. President, I want to outline some steps that I hope the administration will proceed with.

I urge the Administration therefore to proceed immediately with a series of steps designed to prevent the looming humanitarian crisis and to prepare for possible implementation of more forceful options developed by NATO planners.

I urge the administration today on the floor of the U.S. Senate to proceed immediately with these steps.

These actions include: Moving forward now, under NATO auspices, with the pre-deployment phase of NATO military plans on Kosovo, including securing base rights agreements in the region, immediately assessing the contributions of each NATO member in the event military action is necessary, and then forward-deploying appropriate levels of NATO military forces and equipment, thus preparing us to take any appropriate military action that may be necessary to secure Serb compliance with Contact Group demands, and with international law regarding the treatment of Kosovar citizens; bolstering border security efforts through preventive NATO force deployments which can increase regional stability and assist in international monitoring and anti-arms smuggling efforts; leading an immediate multilateral effort, at the United Nations and through regional bodies like the European Union, to tighten the existing sanctions regime on Serbia, and to re-impose the total airflight and investment bans, and other sanctions lifted after signing of the Dayton Peace Accords, and to consider reimposing the trade embargo, coupled with renewed enforcement initiatives to prevent the flourishing of black markets under a full embargo; accelerating U.S. and NATO logistical support for the ongoing international humanitarian aid effort in Kosovo, including pre-deployment of humanitarian supplies in Kosovo in anticipation of winter distribution by NGOs—but only in a way which avoids absolutely the prospect of a repeat of the disgraceful "safe haven" disaster of Srebenica; pressing for more extensive access for human rights monitoring in Kosovo by internationally recognized organizations, including the Organization for Security and Cooperation in Europe, and nongovernmental monitors, and providing appropriate support and assistance for their efforts; and encouraging the International Criminal Tribunal for the Former Yugoslavia immediately to send its Chief Prosecutor to Belgrade and Kosovo; increasing aid and intelligence support to the Tribunal; and assisting them in placing forensics teams on the ground there, thus signaling to all parties that the Tribunal is committed to prosecuting war crimes committed in Kosovo including attacks on innocent civilians, and has begun to actually gather evidence to support potential indictments against perpetrators—and their commanders and political leadership to whom they answer.

I believe it is essential that these actions be taken as quickly as possible. We must act now, before the onset of winter in Kosovo, to prevent a potential humanitarian tragedy of historic proportions. I also recognize that these steps in themselves may not be sufficient to force Serbia to comply with the Contact Group's demands in a timely manner, and that further NATO military actions may need to be considered if the situation in Kosovo has not substantially improved, the massacres of civilians continues, and unimpeded access for humanitarian relief workers has not been granted.

Mr. President, again, I thank my colleagues who have spoken today on this matter. I do think it is important that we speak out. I think in the last couple of days we have seen positive developments in the U.N. Security Council and NATO which indicate that these organizations may be ready to take necessary action. But I wanted to outline today some options which I believe we need to consider and which I think will communicate a message to Milosevic that we are deadly serious; to talk actually about taking military action is very serious. It is always the last option. But I believe, at the minimum, we can do some predeployment phases of NATO military plans.

I think we can bolster some of our border security efforts. I think we can tighten the sanctions regime on Serbia. I think we can accelerate United States and NATO logistical support for international humanitarian aid efforts in Kosovo. I think we can press for more extensive access for human rights monitoring by some internationally recognized organizations. And I think we can make it clear that we are going to give the International Criminal Tribunal all the support it needs as well.

None of this may be enough—I want to say this one more time in this Chamber. None of these steps may be sufficient to force Serbia to comply with the contact group's demands in a timely manner and further military action may be necessary. But if these actions are not taken as quickly as possible, we are—Senator Dole is right—going to see a humanitarian crisis of tragic proportions. We are going to see a lot of men, women and children who are going to die unless we take action.

I yield the floor.

Mr. FORD. Mr. President, we are about——

Mr. WELLSTONE. Mr. President, could I ask my colleague for his indulgence for 2 minutes?

Mr. FORD. I have no objection.

Mr. WELLSTONE. I know it is the end of the day and colleagues are anxious to go home.

Mr. FORD. Mr. President, we are trying to wrap up the aviation bill.

Mr. WELLSTONE. I am sorry.

Mr. FORD. We gave the Senator time off the aviation bill. We have some amendments.

Mr. WELLSTONE. I did not realize that.

Mr. FORD. But the 2 minutes are fine.

Mr. WELLSTONE. I thank the Senator.

SENATOR MURIEL HUMPHREY

Mr. WELLSTONE. I want to mention to my colleague from Kentucky that tomorrow in Minnesota we are going to have a service for Muriel Humphrey—Senator Humphrey. Both Humphreys were Senators. I wish to express the appreciation, love and affection all of the people of Minnesota feel toward the Humphrey family.

Much has been written about Muriel Humphrey. I had a chance to get to meet her. I did not know her nearly as well as other Minnesotans, but I can tell you she was a wonderful person, very caring toward her family, very caring toward the great Senator Hubert Humphrey, a really fine Senator—the first woman to serve in the Senate from the State of Minnesota in her own right—and, I think most important of all, a wonderful, wonderful model for public service. It is a great loss for Minnesota. It is a great loss for our country. Muriel Humphrey will be a very special person to all of us in Minnesota for many years to come. We will never forget her.

I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENTS NOS. 3623, 3624, AND 3625, EN BLOC

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. On behalf of Senator SNOWE, I send three amendments to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Ms. SNOWE, proposes amendments en bloc numbered 3623, 3624 and 3625.

The amendments are as follows:

AMENDMENT NO. 3623

(Purpose: To provide increased civil penalties for violation of the prohibition against discrimination against handicapped individuals, and for other purposes)

On page 121, line 1, strike "INTERNATIONAL".

On page 121, line 3, before "The" insert "(a) ESTABLISHMENT OF HIGHER INTERNATIONAL STANDARDS.—".

On page 121, between lines 9 and 10, insert the following:

(b) INCREASED CIVIL PENALTIES.—Section 46301(a) is amended by—

(1) inserting "41705," after "41704," in paragraph (1)(A); and

(2) adding at the end thereof the following:

"(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

"(A) not less than $500 and not more than $2,500 for the first violation; or

"(B) not less than $2,500 and not more than $5,000 for any subsequent violation, that air carrier is liable to the United States Government for a civil penalty, determined by the

Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.".

On page 89, strike the item relating to section 507 and insert the following:

Sec. 507. Higher standards for handicapped access.

AMENDMENT NO. 3624

(Purpose: To require human weather observers for ASOS stations until the automated system reports consistently on changing conditions)

At the appropriate place, insert the following new section:

SEC. . AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

AMENDMENT NO. 3625

(Purpose: To provide that communities participating in the community-carrier air service program will be selected from all regions of the country)

On page 147, line 4, after "program." insert the following: "For purposes of this subsection, the application of geographical diversity criteria means criteria that—

"(1) will promote the development of a national air transportation system; and

"(2) will involve the participation of communities in all regions of the country.".

Ms. SNOWE. Mr. President, I thank the Chairman, Senator MCCAIN, and the ranking member, Senator FORD, for their assistance with my three amendments.

One way that the FAA reauthorization bill will improve the nation's air service is through the new Community Carrier Air Service Program. This program will provide assistance to communities so that underserved markets can attract carriers.

The Secretary of Transportation will select communities to participate in this program based on geographic diversity and other unique circumstances that presently hinder communities from attracting adequate air service. It is important to note that the intent of this language is to ensure that participation in the program will promote the development of a national air transportation system. And my amendment will ensure that it involves the Transportation must ensure this diversity so that every region of the nation can benefit from the program.

An important provision for Maine's pilots is included in my amendment on the ASOS program. This amendment requires that the Federal Aviation Administration retain human observers at the automated surface transportation system stations which have had a high rate of reporting error. The language in the amendment requires the FAA to correct the problems and notify Congress that the problems have been solved before it can remove a human observer from an ASOS station.

ASOS is an automatic weather observance system which uses electronic sensors, computers and display units to detect weather. It is fully automated and computerized and is intended to replace human observers of on-the-ground weather conditions in specific locales. Information from ASOS sensors are transmitted to a computer, and users, like pilots, can call a special phone number or tune into a special radio frequency to obtain information.

ASOS is intended to make weather information collection and dissemination more cost-effective by replacing the human element with electronics. The problem is that in the northern tier states, such as Maine, the ASOS system has problems discerning certain weather conditions. For example, sleet falls faster than snow so ASOS records it as rain and recently heavy smoke from Canadian forest fires caused the ASOS at the Houlton airport to report heavy fog at the airport. Needless to say, flying through fog is very different than flying through smoke. This is a very serious matter and could result in life threatening problems if a pilot does not have the proper weather information.

The ASOS systems in Maine have been very unreliable. The station in Houlton recorded more than 1,400 mistakes in one year. A letter from the FAA dated May 26, 1998, to you admits the problems with the system.

My third amendment increases fines for those airlines which chose to discriminate against the handicapped. Although the airlines have been working to improve their treatment of the handicapped, there have been some incidents which warrant a sizable fine by the Department of Transportation.

For example, one of my constituents, Ms. Alice Conway, of Portland, Maine was returning from Mexico in 1994 after attending a disabilities related conference. Her story is a very unfortunate one and clearly illustrates the need for penalties which will deter such treatment by the airlines and their employees.

The problem began for Alice in Mexico City. There a mechanical problem forced a 45 minute delay in departure. While other passengers were able to exit the plane, nobody offered to help Ms. Conway off the plane. After the flight finally got underway, Ms. Conway, who is paraplegic, asked to use the aisle chair in order to visit the restroom. Ms. Conway was denied access to the restroom because the chair had been forgotten.

At one point of the flight, the plane landed in Indianapolis. On the ground there, the flight attendants refused to bring her a chair and denied her any assistance which would have allowed her to visit the restroom. As the flight traveled to Chicago, she asked is she could scoot along the aisle of the aircraft to get to the restroom, a flight attendant told her that sitting in the aisle was illegal and if she did so, she would be arrested when they landed.

Finally, after seven hours of travel, an attendant gave her a blanket and a bottle so that she could empty her colostomy pouch while sitting in her seat.

She had to empty her colostomy pouch in her seat!

How can any of us condone such behavior? Thankfully, this bill contains language that will create stiff penalties for those who violate the law.

Again, I thank the Senator from Arizona and the Senator from Kentucky and their staff for their assistance in coming to agreement on these three amendments.

Mr. MCCAIN. Mr. President, I understand that these amendments have been cleared on both sides. I support them.

Mr. FORD. Mr. President, I have no objections and support the three amendments of the Senator from Maine, Ms. SNOWE.

The PRESIDING OFFICER. There being no further discussion on the amendments, without objection, the amendments are agreed to.

The amendments (Nos. 3623, 3624, and 3625) were agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3626

(Purpose: To make technical corrections in the managers' amendment)

Mr. MCCAIN. Mr. President, on behalf of myself and Senator FORD, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for himself and Mr. FORD, proposes an amendment numbered 3626.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 48 of the managers' amendment, strike "additional" in line 12, line 16, and line 23.

Mr. MCCAIN. Mr. President, this amendment is in the nature of technical corrections, and I ask for its immediate consideration.

The PRESIDING OFFICER. There being no further debate, without objection, the amendment is agreed to.

The amendment (No. 3626) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, shortly we will have a list of agreed upon amendments for tomorrow. We do not have time agreements on those amendments, I am sorry to say, but we at least have the list narrowed down, and I am confident we are now approaching the point where there are probably only two or three controversial amendments.

My friend from Kentucky can correct me, but I think the majority leader, in consultation with the Democratic leader, will decide at what time the vote on the Inhofe amendment will take place.

Mr. FORD. The Senator is correct. And I am more than willing to work out whatever time is agreeable to the two leaders. I agree with my friend that we need to move on. We are down to just very few votes on this piece of legislation. We have worked awfully hard on our side. We have been able to clear up two or three that we worked on pretty hard. The Snowe amendments we have agreed to, the technical corrections amendment we agreed to, and those have been taken care of.

So we are moving on, even though it does not appear there is much action on the floor. Once the legislation is before the Senate, a vacuum is created. I learned that a long time ago. You may not have everything put together, but once you get started it creates a vacuum, and I think we are on our way to being able to pass this piece of legislation sometime tomorrow.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, we are awaiting the approval from the cloakrooms of this list. So while we are awaiting that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT

Mr. McCAIN. Mr. President, I ask unanimous consent that the following amendments be the only amendments in order to S. 2279, that they be subject to relevant second-degree amendments, and that they be considered under time agreements where listed, and that any second-degree amendment be accorded the same time as the first degree to which it is offered, and that the previous requirement of relevancy be in effect.

The following is the list of the amendments: McCain-Ford amendment, a managers' amendment; McCain amendment which is relevant, 5 minutes equally divided; Hollings amendment, relevant, 5 minutes equally divided; Gorton, relevant amendment, 5 minutes equally divided; Ford, relevant, 5 minutes equally divided; Bingaman, overflights, bolster Native Americans' role, 30 minutes equally divided; Boxer amendment, relevant; Daschle, two relevant amendments; DeWine, SOS, 10 minutes equally divided; Dorgan, regional jet tax incentives, 2 hours equally divided; Dorgan, mandatory interline and joint fare agreements, 2 hours equally divided; Faircloth, SOS, 5 minutes equally divided; Feinstein, National Airport perimeter slots; Harkin, relevant; Harkin, slots; Inhofe, FAA emergency revocation power—and, Mr. President, that is the pending amendment No. 3620, the Inhofe amendment on FAA emergency revocation power; Landrieu, relevant amendment; Lott, relevant amendment; Moynihan, airport improvement, 1 hour equally divided; Mikulski-Sarbanes, three amendments, Reagan National, slots, and perimeter rule, 30 minutes equally divided for each of these three amendments; Roth, reintroduce title VIII to bill, 5 minutes equally divided—

Mr. FORD. That has been taken care of.

Mr. McCAIN. That amendment would be removed.

Thompson, criminal penalties for airmen who fly without a certificate; Torricelli-Lautenberg, Quiet Communities Act, 1 hour equally divided; Torricelli, relevant; D'Amato-Moynihan, DOT issue 70 slot exemptions at JFK Airport, New York, 10 minutes equally divided; Lott-Frist-Moynihan amendment, limit eligible airport size for regional jet section, and Reagan National commuter slots, 10 minutes equally divided; Reed of Rhode Island, noise at Rhode Island airport, 15 minutes equally divided; Reed of Rhode Island, code-sharing notice, 15 minutes equally divided; Robb, Reagan National Airport, slots and perimeter rule, 1 hour equally divided; Warner, prohibit new Reagan National slots and perimeter rule exemptions until MWAA nominees confirmed by the Senate, 1 hour equally divided; Warner, notice, comment and hearings before proceeding with Reagan National slots and perimeter rule exemptions, 1 hour equally divided; Domenici amendment regarding Taos; D'Amato, travel agents, 20 minutes equally divided; Coats, Reagan National Airport slots; Daschle, relevant.

Mr. FORD. McCain-Ford managers' amendment.

Mr. McCAIN. I did that at the start.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Before I proceed further, I do want to say that although it looks like there are a lot of amendments, we are working out agreements on almost all of them. So I urge my colleagues to get with us tomorrow. We can work out these agreements and have two or three amendments and hopefully get this legislation passed today.

Before I proceed, I ask if the distinguished Senator from Kentucky has any remarks.

I yield the floor.

Mr. FORD. Mr. President, I have no disagreement with the unanimous consent proposal, particularly retaining the relevancy that is in effect now. There is only one question I might have. There is a Torricelli-Lautenberg Quiet Communities Act amendment that should be for both, I think. And just so long as that is understood that it is not two amendments; it is only one.

Mr. McCAIN. That is a Torricelli-Lautenberg amendment.

Mr. FORD. One amendment rather than two. If we could cut an amendment off now, we ought to do it instead of waiting until tomorrow. So I agree with my colleague, we have an opportunity to finish this bill tomorrow. And it is one of those "must-pass" bills. And I am very hopeful that we can do it. We are here. Our staff is available. We are very amenable right now and probably more so tomorrow; but toward noon and a little after we may get intolerable. So let's hope we can do things early in the morning after our first vote.

I thank the Chair and thank my colleague.

Mr. McCAIN. Mr. President, just for the record, I want to make it clear that these are first-degree amendments only.

The PRESIDING OFFICER. The RECORD will so reflect.

MORNING BUSINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACKNOWLEDGMENT OF SENATOR HAGEL'S 100TH PRESIDING HOUR

Mr. LOTT. Mr. President, I have the pleasure to announce that Senator CHUCK HAGEL is the latest recipient of the Senate's golden gavel award, marking his 100th hour of presiding over the U.S. Senate.

The golden gavel award has long-served as a symbol of appreciation for the time that Senators contribute to presiding over the U.S. Senate—a privileged and important duty. Since the 1960's, Senators who preside for 100 hours have been recognized with this coveted award.

On behalf of the Senate, I extend our sincere appreciation to Senator HAGEL and his diligent staff for their efforts and commitment to presiding duties during the 105th Congress.

PREPARING FOR FUTURE BATTLEFIELDS

Mr. BYRD. Mr. President, in June 1997, Senator GLENN, Senator LEVIN, and I requested the General Accounting Office (GAO) to examine the Department of Defense's (DOD) approach for addressing U.S. troop exposures to low levels of chemical warfare agents. That report is being released today. This kind of exposure, most recently experienced in the immediate aftermath of the Persian Gulf War—and possibly during it—is likely to become an ever greater threat, as more nations seek a battlefield advantage by employing the "poor man's bomb," chemical weapons. Our concern was to ensure that the Department of Defense had, in fact, learned the lessons of the Persian Gulf War and had taken effective steps to address any weaknesses that might result in the soldiers of future wars being needlessly harmed by exposure to low levels of chemical weapons. It is one thing to suffer casualties on the battlefield due to the misfortunes of war; it is quite another thing to inflict on American service men and women unnecessary wounds caused by a lack of foresight and planning. That is unacceptable.

Unfortunately, what the GAO discovered is that, as far as chemical weapons and chemical battlefields are concerned, the United States military is still in Cold War mode. DOD's focus in this area is still to enable U.S. forces to survive, fight, and win in the dreaded all-out nuclear, biological, and chemical battlefields of the Cold War. DOD has no strategy to address low-level exposures to chemical warfare agents. None. Nada. Zip. Despite the fact that existing DOD-conducted research indicates that low-level exposures to some chemical warfare agents may result in adverse short-term performance and long-term health effects, the Department of Defense has not stated a policy or developed doctrine on the protection of troops from low-level exposures to chemical warfare agents on the battlefield. Apparently, DOD prefers to concentrate on "winning," and hand off any chemical casualties to the Department of Veterans Affairs with a "no longer my business" attitude. I think we need to look at the bigger picture and give the safety of our military personnel the consideration they certainly deserve.

Even in the wake of disclosures by DOD that approximately 100,000 U.S. troops might have been exposed to some harmful level of chemical nerve and blister agents resulting from the destruction of a single Iraqi munitions dump, less than two percent of DOD's chemical and biological defense research and development program funds have been allocated to low-level chemical exposure issues in the two years since those disclosures. DOD claims that there is "no validated threat" of low-level chemical exposure to warrant greater effort, even as it continues to analyze other incidents during the Gulf War that may result in more troops being notified that they may have been exposed to low doses of chemical warfare agents. Moreover, the GAO report notes that DOD did a study just last year analyzing the impact of state sponsored terrorist attacks using low levels of chemical warfare agent to clandestinely disrupt U.S. military operations.

It seems both prudent and reasonable to at least begin the conceptual work to address the issue of low-level exposures to chemical warfare agents. But what GAO found instead was a few uncoordinated efforts by concerned offices to look into this current and future threat. This issue demands a top-down approach, in which the broad strategy or framework can guide the development of research, new technology, and operational practice to better defend American men and women, our sons and daughters, grandsons and granddaughters, when they don the uniform of the United States and defend our interests in the hardest and most courageous manner.

For this reason, and based upon the material which the GAO investigators had uncovered, I authored an amendment, which Senator GLENN cosponsored, to this year's Department of Defense Authorization bill to require the Secretary of Defense to review and modify chemical warfare defense policies and doctrine. The review calls upon DOD to address providing adequate protection from any low-level exposure, whether singly or in combination with other hazards, and whether to a single agent or to multiple agents and hazards over time. This amendment also requires the Secretary to address the reporting, coordinating, and retaining of information on possible exposures, including monitoring the health effects of those exposures by location, so that other mistakes of the Persian Gulf War are not extended to future battles. Additionally, this amendment calls upon the Secretary to develop and carry out a research program on the health effects of low-level exposures that can guide the Secretary in the evolution of policy and doctrine on low-level exposures to chemical warfare agents. I am very pleased that the amendment was retained in conference, and I look forward to the report on the review, which is due on May 1, 1999.

I am also pleased with the fine and useful work done by GAO on this report, particularly by Dr. Sushil Sharma and Mr. Jeffery Harris. I hope that the Department of Defense finds their analysis and their conclusions helpful as it begins the review mandated in the Department of Defense Authorization conference report. And finally, I thank Senator LEVIN and Senator GLENN for their interest in this matter.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING SEPTEMBER 18

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending September 18, the U.S. imported 7,411,000 barrels of oil each day, 1,115,000 barrels a day less than the 8,526,000 imported during the same week a year ago.

While this is one of the rare weeks when Americans imported slightly less foreign oil than the same week a year ago, Americans nonetheless relied on foreign oil for 54 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 7,411,000 barrels a day at a cost of approximately $89,006,110 a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 22, 1998, the federal debt stood at $5,515,818,621,727.95 (Five trillion, five hundred fifteen billion, eight hundred eighteen million, six hundred twenty-one thousand, seven hundred twenty-seven dollars and ninety-five cents).

One year ago, September 22, 1997, the federal debt stood at $5,378,804,000,000 (Five trillion, three hundred seventy-eight billion, eight hundred four million).

Five years ago, September 22, 1993, the federal debt stood at $4,395,748,000,000 (Four trillion, three hundred ninety-five billion, seven hundred forty-eight million).

Ten years ago, September 22, 1988, the federal debt stood at $2,587,230,000,000 (Two trillion, five hundred eighty-seven billion, two hundred thirty million).

Fifteen years ago, September 22, 1983, the federal debt stood at $1,354,474,000,000 (One trillion, three hundred fifty-four billion, four hundred seventy-four million) which reflects a debt increase of more than $4 trillion—$4,161,344,621,727.95 (Four trillion, one hundred sixty-one billion, three hundred forty-four million, six hundred twenty-one thousand, seven hundred twenty-seven dollars and ninety-five cents) during the past 15 years.

NOMINATION OF AMY ROSEN TO AMTRAK REFORM BOARD

Mr. WYDEN. Mr. President, earlier today, I called in a hold on the nomination of Amy Rosen to the Amtrak Reform Board. Consistent with my policy of publicly disclosing holds, I am including the following statement in the CONGRESSIONAL RECORD, stating my reasons for placing a hold on this nomination:

I am placing a hold on the nomination of Amy Rosen to the Amtrak Reform Board because of her role as an Amtrak Board member in voting to terminate Amtrak's Pioneer route. A subsequent GAO report indicates that at the time Ms. Rosen approved terminating the Pioneer, other Amtrak routes that were even less profitable than the Pioneer were kept in service. Before I will allow Ms. Rosen's nomination to move forward, I am seeking certain assurances from Ms. Rosen that if confirmed as a member of the Amtrak Reform Board, she will insist that Amtrak make decisions about passenger rail service on the basis of objective financial criteria.

Subsequent to calling in my hold on Ms. Rosen's nomination, I and my staff had conversations with her to discuss my concerns. During those conversations, I received assurances from Ms. Rosen that as an Amtrak Board member, she would insist that decisions about Amtrak routes and services would be made on the basis of objective financial criteria and that she would work with me and other Members of Congress to address the needs of rural communities for passenger rail service. As a result of these conversations, I am withdrawing my hold on Amy Rosen's nomination to the Amtrak Reform Board.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Edward J. Barron:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	1,737.85	1,175.00						1,175.00
Bryan Edwardson:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	2,045.20	1,382.83						1,382.83
Terri Snow Markwart:									
United States	Dollar				2,557.75				2,557.75
Switzerland	Franc	1,767.70	1,195.20						1,195.20
Total			3,753.03		7,673.25				11,426.28

RICHARD G. LUGAR,
Chairman, Committee on Agriculture, Nutrition, and Forestry, July 9, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sid Ashworth:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Charlie Houy:									
Kuwait	Dollar		229.00						229.00
Belgium	Franc	9,995	270.00					9,995	270.00
Tom Hawkins:									
Kuwait	Dollar		250.00						250.00
Belgium	Franc	9,995	270.00					9,995	270.00
Sid Ashworth:									
South Korea	Won	837,540	594.00					837,540	594.00
Indonesia	Dollar		985.00						985.00
United States	Dollar				4,570.00				4,570.00
Steve Cortese:									
South Korea	Won	837,540	594.00					837,540	594.00
Indonesia	Dollar		985.00						985.00
United States	Dollar				4,570.00				4,570.00
Senator Ted Stevens:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Pete Domenici:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Conrad Burns:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Saudia Arabia	Dollar		208.00						208.00
Senator Kay Bailey Hutchison:									
Kuwait	Dollar		249.00						249.00
Belgium	Franc	9,995	270.00					9,995	270.00
Senator Daniel Inouye:									
Kuwait	Dollar		302.00						302.00
Belgium	Franc	9,995	270.00					9,995	270.00
Steven Cortese:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robin Cleveland:									
Singapore	Dollar		199.00						199.00
Indonesia	Dollar		732.00						732.00
Thailand	Dollar		570.00						570.00
United States	Dollar				4,570.00				4,570.00
Total			10,527.00		13,710.00				24,237.00

TED STEVENS,
Chairman, Committee on Appropriations, July 31, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 13 TO JAN. 24, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Thad Cochran:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Slade Gorton:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Conrad Burns:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Senator Larry Craig:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Steven J. Cortese:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Sid Ashworth:									
New Zealand	Dollar	1,128.80	641.00		59.45		119.67		820.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Scott Gudes:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Jon Kamarck:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Andy Givens:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Mike Ware:									
New Zealand	Dollar	457.85	260.00		59.45		119.67		439.12
Australia	Dollar	1,059.85	690.00		120.25		180.28		990.53
Susan Hogan:									
Australia	*COM041*Dollar	1,059.85	690.00		120.25		180.28		990.53
Total			11,521.00		2,096.95		3,479.73		17,097.68

Miscellaneous expenses include direct payments and reimbursements to the Dept. of State under authority of Section 502(b) of the Mutual Security Act of 1954, as amended by Section 22 of Public Law 95-384, and Senate Resolution 179, agreed to May 25, 1977.

TED STEVENS,
Chairman, Committee on Appropriations, May 26, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM APR. TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Warner:									
Italy	Dollar		516.00						516.00
Tunisia	Dollar		358.00						358.00
Azerbaijan	Dollar		1,038.00						1,038.00
United States	Dollar				4,490.95				4,490.95
Senator Max Cleland:									
England	Dollar		913.27						913.27
Germany	Dollar		712.34						712.34
Belgium	Dollar		316.91						316.91
United States	Dollar				4,517.21				4,517.21
Mr. Michael Willams:									
England	Dollar		864.40						864.40
Germany	Dollar		678.09						678.09
Belgium	Dollar		324.00						324.00
United States	Dollar				4,030.96				4,030.96
Mr. Simon Sargent:									
England	Dollar		861.04						861.04
Germany	Dollar		736.81						736.81
Belgium	Dollar		298.20						298.20
England	Dollar				23.59				23.59
Germany	Dollar				15.23				15.23
Belgiumn	Dollar				16.86				16.86
United States	Dollar				2,913.66				2,913.66
Mr. William S. Chapman									
England	Dollar		920.01						920.01

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM APR. TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
England	Dollar						26.96		26.96
Germany	Dollar		649.81						649.81
Germany	Dollar						29.91		29.91
Belgium	Dollar		386.56						386.56
Mr. William S. Chapman:									
Belgium	Dollar						23.74		23.74
United States	Dollar				3,539.60				3,539.60
Ms. Jennifer Wardrep:									
England	Dollar		859.35						859.35
England	Dollar				25.28				25.28
Germany	Dollar		766.72						766.72
Germany	Dollar				33.71				33.71
Belgium	Dollar		242.36						242.36
Belgium	Dollar				11.85				11.85
United States	Dollar				2,913.66				2,913.66
Mr. Patrick T. Henry:									
Germany	Dollar		898.00						898.00
Belgium	Dollar		270.00						270.00
United States	Dollar				5,025.83				5,025.83
Senator Jeff Bingaman:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. Patrick Von Bargen:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. G. Wayne Glass:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Mr. Randy Soderquist:									
China	Dollar		771.00						771.00
South Korea	Dollar		786.00						786.00
Japan	Dollar		828.00						828.00
United States	Dollar				4,814.00				4,814.00
Total			22,149.87		46,814.39		80.61		69,044.87

STROM THURMOND,
Chairman, Committee on Armed Services, July 1, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM APR. 1, TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John McCain:									
Canada	Dollar	211.73	149.93					211.73	149.93
United States	Dollar				1,593.81				1,593.81
Mark A. Buse:									
Canada	Dollar	535.52	379.21					535.52	379.21
United States	Dollar				1,167.18				1,167.18
Total			529.14		2,760.99				3,290.13

JOHN McCAIN,
Chairman, Committee on Commerce, Science, and Transportation, July 22, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM JAN. 1 TO MAR. 31 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Frank H. Murkowski:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Daniel Akaka:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Craig Thomas:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Senator Mary Landrieu:									
Venezuela	Bolivar	256,949	497.00					256,949	497.00
Mary Katherine Ishee:									
Venezuela	Bolivar	153,549	297.00					153,549	297.00
Michael Poling:									
Venezuela	Bolivar	183,793	355.50					183,793	355.50
Jamie H. Fox:									
Venezuela	Bolivar	153,549	297.00					153,549	297.00
Geraldine Gentry:									
Venezuela	Bolivar	163,114	315.50					163,114	315.50
Norma Jane Sabiston:									
Venezuela	Bolivar	168,283	325.50					168,283	325.50
Andrew D. Lundquist:									
Venezuela	Bolivar	188,963	365.50					188,963	365.50

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM JAN. 1 TO MAR. 31 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David Garman:									
Venezuela	Bolivar	164,664	318.50					164,664	318.50
Derek Jumper:									
Venezuela	Bolivar	188,963	365.50					188,963	365.50
Senator Frank H. Murkowski:									
United States	Dollar				754.00				754.00
Total			4,628.00		754.00				5,382.00

FRANK MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, June 16, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Sam Brownback:									
Uzbekistan	Dollar		609.00						609.00
Kazakhstan	Dollar		4.00						4.00
Georgia	Dollar		451.00						451.00
United States	Dollar				5,093.22				5,093.22
Senator Chuck Hagel:									
Georgia	Dollar		242.00						242.00
Turkey	Dollar		430.00						430.00
Azerbaijan	Dollar		245.00						245.00
Turkmenistan	Dollar		88.00						88.00
Italy	Dollar		151.00						151.00
United States	Dollar				4,261.09				4,261.09
Senator Gordon Smith:									
Russia	Dollar		1,750.00						1,750.00
Steven Biegun:									
Russia	Dollar		1,750.00						1,750.00
Ellen Bork:									
Burma	Dollar		347.00						347.00
Thailand	Dollar		728.00						728.00
Cambodia	Dollar		425.00						425.00
United States	Dollar				4,025.00				4,025.00
Robert Epplin:									
Russia	Dollar		1,750.00						1,750.00
Michael Haltzel:									
Serbia-Montenegro	Dollar		400.00						400.00
Macedonia	Dollar		280.00						280.00
Albania	Dollar		120.00						120.00
United States	Dollar				3,823.62				3,823.62
Janice O'Connell:									
Costa Rica	Dollar		68.00						68.00
United States	Dollar				882.70				882.70
Frank Jannuzi:									
Thailand	Dollar		450.00						450.00
Burma	Dollar		280.00						280.00
Cambodia	Dollar		500.00						500.00
Indonesia	Dollar		970.00						970.00
United States	Dollar				5,040.00				5,040.00
Patti McNerney:									
Tanzania	Shilling	243,688	710.00					243,688	710.00
Netherlands	Guilder	914.63	494.00					914.63	494.00
United States	Dollar				7,585.38				7,585.38
Roger Noriega:									
Bahamas	Dollar		823.00						823.00
United States	Dollar				481.01				481.01
Puneet Talwar:									
Switzerland	Dollar		830.00						830.00
United States	Dollar				4,970.77				4,970.77
Kenneth Peel:									
Georgia	Dollar		242.00						242.00
Turkey	Dollar		430.00						430.00
Azerbaijan	Dollar		245.00						245.00
Turkmenistan	Dollar		88.00						88.00
Italy	Dollar		151.00						151.00
United States	Dollar				4,261.09				4,261.09
Christina Rocca:									
Uzbekistan	Dollar		724.00						724.00
Kyrgyzstan	Dollar		20.00						20.00
Kazakhstan	Dollar		117.00						117.00
Georgia	Dollar		474.00						474.00
United States	Dollar				5,093.22				5,093.22
Elizabeth Wilson:									
Serbia-Montenegro	Dollar		400.00						400.00
Macedonia	Dollar		280.00						280.00
Albania	Dollar		120.00						120.00
United States	Dollar				3,498.62				3,498.62
Michael Westphal:									
Tanzania	Shilling	243,688	710.00					243,688	710.00
Netherlands	Guilder	914.63	494.00					914.63	494.00
United States	Dollar				7,585.38				7,585.38
Total			19,390.00		56,601.10				75,991.10

JESSE HELMS,
Chairman, Committee on Foreign Relations, Aug. 4, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin Hatch:									
United States	Dollar				1,750.00				1,750.00
Robert Dibblee:									
United States	Dollar				1,750.00				1,750.00
Paul Matulic:									
United States	Dollar				1,750.00				1,750.00
Mark Rokala:									
United States	Dollar				972.75				972.75
Switzerland	Franc	1,402.71	948.42	196	132.52			1,598.71	1,080.94
France	Dollar		237.00						237.00
Netherlands	Dollar		270.00						270.00
Senator Robert Torricelli:									
United States	Dollar				4,240.00				4,240.00
Northern Ireland			269.00						269.00
Ireland	Dollar		566.00						566.00
Andrew Dubill:									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar				269.00				269.00
Ireland	Dollar		713.00						713.00
Joshua D. Shapiro									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar		269.00						269.00
Ireland	Dollar		713.00						713.00
James P. Fox:									
United States	Dollar				4,292.00				4,292.00
Northern Ireland	Dollar		269.00						269.00
Ireland	Dollar		713.00						713.00
Total			4,967.42		23,740.27				28,707.69

ORRIN HATCH,
Chairman, Committee on the Judiciary, Sept. 1, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM APR. 1, TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Shelby			764.00		1,526.00				2,290.00
William Duhnke			1,038.50		1,526.00				2,564.50
Peter Flory			600.50		1,526.00				2,126.50
Paul Doerrer			844.00		1,526.00				2,370.00
James Stinebower			823.00		481.01				1,304.01
Senator Richard C. Shelby			1,048.57		3,545.62				4,594.19
Peter Dorn			1,081.57		3,545.62				4,627.19
Kenneth Myers			1,307.00		5,684.13				6,991.13
Senator Richard Lugar			227.00		5,684.13				5,911.13
Christopher Straub			339.87		1,573.00				1,912.87
James Stinebower			762.02		1,573.00				2,335.02
Gina Marie Hatheway			21.50						21.50
Joan Grimson			21.00						21.00
Senator Pat Roberts			468.00						468.00
Total			9,346.53		28,190.51				37,537.04

RICHARD SHELBY,
Chairman, Select Committee on Intelligence, July 7, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Orest Deychakiwsky:									
United States	Dollar				4,260.41				4,260.41
Ukraine	Dollar		1,890.00						1,890,00
John Finerty:									
United States	Dollar				4,261.51				4,261.51
Moldova	Dollar		945.00		200.00				1,145.00
Ukraine	Dollar		2,075.00						2,075.00
Chadwick Gore:									
United States	Dollar				4,260.41				4,260.41
Ukraine	Dollar		1,645.00						1,645.00
United States	Dollar				4,832.00				4,832.00
Austria	Dollar		684.00						684.00
Poland	Dollar		1,368.00						1,368.00
Robert Hand:									
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		532.00						532.00
Belgium	Dollar		220.00						220.00
Serbia-Montenegro	Dollar		532.00		2,756.07				3,288.07
Janice Helwig:									
Austria	Dollar		14,047.92						14,047.92
Rep. Maurice Hinchey:									
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Rep. Steny Hoyer:									
United States	Dollar				8,447.91				8,447.91

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM APR. 1 TO JUNE 30, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Japan	Dollar		402.00						402.00
Korea	Dollar		396.00						396.00
Portugal	Dollar		166.00						166.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Karen Lord:									
United States	Dollar				4,629.12				4,629.12
Germany	Dollar		156.00						156.00
Belgium	Dollar		752.00						752.00
France	Dollar		752.00						752.00
Ronald McNamara:									
United States	Dollar				1,588.43				1,588.43
Spain	Dollar		255.00						255.00
E. Wayne Merry:									
United States	Dollar				3,309.11				3,309.11
Moldova	Dollar		525.00						525.00
Bosnia-Herzegovina	Dollar		1,202.00						1,202.00
Belgium	Dollar		220.00						220.00
Dorothy D. Taft:									
United States	Dollar				2,488.40				2,488.40
Bosnia-Herzegovina	Dollar		495.00						495.00
Belgium	Dollar		390.00						390.00
Czech Republic	Dollar		1,031.00						1,031.00
United States	Dollar				6,458.40				6,458.40
Uzbekistan	Dollar		1,066.00						1,066.00
Turkey	Dollar		168.00						168.00
Austria	Dollar		386.03						386.03
Total			35,476.95		47,491.77				82,968.72

ALFONSE D'AMATO,
Chairman, Commission on Security and Cooperation in Europe,
June 30, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM APR. 1 TO JUNE 30, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bill Frist:									
Kuwait	Dollar		230.00						230.00
Belgium	Franc	5,997	162.00					5,997	162.00
Senator Pat Roberts:									
Kuwait	Dollar		440.00						440.00
Belgium	Franc	9,995	270.00					9,995	270.00
Sally Walsh:									
United States	Dollar		297.00						297.00
France	Franc	3,763.40	620.00					3,763.40	620.00
Russia	Dollar		626.00						626.00
Germany	Mark	426.53	221.00						221.00
Total			2,866.00						2,866.00

TRENT LOTT,
Majority Leader, July 20, 1998.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM MAY 23 TO MAY 31, 1998

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Don Nickles:									
United States	Dollar				4,873.52				4,873.52
Israel	Dollar		660.00						660.00
Cyprus	Pound	99.84	192.00					99.84	192.00
Italy	Dollar		210.00						210.00
	Lire	158,067	91.00					158,067	91.00
Senator Joseph Lieberman:									
United States	Dollar				4,777.48				4,777.48
Israel	Dollar		969.60						969.60
Cyprus	Pound	88.54	170.00					88.54	170.00
Senator Jack Reed:									
United States	Dollar				4,994.20				4,994.20
Israel	Dollar		684.00						684.00
Bret Bernhardt:									
United States	Dollar				3,396.52				3,396.52
Israel	Dollar		667.00						667.00
Cyprus	Pound	99.84	192.00					99.84	192.00
Italy	Dollar		210.00						210.00
	Lire	158,067	91.00					158,067	91.00
Sherry Brown:									
United States	Dollar				2,553.78				2,553.78
Israel	Dollar		1,126.40						1,126.40
Cyprus	Pound	99.76	191.93					99.76	191.93
Sally Walsh:									
United States	Dollar				5,028.20				5,028.20
Israel	Dollar		860.00						860.00
Delegation Expenses:[1]									
Israel							3,937.46		3,937.46

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM MAY 23 TO MAY 31, 1998—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jordan							368.36		368.36
Cyprus							609.82		609.82
Bosnia-Herzegovina							285.03		285.03
Italy							945.41		945.41
Total			6,314.93		25,623.70		6,146.08		38,084.71

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of Section 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and Senate Resolution 179, agreed to May 25, 1977.

TRENT LOTT, Majority Leader,
TOM DASCHLE, Democratic Leader, Sept. 9, 1998.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING THE CONTINUATION OF THE NATIONAL EMERGENCY WITH RESPECT TO UNITA—MESSAGE FROM THE PRESIDENT—PM 159

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total Independence of Angola ("UNITA") is to continue in effect beyond September 26, 1998, to the *Federal Register* for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. The actions and policies of UNITA pose a continuing unusual and extraordinary threat to the foreign policy of the United States. United Nations Security Council Resolutions 864 (1993), 1127 (1997), 1173 (1998), and 1176 (1998) continue to oblige all member states to maintain sanctions. discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA to reduce its ability to pursue its aggressive policies of territorial acquisition.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 23, 1998.*

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 6:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefits of national wildlife refuges, and for other purposes.

REPORTS OF COMMITTEE

The following report of committee was submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 1999" (Rept. No. 105–345).

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Labor and Human Resources:

Henry L. Solano, of Colorado, to be Solicitor of the Department of Labor.

Jane E. Henney, of New Mexico, to be Commissioner of Food and Drugs, Department of Health and Human Services.

Thomasina V. Rogers, of Maryland, to be a Member of the Occupational Safety and Health Review Commission for a term expiring April 27, 2003.

Joseph E. Stevens, Jr., of Missouri, to be a Member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 2003. (Reappointment)

Paul M. Igasaki, of California, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2002, (Reappointment), to which position he was appointed during the last recess of the Senate.

Ida L. Castro, of New York, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2003.

Paul Steven Miller, of California, to be a Member of the Equal Employment Opportunity Commission for the remainder of the term expiring July 1, 1999.

Joy Harjo, of New Mexico, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

Joan Specter, of Pennsylvania, to be a Member of the National Council on the Arts for a term expiring September 3, 2002.

Patricia T. Montoya, of New Mexico, to be Commissioner on Children, Youth, and Families, Department of Health and Human Services.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Romulo L. Diaz, Jr., of the District of Columbia, to be an Assistant Administrator of the Environmental Protection Agency.

J. Charles Fox, of Maryland, to be an Assistant Administrator of the Environmental Protection Agency.

Norine E. Noonan, of Florida, to be an Assistant Administrator of the Environmental Protection Agency.

Terrence L. Bracy, of Virginia, to be a Member of the Board of Trustees of the Morris K. Udall Scholarship and Excellence in National Environmental Policy for a term expiring October 6, 2004. (Reappointment)

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

Charles G. Groat, of Texas, to be Director of the United States Geological Survey.

Gregory H. Friedman, of Maryland, to be Inspector General of the Department of Energy.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KEMPTHORNE:

S. 2512. A bill to establish a National Resources Institute at the Idaho National Engineering and Environmental Laboratory; to the Committee on Environment and Public Works.

By Mr. SMITH of Oregon:

S. 2513. A bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 281. A resolution to authorize testimony and representation of employees of the Senate in United States v. Alphonso Michael Espy; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KEMPTHORNE:

S. 2512. A bill to establish a National Resources Institute at the Idaho National Engineering and Environmental Laboratory; to the Committee on Environment and Public Works.

NATIONAL RESOURCES INSTITUTE LEGISLATION

• Mr. KEMPTHORNE. Mr. President, today I introduce the Natural Resources Institute legislation. Congressman CRAPO, who represents the second Congressional district in my state of Idaho, introduced the Natural Resources Institute legislation in the House, on September 17, 1998. I believe this legislation will help find solutions to many of the problems that affect the health of our environment.

This country is faced with the challenge of protecting the environment, while maintaining economic growth. The use of our nation's natural resources touches all of our lives every day. However, this use has left a legacy of fragmented land-use and regions of environmental degradation, including areas in my home state of Idaho.

Unfortunately, there has not been a comprehensive and coordinated effort to address these environmental issues or an organized effort to help other communities from making similar mistakes. I believe that many of these problems could be avoided if the communities faced with land-use decisions had access to sound scientific research.

The Natural Resources Institute Act, utilizing expertise from national laboratories and universities, will provide communities with access to sound scientific research when making environmental and land-use decisions. In addition, the Natural Resources Institute Act will coordinate research efforts to solve real-world environmental problems. It will be particularly helpful in addressing problems associated with agriculture, logging, grazing, hydropower, fishing, mining, recreation and other natural resource activities.

Mr. President, I believe this important legislation gives state and local governments the necessary tools to make sound informed decisions regarding land-use decisions. I would like to commend Congressman CRAPO for his leadership on this important issue.•

By Mr. SMITH of Oregon:

S. 2513. A bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; to the Committee on Energy and Natural Resources.

OREGON PUBLIC LAND TRANSFER AND PROTECTION ACT OF 1998

• Mr. SMITH of Oregon. Mr. President, today I am introducing legislation to transfer the administrative jurisdiction over certain lands within or adjacent to the Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange Oregon and California Railroad grant lands (O and C lands) in Oregon. The bill represents a thoughtfully crafted compromise agreed to by the majority and minority in the other body, and the O and C counties and the timber industry in my state.

Title I of the bill would consolidate the management over certain parcels of federal land by transferring jurisdiction over these parcels between the Forest Service and the Bureau of Land Management. The status of any O and C lands transferred will not change, regardless of which agency has jurisdiction over the lands following the transfer. This is not a land exchange in the traditional sense, but rather the transfer of jurisdiction between two agencies of lands already in federal ownership. It is my understanding that the Administration supports this transfer.

Title II of the bill provides that, over successive ten-year periods, there will be no net loss of acres designated as O and C lands. These lands are somewhat unique in the federal inventory, and are managed in accordance with the Act of August 28, 1937, and other applicable federal statutes.

There have been concerns on the part of the O and C counties that the O and C lands will be used by the federal government in land exchanges and sales, thereby diminishing the total acreage over time. Since the counties rely on revenues from these lands, it is important to clarify that it is the intent of Congress that the acreage remain constant.

Mr. President, this bill is non-controversial, and I would ask for the support of my colleagues on enactment of this measure before the end of this Congress. I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Oregon Public Land Transfer and Protection Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ROGUE RIVER NATIONAL FOREST TRANSFERS

Sec. 101. Land transfers involving Rogue River National Forest and other public land in Oregon.

TITLE II—PROTECTION OF OREGON AND CALIFORNIA RAILROAD GRANT LAND

Sec. 201. Definitions.

Sec. 202. No net loss of O & C land, CBWR land, or public domain land.

Sec. 203. Relationship to Umpqua land exchange authority.

TITLE I—ROGUE RIVER NATIONAL FOREST TRANSFERS

SEC. 101. LAND TRANSFERS INVOLVING ROGUE RIVER NATIONAL FOREST AND OTHER PUBLIC LAND IN OREGON.

(a) TRANSFER FROM PUBLIC DOMAIN TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The public domain land depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 2,058 acres within the external boundaries of Rogue River National Forest in the State of Oregon, is added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of the Interior to the Secretary of Agriculture.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of Agriculture shall manage the land described in paragraph (1) as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 961, chapter 186), and other laws (including regulations) applicable to the National Forest System.

(b) TRANSFER FROM NATIONAL FOREST TO PUBLIC DOMAIN.—

(1) LAND TRANSFER.—The Federal land depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 1,632 acres within the external boundaries of Rogue River National Forest, is transferred to unreserved public domain status, and the status of the land as part of Rogue River National Forest and the National Forest System is revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of Agriculture to the Secretary of the Interior.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of the Interior shall administer such land under the laws (including regulations) applicable to unreserved public domain land.

(c) RESTORATION OF STATUS OF CERTAIN NATIONAL FOREST LAND AS REVESTED RAILROAD GRANT LAND.—

(1) RESTORATION OF EARLIER STATUS.—The Federal land depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 4,298 acres within the external boundaries of Rogue River National Forest, is restored to the status of revested Oregon and California Railroad grant land, and the status of the land as part of Rogue River National Forest and the National Forest System is revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of Agriculture to the Secretary of the Interior.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of the Interior shall administer the land described in paragraph (1) under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.), and other laws (including regulations) applicable to revested Oregon and California Railroad grant land under the administrative jurisdiction of the Secretary of the Interior.

(d) ADDITION OF CERTAIN REVESTED RAILROAD GRANT LAND TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The revested Oregon and California Railroad grant land depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 960 acres within the external boundaries of Rogue River National Forest, is added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the land described in paragraph (1) is transferred from the Secretary of the Interior to the Secretary of Agriculture.

(3) MANAGEMENT.—Subject to valid existing rights, the Secretary of Agriculture shall manage the land described in paragraph (1) as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (36 Stat. 961, chapter 186), and other laws (including regulations) applicable to the National Forest System.

(4) DISTRIBUTION OF RECEIPTS.—Notwithstanding the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), revenues derived from the land described in paragraph (1) shall be distributed in accordance with the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(e) BOUNDARY ADJUSTMENT.—The boundaries of Rogue River National Forest are adjusted to encompass the land transferred to the administrative jurisdiction of the Secretary of Agriculture under this section and to exclude private property interests adjacent to the exterior boundaries of Rogue River National Forest, as depicted on the map entitled "Rogue River National Forest Boundary Adjustment" and dated April 28, 1998.

(f) MAPS.—Not later than 60 days after the date of enactment of this Act, the maps described in this section shall be available for public inspection in the office of the Chief of the Forest Service.

(g) MISCELLANEOUS REQUIREMENTS.—As soon as practicable after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall—

(1) revise the public land records relating to the land transferred under this section to reflect the administrative, boundary, and other changes made by this section; and

(2) publish in the Federal Register appropriate notice to the public of the changes in administrative jurisdiction made by this section with regard to the land.

TITLE II—PROTECTION OF OREGON AND CALIFORNIA RAILROAD GRANT LAND

SEC. 201. DEFINITIONS.

In this title:

(1) O & C LAND.—The term "O & C land" means the land (commonly known as "Oregon and California Railroad grant land") that—

(A) revested in the United States under the Act of June 9, 1916 (39 Stat. 218, chapter 137); and

(B) is managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(2) CBWR LAND.—the term "CBWR land" means the land (commonly known as "Coos Bay Wagon Road grant land") that—

(A) was reconveyed to the United States under the Act of February 26, 1919 (40 Stat. 1179, chapter 47); and

(B) is managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(3) PUBLIC DOMAIN LAND.—

(A) IN GENERAL.—The term "public domain land" has the meaning given the term "public lands" in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702).

(B) EXCLUSIONS.—The term "public domain land" does not include O & C land or CBWR land.

(4) GEOGRAPHIC AREA.—The term "geographic area" means the area in the State of Oregon within the boundaries of the Medford District, Roseburg District, Eugene District, Salem District, Coos Bay District, and Klamath Resource Area of the Lakeview District of the Bureau of Land Management, as the districts and the resource area were constituted on January 1, 1998.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 202. NO NET LOSS OF O & C LAND, CBWR LAND, OR PUBLIC DOMAIN LAND.

IN carrying out sales, purchases, and exchanges of land in the geographic area, the Secretary shall ensure that on expiration of the 10-year period beginning on the date of enactment of this Act and on expiration of each 10-year period thereafter, the number of acres of O & C land and CBWR land in the geographic area, and the number of acres of O & C land, CBWR land, and public domain land in the geographic area that are available for timber harvesting, are not less than the number of acres of such land on the date of enactment of this Act.

SEC. 203. RELATIONSHIP TO UMPQUA LAND EXCHANGE AUTHORITY.

Notwithstanding any other provision of this title, this title shall not apply to an exchange of land authorized under section 1028 of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333; 110 Stat. 4231), or any implementing legislation or administrative rule, if the land exchange is consistent with the memorandum of understanding between the Umpqua Land Exchange Project and the Association of Oregon and California Land Grant Counties dated February 19, 1998.•

ADDITIONAL COSPONSORS

S. 537

At the request of Ms. MIKULSKI, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 537, a bill to amend title III of the Public Health Service Act to revise and extend the mammography quality standards program.

S. 1307

At the request of Mr. DASCHLE, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 1307, a bill to amend the Employee Retirement Income Security Act of 1974 with respect to rules governing litigation contesting termination or reduction of retiree health benefits and to extend continuation coverage to retirees and their dependents.

S. 1362

At the request of Mr. GRASSLEY, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 1362, a bill to promote the use of universal product members on claims forms used for reimbursement under the medicare program.

S. 1924

At the request of Mr. MACK, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 1924, a bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986.

S. 2162

At the request of Mr. MACK, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2162, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of printed wiring board and printed wiring assembly equipment.

S. 2222

At the request of Mr. GRASSLEY, the names of the Senator from South Dakota (Mr. JOHNSON) and the Senator from North Dakota (Mr. CONRAD) were added as cosponsors of S. 2222, a bill to amend title XVIII of the Social Security Act to repeal the financial limitation on rehabilitation services under part B of the Medicare Program.

S. 2338

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2338, a bill to amend the

Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 2354

At the request of Mr. BOND, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2354, a bill to amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2371

At the request of Mr. LOTT, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 2371, a bill to amend the Internal Revenue Code of 1986 to reduce individual capital gains tax rates and to provide tax incentives for farmers.

S. 2392

At the request of Mr. BENNETT, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Oregon (Mr. SMITH), and the Senator from North Carolina (Mr. FAIRCLOTH) were added as cosponsors of S. 2392, a bill to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000.

S. 2412

At the request of Mr. BURNS, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Massachusetts (Mr. KERRY), and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 2412, a bill to create employment opportunities and to promote economic growth establishing a public-private partnership between the United States travel and tourism industry and every level of government to work to make the United States the premiere travel and tourism destination in the world, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Wyoming (Mr. ENZI), the Senator from Wyoming (Mr. THOMAS), and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 281—TO AUTHORIZE TESTIMONY AND REPRESENTATION OF EMPLOYEES OF THE SENATE

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 281

Whereas, in the case of United States v. Alphonso Michael Espy, Criminal Case No. 97-0335, pending in the United States District Court for the District of Columbia, a trial subpoena has been served upon Galen Fountain and Jo Nobles, employees of the Senate, and Leslie Chalmers Tagg, formerly an employee of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved That Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee from whom testimony may be required, are authorzed to testify in the case of United States v. Alphonso Michael Espy, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee of the Senate, in connection with testimony in United States v. Alphonso Michael Espy.

AMENDMENTS SUBMITTED

CONSUMER BANKRUPTCY REFORM ACT OF 1998

DODD AMENDMENT NO. 3614

Mr. DODD proposed an amendment to amendment No. 3559 proposed by Mr. GRASSLEY to the bill (S. 1301) to amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.—Section 541(b) of title 11, United States Code, as amended by section 403 of this Act, is amended—

(1) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(2) by inserting after paragraph (6) the following:

"(7) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief or

"(8) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief.".

FEINSTEIN (AND OTHERS) AMENDMENT NO. 3615

Mrs. FEINSTEIN (for herself, Mr. DURBIN, and Mr. JEFFORDS) proposed an amendment to the bill, S. 1301, supra; as follows:

At the appropriate place in title VII, insert the following:

SEC. . ENCOURAGING CREDITWORTHINESS.

(2) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(a)(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumer are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the credit industry's indiscriminate solicitation and extension of credit;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

HARKIN (AND OTHERS) AMENDMENT NO. 3616

Mr. HARKIN (for himself, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. BRYAN, and Mr. KERREY) proposed an amendment to the bill, S. 1301, supra; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE CONGRESS REGARDING INTEREST RATES.

(a) FINDINGS.—The Congress finds, as of the date of enactment of this Act, that—

(1) real interest rates are at historically high levels, the highest in 9 years;

(2) the Federal Funds rate is 5.5 percent, where it has been since March 1997, despite an inflation rate of 1.6 percent:

(3) between 1992 and 1994, the Federal Funds rate averaged 3.6 percent, while inflation was at 2.8 percent;

(4) to confirm that real interest rates are historically high, the Chairman of the Board of Governors of the Federal Reserve System, Alan Greenspan, said during his Humphrey-Hawkins testimony before the Committee on Banking and Financial Services of the House of Representatives on February 24, 1998, "Statistically, it is a fact that real interest rates are higher now than they have been on the average of the post-World War II period.";

(5) inflation over the 2 years preceding the date of enactment of this Act was at its lowest level since the 1960's;

(6) interest rates on 30 year Treasury bonds have sunk to record lows and are below the Federal funds rate, a signal that the United States economy could be headed for a recession;

(7) United States corporate earnings in the second quarter of 1998 were down 1.3 percent from a year earlier;

(8) a reduction in interest rates would increase resources for business growth;

(9) the farm debt is at its highest level since 1985, and broad commodity price indexes are extremely low;

(10) there are significant, widespread signs of global deflation, to which the United States has not been exposed since the Great Depression;

(11) there has been a deterioration in a number of economies around the world, which will negatively impact the United States through fewer purchases of United States exports and a greater influx of cheap imports to the United States;

(12) the United States economy is a large, healthy economic engine, and if the United States economy does slow, it would be exceedingly difficult for the world-wide economy to recover;

(13) a decline in equity values could dampen confidence and slow consumer and business spending, which together represents four-fifths of the United States economy;

(14) a decline in United States interest rates would help bolster the currencies of countries throughout the world suffering from economic hardships; and

(15) a reduction in interest rates would strengthen the United States economy over the next year while the world's weakened economies recover.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Federal Open Market Committee should promptly reduce the Federal Funds rate.

GRASSLEY AMENDMENT NO. 3617

Mr. GRASSLEY proposed an amendment to the bill, S. 1301, supra; as follows:

SEC. . TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.

(a) Within 180 days of the enactment of this Act, the Federal Reserve Board in consultation with the Treasury Department, the general credit industry, and consumer groups, shall prepare a study regarding the adequacy of information received by consumers regarding the creation of security interests under open end credit plans.

(b) FINDINGS.—This study shall include the Board's findings regarding:

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open credit plan and is subject to a security interest under than plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to cover reaffirmations of existing debts under section 524 of the United States Bankruptcy Code.

In formulating these findings, the Board shall consider, among other factors it deems relevant, prevailing industry practices in this area.

(c) DISCLOSURE RECOMMENDATIONS.—This study shall also include the Board's recommendations regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including, but not limited to:

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made on the card will be credited with respect to the lien created by the security contract and other debts on the card.

(d) The Board shall submit this report to the Senate Committee on the Judiciary, the Senate Committee on Banking, Housing, and Urban Affairs, the House Committee on the Judiciary, and the House Committee on Banking and Financial Services within the time allotted by this section.

Insert at an appropriate place:

Section 546 of title 11, United States Code, is amended by inserting at the end thereof—

"(I) Notwithstanding section 545(2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by Section 7-209 of the Uniform Commercial Code."

Insert at an appropriate place:

Section 330(a) of Title 11 is amended:

(1) in subsection (3)(A) after the word "awarded", by inserting "to an examiner, Chapter 11 trustee, or professional person"; and

(2) by adding at the end of subsection (3)(A) the following:

"(3)(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved."

On page 59 of amendment 3595, after clause "(v)", insert "(vi) not unfair because excessive in amount based upon the value of the collateral."

On page 60 of amendment 3595, after clause "(iii)" insert "(iv) the following statement: If your current rate is a temporary introductory rate, your total costs may be higher."

NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

McCAIN (AND FORD) AMENDMENT NO. 3618

Mr. McCAIN (for himself and Mr. FORD) proposed an amendment to the bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; as follows:

On page 88, in the matter appearing after line 8, strike the item relating to section 106.

On page 88, in the matter appearing after line 8, insert the following after the item relating to section 211:

Sec. 212. Airfield pavement conditions.

On page 89, strike the item relating to section 403.

On page 89, strike the item relating to section 503 and insert the following:

Sec. 503. Runway safety areas; precision approach path indicators.

On page 89, after the item relating to section 519 insert the following:

Sec. 520. Improvements to air navigation facilities.
Sec. 521. Denial of airport access to certain air carriers.
Sec. 522. Tourism.
Sec. 523. Equivalency of FAA and EU safety standards.
Sec. 524. Sense of the Senate on property taxes on public-use airports.
Sec. 525. Federal Aviation Administration Personnel Management System.
Sec. 526. Aircraft and aviation component repair and maintenance advisory panel.
Sec. 527. Report on enhanced domestic airline competition.
Sec. 528. Aircraft situational display data.

On page 89 strike the items relating to section 606 through 612 and insert the following:

Sec. 606. Slot exemptions for nonstop regional jet service.
Sec. 607. Exemptions to perimeter rule at Ronald Reagan Washington national airport.
Sec. 608. Additional slots at Chicago O'Hare International Airport.
Sec. 609. Consumer notification of e-ticket expiration dates.
Sec. 610. Joint venture agreements.
Sec. 611. Regional air service incentive options.
Sec. 612. GAO study of air transportation needs.

On page 89, after the item relating to section 704, insert the following:

Sec. 705. Prohibition of commercial air tours over the Rocky Mountain National Park.

On page 89, strike the items relating to title VIII and to section 801, and insert the following:

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

Sec. 801. Short title.
Sec. 802. Findings.
Sec. 803. Establishment.
Sec. 804. Membership.
Sec. 805. Duties.
Sec. 806. Powers.
Sec. 807. Staff and support services
Sec. 808. Contributions.
Sec. 809. Exclusive right to name, logos, emblems, seals, and marks.
Sec. 810. Reports.
Sec. 811. Audit of financial translations.
Sec. 812. Advisory board.
Sec. 813. Definitions.
Sec. 614. Termination.
Sec. 815. Authorization of appropriations.

On page 90, line 10, insert:

"(a) IN GENERAL.—" before "Section".

On page 90, between lines 15 and 16, insert the following:

(b) COORDINATION.—The authority granted the Secretary under section 41717 of title 49, United States Code, does not affect the Secretary's authority under any other provision of law.

On page 90, beginning with "1999," in line 16, strike through "2002." in line 18 and insert the following: "1999 and $5,784,000,000 for fiscal year 2000.".

On page 92, line 23, insert "and" after the semicolon.

On page 92, line 24, strike "2000;" and insert "2000.".

On page 92, beginning with line 25, strike through line 1 on page 93.

On page 93, line 5, strike "1999, 2000, 2001, and 2002" and insert "1999 and 2000".

On page 93, line 25, strike "1999," and insert "1999 and".

On page 94, beginning with "2000," in line 1, strike through line 3 and insert "2000.'. ".

On page 94, line 18, insert "at the end thereof" after "adding".

On page 96, beginning in line 8, strike "analysis for subchapter I of" and insert "chapter analysis for".

On page 96, line 10, strike "adding at the end" and insert "inserting after the item relating to section 47135".

On page 97, beginning in line 13, strike "the demonstration program result in" and insert "this section be used in a manner giving rise to".

On page 103, line 19, strike "subchapter" and insert "chapter".

On page 105, line 15, insert a comma after "systems".

On page 106, line 8, strike "Notwithstanding" and insert "(a) IN GENERAL.—Notwithstanding".

On page 106, between lines 16 and 17, insert the following:

(b) EFFECTIVE DATE.—This section applies to any request filed on or after the date of enactment of this Act.

On page 107, line 10, after "conditioning)" insert "and aircraft fueling facilities adjacent to an airport terminal building".

On page 107, between lines 12 and 13, insert the following:

SEC. 212. AIRFIELD PAVEMENT CONDITIONS.

(a) EVALUATION OF OPTIONS.—The Administrator of the Federal Aviation Administration shall evaluate options for improving the quality of information available to the Administration on airfield pavement conditions for airports that are part of the national air transportation system, including—

(1) improving the existing runway condition information contained in the Airport Safety Data Program by reviewing and revising rating criteria and providing increased training for inspectors;

(2) requiring such airports to submit pavement condition index information as part of their airport master plan or as support in applications for airport improvement grants; and

(3) requiring all such airports to submit pavement condition index information on a regular basis and using this information to create a pavement condition database that could be used in evaluating the cost-effectiveness of project applications and forecasting anticipated pavement needs.

(b) REPORT TO CONGRESS.—The Administrator shall transmit a report, containing an evaluation of such options, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 12 months after the date of enactment of this Act.

On page 110, line 3, insert a comma after "business".

On page 110, line 4, insert a comma after "residence".

On page 110, line 10, insert a comma after "business".

On page 110, line 11, insert a comma after "residence".

On page 111, beginning with line 4, strike through line 9 on page 112 and insert the following:

Section 45301 is amended by striking "government." in subsection (a)(2) and inserting "government or to any entity obtaining services outside the United Sates.".

On page 115, beginning with line 14, strike through line 13 on page 116.

On page 117, beginning with line 21, strike through line 2 on page 118, and insert the following:

SEC. 503. RUNAWAY SAFETY AREAS; PRECISION APPROACH PATH INDICATORS.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall solicit comments on the need for—

(1) the improvement of runway safety areas; and

(2) the installation of precision approach path indicators.

On page 118, strike lines 6 through 12 and insert the following:

"(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

"(1) scheduled flights by scheduled air carriers holding certificates issued by the Secretary of Transportation under subpart II of this part;

"(2) training operations conducted entirely within a 50-mile radius of the airport from which the training operations begin;

"(3) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft;

"(4) showing compliance with regulations, exhibition, or air racing; or

"(5) the aerial application of a substance for an agricultural purpose.".

On page 118, between lines 12 and 13, insert the following:

(b) COMPLIANCE.—Section 44712 is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following:

"(c) COMPLIANCE.—An aircraft is deemed to meet the requirement of subsection (a) if it is equipped with an emergency locator transmitter that transmits on the 121.5/243 megahertz frequency or the 406 megahertz frequency, or with other equipment approved by the Secretary for meeting the requirement of subsection (a).".

On page 118, line 13, strike "(b)" and insert "(c).

On page 118, line 17, strike "subsection (a)" and insert "this section".

On page 118, line 19, strike "amendment made by subsection (a)" and insert "amendments made by this section".

On page 118, beginning with line 21, strike through line 11 on page 119, and insert the following:

(a) DENIAL; REVOCATION; AMENDMENT OF CERTIFICATE.—

(a) IN GENERAL.—Chapter 447 is amended by adding at the end thereof the following:

"§ 44725. Denial and revocation of certificate for counterfeit parts violations

"(a) DENIAL OF CERTIFICATE.—

"(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and subsection (e)(2) of this section, the Administrator may not issue a certificate under this chapter to any person—

"(A) convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

"(B) subject to a controlling or ownership interest of an individual convicted of such a violation.

"(2) EXCEPTION.—Notwithstanding paragraph (1), the Administrator may issue a certificate under this chapter to a person described in paragraph (1) if issuance of the certificate will facilitate law enforcement efforts.

"(b) REVOCATION OF CERTIFICATE.—

"(1) IN GENERAL.—Except as provided in subsections (f) and (g) of this section, the Administrator shall issue an order revoking a certificate issued under this chapter if the Administrator finds that the holder of the certificate, or an individual who has a controlling or ownership interest in the holder—

"(A) was convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

"(B) knowingly carried out or facilitated an activity punishable under such a law.

"(2) NO AUTHORITY TO REVIEW VIOLATION.—In carrying out paragraph (1) of this subsection, the Administrator may not review whether a person violated such a law.

"(c) NOTICE REQUIREMENT.—Before the Administrator revokes a certificate under subsection (b), the Administrator shall—

"(1) advise the holder of the certificate of the reason for the revocation; and

"(2) provide the holder of the certificate an opportunity to be heard on why the certificate should not be revoked.

"(d) APPEAL.—The provisions of section 44710(d) apply to the appeal of a revocation order under subsection (b). For the purpose of applying that section to such an appeal, 'person' shall be substituted for 'individual' each place it appears.

"(e) ACQUITTAL OR REVERSAL.—

"(1) IN GENERAL.—The Administrator may not revoke, and the Board may not affirm a revocation of, a certificate under section (b)(1)(B) of this section if the holder of the certificate, or the individual, is acquitted of all charges related to the violation.

"(2) REISSUANCE.—The Administrator may reissue a certificate revoked under subsection (b) of this section to the former holder if—

"(A) the former holder otherwise satisfies the requirements of this chapter for the certificate;

"(B) the former holder, or individual, is acquitted of all charges related to the violation on which the revocation was based; or

"(C) the conviction of the former holder, or individual, of the violation on which the revocation was based is reversed.

"(f) WAIVER.—The Administrator may waive revocation of a certificate under subsection (b) of this section if—

"(1) a law enforcement official of the United States Government, or of a State (with respect to violations of State law), requests a waiver; or

"(2) the waiver will facilitate law enforcement efforts.

"(g) AMENDMENT OF CERTIFICATE.—If the holder of a certificate issued under this chapter is other than an individual and the Administrator finds that—

"(1) an individual who had a controlling or ownership interest in the holder committed a violation of a law for the violation of which a certificate may be revoked under this section, or knowingly carried out or facilitated an activity punishable under such a law; and

"(2) the holder satisfies the requirements for the certificate without regard to that individual,

then the Administrator may amend the certificate to impose a limitation that the certificate will not be valid if that individual has a controlling or ownership interest in the holder. A decision by the Administrator under this subsection is not reviewable by the Board.".

"(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 447 is amended by adding at the end thereof the following:

"44725. Denial and revocation of certificate for counterfeit parts violations".

On page 119, line 12, strike "(c)" and insert "(b)".

On page 121, beginning with line 10, strike through line 8 on page 123 and insert the following:

SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.

(a) IN GENERAL.—Section 47125(a) is amended to read as follows:

"(a) CONVEYANCES TO PUBLIC AGENCIES.—

"(1) REQUEST FOR CONVEYANCE.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

"(A) shall request the head of the department, agency, or instrumentality of the United States Government owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

"(B) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to such a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources.

"(2) RESPONSE TO REQUEST FOR CERTAIN CONVEYANCES.—Within 4 months after receiving a request from the Secretary under paragraph (1), the head of the department, agency, or instrumentality shall—

"(A) decide whether the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

"(B) notify the Secretary of the decision; and

"(C) make the requested conveyance if—

"(i) the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

"(ii) the Attorney General approves the conveyance; and

"(iii) the conveyance can be made without cost to the United States Government.

"(3) REVERSION.—Except as provided in subsection (b), a conveyance under this subsection may only be made on the condition that the property interest conveyed reverts to the Government, at the option of the Secretary, to the extent it is not developed for an airport purpose or used consistently with the conveyance.".

(b) RELEASE OF CERTAIN CONDITIONS.—Section 47125 is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting the following after subsection (a):

"(b) RELEASE OF CERTAIN CONDITIONS.—The Secretary may grant a release from any term, condition, reservation, or restriction contained in any conveyance executed under this section, section 16 of the Federal Airport Act, section 23 of the Airport and Airway Development Act of 1970, or section 516 of the Airport and Airway Improvement Act of 1982, to facilitate the development of additional revenue from aeronautical and nonaeronautical sources if the Secretary—

"(1) determines that the property is no longer needed for aeronautical purposes;

"(2) determines that the property will be used solely to generate revenue for the public airport;

"(3) provides preliminary notice to the head of the department, agency, or instrumentality that conveyed the property interest at least 30 days before executing the release;

"(4) provides notice to the public of the requested release;

"(5) includes in the release a written justification for the release of the property; and

"(6) determines that release of the property will advance civil aviation in the United States.".

(c) EFFECTIVE DATE.—Section 47125(b) of title 49, United States Code, as added by subsection (b) of this section, applies to property interests conveyed before, on, or after the date of enactment of this Act.

(d) IDITAROD AREA SCHOOL DISTRICT.—Notwithstanding any other provision of law (including section 47125 of title 49, United States Code, as amended by this section), the Administrator of the Federal Aviation Administration, or the Administrator of the General Services Administration, may convey to the Iditarod Area School District without reimbursement all right, title, and interest in 12 acres of property at Lake Minchumina, Alaska, identified by the Administrator of the Federal Aviation Administration, including the structures known as housing units 100 through 105 and as utility building 301.

On page 124, line 2, strike the closing quotation marks and the second period.

On page 124, line 19, strike "subsection." and insert "section.".

On page 128, strike the matter appearing between lines 8 and 9 and insert the following:

"44516. Human factors program".

On page 132, line 10, after "project" insert "on the air operations area,"

On page 140, strike lines 16 through 21.

On page 143, between lines 18 and 19, insert the following:

SEC. 520. IMPROVEMENTS TO AIR NAVIGATION FACILITIES.

Section 44502(a) is amended by adding at the end thereof the following:

"(5) The Administrator may improve real property leased for air navigation facilities without regard to the costs of the improvements in relation to the cost of the lease if—

"(A) the improvements primarily benefit the government;

"(B) are essential for mission accomplishment; and

"(C) the government's interest in the improvements is protected.".

SEC. 521. DENIAL OF AIRPORT ACCESS TO CERTAIN AIR CARRIERS.

(a) IN GENERAL.—Section 47107 is amended by adding at the end thereof the following:

"(q) DENIAL OF ACCESS.—

"(1) EFFECT OF DENIAL.—If an owner or operator of an airport described in paragraph (2) denies access to an air carrier described in paragraph (3), that denial shall not be considered to be unreasonable or unjust discrimination or a violation of this section.

"(b) AIRPORTS TO WHICH SUBSECTION APPLIES.—An airport is described in this paragraph if it—

"(A) is designated as a reliever airport by the Administrator of the Federal Aviation Administration;

"(B) does not have an operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulations); and

"(C) is located within a 35-mile radius of an airport that has—

"(i) at least 0.05 percent of the total annual boardings in the United States; and

"(ii) current gate capacity to handle the demands of a public charter operation.

"(3) AIR CARRIERS DESCRIBED.—An air carrier is described in this paragraph if it conducts operations as a public charter under part 380 of title 14, Code of Federal Regulations (or any subsequent similar regulations) with aircraft that is designed to carry more than 9 passengers per flight.

"(4) DEFINITIONS.—In this subsection:

"(A) AIR CARRIER; AIR TRANSPORTATION; AIRCRAFT; AIRPORT.—The terms 'air carrier', 'air transportation', 'aircraft', and 'airport' have the meanings given those terms in section 40102 of this title.

"(B) PUBLIC CHARTER.—The term 'public charter' means charter air transportation for which the general public is provided in advance a schedule containing the departure location, departure time, and arrival location of the flights.".

SEC. 522. TOURISM.

(a) FINDINGS.—Congress finds that—

(1) through an effective public-private partnership, Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) in 1997, the travel and tourism industry made a substantial contribution to the health of the Nation's economy, as follows:

(A) The industry is one of the Nation's largest employers, directly employing 7,000,000 Americans, throughout every region of the country, heavily concentrated among small businesses, and indirectly employing an additional 9,200,000 Americans, for a total of 16,200,000 jobs.

(B) The industry ranks as the first, second, or third largest employer in 32 States and the District of Columbia, generating a total tourism-related annual payroll of $127,900,000,000.

(C) The industry has become the Nation's third-largest retail sales industry, generating a total of $489,000,000,000 in total expenditures.

(D) The industry generated $71,700,000,000 in tax revenues for Federal, State, and local governments;

(3) the more than $98,000,000,000 spent by foreign visitors in the United States in 1997 generated a trade services surplus of more than $26,000,000,000;

(4) the private sector, States, and cities currently spend more than $1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(5) because other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(6) a well-funded, well-coordinated international marketing effort—combined with additional public and private sector efforts—would help small and large businesses, as well as State and local governments, share in the anticipated phenomenal growth of the international travel and tourism market in the 21st century;

(7) by making permanent the successful visa waiver pilot program, Congress can facilitate the increased flow of international visitors to the United States;

(8) Congress can increase the opportunities for attracting international visitors and enhancing their stay in the United States by—

(A) improving international signage at airports, seaports, land border crossings, highways, and bus, train, and other public transit stations in the United States;

(B) increasing the availability of multilingual tourist information; and

(C) creating a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourist coping with an emergency;

(9) by establishing a satellite system of accounting for travel and tourism, the Secretary of Commerce could provide Congress and the President with objective, thorough data that would help policy-makers more accurately gauge the size and scope of the domestic travel and tourism industry and its significant impact on the health of the Nation's economy; and

(10) having established the United States National Tourism Organization under the United States National Tourism Organization Act of 1996 (22 U.S.C. 2141 et seq.) to increase the United States share of the international tourism market by developing a national travel and tourism strategy, Congress should support a long-term marketing effort and other important regulatory reform initiatives to promote increased travel to the United States for the benefit of every sector of the economy.

(b) Purposes.—The purposes of this section are to provide international visitor initiatives and an international marketing program to enable the United States travel and tourism industry and every level of government to benefit from a successful effort to make the United States the premiere travel destination in the world.

(c) International Visitor Assistance Task Force.—

(1) Establishment.—Not later than 9 months after the date of enactment of this Act, the Secretary of Commerce shall establish an Intergovernmental Task Force for International Visitor Assistance (hereafter in this subsection referred to as the "Task Force").

(2) Duties.—The Task Force shall examine—

(A) signage at facilities in the United States, including airports, seaports, land border crossings, highways, and bus, train, and other public transit stations, and shall identify existing inadequacies and suggest solutions for such inadequacies, such as the adoption of uniform standards on international signage for use throughout the United States in order to facilitate international visitors' travel in the United States;

(B) the availability of multilingual travel and tourism information and means of disseminating, at no or minimal cost to the Government, of such information; and

(C) facilitating the establishment of a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency.

(3) Membership.—The Task Force shall be composed of the following members:

(A) The Secretary of Commerce.

(B) The Secretary of State.

(C) The Secretary of Transportation.

(D) The Chair of the Board of Directors of the United States National Tourism Organization.

(E) Such other representatives of other Federal agencies and private-sector entities as may be determined to be appropriate to the mission of the Task Force by the Chairman.

(4) Chairman.—The Secretary of Commerce shall be Chairman of the Task Force. The Task Force shall meet at least twice each year. Each member of the Task Force shall furnish necessary assistance to the Task Force.

(5) Report.—Not later than 18 months after the date of the enactment of this Act, the Chairman of the Task Force shall submit to the President and to Congress a report on the results of the review, including proposed amendments to existing laws or regulations as may be appropriate to implement such recommendations.

(d) Travel and Tourism Industry Satellite System of Accounting.—

(1) In general.—The Secretary of Commerce shall complete, as soon as may be practicable, a satellite system of accounting for the travel and tourism industry.

(2) Funding.—To the extent any costs or expenditures are incurred under this subsection, they shall be covered to the extent funds are available to the Department of Commerce for such purpose.

(e) Authorization of Appropriations.—

(1) Authorization.—Subject to paragraph (2), there are authorized to be appropriated such sums as may be necessary for the purpose of funding international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

(2) Restrictions on use of funds.—None of the funds appropriated under paragraph (1) may be used for purposes other than marketing, research, outreach, or any other activity designed to promote the United States as the premiere travel and tourism destination in the world, except that the general and administrative expenses of operating the United States National Tourism Organization shall be borne by the private sector through such means as the Board of Directors of the Organization shall determine.

(3) Report to congress.—Not later than March 30 of each year in which funds are made available under subsection (a), the Secretary shall submit to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a detailed report setting forth—

(A) the manner in which appropriated funds were expanded;

(B) changes in the United States market share of international tourism in general and as measured against specific countries and regions;

(C) an analysis of the impact of international tourism on the United States economy, including, as specifically as practicable, an analysis of the impact of expenditures made pursuant to this section;

(D) an analysis of the impact of international tourism on the United States trade balance and, as specifically as practicable, analysis of the impact on the trade balance of expenditures made pursuant to this section; and

(E) an analysis of other relevant economic impacts as a result of expenditures made pursuant to this section.

SEC. 523. EQUIVALENCY OF FAA AND EU SAFETY STANDARDS

The Administrator of the Federal Aviation Administration shall determine whether the Administration's safety regulations are equivalent to the safety standards set forth in European Union Directive 89/336EEC. If the Administrator determines that the standards are equivalent, the Administrator shall work with the Secretary of Commerce to gain acceptance of that determination pursuant to the Mutual Recognition Agreement between the United States and the European Union of May 18, 1998, in order to ensure that aviation products approved by the Administration are acceptable under that Directive.

SEC. 524. SENSE OF THE SENATE ON PROPERTY TAXES ON PUBLIC-USE AIRPORTS,

It is the sense of the Senate that—

(1) property taxes on public-use airports should be assessed fairly and equitably, regardless of the location of the owner of the airport; and

(2) the property tax recently assessed on the City of The Dalles, Oregon, as the owner and operator of the Columbia Gorge Regional/The Dalles Municipal Airport, located in the State of Washington, should be repealed.

SEC. 525. FEDERAL AVIATION ADMINISTRATION PERSONNEL MANAGEMENT SYSTEM.

(a) Applicability of Merit Systems Protection Board Provisions.—Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(8) sections 1204, 1211–1218, 1221, and 7701–7703, relating to the Merit Systems Protection Board.".

(b) Appeals to Merit Systems Protection Board.—Section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996 is amended to read as follows:

"(c) Appeals to Merit System Protection Board.—Under the new personnel management system developed and implemented under subsection (a), an employee of the Federal Aviation Administration may submit an appeal to the Merit Systems Protection Board and may seek judicial review of any resulting final orders or decisions of the Board from any action that was appealable to the Board under any law, rule, or regulation as of March 31, 1996.".

SEC 526. AIRCRAFT AND AVIATION COMPONENT REPAIR AND MAINTENANCE ADVISORY PANEL.

(a) Establishment of Panel.—The Administrator of the Federal Aviation Administration—

(1) shall establish an Aircraft Repair and Maintenance Advisory Panel to review issues related to the use and oversight of aircraft and aviation component repair and maintenance facilities located within, or outside of, the United States; and

(2) may seek the advice of the panel on any issue related to methods to improve the safety of domestic or foreign contract aircraft and aviation component repair facilities.

(b) Membership.—The panel shall consist of—

(1) 8 members, appointed by the Administrator as follows:

(A) 3 representatives of labor organizations representing aviation mechanics;

(B) 1 representative of cargo air carriers;

(C) 1 representative of passenger air carriers;

(D) 1 representative of aircraft and aviation component repair stations;

(E) 1 representative of aircraft manufacturers; and

(F) 1 representative of the aviation industry not described in the preceding subparagraphs;

(2) 1 representative from the Department of Transportation, designated by the Secretary of Transportation;

(3) 1 representative from the Department of State, designated by the Secretary of State; and

(4) 1 representative from the Federal Aviation Administration, designated by the Administrator.

(c) Responsibilities.—The panel shall—

(1) determine how much aircraft and aviation component repair work and what type of aircraft and aviation component repair work is being performed by aircraft and aviation component repair stations located within, and outside of, the United States to better understand and analyze methods to improve the safety and oversight of such facilities; and

(2) provide advice and counsel to the Administrator with respect to aircraft and aviation component repair work performed by those stations, staffing needs, and any safety issues associated with that work.

(d) FAA To Request Information From Foreign Aircraft Repair Stations.—

(1) Collection of information.—The Administrator shall by regulation request aircraft and aviation component repair stations located outside the United States to submit such information as the Administrator may require in order to assess safety issues and enforcement actions with respect to the work performed at those stations on aircraft used by United States air carriers.

(2) Drug and alcohol testing information.—Included in the information the Administrator requests under paragraph (1) shall be information on the existence and administration of employee drug and alcohol testing programs in place at such stations, if applicable.

(3) Description of work done.—Included in the information the Administrator requests under paragraph (1) shall be information on the amount and type of aircraft and aviation component repair work performed at those stations on aircraft registered in the United States.

(e) FAA To Request Information About Domestic Aircraft Repair Stations.—If the Administrator determines that information on the volume of the use of domestic aircraft and aviation component repair stations is needed in order better to utilize Federal Aviation Administration resources, the Administrator may—

(1) require United States air carriers to submit the information described in subsection (d) with respect to their use of contract and non-contract aircraft and aviation component repair facilities located in the United States; and

(2) obtain information from such stations about work performed for foreign air carriers.

(f) FAA To Make Information Available to Public.—The Administrator shall make any information received under subsection (d) or (e) available to the public.

(g) Termination.—The panel established under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) December 31, 2000.

(h) Annual Report to Congress.—The Administrator shall report annually to the Congress on the number and location of air agency certificates that were revoked, suspended, or not renewed during the preceding year.

(i) Definitions.—Any term used in this section that is defined in subtitle VII of title 49, United States Code, has the meaning given that term in that subtitle.

SEC. 527. REPORT ON ENHANCED DOMESTIC AIRLINE COMPETITION.

(a) Findings.—The Congress makes the following findings:

(1) There has been a reduction in the level of competition in the domestic airline business brought about by mergers, consolidations, and proposed domestic alliances.

(2) Foreign citizens and foreign air carriers may be willing to invest in existing or start-up airlines if they are permitted to acquire a larger equity share of a United States airline.

(b) Study.—the Secretary of Transportation, after consulting the appropriate Federal agencies, shall study and report to the Congress not later than December 31, 1998, on the desirability and implications of—

(1) decreasing the foreign ownership provisions in section 40102(a)(15) of title 49, United States Code, to 51 percent from 75 percent; and

(2) changing the definition of air carrier in section 40102(a)(2) of such title by substituting "a company whose principal place of business is in the United States" for "a citizen of the United States".

SEC. 528. AIRCRAFT SITUATIONAL DISPLAY DATA.

(a) In General.—A memorandum of agreement between the Administrator of the Federal Aviation Administration and any person that obtains aircraft situational display data from the Administration shall require that—

(1) the person demonstrate to the satisfaction of the Administrator that such person is capable of selectively blocking aircraft registration numbers of any aircraft; and

(2) the person agree to block selectively the aircraft registration numbers of any aircraft owner or operator upon that owner or operator's request within 30 days after receiving the request.

(b) Termination for Noncompliance.—If any person obtaining such data under such a memorandum of agreement fails to block such numbers within 30 days after receiving a request described in subsection (a)(2), then the memorandum of agreement will terminate immediately.

(c) Existing Memoranda To Be Conformed.—the Administrator shall conform any memoranda of agreement, in effect on the date of enactment of this Act, between the Administration and a person under which that person obtains such data to incorporate the requirements of subsection (a) within 30 days after that date.

On page 146, line 13, insert "of chapter 417" after "Subchapter II".

On page 157, strike lines 14 through 23, and insert the following:

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal-year period beginning with fiscal year 1999—

(1) there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000; and

(2) not more than $20,000,000 shall be made available, if available, to the Secretary for obligation and expenditure out of the account established under section 45303(a) of title 49, United States Code.

To the extent that amounts are not available in such account, there are authorized to be appropriated such sums as may be necessary to provide the amount authorized to be obligated under paragraph (2) to carry out those sections for that 4 fiscal-year period.

On page 157, between lines 12 and 13, insert the following:

(d) Authorization of Appropriations.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out section 41747 of title 49, United States Code.

On page 159, beginning with line 3, strike through line 22 on page 167 and insert the following:

SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.

(a) In General.—Subchapter I of chapter 417 is amended by—

(1) redesignating section 41715 as 41716; and

(2) inserting after section 41714 the following:

"§ 41715. Slot exemption for nonstop regional jet service.

"(a) In General.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

"(1) an airport that is smaller than a large hub airport (as defined in section 47134(d)(2)); and

"(2) a high density airport subject to the exemption authority under section 41714(a), the Secretary of Transportation shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

"(b) Existing Slots Taken Into Account.—In deciding to grant or deny an exemption under subsection (a), the Secretary may take into consideration the slots and slot exemptions already used by the applicant.

"(c) Conditions.—The Secretary may grant an exemption to an air carrier under subsection (a)—

"(1) for a period of not less than 12 months;

"(2) for a minimum of 2 daily roundtrip flights; and

"(3) for a maximum of 3 daily roundtrip flights.

"(d) Change of Nonhub, Small Hub, or Medium Hub Airport; Jet Aircraft.—The Secretary may, upon application made by an air carrier operating under an exemption granted under subsection (a)—

"(1) authorize the air carrier or an affiliated air carrier to upgrade service under the exemption to a larger jet aircraft; or

"(2) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

"(A) the air carrier has been operating under the exemption for a period of not less than 12 months; and

"(B) the air carrier can demonstrate unmitigatable losses.

"(e) Forfeiture for Misuse.—Any exemption granted under subsection (a) shall be terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

"(f) Restoration of Air Service.—To the extent that—

"(1) slots were withdrawn from an air carrier under section 41714(b);

"(2) the withdrawal of slots under that section resulted in a net loss of slots; and

"(3) the net loss of slots and slot exemptions resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn. No priority consideration shall be given under this subsection to an air carrier described in paragraph (1) when the net loss of slots and slot exemptions is eliminated.

"(g) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—

"(1) IN GENERAL.—In granting slot exemptions under this section the Secretary shall, in conjunction with subsection (f), give priority consideration to an application from an air carrier that, as of July 1, 1998, operated or held fewer than 20 slots or slot exemptions at the high density airport for which it filed an exemption application.

"(2) LIMITATION.—No priority may be given under paragraph (1) to an air carrier that, at the time of application, operates or holds 20 or more slots and slot exemptions at the airport for which the exemption application is filed.

"(3) AFFILIATED CARRIERS.—The Secretary shall treat all commuter air carriers that have cooperative agreements, including code-share agreements, with other air carriers equally for determining eligibility for exemptions under this section regardless of the form of the corporate relationship between the commuter air carrier and the other air carrier.

"(h) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(i) REGIONAL JET DEFINED.—In this section—

"(1) REGIONAL JET.—The term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.

"(2) OTHER TERMS.—Any term used in this section that is defined in section 41762 has the meaning given that term by section 41762.".

(b) CONFORMING AMENDMENTS.—

(1) Section 40102 is amended by inserting after paragraph (28) the following: "(28A) LIMITED INCUMBENT AIR CARRIER.—The term 'limited incumbent air carrier' has the meaning given that term in subpart S of part 93 of title 14, Code of Federal Regulations, except that '20' shall be substituted for '12' in sections 93.213(a)(5), 93.223(c)(3), and 93.226(h) as such sections were in effect on August 1, 1998.".

(2) The chapter analysis for chapter 417 is amended by striking the item relating to section 41716 and inserting the following:

"41715. Slot exemptions for nonstop regional jet service.
"41716. Air service termination notice.".

SEC. 607. EXEMPTIONS TO PERIMETER RULE AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 606, is amended by—

(1) redesignating section 41716 as 41717; and

(2) inserting after section 41715 the following:

"§ 41716. Special Rules for Ronald Reagan Washington National Airport

"(a) BEYOND-PERIMETER EXEMPTIONS.—In addition to any exemption granted under section 41714(d), the Secretary shall by order grant exemptions from the application of sections 49104(a)(5), 49109, 49111(e), and 41714 of this title to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of Federal Regulations, if the Secretary finds that the exemptions will—

"(1) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section; and

"(2) increase competition in multiple markets.

"(b) WITHIN-PERIMETER EXEMPTIONS.—In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the Secretary shall by order grant exemptions from the requirements of sections 49104(a)(5), 49111(e), and 41714 of this title and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports smaller than large hub airports (as defined in section 47134(d)(2)) within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport under section 49109. The Secretary shall develop criteria for distributing slot exemptions for flights within their perimeter to airports other than large hubs under this paragraph in a manner consistent with the promotion of air transportation.

"(c) LIMITATIONS.—

"(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(2) GENERAL EXEMPTIONS.—An exemption granted under subsection (a) may not—

"(A) increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations; or

"(B) result in the withdrawal or reduction of slots operated by an air carrier.

"(3) ADDITIONAL EXEMPTIONS.—The Secretary shall grant exemptions under subsections (a) and (b) that—

"(A) will result in 12 additional daily air carrier slot exemptions at such airport for long-haul service beyond the perimeter;

"(B) will result in 12 additional daily commuter slot exemptions at such airport; and

"(C) will not result in additional daily commuter slot exemptions for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

"(4) REVIEW OF SAFETY, ENVIRONMENTAL, AND NOISE IMPACT.—The Secretary shall assess the impact of granting exemptions under subsections (a) and (b) on the environment (including noise levels) and safety during the first 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations, including a public meeting.

"(5) APPLICABILITY WITH EXEMPTION 5133.—Nothing in this section affects Exemption No. 5133, as from time-to-time amended and extended.".

(b) OVERRIDE OF MWAA RESTRICTION.—Section 49104(a)(5) is amended by adding at the end thereof the following:

"(D) Subparagraph (C) does not apply to any increase in the number of instrument flight rule takeoffs and landings necessary to implement exemptions granted by the Secretary under section 41716.".

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that no additional noise mitigation is necessary at or around Ronald Reagan Washington National Airport.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act.

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end thereof the following:

"(3) In making grants under paragraph (1)(A), the Secretary shall give priority to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.".

(e) CONFORMING AMENDMENTS.—

(1) Section 49111 is amended by striking subsection(e).

(2) The chapter analysis for chapter 417, as amended by section 606(b) of this Act, is amended by striking the item relating to section 41716 and inserting the following:

"41716. Special Rules for Ronald Reagan Washington National Airport.
"41717. Air service termination notice.".

(d) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, the Governments of Maryland, Virginia, and West Virginia and the Washington D.C. Council of Governments that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

SEC. 608. ADDITIONAL SLOT EXEMPTIONS AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

(a) IN GENERAL.—Chapter 417, as amended by section 607, is amended by—

(1) redesignating section 41717 as 41718; and

(2) inserting after section 41716 the following:

"§ 41717. Special Rules for Chicago O'Hare International Airport

"(a) IN GENERAL.—The Secretary of Transportation shall grant 30 slot exemptions over a 3-year period beginning on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 at Chicago O'Hare International Airport.

"(b) EQUIPMENT AND SERVICE REQUIREMENTS.—

"(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(2) SERVICE PROVIDED.—Of the exemptions granted under subsection (a)—

"(A) 18 shall be used only for service to underserved markets, of which no fewer than 6 shall be designated as commuter slot exemptions; and

"(B) 12 shall be air carrier slot exemptions.

"(c) PROCEDURAL REQUIREMENTS.—Before granting additional exemptions under subsection (a), the Secretary shall—

"(1) conduct an environmental review, taking noise into account, and determine that the granting of the additional exemptions will not cause a significant increase in noise;

"(2) determine whether capacity is available and can be used safely and, if the Secretary so determines then so certify;

"(3) give 30 days notice to the public through publication in the Federal Register of the Secretary's intent to grant the additional exemptions; and

"(4) consult with appropriate officers of the State and local government on any related noise and environmental issues.

"(d) UNDERSERVED MARKET DEFINED.—In this section, the term 'service to underserved markets' means passenger air transportation service to an airport that is a nonhub airport or a small hub airport (as defined in paragraphs (4) and (5), respectively, of section 41731(a)).".

(b) STUDIES.—

(1) 3-YEAR REPORT.—The Secretary shall study and submit a report 3 years after the first exemption granted under section 41717(a) of title 49, United States Code, is first used on the impact of the additional slots on the safety, environment, noise, access to underserved markets, and competition at Chicago O'Hare International Airport.

(2) DOT STUDY IN 2000.—The Secretary of Transportation shall study community noise levels in the areas surrounding the 4 high-density airports after the 100 percent Stage 3 fleet requirements are in place, and compare those levels with the levels in such areas before 1991.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417, as amended by section 607(b) of this Act, is amended by striking the item relating to section 41717 and inserting the following:

"41717. Special Rules for Chicago O'Hare International Airport.
"41718. Air service termination notice.".

On page 168, line 7, strike "417" and insert "417, as amended by section 608,".

On page 168, line 9, strike "**41716.**" and insert "**41719.**"

On page 173, line 1, strike "**RURAL**".

On page 173, strike lines 3 through 14 and insert the following:

The General Accounting Office shall conduct a study of the current state of the national airport network and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports. In assessing the effectiveness of the system the Comptroller General may consider airport runway length of 5,500 feet or the equivalent altitude-adjusted length, air traffic control facilities, and navigational aids.

On page 189, line 2, strike "40125" and insert "40126".

On page 189, line 9, strike "40125" and insert "40126".

On page 189, between lines 11 and 12, insert the following:

(3) COMPLIANCE WITH OTHER REGULATIONS.—For purposes of section 40126 of title 49, United States Code—

(A) regulations issued by the Secretary of Transportation and the Administrator of the Federal Aviation Administration under section 3 of Public Law 100-91 (16 U.S.C. 1a-1, note); and

(B) commercial air tour operations carried out in compliance with the requirements of those regulations,

shall be deemed to meet the requirements of such section 40126.

On page 191, strike lines 1 through 5 and insert the following:

"(2) on the designation of appropriate and feasible quiet aircraft technology standards for quiet aircraft technologies under development for commercial purposes, which will receive preferential treatment in a given air tour management plan;

On page 192, after line 22, insert the following:

SEC. 705. PROHIBITION OF COMMERCIAL AIR TOURS OVER THE ROCKY MOUNTAIN NATIONAL PARK.

Effective beginning on the date of enactment of this Act, no commercial air tour may be operated in the airspace over the Rocky Mountain National Park notwithstanding any other provision of this Act or section 40126 of title 49, United States Code, as added by this Act.

On page 193, strike lines 1 through 12 and insert the following:

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

SEC. 801. SHORT TITLE.

This title may be cited as the "Centennial of Flight Commemoration Act"

SEC. 802. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 803. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 804. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institute or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a)(1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 805. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North

Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this title enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any organization of national stature or prominence.

SEC. 806. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 812.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this title.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this title, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this title.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this title and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 807. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this title.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this title.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this title.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

SEC. 808. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this title.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 810(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 809. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name "Centennial of Flight Commission" on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this title.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 810. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission

determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) Final Report.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 808(a)(1).

SEC. 811. AUDIT OF FINANCIAL TRANSACTIONS.

(A) In General.—

(1) Audit.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) Access.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) Final Report.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 812. ADVISORY BOARD.

(a) Establishment.—There is established a First Flight Centennial Federal Advisory Board.

(b) Number and Appointment.—

(1) In general.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 805(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Heritage National Historical Park.

(c) Vacanies.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) Meetings.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) Chairperson.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) Mails.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) Duties.—The Advisory Board shall advise the Commission on matters related to this title.

(h) Prohibition of Compensation Other Than Travel Expenses.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(e).

(i) Termination.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 813. DEFINITIONS.

In this title:

(1) Advisory Board.—The term "Advisory Board" means the Centennial of Flight Federal Advisory Board.

(2) Centennial of Powered Flight.—The term "centennial of powered flight" means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) Commission.—The term "Commission" means the Centennial of Flight Commission.

(4) Designee.—The term "designee" means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) First flight.—The term "First Flight" means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903, at Kitty Hawk, North Carolina.

SEC. 814. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 810(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 815. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) $250,000 for fiscal year 1999;

(2) $600,000 for fiscal year 2000;

(3) $750,000 for fiscal year 2001;

(4) $900,000 for fiscal year 2002;

(5) $900,000 for fiscal year 2003; and

(6) $600,000 for fiscal year 2004.

COATS AMENDMENT NO. 3619

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 2279, supra; as follows:

On page 164, line 7, strike "commuter".

On page 164, line 7, insert ", including commuter air carriers," after "air carriers".

On page 165, lines 4 and 5, strike "daily commuter slots at such airport" and insert "daily slots at such airport, of which at least 6 shall be commuter slots".

On page 165, lines 6 and 7, strike "commuter slots" and insert "slots".

INHOFE AMENDMENT NO. 3620

Mr. INHOFE proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place, insert the following:

SEC. ___. AMENDMENTS, MODIFICATIONS, SUSPENSIONS, AND REVOCATIONS OF CERTIFICATES.

Section 44709 of title 49, United States Code, is amended—

(1) in subsection (e)—

(A) by striking "When" and inserting "(1) Except as provided in paragraph (2), if"; and

(B) by striking "However, if" and all that follows through the end of the subsection and inserting the following:

"(2) If the Administrator determines, in the order, that an emergency exists and safety in air commerce or air transportation requires the order to be effective immediately—

"(A) subject to subparagraph (B), the order shall be in effect unless the Administrator is not able to prove to the Board, upon an inquiry of the Board, the existence of an emergency that requires the immediate application of the order in the interest of safety in air commerce and air transportation; and

"(B) the Board shall—

"(i) not later than 5 days after the filing of an appeal under paragraph (1), make a disposition concerning the issues of the appeal that are related to the existence of an emergency referred to in subparagraph (A); and

"(ii) not later than 60 days after the filing of an appeal under paragraph (1), make a final disposition of the appeal.

"(3) If the Administrator determines, in the order, the existence of an emergency described in paragraph (2)(A), the appellant may request a hearing by the Board on the issues of the appeal that are related to the existence of the emergency. Such request shall be made not later than 48 hours after the issuance of the order. If an appellant requests a hearing under this paragraph, the Board shall hold the hearing not later than 48 hours after receiving that request."; and

(2) in subsection (f), by inserting "by further order" after "the Administrator decides".

ROTH (AND MOYNIHAN) AMENDMENT NO. 3621

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill, S. 2279, supra; as follows:

At the end of the bill add the following:

TITLE IV—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 801. EXTENSION OF EXPENDITURE AUTHORITY.

(a) In General.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 1998" and inserting "October 1, 2000"; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following "or the Wendell H. Ford National Air Transportation System Improvement Act of 1998".

(b) Limitation on Expenditure Authority.—Section 9502 of such Code is amended by adding at the end the following new subsection:

"(f) Limitation on Transfers to Trust Fund.—

"(1) In general.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

"(2) Exception for prior obligations.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2000, in accordance with the provisions of this section.".

DEWINE AMENDMENT NO. 3622

(Ordered to lie on the table.)

Mr. DEWINE submitted an amendment intended to be proposed by him to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5. . TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) Definitions.—In this section:

(1) Air carrier.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) Aircraft.—The term "aircraft" has the meaning given that term in section 40102 of title 49, United States Code.

(3) Air transportation.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(4) Bermuda II agreement.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) Cleveland-London (Gatwick) route.—The term "Cleveland-London (Gatwick) route" means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) Foreign air carrier.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(7) Secretary.—The term "Secretary" means the Secretary of Transportation.

(8) Slot.—The term "slot" means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) Findings.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) Sense of the Senate.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

SNOWE AMENDMENTS NOS. 3623–3625

Mr. McCAIN (for Ms. Snowe) proposed three amendments to the bill, S. 2279, supra; as follows:

Amendment No. 3623

On page 121, line 1, strike "**INTERNATIONAL**".

On page 121, line 3, before "The" insert "(a) Establishment of Higher International Standards.—".

On page 121, between lines 9 and 10, insert the following:

(b) Increased Civil Penalties.—Section 46301(a) is amended by—

(1) inserting "41705," after 1142704," in paragraph (1)(A); and

(2) adding at the end thereof the following:

"(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

"(A) not less than $500 and not more than $2,500 for the first violation; or

"(B) not less than $2,500 and not more than $5,000 for any subsequent violation, that air carrier is liable to the United States Government for a civil penalty, determined by the Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.".

On page 89, strike the item relating to section 507 and insert the following:

Sec. 507. Higher standards for handicapped access.

Amendment No. 3624

At the appropriate place, insert the following new section:

SEC. . AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

Amendment No. 3625

On page 147, line 4, after "program." insert the following: "For purposes of this subsection, the application of geographic diversity criteria means criteria that—

"(1) will promote the development of a national air transportation system; and

"(2) will involve the participation of communities in all regions of the country.".

McCAIN (AND FORD) AMENDMENT NO. 3626

Mr. McCAIN (for himself and Mr. Ford) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 48 of the managers' amendment, strike "additional" in line 12, line 16, and line 23.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on Wednesday, September 23, 1998 at 2:00 p.m. in SR–328A. The purpose of this meeting will be to examine forestry issues.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, October 1, 1998 at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to consider the nominations of Eljay B. Bowron to be Inspector General of the Department of the Interior; Rose Eilene Gottemoeller to be an Assistant Secretary of Energy for Non-Proliferation and National Security; and David Michaels to be an Assistant Secretary of Energy for Environment, Safety and Health.

For further information, please contact Gary Ellsworth of the Committee staff at (202) 224–7141.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, September 23, 1998. The purpose of this meeting will be to examine forestry issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Wednesday, September 23, 1998, at 10:00 a.m. in closed session, to receive testimony on North Korea's Ballistic Missile and Weapons of Mass Destruction programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, 1998, to conduct a hearing of the following nominees: John D. Hawke, Jr., of Washington, DC, to be the Comptroller of the Currency; William C. Apgar, Jr., of Massachusetts, to be the Assistant Secretary of Housing and Urban Development for Housing, and Federal Housing Administrator; Saul N. Ramirez, Jr., of Texas, to be the Deputy Secretary of Housing and Urban Development; Cardell Cooper, of New Jersey, to be the Assistant Secretary of Housing and Urban Development for Community Planning & Development; and Harold Lucas, of New Jersey, to be the Assistant Secretary of Housing and Urban Development for Public & Indian Housing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, September 23, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Wednesday, September 23, 1998, 9:30 a.m., Hearing Room (SD–406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 1:30 am to hold a hearing.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee to meet on Wednesday, September 23, 1998, at 10:00 a.m. for a hearing on computer security studies performed at the Department of Veterans Affairs and the Social Security Administration.

COMMITTEE ON INDIAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 9:00 am to conduct a hearing on Title V and Title VI of H.R. 1833, to amend the Indian Self-Determination and Education Assistance Act to provide for further Self-Governance by Indian tribes. The hearing will be held in room 562 of the Dirksen Senate Office Building.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, September 23, 1998, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COMMUNICATIONS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, September 23, 1998, at 9:30 a.m. on internet privacy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Constitution, Federalism, and Property Rights, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, September 23, 1998 to hold a hearing, at 2:00 p.m. in room SD–222 of the Senate Dirksen Office Building on: "Whose Right to Keep and Bear Arms? The Second Amendment as a Source of Individual Rights."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Science, subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, September 23, 1998, at 2:00 p.m. on us Commercial Space Launch Industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct a hearing on the Patent and Trademark Office consolidation, Wednesday, September 23, 4:00 p.m., Hearing Room (SD–406).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PROSTATE CANCER RESEARCH FUNDING

• Mr. REID. Mr. President, I rise today to call the attention of my colleagues to a subject that many of us, especially men, do not like to discuss publicly—prostate cancer. However, as one of the most frequently diagnosed cancers in the country, prostate cancer is a subject that we cannot afford to ignore.

In my home state of Nevada, it is estimated that 1,100 men will be diagnosed with prostate cancer this year alone. Nationwide, 200,000 men will be diagnosed with prostate cancer in 1998. This deadly disease will take the lives of 40,000 American men this year alone. Prostate cancer kills as many Americans yearly as AIDS or breast cancer.

The increase in regular screenings for prostate cancer over the past few years is encouraging. Last year, I had the opportunity to participate in the Senate Special Committee on Aging's hearing on prostate cancer. Nevada's Governor Bob Miller, along with former Senate

Majority Leader Bob Dole, NFL Hall of Famer Len Dawson and General Manager of the New York Yankees, Bob Watson all testified about their personal experiences with prostate cancer. These men shared a common message that was clear and urgent: get tested for prostate cancer as early as possible, because early detection increases survival rates tremendously.

While the importance of early detection through regular screenings cannot be overstated, we can and we must do more. In each of the last two fiscal years, Congress has appropriated $40 million for new, cutting-edge peer-reviewed research at the Department of Defense. In instituting the program, the DOD found it necessary to combine the funds from both years to meet the needs of the grant proposals received in the first cycle. Consequently, the President announced the first cycle of prostate cancer research grants—releasing $60 million in June and July for peer-reviewed research.

In this year's Defense Appropriations Bill, we have provided $40 million for prostate cancer research. The House bill has only allocated $10 million for this purpose. These numbers fall short of what is needed to fund crucial research initiatives. I hope that when the Defense Appropriations Bill is in Conference this week, funding levels for prostate cancer research will be increased. Without adequate resources, promising research into causes and treatments for prostate cancer will go unfunded. For lack of research, millions of men and their families will face critical unanswered questions about screening, diagnosis, treatment, prevention and cures for prostate cancer.

Yesterday, 110 American men died of prostate cancer. That same number will die today, tomorrow, and every day until research identifies a cure. I hope that my colleagues will make more funds available for the prostate cancer research program at the Department of Defense so that we may offer hope to the millions affected by this deadly disease.●

JIM SOLOMON AND HIS RETIREMENT AS THE ALABAMA ATTORNEY GENERAL'S OPINIONS DIVISION CHIEF

● Mr. SESSIONS. Mr. President, I would like to take a few moments to speak to you about Jim Solomon, who is retiring from his position as head of the Alabama Attorney General's Opinions Division after 35 years of service to the state of Alabama.

This division fields legal advice requests from all over the state of Alabama, with the majority of the requests coming from local government officials having various questions concerning ambiguities in state laws. While opinions are not legally binding, they are used as guidelines by the various entities in developing public policy. Therefore, correct interpretation of Alabama laws are essential to the smaller communities and agencies that do not have a legal staff. Mr. Solomon's contributions to this effort have been extraordinary and should be noted.

I had the honor of working with Mr. Solomon during my term as the Attorney General of Alabama. He was an outstanding employee who believed in service above self. He never strayed from this work ethic during his 19 years in that office. He served as a role model to others and was someone who could always be counted on regardless of the job or the circumstances. His administrative and supervisory abilities were superior and he was greatly loved by those with whom he worked. One of his most impressive achievements was the indexing of all Opinions from 1979 forward, making it possible for the public to have access to them on the Internet.

During Mr. Solomon's employment in the Opinions Division, he was responsible for writing approximately 8,000 Opinions for state and local officials. One of the most memorable opinions caused the previously closed state legislative committee meetings to open to the public.

Jim Solomon is more than a great public servant. He possesses in rich measure the qualities that made for a great citizen, a strong churchman, a faithful family man and a good friend to many. He sets high standards and a good example for all of us.

Mr. President, I appreciate being able to make these brief comments to my fellow colleagues because it is important that Jim Solomon be recognized for his years of outstanding service to Alabama.●

AMERICAN ASSOCIATION ON MENTAL RETARDATION ILLINOIS CHAPTER'S 1998 DIRECT SERVICE PROFESSIONAL AWARD WINNERS

● Ms. MOSELEY-BRAUN. Mr. President, it is my distinct pleasure to join the Illinois chapter of the American Association on Mental Retardation in honoring the recipients of the 1998 Direct Service Professional Award. These honorees are being recognized for their outstanding commitment and contributions to the lives of people in Illinois with developmental disabilities.

These award winners have distinguished themselves through their compassion, dedication, patience and professionalism. Their work not only enriches the lives of those who they care for, but also enriches all of our lives and sets an example of service for all Americans to follow.

It is important to note that the individuals being honored are professionals who spend at least 50 percent of their time directly working with and assisting their clients in the clients' lifespace. These people are not supervisors or managers. Instead, they are direct service providers on the front-lines of our nation's mental health care system, delivering much needed and much appreciated care and assistance.

It is indeed my privilege to recognize and celebrate the achievements of the following Illinois direct service professionals: Henry Barrington, Raymond Betke, Shelly Cross, Caroline Frost, Patty Hart, Zarina Hasham, Debbie Huff, Carolyn Johnson, Molly Kuster, Preston McBride, Pearlene McDougal, Patricia Mercer, Lisa Pyle, Della Reese, Michael Smith, Marie Thompson, Marcia Weidman, Jodie White, Katie Whiteford and Sabrina Willis. It is my honor to serve these dedicated professionals in the United States Senate.

I am confident that my colleagues here in the Senate will take this opportunity to join me in saluting the winners of the 1998 Direct Service Professional Award. These awardees represent the best spirit of community service.●

TRIBUTE TO CONNIE DRAKELEY

● Mr. GREGG. Mr. President, I come to the floor today with the sad task of informing the Senate of the passing of one of my staff, Connie Drakeley. Connie died in her sleep last week and coming to terms with her sudden passing has been difficult.

Connie was a very important member of my staff and will be greatly missed. She will be missed not only for the large contributions she made to the office, but also because she was our friend.

Connie joined my staff in March, 1995 in the position of Editor. She came aboard during a time when the mail was building up and a significant backlog was forming—in short order, Connie alleviated the problem.

The mail we receive from our constituents and, in return, answer is the lifeblood of our representative government. It was in this context and with this attitude that Connie worked as Editor on my staff. She, in many ways, had the hardest job in the office—with red pen, she pointed out everyone's mistakes! But she always worked very diligently, professionally and responsibly. She worked long hours and often took work home with her; she made us all better writers. She labored in this manner to make sure that my mail was without fault.

Connie was always ready with advice and assistance when someone on staff needed help right away with a letter, speech or a press release. Though the work load sometimes could have overwhelmed her, she always rose to the challenge and kept her promises to get her editing done on time.

She was very knowledgeable and up-to-date on legislation—she watched the floor, read Congress Daily—she didn't just correct grammar, but content as well. She knew the issues and could spot a mistake a mile away. We realized how much the entire process depended on her whenever she took vacation. Mail came first to Connie! I will always be thankful for her remarkable commitment to a demanding and stressful job and her respect for the English language.

Connie dedicated her life to being the best editor one can be. Before she came to my office, she worked as an editor for Senator HARRY REID, for the National Archives, for Bechtel, and as a picture researcher for LIFE magazine.

I would like to extend my deepest sympathies to Connie's daughter, brother and other family members. On behalf of my entire office, I wish to let them know that our prayers and thoughts are with them.

Connie was an indispensable member of our team; her energy, vitality, and dedication will be missed for a long time. We simply couldn't have accomplished what we did on a weekly basis for the past few years without her. Personally and professionally, we have lost a good friend and coworker.●

NATIONAL MISSILE DEFENSE

Mr. DODD. Mr. President, in light of the recent vote on national missile defense, I feel compelled to explain my position on this important issue. In short, I agree with this Nation's senior military officers, the Joint Chiefs of Staff. Each of them opposes the National Missile Defense bill, and they provided a detailed explanation of their position in a letter they sent to Capitol Hill prior to the vote.

The National Missile Defense bill would require that a national missile defense system be deployed as soon as it is "technologically feasible." Conversely, the current plan calls for the Defense Department, by the year 2000, to research and develop such a system and then be able to deploy it within three years. This policy allows us to develop our capabilities in view of developing threats rather than run the risk of deploying a system that proves to be ineffective. In the absence of a current long range ballistic missile threat from a rogue state, this is the most reasonable policy.

Research and development of a National Missile Defense system is advancing at an accelerated pace. Most weapons systems require six to twelve years before they are fully developed and ready to be deployed, but under the current timetable, the National Missile Defense system will spend as little as three years in the development phase. This represents the Defense Department's strong commitment to protecting the United States from an intercontinental missile attack. That commitment is backed by billions of dollars in funding. The nation will spend nearly a billion dollars on national missile defense during the next fiscal year alone.

The National Missile Defense bill would not have advanced the timetable for developing and deploying a missile defense system. What it would have done is lock this nation in to buying a yet-to-be-developed system against an unknown threat for an unidentified sum of money. A decision to buy a system at such an early stage would not only have been unprecedented, but it could have sapped funding from programs that are directed at addressing existing threats. For example, the Joint Chiefs of Staff pointed out that a weapon of mass destruction may presently be delivered through unconventional, terrorist-style means, yet a national missile defense system would not address that threat.

This bill would have had a detrimental impact on arms control agreements. Had the United States gone forward to deploy a National Missile Defense system as the bill required, this nation would have violated the Anti-Ballistic Missile (ABM) Treaty. Additionally, it might have caused Russia to withdraw from the START I Treaty and certainly would have prevented the ratification of the START II Treaty. The intercontinental ballistic missile threat to this nation will be intensified if Russia retains hundreds of additional nuclear weapons as a result broken agreements. The current policy, continued research and development of a system, would not violate arms control agreements or cause Russia to withdraw from treaties that place important limitations on both nations' missiles.

In conclusion, although I oppose this National Missile Defense bill, I feel strongly that there is an important place for missile defense in our national security strategy. There have been some important advancements in the development of both theater and national missile defense systems that will surely benefit this nation in the future. Our efforts along these lines must continue. Considering all of our defense and non-defense priorities, however, now is not the time to rush forward with a decision to deploy an undeveloped national missile defense system.

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under Section 308(b) and in aid of Section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the First Concurrent Resolution on the Budget for 1986.

This report shows the effects of congressional action on the budget through September 21, 1998. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84), show that current level spending is below the budget resolution by $17.1 billion in budget authority and above the budget resolution by $1.9 billion in outlays. Current level is $1.0 billion below the revenue floor in 1998 and $2.9 billion above the revenue floor over the five years 1998–2002. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $176.4 billion, $2.9 billion above the maximum deficit amount for 1998 of $173.5 billion.

Since my last report, dated September 8, 1998, there has been no action that has changed the current level of budget authority, outlays, and revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 22, 1998.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report for fiscal year 1998 shows the effects of Congressional action on the 1998 budget and is current through September 21, 1998. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated September 3, 1998, there has been no action that has changed the current level of budget authority, outlays, and revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

Enclosures.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1998, 105TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 21, 1998

[In billions of dollars]

	Budget resolution H. Con. Res. 84	Current level	Current level over/under resolution
ON-BUDGET			
Budget Authority	1,403.4	1,386.3	−17.1

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1998, 105TH CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS SEPTEMBER 21, 1998—Continued

[In billions of dollars]

	Budget resolution H. Con. Res. 84	Current level	Current level over/under resolution
Outlays	1,372.5	1,374.4	1.9
Revenues:			
1998	1,199.0	1,198.0	−1.0
1998–2002	6,477.7	6,480.6	2.9
Deficit	173.5	176.4	2.9
Debt Subject to Limit	5,593.5	5,428.4	−165.1
OFF-BUDGET			
Social Security Outlays:			
1998	317.6	317.6	0.0
1998–2002	1,722.4	1,722.4	0.0
Social Security Revenues:			
1998	402.8	402.7	−0.1
1998–2002	2,212.1	2,212.3	0.2

Note:—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

Source: Congressional Budget Office.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 105TH CONGRESS, 2D SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1998, AS OF CLOSE OF BUSINESS SEPTEMBER 21, 1998

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,197,381
Permanents and other spending legislation	912,040	868,025	
Appropriation legislation	752,279	781,902	
Offsetting receipts	−283,340	−283,340	
Total previously enacted	1,380,979	1,366,587	1,197,381
ENACTED SECOND SESSION			
1998 Emergency Supplemental Appropriations and Rescissions (P.L. 105–174)	−2,039	310	
Transportation Equity Act for the 21st Century (P.L. 105–178)[1]	−923	−440	
Care for Police Survivors Act of 1998 (P.L. 105–180)	1	1	
Agriculture Export Relief Act of 1998 (P.L. 105–194)	7	7	
Internal Revenue Service Restructuring and Reform Act of 1998 (P.L. 105–206)[2]	−15	440	608
Homeowners' Protection Act (P.L. 105–216)	2	2	
Credit Union Membership Access Act (P.L. 105–219)			(3)
Act to establish the United States Capitol Police Memorial Fund (P.L. 105–223)			(3)
Total, enacted second session	−2,967	320	608
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	8,280	7,461	
TOTALS			
Total Current Level	1,386,292	1,374,368	1,197,989
Total Budget Resolution	1,403,402	1,372,512	1,199,000
Amount remaining:			
Under Budget Resolution	17,110		1,011
Over Budget Resolution		1,856	
ADDENDUM			
Emergencies	5,691	3,357	−8
Contingent Emergencies	329	53	
Total	6,020	3,410	−8
Total Current Level Including Emergencies	1,392,312	1,377,778	1,197,981

[1] Section 8102 of this Act directed that direct spending and revenues associated with Title VIII be excluded from the PAYGO scorecard. At the request of committee staff, this scoring has also been excluded from current level. The estimates in 1998 are $365 million in budget authority and $165 million in outlays for student loans.

[2] Title IX of this Act includes a technical correction to P.L. 105–178 that extends the PAYGO exclusion of section 8102 of that Act to also cover section 1102. At the request of committee staff, the scoring shown reflects removing from current level the effects of this section on spending for Federal-aid to highways.

[3] The revenue effect of this act begins in fiscal year 1999.

Notes.—Amounts shown under "emergencies" represent funding for programs that have been deemed emergency requirements by the President and the Congress. Amounts shown under "contingent emergencies" represent funding designated as an emergency only by the Congress that is not available for obligation until it is requested by the President and the full amount requested is designated as an emergency requirement.

Source: Congressional Budget Office.•

AUTHORIZING TESTIMONY AND REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 281, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 281) to authorize testimony and representation of employees of the Senate in United States v. Alphonso Michael Espy.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution concerns a criminal prosecution brought against former Secretary of Agriculture Mike Espy, alleging acceptance of illegal gratuities and related charges. The Independent Counsel, who is bringing this prosecution, seeks testimony at trial from two present and one former employee of the Senate about communications with meat and poultry processing industry representatives and Executive Branch officials about a labeling rule promulgated by the Agriculture Department in 1993. The trial is scheduled to begin on October 1.

In keeping with the Senate's practice regarding similar matters, this resolution would authorize testimony by employees of the Senate, except where a privilege should be asserted, with representation by the Senate Legal Counsel.

Mr. McCAIN. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 281) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 281

Resolved,

Whereas, in the case of *United States* v. *Alphonso Michael Espy*, Criminal Case No. 97-0335, pending in the United States District Court for the District of Columbia, a trial subpoena has been served upon Galen Fountain and Jo Nobles, employees of the Senate, and Leslie Chalmers Tagg, formerly an employee of the Senate;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved That Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee from whom testimony may be required, are authorized to testify in the case of *United States* v. *Alphonso Michael Espy*, except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is authorized to represent Galen Fountain, Jo Nobles, Leslie Chalmers Tagg, and any other employee of the Senate, in connection with testimony in *United States* v. *Alphonso Michael Espy*.

ORDERS FOR THURSDAY, SEPTEMBER 24, 1998

Mr. McCAIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Thursday, September 24. I further ask that when the Senate reconvenes on Thursday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, and the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I further ask unanimous consent that the Senate then immediately proceed to vote on the motion to invoke cloture on the motion to proceed to S. 2176, the so-called Vacancies Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I further ask unanimous consent that following the cloture vote, and if cloture is not invoked, the Senate resume consideration of S. 2279, the FAA authorization bill. I further ask that there then be 10 minutes equally divided for closing remarks on the Inhofe amendment, and at the conclusion of debate time the Senate proceed to vote on or in relation to the amendment. I further ask that no second-degree amendments be in order to the Inhofe amendment prior to the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. McCAIN. For the information of all Senators, when the Senate reconvenes on Thursday, there will be an immediate vote on the motion to invoke cloture on the motion to proceed to the so-called Vacancies Act. Following that vote, the Senate will resume consideration of the FAA authorization bill, with 10 minutes of debate remaining on an Inhofe amendment regarding emergency license removal. At the conclusion of that time, the Senate will proceed to a vote on or in relation to the Inhofe amendment. Following that vote, the Senate will continue consideration of the FAA bill, with amendments being offered and debated throughout tomorrow's session. Therefore, Members should expect rollcall votes during the day and into the evening on Thursday in relation to the FAA bill or any other legislative or executive items cleared for action.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. McCAIN. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:37 p.m., adjourned until Thursday, September 24, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 1998:

DEPARTMENT OF JUSTICE

DENISE E. O'DONNELL, OF NEW YORK, TO BE UNITED STATES ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS VICE PATRICK H. NEMOYER, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATES, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

JUDY R. EBNER, OF VIRGINIA

UNITED STATES INFORMATION AGENCY

MICHAEL L. MITCHELL, OF TEXAS
GEORGE SKARPENTZOS, OF VIRGINIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ANNA MARIA F. ADAMO, OF FLORIDA
DOUGLAS M. BELL, OF CALIFORNIA
ROBERT GERALD BENTLEY, OF CALIFORNIA
LISA BRODEY, OF WASHINGTON
ROBERT GEORGE BURGESS, OF ILLINOIS
RONALD N. CAPPS, OF FLORIDA
ERIC SCOTT COHAN, OF VIRGINIA
PATRICIA ANN EGAN COMELLA, OF MARYLAND
MARK KRISTEN DRAPER, OF WASHINGTON
ERIC ALAN FLOHR, OF MARYLAND
JUSTIN PAUL FRIEDMAN, OF VIRGINIA
WILLIAM ROBERT GILL, JR., OF VIRGINIA
DAVID ROBERT GREENBERG, OF NEW JERSEY
THERESA ANN GRENCIK, OF PENNSYLVANIA
WARREN D. HADLEY, OF MISSOURI
RICHARD S.D. HAWKINS, OF NEW HAMPSHIRE
ANDREW COCHRANE HOYE, OF CALIFORNIA
KIMBERLY CHRISTINE KELLY, OF TEXAS
GREGORY PAUL MACRIS, OF FLORIDA
KAREN E. MARTIN, OF WASHINGTON
JOEL FOREST MAYBURY, OF CALIFORNIA
SEAN IAN MCCORMACK, OF MAINE
HEATHER D. MCCULLOUGH, OF ARKANSAS
BENJAMIN WARD MOELING, OF CONNECTICUT
ROBERT J. MOLINA, OF CALIFORNIA
CHRISTOPHER MONDINI, OF CALIFORNIA
ELIZABETH ANNE NOSEWORTHY, OF DELAWARE
TIMOTHY MEADE RICHARDSON, OF VIRGINIA
MARK ANDREW SHAHEEN, OF MARYLAND
WILLIAM DAVIES SOHIER III, OF MASSACHUSETTS
JAMES HARLAN THIEDE, OF CALIFORNIA
HORACIO ANTONIO URETA, OF FLORIDA
JOHN P. WHALEN, OF MASSACHUSETTS

UNITED STATES INFORMATION AGENCY

VICKI ADAIR, OF WASHINGTON
LINDA L. ERICKSON, OF FLORIDA
CATHERINE BLOWERS JAZYNKA, OF FLORIDA
ROBERT C. KERR, OF NEW YORK
DELORES MINERVA MORTIMER, OF MICHIGAN
JULIE A. NICKLES, OF FLORIDA
PATRICIA D. NORLAND, OF THE DISTRICT OF COLUMBIA
JANE S. ROSS, OF THE DISTRICT OF COLUMBIA

THE FOLLOWING NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF STATE AND THE UNITED STATES INFORMATION AGENCY TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ARNALDO ARBESU, JR., OF FLORIDA
MICHELE BACK, OF MINNESOTA
JENNIFER L. BACHUS, OF KANSAS
DAVID F. BANKS, OF VIRGINIA
KATHY ANN BENTLEY, OF TENNESSEE
HEIDE M. BRONKE, OF TEXAS
LEE RUST BROWN, OF UTAH
JOHN A. CARINI, OF CALIFORNIA
ROBET MADISON CONOLEY, OF OREGON
ROBERT E. COPLEY, OF COLORADO
CANDACE S. CREWS, OF ALASKA
JESSE STARR CURTIS, OF ARIZONA
RICHARD RANDALL CUSTIN, OF MICHIGAN
ALEXANDER N. DANIELS, OF ILLINOIS
JESSICA LEE DAVIES, OF CALIFORNIA
MARA ANGELA DEL PRINCIPE, OF VIRGINIA
JEFFERSON KENNEDY DUBEL, OF FLORIDA
ADRIENNE MARIE GALANEK, OF NEW YORK
MAUREEN GLAZIER, OF CALIFORNIA
JOHN MICHAEL FRANCIS GRONDELSKI, OF NEW JERSEY
THOMAS J. GRUBISHA, OF PENNSYLVANIA
JENNIFER A. HARHIGH, OF PENNSYLVANIA
EDWARD P. HEARTNEY, OF CALIFORNIA
AARON M. HELLMAN, OF CALIFORNIA
PATRICIA LYNN HOFFMAN, OF PENNSYLVANIA
ROBIN HOLZHAUER, OF WISCONSIN
PAUL J. HOUGE, OF THE DISTRICT OF COLUMBIA
KURT J. HOYER, OF CALIFORNIA
NANCY L. ISRAEL, OF VIRGINIA
FREDERICK L. JONES, II, OF CALIFORNIA
KEVIN KABUMOTO, OF ILLINOIS
LISBETH KEEFE, OF OHIO
ROGER KENNA, OF VERMONT
PAUL J. KULLMAN, OF VIRGINIA
JASON N. LAWRENCE, OF CALIFORNIA
THOMAS ERIC LERSTEN, OF VIRGINIA
ALAIN Y. LETORT, OF THE DISTRICT OF COLUMBIA
HEATHER CHRISTINE LIPPITT, OF ILLINOIS
THOMAS P. MCANALLY, OF COLORADO
HENRY MARTIN MCDOWELL IV, OF ALASKA
KEVIN DAVID MCGLOTHLIN, OF FLORIDA
PATRICIA A. MELVIN, OF VIRGINIA
JOSEF E. MERRILL, OF CALIFORNIA
IRENEO TAN MIQUIABAS III, OF OHIO
VERONICA CAROLYN MOBLEY, OF VIRGINIA
ERIN STROTHER MURRAY, OF INDIANA
HEIDI NEBEL, OF VIRGINIA
BRIAN NEUBERT, OF THE DISTRICT OF COLUMBIA
ALAIN G. NORMAN, OF MARYLAND
MARIA DE GUADALUPE OLSON, OF ILLINOIS
MARIELA CALDERON OROZCO, OF VIRGINIA
STEPHANIE K. OSTROWSKI, OF VIRGINIA
BENJAMIN RALPH OUSLEY, OF NORTH CAROLINA
LAWRENCE JAMES PETRONI, OF NEW YORK
PAUL EVANS POLETES, OF SOUTH DAKOTA

ELIZABETH CARUSO POWER, OF MARYLAND
ALAN S. PURCELL, OF KENTUCKY
COLLEEN ANN QUINN, OF THE DISTRICT OF COLUMBIA
EFFREY KIMBALL RENEAU II, OF NEW HAMPSHIRE
ARLISSA MERRITT REYNOLDS, OF ARIZONA
OHN CARTER ROBERTSON, OF TEXAS
MARY KATHERINE ROBINSON, OF VIRGINIA
RUSSELL C. ROSEDALE, OF VIRGINIA
MATTHEW P. ROTH, OF KANSAS
VICKI RUNDQUIST, OF VIRGINIA
AMES L. RUSSO, OF VIRGINIA
EFFREY ALBERT SALAIZ, OF TEXAS
OSEPH E. SALAZAR, OF TEXAS
STUART L. SCHAAG, OF FLORIDA
MARK HENRY SCHWENDLER, OF VIRGINIA
DANNETTE K. SEWARD, OF WYOMING
AARON HESS SHERINIAN, OF CALIFORNIA
SUSAN MARIE SHULTZ, OF FLORIDA
MARY PAULINE STICKLES, OF MARYLAND
JENNIFER DORSEY SUBLETT, OF MISSOURI
MARC TEJTEL, OF VIRGINIA
JAMES W. TERBUSH, OF COLORADO
CHRISTINA LOUISE TOMLINSON, OF VIRGINIA
LYNN F. TRESSLER, OF NEW YORK
MICHAEL TURNER, OF NEW YORK
PAMELA R. WARD, OF OREGON
STEPHEN SPENCER WHEELER, OF CALIFORNIA
MARK J. WILDERMUTH, OF ARIZONA
ALEISHA WOODWARD, OF WASHINGTON

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF TREASURY

ROBERT S. DOHNER, OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF STATE

ALLEN S. WEINER, OF THE DISTRICT OF COLUMBIA

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL L. DODSON, 5712.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RANDALL L. RIGBY, JR., 5714.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. JERALD N. ALBRECHT, 2703.
BRIG. GEN. WESLEY A. BEAL, 2495.
BRIG. GEN. WILLIAM N. KIEFER, 7616.
BRIG. GEN. WILLIAM B. RAINES, JR., 2267.
BRIG. GEN. JOHN L. SCOTT, 1830.
BRIG. GEN. RICHARD O. WIGHTMAN, JR., 6480.

To be brigadier general

COL. ANTONY D. DICORLETO, 2049.
COL. GERALD D. GRIFFIN, 1832.
COL. TIMOTHY M. HAAKE, 0668.
COL. JOSEPH C. JOYCE, 7896.
COL. CARLOS D. PAIR, 7262.
COL. PAUL D. PATRICK, 6446.
COL. GEORGE W. PETTY, JR., 8842.
COL. GEORGE W. S. READ, 1278.
COL. JOHN W. WEISS, 3981.

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. SCOTT A. FRY, 5541.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. PATRICIA A. TRACEY, 3579.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

MICHAEL C. AARON, 4116
*GILBERT ADAMS, 4925
KENNETH P. ADGIE, 6648
CLINTON E. AICHS, 0020
LARRY P. AIKMAN, JR. 9647
*BRIAN E. ALBERT, 7413
DANIEL S. ALBERT, 6027
SCOTT E. ALEXANDER, 7366
MANLEY R. ALFORD, 2842
*BROOK E. ALLEN, 9151
CHARLES H. ALLEN, 1903
GREGORY J. ALLEN, 7065
*STEPHANIE D. ALLEN, 6686
WILLIAM E. ALLEN, 8961
JOAN M. ALLISON, 3188
*CATHERINE E. ALTHERR, 1588
JOHN M. ALTMAN, 9414
MARICELA ALVARADO, 0288
JOHN W. AMBERG II, 8140
MICHAEL W. ANASTASIA, 6402
*CAROL L. ANDERSON, 7998
*DARRAN T. ANDERSON, 9291
*DELMAR G. ANDERSON, 3732
DOUGLAS F. ANDERSON, 1192
*JAMES E. ANDERSON, 6911
MATTHEW D. ANDERSON, 7999
MATTHEW R. ANDERSON, 7281
MICHAEL R. ANDERSON, 9275
*RICHARD J. ANDERSON, 8455
ROBERT J. ANDERSON, 6924
STEVEN P. ANDERSON, 7225
*ERIC J. ANGELI, 9146
BRUCE P. ANTONIA, 5849
*JOSE E. ARANES, 1505
HOWARD E. AREY IV, 1793
*TAIVIA K. ARMSTRONG, 6818
*TODD A. ARMSWORTH, 4221
*ANTHONY E. ARTHUR, 6648
SAMUEL L. ASHLEY, 1751
*TERRI L. ASHLEY, 7724
*DAVID W. ASTIN, 7385
*CHARLES L. ATKINS, 7116
DOUGLAS R. BABB, 8529
GLENN C. BACA, 9029
ROBERT E. BACKMAN, 8758
ANDREW W. BACKUS, 1189
PETER K. BACON, 0231
*SCOTT D. BAER, 9036
DOUGLAS G. BAGDASARIAN, 0888
DAVID B. BAILEY, 9401
STEVEN L. BAIRD, 0845
GWEN E. BAKER, 1022
JEFFERY S. BAKER, 0175
PRENTISS O. BAKER, 8157
STEVEN A. BAKER, 4215
ROBERT M. BALCAVAGE, JR. 8681
*JOHN S. BALDA, 2923
BRADLY S. BALDWIN, 6641
CHRISTOPHER L. BALLARD, 3910
*RICHARD R. BALLARD, 9011
*ANTWAN D. BANKS, 4109
*THYRIS D. BANKS, 8383
*KEITH K. BANNING, 2423
DARIO A. BARATTO, 9789
JAMES T. BARKER, 6000
DANE A. BARKSDALE, 2920
JAMES R. BARNES, 0497
*DANIEL R. BARNETT, 6741
*PATRICK H. BARNWELL, 4286
JAMES E. BARREN, 5340
*EUGENE BARRETT, 4532
MARIA B. BARRETT, 8525
*MARK C. BARTHOLF, 3038
JAMES L. BARTON, JR., 1535
RONALD J. BASHISTA, 1949
*DAVID G. BASSETT, 8360
DEAN R. BATCHELDER, 9817
*KIRKLIN J. BATEMAN, 4655
*RENA M. BATTS, 8820
TIMOTHY R. BAXTER, 1772
JOHN M. BAYER, 5024
*ALFRED J. BAZZINOTTI, 3646
PATRICK M. BEARSE, 4983
*WILLIAM G. BEAVERS, 1249
JOHN D. BECK, 2497
JAY F. BECKERMAN, 9621
CHRISTOPHER H. BECKERT, 3006
*SIGMUND B. BELISCH, JR., 5077
JOSELYN L. BELL, 5521
*DARRIN L. BENDER, 2504
JOHN N. BENDER, 2310
DAVID M. BENNETT, 1772
*CHRISTOPHER R. BENOIT, 9230
WÁYNE P. BERGERON, 6717
CARLOS G. BERRIOS, 0751
CARLOS J. BETANCOURT, JR., 9182
ALDO P. BIAGIOTTI, 1990
ROBERT L. BILLEAUD, 0530
*MANFRED BILLENSTEIN, 8518
SCOTT J. BISCIOTTI, 2682
PAUL A. BISHOP, 6850
MARK R. BLACKBURN, 0997
ROBERT D. BLANCHETTE, 7339
JAMES A. BLANCO, 9566
MANUEL BLANCO, 1378
*MAURICE T. BLAND, 6173
MURRAY K. BLANDING, SR., 6434
GREGG A. BLISS, 4188
BRYAN H. BLUE, 3273
*MICHAEL J. BOCHNA, 2298
WILLIAM D. BOCK, 3671
MICHAEL A. BODEN, 5698
*RUSSELL E. BODINE, 6803
WILLIAM E. BOHMAN, 8907
WILLIAM L. BOICE, 5624
*BRENT T. BOLANDER, 0305
DONALD C. BOLDUC, 0267
*SCOTT D. BOLSTAD, 1803
RICHARD K. BOND, 7644
*JACK W. BONE, 2974
JAMES E. BONER, 9702
JOSEPH M. BONGIOVANNI, 9196
CHRISTOPHER J. BONHEIM, 9295
BRETT L. BONNELL, 9553
PAUL BONTRAGER, 8377
*CLAUDE E. BONVOULOIR, 4598
NANCY BOORE, 3394
*KARL D. BOPP, 2087
*SHERRIE L. BOSLEY, 4886
*REGINALD BOSTICK, 9755
*JOSEPH J. BOVY, JR, 7837
THEODORE C. BOWLING, 2504
*MICHAEL E. BOWNAS, 9199
*JEFFREY A. BOYER, 4329
CURTIS W. BOZEMAN, 8653
BEVERLY F. BRACKEN, 6470
*LAURENCE G. BRACKETT, 6684
JAMES H. BRADLEY, JR, 2699
*JOHN M. BRADSHER, 7530
*ALEXANDER P. BRANCH, 7993
MICHAEL E. BRANDT, 7160
ALLEN G. BRANNAN, 9445
MARK W. BRANTLEY, 2207
JAMES B. BRASHEAR, 6347
*LIANA L. BRATLAND, 2995
*DONALD S. BRAWLEY, 5402
KENNETH A. BREITEN, 5933
THOMAS M. BRENNAN, 4319
DONALD E. BRIDGERS, 4772
ERIC W. BRIGHAM, 1442
JEFFREY W. BRLECIC, 0610
DARIN L. BROCKINGTON, 3618
PINILLA K. BROOKS, 0940
TIMOTHY P. BROOKS, 4959
PAUL C. BROTZEN, 4449
SCOTT E. BROWER, 2411
ANTHONY BROWN, 6273
ANTHONY T. BROWN, 4186
*DAVID L. BROWN, 8023
DUANE E. BROWN, 2584
*JAMES C. BROWN, 3018
JENIFER L. BROWN, 3865
KERK B. BROWN, 4780
*RANDALL K. BROWN, 0075
SHANNON B. BROWN, 3327
*TITUS BROWN, 5159
*VERONICA BROWN, 0414
MICHAEL I. BROWNFIELD, 2167
DENNIS W. BROZEK, 8024
*WALTER J. BRUNING, 2983
ERIC B. BRUNS, 7680
KERRY P. BRUNSON, 7398
*SHEILA A. BRYANT, 3301
*MARK J. BUCKLEY, 1156
GEOFFREY P. BUHLIG, 6119
STEVEN R. BULLOCK, 7300
MART E. BUMGARNER, 9529
STEVEN R. BUNCH, 9987
*ROBERT J. BUNGARDEN, 4090
WILLIAM C. BUNTING, 0453
JAMES D. BURDICK, 4747
MARK A. BURGE, 6126
ROBERT K. BURK, 3845
STEPHEN A. BURK, 1540
*GLEN D. BURNHAM, 6796
KATHLEEN M. BURNS, 1994
*MARK E. BURTNER, 0596
LOU L. BURTON III, 6362
*DAVID W. BURWELL, 9564
TROY D. BUSBY, 1657
BICHSON BUSH, 4591
*CHRISTOPHER B. BUSH, 6141
RICHARD S. BUSKO, 9197
*ALFONZO BUTLER, 1545
*DARRELL W. BUTLER, 4526
LEO P. BUZZERIO, 7071
*HAROLD B. BYRNE, 0654
LEO F. CABALLERO, 2751
LYLE J. CADDELL, 4968
STEVEN G. CADE, 6765
JACQUELINE M. CAIN, 6911
*JOSEPH E. CALISTO, 0913
DAVID C. CALLAHAN, 0097
PAUL T. CALVERT, 2579
*DONNA R. CAMPBELL, 6544
*JENNIFER K. CAMPBELL, 1272
TERESA L. CAMPBELL, 8628
*MATTHEW M. CANFIELD, 7237
*DAVID M. CANNON, 0863
JOSEPH A. CAPOBIANCO, 2198
*WILLIAM F. CARBERRY, 0595
DOUGLAS C. CARDINALE, 5189
*SARAH A. CAREY, 0546
CHRISTOPHER B. CARLILE, 3914
*TORI R. CARLILE, 0241
MICHAEL A. CARLINO, 6279
FLOYD W. CARLSON, 9510
*JAY D. CARLSON, 4216
DUANE T. CARNEY, 2601
JAMES D. CARPENTER, 2228
BADEAH F. CARROLL, 2830
*KEITH A. CARROLL, 9866
*MARTIN V. CARROLL, 8957
RICHARD C. CARROLL, JR., 6132
*CHARLES A. CARTER, 8937
*JOY W. CARTER, 2101
ROCKY L. CARTER, 8789
WALTER L. CARTER, JR., 2570
*CHRIS N. CARVER, 3736
*WILLIAM S. CASEY, 6436

TANYA I. CASEYREINHARDT, 8636
MICHAEL J. CASHNER, 0788
KENT P. CASSELLA, 4680
*PETER A. CATANESE, 5234
*BRIAN M. CAVANAUGH, 8461
*RUSSELL D. CAVIN, 2224
*PAUL A. CHAMBERLAIN, 5473
ZANE D. CHAMBERS, 7664
ESTHER E. CHAMBLISS, 9124
KATHLEEN T. CHANDLER, 1469
DAVID P. CHAPMAN, 1700
*DAVID W. CHASE, 6321
JOSEPH M. CHATFIELD, 1802
*KENNETH M. CHATMAN, 8025
MARTY P. CHAVERS, 8013
*JOHN R. CHAVEZ, 4437
WAYNE G. CHERRY, JR., 1132
EDWARD J. CHESNEY, 3815
MATTHEW G. CHESNEY, 4629
KEMP L. CHESTER, 6404
*ERIK K. CHRISTENSEN, 4368
GEORGE N. CHRISTENSEN III, 2322
KAREN M. CHRISTRUP, 7045
*JORDAN S. CHROMAN, 4127
NICHOLAS P. CHRONIS, 7346
JASON A. CHUNG, 5867
*KIM T. CINCOTTI, 1179
*RONALD G. CLAIBORNE, 8736
*ALICIA A. CLARK, 3774
RONALD P. CLARK, 0437
*WILLIAM E. CLARK, JR., 8575
GAIL C. CLARKE, 1897
STEPHEN G. CLEVELAND, 0308
*WILLIAM F. CLINEFELTER, 7554
DAVID R. CLONTS, 3156
*THOMAS J. CLOSS, 4965
*CAESAR D. COBB, 3684
*JOHN R. COBB, JR., 4587
*PHILANDER L. COCHRAN, 1824
KENNETH G. COCKERHAM II, 2698
*ROD A. COFFEY, 6246
CARL R. COFFMAN, JR., 9214
*JOSEPH W. COFFMAN, JR., 1718
*MICHAEL J. COLARUSSO, 3180
*RUSSELL E. COLE, 9726
*MATTHEW B. COLEMAN, 2643
*WILLIAM E. COLLIGAN, 3047
*JAMES L. COLLINS, 2844
JULIE A. COLLINS, 6277
*WILLIE P. COLLINS, 9683
*CHRISTOPHER M. COLOMBO, 6403
KEVIN C. COLYER, 0636
*DARREN R. COMPTON, 1019
*GERALD H. COMPTON, 0608
JEFFREY L. CONN, 5140
*MICHAEL F. CONNELLY, 2895
CHARLES T. CONNETT, 9692
PATRICK E. CONNORS II, 6970
WILLIAM D. CONWELL, 0304
*TODD Z. CONYERS, 0396
DONALD M. COOK, 2413
JOHN A. COOPER, 5384
*PETER J. COOPER, 6173
THOMAS R. COOPER, 9101
MICHAEL D. COPENHAVER, 5455
LYLE T. CORDER, 3032
DANIEL R. COREY, 4474
ROBERT M. CORNEJO, 0173
JOHN R. CORNELIO, 7516
*JOHN T. CORNELIUS, JR., 7503
JOEL W. CORNELL, 6371
SEAN J. CORRIGAN, 3148
*STEVEN C. CORSELLO, 9374
*MICHAEL E. CORSON, 4069
ANGELA L. COTTON, 8656
*JOSEPH F. COUGHLIN, 1867
*JOHN M. COURTNEY, 1933
*CONSTANCE M. COVINGTON, 6623
*SPENCER T. COWAN, 9587
CARL W. COWEN, 9504
CHARLES B. COX, 3042
CHRISTOPHER K. COX, 7882
BROCK W. CRABTREE, 2196
*CHRISTOPHER E. CRATE, 1731
MARY C. CRAVEN, 1986
*DARRYL A. CRAWFORD, 9340
*PETER D. CREAN, 8347
GREGORY S. CREECH, 7550
*GERARD H. CRIBB, 5100
ORLANDO D. CRITZER, 6176
*BENJAMIN D. CROCKETT, 9328
*CHRISTOPHER D. CROFT, 1330
*JEFFERY R. CROMWELL, 1505
CHRISTOPHER G. CROSS, JR., 2468
MICHAEL E. CROWELL, 3406
MARY K. CRUSAN, 9778
RICHARD A. CRUSAN, 7838
JEFFREY L. CULLEN, 3732
DANIEL J. CUNNINGHAM, 9866
HARRY L. CUNNINGHAM, 5064
*PHILIP D. CURETON, 0626
KENNETH D. CURTIS, 9999
SCOTT D. CUSTER, 4293
WILLIAM E. DAHLBERG, 3725
JOHN S. DAILEY, 3241
*STEVEN DAKNIS, 0930
*EUGENE A. DANIELS, 2607
DAVID A. DANIKOWSKI, 5054
*DIANE K. DANNELLY, 2292
*TIMOTHY J. DAUGHERTY, 9899
DAVID S. DAVIDSON, 9199
*FRANCIS J. DAVIDSON, 5950
JOHN W. DAVIDSON III, 8439
*ROSS E. DAVIDSON, 2213
*CHARLES E. DAVIS, 2764
DAVID M. DAVIS, 9038
*ERIC A. DAVIS, 5138
*JAMES B. DAVIS, 4339
KATHERINE S. DAVIS, 2617
LANCE E. DAVIS, 2679
LAURA K. DAWSON, 5953
STEVEN G. DEAN, 9390
*ANNIE K. DEAR, 6778
PAUL L. DECECCO, 0113
KENNETH I. DECKER, 6414
PATRICK C. DEDHAM, 6885
EDWIN J. DEEDRICK, JR., 5429
*ROBERT J. DEHAAN, 6505
JOHN C. DEJARNETTE III, 6508
ROSSO D. DEL, 7359
DOUGLAS J. DELANCEY, 2342
DANIEL V. DELEON, 8619
SEAN T. DELLER, 0507
*EUGENE DELOACH, SR., 9077
*JUAN A. DELOSSANTOS, 7787
*WILLIAM L. DEMALADE, 1062
JAMES R. DEMOSS, 0748
SHEILA C. DENHAM, 1879
*MICHAEL P. DERADDO, 1682
EDWARD V. DESHIELDS, JR., 0907
*JAMES M. DESJARDIN, 5848
DAVID W. DETATA, 1287
THOMAS E. DETRICK, 5233
KEITH A. DETWILER, 6805
MARGARET S. DEVEREUX, 8774
EUGENE J. DEVINE III, 5527
MISOU T. DEWEESE, 9674
*DAVID J. DEWELL, 7046
*JAMES C. DIAZ, 4436
RICARDO F. DIAZJIMENEZ, 3706
*THOMAS J. DICANDIDO, 8018
KEVIN E. DICE, 7008
*HARBAUGH D. DICICCIO, 3912
*CHARLES A. DICKENS, 2270
*KAILON G. DICKENS, 9906
SERGIO M. DICKERSON, 4477
WILLIAM C. DICKEY, 9446
CRAIG M. DICKINSON, 5241
*ARTHUR E. DIETZ, 4675
*JAMES E. DIGGS, 1012
RICK A. DIGGS, 6084
*JOHN D. DILL, 5534
*JAMES M. DILLARD, 5590
*GEORGE E. DILLON, JR., 5321
*HEINZ P. DINTER, JR., 9558
GERALD R. DIOTTE, JR., 6711
DOUGLAS A. DISINGER, 8297
*GARY W. DITTERLINE, 1922
DAVID J. DLUZYN, 8035
RONALD C. DODGE, JR., 2718
*ALFRED C. DODSON, 7318
JAMES E. DODSON, 8786
DANIEL R. DOLWICK, 3634
PATRICK J. DONAHOE, 7119
STEVEN L. DONALDSON, 9861
JAMES J. DONLON, 8394
*JAMES A. DONNELLY, 7189
MICHAEL O. DONNELLY, 3110
*MICHAEL P. DONOVAN, 6306
THOMAS T. DORAME, 7329
KEVIN J. DOSKI, 0063
JOEL C. DOTTERER, 0560
GRANT R. DOTY, 8137
*FRANK S. DOUGHERTY, 4804
*CALVIN D. DOWNEY, 8069
*ROYAL J. DOWNS, 4017
THOMAS M. DOWNS, 0048
PATRICK O. DOYLE, 8543
KEVIN P. DRAGNETT, 7370
*REGINA K. DRAPER, 8890
BRADLEY K. DREYER, 4444
*SHAWN T. DRISCOLL, 2392
FREDERIC A. DRUMMOND, JR. 2937
THEODORE D. DUGONE, 7365
*ROBERT E. DUKE, 5299
BRIAN P. DUNN, 3044
*MARGARET L. DUNN, 6659
*MICHAEL R. DUNNING, 2610
JAMES F. DUSENBERRY III, 0302
*MICHAEL J. DVORACEK, 8701
MICHAEL K. DYE, 1502
MICHAEL O. EAST, 1849
DUANE P. EASTER, 6861
FRED R. EASTWOOD III, 7329
*DAVID A. EAVES, 7655
DARWIN D. EBELING, 1483
GREGORY R. EBNER, 2036
*JEFFREY A. ECK, 1858
*BRIAN H. EDHOLM, 7122
VANCE A. EDWARDS, 8695
LOREN G. EGGEN, 9847
BRENDA K. EISEMAN, 9460
MARK A. ELLIOTT, 0113
*RICHARD F. ELLIS, 1039
KIMBERLY A. ENDERLE, 7566
WILLIAM T. ENGLISH, 2303
THEODORE M. EPPLE, 1744
SVEN C. ERICHSEN, 2266
FREDERICK J. ERST, 3885
RICK A. ERWAY, 7344
JOHN M. ERWIN, 5574
JOSE A. ESPINOSA, 5100
*ALLEN S. ESTES, 5785
*ANTHONY O. EVANS, 8745
JOHN R. EVANS, JR., 1750
CARL S. EY, 3722
SCOTT D. FABIAN, 2231
ROBERT P. FABRIZZIO II, 4348
SAMUEL P. FAGONE, JR., 8016
*PHILLIP J. FAIETA, 0619
DONALD G. FALLIN, 4230
ROBERT L. FANELLI, JR., 3492
ANTHONY P. FARRIS, 2938
*ROBERT G. FAUSTI, 3836
*SHAWN P. FEIGENBAUM, 2691
DUSAN L. FENNER, 7612
MICHAEL R. FENZEL, 4892
CHARLES P. FERRY, 4209
WILLIAM E. FIELD, 3557
EDWARD G. FILLER, 4689
*ROBERT F. FINN, JR., 9995
JAMES C. FISCHER, 4561
STEVEN T. FISCHER, 5181
CHARLES A. FISH, 7684
*MICHAEL P. FISHER, 4492
WILLIAM O. FISHER, 7685
DAVID P. FITCHITT, 4202
VICTORIA V. FLACK, 2001
THOMAS P. FLANDERS, 9273
*DWAINE FLANNAGAN, 4246
EDWARD R. FLEMING, 5786
*JEFFREY FLETCHER, 9784
VIRGIL H. FLINK, 1017
*JEFFREY L. FLINT, 3585
RODNEY D. FOGG, 6838
WADE A. FOOTE, 4324
CHRISTOPHER S. FORBES, 4736
RONNIE E. FORD, 7272
*JOSEPH F. FORLENZA, 2151
EDWARD M. FORTUNATO, 1347
*MATTHEW J. FOSTER, 1264
DENNIS A. FOX, 7975
THEODORE J. FOX, 0145
*MICHAEL L. FRANCK, 7779
GEORGE H. FRANCO, 2444
PATRICK D. FRANK, 3251
*BRENTON K. FRASER, 3931
STEVAN J. FRENCH, 2050
*HARRY M. FRIBERG, 3704
ROBERT E. FRIEDENBERG, 8782
KENNETH H. FRITZSCHE, 6360
JEFFREY D. FROM, 0827
*GARLAND M. FROST, 3527
JACK J. FRUITMAN, 8092
*ALTON D. FRY, 3966
WALTER D. FRYE, 8831
*CRISLER A. FUCCI, 3880
*MATTHEW T. FUHRER, 2745
STEVEN R. FUSINETTI, 7279
*JOSE A. GABILONDO, JR. 0123
*JAMES F. GADD, 9757
GREGORY D. GADSON, 2736
*ROY Y. GAGAZA, 2903
*JUSTIN C. GAGE, 1646
JAMES J. GALLAGHER, JR., 3065
JAMES C. GALLUP, 4929
ANTONIO GARCIA, 6994
VICTORIANO GARCIA, JR., 6149
ERIC L. GARDNER, 8099
*JEFFERY. GARLAND, 7256
WILLIAM A. GARLAND, 1281
TODD GARLICK, 8946
*PETER S. GARNER, 2481
GEORGE T. GARRELL, 2090
JAMES E. GARRISON, 7846
BRIAN K. GATES, 0603
BRADLEY D. GAVLE, 9479
HEIDI L. GEBHARDT, 4643
GREGORY A. GEHLER, 7387
JOHN A. GEORGE, 8173
BRADLEY T. GERICKE, 0846
TODD M. GESLING, 2557
MICHAEL A. GETCHELL, 2391
*WILLIAM M. GIAMMARESE, 0305
RICHARD T. GIBBONS, 7654
*KENT K. GIBSON, 4225
RICHARD D. GILLEM, JR., 6867
MICHAEL J. GILLETTE, 0509
*DONALD P. GILLILAND, 0068
CATHERINE E. GILLUND, 2827
LEE P. GIZZI, 7455
KIMBERLY S. GLASSFORD, 3021
SIMON R. GOERGER, 5758
JOHN C. GOETZ II, 7720
*MAX R. GOINS, 1391
DANIEL P. GOLDTHORPE, 5550
JESUS F. GOMEZ, 3931
FRANK J. GONZALES, 9868
*IVAN R. GONZALEZ, 6666
*DANIEL W. GOODALE, 1858
HERMAN GOODEN, JR., 8697
*STEVEN H. GOODROAD, 0222
*ADRIAN E. GOOLSBY, 2394
GERALD M. GORDNER II, 7799
*DEXTER A. GORDON, 9170
*JOHN K. GORDON, 8329
*FREDERICK C. GOTTSCHALK, 8204
*ROBERT E. GOWAN, 6514
DONALD E. GRAHAM, 6297
JACKSON C. GRAHAM III, 9550
*RAMONA T. GRAHAM, 4509
*WILLIAM H. GRAHAM, JR. 4070
ANDREW L. GRANTHAM, 4586
*BRADLEY W. GRAUL, 2631
GREGORY H. GRAVES, 4717
CARL G. GREBE, 0559

*SHARON D. GREEN, 3571
*CRAIG M. GREENE, 4482
*ERNEST M. GREENE, JR. 1048
*IAN N. GREENE, 5126
SANDRA M. GREENE 2819
JOHN H. GREENMYER III, 0031
*JEFFREY H. GREESON, 3953
JAMES D. GREGORY, 0391
*KEVIN H. GRIFFIN, 6119
TRAVIS S. GRIGG, 3797
*WARREN C. GRIGGS, 4700
*FRANCIS D. GRIMM, 9457
HEIDI L. GRIMM, 7149
MARIE C. GRIMMER, 3613
CHRISTIAN B. GRINSELL, 8176
JOHN F. GRITTMAN, 5146
PAUL D. GRONBECK, 7563
DAVID L. GROSSO, 2769
*LEON M. GRUBE, 8371
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RICHARD K. GUFFEY, 7774
DANIEL J. GUILFORD, 8173
WILLIAM W. GUM, 0127
*TODD W. GUSTAFSON, 6469
*MARSHALL A. GUTIERREZ, 7224
MAX F. GUTIERREZ, JR., 6517
*ANTHONY E. HAAGER, 8883
*BARRY V. HADLEY, 7283
*VICTOR S. HAGAN, 0961
*JEFFREY E. HAGER, 8365
RODNEY T. HAGGINS, 6256
ERIC D. HAIDER, 8475
*CHRISTOPHER S. HAIGH, 8116
*MECHELLE B. HALE, 8182
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CHRISTOPHER H. HALL, 3232
*JAMES H. HALL, 3567
*JIMMY L. HALL, JR., 6910
*DANIEL J. HALSE, 5709
*CHARLES R. HAMILTON, 2628
DAVID M. HAMILTON, 6082
ROBERT E. HAMILTON, 5707
MICHAEL W. HAMM, 1042
*HANAWA K. HAMPTON, 2988
*PATRICK R. HAMPTON, 1949
MARK W. HANNAH, 5044
ROBERT J. HANNAH, 5077
EDGAR M. HANNAMAN, 9293
JOHN P. HANNON, 6053
JOHN A. HANSON, 1300
CARY C. HARBAUGH, 7535
KEVIN N. HARBISON, 5532
ROBERT E. HARBISON, 0127
*ROBERT J. HARDBARGER, 5089
*DAVID W. HARGRAVE, 2847
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*KENNY D. HARPER, 1917
*ROBERT D. HARPER, 6545
*THOMAS A. HARRAGHY, 1530
BENJAMIN M. HARRIS, 3033
HUGHIE B. HARRIS, 3696
*KEVIN J. HARRIS, 6118
*KEVIN L. HARRIS, 9052
*MAE F. HARRIS, 7222
WELDON B. HARRIS, 8443
WILLIAM T. HARRIS III, 1439
*ROBERT L. HARRISON, 1012
STEVEN D. HART, 2890
ROBERT D. HARTER, 3171
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JOHN P. HARTKE, 3422
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*THURINTON W. HARVELL, 8316
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*ALFRED L. HAWKINS, JR., 8827
MICHAEL T. HAWN, 9620
JOHN T. HAYNES III, 0046
LOUIS J. HAYNES, 0013
*SCOTT K. HAYS, 5123
MARK E. HAYTHORN, 2324
CHARLES E. HAYWOOD, JR., 4410
MICHAEL L. HEDEGAARD, 0736
BRIAN K. HEDRICK, 3209
*MARVIN A. HEDSTROM, JR., 3540
CLARK H. HEIDELBAUGH, 1836
*SANDRA L. HEISER, 2976
*TRACY C. HELBERG, 8622
*MICHAEL A. HELM, 7936
DARIEN P. HELMLINGER, 3379
MICHAEL G. HENLEY, 3920
*PAUL A. HENLEY, 8420
JOSEPH G. HENRY, 5032
MICHAEL W. HENRY, 9980
CHARLES T. HENSLEY, 9081
JEFFREY HENSLEY, 5292
DOYLE M. HERNDON, 3851
NEIL S. HERSEY, 3943
CHRISTA M. HERTINGDESROSIERS, 9841
ALAN W. HESTER, 5013
*PAUL D. HEYING, 7605
*LONNIE G. HIBBARD, 6833
WILLIAM D. HIBNER, 9975
*MICHAEL G. HICKS, 5740
TIMOTHY HIEBERT, 7578
RALPH G. HIGGINS III, 6048
CARL B. HIGGS, 2208
*KEVIN J. HILLMAN, 5883
DAVID K. HINKES, 7773
STEVEN N. HINMAN, 0372
MIGUEL B. HOBBS, 5015
HORACE C. HODGES, 2603
*KELLY J. HOEPFNER, 8283
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*JOSEPH B. HOFFMAN, 0825
ARTHUR J. HOFFMANN, JR., 0568
*WALLACE C. HOGAN, JR., 4049
*TIMOTHY W. HOLLIFIELD, 1797
*TIMOTHY C. HOLLOWAY, 2384
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*RUSSELL A. HOLSCHER, 5849
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CRAIG A. HOLTON, 2711
*DERRICK W. HOOD, 3645
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*DANIEL A. HOPE, 6907
JOSEPH A. HOPKINS III, 2288
MICHAEL S. HOPKINS, 1554
*YVETTE C. HOPKINS, 0214
JASON R. HORNE, 8307
*ROBERT C. HORNECK, 7970
JODI L. HORTON, 4629
*KEITH A. HOTTINGER, 5757
*CHARLES P. HOWARD, 7436
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MARK V. HOYT, 0500
MARK G. HRECZUCK, 0953
*PENELOPE A. HUBER, 3936
*KEVIN L. HUDIE, 9652
MITCHEL L. HUDSON, 3405
MICHAEL A. HUFF, 2343
BARRY F. HUGGINS, 0579
JOSEPH F. HUIBSCH, 7555
JEFFREY L. HUISINGH, 5963
*STEVEN A. HUMAN, 6887
*ARLIS D. HUMMEL, 8422
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*RICKY N. HUMPHREYS, 3773
*DARRELL H. HUNT, 0517
HOWARD M. HUNT, 2881
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*ROBERT F. HUNTLY, 2353
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JOHN S. HURLEY, 7623
PAUL J. HURLEY, JR., 4014
*JOHN L. HUTTO, JR., 7776
*BASHEER ILYAS, 1095
LEO M. IMPAVIDO, JR., 0059
*CHARLES W. INNOCENTI, 6037
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*ROBERT L. IRICK, 4209
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*ANDREW W. IRWIN, 6282
*DAVID T. ISAACSON, 3532
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*THOMAS H. ISOM, 4791
*MICHELE T. IVERSEN, 3926
*LYNN S. JACKSON, 9347
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*FRANK JAMES, JR., 7346
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*JOHN T. JANISZEWSKI, 8325
BROOKE H. JANNEY, 5311
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*JAYNE V. JANSEN, 5096
LINDA C. JANTZEN, 4498
PHILLIP D. JANZEN, 8380
JAMES B. JARRARD, 1148
*JOSEPH F. JARRARD, 0252
MARK E. JEFFRIS, 0386
JOEL J. JEFFSON, 7123
ANDREW W. JENKINS, 3651
*DAVID E. JENKINS, 7041
*LOGAN JENKINS, JR., 3722
*JEFFREY E. JENNINGS, 0723
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DAVID O. JERNIGAN, 8575
RENE JEWETT, 5928
*DAVID A. JOHN, 9834
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*KATHLEEN B. JOHNSON, 3063
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*MITCHELL R. JOHNSON, 0082
*SCOTT C. JOHNSON, 2085
CLIFTON R. JOHNSTON, 7962
*BARRY L. JONES, 5261
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*ERIC G. KAIL, 1130
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SHELDON S. KAUFFMAN, 6607
*MARK J. KAZMIERCZAK, 3901
JAMES K. KEENER, 1266
JOHN M. KEETER, 4362
*KENNETH R. KEIM, 8390
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*JULIE A. KELLER, 9278
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*DAVID M. KELLY, 7965
JOHN A. KELLY, 2423
*KYLE W. KELLY, 8589
ERIC C. KELTZ, 1529
*SCOTT T. KENDRICK, 2905
DAVID R. KENNEDY, 4820
*JAMES L. KENNEDY, JR., 8907
*KRIS L. KENNER, 1234
CHRISTOPHER M. KENNEY, 4257
PAT L. KERBUSKI, JR., 5862
EDWARD M. KETCHUM, 4407
*KERRILYNN A. KETCHUM, 1234
ROBERT H. KEWLEY, JR., 6686
JOHN M. KILGALLON, 6076
DONNA M. KILLIAN, 0595
*DAVID S. KIM, 6859
*RICHARD C. KIM, 3541
*BENJAMIN L. KINARD, 4462
*GWENDOLYN L. KING, 7765
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SCOTT D. KING, 6629
STEVEN M. KING, 7365
ROBERT O. KIRKLAND, 9053
*ANDREW D. KIRKNER, 5153
*ROBERT D. KISER, 4851
*JEFFRY A. KLEIN, 4235
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LAUREL R. KLINGE, 6172
*ROBERT E. KLINGSEISEN, 5639
*DARRIN S. KNELLER, 6226
MARK S. KNERAM, 9928
*JEFFREY T. KNIGHT, 3710
STEVEN D. KNIGHT, 4954
*JOACHIM W. KNISPEL, 9664
*GREGORY J. KNOWLES, 7928
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*KURT J. KO, 6961
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GERALD C. KOBYLSKI, 8485
RANDALL L. KOEHLMOOS, 3531
*GREGORY W. KOLLER, 8419
JOHN J. KOPP, 5102
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*DALE A. KORNUTA, 7998
*KAZIMIERZ Z. KOTLOW, 6759
*ANDREW J. KOZAR, 6933
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RANDALL P. KRAMER, 6388
KARL M. KRAUS, 6174
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JOHN E. LACKSEN, 5630
*JEFFREY L. LAFACE, 9433
WILLIAM R. LAGRONE, 6841
*STEVEN R. LAHR, 8533
*DANIEL F. LARKE, 9848
COLEMAN R. LARLEE, JR., 8003
DANIEL S. LARSEN, 3859
DARREL G. LARSON, 1187
*KEITH A. LARSON, 6993
LOUIS J. LARTIGUE, JR., 5738
FRANCIS J. LARVIE, 2033
*CHARLES D. LASSITTER, 8875
PAMMELLA J. LASZLO, 2197
*RODNEY F. LASZLO, 8257
*JAMES C. LAUGHREY, 3130
BRUCE B. LAVELL, 5996
MATTHEW M. LAVER, 0444
*KELLY J. LAWLER, 9663
*BRIAN A. LAWLESS, 6773
*RANDY H. LAWRENCE, 4117
*TIMOTHY S. LAWRENCE, 0020
*GLENN S. LAWSON, 2475
CHARLES H. LEACH II, 9605
*MARTIN F. LEAMY, 1851
*CHUN H. LEARN, 5316
*JAMES O. LECHNER, 6437
*MARK A. LEE, 0594
PETER A. LEE, 9748
ROBERT E. LEE, JR., 2002
SHANE E. LEE, 7353
WILLIAM E. LEE, 8333
*LYNNE P. LEGLOAHEC, 1369
CHRISTOPHER J. LEHNER, 6194
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*KENNETH A. LENIG, 0901
*ANTHONY E. LEONARD, 4962
*LUKE T. LEONARD, 6364
STEVEN M. LEONARD, 2287
ROBERT S. LEVIS IV, 3917
ANDREW R. LEVY, 8718
DAVID F. LEWIS, 7465
JOHN W. LEWIS, 5161
*MARK E. LEWIS, 9171
*MATTHEW C. LEWIS, 6490
*MICHAEL L. LEWIS, 3446
SEAN P. LEWIS, 6784
*TERRY L. LEWIS, 2294
*JOHN F. LIGHTNER, 8136
HOWARD Y. LIM, 4569
JOHN J. LINDSAY, 8217
THORSTEN A. LITTAU, 4003
*RAYMOND J. LITZINGER, 2452
*DAVID L. LLOYD, 0154
*JAMES M. LOFFERT, 2030
VINCENT J. LOMBARDI, 8244
CHRISTOPHER D. LONG, 9219
*JOSEPH W. LONTOS, JR., 5455
*FAVIO L. LOPEZ, 0932
JOSEPH L. LOPEZ, 7397
*MICHAEL C. LOPEZ, 3969

GREGORY D. LOUDEN, 0362
DAVID M. LOVEJOY, 1673
*ROSS W. LOVELACE, 2639
*ADAM A. LOVELESS, 4922
COLIN E. LOWE, 0487
ROBERT E. LOWE, 9976
JEANNE E. LUCEY, 8434
*BRYAN K. LUKE, 9228
KEITH E. LYNCH, 0685
*RONALD J. LYSINGER, 2599
DANA L. MABEE, 4818
CRYSTAL M. MACK, 9569
*ROBERT R. MACKEY, 4138
JAMES R. MACKLIN, JR., 6697
LIONEL W. MAGEE, JR., 1476
ANNE M. MAHANA, 5752
GREGORY S. MAHONEY, 7192
BRIAN K. MAIJALA, 1629
*MARCUS D. MAJURE, 4428
BRIAN MAKA, 8354
CAMILLE R. MAKURAT, 0193
*MARK A. MALCOM, 3092
*GEOFFREY S. MANGELSDORF, 7182
*JERRY K. MANLEY, 6094
JOHN E. MARAIA, 9560
STEPHEN J. MARANIAN, 2481
*PAUL V. MARNON, 4676
*JOHN J. MARR, 2949
*CHRISTOPHER G. MARSHALL, 5594
CLAY M. MARSHALL, 8834
*ROBERT W. MARSHALL, 7186
TREVOR R. MARSHALL, 1222
*DONNA W. MARTIN, 2655
LARRY E. MARTIN, JR., 8791
MICHELLE L. MARTIN, 5718
*TONY M. MARTIN, 9930
JOSEPH T. MARTINI, JR., 4189
CHARLES D. MARTINO, 4401
*CHRISTINE U. MARTINSON, 3354
PHILIP A. MARTINSON, 1563
MICHELLE M. MASCO, 9429
*EDWARD E. MASON, 2978
*GREGORY A. MASON, 1939
TWALA D. MATHIS, 1424
*THOMAS S. MATSEL, 0234
*BRENT R. MATTHEWS, 3774
MICHAEL R. MATTHEWS, 9663
PATRICK L. MATTHEWS, 2542
LEONARD H. MATZ, JR., 2581
WILLIAM J. MAXCY, 0424
*JANICE Y. MAXWELL, 9838
JEFFREY A. MAY, 3765
ROGER K. MAYER, 4616
CARSON H. MAYO, 9126
*GREGG A. MAYS, 6708
*OSCAR C. MAYS, 9796
EDWARD M. MAZZA, 4448
*GREGORY S. MC AFEE, 1038
ROBERT J. MC ALEER, 2466
PAUL D. MC ALLISTER, 2783
*TIMOTHY J. MC ATEER, 6381
*DOUGLAS M. MC BRIDE, 2352
*MICHAEL R. MC CAFFERY, 9126
*OWEN P. MC CAULEY, 8999
CHARLES M. MC CLUNG, 2967
*JEFFREY H. MC CLURE, 7026
*CHRISTOPHER M. MC CORKENDALE, 3521
DENNIS J. MC CORMACK, 8414
*EDWARD J. MC CRARY, 9460
*ROGER L. MC CREERY, 0336
STEPHEN K. MC CULLAR, 8334
*SHAWN G. MC CURRY, 1741
*BERRIEN T. MC CUTCHEN, JR., 8528
*ERIC S. MC DANIELS, 2497
SCOTT L. MC DEED, 2405
*MARK E. MC DERMOTT, 8030
GEORGE R. MC DONALD, 0555
KEVIN L. MC DONALD, 3198
*PHILLIP N. MC DONALD, JR., 6759
*REGAN P. MC DONALD, 8840
*WILLIAM R. MC DONOUGH, 2290
*ROBERT A. MC DOUGLE, 3674
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*ROBERT L. MC GHEE, 2727
*LEO R. MC GONAGLE, 8302
*SEAN C. MC GOVERN, 3459
*GARRET L. MC GOWAN, 4278
JEFFREY S. MC GOWAN, 0015
OTIS W. MC GREGOR III, 3983
*RANDALL A. MC INTIRE, 2517
MATTHEW F. MC KENNA, 9192
*PAUL G. MC KENNA, 2882
ROBERT J. MC KENNA, 9509
*TAMMY S. MC KENNA, 7975
DAVON L. MC KEONE, 8152
CHRISTOPHER H. MC MANUS, 6445
WILLIAM D. MC MICKLE, 6666
BRIAN S. MC NAUGHTON, 2723
DENNIS J. MC NULTY, 2235
*MARY A. MC PEAK, 6797
*STUART J. MC RAE, 4798
ROBERT J. MC TASNEY, 3703
ROBERT G. MC VAY, 0895
*ROBERT M. MEGINNIS, 3156
*MICHAEL W. MEGOWN, 9250
*THOMAS A. MEIER, 4375
STEVEN P. MEIHAUS, 8430
*DONALD E. MEISLER, 8574
*MANUEL R. MELENDEZ, 5273
MONICA MENDEZ, 4436
*MANUEL C. MENO, JR., 6954
RODNEY A. MENTZER, 8897
MICHAEL L. MEREDITH, 8034
*ROBERT C. MERKEL, JR., 5908
JAMES L. MERLO, 3873
PETER P. MERRILL III, 9655
KENNETH S. MERWIN, 8399
MEL M. METTS, 2651
*LEANNE L. MEYER, 9982
STEPHEN L. MICHAEL, 6020
WALTER T. MICHEL, 5536
BRIAN M. MICHELSON, 3787
BILLY L. MILLER, 8317
CHRISTOPHER C. MILLER, 6325
DANIEL C. MILLER, 6445
KENNETH J. MILLER, 9162
KENNETH R. MILLER, 6579
*MICHAEL C. MILLER, 0283
MICHAEL G. MILLER, 4965
SCOTT A. MILLER, 7855
*TIM Y. MILLER, 5529
RANDALL E. MILLERS, 6237
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MICHAEL L. MILLS, 3743
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ROCCO M. MINICUCCI, 3549
*JOSEPH S. MINUS, 8678
RONALD E. MISAK, 2475
MARK A. MISKOVIC, 4568
MICHAEL S. MITCHINER, 1137
JAMES A. MOFFATT, 9379
ERIC V. MOHNEY, 8071
CHERYL L. MOMAN, 3916
*MICHAEL J. MONIS, 1646
*PETER J. MOONS, 0052
*ALVIN K. MOORE, 4085
DAVID W. MOORE, 6620
ERNEST MOORE, JR., 7511
JOHN P. MOORE, 1994
*LESTER C. MOORE, 8231
DREW MOORES, 4182
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*CARLOS MORALES, 7807
*KENNETH G. MORENO, 8635
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GERALD M. MUHL, JR., 8184
JEFFREY P. MUHLENKAMP, 0204
RONALD A. MULKEY, 1528
*HUGH J. MULLALY, 4293
*JAMES H. MULLEN, 5074
*MICHAEL D. MUMFORD, 8826
*ADAM J. MUNN, 0140
*WADE L. MURDOCK, 7764
JEFFREY J. MURPHY, 5663
*MARVIN E. MURPHY, 7382
TERRYNE F. MURPHY, 0374
*THERESA G. MURPHY, 6374
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ROBERT W. MYLES, JR., 8044
JOHN A. NAGL, 9508
MICHAEL N. NAHAS, 0053
ALFREDO NAJERA, 9603
WILLIAM W. NASE, 8306
*JOHN P. NATHE, 7228
MICHAEL P. NAUGHTON, 6238
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JONATHAN J. NEGIN, 3079
*JULIA A. NELIUS, 7994
CHARLES H. NELSON, 2487
*MICHAEL L. NELSON, 6568
DARREL B. NEROVE, 2122
*ANDRE E. NETTLES, 2165
*KAREN E. NEUBECKER, 0150
*JILL M. NEWMAN, 9670
RANDALL D. NEWTON, 1601
THOMAS J. NIGRO, 6016
ERIC J. NIKSCH, 9147
DONALD R. NITTI, 9793
PAUL N. NOBBE, JR., 4908
STEVEN M. NOE, 6001
*JULIE S. NORMAN, 8105
*NEAL D. NORMAN, 7560
*STEVEN M. NORTH, 3630
PAUL R. NORWOOD, 6614
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*ELLIOTT C. NOWACKY, 9895
*BONNIE A. NOYES, 1158
*LARRY R. NULL, 3432
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*DAVID A. NYDAM, JR., 4635
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*RONALD J. OCKER, 3453
JAMES D. O'CONNOR, 0056
*WILLIAM K. O'CONNOR, 0698
MARK W. ODOM, 7741
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DAN S. OLEXIO, 5563
HENRY S. OLIVER, 2502
MICHAEL D. OLIVER, 1413
*ROBERT F. OLSEN, 7948
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KEITH E. OLSON, 8577
*RODNEY L. OLSON, 3944
THOMAS V. OLSZOWY, 3143
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JOSEPH M. ORECCHIO, 9989
JOHN M. OREGAN, 2056
*TIMOTHY P. ORMAND, 6245
DOUGLAS J. ORSI, 1590
DAN R. ORTEGA, 6417
CRAIG A. OSBORNE, 0020
ROSS T. OSBORNE, 8753
*MACE J. OSWALD, 5174
PAUL A. OTT, 9127
*DONALD A. OUTING, 9916
CHRISTOPHER H. OVERBREY, 6663
DAVID S. OVERTON III, 0873
*DONALD C. OVERTON, 0004
*BRIAN A. OWEN, 8184
*DALE E. OWEN, 3292
WILLIAM E. OWEN, 3905
THOMAS C. OWENS, 8883
RONALD E. PACHECO, JR., 2064
JOHN C. PAGLIANITE, 0109
*DAVID A. PAINE, 3650
JOHN V. PAINTER, JR., 6498
*CURTIS T. PALMER, 2287
*JOHN D. PALMER, 3882
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*HARRY M. PARENT, 2629
*MARK L. PARENT, 8571
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KEITH J. PARKER, 0755
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*KENDALL T. PARKS, 3335
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RICHARD L. PAUL, 1891
*JOSEPH PAYDOCK, 8490
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*DAVID L. PEDERSEN, JR., 5538
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THOMAS E. PEDIGO, 6268
*BRIAN L. PENNINGTON, 2585
MICHAEL PEREZRIVERA, 4041
*LUIS A. PEROZO, 3175
TROY D. PERRY, 2224
*MARTIN A. PERRYMAN, 7645
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*RICHARD E. RATLIFF, 3675
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*JOHN P. ROBERTS, 2520
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MILTON O. RODRIGUEZ, 8129
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*RICHARD M. SCHULTZ, 5608
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*JOSEPH W. SECINO, 0889
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*WILLIAM R. SEVER, 1535
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*MARK S. SHAABER, 2816
MARK E. SHANKLE, 8229
*JOHN E. SHANKLIN, 9492
JAMES C. SHARKEY, 9396
CHRISTOPHER J. SHARPSTEN, 6765
JOHN B. SHATTUCK, JR., 4089
JAMES P. SHAVER, 1112
KRISADA J. SHAW, 1549
RICHARD A. SHAW, 4535
*JOHN M. SHECKLER, 0466
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*CLAYTON O. SHEFFIELD, 5683
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STEPHEN T. SMITH, 8015
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*GREGORY P. SOLEM, 3787
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*JACK R. SPARKS, 0189
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*JOHN D. STEELE, 0898
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*ROBERT W. STEIGERWALD, JR, 8256
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*JERRY D. STEPHENS, 0076
*JEFFREY A. STERLING, 4708
*MICHAEL F. STERRETT, 0529
RANDY G. STEVENS, 7399
*THEODORE STEVENSON, JR, 9868
*BRYAN A. STEWART, 9833
*JEFFREY A. STEWART, 5463
JOHN E. STEWART, 5555
*TERRY C. STJOHN, 9012
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KEVIN P. STODDARD, 6353
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*PATRICIA L. STOLZ, 9813
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JOHN T. STROMBERG, 5903
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*DANA S. TANKINS, 4422
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FRANK W. TATE, 5374
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*JOEL C. TAYLOR, 6198
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GLEN A. TEASLEY, 2061
RICHARD A. TEOLIS, 5038
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GERARD P. TERTYCHNY, 8324
MICHAEL T. TETU, 8667
DEBORA L. THEALL, 0547
*BOBBY R. THOMAS, JR, 3971
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GEORGE K. THOMAS, 0556
*LEMUEL A. THOMAS, JR, 1193
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*JOHN W. THOMPSON, 2617
*JASON H. THORNTON, 1060
*ROBERT L. THROWER, 2287
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JOHN L. THURMAN, 4371
WILLIAM D. THURMOND, 7550
*JOHN A. THURSTON, 9264
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*RICHARD J. TIERNEY, 7947
*RICKY L. TILLOTSON, 4925
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DAVID M. TOCZEK, 9946
PETER M. TOFANI, 5518
JEFFERY K. TOOMER, 7045
JOSE A. TORRES, 6389
*PAUL D. TOUCHETTE, 9404
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JAY L. TOWNSEND, 8580
BRUCE J. TUFTIE, 1766
*JOSEPH S. TURLINGTON, 4891
MORRIS A. TURNER, 4570
PHILIP L. TURNER III, 7003
DAVID E. TUTTLE, 1069
MICHAEL R. TUTTLE, 8892
JOEL K. TYLER, 0495
*PATRICK C. TYNAN, 7477
*PAUL B. TYRRELL, 7405
ANDREAS S. ULRICH, 0640
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*LISIANE M. VALENTINE, 8940
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*KRISTINA E. VANNEDERVEEN, 3084
*MICHAEL A. VANPUTTE, 1850
TERRY D. VANSKY, 4892
*JOSE M. VARGAS, 6507
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ANTHONY W. VASSALO, 3766
CHRISTOPHER T. VAUGHN, 4645
*RONALD A. VENEGAS, 7737
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*NORBERT E. VERGEZ, 9880
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*JEFFERY L. VESTAL, 7380
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SHURMAN L. VINES, 8709
*DEAN VLAHOPOULOS, 0336
*RICHARD L. VOLBERDING, 7600
VAN J. VOORHEES, 0871
NICHOLAS J. VOZZO, 6710
*THOMAS L. WAILD, JR, 9897
CHRISTOPHER E. WALACH, 6437
*DAVID D. WALDEN, 0993
*DAVID W. WALKER, 4610
*HERMAN H. WALKER, 4299
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*PAUL R. WALTER, 8729
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*RICHARD C. WARD, 6935
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* DOUGLAS M. WEINER, 0417
* MARK J. WEINERTH, 3095
* MARK E. WEIR, 0718
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* THOMAS G. WHARTON, 3617
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* RICHARD S. WHEELER, 8988
JOSEPH F. WHELAN, 3432
BILLY J. WHELCHEL, 5862
GREGORY A. WHITE, 3458
INES N. WHITE, 7625
JERRY A. WHITE II, 3362
RICHARD E. WHITE, 4988
DANIEL W. WHITNEY, 9747
* RYAN J. WHITTINGTON, 5926
* JOSEPH E. WICKER, 1868
* TIMOTHY F. WIDMOYER, 3089
CLAYTON C. WIENECKE, 6013
DAVID J. WILBERDING, 2686
* LIONEL V. WILBURN, 5161
KENNETH S. WILDER, 6158
* JEFFREY R. WILEY, 6906
PAUL J. WILLE, 7872
* STEPHEN T. WILLHELM, 9357
* ALFORD J. WILLIAMS, 7850
* BARRY K. WILLIAMS, 2010
* DAVID A. WILLIAMS, 1574
* DWAYNE WILLIAMS, 2250
* THOMAS C. WILLIAMS, 5118
THOMAS F. WILLSON, 3410
* BLANE C. WILSON, 0683
* RICHARD A. WILSON, 8214
* VERONICA A. WILSON, 3675
* TRACY L. WINBORNE, 2518
DENNIS M. WINCE, 2341
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* MARK D. WINSTEAD, 0668
ANTHONY A. WIRTH, 9938
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STEPHEN D. WISE, 1105
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JAMES F. ZINK, 4957
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EXTENSIONS OF REMARKS

THE STARR REPORT AND THE CONGRESSIONAL RESPONSE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. HAMILTON. Mr. Speaker, I insert my Washington Report for Wednesday, September 23, 1998 into the CONGRESSIONAL RECORD.

THE STARR REPORT AND THE CONGRESSIONAL RESPONSE

On September 9, 1998 Independent Counsel Kenneth Starr submitted his report to Congress regarding President Clinton's relationship with Monica Lewinsky. The U.S. House of Representatives now begins the process of reviewing the evidence the Independent Counsel has gathered from his grand jury investigation as well as evidence provided by the President and others. The House, after reviewing the Starr report and other evidence, will decide whether to proceed with formal impeachment hearings. The key judgment will be for the House to determine whether the President's conduct amounts to "High Crimes and Misdemeanors," the Constitutional standard for removing a President from office.

The Starr report: The 453-page Starr report alleges that President Clinton committed acts that may constitute grounds for impeachment. The report lays out in graphic detail the chronology of events surrounding the President's affair with Ms. Lewinsky, and concludes that the facts may establish 11 possible grounds for impeachment, including lying under oath in the Paula Jones case and before Starr's grand jury, obstructing justice, witness tampering, and abuse of power.

The President has acknowledged that he had an inappropriate relationship with Ms. Lewinsky and that his conduct was wrong, but rejects the view that he committed the offenses catalogued in the Starr report. Furthermore, the President's attorneys contend that his conduct, while inappropriate and wrong, does not rise to the level of "High Crimes and Misdemeanors," and therefore does not warrant Congress proceeding with an impeachment inquiry.

Presidential conduct: I have read the Starr report in full, and like many Americans, am shocked and dismayed by its contents. I recognize, of course, that the report represents only the prosecutor's assessment of the facts and that Congress has a duty to examine all the evidence, including evidence which tends to exonerate the President.

Putting the Starr report to one side, I have nonetheless been deeply disappointed by the President's conduct. The sexual misconduct was offensive but that really was not the worst of it. He misled his wife, his staff, and the country. His pattern these last several months to hide his improper relationship has been to conceal, fabricate, stonewall, and attack Starr. He surely could have saved the country much agony by making a confession months ago. His legalistic hair-splitting on the issue of lying insults the common sense of most of us.

Where we go from here: Congress now faces the grave responsibility of deciding whether to move ahead with a formal impeachment proceeding against the President. Overturning the results of a popular election is very serious business. Next to declaring war, Congress perhaps has no greater duty under our Constitution. Hence, we must proceed in the weeks and months ahead with deliberate speed, but with caution and fairness, to seek the truth and make a judgment. This process is not about partisan political advantage, but about the future of our country.

The key question will be whether the President's conduct, disgraceful as it is, constitutes, "High Crimes and Misdemeanors." The Framers of the Constitution borrowed the expression from the English common law to suggest grave offenses against the state—offenses which undermined the integrity of the Presidency or our constitutional system of government—but did not define what precisely those offenses might be, aside from treason and bribery. "High Crimes and Misdemeanors" has been generally understood to encompass public misdeeds, such as abuse of official power that threatens the country, but not private misconduct.

Nature of process: The impeachment process is a mix of law, politics, and public opinion. It should not be used to remove a President with whom Congress has political differences, nor should it be limited to possible violations of criminal law. Rather, it should primarily ask whether a President's conduct is so bad that he can no longer be trusted to serve. President Clinton's ability to govern the country has been damaged. The looming question is whether he retains enough of the confidence of the American public that he will be able to govern effectively.

Congress will pay close attention to public opinion as this process unfolds. In effect two processes are now taking place: one in Congress and one in the public. Both are necessary. Of the two, the process in the American public is more important. The public deliberation taking place over the next several weeks will drive this process and will eventually drive congressional action.

Thus far, the American public does not support impeaching the President. The public is of two minds about the President. They believe Clinton is doing a good job as President and is a strong leader in touch with their problems. On the other hand, they do not like his morals and question his integrity and his character. The public today appears to favor some form of censure of the President, short of impeachment, and wants Congress to get through this process and back to the people's business as quickly as possible.

My assessment: The Starr report presents a strong case of Presidential misconduct. The evidence that the President lied under oath about the relationship with Ms. Lewinsky is persuasive. The President does not challenge the basic facts of the report, which paint a devastating portrait. Starr's charges of obstruction and, particularly, abuse of power are less compelling, and there is considerable conflicting testimony relative to these charges. I have doubts, at this point, whether the President's misconduct rises to the level of "High Crimes and Misdemeanors" to warrant his removal from office.

I am not advocating at this time censure, resignation or impeachment. Congress has the Constitutional obligation to weigh the evidence presented by the Independent Counsel very carefully as well as evidence presented by the other side. I do not see how we can make a judgment about the President until we have had a chance to evaluate all the evidence. I do not think the Congress should adjourn while these issues about the President's future are unresolved.

The question on my mind is how best to get through the next two years with the least harm to the country. We must be very careful with the institution of the Presidency. We must avoid a paralysis of the Presidency and the inability of the President to lead effectively. I do think some kind of judgment needs to be given on the President's conduct. What kind of judgment it is will depend on the evidence. But even on the basis of the information we now have, we cannot permit the impression to prevail that the President's behavior is acceptable.

WELCOMING AND CONGRATULATING PRIME MINISTER ATAL BIHARI VAJPAYEE OF INDIA

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to welcome Prime Minister Atal Bihari Vajpayee of India on his visit to the United States and meeting at the United Nations. This is Mr. Vajpayee's first visit to the United States since he was sworn in as Prime Minister for the second time on March 19, 1998.

On September 24th, the Prime Minister will address the 53rd Session of the United Nations, and shortly thereafter Mr. Vajpayee will receive the distinguished Dr. Ambedkar Award for this tremendous government service on behalf of the Indian people. The award will be presented by the founder and president of the Ambedkar International Mission U.S.A., Mr. Hardyal Singh. Dr. Ambedkar was the author of the Indian Constitution and was India's most prominent and vocal proponent of equal rights for Scheduled Castes.

Prime Minister Vajpayee's long and impressive parliamentary career began in 1957 when he was just 22 years old. Mr. Vajpayee was briefly Prime Minister in 1996 and later became the Opposition Leader.

The Prime Minister is also known as a scholar and an articulate speaker. He has published several collections of his poems and speeches including "Lok Sabha Mein Atalji", "Mrityu Ya Hatya", and "Amar Aag Hai." Mr. Vajpayee has also been an editor of several Hindi newspapers.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Prime Minister Atal Bihari Vajpayee has dedicated his career to the uplifting of Scheduled Castes and Tribes, promoting women's rights, and defending child welfare.

On behalf of the House of Representatives I welcome this able leader to our country and hope his stay proves to be a productive one.

"STRIGHT-UP" PROGRAM HAILED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to four outstanding constituents of mine who have made a real contribution to fighting drugs in Northeastern Pennsylvania: Gene Fischi, Al Ottensman, Paul O'Malia, and David Stefanoski.

These four men are the founders of an anti-drug initiative called the "Straight-;Up" program that involves prisoners at the Luzerne County Correctional Facility travelling to area high schools and colleges to tell students about life in prison and how drugs ruined their lives and led to their incarceration. The detailed, first-person stories conveyed by these prisoners can convey a powerful message to teenagers about the dangers of drug abuse. Given rising concern in Northeastern Pennsylvania and throughout the nation about the perils of teenage drug abuse, this sort of innovative program is an eminently worthy endeavor.

The "Straight-Up" program could not have survived since April of 1996 were it not for the dedicated work of Luzerne County Correctional Facility Warden Gene Fischi, and Sergeant David Stefanoski, Lieutenant Al Ottensman, and Lieutenant Paul O'Malia of the Luzerne County Correctional Facility. Their efforts have already affected over 21,000 Luzerne County youth. I am pleased to have had this opportunity to bring their accomplishment to the attention of my colleagues and I wish them and the "Straight-Up" program future success.

TRIBUTE TO DR. HENRY WARREN BLAKEMAN, JR.

HON. JOHN COOKSEY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. COOKSEY. Mr. Speaker, Dr. Blakeman is Senior Minister of St. Paul's United Methodist Church in Monroe, Louisiana. He has been minister of churches in Baton Rouge, New Orleans and most recently, Senior Minister of the 3,000 member Broadmoor United Methodist Church in Shreveport where services were broadcast each Sunday over Television Channel 3. He has also been District Superintendent of the New Orleans and North Shore Districts.

He has served on the Board of Pendleton Methodist Hospital and is currently on the Board of the Louisiana Methodist Foundation. He has directed various civic financial drives and is a consultant for the Biedenharn Bible Museum and Research Center.

Dr. Blakeman collects antiquarian books and manuscripts (dating back to 1247 AD), classic mystery fiction and enjoys classical music. His library contains over 5,000 volumes.

He is married to Mary Lou who is a prison psychologist (specialist degree) and they have three children, Jeff, Jennifer and Julie, and one granddaughter, Katie.

TRIBUTE TO DR. HERATCH DOUMANIAN

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to pay tribute to one of Northwest Indiana's leading physicians, Dr. Heratch Doumanian, of Merrillville, Indiana. On Sunday, September 30, 1998, Heratch will be honored by the Asian American Medical Society for his selfless, exemplary service to society, the community, and the medical profession. This Sunday, for his dedicated, consistent community work, Heratch will be awarded the Crystal Globe Award, the Asian American Medical Society's highest service award.

Each year, the Asian American Medical Society honors a prominent, extraordinary resident of Northwest Indiana for their outstanding contributions to the community. In recognition of their tremendous efforts for the betterment of Northwest Indiana, they are honored at a banquet and awarded the prestigious Crystal Globe.

This year's recipient, Dr. Heratch Doumanian, is one of the most caring, dedicated, and selfless citizens of Indiana's First Congressional District. As a physician, Heratch serves as not only a respected member of the medical community, but also as a teacher, a mentor, and a community volunteer. He offers his services and time to many professional organizations including the Radiologic Society of North America, the American Medical Society, the Lake County Medical Society, the Indiana State Medical Society, the American College of Radiology, and the Asian American Medical Society. In addition, Heratch served as the President of St. Mary's Medical staff in 1995, is a present member of the St. Mary's Medical Quality Assurance Committee, and served as the President of the Asian American Medical Society in 1988.

Since 1966, Heratch has served as a Radiologist at both the Diagnostic Outpatient Center, and the St. Mary Medical Center. In addition, he shares his knowledge as a teacher at the Indiana University Northwest Medical School. Before starting his work in 1966, Heratch attended the American University, in Beirut, Lebanon, and in 1957 he graduated from its Medical School. After graduation, Dr. Doumanian came to the United States and completed two Internships in Chicago, Illinois, at the St. Bernard Hospital from 1957-1958, and the Michael Reese Medical Center from 1959-1960. In 1960-1962, Heratch served our country as a Captain in the United States Army Medical Corps. After his military service, he completed a Residency at the University of Chicago Hospital, and he earned a Fellowship from the University of Minnesota, in Minneapolis, Minnesota. When his Fellowship ended in 1966, he moved to Northwest Indiana and began his successful medical and community work for the people of this region.

While Heratch has dedicated considerable time and energy to his work as a physician, he has always made an extra effort to give to the community. He is currently very involved in the Armenian Assembly of America, and serves the organization as a Fellow Trustee. Additionally, he is a Parish Council Member of the St. Joachim and Anne Armenian Church, and is a member of the Armenian General Benevolent Union, Chicago Chapter. Although his work and community service often limits his time, Heratch has never limited the time he gives to his most important interest, his family. He and his wife, Sonya, have three children: Greta, a lawyer; John, a medical student; and Leo, also a medical student.

The Hippocratic Oath discusses how a doctor or medical professional should conduct his life, public and private. ". . . I will lead my life and practice my art in uprightness and honour; that into whatsoever house I shall enter, I shall be for the good of the sick to the utmost of my power, holding myself far aloof from wrong, from corruption . . ." When Heratch moved to Northwest Indiana in 1966, he brought with him a dedication to uprightness and honor that has touched many lives. His dedication to the community and his family, in addition to his commitment to the unfortunate and sick are clear examples of one man working to the utmost of his power and ability. We in Northwest Indiana are lucky to be the recipients of his service.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in congratulating Dr. Heratch Doumanian for receiving the 1998 Crystal Globe Award from the Asian American Medical Society. Truly, Heratch has earned this recognition. His service, dedication, and altruism inspire us all to greater deeds.

IN HONOR OF HIS HOLINESS POPE SHENOUDA III

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to welcome Pope Shenouda III of the Coptic Orthodox Church to the United States and specifically the New Jersey/New York region.

The Coptic Church is responsible for many contributions to Christianity, including the Nicene Creed which is today recited by Christian churches around the world and thousands of biblical and theological texts produced by the early Coptic Church. Today those texts are valued by historians and theologians alike.

Pope Shenouda III is a profound theologian, an eloquent preacher, an accomplished author, and an able leader of Christian unity. Before his consecration as Pope, His Holiness was a successful student, a charismatic teacher, and a pious monk:

Since his consecration in 1971, Pope Shenouda III has led the Coptic Orthodox Church to a world-wide resurgence. In North America alone, the Coptic Church has established over 70 new churches in the last twenty years.

Pope Shenouda III has traveled around the globe in the interest of Christian unity. In 1973, His Holiness was the first Coptic Pope to visit the Vatican in over 1,500 years. His Holiness has also kept in close contact with sister Orthodox churches with visits to Constantinople, Moscow, Romania, Bulgaria, and Antioch. Pope Shenouda III has also advanced relations with many Protestant churches as shown by his dialogue with the World Alliance of Reformed Churches in 1993.

Before I conclude my remarks, I would like to thank the Consul General of Egypt in New York, Soheir Zaki, for hosting a reception for His Holiness today.

On behalf of my colleagues, I welcome Pope Shenouda III on his visit to this country, and hope that his stay is a pleasant and fruitful one.

IMPLEMENTATION OF THE UNITED NATIONS SETTLEMENT PLAN FOR WESTERN SAHARA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. HAMILTON. Mr. Speaker, I believe the 1997 Houston Accord, negotiated under the leadership of U.N. Secretary General Kofi Annan by his Personal Envoy, former Secretary of State James A. Baker III, offers the best hope for achieving a just and lasting solution to the question of the Western Sahara. However, I am concerned that the parties to the plan—the Government of Morocco and the Polisario Front—are not doing enough to meet their commitments under this agreement. A lack of cooperation by the parties is impeding the progress of the U.N. Mission for the Referendum in Western Sahara (MINURSO). On August 7, 1998 I wrote to President Clinton concerning MINURSO and implementation of the Houston Accords, and on August 31, 1998 I received a reply. The text of the correspondence follows:

COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, August 7, 1998.

The PRESIDENT,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: I write to urge you to support actively the full implementation of the United Nations Settlement Plan for Western Sahara. I commend the commitment by UN Secretary General Kofi Annan to resolving this decades-long conflict as well as the extraordinary leadership and accomplishments of his Personal Envoy, former Secretary of State James A. Baker III, in successfully negotiating the 1997 Houston Accord. I believe this agreement offers the best hope for achieving a just and lasting solution to the question of the Western Sahara.

The parties to the plan—the Government of Morocco and the Polisario Front—are not doing enough to meet their commitments under this agreement. Implementation of the first phase of the Houston Accord is already some six months behind schedule, with further delays likely. I believe the United States has an important interest in the full and timely implementation of both the Houston Accord and the underlying UN Settlement Plan.

I would like to bring to your attention three areas where a lack of cooperation is impeding the progress of the UN Mission for the Referendum in Western Sahara (MINURSO).

First, the two parties, as well as Algeria and Mauritania, have not concluded a status-of-forces agreement (SOFA) to facilitate the deployment of MINURSO-formed military units—including some U.S. forces. To ensure the orderly, peaceful conduct of the referendum, those forces are set to be increased as the Houston Accord enters its second phase. I do not see how the United Nations can deploy this force without a clear, prior agreement from all parties on the conditions under which they would operate.

Second, the UN High Commission for Refugees (UNHCR) does not yet have an agreement with the Government of Morocco to formalize its presence in the Western Sahara, as is required by the Houston Accord. Without an agreement allowing it to operate freely, the UNHCR has made no progress on organizing the safe and voluntary repatriation of the Western Saharan refugees from camps in Algeria and Mauritania.

Third, the Government of Morocco has imposed restrictions on MINURSO aircraft. I am concerned about attempts to dictate to the United Nations who it may and may not transport on its own planes, and urge you to encourage the Moroccan government to refrain from such interference with MINURSO's work.

I believe U.S. support is critical to the successful implementation of this peace plan. The United States should have its own officials on the ground to report on MINURSO's progress, should press the parties directly to carry out their commitments to the peace plan, and should give strong support to the efforts of former Secretary Baker. I understand that Secretary Baker, acting on behalf of the UN Secretary General, may reconvene the Houston conference that produced this agreement, and I hope you will support his diplomacy in full.

Sincerely,

LEE H. HAMILTON,
Ranking Democratic Member.

THE WHITE HOUSE,
Washington, August 31, 1998.

Hon. LEE H. HAMILTON,
House of Representatives,
Washington, DC.

DEAR LEE: I received your letter concerning the Western Sahara, and I agree with your views on the importance of full implementation of the United Nations settlement plan. I also share your concern over the slow pace of progress.

United States officials at the United Nations and in the region constantly monitor developments affecting the U.N. Mission for the Referendum in Western Sahara (MINURSO). As you are aware, the United Nations is working with Morocco, Algeria, and Mauritania to conclude a status of forces agreement (SOFA). We recognize the importance of having a SOFA in place and will continue to urge progress.

Regarding the U.N High Commission for Refugees (UNHCR), I am encouraged by the recent agreement between Moroccan and UNHCR delegations in Geneva to allow UNHCR to operate freely. UNHCR is awaiting confirmation from the Government of Morocco before proceeding, but anticipates a favorable decision.

We continually discourage Government of Morocco restrictions concerning who may and may not travel on MINURSO aircraft. As the recent presence of congressional staff on MINURSO flights demonstrates, Moroccan restrictions have not affected our ability to support the U.N. process. That said, we continue to urge the Government of Morocco to lift these restrictions, which cause Morocco to be viewed in an unfavorable light by the international community.

The U.S. embassy closely follows the settlement process in the Western Sahara through visits to Western Sahara proper and to refugee camps in Tindouf. We have also placed a U.S. official, on a short-term basis, in Western Sahara to observe and report on developments. The United States will continue to take every opportunity to urge the Government of Morocco and the Polisario to work with the United Nations in resolving this longstanding dispute.

Again, thank you for sharing your concerns on this important issue. I appreciate the active interest and positive involvement of Congress in supporting the U.N. peace process and the full implementation of the Houston Accords.

Sincerely,

Bill.

AN "OUTSTANDING COMMUNITY"

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KLINK. Mr. Speaker, I rise today to recognize the great township of Cranberry, Pennsylvania for being honored by the Pennsylvania Commerce of Business and Industry as "Outstanding Community" 1998. The award was presented on September 14, 1998, in Hershey, PA.

Founded in 1804, Cranberry has grown into a thriving township that offers a prosperous job market and a high quality of life for its citizens. Since 1990 alone it has gained more than 1,180,000 square feet of new commercial construction. Their economy is a model for the modern economy based in retail trade and the service industry. For these reasons the Pennsylvania Commerce of Business and Industry chose to honor them this year.

This is a great accomplishment for Cranberry Township as they are the first township of this size to receive the award. They provide an example for other small communities in this country on how to succeed and compete economically.

CELEBRATING KIDS DAY AMERICA

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to the annual Kids Day America, a nationwide event that educates children about the importance of good health. Taking places at thousands of doctors' offices, Kids Day America offers health screening, educational program, fingerprinting and identification photos, among other services. This event is intended to protect the health and safety of our children—our most precious treasures.

In my Congressional District, Kids Day America was held Saturday, September 19, at the Rochelle Family Chiropractic Center in Rochelle Park, headed by Dr. David Hager. The funds raised this year will go to the Conklin Youth Center's Caring and Sharing Project in Hackensack. This important program provides care for abused children who have been removed from their parents' homes.

Free scoliosis screening and dental screening was offered to children who attended Saturday's event. In addition, the Rochelle Park Police Department fingerprinted and photographed children for identification purposes. Police officers also explained the DARE anti-drug program. McGruff the Crime Dog, Joey the Clown and free balloons helped make the event fun and entertaining for children.

Promotion of DARE—Drug Abuse Resistance Education—is one of the two most important components of Kids Day America. Before DARE was established in 1983, U.S. schools had virtually no formal program to teach children about the dangers of illegal drugs and provide them with the skills to resist drugs. The DARE program is a 17-week-long course taught from elementary to high school levels by specially trained police officers across the country. The program now reaches an estimated 26 million children in 75 percent of our nation's schools.

The other key component of Kids Day America is health care for children. This program recognizes that it is essential that our children receive the highest quality of health care and that is a goal to which I am unequivocally committed. I have strongly supported programs to make health insurance more widely available to children of the working poor—those whose parents fall in the vast chasm between Medicaid eligibility and the ability to afford private health insurance. The health of our nation's children is far too valuable to allow it to be threatened by the lack of adequate insurance coverage. The impact of poor health care is far greater for children than it is for adults: stunted growth, lifetime disabilities and even early death can result from failure to properly treat childhood disease. To allow innocent children to suffer when proper care is available is unconscionable.

Mr. Speaker, health and safety are key factors in the development of our children into active, productive adult citizens. If started in childhood, proper health and safety habits can be maintained for a lifetime. This event helps promote those values.

I ask my House Colleagues to join me in congratulating the sponsors of this event on their spirit of caring for our young people.

PERSONAL EXPLANATION

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. BURTON of Indiana. Mr. Speaker, on Friday, September 18, 1998, I was absent from the House due to a serious illness in my immediate family. As a result, I missed three rollcall votes. Had I been present, I would have voted "No" on rollcall vote number 450; "no" on rollcall vote number 451; and "aye" on rollcall vote number 452.

IN HONOR OF EDUARDO L. DURAN

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to an exceptional gentleman, Mr. Eduardo L. Duran, for his many years of honorable service to the community.

Mr. Eduardo L. Duran arrived in America 38 years ago in search of his long lost love and now wife Xiomara. Over the years, Mr. and Mrs. Duran experienced economic and social struggles as they raised their four children. Their struggles were due to the inability of speaking English and leaving a successful business behind in their native land. Mr. Duran, after several business ventures, was fortunate and successful enough to have his wife dedicate herself to raising their children, Alexander, Diane, Eduardo II, and Claudia Tatiana. After establishing his businesses, Mr. Duran became involved in his community. He is a member of the Hispanic Mercantile Federation, active partner of the Cuban American Foundation, member of the Lions Club, and founding member of the Latin American Kiwanis Club of West New York.

Mr. Duran along with Jose Alvardo, Jorge Quintana, and Joseph Menendez helped found and charter the Latin American Kiwanis Club of West New York in February 15, 1995. Today, as one of the five Board of Trustee members, he holds the title of the second-vice-president. The other trustees are his son Alexander, President; Robert Arreaga, first-vice-president; Maria E. Smith, Secretary, and Maria Elena Pacheco, Treasurer. In my regards, Mr. Duran should be honored and recognized for his unique contributions to the community.

It is an honor to have an outstanding gentleman such as Mr. Eduardo L. Duran residing in my home state serving the residents of my district. I ask that my colleagues rise with me and applaud this remarkable example of community service at its best.

IN MEMORY OF REV. DONALD SELMER LINTVET

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. SKELTON. Mr. Speaker, recently, my hometown of Lexington, MO, lost one of its most beloved citizens. Rev. Donald Selmer Lintvet, 77, passed away at his home on August 13, 1998.

Rev. Don Lintvet was born in Hawley, MN, on March 4, 1921. He attended school there, and after graduating from Lake Park High School, he received degrees from the Industrial College of Minnesota and the Detroit Lakes Business College. In addition, he attended both Baylor University and Rockhurst College for several years, as well as Trinity Theological Seminary, San Francisco Seminary, and Toledo Bible College.

Don's studies were interrupted by his service to the United States in the U.S. Army. Immediately before World II, Don served as a finance officer in Panama at the Panama Canal Zone. During World War II, he served stateside in the 2nd Armored Division at Fort Benning, GA, the Paratrooper Division at Indianapolis, IN, and at Fort Hood, TX.

After the conclusion of the war, Don came to Lexington, MO, the hometown of his wife, George Lynn. In Lexington, he once again served in military uniform, as Assistant Commandant at Wentworth Military Academy. Soon thereafter, he was recalled to active duty by the Army during the Korean War.

For years, Don worked in the credit and banking industry. He worked at the Bureau of Internal Revenue and at Riss and Company in Kansas City. He was also employed for twenty years as a Retail Credit Manager at Western Auto in Kansas City. While working at Western Auto, Don was appointed Vice President of the International Consumers Credit Executive Association.

Don joined the Bank of Tulsa in 1968, and also served as Vice President of the Bank Americard (now known as VISA) Center for several years. In 1972, he instituted the Bank of Americard facility in St. Louis and oversaw the development of the facility. Later, Don joined the Noland Road Bank of Independence, MO, and became an executive member of the Board of Advisors to the Bank of America in San Francisco, CA.

Don Lintvet ended his active business career in 1979 due to health problems, however, his professional life took a turn which led him to the Christian Church. On October 10, 1980, Don was ordained as a minister in the Disciplies of Christ church, and he served as a minister at churches in Lexington, Dover, Bates City, and Hardin. His most admired contribution to the ministry was as a volunteer chaplain at the Lafayette Regional Health Center. From 1980 to 1990, Don served more than 11,000 hours of volunteer service at the hospital.

Early in his life, Don played baseball for the minor league Fargo-Morehead Twins at Fargo, ND, and the major league Cleveland Indians, and of his many affiliations, Don enjoyed being on the committee of the Board of Amateur Sports Hall of Fame in Kansas City. He was also a music enthusiast and he was an active member of the Tulsa Opera Company and the Christian Church choir in Tulsa, OK. He was a 58-year member of the Masonic Lodge AM FM #149, a member of the Lexington American Legion/Thomas Cullom Post, and a member of the Masons in Balboa Canal Zone. In addition, Don was one of ten Missourians nominated for the Outstanding Senior Volunteer for the state of Missouri.

Don is survived by his wife, George Lynn, one son, one sister, two grandchildren, two step-grandchildren, one niece, two nephews, two great-nieces, and one great-nephew.

Mr. Speaker, Rev. Donald Lintvet was a man of honor and dignity. His service to his nation, to his community, and to his God are highly commendable. He is truly a role model for all Americans. I am certain that the Members of the House will join me in paying tribute to this honorable Missourian.

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Ms. SANCHEZ. Mr. Speaker, on rollcall vote 450, I was unavoidably detained. Had I been present I would have voted "aye."

Mr. Speaker, on rollcall vote 451, I was unavoidably detained. Had I been present I would have voted "aye."

Mr. Speaker, on rollcall vote 452, I was unavoidably detained. Had I been present I would have voted "no."

THE 424TH MEDICAL LOGISTICS BATTALION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. SAXTON. Mr. Speaker, I rise to congratulate and pay tribute to the men and women of the 424th Medical Logistics Battalion headquartered at Pedricktown, New Jersey. In particular, I wish to salute the 14 soldiers who are returning home from an eight month deployment to Bosnia. On October 4th, 1998, the 424th Medical Logistics Battalion will welcome home these 14 members in a celebration at the 424th Reserve Center in Pedricktown, New Jersey.

The detachment, commanded by Captain Linda Estacio, deployed last September and was stationed at the Blue Factory near the town of Tuzla, Bosnia. The detachment was responsible for all of the medical supplies, blood products, and medical equipment repair for all of the American forces and some multinational units in the northern section of Bosnia, a responsibility that cannot be overestimated nor underappreciated.

Today, U.S. servicemen and women continue to serve in Bosnia in an effort to again secure peace in Europe. These dedicated individuals, who have served so honorably, have the difficult task of fulfilling the commitments made by American foreign-policy makers. The members of the 424th represent the steadfast dedication and honorable service that continue to make our nation proud of our Armed Forces.

I wish to commend these soldiers, Cpt Linda Estacio, 1LT Carmen Bellthomas, SFC Frank Newhart, SFC John Vangeyten, SFC Richard Czeponis, SGT William White, SGT Ronnie Simons, SGT Bruce Phillips, SGT David Lewis, SPC Ronald Meixsell, SPC Kenneth Johnson, SPC Pamela Jones, SPC Michael Mills and SPC Derrick Sterling, for they are the inspiration for those who serve our country today.

100TH ANNIVERSARY OF HAWTHORNE, NEW JERSEY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Borough of Hawthorne on its 100th anniversary as an independent borough in the State of New Jersey. The people of Hawthorne this year are celebrating the many virtues of their wonderful community. Hawthorne is a good place to call home. It has the outstanding schools, safe streets, family oriented neighborhoods, civic volunteerism and community values that make it an outstanding place to live and raise a family.

Hawthrone was officially incorporated as a borough one century ago, but its qualities have been known for nearly three centuries. Among the earliest settlers of Hawthorne were the Ryerson brothers, who purchased 600 acres of land in 1707. Their property extended from the Passaic River to what is now Diamond Bridge Avenue and from the crest of Goffle Hill to Lincoln Avenue. One of the Ryerson's homes, built in 1740 and destroyed by fire in 1950, served as General Lafayette's headquarters during the Revolutionary War. A monument erected by the Passaic County Park Commission marks the spot at 367 Goffle Road. Another Ryerson home survives as a restaurant.

Saw mills were the earliest industrial operation in Hawthorne, as trees cut to clear land for farming were turned into lumber for construction. Grist mills followed to process the grain raised by the farmers.

Located in Passaic County, Hawthorne originally was part of Manchester Township, which also included communities now known as Totowa, Haledon, North Haledon, Prospect Park and part of Paterson. Hawthorne was established as an independent borough on March 24, 1898. The other communities eventually declared their independence as well and Manchester Township ceased to exist.

There are two theories on the origin of the borough's name. One is that it was named for the profuse growth of the thorny Hawthorne bushes early farmers had to clear from their land before cattle could safely graze. The other is that it was named for the author Nathaniel Hawthorne. The true answer is lost to history. Nonetheless, the name is honored and revered and deserves the good reputation it has enjoyed for a century. It is one of the finest communities in our state.

Hawthorne's first mayor, Dr. Sylvester Utter, was elected April 12, 1989. Adam Vreeland was chosen as assessor and William H. Post as tax collector. The councilmen were Albert Rhodes, Frank Post, Daniel Van Blarcom, Martin Marsh, John V.B. Terhune and Arthur F.J. Wheatley.

At the turn of the century, farms were already disappearing to make room for housing development and Hawthorne's population stood at 2,500. By 1908, large tracts of land were being developed for homes. The Arnold Brothers Co. developed land from Elberon to Tuxedo Avenues. The Rea Land Co. developed the northern end of town and Hawthorne Parks Estates developed the eastern section. By 1910, the population totaled 3,500.

One of the new government's first steps was to secure $19,000 in loans to renovate school buildings, including the Lafayette School, the Washington School and a one-room schoolhouse on Goffle Road. The Franklin School was built in 1910. The Lafayette School eventually became the borough municipal building but was destroyed by fire in 1979. A new municipal building was constructed on the same site.

The post-World War I boom of the 1920s brought more new homes, a variety of industrial and commercial enterprises and two new schools. Goffle Brook Park was established in 1927 by the Passaic County Park Commission, quickly becoming the setting for band concerts and baseball games. The park remains a setting for community events to this day. The First National Bank of Hawthorne, the Hawthrone Public Library and the Masonic Temple were all opened in 1928. The same year, the Hawthrone Chamber of Commerce was established and local chapters of the American Legion, Rotary Club and Veterans of Foreign Wars were opened.

The 1930s saw construction of Hawthorne High School, the beginning of the Hawthorne Women's Club and the Hawthorne Child Welfare League. The population in 1930 soared to 12,000—a 13 percent increase from 1920 reported to be the second-highest increase in the United States.

Hawthorne today has a population of more than 17,000 and plays an essential role in the active economy of the region. Hawthorne has enjoyed a history of good, sound local government, a tradition carried on today by Mayor Fred Criscitelli, Council President Joseph Metzler, Council Vice President John Lane and Council Members Marge Shortway, Lois Cuccinello, Richard Goldberg, Patrick Botbyl and Eugene Morabito. Former Mayor Louis Bay 2nd, who retired in 1987 after 40 years of continuous service, set a record for consecutive terms as mayor.

Hawthorne is one of the finest communities in the State of New Jersey. This community is symbolic of traditional American values. The residents work hard, are dedicated to their families, support their schools and volunteer to help their neighbors. I ask all my colleagues to join me in wishing all its residents continued success as their borough enters its second century.

IN HONOR OF DOVER, MO, CHRISTIAN CHURCH'S 150TH ANNIVERSARY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. SKELTON. Mr. Speaker, today, I wish to pay tribute to the parishioners, past and present, of the Dover, Missouri, Christian Church, who will celebrate the Church's 150th anniversary this year.

The long history of the Dover Christian Church, located just east of my hometown of Lexington, MO, began in the decades before the War Between the States. In the early part of the 19th Century, two men, Thomas and Alexander Campbell, father and son, came to Missouri from Virginia. These men brought with them the idea of a new faith which fostered the dream of uniting all Protestant denominations. The little town of Dover accepted this tenet, and in August of 1824, the Dover Christian Church was organized.

The tradition of the Church's August meeting began in 1824. Over the years, this event has become the binding tie to the members of the Church and to the community of Dover. These meetings have been one of the biggest and most looked-forward-to events in the community. From 1824 to 1848, before there was a church building, Dover Christian Church's annual August meetings were held beneath three large elm trees that stood near a small bridge south of Dover. The current church facility was not completed until 1848.

Mr. Speaker, for over 150 years, the members of the Dover Christian Church have been gathering in friendship and in prayer. I am certain that the Members of the House will join me in paying tribute to the Church and its parishioners.

TRIBUTE TO ANTHONY MOCERI

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. COSTELLO. Mr. Speaker, I rise today to pay tribute to Anthony (Tony) Moceri. The International Brotherhood of Boilermakers Local 363 in Belleville, Illinois is naming their new hall for Tony Moceri.

Tony Moceri was a great union member. He got his union card in San Francisco and was initiated into Lodge 363 in 1942. He was a dedicated, hardworking member until his retirement in 1984. Mr. Moceri was elected Lodge Assistant Business Agent in 1963 and moved to Business Manager in 1966—a position he held for nearly twenty years. Under Mr. Moceri's leadership, an apprenticeship program was developed. This program, initiated by Mr. Moceri in 1974, has proven extremely successful.

Mr. Moceri was on the State Boiler Board and the Building Trades Committee. He also had the honor and distinction of serving on Senator Percy's Labor Task Force Committee.

Tony Moceri was married to his wife, Vera, for 44 years.

I would like for my colleagues to give special recognition in honor of Local 363 naming their new facility for Tony Moceri.

SARDINE FACTORY COCKTAIL LOUNGE AND RESTAURANT CELEBRATES ITS 30TH ANNIVERSARY

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. FARR of California. Mr. Speaker, I rise today to honor the Sardine Factory Cocktail Lounge and Restaurant on its 30th anniversary. The Sardine Factory is a local landmark, rising above Cannery Row. The founding owners, Ted J. Balestreri and Bert P. Cutino, have created a venue that is as trendy as it is historic.

The old oak bar in the Sardine Factory is reputed to have sailed to the West Coast around Cape Horn in southern Chile in 1919. In the Captain's Room, elegant antiques evoke the opulence of an Old World drawing room, with a risque touch of the Barbary coast. Historic photographs and oil portraits of sea captains line the walls, overseeing diners enjoying a fireside dinner. The glass dome of the Conservatory reflects the sparkling cut-glass of a spectacular chandelier, which hangs over a marble fountain amidst the verdure of a garden setting.

Ted Balestreri moved to the Monterey Peninsula with his family as a teenager and worked as a busboy to pay for his education. Ted, recognizing the possibilities of the hospitality industry, set out to Lewis Hotel Management School in Washington, D.C. to learn more. When Ted and Bert established the Sardine Factory, Ted took charge of the marketing and management, making sure the guests were warmly welcomed by personally greeting arrivals at the door.

Bert Cutino grew up near Cannery Row in a fishing family. After his start as a dishwasher at age 13, Bert's innate ability in the culinary field took him to the position of manager of a full scale restaurant by the age of nineteen. Bert became the culinary heart of the Sardine Factory whose creations continue to receive national recognition.

The Sardine Factory is widely known for its impeccably prepared fresh seafood, accompanied by superb wines, and exemplary service. Over these 30 years, celebrities, visitors and long-time residents and their guests, have sought out the Sardine Factory, to create new traditions in a setting evocative of long-ago times.

The Sardine Factory has grown in success and stature over its first thirty years. May it continue to achieve similar achievements long into the future.

INTRODUCTION OF LEGISLATION TO PROVIDE A TEMPORARY SOLUTION TO ENABLE FAMILIES TO RECEIVE THE FULL BENEFITS OF THE CHILD TAX CREDIT AND EDUCATION CREDITS FOR 1998

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation which provides a temporary waiver for taxable year 1998 of the minimum tax rules that deny many families the full benefit of nonrefundable personal credits, pending enactment of permanent legislation to address this inequity.

Recently, I introduced H.R. 4489, legislation which would allow nonrefundable personal tax credits (i.e., the child tax credit, the HOPE and lifetime learning credits, and the dependent care credit) to offset both the individual's regular income tax liability and the minimum tax liability and repeal the rule that reduces the additional child credit for families with three or more children by the amount of the minimum tax liability. Last week, the Committee on Ways and Means reported out the "Taxpayer Relief Act of 1998" which included a substantially identical provision to address the interaction between the minimum tax and nonrefundable personal credits.

H.R. 4489 and the "Taxpayer Relief Act of 1998" provide a permanent solution to ensure that families receive the full benefits of the child credit and the education credits. However, the "Taxpayer Relief Act of 1998" will almost certainly receive a Presidential veto and even if it were signed, I recently learned that Internal Revenue Service (IRS) would not be capable of implementing these changes in time for the 1998 tax year. For these reasons, I am introducing this new legislation that would provide a one year solution for 1998 to enable substantially all families to receive their full credits.

Under current law, the total allowable amount of nonrefundable personal credits may not exceed the amount by which the individual's regular income tax liability exceeds the individual's tentative minimum tax. For families with three or more children, an additional child credit is provided and this is reduced by the amount of the individual's minimum tax liability.

Under current law, all taxpayers who claim the child credit with incomes above $45,000 for joint filers and $33,750 for single filers will have to make at least a rudimentary minimum tax calculation. Many of these taxpayers will also have to fill out the full alternative minimum tax (AMT) form. Not only is the AMT complicated, it can penalize middle-income taxpayers who claim some of the new tax credits such as the child credit and the Hope Scholarship credit. The Department of Treasury estimates that in 1998, the alternative minimum tax will cause 800,000 taxpayers to fail to receive the full benefits of the child credit (Hope Scholarship credit and lifetime learning credit).

My new legislation makes nonrefundable personal credits allowable against the entire amount of an individual's regular tax liability for 1998 and it would repeal the rule that reduces the additional child credit for families with three or more children by the amount of the minimum tax liability. This is a one year solution for 1998 and the IRS is capable of making this change in time for the 1998 filing season.

Without enactment of this legislation, taxpayers who are planning to claim the child tax credit should be warned that the computation of their taxes will be difficult, time consuming, and unnecessarily complex. Without simplifying the child tax credit, the child tax credit form that will be required on next year's tax return is a nightmare. In a recent Wall Street Journal article, a tax expert stated that many people "will be totally overwhelmed" by required forms. The instructions and required forms total eight pages. The Internal Revenue Service has completed a time analysis for completing the AMT form which will be required for many taxpayers claiming the child credit and it takes approximately 5 hours to complete this form.

This legislation makes claiming the new credits, especially the child credit, simple compared to the draft forms that have been released by the IRS. Not only is this solution simplification for the 1998 tax year, it enables substantially all families to receive credits that they are entitled to for 1998. We need to enact this legislation to prevent the average family from having to pay a tax return preparer to receive the benefits that were promised.

I urge you to join me in cosponsoring this important legislative fix which should be enacted before Congress adjourns. This solution should be added to revenue neutral legislation to extend the expiring provisions. Also, we should continue to work on a permanent solution to ensure taxpayers receive their full credits.

THE JOHN MARSHALL LAW SCHOOL MARKS ITS CENTENNIAL "A LEGACY OF OPPORTUNITY, A LIFETIME OF ACHIEVEMENT"

HON. NANCY L. JOHNSON

OF CONNECTICUT

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mrs. JOHNSON of Connecticut. Mr. Speaker, my colleague THOMAS EWING and I submit the following tribute.

One hundred years ago, a group of Chicago lawyers shared a vision of legal education. They believed that there existed "the need for a school where men and women compelled to earn their own livelihoods could get a legal education." That vision became a reality when the John Marshall Law School opened its doors in 1899 with three students.

Over the years, the John Marshall Law School has added to its vision of legal education, most notably through several innovations. It has expanded the curriculum to include cutting-edge programs and degrees; it has increased its students services to include legal and writing professionals skilled in training students for the practice of law; and it has improved the law school facilities to include a three-building campus with a moot courtroom complex, a computer classroom, lecture halls and a modern conference center.

As the John Marshall Law School has succeeded through a century of opportunity and innovation, its alumni have reaped a legacy of achievement. Their success are a tribute to the John Marshall Law School . . . A Legacy of Opportunity, A Lifetime of Achievement.

LT. GERALD D. WHEATON TO RECEIVE THE BRONZE STAR

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. PETRI. Mr. Speaker, on Saturday, September 26th, I plan to be present—votes permitting—for a long overdue ceremony in Ripon, Wisconsin, for a true American hero.

It was December 15, 1967. Most Americans were getting ready for Christmas. But 1st Lieutenant Gerald D. Wheaton's artillery battalion had just taken over a position near Chu Chi in South Vietnam previously assigned to another battalion. Wheaton was the Battalion Ammunition Officer, and he knew he had a job on his hands when he found that his predecessor had left him with broken boxes, mixed lots, and in some cases missing charges. So he got to work—a time consuming and exacting job. The battalion had no ammunition trucks, so he had to beg and borrow vehicles for resupply.

Six weeks later, the North Vietnamese and the Viet Cong violated a ceasefire in order to launch their mammoth surprise Tet offensive throughout the Republic of Vietnam. The first days of the offensive were chaotic. Wheaton's brigade was given the mission to keep the main supply route open from Quang Tri Province to Camp Evans about 30 miles away. A North Vietnamese regiment attacked the garrison at Hi Lang and cut the supply road to Camp Evans.

Lt. Col. Robert E. Lee, Jr. (then a Major) says:

> I ordered Lt. Wheaton to move his ammunition section from Phu Bi to Quang Tri City and be prepared to resupply C Battery in the vicinity of Quang Tri City, a battery in the vicinity of Hi Lang and a 155 battery at LZ Jane. The batteries were approximately thirty miles apart. Lt. Wheaton loaded his section on two helicopters. At the time, we were not aware of the magnitude of the Tet offensive. The helicopters came under heavy ground fire and one turned back. Lt. Wheaton insisted his helicopter continue the mission. Lt. Wheaton's decision ensured his battalion was resupplied with ammunition.

Keeping his own battalion and a reinforcing artillery battery resupplied was a monumental challenge which Lt. Wheaton met despite great personal risk from land mines, sniper fire and ambush. Indeed, later Lt. Wheaton was seriously injured when his jeep drove over a land mine. His passenger was killed.

As a result of his efforts before and during the Tet offensive, Col. Lee believes that Lt. Wheaton's actions saved the lives of many American soldiers, so he recommended Lt. Wheaton for a Bronze Star.

But then, nothing happened. During the hectic days following the offensive the original recommendation was somehow misplaced.

During a reunion, Lt. Col. (Ret.) Lee learned that Lt. Wheaton had failed to receive the recognition he was due. So in July of last year Col. Lee contacted my office to see if we could right a wrong and help with a resubmission of the recommendations for Lt. Wheaton's awards. I was happy to help. The Army requires extensive procedures to make sure the awards it makes are merited, but over the course of a year we were able to demonstrate our case.

On Saturday, September 26 at 11 a.m. at the Ripon, Wisconsin VFW I plan to be on hand to offer my personal gratitude to Gerald Wheaton. We will be joined by Col. Lee and by Wheaton's former Battalion Commander, Col. (Ret.) William Malouche as Gerald D. Wheaton receives the Bronze Star for meritorious service, and the Bronze Star with a "V" Device for valor. I believe Lt. Wheaton deserves the full measure of recognition and congratulations that can be extended by this House on behalf of a grateful nation.

PERSONAL EXPLANATION

HON. SUE MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mrs. MYRICK. Mr. Speaker, I was unavoidably detained in my district and as a result missed rollcall votes Nos. 447, 448, and 449.

Had I been present for these votes, I would have voted "yes" on rollcall vote No. 447, "no" on rollcall vote No. 448, and "yes" on rollcall vote No. 449.

TRIBUTE TO JOHN WALLACE

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to John Wallace on his being honored as the Muscular Dystrophy Association's Humanitarian of the Year. Mr. Wallace has distinguished himself as a dedicated member of the community and is a highly regarded member of the media.

John Wallace grew up in San Rafael, California and went on to accomplish great things for himself and his community. A graduate of the University of Arizona, the College of Marin and the Borden School of Radio, John served in the United States Marine Corps Reserve before coming to the Central Valley and KYNO Radio. Currently the host of "47 This Morning" on KJEO–TV, John's Career has spanned 31 years and 15,000 broadcasts ranging from famine in Ethiopia to the Gulf War live from the Middle East. He and his wife Cheri have 5 children: Taylor, Carson, Cameron, Paige and Cassandra.

Dedicated to excellence in journalism and with a strong devotion to his family, John finds the time to serve his community in numerous capacities. He currently is in his sixth term as President of the Foundation for Clovis Schools. Additionally, John is a board member of West Care Inc., the Boys and Girls Clubs of America, and Chairman of "Journey into Sherwood," a Valley Children's Hospital benefit. In the past, Mr. Wallace had the honor of serving as President of the California Raisin Bowl, President of the Fresno State "Time Out Club," and as a member of the Fresno Police Activities League.

John Wallace is no stranger to honor, as he is continually receiving recognition for his outstanding dedication to community service. He was voted Leadership Fresno's "Alumnus of the Year" in 1989, in 1993 John was voted "Clovis Citizen of the Year," and in 1996 received the Volunteer Bureau's "Angel Award." John Wallace has proven himself a distinguished community leader.

Mr. Speaker, it is with great honor that I pay tribute to John Wallace for his selection as the Muscular Dystrophy Association's Humanitarian of the year. His service to the people of the community is unsurpassed and I ask my colleagues to join me in wishing John Wallace many more years of success.

TRIBUTE TO THE 1998 RETIREES OF THE STERLING HEIGHTS FIRE FIGHTERS UNION

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. LEVIN. Mr. Speaker, on Friday September 25, the Sterling Heights Fire Fighters Union will host their Annual Dinner-Dance honoring their 1998 retirees.

It is my distinct privilege to recognize the five retiring firefighters for their outstanding contributions to humanity. Fire Marshall Frederick B. Cowper's important contributions to his community include implementing educational and prevention programs for camps and local school districts. Battalion Chief Anthony Maltese has spent his career raising public awareness and providing courage and expertise in emergency situations. Captain James L. Twork has received recognition for his compassion, professionalism, and knowledge while performing his duties. Finally, Captain Michael J. Rudolph has taken on a variety of responsibilities throughout his career and received the Department Award of Valor in 1983.

These gentlemen have demonstrated acts of heroism and have performed above and beyond the call of duty. Indeed, the people of Sterling Heights have been well-served by their untiring care and concern.

Mr. Speaker, I ask my colleagues to join me in recognizing these gentlemen for their dedication, accomplishments and years of service. I wish them good health and happiness as they move forward in their lives.

DOLLARS TO THE CLASSROOM ACT

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, September 18, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3248) to provide Dollars to the Classroom:

Mr. UNDERWOOD. Madam Chairman, we have been charged by our constituents to construct and introduce wise legislation, yet today we are considering legislation which will severely hamper our Nation's efforts to improve our children's education. The Dollars to the Classroom Act is riddled with faults, such as providing no mechanism for accountability of Federal funds as well as funding general operating expenses rather than national educational priorities.

One of the major setbacks of this legislation is that it does not ensure that Federal education funds will reach our neediest students. The discretion will be left to the States, which in general have resulted in less targeted fund distribution when compared to Federal programs. In addition, past experience has proven that the consolidation of Federal programs into block grants has resulted in decreased appropriations for varied reasons, such as the lack of distinct Federal priorities and the lack of accountability language.

I am a parent and educator and I know that certain improvements can be made with our American educational system; but H.R. 3248 is not one of these improvements. If education is one of our top priorities in Congress, then we should not pass H.R. 3248. I urge my colleagues to vote no on this legislation.

ESTABLISH YOUTH SUICIDE AS A COMPELLING NATIONAL PRIORITY

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. PACKARD. Mr. Speaker, I rise today to urge support for a resolution I introduced last week that is of fundamental importance to every person who has ever had children and to every family that has suffered the loss of a loved one through suicide.

During this summer, while I was home in my district, I had the opportunity to meet my constituent Lisa Dove, the mother of Justin Dove who tragically committed suicide at age 16. Justin was a well liked child who lived with clinical depression and Attention Deficit Disorder. Despite several years of medical psychological treatments and antidepressant medications, Justin decided to take his own life.

The purpose of this bill would be to recognize the week of September 20–26, 1998, as Yellow Ribbon Youth Suicide Awareness and Prevention Week. This bill would also recognize that there is a need to increase awareness about youth suicide and make it a national priority. Finally, this legislation also encourages communities nationwide to increase awareness about and prevent youth suicide.

I would like to thank my original co-sponsor of this bill, the Honorable David Skaggs of Colorado. I would also like to recognize the Light For Life Foundation of America and their founders, the Emme family, who tragically lost their teenage son, Michael to suicide in 1994. It was through the vision of the Emme family that the Yellow Ribbon Program, which is now responsible for saving over 1,000 teenage lives since its inception, has become a reality.

Mr. Speaker, I hope this resolution will increase awareness and help reduce the number of teenage suicides.

THE VETERANS PERSONAL SECURITY ACT

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to introduce the Veterans Personal Security Act. This bill is the direct result of several incidents at the Lyons VA Medical Center in my district.

In late May, a Korean War Veteran who was a psychiatric patient at Lyons walked away from his ward, unnoticed. Several hours later, when he was discovered missing, the VA police began to search the medical center's extensive campus. That search, however, was called off, allegedly because the VA could not pay police overtime to continue. Two days later, the patient was found dead in a ditch adjacent to the main administration building. This veteran's death, and the lack of a proper search, is an atrocity.

In that incident, the VA did notify the local Bernards Township Police Department, but a coordinated search was not requested. I also understand that Lyons VA medical center has had a series of alleged rapes reportedly occur on its campus. These incidents have not been reported to local law enforcement agencies, and as a result, rumors have been circulating among veterans, as well as the local community, about what has actually happened at the medical center. Is there a threat to the safety and security of the community at large? One local police chief said that knowing the facts of these incidents will help him answer questions posed by his community, and hopefully help him ease their concerns that these crimes will spread beyond the medical center's boundaries.

The Veterans Personal Security Act would require the VA police to immediately notify local law enforcement agencies if a serious crime or similar incident occurs. That notification must be followed up within 48 hours with a more detailed, written notification. The VA would be required to notify local police if one of several crimes or alleged incidents occurs, including: a missing patient, the abuse or beating of a patient or staff member, the use or distribution of illegal drugs by a patient or staff member or an alleged rape or any other felony.

Additionally, the Veterans Personal Security Act would grant local law enforcement agencies jurisdiction to go onto VA property to investigate these crimes, or to help VA police search for missing persons, or provide whatever assistance is needed to resolve these incidents.

I recognize that many local law enforcement agencies are kept busy meeting the demands of their communities. However, it is oftentimes in the local communities' best interests that these situations are brought to their attention and that the police are made aware of them. The veterans who are treated at these facilities, the staff who work there, and the residents in the surrounding communities deserve to know when a crime or other alleged incident occurs. More importantly, they deserve to be protected. Their safety and security must not be compromised by weak links in communication between VA police and the local law enforcement officials.

Mr. Speaker, a veteran should not just "disappear" from a VA medical center, like the tragic incident at Lyons. When a veteran checks into a VA hospital anywhere in America, he or she expects and deserves peace of mind. The Veterans Personal Security Act should ensure that veterans seeking treatment at VA medical facilities will be protected from further harm.

SISTERLY LOVE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. CRANE. Mr. Speaker, as all of us know, family is the center of American life and I want to share with my colleagues an article which exemplifies the strong family ties found among our healthiest and happiest of families. The article was written by Courtney Toft about her sister, Nicole, who has Rett syndrome. The affection and devotion with which she writes permeates each word and demonstrates the unconditional love both girls have for one another. The close relationship between Courtney and Nicole is a direct reflection of the family life created by their mother, Carol Toft, who works in my District Office in Lake Villa, Illinois. Knowing of Carol's commitment and love for her family, my heart was touched by Courtney's comments about her sister and I simply wanted my colleagues to have an opportunity to read her article as it appeared in the September 1998 issue of the Rett Syndrome Association of Illinois Newsletter.

SISTERHOOD

(By Courtney Toft (age 16))

My sister, Nicole, turned nineteen on August 3. Her personality has changed throughout the years, but she has always kept the sparkling eyes and the smile that lights up the room. People always say, "I think she understands!" I know she understands! She knows so much more than we give her credit for. She is just like every single one of us except she can't express her feelings in words like the rest of us can. Having a sister with Rett syndrome has taught me so much. If Nicole had been "normal" our family would have had a different outlook on life.

Nicole has always been there for me. She listens to my deepest secrets and doesn't tell a soul. She laughs at all my jokes even if they are not funny and basically puts up with all my annoying habits. Of course, Nicole has her bad habits that the rest of the household has to put up with. Not that I'm complaining, but nineteen years of the Muppets and Sesame Street can be a little extreme. I think Nicole has been a blessing to our entire family. I don't know what we would have done without her.

There are so many stories to tell, but most of them are the ones that only a mother, or sister, could tolerate. Whenever you have a family with two girls close in age, there is competition. You would think that with us there wouldn't be any. Big mistake. Nicole has a boyfriend named Jason (cute couple!). I have a boyfriend named Jeff (cuter couple!) Nicole figures she should have both guys so she hits on mine. The sad part is, my boyfriend falls for her mischievous ways. Thinking from her point of view, I guess we really don't compete. She has everyone wrapped around her finger, and I think she knows it, too.

I might have missed out on some things related to sisterhood, like the part where Nicole was supposed to break Mom in to parenting a teenager. You know, all the bad habits: boyfriends, curfews, driving, and all the other things that every parent looks forward to. Things I haven't missed include time together styling her hair, polishing her nails, and going shopping. We recently had our first adventure together where she and I picked out some really cool clothes for her. Her eyes and smile told me that she thought it was the coolest thing!

We've grown up not only physically, but emotionally. We've developed an admiration for one another, and I'm very lucky to have a sister like her.

THE C-130 PROGRAM

HON. BOB WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. WEYGAND. Mr. Speaker, there has been a great deal of debate over the past couple of months regarding the C–130 aircraft included in the FY99 National Security Appropriations bill. These planes have been referred to as wasteful, unnecessary pork. I must respectfully disagree. Continuation of the C–130 program is of critical importance to our national security because it allows for a more complete integration of the Air National Guard with their active duty counterparts.

Although these aircraft have provided consistent and reliable service to our country, some of the ANG's fleet of C–130s are approaching 40 years of service. After the numerous years of activity, time has taken its toll on the planes. Some of the aircraft are heavily corroded and nearing the end of their service life. Mr. Speaker, replacing outdated aircraft is not "pork;" it's an operational necessity. Replacing outdated aircraft is not "pork" it's a safety issue.

For example, the 143rd Airlift Group of the Rhode Island Air National Guard is one of six units in the country still using the C–130Es. The requirements of the ANG and the active forces have outgrown the capability of the C–130Es. The cost of maintaining and updating these 30-year-old planes to operationally safe standards exceeds the cost of the modern, more capable C–130J or H aircraft. In addition, the Rhode Island ANG planes lack defensive systems that are a necessity in today's global climate. In particular, Rhode Island's C–130s have documented corrosion due to their years of service in the Pacific.

While serving our nation in Operation Desert Storm/Shield, Operation Provide Hope and in Bosnia, the 143rd was forced to use aircraft from other states due to their own inadequate fleet. Despite this hardship, the 143rd performed admirably.

Modernization of the fleet is a priority of the ANG and replacing the C–130 aircraft is a significant component of their plan. The ANG has outlined a modernization roadmap to reach their goals. This roadmap, based on sound operational necessity, calls for allocating aircraft based on military need, a plan endorsed by Maj. Gen. Paul A. Weaver Jr., Director of the ANG. As I am sure you are aware, the 143rd is scheduled to receive the next eight C–130s, which moves the Air Guard one step closer to completing its modernization.

In my view, modernization of our forces is an absolute necessity if we are to maintain an effective national security strategy. By first replacing the oldest and most inefficient aircraft, we can ensure our armed forces will be well equipped should the time come to act. I believe allocating the eight C–130s will be a significant step toward modernizing the ANG's fleet.

HONORING THE PHILADELPHIA PROTESTANT HOME

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. BORSKI. Mr. Speaker, I rise today to honor the Philadelphia Protestant Home on the occasion of the grand opening of their new healthcare center, Pathways at PPH. This outstanding organization has a 108 year tradition of caring for the senior citizens of all faiths of Philadelphia.

Located in Northeast Philadelphia, PPH provides care for seniors from that area and the surrounding counties. Over the years, the nonprofit home has grown from one small rowhome on York Street to a bustling 12 acre campus housing over 500 residents. PPH offers independent living, assisted living, and skilled health care. PPH strives to provide quality, affordable care and to create an environment in which seniors can enjoy their retirement years to the fullest. That environment includes a full activities program with concerts, swimming, bowling, exercise classes, crafts, religious services, trips, and other events. Each year, PPH provides almost one million dollars in benevolent care for seniors who have exhausted their resources.

PPH strives to be a good neighbor and assist other community groups. They provide assistance to seniors who remain in their homes through their non-profit home healthcare agency, CareMasters of PPH. They contribute to the quality of life in their neighborhood by opening their facility to these groups so that they have a place to meet and conduct their work. They sponsor free community events and always try to assist seniors from the community and their families and caregivers.

Pathways at PPH was made possible, in part, through the generous donations of time and money from many PPH residents, employees, family members, community members, supporting congregations, PPH Ladies Auxiliary, local businesses, and numerous others. I am grateful to them for their support of the senior citizens of Philadelphia and commend them for their dedication and hard work.

PERSONAL EXPLANATION

HON. WILLIAM L. JENKINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. JENKINS. Mr. Speaker, I rise today to explain my vote on House Resolution 525. Rollcall vote 425 took place on Friday, September 11. I was present and was participating on the floor during the vote, but failed to have my vote officially recorded by the electronic voting device. I wish to affirm that I fully support this resolution and would have been recorded as a "yes" if recorded electronically.

IN HONOR OF HISPANIC HERITAGE MONTH

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to celebrate Hispanic Heritage Month, a month long celebration beginning on September 15, and lasting until October 15.

America strives on the diversity of its people. As a nation, we pride ourselves on the fact that our national character is magnified by citizens who assert and respect cultural customs brought from other lands. Hispanics, nearly five-hundred years ago, came to this country in search of democracy, freedom and a better way of life.

Throughout history, Hispanic Americans have immensely contributed to the well-being and advancement of our nation. Through science, business, government, agriculture, academics and the Armed Forces, Hispanic Americans have made their presence known in American history. They have undauntedly fought to preserve democracy in America, having served in the United States Armed Forces in dimensions much larger than their percentage of the population.

Hispanic Heritage month is a time to acknowledge the contributions that Hispanic Americans have made to our country, and are continuing to make. Communities all over the nation are celebrating Hispanic Heritage Month, each in their own distinct manner. In Cleveland, the Cuyahoga Community College Hispanic Steering Council is coordinating the Festival Hispano, featuring performances, workshops and lectures celebrating Hispanic culture and tradition.

My fellow colleagues, please join me in sending a special thanks to the following organizations for their outstanding contributions to making the Cleveland Festival Hispano, such a success: Beck Center for Cultural Arts, Case Western Reserve University, Centro Cultural Hispano de Cleveland, City of Cleveland, The Cleveland Cinematheque, Cleveland State University, John Caroll University, Julia de Burgos Cultural Art Center, Cleveland Public Library, M.Q. Productions, Cleveland Museum of Art, Ohio Hispanic Social Service Workers Association, The Cleveland Orchestra, Phantasmagoria Gallery, Spanish American Committees, Cuyahoga Community College, and the Westside Vet Center.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1999

SPEECH OF

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 17, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes.

Mr. BURTON of Indiana. Mr. Chairman, Today I want this Congress to focus on a government that has spent years practicing torture on its own people. However, when you go home and turn on the evening news, good luck trying to find any story that reveals this particular human rights issue. And better luck getting this administration to pay any attention to the plight of thousands of innocent civilians.

We speak of tragedies all over the world this time of the year. We speak of the struggles in Africa, Cambodia, and Burma. We reprimand China for its draconian abortion policies and illegal human organ sales. We threaten to stop international military and educational training (IMET) from Indonesia for abuses in East Timor. We even criticize longstanding allies like Turkey for its treatment of its Kurdish citizens without addressing the brutal murders carried out by the PKK, a Kurdish Marxist terrorist organization.

Unfortunately, there is one human rights issue that continues to escape the attention of this administration, some Members of Congress and the media. That issue involves the plight of the Sikhs in Punjab or Khalistan; the plight of the Kashmiris; the plight of Christians in Nagaland; and the plight of the "untouchables", the lowest caste in India's caste system.

Mr. Speaker, the Indian Government is one of the world's worst human rights abusers. You may ask, well if that's true, why doesn't the world know?

Since the 1970's, Amnesty International and other human rights groups have been barred from India. Mr. Speaker, even the Government of Cuba allows Amnesty into their country.

In fact, there are half-million Indian soldiers occupying Punjab, and another half-million troops occupying Kashmir. Since 1947, India has killed over 200,000 Christians in Nagaland; 250,000 Sikhs in Punjab from 1984–1992; and 53,000 Muslims in Kashmir since 1988.

For the last sixteen years, I have been coming to this well to call attention to Punjab, where the Indian military receives cash bounties for the slaughter of innocent children. And to justify their actions, they are labeled "terrorists".

According to our own State Department, India paid over 41,000 cash bounties to police for killing innocent people from 1991–1993!

Also in Punjab, Sikhs are picked up in the middle of the night only to be found floating dead in canals with their hands and feet bound together. Some Kikhs are only so fortunate, many are never found after their abduction.

Recently, the India Central Bureau of Investigation (CBI) told the supreme court that it had confirmed nearly 1,000 cases of unidentified bodies that were cremated by the military!

And it does not get any better in Kashmir. Women, because of their Muslim beliefs, are taken out of their homes in the middle of the night and are gang-raped while their husbands are forced to watch and wait inside at gunpoint.

It was hoped that the new governments in Delhi and Punjab would stop the repression which the Indian Supreme Court describes as "worse than a genocide!"

Mr. Speaker, opponents will say the recent election in Punjab of a Sikh dominated coalition and the fact that an "untouchable" is now the President of India is evidence of their democratic progress.

But, I can tell you that this new government in Punjab is closely aligned with the authoritiarian BJP Prime Minister Gudjaral of India and India's "untouchable" president is merely a figurehead. Mr. Speaker, would democracies continue the rampant campaign of genocide?

On July 22, 1998, Baljit Singh, a Sikh youth of Burj Dhillwan Village, died of complications from torture-style brutality inflicted by the Punjab police.

Also in July of 1998, police picked up Kashmira Singh of the village of Khudial Kalan on the pretext that they were investigating a theft. They then tortured him for 15 days. They rolled logs over his legs until he couldn't walk; they submerged him in a tub of water; and they slashed his thighs with razor blades and stuffed hot peppers into the wounds.

On April 1, 1998, Brother Luke, a Roman Catholic priest was murdered in the eastern state of Bihar. His body was found with a bullet hole through the head. He was a member of Mother Teresa's world-renowned charity organization. This is the fourth priest in 2 years that has been murdered in India.

On October 30, 1997, Reverend A.T. Thomas was found beheaded also in Bihar, apparently killed for aiding the no-caste "untouchables." Amnesty International has linked the Bihar state government to the murder of Rev. Thomas! The Catholic Bishops conference of India has criticized the government for doing nothing to protect Catholic priests and for failing to prosecute those responsible.

On July 12, 1997, in Bombay, 33 Balits (black untouchables) were killed by Indian police during demonstrations.

On July 8, 1997, 36 people were killed in a train bombing in Punjab. Two ministers of the Punjab Government have blamed the Punjab police. The bombing occurred a day after 9 policemen were convicted of murder!

On March 5, 1997, a death squad picked up Kashmir Singh, an opposition party member. He was thrown in a van, tortured, and murdered. Finally, his bullet-ridden body was dumped out on the roadside.

These military forces operate beyond the law with complete impunity!

Mr. Speaker, the United States should not support a government that condones widespread abuses with our hard-earned tax dollars! It is time India is held accountable for its continued violation of basic human rights!

The Sikhs, Muslims, Christians, "untouchables," and women of India are desperately looking to this Congress for help. The time has come for action, it is time for America to take a stand!

Considering all this, the President still requested $56.5 million in development assistance for India in fiscal year (FY) 1999. That is an increase of almost $1 million over last year.

As everyone is aware, as a result of India's recent nuclear test, the President has imposed a broad range of sanctions on India for violation of section 102(b) of the Arms Export Control Act. Also known as the Nuclear Proliferation Prevention Act of 1994, or more popularly, the Glenn Amendment—it prohibits a variety of assistance and commercial transactions between the U.S. and any country if the President determines that that country—if it is a non-nuclear-weapon state—has detonated a nuclear explosive device.

India has disregarded regional and international stability by placing missiles and exploding thermonuclear weapons, fission weapons, and hydrogen bombs near the Pakistan border. Indeed, their behavior has been clearly unacceptable, and they are being properly punished. I applaud the President for his fortitude.

And, if the President continues to follow through with the current law, this should send a strong signal to the Indian Government that it is not going to be business as usual with the United States.

Mr. Speaker, the American people are tired of helping bullies who punish their own people and threaten neighbors. India is still the 5th largest recipient of U.S. foreign aid in the world; India is the world's largest borrower from the World Bank with more than $44 billion in loans; India votes against the U.S. at the United Nations more often than any other country, except Cuba.

It does not justify sending more hard-earned tax dollars to a country that claims to be the largest democracy in the world, but obviously shares none of our most cherished values.

Democracies don't commit genocide!

Let's put the brakes on the foreign aid gravy train to India!

Ask the President not to waver on his stance with India!

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80 YEARS OF HISTORY OF McGEE AVENUE BAPTIST CHURCH, BERKELEY, CA 1918–98

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Ms. LEE. Mr. Speaker, from an idea conceived by the late Reverend Silks Lincoln Tillman, a tiny Mission was organized in 1918 at 1934 Bonita Avenue in Berkeley, California. The purpose of the Mission was to meet the spiritual needs of the citizens in the rapidly growing city of Berkeley. The name, Mt. Pleasant, was given to the Mission because of the great love Reverend Tillman had for Mt. Pleasant Baptist Church in his native home of Mississippi. Rev. Tillman served both as Pastor and Sunday School Superintendent of Mt. Pleasant Mission.

During the early years, several ministers were called to the church during the period from 1921 through 1930. In 1930, the church was moved from its original location to its present site on the corner of McGee Avenue and Stuart Streets in Berkeley. During the Great Depression, the Mt. Pleasant Church building was destroyed by fire and was rebuilt under the direction of Pastor C. Brown. In 1935, Reverend James Dee Wilson accepted the pastorate of Mt. Pleasant Baptist Church. Through his leadership and ministry, Mt. Pleasant became a moving force in the life of Berkeley. In 1944, the name of the church was changed from Mt. Pleasant to McGee Avenue Baptist and incorporated during the same year.

Reverend Wadie H. Sypert, serving in the capacity of Assistant Pastor, accepted the call as pastor of the Church in 1950. He was a man of versatility and was an accomplished pastor as well as an educator. The mortgage of the Church was burned under his leadership and Rev. Sypert retired in 1971. Reverend James H. Stewart accepted the pastorate in October 1971. He took the reins of leadership with enthusiasm and expanded the church programs to great proportions. He upgraded the existing facilities and acquired additional properties.

During the late 70's and early 80's the church expanded its mission to feed the indigent and unemployed. Two hundred to three hundred persons are provided hot meals three days a week. After 21 years as pastor, Rev. Stewart retired in June, 1992. On February 21, 1993, Rev. D. Mark Wilson was installed as pastor of McGee Avenue Baptist Church. Within a 6-year period, Rev. Wilson has led the Church to new heights. McGee Avenue Baptists Church became a strong and well-represented Church in the American Baptist Churches USA and as a member of the Progressive National Baptist Convention.

Under Pastor Wilson's administration, the thousand members historic black Baptist Church has strengthened spiritual witness and fellowship with the congregation and in the local community. The Church has received funding from the City of Berkeley to expand its social justice ministries. It continues in collaborative efforts with local community-based organizations in establishing outstanding programs for youth and adults: HIV and Aids Education, Computer Literacy, Educational Aid and Bible Study.

Pastor Wilson is well known throughout the country as a dynamic preacher, musician and social justice activist. He has served on numerous boards and organizations as past Chair of the Political Action and Human Rights Committee of the Progressive Baptist State Convention and a former Northern California Regional Convenor of the American Baptist Black Caucus.

In 1996, the Church created the McGee Avenue Baptist Church Community Development Corporation for senior housing and facilities for the Church outreach program. Pastor Wilson, with the congregation, defined the motto and mission statement of the Church. On September 8, 1997, construction began on the McGee Avenue Baptist Church Kitchen Remodeling and its completion assured the continuation of its food project. McGee Baptist Church established a fully equipped Community Computer Center, instituted Home Bible Studies and has licensed and ordained a growing number of ministers of the gospel.

I join in joyous celebration with Pastor Wilson, the McGee Avenue Baptist Church members and its friends and look forward to continued growth, worship, grace and service to God and the people.

A SALUTE TO FATHER AUSTIN R. COOPER, SR.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. STOKES. Mr. Speaker, I am proud to rise today to pay tribute to Father Austin R. Cooper, Sr. Later this month, Father Cooper, who serves as a rector at Saint Andrew's Episcopal Church, will retire after 38 years of ministry and service to the church and community. As Father Cooper prepares to depart, the St. Andrew's Church family is hosting a series of special events to commemorate Father Cooper's extraordinary and distinguished career. I join St. Andrew's and the greater Cleveland community in saluting Father Cooper on this occasion. I want to share with my colleagues and the nation some information regarding this outstanding individual.

Austin Rellins Cooper, Sr., is the son of the late Benjamin and Louise Cooper. His parents were two very devout Anglicans from the Bahama Islands who came to America as teenagers. Father Cooper graduated from St. Augustine's College in Raleigh, North Carolina, receiving a Bachelor of Arts degree in Sociology. He received his Master of Divinity degree from Seabury-Western Theological Seminary in Evanston, Illinois.

Mr. Speaker, on September 15, 1970, Father Cooper was installed as rector at Saint Andrew's Episcopal Church. Before coming to Cleveland as a pastor, Father Cooper held other positions in the Episcopal Church including assignments which found him in Florida, New York and Texas. Father Cooper is greatly admired by his parishioners for his spiritual guidance, management of the church and leadership of the congregation. In fact, every place that Father Cooper has served has been touched by his determination and commitment.

When Father Cooper was installed as rector of St. Andrew's Church, the parish was suffering financially. Undaunted, Father Cooper wrote "A Master Plan for St. Andrew's Parish." The plan included parish renewal, neighborhood outreach, property acquisition and economic development. Under Father Cooper's leadership, an endangered church became a financially sound institution that bought its mortgage ahead of time.

With Father Cooper at the helm, Saint Andrew's Church has also been a beacon of light in the Cleveland community. The church has placed a strong emphasis on education, providing mentoring and tutoring programs for the youth of our community. As a testament to his efforts, I am proud to note that Father Cooper has served longer than any other priest in the history of St. Andrew's.

In addition to his work at Saint Andrew's, Father Cooper is a member of the Standing Committee of the Diocese of Ohio and he is listed in Who's Who Among Black Americans and Notable Americans. Additionally, he is the cofounder and past president of the Union of Black Episcopalians, and the past president and a life member of the NAACP, having received that organization's "Black Church Religious Leadership Award" and its "Distinguished Service Award."

Mr. Speaker, as he prepares to depart St. Andrew's, Father Austin Cooper, Sr., will be remembered as a strong leader whose selfless devotion is unmatched. I have been privileged to share a special friendship with Father Cooper and members of his family. He is someone whom I respect and admire. He is also a confidant whose wisdom and guidance has meant a great deal to me. I extend my best wishes to Father Cooper, his devoted wife of 37 years, Patty, and the Cooper children; Austin Rellins II, Angela and Patricia. I join the St. Andrew's Church family in wishing him Godspeed in the years to come.

DOLLARS TO THE CLASSROOM ACT

SPEECH OF

HON. ADAM SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, September 18, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3248) to provide Dollars to the Classroom.

Mr. ADAM SMITH of Washington. Mr. Chairman, I would like to take this opportunity to explain my support for the Dollars to the Classroom Act. As a strong supporter of local control of the public education system in our country, I believe a top priority of Congress should be to assure Federal funds for education go to the local level where members of our community can determine the best use of these funds. In light of this view, I support the concepts encompassed in this legislation of block granting select education programs and assuring 95 percent of Federal funds go to the local level. I will vote for this bill because I see it as a step in the right direction.

The underlying question we must ask in this debate is "Do we believe in local control?" If we say that our local teachers, administrators, and parents should have control over the education of students, we must carry though with that ideal and hand over the decision making authority for education dollars to these individuals. I fundamentally believe in local control because the people in my community who dedicate their lives to educating children know better than Members of Congress how funds could best serve our students.

In addition, when I visit schools in my district, teachers and administrators tell me they need more funds for education and fewer regulatory requirements from the Federal Government. This legislation begins to focus on the problem of Federal Government regulations and takes step to eliminate the requirements for funding with which teachers and administrators must comply. For example, I strongly support the expansion of the ED–FLEX program to all 50 States included in this bill. This program provides the regulatory flexibility that the schools in my area are asking for and I am an advocate of expansion.

I share the concerns of my Democratic colleagues that historically block grants lead to cuts in funding over time. I plan to be vigilant in assuring that the Federal Government continues to provide adequate education funding. As always, this battle will be fought in the appropriations process, and I plan to be a leader in assuring education funds are not cut. Supporters of education must continue to work within the constraints of the budget to assure education is made a top priority.

While I feel this bill is a small step in the right direction, there is still much work to be done to improve our public school system. I will support this bill but I feel very strongly that we cannot let the changes incorporated in the legislation lead to cuts in education funding.

SALUTING SESQUICENTENNIAL CELEBRATION FOR OUR LADY OF VICTORY CHURCH ROCHESTER, NY

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Ms. SLAUGHTER. Mr. Speaker, today I rise to pay special tribute to the legacy of Our Lady of Victory Church in Rochester, New York. The parish will celebrate its 150th year of ministry during a special Jubilee Celebration on Sunday, September 27, 1998.

Our Lady of Victory Church in Rochester was organized in 1848, after Bishop John Timon saw the need for his small congregation of French parishioners to have a church of their own. The church, which was established with approximately 300 parishioners, was known from that time until 1868 as St. Mary's French Catholic Church. Their building was located at the corner of Ely Street and Minerva Place in Rochester, New York.

Under the capable leadership of its pastors, the parish thrived and grew. New worship sites were erected over the years. Throngs of people attended daily Mass, Novenas, adoration of the Blessed Sacrament, and confession in the 1950's 1960's and 1970's.

Today, 150 years after its establishment, the parish at 210 Pleasant Street, Rochester, New York, enjoys its designation as a National Historic Landmark. There are 400 congregants and over 100 people attend their noon Mass each day. The parish, which is centrally located in the downtown area, also serves as a haven for many who have no home.

I am very proud of this long established and influential parish in my home district. Today, I ask that my colleagues pause with me to honor the legacy of one of America's thriving parishes: Our Lady of Victory Church in Rochester, New York. I am greatly honored to join many others in congratulating Our Lady of Victory for their service to humanity.

TRIBUTE TO ELIZA BRIGGS

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Ms. Eliza Briggs of Summerton, South Carolina, who died at the age of 81 on September 15 of heart failure. Ms. Briggs and her late husband Harry Briggs were among the principle petitioners in the lawsuit Briggs v. Elliott, which became the first of the five lawsuits which became collectively Brown v. Board of Education of Topeka, Kansas. Those cases began the process of desegregating our nation's public schools.

Eliza Briggs' place in history has been often overlooked. She and her husband signed the lawsuit in 1949 that challenged fairness of Clarendon County's segregated school system. For decades following the lawsuit, the Briggs family suffered through stress and unrest due to their decision. The Briggses were fired from their jobs and forced to move to Florida to be freed of the community backlash. Later in life the Briggses returned to Clarendon county, and over time have were accorded the respect they deserved for their self-sacrifice in order to make South Carolina better.

Ms. Briggs has been described by friends and family as a humble woman full of grace and charm. She was one of many unsung heroes during the Civil Rights Movement that should be celebrated and remembered for putting her country before herself. She was presented the Order of the Palmetto, the highest commendation a South Carolina citizen can receive.

Mr. Speaker, I ask you to join me today in honoring Eliza Briggs for her great work as a Civil rights Movement trailblazer. Her hard work should be remembered and celebrated by this House. Ms. Eliza Briggs will be sorely missed.

IN MEMORY OF SYLVIA KLING

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. DEUTSCH. Mr. Speaker, I rise today to honor the memory of Sylvia Kling. Sylvia passed away last Sunday and she will be greatly missed in the South Florida community.

After spending a large portion of her life in her native New York, Sylvia and her husband moved to Plantation, Florida, in 1973. This is where they both began their extraordinary work improving the lives of South Floridians.

For more than 15 years, Sylvia Kling volunteered at the Broward County Democratic Executive Committee's headquarters. Her devotion to the principles of the democratic process kept her very busy. Sylvia was continually active making fliers, working at phone banks, putting cards in doors, and standing at the polls with candidates of her choice. This dedication did not go unrecognized. Five years ago, she was honored by the county's Executive Committee as its volunteer of the year. In addition, Sylvia was elected as a delegate to the 1996 Democratic National Convention in Chicago.

Though the political arena was very important to Sylvia Kling, Sylvia's dedication to other causes was truly remarkable, as well. She worked to connect Jewish women with their roots in her association with Hadassah. Furthermore, Sylvia was interested in international matters as she was a member of both the Women's League of Israel and the Jewish War Veterans women's auxiliary. Sylvia was also a loving wife, mother, sister, grandmother, and aunt. Mr. Speaker, I can't think of anything more important than one's relationship with their family.

It is clear to all who knew her and knew of her that Sylvia Kling was an extraordinary woman whose tireless devotion to the residents of South Florida will be forever remembered. Her family will miss her, South Florida will miss her, and I will miss her.

A TRIBUTE TO ST. ADALBERT CONGREGATION

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to St. Adalbert Church in South Milwaukee, Wisconsin, on the occasion of the congregation's 100th anniversary. I join with the Rev. Herbert B. Schubert and his parishioners in celebrating this very special event.

The congregation was named in honor of St. Adalbert, a 10th Century patron saint of Bohemia and Poland. Its beginnings were rather humble, but with great determination and hard work, a small church was built in 1898, with a rectory built two years later. Rev. Ladislaus Mscisz was St. Adalbert's first pastor, and served until 1912.

By 1905, Franciscan Sisters of St. Francis replaced lay teachers, and the church and school were enlarged. Rev. Bernard Burant succeeded Rev. Mscisz, but remained only nine months, after which Rev. Clement Zych was appointed as the congregation's third pastor. Rev. Zych faithfully served St. Adalbert's for 24 years, and during that time the congregation continued to grow. By 1927, a new church, school and convent was built.

The years following the stock market crash of 1929 were difficult for St. Adalbert's, but the congregation was determined to survive. With the depression came some very trying times, with increasing debts. In 1937, Rev. Zych was transferred to St. Adalbert's in Milwaukee, and Rev. Ladislaus Bednarski became pastor. Druing Rev. Bednarski's tenure as pastor, the debt was refinanced, but problems remained.

Rev. Theodore Lepak became pastor in 1950 after Rev. Bednarski was transferred to Blessed Sacrament in Milwaukee, but he became ill shortly thereafter and passed away in 1951. Rev. Michael Staczak was appointed pastor in 1951, and served until his retirement in 1975. During that time, due to the generosity of the congregation, the mounting parish debt was retired, and a new addition was added to the school. Unfortunately, shortly after completion, a gas explosion destroyed most of the new building. In 1968, the building was rebuilt and dedicated.

In July of 1975, the present pastor, Rev. Herbert Schubert, was appointed by Archbishop William Cousins. Since then, St. Adalbert's has seen the addition of kindergarten and junior kindergarten classes, a new pipe organ, and a number of updates to the facilities.

St. Adalbert Congregation has been truly blessed in 100 years of service to the Lord and to the community. Congratulations to St. Adalbert's and all its members on this very special anniversary. May the congregation continue to grow and prosper as it begins its second century of service.

CHILD LABOR IN AGRICULTURE: CHANGES NEEDED TO BETTER PROTECT HEALTH AND EDUCATIONAL OPPORTUNITIES

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. LANTOS. Mr. Speaker, on Thursday, September 17, 1998, my colleagues, Congressmen HENRY WAXMAN and BERNIE SANDERS, and I made public an important GAO report which we requested on the use of child labor in US domestic agriculture at a press conference in front of the US Capitol. Joining us for the release of that report was the U.S. Secretary of Labor Alexis Herman.

The report—entitled "Child Labor in Agriculture: Changes Needed to Better Protect Health and Educational Opportunities"—finds that current legal protections, enforcement, and educational opportunities for children of the fields are grossly inadequate.

Although these findings are quite disturbing, they validate what I and others have suggested for some time.

Taken as a whole, the GAO report establishes that (1) we must have more and better information about children working in the fields and the consequences of this work for their future, (2) we must provide better protections for these children, and better enforcement of existing laws, and (3) we need better assurances that current programs designed to help these children are really working.

In its report, the GAO found that children who work as migrant and seasonal workers are treated as an underclass with few opportunities to improve their future. The report acknowledges that we in Congress no longer have the time or luxury to debate whether there is a domestic child labor problem; the report finds that there is a serious problem that must be addressed without further delay by the Congress.

The GAO report reached a number of very disturbing conclusions: (1) hundreds of thousands of children work in U.S. agriculture with severe, often fatal, consequences for their health, well-being, and academic achievement; (2) children working in agriculture receive less protection under the law, allowing them to work at younger ages, longer hours, and in more hazardous tasks than their counterparts working in other industries; (3) weaknesses in enforcement and data collection procedures mean that child labor violations are not being detected; and (4) a number of programs are available to help educationally and economically disadvantaged children, but little is known about how they help migrant and seasonal farmworker children.

Given these findings, it would be irresponsible to stand by and do nothing. In fact, the GAO in this report challenges the Congress to carefully evaluate whether current federal laws adequately protect children working in agriculture.

As GAO pointed out, current law may not only be inconsistent with the emphasis our nation places on the safety, health, and academic achievement of children, but also with the long-term economic changes in agriculture. This particular field of economic activity no longer merits separate—and unequal protections—for children. Agriculture is no longer dominated by family farms, with parents and children working together in a family enterprise and with parents who look out for their children's health and well-being. Today, Mr. Speaker, major agricultural conglomerates control much of agricultural production and the workforce are hired employees—not family members who are working together on a family farm. Given these and other changes, the GAO report raises serious questions about why children in agriculture should be treated any differently than children working in other industries.

Under current federal law, children working in agriculture receive less protection than children working in other industries, because of many outdated and outmoded exceptions which have been included in the law for family farms. For example, children age 12 and 13 can work unlimited hours outside of school in nonhazardous agricultural occupations, but children that same age are absolutely prohibited from working in nonagricultural occupations. This means that a 13-year-old cannot be paid to do clerical work in an air-conditioned office, but the same youngster can pick strawberries under the blazing summer sun. In some instances, children as young as 10 years old are working in the fields harvesting our nation's produce.

Mr. Speaker, I have introduced legislation to deal with many of these problems that have been identified in the GAO report. My bill is H.R. 1870, the "Young American Workers Bill of Rights Act," and I am a cosponsor of H.R. 4450, the "Children's Act for Responsible Employment (CARE)," which would take children under the age of 14 out of the fields. This legislation was introduced by the Democratic Leader, Congressman RICHARD A. GEPHARDT of Missouri.

Both of these bills would create an exception only for the family farm, where children would still be able to assist their parents in working on their own farms. These bills would raise the level of protections that are provided for children working in agriculture to be equal to the protections that are provided for children working in other industries.

Mr. Speaker, I call for hearings in the next Congress to evaluate the adequacy of our existing child labor laws, particularly as they apply to children in agriculture. I also intend to submit legislation in the next Congress—if the voters of San Mateo County and San Francisco, California, make the decision that I deserve to continue to represent them in this body—to provide additional protection for children in agriculture and to deal with the specific inadequacies that have been identified in this GAO report.

It is clear from this GAO report that changes are needed in how we protect children working in agriculture. I am pleased to see that the US Department of Labor has already responded to some of GAO's recommendations, and—under the outstanding leadership of Labor Secretary Herman—it has implemented some of its own initiatives to deal with child labor in agriculture within the confines of current law. It is time for the Congress to enact legislation which rids our nation of unequal protection for children working in agriculture. It is time to pass the Young American Workers' Bill of Rights Act and the CARE Act.

Mr. Speaker, I would like to placed in the RECORD two statements which were made at our press conference last week releasing the GAO report on children working in agriculture.

First, I include the statement of Secretary of Labor Alexis Herman. During Secretary Alexis Herman's tenure, the Department of Labor has undertaken new efforts to combat illegal child labor, and she has focused specifically on child labor in agriculture. This summer, the Labor Department placed major enforcement emphasis on "salad bowl" crops such as lettuce, tomatoes, cucumber, onions, and garlic. As a result of the "Operation Salad Bowl" initiative, the Department of Labor has found children as young as six years old in the fields harvesting our nation's produce, and significant fines were levied against the perpetrators.

Secretary Herman also initiated the "Work Safe This Summer" program which launched a major effort on promoting child labor compliance through education and outreach in agriculture and rural communities. The Department of Labor is also creating partnerships with employers who have agreed to take extraordinary, pro-active steps to promote compliance with our nation's child labor laws by the agricultural industry.

Mr. Speaker, we must give our Secretary of Labor the tools necessary to combat illegal child labor by supporting the President's new child labor budget, in order to have the resources to fight against abusive child labor both at home and abroad. The President's initiative to fight abusive child labor and address child labor problems will: (1) make the US the world leader in supporting programs to reduce abusive child labor around the world; (2) will reduce the potential supply of child workers in agriculture by providing an increase in migrant education to ensure that children are in the classroom, not in the fields; (3) will reduce the demand for illegal child labor for enhanced enforcement and better data; and (4) will help us review and update child labor hazardous occupation orders which regulate child safety in the workplace.

STATEMENT OF ALEXIS M. HERMAN, U.S. SECRETARY OF LABOR

Thank you Congressman Lantos for your introduction and leadership. Let me also thank all of the other Members of Congress for joining us today and for helping to put the spotlight on children who toil on America's farms.

Let me begin by saying I am here today because fighting abusive child labor is one of my top priorities. And I wanted to be here to say that we welcome the General Accounting Office review of the Department of Labor's efforts. We are committed to ensuring that our child labor program is as effective as possible.

As Secretary of Labor, my bottom-line is simple: One child working in abusive conditions is one too many.

I want to see that young kids all over this country * * * grow up safe and secure * * * that they learn in schools instead of labor on the farms * * * that they spend their time on homework, not fieldwork.

And that is a commitment shared by President Clinton. We must do better—and we must do more to end abusive child labor. And the President made this clear in his State of the Union address in January of this year. That's why we requested the largest increase in our nation's history to fight international child labor.

But we know we can't lead internationally if we don't clean up our own backyard. And so we have pledged to work with Congressman Lantos, Senator Harkin and others to modernize our nation's domestic child labor laws. And we have launched a strategy to end illegal child labor here a home based on three principles: enforcement, education and partnerships.

When it comes to enforcement, we have launched an initiative which focuses on five commodities—lettuce, tomatoes, cucumbers, garlic and onions. I call it "Operation Salad Bowl". We are sending strike forces to the fields to literally root out worker abuses. And we're getting results.

As of the end of June, we have already completed 33 targeted sweeps. Thirteen focused on the "salad bowl" commodities. These sweeps include 735 separate investigations with 205 in the "salad bowl" commodities. And we found scores of children working illegally—including a child as young as four-years-old working in the onion fields in Arizona.

We are committed to doing even more in enforcement—but we know that's not enough. Success takes education and it takes partnerships.

Last month, we launched the Fair Harvest/Safe Harvest campaign—a bilingual educational effort to reduce farm injuries and keep kids safe.

We are also partnering with community organizations such as the National Consumers League and the Association of Farmworker Opportunity Programs. We are partnering with the business community. And I want to make sure one other organization is a key partner in our effort—and that's the United States Congress.

Because the best way to enhance our effectiveness and ensure the goal of ending abusive child labor is this: Pass the President's budget request.

Pass the President's request for $30 million to make the U.S. the leader in reducing child labor around the world.

And pass the request for over $60 million to beef up our child labor enforcement efforts, and strengthen the education of migrant children and migrant job training.

The Senate has fully funded these proposals, but the House bill falls far short. So far, the House has refused to fund any of the President's increase in enforcement to fight abusive child labor.

Let's back up our resolve with resources. And let's make a real difference in the lives of children across our country and around the world.

Mr. LANTOS. Mr. Speaker, I would also like to place in the RECORD a copy of Ms. Diane Mull's statement at our press conference last week. Diane Mull is Executive Director of the Association of Farmworker Opportunity Programs, the leading national organization which represents the interests of our farmworker population. Ms. Mull is recognized both nationally and internationally as one of the leading experts September 22, 1998 on child labor in agriculture. In her statement, Diane vividly explains some of the important reasons why we need to take a hard look at ensuring that we adequately protect our nation's most precious resource—our children.

STATEMENT OF L. DIANE MULL, EXECUTIVE DIRECTOR, ASSOCIATION OF FARMWORKER OPPORTUNITY PROGRAMS, SEPTEMBER 17, 1998

Thank you, Congressmen Lantos, Waxman, Sanders and Secretary Herman for this opportunity to speak today regarding the GAO report on child labor in agriculture. I am extremely pleased that a critical step to document the problem of child labor in America has been accomplished. This can help arm the Administration and the Congress to make needed changes within the Fair Labor Standards Act (FLSA) and its regulations to raise the level of protection of farmworker children and make it equal to that of all other children. And lastly, Congressman Lantos, I want to thank you for the leadership role that you have taken on this issue in the House of Representatives.

I want to applaud the recent efforts of the Department of Labor. Through the Fair Harvest/Safe Harvest campaign, much needed information is being made available to the farmworker population. I hope that this will be an ongoing and expanded effort, until we are assured that every farmworker family in America knows and understands their rights and how to protect their children from the dangers in the agricultural workplace.

Although agriculture is one of the most dangerous industries in the United States, children are legally allowed to work at very young ages, for unlimited hours before school and after school. The work is affecting their education. As many as 45 to 55 percent of farmworker children are dropping out of school. This is affecting these children's chance for a good education—an education that can help them break out of this cycle of poverty.

Children are dying and being injured in our fields. Children are being sprayed with pesticides, being run over by tractors, being injured and hurt in order to put food on tables across America and around the world. Just recently, a 9 year old was run over and killed by a tractor while working in a blueberry field in Michigan, a 13 year old was knocked off a ladder where he was picking cherries in Washington state and was run over by a trailer being pulled by a tractor, and a 17 year old while picking peaches and pruning apple trees in Utah was sprayed twice with pesticides in one week, he died of a massive brain hemorrhage. Children are dying and are being injured and their precious lives and futures are being stolen.

As the custodians of our children, we, as a nation, are charged with safeguarding their futures. We are charged with protecting them from exploitation on the job by prohibiting child labor for children under the age of 14 and by preventing children and minors from working in hazardous occupations that endanger their lives. Farmworkers, as an occupational group, are often excluded from such basic job protections as the federal minimum wage, workers compensation, unemployment insurance, and overtime pay. Because farmworker adults cannot earn a living wage working in agriculture and do not typically collect public assistance, farmworker families are forced to bring their children to the fields in order to put food on their table. It becomes an economic necessity for their children to work so that the family can survive.

At hand are issues that reflect how we view the rights of individuals within our society. If we fail to protect adequately all segments of the work force job hazards, we risk the creation of a class system that defines the rights of some workers as superior to those of others. To continue to allow inequity in labor standard protections calls into question our integrity as a civilized society. To know that these individuals are large minority and immigrant workers speaks to an even more egregious form of discrimination.

The Association of Farmworker Opportunity Programs through the Children in the Fields campaign supports both the Children's Act for Responsible Employment (CARE) and the Young American Workers Bill of Rights—badly needed legislation that addresses these disparities by providing equal protection and equal standards for children who work as hired workers in agriculture.

The fruits and vegetables we eat are washed with the blood, sweat and tears of America's farmworker children. It is time for action. It is time that we stop this injustice and provide protection for these children. We must act before any more children lose their lives or are injured. We must act before more children sacrifice their futures to put food on our tables.

Mr. LANTOS. Mr. Speaker, I urge my colleagues to take these thoughtful and carefully considered views on children working in agriculture into account and support efforts in fighting abusive child labor in this country.

IN RECOGNITION OF NOTED CIVIL WAR HISTORIAN, HUGH D. McCORMICK

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. WOLF. Mr. Speaker, I want to bring to the attention of our colleagues the following story from the September 22 Northern Virginia Daily honoring the life of Mr. Hugh D. McCormick, a noted lawyer, author and Civil War historian who was also a World War II veteran. Mr. McCormick passed away on Tuesday, September 15, 1998, in Front Royal, Virginia, which is in my district. He was 95 years old.

In his book, Confederate Son, Mr. McCormick describes how his father and uncle participated in Pickett's Charge in the Battle of Gettysburg during the Civil War.

We send our condolences to Mr. McCormick's widow Virginia H. McCormick and their family.

Also included for the RECORD is a resolution honoring Mr. McCormick which was offered in a special session of the Circuit Court of Warren County, Virginia on September 21, 1998.

[From the Northern Virginia Daily, Sept. 22, 1998]

"CONFEDERATE SON" McCORMICK GIVEN LEGAL FAREWELL

(By Donna Dunn)

Hugh D. McCormick, called a "true son of the Confederacy," was honored Monday by the lawyers and judges he influenced in a career that spanned a half-century.

During a special session of Warren County Circuit Court, members of the local Bar Association introduced a resolution praising McCormick, a lawyer who died last Tuesday in Front Royal at age 95.

McCormick, who practiced into his 90s and was a Civil War historian, author, World War II veteran and former Town Council member, was remembered for his zest for life.

Retired General District Judge John F. Ewell read the association's resolution "to perpetuate the memory of their departed friend."

"We gather to pay our respects to a self-sufficient, goal-oriented man," he read.

McCormick, born Jan. 14, 1903, in Pittsylvania County, received a bachelor's degree in 1927 and a law degree in 1947 from the University of Virginia. Between college and law school, he worked for McCormick & Co. of Baltimore and served in the Marines in World War II. He practiced law in Front Royal from 1967 to 1995 and served as commonwealth's attorney and town attorney. He also served eight years on the council.

McCormick's wife, Virginia McCormick, and son, Hugh D. McCormick Jr., attended the ceremony.

The younger McCormick said his father's accomplishments are impressive, but he would have wanted to be remembered for something more.

"He would want to be remembered as honest, hard-working, for his optimism and his enthusiasm for history," he said. "He always tried to show that optimism."

McCormick remained in good health until just a few months before his death.

Mrs. McCormick said she was "lucky."

"How can you grieve for a man who lived 95 years and enjoyed life," she said.

A past president of the Samuels Public Library, Bar Association and Front Royal Rotary Club, McCormick also organized the First Federal Savings and Loan Association and Peoples Bank of Front Royal.

Circuit Judge John E. Wetsel Jr. remembered McCormick "for his energy and intelligence."

"He was literally a son of the South in the best sense," he said.

McCormick funded a teaching chair for the Civil War Institute at Shenandoah University. He was an active member of John S. Mosby Camp 1237 of Sons of Confederate Veterans and served as its commander from 1962 to 1965. McCormick's father, William Logan McCormick, served in the 38th Virginia Infantry and charged the Union lines with Gen. George E. Pickett at Gettysburg.

Circuit Judge Dennis L. Hupp said he met McCormick early in his legal career and found a friend in the older man.

"Hugh McCormick was a real son of the Confederacy and my mother was a true daughter of the Confederacy. When I told him this, he took a liking to me," Hupp said.

McCormick published his memoirs, "Confederate Son," in 1993 and gave the proceeds to the Civil War Institute.

The 176-page book recounts McCormick's family heritage and his own life, including his youth in rural Virginia and success as a professional.

Former Front Royal Mayor Robert Traister recalled in the preface of "Confederate Son" his first meeting with McCormick.

The elderly lawyer's office was at the top of a steep set of stairs. But Traister noticed that a motorized chair was positioned at the bottom—for McCormick, he assumed.

After climbing to the top-floor suite, Traister was greeted by McCormick with a firm handshake and a rapid-fire explanation of the lift.

"You should've called on the intercom and I'd of motored you up to the top . . . I keep it there for my elderly clients . . . don't use it myself . . . the walk up here every day is good for my back . . . good for my golf game," McCormick told him.

Hugh McCormick Jr. said his father left the memoirs as his legacy.

"He said he wanted to leave it so his family would understand his life," he said. "And it's an interesting part of Americana."

Delivered into this world by a midwife who was a former slave, McCormick respected all people, his son said.

"He liked people and met them wherever they were," he said.

In the epilogue to "Confederate Son," McCormick shared his philosophy on life:

"Do not fear the future. Whenever a challenge presents itself, pursue it with all of the intelligence and energy at your command. To do so guarantees success in any of its myriad forms. To do less is not only abhorrently wasteful of the human spirit, it is undignified."

Virginia: In the circuit court of Warren County

Re Special session of court in honor and memory of Hugh D. McCormick, Esquire

ORDER

There will be a special session of the Circuit Court of Warren County on September 21, 1998, at 4:00 p.m. in honor and memory of Hugh D. McCormick, Esquire.

A committee consisting of the following named persons shall present a memorial resolution to the Court at that time, to-wit: Edward F. Greco, Esquire, Chairman; The Honorable John F. Ewell, Judge, Retired; and John G. Cadden, Esquire.

The Clerk of this Court shall forward copies of this Order to the named committee members, post a copy of this Order in his office and forward copies of this Order to the Clerks of all Circuit Court in the Twenty-Sixth Judicial Circuit who shall post these in their respective offices. The Clerks shall further notify members of their respective Bars in the manner they deem most expeditious and may also further disseminate copies of this Order as they deem appropriate.

Entered this 18 day of September, 1998.

PREAMBLES AND RESOLUTIONS

Whereas, on the 16th day of September, 1998, Hugh D. McCormick, Esquire, a former member of the Bar of this Court departed this life; and,

Whereas, Warren County has suffered the loss of an able and distinguished lawyer, sportsman and citizen, and, members of the Bar of Virginia who knew him, grieve the loss of a true and loyal friend; and,

Whereas, a brief Memorial of his life history is hereto attached; and,

Whereas, it is the desire of the members of the local Bar of this Court to perpetuate the memory of their departed friend and brother as a part of the records of this Court, and to place in these records an expression of their love and affection for him as a man, and of the admiration, respect and esteem in which they hold his memory as an outstanding person.

Now, therefore, be it resolved, that the members of the Warren County Bar do hereby express their profound grief and their sense of the irreparable loss they have suffered in the death of their friend and brother, Hugh D. McCormick, Esquire; and,

Be it further resolved, that for the purpose of perpetuating his memory, this Resolution, with the attached Memorial, be submitted to the Circuit Court of Warren County, Virginia, accompanied by a Motion that they be made a part of the permanent records of this Court and to have a copy thereof sent to his widow, Virginia H. McCormick, and to the local press.

Presented by a Committee of the Warren County Bar on behalf of the Warren County Bar Association.

MEMORIAL

Hugh DeWitt McCormick, Esquire, was born January 14, 1903 in Pittsylvania County, Virginia. The youngest of thirteen children, he was the son of William Logan McCormick, a Confederate veteran in Pickett's Division, and Louise Taylor Farmer McCormick. Beginning his education in a one room schoolhouse, he was a 1923 graduate of Chatham Training School, now Hargrave Military Academy, and received a B.S. degree in 1927 and went on to receive a L.L.B. decree in 1947 from the University of Virginia. Between college and law school he worked for McCormick & Co., Inc. of Baltimore, Maryland. He was a WW II veteran serving in the U.S. Marine Corps and U.S. Marine Corps Reserve. He was appointed Commanding Officer of Service Squadron-34, Marine Air Group 34, Third Marine Wing, Oak Grove, North Carolina. He rose to the rank of Lieutenant Colonel before retiring.

Mr. McCormick practiced law in Front Royal from 1947 to 1995. He served as Commonwealth's Attorney and Town Attorney and served eight years on the Front Royal Town Council. He was past President of the Samuel's Public Library, was an organizer of the First Federal Savings and Loan Association and the Peoples Bank of Front Royal. He was past president of the Warren County Bar Association and the Front Royal Rotary Club, a member of the Unity Lodge 146 AF & AM, a Shriner, and active in many other fraternal and civic organizations. He funded scholarships at the University of Virginia School of Law and at Campbell Theological Seminary in Buies Creek, North Carolina. He also funded a chair for the Civil War Institute at Shenandoah University in Winchester, Virginia.

Mr. McCormick took a great interest in athletics and was an accomplished athlete and a strong supporter of the University of Virginia Alumni Association and the Athletic Association. He played on the University of Virginia football team and was a lifelong devotee of the game of golf which he played until he was ninety-two years old.

One of the last real Confederate sons, he had a great interest in the history of the Confederacy. He was an active member of John S. Mosby Camp 1237, Sons of Confederate Veterans and served as its Commander from 1962–1965. He published his memoirs "Confederate Son" in 1993 with proceeds going to the Civil War Institute of Shenandoah University in Winchester.

The community, and particularly the Bar, wish to express our deepest regret and sympathy to his family as we gather to pay our respects to a self-sufficient, goal oriented man, a colleague and a friend. All of us will do well to remember his admonition in his Epilogue of "Confederate Son": "Do not fear the future. Whenever a challenge presents itself, pursue it with all of the intelligence and energy at your command. To do so guarantees success in any of its myriad forms. To do less is not only abhorrently wasteful of the human spirit, it is undignified." Hugh DeWitt McCormick epitomized this worthy sentiment.

Respectfully submitted on behalf of the Bar and citizens of Warren County.

A TRIBUTE TO ROBERT L. "LARRY" DAVIS

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. LEWIS of California. Mr. Speaker, I rise today in order to pay tribute to Colonel Robert L. "Larry" Davis, the Commander and District Engineer for the Los Angeles District of the U.S. Army Corps of Engineers. Thanks to a recent promotion, Larry will soon undertake a new assignment as the Chief of Staff of Fort Leonard Wood, U.S. Army Engineer School in Fort Leonard Wood, MO.

Colonel Davis was born on May 25, 1951 in Woodbury, NJ. Commissioned in the Army, he entered active duty in June, 1974 after graduation from Auburn University with a Bachelor of Science degree in Industrial Engineering. In addition, he holds a Master of Science degree in Operations Research from the Georgia Institute of Technology and is a registered professional engineer in the State of Virginia. His military education includes the U.S. Army Command and General Staff College, and the U.S. Air Force Air War College. His initial assignments after the Engineer Officer Basic Course were as a platoon leader and executive officer with the 249th Engineer Battalion in Karlsruhe, Germany.

After completing the Engineer Officer Advanced Course, his assignments included Army Engineer Battalions at Ft. Belvoir, VA; Fort Campbell, KY; and Fort. Benning, GA. He was also with the 5th Special Forces Group at Fort Campbell where he served as Group Engineer. In addition to these assignments to troop units, Colonel Davis has served as a Project Officer in the Pentagon and was a U.S. Exchange Officer to the Australian School of Military Engineering in Sydney. He also participated in Operation Desert Shield and Operation Desert Storm in Saudi Arabia and Kuwait and in Operations Restore Hope and Continue Hope in Somalia. He also took part in the Hurricane Andrew Relief Operations in Florida.

Colonel Davis is the recipient of numerous commendations and decorations including the Legion of Merit, Bronze Star, Meritorious Service Medal, Armed Forces Expeditionary Medal, and the Southwest Asia Service Medal with three campaign stars. He has also earned the Parachutist and Air Assault Badges.

I especially want to thank Colonel Davis for his tremendous assistance with the Santa Ana Mainstem flood control project including the Seven Oaks Dam and San Timoteo elements. This effort, which is nearing completion, will result in flood protection for millions of citizens and billions of dollars of personal property in San Bernardino, Riverside and Orange Counties in California.

Mr. Speaker, I ask that you join me and our colleagues in recognizing the talents and remarkable skills of Colonel Davis as he prepares to take on the position of Chief of Staff of Fort Leonard Wood in Missouri. I would also like to express our appreciation to his wife Barbara and their two children, Kimberly Anne and John. For his many years of service and dedication, I believe it is only appropriate that the House recognize Colonel Davis today.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1999

SPEECH OF

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 17, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 4569) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1999, and for other purposes:

Mr. SCHUMER. Mr. Chairman, I rise today to join my colleagues in strong support of maintaining Section 907 of the Freedom Support Act in the Foreign Operations Appropriations for Fiscal Year 1999. Section 907 was enacted in 1992 in response to Azerbaijan's illegal blockades of Armenia and Nagorno-Karabagh, and it remains a vital tool in United States policy towards the Caucasus.

Section 907 does not prohibit humanitarian aid, democracy building assistance, commercial assistance to United States businesses, or non-proliferation and disarmament assistance to Azerbaijan. It merely restricts direct government to government economic and military assistance to a regime known for their human rights abuses and corruption within the government. Azerbaijan has received over $130 million in United States humanitarian aid since 1992, and will continue to do so; however, it is essential that we maintain Section 907 as a matter of United States foreign policy in the region.

The Government of Azerbaijan has restricted the transport of food, fuel, medicine, and other essential supplies to Armenia and Nagorno-Karabagh. Even after the devastating earthquakes in 1994, Azerbaijan failed to take any measures aimed at easing these blockades. Section 907 has not even stopped United States oil companies from sharing in the wealth of Azerbaijan oil resources.

The decision to lift Section 907 is left in the hands of the Government of Azerbaijan. When they begin to take the necessary steps toward lifting their destructive blockades of Armenia and Nagorno-Karabagh, then and only then should the repeal of Section 907 be considered.

IN HONOR OF THE KING OF SPORTS BROADCASTING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. MILLER of California. Mr. Speaker, as the baseball season comes to an end with all of its excitement of the homerun derby and the incredible performance of the New York Yankees, we in the San Francisco Bay Area have something else to celebrate and that is the remarkable career of sports announcer Bill King who has been the voice of the Oakland A's, The Oakland Raiders, and the Golden State Warriors.

Bill King has been calling games for forty years and providing so many days of enjoyment for the fans. His calls are a major part of the legends of American sports broadcasting.

Mr. Speaker, I have had the privilege the past few years to spend time with Bill King in social settings. It is a wonderful evening to experience and enjoy his stories, his understanding of sports in America, as his desire to talk sports, art, history and politics.

Recently, the San Francisco Examiner ran an article celebrating Bill King's Career in the San Francisco Bay Area. I would like to share it with my colleagues. The article follows:

[From the San Francisco Examiner, Aug. 23, 1998]

Bill King Has Been the Distinctive Voice of Bay Area Sports for 40 Years

(By Michelle Smith)

Bill King came to the Bay Area 40 years ago, without a beard or a legacy. Both have long since been firmly established.

King, however, does not do legacy, the same way he doesn't do shoes and socks, fancy cars or pants in the booth on a hot summer day.

He chooses to let his career speak for itself, and so it does.

In his years as the radio play-by-play voice of the A's, Warriors and Raiders, King has been the consummate messenger.

He has delivered some of the most memorable moments in local sports history with a style and conviction that earned him universal respect among his peers. And King's identity is so strong that even though he has done most of his work in a non-visual medium, he is instantly recognizable behind his distinctive handlebar mustache and beard.

King's voice is not the traditional baritone of those born-to-be-broadcasters. His staccato delivery and ability to summon an evocative description for the big moments trigger memory, emotion and goose bumps.

Like in 1970 when he called a game-winning 51-yard field goal by George Blanda against Cleveland and declared Blanda had just been elected "King of the World." Or in 1977 when King called "The Ghost to the Post," Dave Casper's touchdown catch that gave the Raiders a playoff win in Baltimore. Or his 1978 call of the "Holy Roller" game-winning fumble recovery in San Diego, when he interpreted an official ordering coach John Madden to "get his big butt out of here."

King's calls of the Warriors' 1975 NBA championship sweep of the Washington Bullets and the A's 1989 World Series sweep of the Giants remain etched in the minds of listeners. As does his signature call "Holy Toledo" each time he sees something that needs extra emphasis.

"It is always nice when people have good responses to you—it's a lot better than the alternative," King said. 'You don't want them saying, "Get that idiot off the air' "

Beyond that, King is reluctant to dig deeply into the reasons for his success and longevity. He has been working for a half-century, having called his first minor-league baseball game in Peoria, Ill., in 1948 at age 19.

"I am not a terribly introspective person," King said. "I don't do a lot of examining about why this or why that or why I feel this way or that way."

SMALL-TOWN SIMPLICITY

King is a man of simple ideals—the only evidence of his small-town Illinois upbringing—eclectic interests and a limitless passion for painting a visual picture.

"I love being on the air, I really do," King said. "I am a verbal person. I get a tactile feeling on my tongue. To not be able to verbalize is almost crippling to me. Some people would probably say 'I know, you never stop.' "

King shows no sign of stopping. He continues to work full-time at a time when popular Bay Area contemporaries like Lon Simmons and Hank Greenwald have cut back or retired altogether. King just signed a new three-year contract with the A's that keeps him as the team's radio voice through the 2001 season.

He keeps working simply because, he says, "There's no reason not to. I like what I'm doing. I get paid well for doing it and I can't think of anything that would be more desirable at this point."

He admits there no longer is time to do some of the things he loves, like sailing and traveling to places that don't have a baseball diamond within 50 miles. The commute to the ballpark from Sausalito sometimes takes twice as long as it used to, and the preparation—which has been a source of equal parts pride and obsession for King—is not nearly as straight-forward as it used to be, given the vast amounts of information now available.

King estimates he spends three hours a day preparing for a broadcast. "I can't imagine what it would be like to be on the computer. I won't do it."

UNIQUE PHONE SYSTEM

For many years in the 1960's, when King was doing both Warriors and Raiders games, he did not have a telephone in his home. A select few knew how to reach him on a downstairs neighbor's number.

"I had this boat hook and I'd lower it down, he'd put the phone on the hook and I'd pull it upstairs," King said. "To let us know if there was a call, he'd bang on the ceiling."

King still refuses to put an answering machine in his office and would never consider carrying a cellular phone. His scaled-down mentality applies to transportation as well. King owns two cars, a 1983 Firebird and a 1980 Mercury four-door, both of which perform the minimal function of getting him to and from the ballpark with no regard to style.

If King prefers to keep things simple, one would never know from his varied pursuits. He is a devout patron of the arts, a frequent attendee at the opera, ballet and symphony. He is a talented painter and a lover of all things nautical. He still owns a sailboat and has sailed around the world, taking open-sea trips to Hawaii, Canada and up and down the West Coast. In the 1960s King lived on the boat with his companion of the last 39 years, Nancy Stephens.

"Bill has a wonderful mind, and he is interested in so many things," Stephens said. "When he gets interested in something he pursues it and he learns it thoroughly. When we first met, he wasn't well-versed in classical music, and I was. Before I knew it, he knew way more than I did.

SELF-TAUGHT MAN

King traveled to the Soviet Union in the late 1970s after teaching himself to read, write and speak Russian, mostly on long flights during trips with the Warriors and Raiders. This thirst for self-taught knowledge is either ironic or appropriate for a man who did not go to college, choosing instead to begin his broadcasting career.

King's culinary tastes are legendary. He will concede only that he likes "things that people might consider unusual."

King has been known to dip entire pats of butter into a tub of popcorn during a game, and eat raw onions in the booth during the stifling days of summer. His morning favorite is peanut butter and chopped onions on warm tortillas.

"His latest concoction is this thing they make up for him at the ballpark and it has onions, tomatoes, salsa and nacho cheese sauce over popcorn," said A's broadcast partner Ken Korach. "It's like he eats whatever pops into his head."

"Bill is unique," said Franklin Mieuli, the former Warriors owner.

Mieuli was so enamored with his play-by-play man that he went to bat for King when KTVU–TV refused to put him on camera because of his beard, paid fines to the league for King when he criticized officials on the air, and answered the telephone calls when King uttered a profanity during a 1968 game that is recalled by those in the know as "NBA Mother's Day."

King came to the Bay Area in 1958, hired by KSFO radio to be a fill-in baseball broadcaster for Lon Simmons and Russ Hodges when the Giants and 49ers seasons began to overlap.

CAUGHT WITH HIS PANTS DOWN

"Chub Feeney owned the Giants at that point," said Simmons, who was King's partner for 15 years with the A's. "He was from New York, very much a suit-and-tie person. The first time Bill walked into the broadcast booth and took off his pants to do a broadcast, I think Chub almost had a heart attack."

To clarify, King only takes off his pants on hot days, and only after he's removed his shoes and socks first.

"In any weather, I don't like shoes and socks," King said "But in hot and humid weather, I don't like sitting at a ballgame and then getting up after three hours and feeling like I've just taken a shower in my pants. So from the time I've been doing minor-league baseball, when I would work solo, I operated in my skivvies. Now in Texas or Baltimore, I always have a pair of trunks with me."

King's voice defined the golden eras of both the Warriors and Raiders. King called Warriors games from 1962–83 and Raiders games from 1966–92.

"It gives me chills when I hear some of those old calls," said former Raiders coach and current Fox-TV analyst John Madden. "Those are things that stay with you all your life, the Clarence Davis catch against Miami, the San Diego call Anyone who has ever been a Raider fan will always associate Bill as the voice of the Raiders."

Given that many NFL and NBA games were not televised in the 1960s and 1970s, King was more than the voice of the game, he was its mind and body as well.

"Nobody has even been able to rise to an exciting moment and bring the excitement into the sound of their voice like Bill," said Giants announcer Jon Miller, an East Bay native. "It's not just shouting, it's the theatrical flair that he brings to it. Sometimes in an exciting moment, I find myself trying to do Bill."

LONG-LASTING IMPACT

To this day, every Warriors broadcaster finds himself compared to King, who hasn't done an NBA game in 15 years.

Greg Papa called Warriors games on the radio for nearly a decade. "I would be at a gas station or something and I would tell people what I did and they'd say, 'Oh, Bill King does that,'" Papa said. "His power over this market is immense."

Raiders fans clamored for King's return when the team moved from Los Angeles back to Oakland three years ago. King passed because he enjoyed the free time his baseball-only schedule allowed. He quit as the Raiders voice in 1992 after a falling out with the Southern California company that held the team's radio rights.

"It was very flattering," King said. "But in my mind, once I did baseball alone, I wouldn't think of doing another sport, and that was the operative reason there."

King is so happy with his schedule he has set no retirement date.

Said King, "It depends on whether I like what I'm doing, and whether I think—and I'm a fairly harsh personal critic—I'm still good at it, and whether people think I'm still good at it, because that's the most important thing."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 24, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 25

9:30 a.m.

Foreign Relations

To hold hearings on the nomination of Robert C. Randolph, of Washington, to be Assistant Administraor for Asia and Near East Affairs, Agency for International Development; to be followed by hearings on the nominations of B. Lynn Pascoe, of Virginia, to be Ambassador to Malaysia, and Diane Edith Watson, of California, to be Ambassador to the Federated States of Micronesia.

SD–419

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings to examine the safety of food imports, focusing on legislative, administrative and regulatory remedies.

SD–342

10:00 a.m.

Armed Services Closed briefing on the world wide threat and status of U.S. military forces and potential operational requirements.

SR–222

SEPTEMBER 28

1:00 p.m.

Judiciary

Administrative Oversight and the Courts Subcommittee

To hold oversight hearings to review financial control failures at the Department of Defense.

SD–226

SEPTEMBER 29

10:00 a.m.

Armed Services

To hold hearings to examine the status of United States military forces and their ability to successfully execute the National Military Strategy.

SH–216

Foreign Relations

To hold hearings on the nomination of R. Rand Beers, of the District of Columbia, to be Assistant Secretary of State for International Narcotics and Law Enforcement Affairs.

SD–419

2:00 p.m.

Judiciary

To hold hearings on the implementation of the Radiation Exposure Compensation Act.

SD–226

SEPTEMBER 30

9:30 a.m.

Indian Affairs

Business meeting, to mark up S. 1870, to provide the National Indian Gaming Commission with resources to monitor and regulate certain Indian gaming operations, H.R. 1805, to establish restrictions related to gaming on and use of land held in trust for the United Auburn Indian Community of the Auburn Rancheria of California, and H.R. 1833, to provide for further self-governance by Indian tribes; to be followed by hearings on S. 2010, to provide for business development and trade promotion for Native Americans.

SR–485

OCTOBER 1

9:30 a.m.

Armed Services

To hold hearings on issues regarding plans for Department of Energy national security programs.

SR–222

OCTOBER 1

9:30 a.m.

Energy and Natural Resources

To hold hearings on the nominations of Eljay B. Bowron, of Michigan, to be Inspector General, Department of the Interior, and Rose Eilene Gottemoeller, of Virginia, to be Assistant Secretary for Non-Proliferation and National Security, and David Michaels, of New York, to be Assistant Secretary for Environment, Safety and Health, both of the Department of Energy.

SD–366

2:30 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold oversight hearings on the Forest Service cabin fees.

SD–366

Select on Intelligence

To hold closed hearings on intelligence matters.

SH–219

OCTOBER 2

9:30 a.m.

Joint Economic

To hold hearings on the employment-unemployment situation for September.

1334 Longworth Building

OCTOBER 6

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans Affairs on the legislative recommendations of the American Legion.

345 Cannon Building

CANCELLATIONS

SEPTEMBER 24

2:00 p.m.

Energy and Natural Resources

National Parks, Historic Preservation, and Recreation Subcommittee

To hold hearings on S. 1372, to provide for the protection of farmland at the Point Reyes National Seashore in California.

SD–366

POSTPONEMENTS

SEPTEMBER 24

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 2494, to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems.

SR–253

SENATE—*Thursday, September 24, 1998*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Rev. Madison T. Shockley II, of Congregational Church of Christian Fellowship, United Church of Christ, Los Angeles, CA, offered the following prayer:

Good morning, Senators. Please join me in a word of prayer.

Dear God of all, though You look upon Your creation and see our world without the borders we draw or the barriers we erect, hear the cry of Your people in this corner of Your great universe. We implore You on behalf of the men and women who govern these United States of America as Senators to grant to them wisdom, justice, mercy, and love in quantities not common to humankind. For, indeed, the task they share and the burden they bare is not a common one. Charged as they are to lead a Nation which stands out among all the nations of the world, the very fate of this planet is altered by what they do.

Mighty and ever loving God, You have been so gracious to us, we cannot begin to express our gratitude for the rich resources of fertile land, refreshing rivers, and majestic forests with which You have blessed this Nation. All this is magnified by the fact that no merit of ours has earned these blessings—no merit. For who can claim merit in the presence of Your divine goodness? Who can claim merit before Your sublime righteousness? And so with these awesome blessings come great responsibility. For You have instructed us that "From the one to whom much has been entrusted, even more will be demanded".—Luke 12:48.

Sovereign Spirit, help the Senators hear Your demand upon a people of freedom to seek liberation for all; a people of wealth to seek prosperity for everyone; a people of justice to seek righteousness for all. May all gathered here execute their office with mercy, love, and compassion. May this august assembly seek to share the blessings of this Nation with all of its people and even with those who do not share this badge of our citizenship but who still are our brothers and sisters whom You have commanded us to love and who share in that larger circle of the whole human family of which You are the one Divine Parent.

Let us all say—amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning there will be an immediate vote on the motion to invoke cloture on the motion to proceed to the so-called Vacancies Act. Following that vote, the Senate will resume consideration of the FAA authorization bill, with an almost immediate vote on or in relation to the Inhofe amendment regarding emergency license removal. Following that vote, the Senate will continue consideration of the FAA bill with amendments being offered and debated throughout today's session. Therefore, Members should expect rollcall votes during the day and into the evening in relation to the FAA bill or any other legislative or executive items cleared for action.

Finally, the leader would like to notify all Members that there will be rollcall votes during Friday's session of the Senate.

I thank my colleagues for their attention.

The PRESIDING OFFICER (Mr. GREGG). The Senator from California.

Mrs. BOXER. Thank you, Mr. President.

REV. MADISON T. SHOCKLEY II

Mrs. BOXER. Mr. President, I am so pleased and proud to welcome Rev. Madison Shockley to the Senate today where he has just delivered the opening prayer. Reverend Shockley is pastor of the Congregational Church of Christian Fellowship, United Church of Christ in Los Angeles, CA.

Mr. President, I had the great pleasure of attending services at his church a few weeks ago. On that particular day, we were reeling from a number of things both at home and abroad. His words were so fitting and healing. I was honored to be sitting in his congregation.

Reverend Shockley has been a civil rights and human rights leader in Los Angeles for more than a decade. His accomplishments, his leadership and his compassion make him one of California's most respected members of the clergy.

Following the 1992 civil unrest in Los Angeles, Reverend Shockley helped establish a 3-year program of "community conversation," bringing together people from all racial and ethnic backgrounds, as well as leaders from across this country, to talk about the causes of unrest and tension and to bring peace and love to a community that was torn by hate and fear.

Most recently, Pastor Shockley has authored a series of critically acclaimed articles in the Los Angeles Times covering a broad range of important social topics. I congratulate and I thank Reverend Shockley for coming all the way from California on a redeye flight, no less, which is not easy to do, and to share his prayers with us today. Our country so needs the healing message that he brings us every day.

I yield the floor.

FEDERAL VACANCIES REFORM ACT OF 1988—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under rule XXII, the clerk will now report the motion to invoke cloture on the motion to proceed to S. 2176.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham, and Robert C. Byrd.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum under the rule is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 2176, the vacancy bill, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN), are, necessarily absent.

I also announce that the Senator from Minnesota (Mr. WELLSTONE) is attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote "aye."

The yeas and nays resulted—yeas 96, nays 1, as follows:

[Rollcall Vote No. 285 Leg.]

YEAS—96

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Enzi
Faircloth
Feingold
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—1

Durbin

NOT VOTING—3

Glenn
Moseley-Braun
Wellstone

The PRESIDING OFFICER (Mr. SANTORUM). On this vote, the yeas are 96, the nays are 1. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. I ask unanimous consent that notwithstanding rule XXII, the Senate immediately proceed to the order with respect to the Inhofe amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. For the information, then, of all Senators, another vote will occur in approximately 10 minutes relative to the Inhofe amendment which is pending to the FAA reauthorization bill, and after that vote we will announce what the process will be thereafter.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The PRESIDING OFFICER. The Senate will proceed to S. 2279 which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001 and 2002, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Inhofe amendment No. 3620, to provide for the immediate application of certain orders relating to the amendment, modification, suspension, or revocation of certificates under chapter 447 of title 49, United States Code.

AMENDMENT NO. 3620

The PRESIDING OFFICER. The Senate will come to order.

There are 10 minutes equally divided on the Inhofe amendment. Who yields time?

Mr. MCCAIN. Mr. President, I ask unanimous consent that because of his eloquence, the Senator from Oklahoma be allowed 7 minutes and I will take 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma.

Mr. INHOFE. Mr. President, there is a process that is used by the FAA which is known as the emergency revocation process. This process will allow an inspector in the event of an alleged violation by a licensed pilot to take away the pilot's certificate. He would take away the certificate under the emergency revocation clause declaring that an emergency exists.

The problem with this is that many times when you have an inspector do this, or an examiner take away a certificate, there is not even an emergency nature to the revocation. Consequently, we have many, many cases where the individuals have been abused.

I would like to suggest that Ted Stewart, who is an American Airlines pilot, has been a pilot for over 12 years and presently flying Boeing 767s. In May of 1995, there was an emergency revocation. He was not guilty of anything. There was not an emergency attached to this. There was never any hazard to anyone's health or safety.

However, it was 2 months until he was able to get his certificate back. Then an examiner went back to him in June of 1996 and again revoked his certificate under the emergency revocation. Consequently, for another 2 months he was unable to earn a living. Fortunately, he worked for American Airlines; they were good enough to keep his paychecks coming, but in many cases that is not the case.

I happen to be a very close friend of a man named Bob Hoover. I think most of you can remember who Bob Hoover is. He is considered to be the best performer in the circuit of airshows. In fact, I have flown airshows with him. In 1992—and I was there at the time—an inspector came in, an examiner for the FAA, and said to him, We think you have a problem. We think perhaps there is a mental problem or something—they didn't really define it—and they revoked his certificate. It wasn't for another 4 years he was able to get his certificate back. In the meantime, he was flying his airshows but outside the United States.

Now, very simply, what my amendment does is set up a process whereby if you lose your certificate, you have 48 hours to take it to the NTSB and let the NTSB make a determination as to whether or not there is any kind of an emergency nature to the revocation. After they have looked this over and decided there is no emergency involved to the nature of the revocation, then at the end of 7 days the pilot will get his certificate back. If there is, then he would not get it back. They can go ahead then and go through the normal adjudication of the violation.

This is something that has been going on for quite some time. We have been concerned about reforming this process. This is a compromise, because this makes it very clear if there is any hazard out there, if there is any risk to anyone's safety, the flying public or the pilot himself, the pilot is not going to be able to fly. It is as simple as that.

A lot of people say that there are only 300 emergency revocations a year. Therefore, it is not really a problem; it doesn't really affect that many people. I suggest to you that if you take 300 people, there might be 20 or 30 of those who make their living flying airplanes for American Airlines or one of the other airlines, in which case that takes them out of their occupation.

The other problem we have is there are 650,000 pilots right now licensed in the United States and they all live in mortal fear that something like this would happen to them.

At this point let me yield 1 minute to Senator FRIST.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, I rise in support of the Inhofe amendment. Clearly, the FAA will be against this amendment because they will not voluntarily relinquish anything in terms of regulatory authority. I believe this amendment is reasonable. It provides, in essence, due process for pilots who do have their privileges revoked, with attention given to safety. It really assures accountability within the FAA.

As a pilot who has been witness to the potential abuses—and the Senator from Oklahoma has demonstrated several well-documented examples of how the FAA has really unfairly used a necessary power to prematurely revoke certificates—this amendment will address the issue while assuring accountability.

I rise in support of the amendment, a more reasonable approach which assures accountability and assures due process.

Mr. INHOFE. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I, of course, respect very much the views expressed by Senators FRIST and INHOFE, both of whom are pilots. The FAA has objected to this amendment. I believe it goes too far. I understand Senator

INHOFE's concerns. They were voiced a couple of years ago on a similar measure when we were doing another bill, the aviation bill. The fact is, we need to address this issue.

I believe this goes too far. I look forward to working with Senator INHOFE and Senator FRIST on it, but I am very hesitant to take a measure which could, at the end of the day, possibly endanger safety. That is why I have to oppose this amendment at this time.

I yield 30 seconds to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I have to oppose this amendment, also. The FAA must have the ability to act when it believes safety is at risk. The FAA is often criticized for not acting quickly enough on safety matters. Here they revoke a certificate for safety purposes and we want to make it harder for them to act. Right now the court of appeals has upheld the FAA actions in every case. They do not second guess the agency charged with the regulation of safety, so let's be sure we give the FAA the authority for safety in the air.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Oklahoma.

Mr. INHOFE. Mr. President just a few years ago we went through the same thing with the civil penalties of the FAA Act, so there would be someone other than the FAA involved. Prior to that time, the FAA was the judge, the jury, and the appellate court. They made all the decisions and they were protecting their own, because every bureaucracy does this—EPA, IRS, FDA and all the rest of them.

We changed the regulation so the NTSB, then, would be the appellate court for civil penalties, and it has worked very well. The junior Senator from Texas served on the NTSB, and I yield her whatever time she needs.

The PRESIDING OFFICER. The Senator is recognized for 1 minute 20 seconds.

Mrs. HUTCHISON. Mr. President, I do support the Inhofe amendment. Having served on the National Transportation Safety Board, I can tell you that the NTSB normally does not overturn the FAA revocation of pilots' licenses. But they do, after they go through the process and look at all of the evidence. I think it is quite fair to say if someone is going to be disadvantaged by having a license revoked, that the NTSB could very easily, and quickly, look at the type of evidence that they are going to hear and, without making a final adjudication, determine that this person would or would not be eligible to fly during the pendency of the proceedings.

I think it would introduce a new level in the process. It would be the emergency level. I think the NTSB can handle this. I think they are competent to do it, and I think their record shows that they have done it in the past.

I do support the amendment.

Mr. INHOFE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 14 seconds.

Mr. INHOFE. I will conclude by saying this in no way impairs the flying safety of the flying public or the pilots. The fact that the average time between the alleged violation and the revocation is 132 days pretty much tells you it is not really an emergency problem in most of these cases. I urge you to join the 625,000 pilots and myself in supporting the Inhofe amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Arizona has 1 minute 30 seconds.

Mr. MCCAIN. Mr. President, I thank the Senator from Oklahoma. If he does not prevail on this amendment, which I oppose, I want to pledge to him that I will work with him. There have been abuses. He pointed out the case of Mr. Hoover, who was respected and admired by all of us, who was mistreated by the bureaucracy. Unfortunately, there are always cases where these things happen. But I think we have always to keep safety as the paramount concern, and I believe this amendment possibly—I am not saying absolutely—but possibly could endanger the FAA's ability to carry out their primary responsibilities.

I thank the Senator from Oklahoma for his deep involvement in this and other aviation issues. I look forward to working with him in addressing what is clearly a problem.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

I also announce that the Senator from Minnesota (Mr. WELLSTONE) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote "no."

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 286 Leg.]

YEAS—46

Abraham
Allard
Ashcroft
Bennett
Bond
Breaux
Brownback
Burns
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
Domenici
Enzi
Faircloth
Frist
Grams
Grassley
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
McConnell
Murkowski
Nickles
Roberts
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thurmond
Warner

NAYS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Byrd
Cleland
Conrad
D'Amato
Daschle
DeWine
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Gorton
Graham
Gramm
Gregg
Hagel
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mack
McCain
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Roth
Sarbanes
Thompson
Torricelli
Wyden

NOT VOTING—3

Glenn
Moseley-Braun
Wellstone

The amendment (No. 3620) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I thank Senator INHOFE. I intend to work with him. We are going to take this bill to conference. He has a legitimate concern here and the closeness of the vote indicated that. I will work with him on this. He has clearly identified this as a serious problem, and I thank him for the spirited debate and the ventilation of a very important issue.

FEDERAL VACANCIES REFORM ACT OF 1998—MOTION TO PROCEED

The Senate continued with the motion to proceed.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, what is the pending business?

The PRESIDING OFFICER. A motion to proceed to S. 2176, postcloture.

Mr. LOTT. I know of no further debate.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed to S. 2176.

The motion was agreed to.

FEDERAL VACANCIES REFORM ACT OF 1998

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 2176) to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the "Vacancies Act") to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the

Committee on Governmental Affairs, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic,)

S. 2176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Vacancies Reform Act of 1998".

SEC. 2. FEDERAL VACANCIES AND APPOINTMENTS.

(a) IN GENERAL.—Chapter 33 of title 5, United States Code, is amended by striking sections 3345 through 3349 and inserting the following:

"§ 3345. Acting officer

"(a) If an officer of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) whose appointment to office is required to be made by the President, by and with the advice and consent of the Senate, dies, resigns, or is otherwise unable to perform the functions and duties of the office—

"(1) the first assistant of such officer shall perform the functions and duties of the office temporarily in an acting capacity, subject to the time limitations of section 3346; or

"(2) notwithstanding paragraph (1), the President (and only the President) may direct a person who serves in an office for which appointment is required to be made by the President, by and with the advice and consent of the Senate, to perform the functions and duties of the office temporarily in an acting capacity, subject to the time limitations of section 3346.

"(b) Notwithstanding section 3346(a)(2), a person may not serve as an acting officer for an office under this section, if—

"(1) on the date of the death, resignation, or beginning of inability to serve of the applicable officer, such person serves in the position of first assistant to such officer;

"(2) during the 365-day period preceding such date, such person served in the position of first assistant to such officer for less than 180 days; and

"(3) the President submits a nomination of such person to the Senate for appointment to such office.

"(c) With respect to the office of the Attorney General of the United States, the provisions of section 508 of title 28 shall be applicable.

"§ 3346. Time limitation

"(a) The person serving as an acting officer as described under section 3345 may serve in the office—

"(1) for no longer than 150 days beginning on the date the vacancy occurs; or

"(2) subject to subsection (b), once a first or second nomination for the office is submitted to the Senate, *from the date of such nomination* for the period that the nomination is pending in the Senate.

"(b)(1) If the first nomination for the office is rejected by the Senate, withdrawn, or returned to the President by the Senate, the person may continue to serve as the acting officer for no more than 150 days after the date of such rejection, withdrawal, or return.

"(2) **[If]** *Notwithstanding paragraph (1), if* a second nomination for the office (of a different person than first nominated in the case of a rejection or withdrawal) is submitted to the Senate **[**during the 150-day period**]** after the rejection, withdrawal, or return of the first nomination, the person serving as the acting officer may continue to serve—

"(A) until the second nomination is confirmed; or

"(B) for no more than 150 days after the second nomination is rejected, withdrawn, or returned.

"(c) If a person begins serving as an acting officer during an adjournment of the Congress sine die, the 150-day period under subsection (a) shall begin on the date that the Senate first reconvenes.

"§ 3347. Application

"(a) Sections 3345 and 3346 are applicable to any office of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) for which appointment is required to be made by the President, by and with the advice and consent of the Senate, unless—

"(1) another statutory provision expressly provides that such provision supersedes sections 3345 and 3346;

["(2) a statutory provision in effect on the date of enactment of the Federal Vacancies Reform Act of 1998 expressly authorizes the President, or the head of an Executive department, to designate an officer to perform the functions and duties of a specified office temporarily in an acting capacity; or**]**

"(2) a statutory provision in effect on the date of enactment of the Federal Vacancies Reform Act of 1998 expressly—

"(A) authorizes the President, a court, or the head of an Executive department, to designate an officer or employee to perform the functions and duties of a specified office temporarily in an acting capacity; or

"(B) designates an officer or employee to perform the functions and duties of a specified office temporarily in an acting capacity; or

"(3) the President makes an appointment to fill a vacancy in such office during the recess of the Senate pursuant to clause 3 of section 2 of article II of the United States Constitution.

"(b) Any statutory provision providing general authority to the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) to delegate duties to, or to reassign duties among, officers or employees of such Executive agency, is not a statutory provision to which subsection (a)(2) applies.

"§ 3348. Vacant office

"(a) In this section—

"(1) the term 'action' includes any agency action as defined under section 551(13); and

"(2) the term 'function or duty' means any function or duty of the applicable office that—

"(A)(i) is established by statute; and

"(ii) is required by statute to be performed by the applicable officer (and only that officer); or

"(B)(i)(I) is established by regulation; and

"(II) is required by such regulation to be performed by the applicable officer (and only that officer); and

"(ii) includes a function or duty to which clause (i) (I) and (II) applies, and the applicable regulation is in effect at any time during the 180-day period preceding the date on which the vacancy occurs, notwithstanding any regulation that—

"(I) is issued on or after the date occurring 180 days before the date on which the vacancy occurs; and

"(II) limits any function or duty required to be performed by the applicable officer (and only that officer).

"(b) Subject to section 3347 and subsection (c)—

"(1) if the President does not submit a first nomination to the Senate to fill a vacant office within 150 days after the date on which a vacancy occurs—

"(A) the office shall remain vacant until the President submits a first nomination to the Senate; and

"(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until a nomination is made in accordance with subparagraph (A);

"(2) if the President does not submit a second nomination to the Senate within 150 days after the date of the rejection, withdrawal, or return of the first nomination—

"(A) the office shall remain vacant until the President submits a second nomination to the Senate; and

"(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until a nomination is made in accordance with subparagraph (A); and

"(3) if an office is vacant after 150 days after the rejection, withdrawal, or return of the second nomination—

"(A) the office shall remain vacant until a person is appointed by the President, by and with the advice and consent of the Senate; and

"(B) in the case of an office other than the office of the head of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office), only the head of such Executive agency may perform any function or duty of such office, until an appointment is made in accordance with subparagraph (A).

"(c) If the last day of any 150-day period under subsection (b) is a day on which the Senate is not in session, the first day the Senate is next in session and receiving nominations shall be deemed to be the last day of such period.

"(d)(1) Except as provided under paragraphs (1)(B), (2)(B), and (3)(B) of subsection (b), an action shall have no force or effect if such action—

"(A)(i) is taken by any person who fills a vacancy in violation of subsection (b); and

"(ii) is the performance of a function or duty of such vacant office; or

"(B)(i) is taken by a person who is not filling a vacant office; and

"(ii) is the performance of a function or duty of such vacant office.

"(2) An action that has no force or effect under paragraph (1) may not be ratified.

"(d) This section shall not apply to—

"(1) the General Counsel of the National Labor Relations Board;

"(2) the General Counsel of the Federal Labor Relations Authority; or

"(3) any Inspector General appointed by the President, by and with the advice and consent of the Senate.

"§ 3349. Reporting of vacancies

"(a) The head of each Executive agency (including the Executive Office of the President, and other than the General Accounting Office) shall submit to the Comptroller General of the United States and to each House of Congress—

"(1) notification of a vacancy and the date such vacancy occurred immediately upon the occurrence of the vacancy;

“(2) the name of any person serving in an acting capacity and the date such service began immediately upon the designation;

“(3) the name of any person nominated to the Senate to fill the vacancy and the date such nomination is submitted immediately upon the submission of the nomination; and

“(4) the date of a rejection, withdrawal, or return of any nomination immediately upon such rejection, withdrawal, or return.

“(b) If the Comptroller General of the United States makes a determination that an officer is serving longer than the 150-day period including the applicable exceptions to such period under section 3346, the Comptroller General shall report such determination to—

“(1) the Committee on Governmental Affairs of the Senate;

“(2) the Committee on Government Reform and Oversight of the House of Representatives;

“(3) the Committees on Appropriations of the Senate and House of Representatives;

“(4) the appropriate committees of jurisdiction of the Senate and House of Representatives;

“(5) the President; and

“(6) the Office of Personnel Management.

“§ 3349a. Presidential inaugural transitions

“(a) In this section, the term ‘transitional inauguration day’ means the date on which any person swears or affirms the oath of office as President, if such person is not the President on the date preceding the date of swearing or affirming such oath of office.

[“(b) With respect to any vacancy that exists during the 60-day period beginning on a transitional inauguration day, the 150-day period under section 3346 or 3348 shall be deemed to—

[“(1) begin on the later of—

[“(A) the date following such transitional inauguration day; or

[“(B) the date the vacancy occurs; and

[“(2) be a period of 180 days.]

“(b) With respect to any vacancy that exists during the 60-day period beginning on a transitional inauguration day, the 150-day period under section 3346 or 3348 shall be deemed to begin on the later of the date occurring—

“(1) 90 days after such transitional inauguration day; or

“(2) 90 days after the date on which the vacancy occurs.

“§ 3349b. Holdover provisions relating to certain independent establishments

“With respect to any independent establishment for which a single officer is the head of the establishment, sections 3345 through 3349a shall not be construed to affect any statute that authorizes a person to continue to serve in any office—

“(1) after the expiration of the term for which such person is appointed; and

“(2) until a successor is appointed or a specified period of time has expired.

“§ 3349c. Exclusion of certain officers

“Sections 3345 through 3349b shall not apply to—

“(1) any member who is appointed by the President, by and with the advice and consent of the Senate to any board, commission, or similar entity that—

“(A) is composed of multiple members; and

“(B) governs an independent establishment or Government corporation; or

“(2) any commissioner of the Federal Energy Regulatory Commission.”.

(b) TECHNICAL AND CONFORMING AMENDMENT.—

(1) TABLE OF SECTIONS.—The table of sections for chapter 33 of title 5, United States Code, is amended by striking the matter relating to subchapter III and inserting the following:

“SUBCHAPTER III—DETAILS, VACANCIES, AND APPOINTMENTS

“3341. Details; within Executive or military departments.
“[3342. Repealed.]
“3343. Details; to international organizations.
“3344. Details; administrative law judges.
“3345. Acting officer.
“3346. Time limitation.
“3347. Application.
“3348. Vacant office.
“3349. Reporting of vacancies.
“3349a. Presidential inaugural transitions.
“3349b. Holdover provisions relating to certain independent establishments.
“3349c. Exclusion of certain officers.”.

(2) SUBCHAPTER HEADING.—The subchapter heading for subchapter III of chapter 33 of title 5, United States Code, is amended to read as follows:

“SUBCHAPTER III—DETAILS, VACANCIES, AND APPOINTMENTS”.

SEC. 3. EFFECTIVE DATE AND APPLICATION.

(a) EFFECTIVE DATE.—This Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) APPLICATION.—This Act shall apply to any office that—

(1) becomes vacant after the date of enactment of this Act; or

(2) is vacant on such date, except sections 3345 through 3349 of title 5, United States Code (as amended by this Act), shall apply as though such office first became vacant on such date.

CLOTURE MOTION

Mr. LOTT. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur Monday, September 28. I now ask unanimous consent that, notwithstanding rule XXII, the cloture vote occur at 5:30 p.m. on Monday and the mandatory quorum under rule XXII be waived. I further ask that at 3:30 p.m. on Monday, the Senate resume the bill for debate only, with no action occurring, and that there be 2 hours of debate equally divided between the two leaders, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

Mr. LOTT. Mr. President, I now ask unanimous consent that the Senate resume consideration of the FAA reauthorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

The Senate continued with the consideration of the bill.

Mr. LOTT. Mr. President, I ask unanimous consent that no call for the regular order be in order prior to the conclusion of the FAA reauthorization bill.

Mr. MCCAIN. Mr. President, reserving the right to object. I ask the leader, does the leader intend to attempt for us to move forward with the Internet Tax Freedom Act as well?

Mr. LOTT. Certainly, I do. We have tried to get that cleared a couple times and there have been objections. I know there is a lot of interest in it. I am receiving calls, and I know there is support for it on both sides of the aisle. So we will continue to try to work that out, and we will try to get an agreement to go forward on it later today.

Mr. MCCAIN. I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, we are back on the FAA authorization bill. We have a number of amendments that will require debate and votes. We also are working to resolve a number of them. I want to say to my colleagues that I don't know what the leaders on both sides intend to do this evening, but the Senator from Kentucky and I intend to try to get rid of all amendments by this evening. If we are unable to have Members come over here to propose amendments, then, obviously, we have no choice but to move forward on the legislation. We have a number of amendments: A Dorgan amendment, a Mikulski-Sarbanes amendment, a Torricelli amendment, a Robb amendment, a Domenici amendment, and others that are on the unanimous-consent agreement. I hope that those Senators will come over and offer the amendments and stand ready to debate them and vote on them.

I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I join my colleague in asking the Senators to help us move this bill along. We worked late into the night last evening in order to try to accommodate as many Senators as we could. There were some changes in language to where the amendments could be agreeable. Those amendments will be offered because both sides have agreed. We are down to maybe five or six amendments that will need votes. I don't know of any other vote that would be necessary.

Under the unanimous consent agreement of last evening, we said that these were first-degree amendments and that there might be second-degree amendments. We hope not. I want to encourage those on my side, if they have amendments that they want to debate and discuss, we are ready to take the time to do it now.

It gets a little frustrating here at the end of a session when everybody wants something done and nobody is here to help us get things done. It is the "nature of the brute," as I have heard quite often. But we will be in a crunch, we will be here Saturdays and Sunday afternoon if we are going to get out by October 9, or we will be labeled as a "do-nothing Congress." I don't like that label, and I don't like to work on Saturdays or Sundays. I don't think my colleagues do either.

If they would just come and offer their amendments and give us a time agreement, we can stack votes. We can do a lot of things to accommodate our Members.

I hope they will listen to the admonishment of my friend from Arizona that we want to finish this bill today, if at all possible. We intend to do that. If colleagues are not cooperative, then third reading is always possible.

I thank the Chair, and I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, how long will the Senator be?

Mr. FEINGOLD. Up to 20 minutes.

Mr. FORD. The reason I ask—I apologize for interrupting—is for others who want to come to the floor, and we can give them a time at which they can get here. So it would be roughly 10 minutes after 11.

I thank the Senator.

Mr. FEINGOLD. Mr. President, I thank the Senator from Kentucky.

THE 1998 TAX MEASURE

Mr. FEINGOLD. Mr. President, I rise to offer a few comments on the budget picture and the tax measure that appears likely to move through Congress in these few days remaining in the session.

Over the last several days, a number of my colleagues have come to the floor to voice concerns about the increasing use of the emergency spending provisions in our budget rule as a device to circumvent the tough limits we have imposed on our budget requiring that all new spending be paid for.

Those Members are properly alarmed because those spending provisions, which by any reasonable measure were predictable and expected, have now been designated as emergency appropriations precisely to avoid the need for offsetting spending cuts.

Mr. President, I want you to know that I share the concerns of those Members.

The spending limits to which we agreed in the bipartisan budget agreement last year are indeed tough. They were intended to be tough. But if we are to make progress toward a truly balanced budget, those limits have to be respected—not just last year's but also this year and into the future.

Along those same lines, I have some very serious concerns about the proposed tax bill that is working its way through Congress. To many it will not come as a surprise that I have serious concerns about this measure.

In 1994, I was the first Member of either House to fault both parties for the irresponsible tax policies they were advocating while our Nation still faced a very serious budget deficit. Then, as now, I firmly believed that balancing the budget has to be our highest economic priority, and that the irresponsible tax legislation being offered at that time made that task much harder. I think that subsequent events have proved that point.

The 104th Congress pursued the so-called Contract With America budget, a proposal that featured massive cuts in Medicare and Medicaid to help fund an irresponsible tax cut. That proposal in effect tried to serve two masters at the same time—a reduced deficit, and a massive tax cut.

The result was a measure that was unsustainable economically and politically, and the political gridlock that followed in the wake of that budget produced a Government shutdown, and little, if any, new progress toward balancing the Federal budget.

So the result was that the 104th Congress missed an important opportunity to finish the job that we started in the 103d Congress with the successful enactment of the historic deficit reduction package passed in August of 1993. It was the 1993 deficit reduction package that helped finally turn the budget around. It also helped turn Congress around by focusing attention on the need for continuing deficit reduction.

Unfortunately, the 104th Congress failed to advance the work of the 103d Congress. It sadly lost the focus of deficit reduction and the politically driven tax cut proposal undercut the potential for a sustainable deficit reduction package.

Then, at the beginning of the 105th Congress, we began to regain part of our focus on reducing the deficit. The political gridlock that characterized most of the previous Congress was really a slap in the face to many, and the following Congress—this Congress—there was a historic bipartisan effort to get back on track.

As a Member of the Senate Budget Committee, I was proud to be part of that bipartisan effort.

Once again, let me pay special notice to our distinguished chairman, the Senator from New Mexico, and our ranking member, the Senator from New Jersey, for their leadership in helping to craft a bipartisan spending-cut bill that we passed in 1997.

Mr. President, taken together, the 1993 deficit package, and to a lesser but still important extent the 1997 budget-cutting bill, have put this Nation on the road—"on the road"; we are not there yet, but on the road—to a truly balanced budget. We are not there yet, but the goal is in sight.

As I noted, I was proud to support the budget-cutting bill last year. I voted for the tough spending cuts that included. However, I did not support the separate irresponsible tax-cut bill that was also part of those discussions.

A large part of the reason we have not reached our goal of a balanced budget is last year's tax-cut legislation. In fact, that tax cut should not have been enacted for a great many reasons. But first and foremost, Mr. President, it shouldn't have been enacted because it was premature. In effect, it created over a 10-year period a $292 billion net tax cut—a net tax cut of $292 billion—while we were still facing significant budget deficits.

Mr. President, the bottom line is that because our budget is still in deficit, the tax cut was effectively funded with Social Security revenues. Make no mistake about it. That $292 billion comes out of the Social Security trust fund, because it is the only pot that is left when you have a deficit.

Mr. President, this terrible problem in last year's tax bill is the very same problem that plagued this year's tax proposal.

There are other problems, as well, with last year's tax bill. Not only was it premature, but the bill's costs were heavily backloaded, putting even a greater burden on our children and grandchildren, and even adding more complexity, if you can believe it—even more complexity—to a Tax Code already thick with it.

And by committing revenues to a variety of specific interests, it further jeopardized the broad-based tax reform that so many of us genuinely want to see, and that we really thought was going to happen after the 1994 election.

Mr. President, the most telling legacy of last year's premature tax cut is that, if it had not been enacted, our Federal budget would have finally achieved a significant surplus by 2002 instead of having to wait until at least as long as 2006, 4 years earlier.

Mr. President, this bears repeating.

As we have talked for years about how we wanted to have a truly balanced budget by the year 2002, that goal and that achievement was sacrificed to the desire to give out a premature tax cut last year. If Congress had not enacted last year's premature tax cut, today we would be looking at the chance of real budget surpluses in the year 2002 instead of having to wait at least until the year 2006, and perhaps beyond, if the appetite for premature tax cuts is not satiated.

Mr. President, this mistake of last year should have been a lesson for us. Regrettably, it appears at least some have not learned a lesson.

We now come to the end of the 105th Congress, and again we are presented with yet another tax-cut proposal.

Estimates from the Joint Committee on Taxation puts the cost of the tax cuts in this new proposal at about $86 billion over the next 5 years. Naturally, all of us who care about truly balancing the budget say, "OK. Where are the offsets? What about the offsets? What revenue increases or spending cuts are included in the package to offset this cost of $86 billion in lost revenue?"

Apparently, other than about $5 billion in revenue offsets, there are none. So it begins to look an awful lot like the 1997 tax bill, which involved at least $86 billion to $90 billion in net tax reductions—not offsets—over the course of 5 years.

Mr. President, this new proposal essentially has no offsets. It is a net $80-billion-deficit increase.

How can this be? What possible justification is offered to again balloon the deficit in this way?

The answer is the same shell-game explanation that has been given to the public for about 30 years.

Proponents of this legislation argue that somehow there is no deficit, that the budget currently has a surplus, and that all this tax bill does is merely return some of that surplus to the taxpayer.

That portrayal of our budget is simply wrong and, frankly, is misleading.

We do not have the surplus. The budget this year is projected to have about a $40 billion deficit. And except for briefly achieving balance in 2002 and 2005, the Congressional Budget Office does not project a significant budget surplus until at least the year 2006, 8 years from now, if, and only if, their economic assumptions hold. And they, of course, are optimistic economic assumptions based on the rather healthy economy we have enjoyed for several years.

In response to a letter from our ranking member on the Budget Committee, the Congressional Budget Office indicates that if a recession similar to the one that occurred in 1990 and 1991 were to begin in late 1999, the budget's bottom line in that year would be close to $50 billion worse than is currently projected. CBO goes on to note that this impact on the budget would grow to almost $150 billion by the year 2002.

Put simply, if we were to experience a recession similar to the one we experienced in 1990 and 1991, instead of having a balanced budget in the year 2002, we would have a budget deficit of $150 billion—all the more reason for us to be fiscally prudent.

Let me reiterate, we do not have a budget surplus today. Our budget is currently projected to end the current fiscal year with a deficit of about $40 billion. How can proponents argue that we have a budget surplus when we do not? What is the difference? What is the difference between their view and their argument and the real budget? The difference is Social Security. Those who are pushing this tax measure want to include Social Security trust fund balances in our budget. They want to use Social Security balances to pay for their tax cut. And that is what is wrong with this tax cut.

A recent release from the Concord Coalition said it quite well. They said, "It is inconsistent for Congress to say that Social Security is 'off budget' while at the same time using the Social Security surplus to pay for tax cuts or new spending."

That is exactly what is being proposed here. Years of fiscal discipline are being squandered for the sake of an election year tax cut bill.

What is equally troubling, the future discipline that will be needed to finish the job and balance the budget is also put at risk by this tax bill. Our budget rules cannot by themselves eliminate our deficit and balance the budget, but they can help sustain the tough decisions we make here. They play an important role in ensuring that Congress does not backslide in efforts to balance the budget.

The tax measure as it currently is being debated in the other body appears to violate several critical budget rules. It violates the pay-go rule, which is supposed to ensure that tax and entitlement bills do not aggravate the deficit. It violates section 311(A)(2)(b) of the Budget Act by undercutting the revenue levels established in the most recent budget resolution. And it may violate section 306 of the Budget Act if, as some believe will happen, the majority includes language which would include further provisions to avoid the automatic cuts made by the sequester process.

This proposal may well become a triple threat. It ignores rules requiring offsets, it ignores rules establishing revenue floors, and before we are done it may also seek to circumvent the sequester provisions—the last line of defense to protect the budget.

I know this can sound very complicated. The people pushing this tax bill are counting on it sounding complicated. But it is really not complicated. Put simply, what they want to do, just like they did last year, is to use the Social Security trust funds to pay for an election year tax cut. They will balloon the deficit and imperil Social Security, and that is a bad idea.

This is the legacy of the tax bill as it is the legacy of the 1997 tax bill—raiding the Social Security trust fund, busting the budget and trashing budget discipline, all for an election year tax cut. For the sake of expediency, this body will be asked to put fiscal prudence on the block.

Last year's tax bill was premature. This year's tax bill is equally reckless. We are within sight of our goal of a truly balanced budget. We really should not stray from that path. I urge my colleagues to join with me to oppose any tax measure which violates our budget rules and sets us once again on a fiscally irresponsible course.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued the consideration of the bill.

AMENDMENT NO. 3627

(Purpose: To reestablish the Office of Noise Abatement and Control in the Environmental Protection Agency)

Mr. TORRICELLI. Mr. President, I rise today to offer an amendment on the underlying legislation of FAA reauthorization. I do so in recognition of the reality of life of hundreds of thousands of people that I represent—and, indeed, most Members of the Senate represent—who, by the chance of the place of their birth or where they choose to live, have a daily encounter with the rising problem of airplane noise in our country.

We have through recent decades learned to expand our concept of pollution of the air and the water to toxins, to chemicals we work with every day. But to most Americans they, in their own lives, have already come to understand and reach the decision that I bring before this Senate today: Noise is a pollution, and it is a very real part of the quality of life of most people in our country, impacting their communities.

I offer this amendment because this problem will not solve itself and, indeed, as the years pass, it is clear it is going to get worse. The FAA predicts that by the year 2007 there will be 36 percent more airplane flights than this Nation will experience this year; 60 of the 100 largest airports in this country in each of our major metropolitan regions are planning expansions with new runways. To some, this is a choice between economic expansion and the quality of life or health of our families. We do not have to reach that choice. If we build airports, plan their expansion, and deal with the issue of flight paths with good, scientific information, understanding the impact of noise on health and how it can be mitigated, there is no reason to compromise economic growth while we legitimately address the health of our families.

We already know that 25 million Americans are impacted by noise problems every day. Even the rudimentary studies that have been undertaken lead us to understand that noise exposure is an element of hypertension difficulties and cardiovascular problems. It is estimated that another 40 million people with different levels of noise exposure have sleep or work disruption that affect their productivity and their own quality of life.

The Environmental Protection Agency for a time was involved in these issues. Some of the judgment I bring before the Senate today was made more than two decades ago. Then Congress understood the impact of noise on health and quality of life. But in 1981 the Congress eliminated the Office of Noise Abatement and Control, so much scientific work and the advice of scientists and others with this responsibility ceased.

In the EPA's absence, the Federal Aviation Administration has been charged with the responsibility of monitoring aircraft noise. Mr. President, the FAA has a mission, it has technical capabilities, and it performs its mission admirably. But dealing with the problem of noise is not its expertise or its mission. There is an obvious conflict of interest between promoting the expansion of the aviation industry and its airports and their operations, and dealing with the problem of noise. This conflict was recently highlighted by the Natural Resources Defense Council's own study that found that the FAA's policy, relying on a 65-decibel threshold for determining the level of noise compatibility with residential communities, was far too high and completely inappropriate. Yet that is the level the FAA continues to use because it does not force the critical choices in dealing with noise abatement.

I cannot adequately describe, for the quarter of a million people who live in New Jersey who are impacted by noise problems from Newark Airport, JFK, and La Guardia every day, how disappointing it is that this work in the Federal Government has ceased and the FAA alone is exercising this responsibility.

In our absence in these 17 years, much of this work and much of the progress on the question of noise and airports has been ceded to European leadership where much of the current health studies are being undertaken. For example, in Munich, Germany, a scientific study recently found that chronic exposure to airplane noise was affecting the psychological well-being of young children. Another study in England, where in our absence this work also was continuing, found that children studying under flight paths to Heathrow Airport in London had a reading age 6 months behind children who were not similarly exposed to aircraft noise.

The amendment I offer today, of which I now speak, would reengage the EPA in the serious business of evaluating alternatives and the impacts of airplane noise. It is based on legislation that I introduced last year with Senators SARBANES, WELLSTONE, LAUTENBERG, MOYNIHAN, MURRAY, D'AMATO, and BOXER. I have termed it the "Quiet Communities Act," and it would reestablish within the EPA an Office of Noise Abatement and Control.

Some of that mission is reflected in the amendment I bring to the floor today for this authorization legislation. It will require the EPA to conduct a study which examines the FAA selection of noise measurement methodologies, so we know when the FAA does undertake studies whether their methodologies are sound and reasonable, as well as establishing a threshold of noise at which health impacts are felt.

So that in communities all across America, when people gather with local airport authorities and State authorities and Federal authorities, there is a scientific basis to know with some certainty whether or not their children's health is being impacted.

It is important to note that this bill will only give the EPA the authority to recommend new standards. It will only give them authority to recommend. It imposes nothing. The EPA can make its suggestions. It can do scientific studies. It can give a baseline. It will not change the authority in making final judgments.

Mr. President, I believe this is a reasonable suggestion to go down the path that other industrialized democracies have followed and which this Congress recognized two decades ago, that noise is a real and persistent problem in America that affects health. It is only reasonable that on a voluntary basis the EPA be able to make recommendations at what level and what methodologies so we can have an informed debate.

Mr. President, I offer this amendment for my colleagues' consideration, and I urge its adoption.

I yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I understand that the Senator from New Jersey seeks a recorded vote on this; is that correct?

Mr. TORRICELLI. That is correct.

Mr. McCAIN. I will make a motion to table the Torricelli-Lautenberg amendment and ask for the yeas and nays.

The PRESIDING OFFICER. There is no amendment pending.

Mr. McCAIN. I say to my friend from New Jersey, I do not believe he has sent the amendment to the desk yet.

Mr. TORRICELLI. It is at the desk.

The PRESIDING OFFICER. Does the Senator from New Jersey ask that it be reported?

Mr. TORRICELLI. I ask that it be reported, and I ask unanimous consent that before the recorded vote, each side be given 2 minutes to explain their positions.

Mr. McCAIN. That is fine.

Who has the floor, Mr. President?

The PRESIDING OFFICER. The unanimous consent agreement calls for 1 hour of debate on this amendment, evenly divided.

Mr. McCAIN. Sure.

Mr. TORRICELLI. I reserve the remainder of my time pending Senator LAUTENBERG having a chance to come to the floor.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. TORRICELLI], for himself, Mr. LAUTENBERG, Mr. D'AMATO, Mr. MOYNIHAN and Mr. WELLSTONE, proposes an amendment numbered 3627.

Mr. McCAIN. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, we will be glad to use whatever time the Senator from New Jersey desires, along with his colleague.

I still move to table the amendment, and ask unanimous consent that the time for that vote——

The PRESIDING OFFICER. A motion to table is not in order until the time has been used.

Mr. McCAIN. Until such time as the time has expired or the Senator from New Jersey yields back, at that time, I intend to seek a tabling motion, and that tabling motion would be at the agreement of the two leaders, since it is not clear as to exactly when that vote would be held. So that is my intention.

Mr. President, I would like to speak on the amendment.

This amendment to reestablish the Office of Noise Abatement and Control in the EPA is something that I believe is very unnecessary. The language of the proposal is being represented as dealing with noise from all sources. It is clearly targeted at aviation noise.

I also say to the Senator from New Jersey, I understand the aviation noise problems in his State, as well as neighboring States.

Mr. President, aviation noise issues involve a careful balancing of many concerns, including technology, safety, airspace management, research and education, and land use. The expertise and necessary center of authority for dealing with these highly interrelated matters has always resided in the FAA.

Replication of the necessary expertise within the EPA, along with the creation of jurisdictional ambiguities, would not only be wasteful of our limited Federal resources, but would also serve to complicate and confound existing efforts to deal with and better understand community noise concerns. The fact of the matter is that the EPA does not have any expertise in aerodynamics, which is fundamental to addressing aircraft noise issues.

Mr. President, I think it is important to point out that noisy Stage 2 aircraft are currently being phased out. The FAA estimates that by the year 2000, the population exposed to significant aircraft noise will be approximately 600,000. That is a dramatic decrease from the more than 4.5 million just 8 years ago. It is clear that current noise mitigation efforts have significantly reduced the exposure of a great many people to aircraft noise. We should allow this substantive work to continue without any interference.

Reestablishing the Office of Noise Abatement and Control strikes me as a needless return to big government. The last thing I think we need to be doing now is funding, even with a budget surplus, another bureaucratic office, especially when the underlying concerns are already being addressed.

Mr. President, the FAA News, i.e., the press release that was issued on September 9, says:

> Aircraft Noise Levels Continue to Decline, Secretary Slater Announces.

It goes on to say:

> With the continued removal of noisier aircraft and the introduction of quieter airplanes to the U.S. fleet, approximately 80 percent of airplanes operating in the United States today are the quieter Stage 3 aircraft, Secretary of Transportation Rodney E. Slater reported today.
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> * * * * * *
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> This is the sixth consecutive year that the aircraft fleet has been ahead of the requirement to transition to a quieter aircraft. The Airport Noise and Capacity Act of 1990 requires that all airplanes meet quieter Stage 3 noise levels by the year 2000.

I might add that that legislation was a direct result of the efforts of the Senator from Kentucky.

> Secretary Slater's report to Congress shows that operators surpassed the Dec. 31 interim compliance requirement. Operators either had to reduce noisier Stage 2 airplanes by 50 percent or have 65 percent of the quieter Stage 3 airplanes in their fleets. Just this past year, 225 noisier Stage 2 aircraft have been removed from service while 554 quieter Stage 3 aircraft have entered service in the United States.

Mr. President, I ask unanimous consent that this complete statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From FAA News, Sept. 9, 1998]

AIRCRAFT NOISE LEVELS CONTINUE TO DECLINE, SECRETARY SLATER ANNOUNCES

WASHINGTON.—With the continued removal of noisier aircraft and the introduction of quieter airplanes to the U.S. fleet, approximately 80 percent of airplanes operating in the United States today are the quieter Stage 3 aircraft, Secretary of Transportation Rodney E. Slater reported today.

"President Clinton is committed to protecting the environment, and I am pleased by this progress," said Secretary Slater.

This is the sixth consecutive year that the aircraft fleet has been ahead of the requirement to transition to quieter aircraft. The Airport Noise and Capacity Act of 1990 requires that all airplanes meet quieter Stage 3 noise levels by the year 2000.

Secretary Slater's report to Congress shows that operators surpassed the Dec. 31 interim compliance requirement. Operators either had to reduce noisier Stage 2 airplanes by 50 percent or have 65 percent of the quieter Stage 3 airplanes in their fleets. Just this past year, 225 noisier Stage 2 aircraft have been removed from service while 554 quieter Stage 3 aircraft have entered service in the United States.

FAA Administrator Jane F. Garvey said, "I applaud the continued commitment of airplane operators and manufacturers. The operators continue to meet or exceed interim compliance dates and manufacturers continue to develop quieter aircraft and engines."

Stage 2 airplanes include Boeing models 727–200, 737–200 and McDonnell Douglas model DC–9. Stage 3 airplanes include Boeing models 737–300, 757, 777 and McDonnell Douglas models MD–80 and 90.

Some operators are complying with the Stage 2 airplane phaseout by installing FAA certified Stage 3 noise level hushkits to their Stage 2 fleet. Many airline operators have already met the criteria for the next interim compliance date, which is Dec. 31, 1998.

Mr. McCAIN. Mr. President, we are making progress, a lot of it due to the exhaustive efforts of the Aviation Subcommittee of the Commerce Committee under the leadership of Senator FORD. We are making progress. It is exceeding the goals that everyone agreed were reasonable at the time we passed the act in 1990. I strongly recommend that we do not set up or reestablish another bureaucracy to address a problem which, although is still in existence, clearly is being addressed in a manner which exceeds our expectations.

Again, I have great sympathy for the Senator from New Jersey and the people who live in these air corridors where there is exceedingly high noise levels. My message to them is: Help is not only on the way but it has been on the way for some years now. In fact, for the sixth consecutive year noise levels have been reduced. I know that is of small consolation to some, but over time we will have much quieter communities in New Jersey, as well as Arizona, Kentucky, and every other State in America.

As I said before, Mr. President, I intend to move to table the amendment, either at the expiration of all time or the yielding back of time before the vote. I tell my colleagues, I will let them know as soon as possible, because the two leaders would have to consult on the time of that vote.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, if there are no others seeking recognition on this amendment—and the distinguished Senator from Arizona has noted the procedure following the vote—I ask unanimous consent that I be allowed to proceed as in morning business to speak about the issue of impeachment.

Mr. McCAIN. For how long?

Reserving the right to object, Mr. President, for 1 minute, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I renew my earlier unanimous-consent request.

Mr. McCAIN. Reserving the right to object, is that request for a maximum of 20 minutes?

Mr. LEAHY. Yes, an absolute maximum of 20 minutes.

Mr. McCAIN. As long as that unanimous-consent request includes not longer than 20 minutes.

Mr. LEAHY. I amend it to so state.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. I thank the Senator from Arizona and the Senator from Kentucky for their usual courtesies.

CONGRESS' RESPONSIBILITY REGARDING THE REFERRAL FROM KENNETH STARR

Mr. LEAHY. Mr. President, I come to the floor today to speak about the responsibility of Congress considering the referral from Kenneth Starr.

I am deeply concerned about how this is unfolding. This process is fast losing credibility. It is enough off track that the national interest, which should be our paramount concern, is suffering. It is enough off track that our institutions of government—the Congress, the Presidency, and the Constitution itself—may suffer damage that will linger long after we are all gone from the scene. The way we handle this responsibility, the character of our own institution is also at stake.

America, look where we are. The President has misused his office. Kenneth Starr is leaving in his wake a body of debris that will bring down the entire independent counsel law. And now that this matter is on our doorstep, we in the Congress increasingly risk, through our actions, undermining the public's faith and trust in our own institution of our own national government.

In these early stages of this inquiry into the actions of the President of the United States, it is time we ask whether we, ourselves, are on the verge of becoming not part of the solution but, instead, part of the problem, by harming our national interests and further eroding the public's confidence in their government.

Should we be disappointed and offended and angered by the President's conduct? Certainly we should be. As a father, a husband, as an American, and as someone who knows this President and supports the good he has done for the Nation, I am appalled and saddened by this episode.

These are difficult days in Washington and they are difficult days for the Nation. But this is a time when the Congress must rise above partisanship and look beyond short-term political objectives. We must consider what best serves the common good of the American people.

Four tenets must guide Congress' proper handling of the referral from Mr. Starr: We should put the national interests first in all of our considerations. Secondly, proceedings should be structured and enjoined to be as bipartisan as possible. Third, we must be fair. And fourth, we must move toward resolving this controversy as promptly as possible.

Early statements by the House leadership point in the right direction, but these have been overtaken by events and actions. I have noted on many other occasions my respect for HENRY HYDE, chairman of the House Judiciary Committee, and JOHN CONYERS, ranking Democratic member of that committee. These two distinguished leaders have the wisdom and experience to work together for the good of the country and to construct a fair, bipartisan process. It does not augur well for such a process, however, that unilateral decisions and party-line votes already have become the norm, and the House has paid little attention to ensuring fairness in its initial decisions and actions.

The past several weeks have not been reassuring. The other body has yet to determine what rules and procedures should govern their actions, how our traditional notions of due process and fundamental fairness will be guaranteed, and how to prevent this process from degenerating into a partisan exercise. The House only now is beginning to examine the precedence and bipartisan actions of the House Judiciary Committee that considered the impeachment of President Nixon. In effect, they have put the cart before the horse.

Perhaps the meeting yesterday involving the House leadership will yield some progress. It is time for leaders in the House and the Senate, leaders from both parties, people of good will who put the national interests first, to reconsider how this matter is being handled and where it is headed.

A partisan train seems to be rolling out of the House station in a decidedly political direction. Perhaps it is too much to hope that Members, in the midst of reelection efforts, would view this matter through any prism other than their own campaigns or prospects for majority control in the Congress and the presidential election in 2000. The public is wondering whether this Congress can do anything serious now that election season is upon us.

Congress risks undermining the public's trust in our institutions of our national government. We must consider what best serves the common good of the American people and our national interests. This is a time when Congress must rise above partisanship and look beyond short-term political objectives.

Like Dwight Eisenhower before him, my friend and former colleague Senator Dole used his Farewell Address to the Senate in 1996 to warn of an impending danger to the Nation. He chose to speak about a fundamental lesson he learned in his years in Washington: that people of both parties must work together. He reminded Senators that we represent all our constituents—Republicans, Democrats, and independents.

On any consideration of proceedings to inquire into the possible impeachment of the President of the United States, as on matters of such overriding significance as the declaration of war or amending the Constitution, all Members of Congress must be mindful of the Nation's interests and the potential for harm that can be caused by pursuing narrow partisan goals.

We have already seen personal criticism of the President while he was overseas on a trip to Russia and Ireland. On Monday, the videotape of the President's appearance before one of the Starr grand juries was broadcast over the airwaves, even while the President of the United States was making a major address before the United Nations on international terrorism—one of the greatest current threats to our Nation's security and to stability around the world. These rash acts harm the Nation and they harm the international standing of the United States. Such actions may help the political fortunes of some in Congress, but they ignore the precedent of past Congresses where criticisms of the President were put on hold during those periods when he represents the United States in issues with other countries.

The national interest would not be served by a divided House membership proceeding to punt this matter to the Senate while they crossed their fingers and hoped for the Senate to bail them out of an ill-considered finding. The national interest should not be hostage to months of meandering through an undefined partisan process that leads inexorably to impasse. A lengthy, partisan impeachment inquest would serve no national purpose but only lead to a year of balkanized polarization that would poison a generation of relationships across the aisle in Congress and even across the Nation.

A fundamental lesson I learned as a practicing lawyer and that was reinforced when I served as the State's Attorney for Chittenden County, in my work as a U.S. Senator, as a member of the Senate Judiciary Committee and now as its ranking member, is that fairness in a process is critical to the result of that process. The process must be fair for the American people to find it credible. If it is not fair, the American people will not find it credible.

One measure of a prosecutor's fairness is fulfilling the duty to disclose exculpatory evidence. That aspect of fairness has constitutional implication in criminal matters. Now, weeks after the allegations have saturated the public media, we find buried in the thousands of pages of documents, transcripts and appendices that Ms. Lewinsky, the principal witness upon whom Mr. Starr relies for his charges, volunteered at the conclusion of her testimony before the grand jury that "no one ever asked me to lie and I was never promised a job for my silence." Neither Mr. Starr, nor the lawyers working for him, felt any duty of fairness to ask this critical question. It was left to an anonymous juror who felt an obligation to the real issue at the heart of this matter.

One measure of the credibility of the House's proceedings will be whether it achieves the balance and fairness that so far has been lacking in the work of Mr. Starr's office.

An independent counsel does not have the checks and the accountability that enforce judgment and discretion in other prosecutors in this country. Wielding that enormous authority, therefore, it is incumbent upon an independent counsel to discipline himself with discretion and judgment. Unfortunately, in this matter, it is by this juncture quite clear that the report from Mr. Starr is an advocate's brief, intended to persuade, rather than the balanced presentation that should be the hallmark of such a somber exercise.

And, again, this makes it all the more important that the House exercise independent judgment and provide the balance and fairness that is lacking from the work of a zealous band of prosecutors.

I am concerned that the same House that is charged with this awesome responsibility is the body that is being asked to hold the Attorney General of the United States in contempt for having sought to protect the investigative process in connection with the ongoing campaign finance investigation.

I participated in a lengthy meeting with Senator HATCH, Mr. HYDE, Mr. BURTON, Mr. WAXMAN, and the Attorney General on this matter on September 2. The Attorney General extensively consulted with us in a sincere effort to allow congressional oversight without compromising the ongoing investigation. In spite of the efforts she made to satisfy any legitimate congressional oversight interest, and despite the lack of any basis to charge contemptuous conduct, the House persists in its efforts to pressure and sanction.

This effort and the lack of balance it signals do not bode well for the House's other tasks.

I recall, as well, that it was not too many months ago in this same Congress that Republican leaders in the House were urging that impeachment be used as a device to intimidate federal judges when they rendered decisions that a Republican Member did not like. Impeachment should not be used as a partisan, ideological bludgeon in any context. That is not the proper use of this important constitutional authority. Such comments, at a minimum, complicate the task at hand.

Nor is it reassuring to read accounts of meetings, on the other side of the aisle, in this body, where partisan litmus tests on this matter are being applied to those chairing committees in the Senate.

There are few matters of such possible significance that may come before Congress as the matter of a President's fitness to serve.

The people of the United States elected William Jefferson Clinton to the Presidency in 1992 and reelected him in 1996. He and the Vice President are the only people serving anywhere in the Nation in any office who were elected by the entire country.

Under our Constitution, the Senate is charged with the ultimate responsibility to act as the jury in connection with any charges that the House were to deem worthy of impeachment.

Never in our history as a country has the Senate convicted a President of an impeachable offense. Only in the tumultuous times following the Civil War has the Senate been through the ordeal of a Presidential impeachment trial.

Mr. President, I am honored to have been elected by the people of Vermont to serve as their United States Senator. In our history, only 20 other Vermonters have had the privilege to hold the seat I now have representing our State. I am proud to serve as the ranking Democrat on the Senate Judiciary Committee. I appreciate my limited role in the Senate and in our government. I cannot take lightly being asked to judge whether a President, elected by the people of the United States, ought to be removed from office by an act of the Congress of the United States.

Now, the search for blame is a practiced congressional skill. It always bears fruit—sometimes bitter fruit. But the acceptance of our own solemn responsibility is more difficult. We must discharge our duties by serving the national interest, not by appealing to partisan or even public passions.

Let our actions not compound the Nation's anguish, harm the common good, nor further shake the public's faith in our institutions of self-government. These institutions have served this country well for over 200 years, in accordance with our Constitution, which has been a guidepost for that time. Our Constitution has survived because good men and women have stood up when needed to make sure it survives.

Mr. President, I yield the floor and I yield back the remainder of my time.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

AMENDMENT NO. 3227

Mr. LAUTENBERG. Mr. President, can you tell me how much time is available?

The PRESIDING OFFICER. Senator TORRICELLI controls 30 minutes as a proponent of his amendment.

Mr. LAUTENBERG. On Senator TORRICELLI's time, I yield myself as much time as I need, which will probably be less than 10 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the pending amendment, offered by my friend and colleague from New Jersey, Senator TORRICELLI. The amendment, called the Quiet Communities Act, will reestablish the Environmental Protection Agency's appropriate role in noise abatement.

This amendment simply reactivates an office in the EPA—the Office of Noise Abatement and Control—that was unfunded in 1981 at the request of the Reagan administration. The Office of Noise Abatement and Control will coordinate Federal noise abatement activities, develop noise standards, provide technical assistance to local communities, and promote research and education on the impacts of noise pollution.

This office will be a resource to the millions of Americans who are affected by noise pollution, and particularly aircraft noise.

Those of us who are in the New York-New Jersey region know only too well what effect aircraft noise has on our communities. It is a serious problem for populations across our country who are constantly harassed by airplane noise, truck noise, construction noise, and other noise, when they can never find peace in their own homes. In our region, with the several airports we have operating—La Guardia and Kennedy and Newark, and others—it is a constant. We have to find ways to deal with it.

Just like air and water pollution, noise pollution is an environmental health issue. People who are tormented by noise pollution experience a range of health problems, such as hearing loss, stress, high blood pressure, sleep deprivation, distraction, and lost productivity. Aircraft noise is especially detrimental to human health.

Some studies indicate that persistent exposure to high levels of aircraft noise is linked to hypertension, cardiovascular and gastrointestinal problems, among other disorders.

Noise pollution is particularly troublesome in parts of the State of New Jersey.

New Jersey is the most densely populated State in the Nation, and millions of New Jerseyans live close to major transportation centers that generate significant levels of noise in their neighborhoods. For example, aircraft approaching and departing from Newark International Airport are guided along flight paths routed over residential neighborhoods, patterns which disrupt families and disturb the community's quality of life. Communities affected by aircraft noise have been living with the pain for over 10 years and they must find relief.

Unfortunately, the Federal Aviation Administration, which is charged with the responsibility of monitoring aircraft noise, has not adequately addressed the noise problems in New Jersey, and when attempted, its approach toward these problems is often flawed.

For example the FAA's current threshold of 65 decibels Day-Night Level—or DNL—that the FAA indicates is compatible with residential use is often criticized as problematic and, in the opinion of the National Resources Defense Council, significantly underestimates the level at which many people are affected by aircraft noise.

The fact that this fundamental threshold is controversial and the science behind it is disputed points to the fact that more research is needed on these issues.

Mr. President, citizens living near airports have few resources at their disposal to find out more about the effects of air noise on their health and their environment.

The Office of Noise Abatement and Control used to be one resource, and it has been dormant for too long.

Simply put, Mr. President, noise pollution, and particularly aircraft noise, is a serious environmental health issue that deserves attention from the primary Federal agency whose responsibility is environmental protection—the EPA.

Unfortunately, Mr. President, that was not the view in 1981. But now we have an opportunity to correct this mistake by adopting this amendment.

Besides reactivating the Office of Noise Abatement and Control, the bill authorizes funding of $5 million a year for the first 2 years and $8 million a year for the subsequent years to fund Office's activities.

According to the National Institutes of Health, more than 20 million Americans are exposed on a regular basis to hazardous noise levels that could result in hearing loss and other psychological and physiological damage. In my view, $5 million a year to address a problem affecting over 20 million Americans is a sound investment.

The bill also requires the Office of Noise Abatement and Control to produce a study. The study must examine the FAA's selection of noise measurement methodologies, determine the threshold of noise at which health impacts are felt and determine the effectiveness of noise abatement programs at airports around the United States.

The EPA would then issue recommendations—recommendations, Mr. President, not directives—to the FAA on measures that will mitigate the impact of air noise on affected communities. In my opinion, Mr. President, this study is long overdue, and particularly long overdue for the millions of Americans who live every day with the nuisance of aircraft noise in their lives.

Mr. President, back in 1990, I sponsored a provision in the Airport Noise and Capacity Act, that required all commercial airlines to convert their fleets from Stage II to Stage III noise certification levels, a quieter plane, by the year 2000. I am pleased to say that many of the commercial airlines are ahead of their schedules and we have seen positive benefits.

Research is continuing on even quieter aircraft, and we may soon see fleets that would satisfy Stage IV noise certification levels. However, as air travel increases, communities will experience more aircraft noise. This issue will not go away. Indeed, if nothing is done, it will only get worse.

Mr. President, this amendment simply reactivates a program in EPA that has been dormant for too long, a program that addressed a serious environmental health issue, in the Federal agency that is responsible for mitigating environmental health problems. This amendment makes sense, and will provide some element of relief for the millions of Americans who face debilitating noise pollution, such as aircraft pollution, every day.

Mr. President, we have a chance to do something about this at a fairly modest cost overall, and to say to those people, simply because they live in an area that is crowded, that is a transportation center and so forth, that you shouldn't have to suffer a different way of life, or a less pleasant way of life than other citizens across this country.

We do all kinds of things to mitigate against noise. We build highway noise barriers and have all kinds of systems. We have police rules that say you can't blow your horn unnecessarily—all kinds of programs that would reduce the amount of noise pollution that we endure each and every day.

I strongly support this amendment and urge my colleagues to think through what it means to their communities, to their States, and do the same thing.

I yield the floor.

Mr. McCAIN. Mr. President, I ask unanimous consent that the time between now and 12:10 p.m. be equally divided in the usual form for debate on the pending Torricelli amendment prior to the motion to table. I further ask that upon the expiration of time Senator McCAIN be recognized to offer a motion to table the amendment. Finally, I ask that no second-degree amendments be in order prior to the vote.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I just want to mention that I received information from Senator CHAFEE, chairman of the Environment and Public Works Committee, who feels very strongly that legislation of this nature should—and I agree with him—very appropriately go through the Environment and Public Works Committee. That is another reason why I hope my colleagues will support the motion to table at the appropriate time.

Mr. President, I yield the floor.

Mr. FORD. Mr. President.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, it is always painful to be against an amendment by one of your colleagues, and particularly a friend. But I think under the circumstances it is a little premature to go with this when the Environment Committee has asked that this come through their committee and not be offered on the floor. But attacking noise is a difficult problem that requires a coordinated effort involving research, airport grant money, flight paths, and phaseout of noisy aircraft.

The FAA has been successful in its efforts to reduce airplane noise. In fact, the FAA has spent in the last few years $2 billion for sound insulation and property purchase around our U.S. airports. And duplicating the expertise of the FAA within the EPA and costing the taxpayers some $21 million would be wasteful, in my opinion, of government resources. It would complicate and confuse efforts to deal with and better understand community noise concerns. And it would, Mr. President, create a judicial ambiguity that could have real problems as we reduce aircraft noise worldwide.

Since 1993, the Federal Interagency Committee on Aircraft Noise has worked successfully to advance cooperative noise research among the various Federal agencies with an interest in this area. The participants of this interagency committee on noise includes the National Park Service; EPA is a part of this, FAA, NASA, HUD housing, Department of Defense, National Institutes of Health, and others. And the participating agencies have and continue to address all of the responsibilities envisioned in the Quiet Communities Act through their cooperative research work, and EPA is, has been, and will remain an active participant in this process.

Mr. President, there is no need to change their current structure. I want to reiterate:—There does not appear to be any substantive reason to expend $21 million and add needless jurisdictional confusion to the ongoing efforts to deal effectively with community aircraft noise.

I go back to the struggle we had to eliminate Stage 2 aircraft engines. There were 4.5 million, as my friend from Arizona said, people that were subjected to noise as it relates to aircraft. We have been quite successful. We have reduced that now by 90 percent. We are down to a mere 10 percent. And by January 1, 2000, all aircraft will have to be Stage 3. So the noise is going to be reduced even further.

I understand the problems. But we have been working on it for some time. I hope that our colleagues will leave the authority with FAA and let them continue with all the groups in the Federal Government, such as NASA, Housing, Defense, National Institutes of Health, and EPA that are working together.

I am going to join with my friend in endorsing his motion to table.

I yield the floor.

Mr. President, the proponent of this amendment, Senator TORRICELLI, wanted at least 2 minutes. I don't believe Senator McCAIN and I have any time left. I will suggest the absence of a quorum and ask that the time be charged equally to both sides up to no more than 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

The Senator has 2 minutes remaining.

Mr. TORRICELLI. Mr. President, in a few moments, the Senate will vote on an amendment that I have offered with my colleague, Senator LAUTENBERG. The amendment could not be simpler on its face or more modest in its intent. We could have required an environmental impact statement for every time the FAA changes a flight path. We did not do that. We could have given the EPA the power to set standards for noise, for health. Maybe we should have, but we did not do that.

All that we have asked is that, as with each of our other major industrial competitors in the western world, noise be considered as a factor in the operation of this Nation's airports. That is all. And on two bases. First, when the FAA establishes methodology to determine whether or not particular noise involving airplanes is safe for schoolchildren or families or recreation, that methodology be evaluated by the EPA. That is all. They will not establish it. They will not make the decisions. They will evaluate whether the methodology is sound because scientific studies are indicating our current methodology does not accurately gauge whether or not our children are safe.

Second, that the appropriate levels of what is safe be established. There is also independent scientific evidence, as confirmed by European allies, that current levels may allow a level of noise pollution that does have detrimental health impacts. We would like the EPA's judgment on what the appropriate levels might be. They will not make a decision. They will offer their advice.

Mr. President, it is modest in its intent. It recognizes that noise is a real part of their lives for 40 million Americans every day of this expansion of our air networks. I urge adoption of this amendment.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I am very appreciative of and I believe sympathetic to the concerns of the Senator from New Jersey, Senator TORRICELLI. There are very large noise issues in his State and in States surrounding his. I just think it is important for us to recognize that noise levels have decreased by some 80 percent around America. We are moving to Stage 3 aircraft. We do not need to reestablish another bureaucracy. I am confident in the FAA in that the provisions of the 1990 act, which Senator FORD was responsible for, are being carried out in an accelerated fashion. I pledge to the Senator from New Jersey that if there is not continued progress, I would be more than happy to revisit this issue with him.

Mr. President, I yield the remainder of my time. I move to table the Torricelli amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to table the amendment, No. 3627, offered by the Senator from New Jersey. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent. I also announce that the Senator from Minnesota (Mr. WELLSTONE) is attending a funeral.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote "no."

The result was announced—yeas 69, nays 27, as follows:

[Rollcall Vote No. 287 Leg.]

YEAS—69

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
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Breaux
Brownback
Bryan
Burns
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
Daschle
DeWine
Dorgan
Enzi
Faircloth
Feingold
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Inhofe
Inouye
Kempthorne
Kerrey
Kohl
Kyl
Landrieu
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Rockefeller
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner
Wyden

NAYS—27

Biden
Boxer
Bumpers
Byrd
D'Amato
Dodd
Domenici
Durbin
Feinstein
Hutchison
Jeffords
Johnson
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Sarbanes
Specter
Torricelli

NOT VOTING—4

Glenn
Hollings
Moseley-Braun
Wellstone

The motion to lay on the table the amendment (No. 3627) was agreed to.

Mr. McCAIN. Mr. President, I see Senator ABRAHAM on the floor. Before I yield, I want to say that I believe we are very close. We have about two or three amendments left, on which I believe we will be able to set times for debate, and we will have votes on those amendments before 6 o'clock this evening, when the Senate will recess for the evening.

I thank all of my colleagues for their assistance in narrowing down what looks like about 30 or 40 amendments to 2 or 3. There are a couple of recalcitrant, obstinate Members who will shortly show up on the floor, but the rest we thank very much.

Mr. FORD. Mr. President, if the Senator will yield, as we go through these amendments that we have worked out, with the Senator's agreement, as amendments on my side come, I will offer those and get them done so we can move on when we come to 6 o'clock tonight and try to get a final vote on this piece of legislation so that we will not be kept here after 6 o'clock.

Mr. McCAIN. Mr. President, I made a comment in jest, and I want to make sure the Record is clear that it was in jest. The Senator from North Dakota, as well as the Senator from Rhode Island, who are waiting to address these very serious issues. I have discussed, on several occasions, the situation that existed in North Dakota. When there was a Northwest Airlines strike, his State was, for all intents and purposes, shut down. The Senator from North Dakota has been an important member of our committee and a serious student and expert on these aviation issues. I certainly was not in any way making light of his involvement or that of the Senator from Rhode Island in these aviation issues.

I yield the floor.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, I ask unanimous consent to speak up to 10 minutes as in morning business.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Reserving the right to object, do we have Senators who want to offer amendments?

Mr. McCAIN. I ask the Senator from Kentucky if we can let him speak for 10 minutes.

Mr. FORD. That will be fine, since we don't have a Senator on the floor wanting to offer an amendment right now.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Michigan is recognized for 10 minutes.

AMERICAN COMPETITIVENESS

Mr. ABRAHAM. Mr. President, I rise to announce an agreement between the White House and supporters of the American Competitiveness Act which I hope and expect will insure passage and implementation of legislation to safeguard the competitive edge of American business.

Mr. President, the American Competitiveness Act was designed to address a growing shortage of skilled workers for certain high technology positions important to American business.

This shortage threatens all sectors of our economy. Economist Larry Kudlow reports that high technology companies account for about one third of real economic growth. Overall, electronic commerce is expected to grow to $80 billion by the year 2000.

But high technology firms are running into serious worker shortages.

A study conducted by Virginia Tech estimates that right now we have more than 340,000 unfilled positions for highly skilled information technology workers.

And, while Department of Labor figures project our economy will produce more than 1.3 million information technology jobs over the next 10 years, our universities will not produce the graduates needed to fill those positions.

In fact, it is estimated that the shortfall will be very, very substantial. If they are to keep their major operations in America, firms must find workers with the skills needed to fill important positions in their companies. This requires that we do more as a nation to encourage our young people to choose high-technology fields for study and for their careers. In the long term this is the only way we can stay competitive and protect American jobs.

As I said, the shortfalls clearly demonstrate the need for us to grow more talent here at home. In fact, you need only look at the high-tech companies that are feeling this shortage. When I visit manufacturing companies in my State, they indicate that they are having increasing trouble finding sufficient information technology workers to meet their needs. This is because so many of our industries are now, in one form or another, dependent on technology jobs. For the long term, the solution clearly must rest here at home, with American workers being trained to fill these jobs, with college students being given incentives to study in the areas where the next century's job creation will take place.

However, over the short term, until we are producing more qualified high technology graduates we must do more to fill the gap between high technology needs and high technology skills.

This has required that we allow companies to hire a limited number of highly skilled workers from overseas to fill essential roles. To do this they must go through a fairly onerous process to get one of the 65,000 "H–1B" temporary worker visas allotted by the INS.

Mr. President, in the history of this program, that 65,000 limit was never breached until last year when we hit the 65,000 annual limit at the end of August. The limit was hit this year in May. It is projected that if we do not change the limit, it will be hit next year as early as February. What that means, in short, as so many of my colleagues know, is that since May of this year not one American company, regardless of the emergency circumstances and the needs, has been able to bring in a highly skilled foreign worker to fill a job slot. As a consequence of that, we have lost opportunities and economic growth is paying a price.

This is dangerous for our economy. And that is why my American Competitiveness Act, in addition to providing significant incentives for Americans to enter the high technology sector, will add a limited number of additional H–1B visas so companies can find the workers they need to keep facilities and jobs in the United States, and keep our high-tech industry competitive in the global marketplace.

Let me be specific, Mr. President. In the absence of an increase in these numbers, if we can't find the people to fill the jobs here in this country, what is going to happen is American companies are going to shift operations overseas, and that means not only the loss of the particular job which an H–1B worker might fill, but it means the loss of other jobs in the division of the company where the H–1B position is vacant.

Let me just quickly outline the compromise agreement reached by the White House with our office.

First, the bill provides increased access to skilled personnel for American companies and universities. It will do this by increasing the number of H–1B temporary worker visas from 65,000 now to 115,000 in fiscal year 1999, 115,000 in fiscal year 2000, and 107,500 in fiscal year 2001. The visa limit will then return to 65,000 in the year 2002.

In addition, Mr. President, the bill provides new funding for college scholarships and job training for American workers.

10,000 scholarships per year will be provided to low income students in math, engineering and computer science through the National Science Foundation, with training provided through the Jobs Partnership Act.

This program will be funded by a $500 fee per visa petition and a $500 fee for visa renewals, which combined will raise an estimated $75 million each year.

Further, Mr. President, this legislation provides three types of layoff protection for American workers.

Let me add that throughout the process of working on this legislation, we have been very mindful of the concerns people have that somehow these H–1B temporary workers might end up filling a position where an American worker could have filled the slot. Our goal is to make sure that does not happen, and we have built protections into this agreement which we and the administration feel will accomplish that objective.

First, any company with 15% or more of its workforce in the United States on H–1B visas must attest that it will not lay off an American employee in the same job 90 days or less before or after the filing of a petition for an H–1B professional.

Second, an H–1B dependent company acting as a contractor must attest that it also will not place an H–1B professional in another company to fill the same job held by a laid off American 90 days before or after the date of placement.

Third, any employer, whether H–1B dependent or not, will face severe penalties for committing a willful violation of H–1B rules, underpaying an individual on an H–1B visa and replacing an American worker. That company will be debarred for 3 years from all employment immigration programs and fined $35,000 for each violation. Penalties for other violations also will be substantially increased.

In addition, Mr. President, H–1B dependent companies must attest that they recruit according to industry-wide standards and that the H–1B-holding individual was as, or more, qualified than any American job applicant. An American not hired can file a complaint with an arbitration panel, which can fine employers violating this provision.

Penalties and enforcement will be increased from those under current law.

The Department of Labor will be given authority to investigate suspected willful and serious violations of H–1B visas if it receives specific and credible evidence of such violations and receives the personal sign-off of the Secretary of Labor.

The purpose of this authority is to respond to situations of potentially egregious wrongdoing where a complaint had not been filed. This new authority sunsets with the increase in the visas, which will give Congress the opportunity for close scrutiny of whether or not DOL acts responsibly.

Finally, Mr. President, this legislation eliminates any financial incentive for companies to hire under-compensated foreign temporary workers by permanently reforming the prevailing wage attestation that is required prior to the hiring of anyone under the H–1B program.

Under this legislation, employers must offer benefits and the opportunity to earn bonuses to H-1B employees if those benefits and bonuses are available to that company's similarly-employed American workers.

In short, it will not be possible to bring in a foreign worker under the H-1B program to fill a job where that person is not being paid the prevailing wage inclusive of potential benefits and other forms of compensation.

In addition, this legislation provides sanctions for violations of new whistleblower protections and contains provisions against unconscionable contracts and against so-called benching.

I am convinced, Mr. President, that this legislation is crucial to maintaining American economic competitiveness and to protect American jobs.

It will increase the skills and employability of American workers while making certain that no qualified American worker is replaced by any immigrant worker.

It gives our high technology companies the tools they need to compete in world markets without sacrificing in any way the economic opportunities and well-being of American workers. Indeed, by keeping America competitive it will increase economic growth and the ability of all Americans to achieve and maintain economic security and prosperity. And as we move this bill through the final process—first, of course, in the House and then hopefully here soon—I will be urging my colleagues to support the legislation.

In closing, Mr. President, let me just summarize as follows: We have a serious crisis confronting our high-tech industries. We need to have more skilled workers on a longer-term basis. We need the scholarship and job training programs contained in this legislation to achieve the technology worker goals that we have set, but until those programs are adequate to meet the demand, we need to fill the gaps that exist today.

This legislation will increase on a temporary basis the number of temporary workers who can come to this country which will help us meet that challenge. In short, it will allow us to keep the economy going and at the same time prepare us for the future. Most importantly, it will protect American workers so that this program cannot be exploited in any fashion that would cause somebody to lose a job or lose the chance to be hired for a job because a foreign worker was being selected for that assignment.

So there are safeguards for workers. There are the long-range education and job training components and there is the temporary increase in the number of workers who can come into this country to meet the immediate crisis. It is a balanced approach. It is one that, I think, deserves our support.

In closing, let me say thanks to those in the administration with whom we have been working. But also I would like to thank a number of our colleagues who have worked with me throughout this process, including Senator HATCH, chairman of the Judiciary Committee; Senator GORTON, who has had a special interest in this for a variety of reasons relating to his interest in high-tech companies; the majority leader, who has been very supportive; Senator PHIL GRAMM, who worked with me on a number of the negotiations; Senator LIEBERMAN, who played a very active role throughout the process, both here in the Senate and in the recent deliberations; Senator BOB GRAHAM, who was an early and active supporter of this effort; and especially to the chairman of the Commerce Committee who worked with me as we moved this legislation forward, both here in the Senate and in the intervening timeframes. Senator MCCAIN, whose commitment to this type of an approach of making sure on a variety of fronts that America is ready to enter the digital age and the digital economy, has given the kind of leadership I think we all admire. I thank him especially for his efforts.

Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, let me say that what the Senator from Michigan, Senator ABRAHAM, has described today is a signal event. I recently visited Silicon Valley, which politicians seem to be doing more and more of nowadays. I was told that there were two major priorities that they felt were critical to the future of their industry. One was this, what we know now as the H-1B visa bill, and the other is the Internet tax freedom bill.

Senator ABRAHAM took an issue, which very few believed we could, and turned it into reality. He worked with both sides of the aisle, with the White House, and with the Silicon Valley folks, as well as labor. I believe that he has come up with a remarkable package, a remarkable product, which will allow us to maintain the incredible high-tech lead we have in the world. Without the ability to have trained, qualified and educated people in this industry, obviously we cannot have as predictable a future as we would like.

A part of this bill, Mr. President, will be the National Science Foundation Scholarship Program for Science and Math. At the appropriate time, I will offer language to name these scholarships the "Spencer Abraham Scholarship Program."

Again, I congratulate Senator ABRAHAM, because what he has achieved in this time of labeling the Congress as a "do-nothing Congress," very frankly, is the best example of working on both sides of the aisle and with the administration for the good of the Nation. I hope that many of the rest of us, including this Senator, will follow his example.

I also hope we will be able to take up the Internet Tax Freedom Act so that we can also get that legislation passed before we leave.

I note the presence of Senator DORGAN on the floor. I thank him for his patience. I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from North Dakota is recognized.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3628

(Purpose: To amend the Internal Revenue Code of 1986 to provide an investment credit to promote the availability of jet aircraft to underserved communities, to reduce the passenger tax rate on rural domestic flight segments, and for other purposes)

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 3628.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DORGAN. I have indicated that I will offer two amendments to this piece of legislation. This would be the first. I intend, however, not to seek a vote on this amendment. I intend to ask unanimous consent that it be withdrawn. I am offering it for this reason. This legislation provides tax credits under certain circumstances. I recognize that it would cause a blue slip on this bill because this tax legislation must originate in the House of Representatives. I do not intend or want to cause that kind of problem for this bill, but I believe very strongly that this amendment is part of the solution to a very large problem we have, and I introduce it today for the purpose of describing to my colleagues an approach that I would intend to offer to some future tax legislation that will be considered by the Senate and the House.

Mr. President, the chairman of the subcommittee—excuse me, chairman of the full committee—I have demoted him—the chairman of the full committee, Senator MCCAIN, and the ranking member, Senator FORD, have brought a bill to the floor of the Senate that is very important.

Mr. FORD. Mr. President, will the Senator yield for just one moment.

Mr. DORGAN. I will be happy to yield.

Mr. FORD. We have worked out Senator REED's amendment. I know the Senator does not want to lose his train of thought here, but Senator REED has an important engagement, and I know Senator DORGAN does, too. This one will take about 2 minutes.

I ask unanimous consent that this amendment be set aside and that we recognize Senator REED, and that at the end of Senator REED's amendment we return, then, to Senator DORGAN's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The distinguished Senator from Rhode Island is recognized.

AMENDMENT NO. 3629

(Purpose: To provide for the expenditure of certain unobligated funds for noise abatement discretionary grants)

Mr. REED. I thank the Chair.

First, let me thank Senator DORGAN for his graciousness in allowing me to present my amendment and also thank Senator McCAIN and Senator FORD for their understanding and cooperation.

I have an amendment at the desk which I call up now.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. REED] proposes an amendment numbered 3629.

Mr. REED. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title II, insert the following:

SEC. 2 . DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

Mr. REED. I thank the Chair.

Mr. President, my amendment is a very straightforward attempt to find additional resources to help neighborhoods that surround airports and are confronting the problem of airport noise. My State of Rhode Island is home to one of the fastest growing airports in the country, T.F. Green Airport. Indeed, over the past two years, T.F. Green has seen roughly an annual increase of 55 percent in passenger traffic. This is compared to a national average increase of 4 percent a year. So you can well appreciate that the impact of additional flights coming in has caused severe noise problems around the airport.

This has been a source of great strength, the growth of T.F. Green, in terms of our economy; it has brought visitors; it has become a gateway to New England. It has created jobs. All of these are extremely positive. But it has also generated increased noise with increased numbers of flights. The Rhode Island Airport Corporation, the city of Warwick, and community groups are working together. We have been successful in securing grants from the FAA for noise abatement. But I think we have to do much more to ensure that all the homes that need soundproofing with all of the techniques that we can use to mitigate and minimize noise are effectively employed to assist the people of Rhode Island.

I am very pleased with what has already been done in this legislation. Both Senator McCAIN and Senator FORD have taken a very strong, positive step to ensure that we are sensitive to the noise problem at airports. This legislation includes a set-aside for noise abatement of approximately 35 percent rather than the 31 percent in the bill that has been passed by the other body. This is a very, very positive development, but I think we can do more. I would also be very supportive of Senator McCAIN and Senator FORD's efforts to maintain that 35 percent set-aside.

What my amendment does is simply lift the existing cap on the total amount of funds that the FAA may spend on noise abatement when the FAA distributes unexpended funds at the end of a fiscal year. This, we hope, would allow for additional resources to be devoted towards noise abatement. It would be consistent with and within the confines and framework of the existing appropriations bills. It is a modest, but I think very important step forward to help address the problem of noise around airports.

I, indeed, am very pleased that Senator McCAIN and Senator FORD have taken such a strong step in this bill to protect airport neighborhoods from the increased level of noise.

With this, I urge passage of the amendment.

Mr. McCAIN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. KYL). If there is no further debate, without objection, the amendment is agreed to.

The Amendment (No. 3629) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. I thank the Senator, and I particularly thank Senator DORGAN for allowing us to move this amendment along.

AMENDMENT NO. 3628

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, as I was saying, the amendment that I have offered to the FAA bill is an amendment that is very important to the country and especially to my region of the country. Just before I yielded the floor, I was talking about the leadership of Senator McCAIN and Senator FORD. I think they have both done a wonderful job with this piece of legislation. It is an important piece of legislation for the country's sake, and it now appears that we will get this through the Senate and probably be completed with the legislation today, and that will be in no small measure due to their tenacity and their skill at crafting and moving this piece of legislation.

Let me describe what I intend to do with this amendment, and I will not talk about the second amendment which I intend to offer later today and hope that that will be approved by the Senate.

In late August, Northwest Airlines had a pilot strike and therefore a shutdown of their airline service. That might not have meant much to some. In some airports, I assume Northwest was one of a number of carriers that was serving certain airports and serving passengers. But in North Dakota, the State which I represent, Northwest Airlines was the only airline providing jet service to my State. That is a very different picture than the last time we had an airline strike, which was over 25 years ago.

Nearly a quarter of a century ago when Northwest had another strike and a shutdown prior to deregulation of the airlines, we had five different airline companies flying jets into the State of North Dakota—five different jet carriers in North Dakota. And then we had folks in Congress saying, you know what we really need to do to foster competition? We need to deregulate the airline industry. And so we deregulated the airline industry. I wasn't here at the time. But we deregulated them and we went from five jet carriers in North Dakota to one.

So I am thinking to myself, all those folks who are choking on the word "competition," we need to deregulate so we stimulate more competition, where are they now so they can really choke on the word "competition"? We have much less competition in airlines today, much less competition with a couple of exceptions.

If you live in Chicago and you are flying to New York or Los Angeles, God bless you, because you are going to have a lot of carriers to choose from and you are going to find very inexpensive ticket prices, and you can make a choice of carriers and ticket prices that are very attractive to you. You live in a city with millions and millions of people and you want to fly to another city with millions and millions of people. Guess what. This is not an awfully big deal for you; more choices and low fares. But you get beyond those cities and ask how has this airline deregulation affected other Americans, and what you will find is less selection, fewer choices, and higher prices.

North Dakota is just one example, but the most striking example—one airline with jet service. And on that night at midnight, when the strike was called and the airline shut down, just like that, an entire State lost all of its jet service.

What does that mean to a State? It begins to choke the economy very quickly. People can't move in and out. North Dakota is a sparsely populated State, 640,000 people. Up in the northern tier, we are 10 times the size of Massachusetts in land mass—big State, 640,000 people, and one airline serving with jets.

Now, I happen to think Northwest is a good carrier. I believe the same about all the major carriers. Most of them are well-run, good companies; they went through tough times, now are doing better, and I admire them.

What I do not admire is what they have done—retreating into regional monopolies in this country, retreating into hub and spoke so that they control the hub.

You go to any big area in this country and take a look at what they do. The major carriers have retreated so that they now, one company, will control 60 or 70 or 80 percent of all the gates at that airport. They control that hub. Do you think anybody is going to come in and take them on, anybody is going to come in and compete aggressively and say, "Boy, this is a free market; we are going to go into your hub and we are going to compete against you?" This is not happening. They cut the pie, created the slices, retreated into their little slices, and there is no competition. We now have regional monopolies without any regulation.

What sense does that make, to have monopolies without regulation? The minute I say "regulation," we have people here having apoplectic seizures on the floor of the Senate. Oh, Lord, we should talk about regulation? I am not standing here today talking about regulation because I want to reregulate the airlines. All I want to do is see if we can provide some sort of industrial-strength vitamin B-12 shot right in the rump of those airlines to see if we cannot get them competing again. How do we do that? We do it by creating the conditions that require competition. This amendment is one.

Let us assume there is somebody out there who says, "You know what I would like to do, I would like to run an airline. I have the money, I have the energy, I have the time, I have the skill. I want to create a regional airline, and I want to fly in an area where nobody else is flying a jet, and I want to haul people to a major hub."

They create their airline and fly to a major hub and they drop somebody off. And guess what. That somebody in most cases is going beyond that hub.

Let me give an example, of Bismarck going to Denver, which is a major hub. For 35 years, we had jet service with Frontier Airlines and then Continental, from Bismarck, ND, to Denver, a major hub. Now we do not. So a new company comes in and says, "I will connect Bismarck to Denver, a major hub." But about 70 percent of the people leaving Bismarck are not going to just Denver, they are going beyond, to Los Angeles, San Francisco, Phoenix—you name it.

So this airline carrier starts up and hauls the Bismarck passengers to Denver and opens the door of the airplane, and they disembark on a sunny Denver day and discover they cannot go anywhere else, because if they walk over to United or another carrier, they don't have the opportunity to get a joint fare ticket. They charge them an arm and a leg. In fact, they even have trouble getting their baggage moved from one airline to another, because the big airlines do not want competition. They have their hub, they don't want anybody messing with it, and they certainly do not want these upstart regional airlines springing up, hauling people into their hub.

So what you have is a circumstance where there is deregulation of the airlines, and the major carriers have merged. There has been all this romance going on; they decided they like each other a lot. Pretty soon they are going to get married. They merge up, two airlines become one, and now we have five or six large airlines in this country because they like each other so much, and they have retreated into these regional monopolies because they don't want to compete with each other. They create their own hub and they create their own spokes and they say to those who want to start up, "We are sorry but we are not interested."

Having said all that, and that is a mouthful, and having said I admire the majors—most of them are good carriers and they have good management and they do what they do in their interest—there is their interest and then there is a parallel and sometimes not parallel public interest. In some cases it is not a parallel public interest, as the case where we have areas that used to be served and are now not served but could be served by a new carrier if only the majors would cooperate with those new carriers.

In order to encourage new startup regional jet service, I am proposing a 10 percent investment tax credit for regional jet purchases. That is, those startup companies that want to begin regional jet service to fly these new regional jets between certain cities and hubs that are not now served with regional jet service, we would say to them that we will help with a 10 percent investment tax credit on the purchase or lease of those regional jets. We will help because we want to provide incentives for the establishment of regional jet service once again in our country.

My legislation would require that they serve those markets for a minimum of 5 years. We have defined exactly what those underserved markets are. It is targeted, it makes good sense, and will stimulate investment in an activity that this country very much needs and an activity that the so-called free market now does not accommodate, because the free market is clogged. There is kind of an airline cholesterol here that clogs up the arteries, and they say, "This is the way we work, these are our hubs, these are our spokes, and you cannot mess with them."

My legislation simply says we would like to encourage areas that no longer have jet service but could support it. We would like to encourage companies that decide they want to come in and serve there to be able to purchase the regional jets and be able to initiate that kind of service.

My legislation has a second provision which reduces the airline ticket tax for certain qualified flights in rural America. This proposal also has a revenue offset so it would not be a net loser for the Federal budget.

Having described all that, the second amendment I am going to offer also addresses this in a different way. My hope is we could work to get that accepted. We have been working hard with a number of Members of the Senate to see if we cannot get that accepted.

I just want to make two more points. We are not in a situation in rural areas of this country where we can just sit back and say what is going to happen to us is going to happen to us and there is nothing we can do about it. There are some, I suppose, who sit around and wring their hands and gnash their teeth and fret and sweat and say, "I really cannot alter things very much, this is the way it is."

The way it is is not satisfactory to the people of my State. It is not satisfactory to have only one jet carrier serving our entire State. Our State's transportation services and airline service, especially jet airline service, is an essential transportation service. It ought not be held hostage by labor problems or other problems of one jet carrier. We must have competition. If all of those in this Chamber who mean what they say when they talk about competition will weigh in here and say, "Let's stand for competition, let's stand for the free market, let's try to help new starts, let's breed opportunities for broader based economic ownership and more competition in the airline industry," then I think we will have done something important and useful and good for States like mine and for many other rural States in this country.

Mr. President, as I indicated when I started, I will offer my second amendment later this afternoon, which I hope will be accepted, because the amendment I have just described and offered has a blue slip attached to it in the sense it would be objected to, because a revenue measure must begin in the Ways and Means Committee of the House of Representatives—and I used to serve in the House and used to serve on the Ways and Means Committee, and we were fierce in our determination to make certain that committee always had original jurisdiction on those issues. I am willing to say I understand that. But I wanted my colleagues to be able to review this amendment in the RECORD, because if and when there is a piece of legislation dealing with tax issues later this year, it is my intention to see that this becomes part of that discussion.

With that, I ask unanimous consent my amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3628) was withdrawn.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FAMILY FARM CRISIS

Mr. DORGAN. Mr. President, we are going to conference, I think, this afternoon or tomorrow on the agriculture appropriations bill. I want to make some comments so that those in this Chamber who believe what some are proposing to go to conference with is adequate will understand it is not adequate at all.

We have a farm crisis in our country that is as significant a crisis as we have had since perhaps the 1930s. As you know, farm prices have collapsed. The price of wheat has dropped nearly 60 percent. We have farmers facing a serious, serious problem, many of whom will not be able to continue farming next year.

That means that yard light someplace out in the country is going out, that family farm is losing their money, their farm, their hope, their dreams. This Congress has the capability to do something about it or it has the capability to ignore it.

We have had two votes here in the Senate to increase price supports to give family farmers some hope. Twice we have been turned back. We are going to have a third vote. I am not sure when that is going to happen. As soon as we have the opportunity to offer the emergency plan sent down by the President on Monday of this week, we are going to have another vote. We have only lost by a handful of votes.

The future of a lot of farm families will depend on that next vote. Some have offered an alternative plan in recent days. I am told they intend to put that in the agriculture appropriations conference in the next day or so. I would say to them, it is not going to work. It is not enough. It is offering a 4-foot rope to somebody drowning in 10 feet of water. "Well, thanks for the rope, but it doesn't help."

This Congress has to decide that it is going to help family farmers when prices collapse. If it does not build a bridge over price valleys, we will not have family farmers left.

I have a letter from a young boy named Wyatt that I mentioned the other day on the floor of the Senate. Wyatt is 15-years old, a sophomore at Stanley High School in Stanley, ND. He comes from a family farm. Wyatt said, after a long description of the problems his family is having, "My dad is a family farmer. And my dad can feed 180 people, but he can't feed his family." It just breaks your heart to get letters like Wyatt's, and so many others, who write to us talking about what happens to them when prices collapse.

Our farmers in North Dakota lost 98 percent of their net farm income in 1 year. Washed away was 98 percent of their income—gone. Just have any neighborhood, any block, any community, any group of people think to themselves, "Where would I be if I lost 98 percent of my income?" I know where I would be. I bet I know where you would be. That is what farmers are facing right now in my State and all up and down the farm belt.

People seem to think, "You know, things will be just fine. Food comes from the store. Butter comes from a carton. Milk comes from a bottle." Things will not be just fine if this country loses its family farms and America's farmers to big agrifactories from California to Maine. I will tell you what will happen to food costs.

The way you get good, wholesome, safe food—the best in the world, at the best possible price—is to have a network of family farmers farming this country and putting food on our tables, at a price that gives them a decent opportunity to earn a living.

We have had this kind of economic circumstance in our country recently where I guess the farm belt is viewed as one giant economic cow. Nobody is willing to feed it, but everybody wants to milk it from every single direction. Well, the cow is about out of milk. The question for this Congress is: Are you going to step up, when you pass a farm bill that says, "Let's have farmers operate in the free market," but then in every direction the farmer turns, there is no free market?

Want to market some cows? Guess what? Eighty-five percent of the cattle slaughtered in this country is done by four firms—four. They will tell a family farmer what they are going to pay them. If they do not like it, tough luck.

Want to ship your wheat on a train? Well, there is one train that comes through our State to haul that wheat. They will tell the farmer what they are going to charge them. If the farmer does not like it, tough luck.

Let me give you a little example about what farmers face on transportation. Ship a carload of wheat from Bismarck, ND, to Minneapolis; the railroad says that is $2,300—that is what it is going to cost you to ship that wheat to Minneapolis. Ship the same wheat from Minneapolis to Chicago—about the same distance—the railroad says that is $1,000. So you ask the railroad, "Why do you double-charge North Dakota farmers?" The answer is because there is competition between Minneapolis and Chicago and there is none in North Dakota. So the railroad says, "We're able to double-charge farmers in North Dakota."

So send a cow to market; you face a monopoly. Take your grain to the railroad; you face a monopoly and get double-charged. Send a hog to market; the same thing. Send your grain to a flour mill; the same thing. And 50, 60, 70 percent of the milling, the slaughter, the transportation—all controlled by a couple big corporations that then tell family farmers, "Yeah, you worked hard, you plowed this soil in the spring, you planted the seed, you nurtured it, you put some chemicals on it to keep the bugs away and the weeds out, put some nitrogen in to make it grow, and then you harvested it—and, by the way, when you are done, we're going to pay you half of what it's worth and half of what it cost you to produce. And if you don't like it, tough luck." Well, that does not work for this country. That is not the way this country's economy should be allowed to work. It is not a free market.

So let's assume a farmer would be able to find a benevolent railroad—that is, of course, an oxymoron. Let's assume the farmer was able to market up through a cattle market that was not controlled by monopolies. Let's assume all of that worked—it does not—but let's assume it all did. The only thing left that farmer would face is a series of other countries, like Europe. The farmer then finds half of his grain, or her grain, goes overseas to a foreign market where they compete with other governments that subsidize the sale of their grain into northern African markets and other places to the tune of 10 times the United States.

People here say to farmers, "Well, go compete in the free market." Yes, the farmer should compete against the big grain companies, against the big chemical companies, against the big railroads, against the big packing plants, and against European countries, and against the Canadians. And if all of that were settled—if all of that were settled—those farmers would still be told, "Just compete in the free market. And here's one more piece of the free market. We've signed you up for some competition with a trade agreement that we've negotiated with Canada." And my colleagues have heard me speak about this many times. That trade agreement says to the Canadians, "You just flood us with your grain and your cattle and your hogs. You just run them over, just bring them right on down. And we can't get our grain up, but you just keep bringing your grain down here, undercut our price." That is the kind of trade agreement we negotiated. We send incompetent negotiators to negotiate bad agreements, and then we do not even enforce them.

We had farmers gather at the Canadian border the other day. The Canadians are good neighbors of ours, have been for a long while, but the trade agreement with Canada is unfair and taking money right out of the pockets of our farmers. And we have trade officials who do not seem to want to do much about it.

So every direction you turn, we have these problems that press in on our family farmers. We face the prospect of up to 20 percent of our family farmers in North Dakota not being able to plant in the next spring or the spring thereafter. You fly over my State and look out at night from a small plane, look out that window and look at those yard lights that shine down on a family trying to make a living out on the land; and then see them turn off, one by one, because public policy says to them, "You don't matter anymore. This country doesn't need you anymore." Ask yourself whether this country is going to be a better or a weaker country when family farmers are gone.

They are talking about bringing the endangered species bill to the floor of the Senate soon. I am thinking of enlisting family farmers. I know it will list birds and butterflies, frogs, and flowers. I am the first one to say I like birds, I like butterflies, and sign me up for frogs and flowers, as well. I think they are good for our environment and good to have around.

However, another endangered species in this country is Wyatt. He is a young boy that comes from a family that will lose their farm, and there won't be another family like Wyatt's out there. There is only one family like Wyatt's. Does it matter if Wyatt and his folks and tens of thousands of others are told, "You are too small an operator, you don't matter."

I think this country will make a huge mistake. The reason I wanted to speak for a moment now is we are fixing—I think tomorrow—to take a pathetic little plan that has been offered that will maybe pole-vault some farmers between now and December, just over the next election, but won't do nearly enough to get those family farmers into the field next spring and give them some hope that they can get a harvest next fall. It is a pathetic little plan. It will be offered, perhaps, in the agriculture appropriations conference tomorrow, and then people will wash their hands and say, "We sure took care of that."

No, they won't have taken care of anything. All they will have done is nudged enough resources out of the scarce pot of money to get them from here to December, to be able to say to farmers here is a little, but it is not enough. We understand you won't make it.

There are some of us in this Chamber who are not willing to stand for that and are not willing to let that be the last word on the fight for the family farmers' future in the 105th Congress. I don't mean to sound challenging—yes, I do, now that I think about it. Of course I do. It is unforgivable in my judgment when we have people coming to the floor of the Senate and the House and there are hundreds of millions of dollars here and billions of dollars there and they have appetites for everything and everything is important, for us to go home and decide it is not important to save family farmers. I do want to challenge that.

In my judgment, that is a goofy set of priorities for this country. Thomas Jefferson said 200 years ago that those who live on that land and produce that food are the best Americans, the first Americans. He wasn't necessarily saying that nobody else is any good, I am sure. Thomas Jefferson believed in everyone's worth and he believed in broad-based economic ownership. Part of what makes this country so strong is the opportunities for people around the country to engage in broad-based ownership of America's economy and resources. No one represents that more than families living on the farm trying to make a decent living.

I hope in the next 2 weeks we will have the opportunity to convince the leadership of this Congress that family farmers matter and the submission on Monday by President Clinton of an emergency plan to respond to this farm crisis is the right step for this Congress to take. If Congress does not stand for family farmers, if it fails to take the step the President has requested, if it decides that this doesn't matter somehow, then we will have made a very fatal error.

The Senator from Kentucky stood on this floor month after month this year in very tough circumstances when we were debating the tobacco bill. He said he understood the public policy issues of tobacco, but he said I want the Congress to understand the public policy issues of family farmers out there raising tobacco, as well. Their interests need to be heard. I know he did that and I watched the passion with which he did that. He feels very strongly about the interests of those family farmers. I feel as strongly about his farmers as I do about mine and all of the farmers up and down that farm belt.

I just want to say to those who think they will shortcut this issue and they will ram some pathetic plan home tomorrow, take a deep breath, because you are in for a heck of a fight in the coming weeks if you think that is how you will solve the problem.

I yield the floor.

Mr. FORD. Mr. President, let me compliment and thank my friend from North Dakota. No one has worked harder or spoken more eloquently in support of the small family farm than the Senator from North Dakota. How well I understand what he is going through.

We heard on this floor yesterday afternoon that we are getting ready to spend money for "emergencies," but we ought to give a tax break. What is an emergency? Farmers, the Senator said. We should have known there would be a drought or there would be too much water. We ought to have put money in the budget for it.

"Emergency" is something that is on occasion. We cannot anticipate an emergency. We can't do that. But a tax break is in perpetuity. It goes on forever. Emergency is one time.

So we try to cover up by accelerating the payments under Freedom to Farm. I voted against the North American Free Trade Agreement, one of seven in this body. It is awfully hard to get a Senator with something on his mind, with a philosophy that never looks in the future. The future is now at hand on that vote on the North American Free Trade Agreement when we are being flooded not only with farm products but wool and everything else relating to our people trying to make suits, pants and so forth in the textile business. It is driving our people out of this country.

The Senator is absolutely correct, we need that safety net for our farmers.

I have sat on too many front porches of farm families. I have been in the kitchen with the farmer and his wife and family. I understand what they are going through. They can't compete.

One of the finest men I know was in my office yesterday taking a load of hogs to the slaughter house. He got $3,500 for hogs that a year ago would have brought $7,000. What did he get? Nothing. We don't have any compassion for him; we don't have any reason to try to help him keep that farm. He put everything into that load of hogs. What does he get back? He couldn't even pay for the feed.

So we say "compete." Competition is like dialing a new bank at home. The tape says if you want so and so, push 1; if you want so and so, push 2; if you want so and so, push 3. You keep on pushing the phone and finally people throw the phone out the door. They want to talk to a human being, but we call another State to talk about local loan problems or financial problems.

We are getting into an intolerable situation. I hope the Senator never lets his vote die as it relates to the family farm. I compliment the Senator for what he is trying to do.

I understand we have been debating the aviation bill, but he has an amendment that talks sense. The commodity we have so little of here is common sense. Common sense, I think, if it prevails, the Senator might win a couple of amendments in the not-too-distant future.

I yield the floor.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for up to 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

LETHAL DRUG ABUSE PREVENTION ACT

Mr. WYDEN. Mr. President, today I informed the minority leader that I will object to any unanimous consent requests to proceed to S. 2151 or any similar legislation containing provisions that would override Oregon's assisted suicide law. Should S. 2151, the Lethal Drug Abuse Prevention Act come to the floor, I intend to insist that this body clearly hear the arguments against this legislation before voting on it, even if I must filibuster to assure that this occurs.

Let me state, as I have done before on this floor, that I have personal reservations about the assisted suicide concept. I voted twice against assisted suicide in my home State, and I joined our colleagues in voting against Federal funding of assisted suicide.

I personally believe that nowhere near enough has been done to promote hospice care, pain management, comfort care, and other approaches to deal with the end of life.

The people of my State entered into an honest, direct, and exhausting discussion on the issue of assisted suicide—not once, but twice—through our public referenda process. I am not going to let that vote be set aside without an extended debate on the floor of the U.S. Senate.

S. 2151 attempts to override the popular will of the citizens of my State who have made a judgment about what is acceptable medical practice. Medical practice is a matter that has been traditionally left to the States to regulate. However, in overriding the will of the Oregon voters, S. 2151 strikes at the people across this country who are terminally ill and the millions of individuals who suffer in great pain daily.

Almost all of our States have laws in effect, or about to go into effect, with respect to physician-assisted suicide. All of our States have laws that regulate medical practice, including the use of controlled substances. The underlying message of S. 2151 is that the U.S. Congress knows better than voters in Coos Bay, Bend, and La Grande, OR. Does this Congress, meeting here in Washington, DC, believe it is better equipped than the citizens of my State to make moral decisions about acceptable medical practice in Oregon?

This Senator is not going to sit by while there is an abbreviated debate that cuts off the rights of Oregonians. I want the Senate to understand that today.

S. 2151 would amend the Controlled Substances Act to allow the Drug Enforcement Agency to deny DEA registration of providers determined to have assisted in causing or participating in a physician-assisted suicide. The advocates of this legislation say that good physicians would have no problem with this legislation.

The record shows otherwise. The record shows that more than 50 medical groups, including physicians, nurses, pharmacists, and hospice programs—a variety of medical groups—believe this legislation would have a chilling effect on pain management programs, on hospice care services, and on comfort care. I want my colleagues to understand that. More than 50 medical groups in our country believe this legislation will have a chilling effect on our ability to make sure that our citizens can get good pain management services, hospice programs and comfort care.

What is especially striking is that even Americans who are opposed to Oregon's law and are opposed to assisted suicide do not want to see the U.S. Congress overturn this law. Pain management, palliative care, and hospice services are still evolving fields. Not enough has been done to comfort patients in these tragic situations, and Americans know that in the current regulatory environment there can be a chilling effect on the pain management services by laws such as the one proposed in S. 2151. This legislation also runs counter to the recent Supreme Court decision on physician-assisted suicide that encourages the States to continue to debate this question.

Mr. President, this bill is not going to stop assisted suicide. What it is going to do is set up new roadblocks to ensuring that there are good pain management programs in our country. This bill is going to harm pain management for millions of Americans, turn the resources of the Drug Enforcement Agency from looking at drug diversion and drug trafficking to reviewing the intent of physicians and pharmacists as they try to alleviate the pain of their patients. That is not what the DEA was set up to do. It was not set up to deal with overseeing hospice programs, and the like.

If Congress tramples on the twice-expressed popular will of the people of Oregon, it is going to feed the fires of cynicism and frustration about Government across our land.

Mr. President, I will conclude with this. We all know that so often in coffee shops, churches, grange halls and senior centers, we hear Americans say: You know, our vote doesn't matter. After we vote, those politicians are going to say we really don't get it, the citizens don't understand. So we will just vote again; we will just vote, vote and vote until we set aside what their judgment has been.

I am here to say that I don't think the U.S. Congress knows better than those voters in Coos Bay and Bend and La Grande. I don't think the U.S. Congress, meeting here in Washington, DC, is better equipped than the citizens of my State to make a moral decision about what is acceptable medical practice in Oregon. This Congress should not try to settle this issue in a hasty debate in the last hours of the U.S. Congress.

I have informed the minority leader that I will have a hold on this legislation. Senator GRASSLEY and I have, for some time, been encouraging Senators to announce publicly their intentions with respect to holds. I have done that in a letter to Senator DASCHLE. I will make that letter a part of the RECORD. I am going to insist on my rights as a Senator, representing thousands and thousands of Oregonians who have weighed in on this issue, that this Senate is going to have a real debate on this legislation before there is a vote on it. I am going to assure that there is such a debate, even if I must filibuster to assure that this occurs.

I ask unanimous consent that my letter to Senator DASCHLE be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, September 23, 1998.

Hon. TOM DASCHLE,
Minority Leader,
U.S. Capitol, Washington, DC.

DEAR SENATOR DASCHLE: I previously wrote you requesting I be consulted should S. 2151 or any other legislation concerning physician assisted suicide come to the Senate floor for consideration.

I am now writing to clearly state that I will object to any motion to proceed should S. 2151 or any legislation containing provisions over-riding Oregon's physician assisted suicide law come to the Senate floor.

Should you have any questions, please feel free to contact Stephanie Kennan of my staff at 4-6070.

Sincerely,

RON WYDEN.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. I ask unanimous consent to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. GRAMS pertaining to the introduction of S. 2517 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT OF 1998

The Senate continued with the consideration of the bill.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, for the benefit of our colleagues, we are rapidly reaching the point where we only have a couple more amendments which will require debate and votes.

I urge those who have amendments to come to the floor so that we can get moving on those.

We will be able, I think, to conclude the amending process before 6 o'clock this evening.

In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMS). Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, I want to point out once again to the Senate that we have been in a quorum call for about a half hour, and we are waiting to conclude the FAA legislation. As I understand, it has been tentatively agreed to be concluded later in the afternoon sometime—5 or 6 o'clock this evening—and we can anticipate perhaps one or two more votes.

But I want to bring to the attention of the Senate again that we could be using this time to debate the Patients' Bill of Rights. We have by now seen the majority leader's priorities—the FAA bill, which is important to a number of communities, including my own State of Massachusetts is not a matter of insignificance—but we have had the salting legislation, we have had other pieces of legislation that have been advanced, and still the Republican leadership refuses to call up or permit our debate here on issues relating to the quality of health of some 140 million Americans, those Americans that are covered in various HMOs.

In my own State of Massachusetts, we have some of the very best in terms of HMOs. The HMO program really took off, expanded, and we now find many high-quality HMOs. But in my State, and across the country, HMOs too often are making judgments and decisions based upon what insurance company accountants say, not what members of the medical profession recommend.

I heard the President of the United States speak eloquently about his strong support for the Patients' Bill of Rights just a few days ago. And he made a point which I think is worth underlining here in the U.S. Senate this afternoon. He said that no one in these HMOs ever loses their job when they deny a procedure that a patient's doctor requests, because these HMOs are organized so that there are several different levels of approval required to receive medical care.

The deep concern that many of us have is that these decisions be made at the ground level—by doctors and other trained medical professionals—so that American families receive the care that they need.

And if decisions are going to be made that are in the interests of the profit of the HMO and not the health of the patient, and as a result of those decisions that that individual is killed or permanently disabled, there ought to be some form of remedy. That is a key part in our Patients' Bill of Rights.

Why should we say that there is only going to be one industry in America that is going to be free from accountability to the American citizens? Why should they be the only one? They are, today, effectively the only one.

Under existing law, the health insurance industry is the only industry in America where, if there is negligence resulting in the loss of life or serious bodily injury, they are essentially free of accountability. That is wrong. Most Americans believe that is wrong, and it is wrong.

Accountability is an essential part of our Patients' Bill of Rights. Medical decisions should be made by medical professionals and not by accountants. And if a negligent decision was made, there should be accountability. Or what will happen to the family of the patient who died because an HMO refused to pay for a medical test? What will happen to the education of the children of the patient who is permanently disabled because she could not receive care at the closest emergency room?

Our Republican friends say that is too bad, we don't want to change that provision. Why can't we debate that? Why are we taking time in a quorum, or the time used yesterday waiting for amendments to the FAA bill? We understand that there is no long list of speakers to come to the floor even this afternoon. Why aren't we debating managed care reform here on the floor this afternoon? Why aren't we able to make some decision that affects millions of families today, across this country, on the issues of accountability?

It isn't just accountability. Another very important provision in our Patients' Bill of Rights would require HMOs to pay for routine medical costs associated with clinical trials for their patients. We know—I know from personal experience—the importance of clinical trials. These trials don't, in fact, add any substantial additional cost to the HMO, because most of the patient's expenses are covered by the trial protocol—the grant for that particular trial. There are very small additional expenses—very, very small additional expenses.

And clinical trials are enormously important. They are enormously important for children who have cancer and other serious and dread diseases. My own son was involved in an NIH clinical trial when he had osteosarcoma. Only 22 children had been in that clinical trial prior to my son. He lost his leg to cancer. But his chances of surviving were 15–18 percent before he entered that clinical trial. And he survived, as about 85 percent of the children who got into that clinical trial did. Now the treatment used in that trial is a generally accepted procedure for children who have osteosarcoma, bone sarcoma.

The idea of denying children the opportunity to enter clinical trials is outrageous. What are we supposed to say to a parent? "Yes, we know your child has osteosarcoma. We know there is a clinical trial that could save his life. But we are not going to permit you to enlist your child in that clinical trial"?

That is happening in the United States today in HMOs. These families say, "My goodness, what will I do?" They appeal the decision, they wait, they go to desperate lengths requiring tremendous courage, and finally they get in the clinical trial weeks or months later. But it is too late; that tumor that was a fraction of a centimeter has enlarged. There can be no treatment now.

Denying our citizens an opportunity to participate in the greatest advances that are taking place in the medical profession is effectively a death sentence.

We have made great advances in the war on cancer, especially in children's diseases. And I don't know what we would have done if we didn't have clinical trials for these children, and for patients with other diseases. We now have some very important opportunities for treatments of breast cancer, colon cancer, ovarian cancer, cancer of the stomach, and colorectal cancer.

Diseases like breast cancer are becoming more and more of a challenge. Yet we are experiencing these breakthrough therapies that can make an enormous difference in saving the lives of our fellow citizens.

I seriously believe that the next millennium will be the millennium of the life sciences, breakthroughs in terms of medicine. It will offer enormous opportunities. The opportunities of mapping the human genome alone—which our good friend, the Senator from Iowa, Senator HARKIN, has been such a leader on here in the U.S. Senate—are just mind boggling.

But we also have the opportunity now to make a difference in people's lives—to make sure that, when medical professionals recommend that patients enroll in clinical trials, these decisions are not overruled by insurance company accountants. That decision effectively denies them the opportunity to save their lives or to get the best in terms of medicine.

Every single day we have examples of this type of situation. I will mention one, Diane Bergin. I have Diane Bergin's testimony from a forum that was held on the Patients' Bill of Rights. We talk about the Patients' Bill of Rights as a piece of legislation, but it is really an issue of lifesaving protections. That is what the legislation is really about, lifesaving protections, and we do it in a number of different ways.

Mr. President, this is Diane Bergin's comment:

> My name is Diane Bergin and I was diagnosed with ovarian cancer two years ago. I had always been very healthy—so the news was particularly devastating. The only time I had been in the hospital was when I had my three children. My primary care physician referred me to a specialist at Georgetown, where I eventually had my surgery and received standard chemotherapy treatment. For three months, everything looked good. At my next checkup, however, the cancer had come back.
>
> My physician recommended that I consider getting a bone marrow transplant. Before I could get treated, however, I had to go through a round of medical testing to see if I was a good candidate for a transplant. All through the testing I kept hoping that I would qualify. I worked hard to keep my spirits up and be optimistic. But in addition to worrying about whether I would qualify for a transplant, I also had to worry over whether my insurance would cover the procedure. It felt like the insurance company held the balance of my life in their hands. I had no guarantee that if I qualified, I would be covered.
>
> My husband and family couldn't have been any more supportive. They told me to count on getting the transplant and that they would somehow find a way to pay for it. In my heart I couldn't accept that I would impoverish my family to have a chance at prolonging my life.
>
> Fortunately we weren't asked to make that decision. My insurer finally sent me a letter approving my treatment.
>
> Again I improved immediately after the transplant, but six weeks later I was not so lucky. I was sent to another specialist in Philadelphia who put me on tamoxifen. This was the only drug I could tolerate because my condition was so fragile after the transplant and there was some hope it would help me. Unfortunately I didn't improve.
>
> It was then that my physician suggested that I enroll in a clinical trial for a new treatment at the Lombardi Cancer Center. Even though I had been on an emotional roller coaster waiting for my insurer to approve other treatments, I never thought my insurer wouldn't pay now.
>
> But on the Friday before I was to start my treatment, I was called and told that my request had been rejected. I was devastated and didn't know how I could get through the weekend with my husband and son out of town. It struck me how arbitrary the insurance system was. They were acting as judge and jury on what medical care I could receive even though my doctors recommended this care. The denial felt like a death sentence—that I wouldn't have any more chances to fight for my very survival.
>
> I refused to accept that I couldn't get this treatment that I so desperately needed. I objected and started my appeal. When my family returned, they joined in the fight. Fortunately, my son works at the Cancer Center and is very involved in the clinical trial program there. With all our efforts, and the aggressive appeal by my clinical team at Lombardi, my insurer finally agreed to pay the routine costs of my care. I'm in the midst of that trial right now.
>
> I don't know if this trial will help me. And I don't know what will happen if I should need to seek treatment through another clinical trial. I anticipate another fight, only next time I may not be so lucky.
>
> I wanted to come today to tell my story because I believe that no one facing a serous illness should be denied access to care because that treatment is being provided through a clinical trial. Sometimes, it is the only hope we have. And the benefit to me, whether short or long term, will surely help those women who come after me, seeking a cure—a chance to prolong their life for just a little while, just so that they can attend a graduation, or a wedding, or the birth of a grandchild.
>
> I strongly support, and my family is right there with me, requiring insurers to pay for the routine costs of care that are part of an approved clinical trial. I think the cures of the future depend on it.

Mr. President, letters signed by scores of groups supporting the right to get into clinical trials, and we have letters signed by scores of groups regarding access to specialists, such as pediatric oncologists.

In our legislation, we also have provisions for guaranteeing that a child can see a specialist if that child has a serious illness. That is not in the Republican program. We in the Senate ought to be able to debate the merits of this provision.

But the bottom line, at the end of the day, is what the additional costs are going to be. We ought to be able to debate these, as well. You will find out that the cost of our protections is approximately $2 per worker per month. I think most workers would be glad to pay that additional $2 a month for the kind of protections we are talking about here in terms of clinical trials and specialists for members of their family. Why not give us an opportunity to debate that? Why not call the roll on those particular provisions?

We need to have a debate on the situation we see taking place around this country, where if you are a member of an HMO, your ambulance will drive by the nearest hospital and go to another hospital on the other side of town just because they are a member of that HMO. They will drive right by it. If a family goes to the closer hospital, the HMO will charge the family for the emergency care, which perhaps saved their child's life. We ought to be able to debate that. Why are we being shut out and denied? Why are we continuing in these quorum calls that last the course of the afternoon? Why didn't we take time yesterday and why aren't we taking time this afternoon to move ahead on this kind of legislation?

Mr. President, many of the guarantees that have been included in the Patients' Bill of Rights are guarantees that were unanimously recommended by the bipartisan President's Commission on Quality Care. In fairness, I will say that the Commission didn't recommend that these recommendations necessarily be put in legislation. But if all of the HMOs had just accepted those requirements, then we would not be needing this legislation. The problem is that the good ones have it, but the others don't.

So we are saying that we want to make sure that the protections are going to be across the board. If all of the HMOs complied with the legislation, we would not need it.

But these are very sensible and responsible recommendations. Half of them have been recommended by the President's Commission, half of them by the American Association of Health Plans. We have more than half of them that are already in existence included in form of Medicare, and 32 million Americans get those protections. So they are working in the Medicare, but they are not available for other Americans. Other protections in our bill were recommended by the National Association of Insurance Commissions—again, a bipartisan group of insurance commissioners representing the States who have a pretty good understanding and awareness of what is needed.

There is not one of our recommendations—not one of them—that has not been recommended by one of those four organizations or groups. Not one.

Mr. President, what I am saying is that these protections have been well thought out. They are reasonable, they are sensible, they are responsible, and they will make a significant difference in terms of protecting the health care of the American people. Now, Mr. President, it is time to give us an opportunity to debate those and act on them.

I will wind up with these final comments. We have every professional medical organization, every nursing organization, every consumer group in the country supporting our Patients' Bill of Rights. Not one is supporting the Republican proposal. Not one. No matter how many staffers go out and search, they can't find one.

The doctors and the medical profession understand the importance of this, as well as the parents. Every children's group, every disability group, every women's group, every one of those groups support this because this is the way to protect children, the disabled, women, and families.

With all respect to the importance of the legislation that we are currently considering, we have few days left to debate the Patients' Bill of Rights. We continue to implore the Republican leadership to bring up this legislation and permit the Senate to work its will so that we can do something to protect the American consumer in health care.

Mr. President, I see my friend and colleague from Arizona on the floor. I yield the floor.

Mr. McCAIN. Mr. President, I thank the Senator from Massachusetts for shortening, somewhat, his statement today. I appreciate it, because I know the obvious passion with which he addresses the issue.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3631

(Purpose: To express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the "Bermuda II Agreement")

Mr. McCAIN. Mr. President, I have an amendment at the desk for Mr. FAIRCLOTH, Mr. HOLLINGS and Mr. HELMS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. FAIRCLOTH, for himself, Mr. HOLLINGS, and Mr. HELMS, proposes an amendment numbered 3631.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. FAIRCLOTH. Mr. President, this Sense of the Senate resolution puts the Senate on record about a transportation issue in the largest city in my State.

The failure of this Administration to stand up for American carriers under our air services agreements with foreign governments is a serious issue. The unwillingness of this Administration to stand up for American interests undercuts our international position in critical negotiations and promotes intransigence amongst other parties to these negotiations.

Specifically, Mr. President, this Administration has not fought to enforce the rights of American citizens, American communities, and American air carriers.

Under the existing air services agreement between the United States and the United Kingdom, the so-called Bermuda II agreement, the United States has the right to designate a U.S. flag carrier to serve the Charlotte-London route.

On February 20, 1998, the U.S. Department of Transportation awarded this route to US Airways. US Airways announced its plans to launch nonstop service on May 7, 1998 and to compete with British Airways' monopoly on this route.

With its network at Charlotte, US Airways was prepared to offer convenient one-stop service to the United Kingdom from dozens of cities in North Carolina, South Carolina, and the surrounding area.

However, the government of the United Kingdom failed to provide US Airways with commercially viable landing and take-off rights at Gatwick Airport, London's secondary airport.

The Bermuda II agreement prohibits US Airways from serving Heathrow Airport at all. Only two U.S. carriers are allowed to serve Heathrow. I want to remind my colleagues that the British are blocking access not to the primary airport, Heathrow, but even to the secondary airport, Gatwick.

Yes, Mr. President, the British Government refused to facilitate access to its secondary airport for a competitor to the British Airways monopoly on the Charlotte-London route.

US Airways tried to obtain landing and take-off rights at Gatwick airport. The British refuse to budge. As a result, US Airways was forced to cancel its Charlotte-London service for the high-peak summer of 1998 and for the winter of 1998–1999 as well.

The outrage is that not only was British Airways' monopoly at Charlotte preserved, but the Department of Transportation granted British Airways yet another monopoly route—between London and Denver.

That's right, while the British refused to comply with their Bermuda II obligations, our Department of Transportation gave them another monopoly route.

While the US Airways Charlotte flight remains grounded, and while the British thumb their noses at us, British Airways now has a monopoly on ten routes between the U.S. and the U.K.

This Sense of the Senate urges the U.S. Government, especially the U.S. Secretary of Transportation, to act to enforce U.S. rights under the Bermuda II agreement.

Our government seems willing to grant foreign carriers the right to serve our airports on a monopoly basis but unwilling to take a firm stand with foreign governments.

We need the Administration to ensure that our carriers have the right to serve our citizens and enforce their rights under international law.

We hear a lot of talk from the Administration these days about "Open Skies" with the U.K. We understand that negotiations are about to begin to achieve a more competitive marketplace.

It is critical, however, that the Secretary of Transportation first ensure that existing rights are enforced for the benefit of U.S. citizens.

The people of the Southeast have been denied the benefits of competitive service by a U.S. flag carrier to the U.K.

Surely, an Administration that refuses to enforce existing rights cannot possibly negotiate an agreement that is less than a full surrender to the British. We didn't surrender in 1776 and we will not surrender now.

Mr. HOLLINGS. Mr. President, I want to thank the Chairman and Senator FORD for their support on this issue. This is a simple matter of fairness and equity. The unreasonable and anticompetitive conduct of the United Kingdom has gone on far too long and exacted an unacceptable toll on the Carolinas.

Mr. President, the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997. On May 7, 1998, US Airways announced plans to launch nonstop service in competition with British Airways, providing a convenient one-stop service from dozens of cities in North and South Carolina. Unfortunately, US Airways was forced to cancel this service because of the UK refusal to provide commercially viable access to Gatwick.

It is now time for the Secretary to assert our rights and enforce the Bermuda II Agreement.

Mr. President, before the Secretary enters into negotiations on a new broad bilateral agreement, equity dictates that the Secretary must resolve this issue.

Mr. McCAIN. Mr. President, this sense-of-the-Senate amendment is agreeable on both sides. I urge its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3631) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3632

(Purpose: To express the sense of the Senate that the Secretary of Transportation should ensure the enforcement of the rights of the United States under the air service agreement between the United States and the United Kingdom known as the "Bermuda II Agreement")

Mr. MCCAIN. Mr. President, I send an amendment on behalf of Mr. DEWINE to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. DEWINE proposes an amendment numbered 3632.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. MCCAIN. Mr. President, this amendment has been examined on both sides. I don't believe there is further debate.

I yield the floor.

Mr. FORD. Mr. President, I have no objection on this side. This side has no objection. We are perfectly willing to let the amendment go forward.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3632) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3633

(Purpose: To provide for criminal penalties for pilots operating in air transportation without an airman's certificate)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Mr. THOMPSON and myself.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for Mr. THOMPSON, proposes an amendment numbered 3633.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"§ 46317. Criminal penalty for pilots operating in air transportation without an airman's certificate

"(a) APPLICATION.—This section applies only to aircraft used to provide air transportation.

"(b) GENERAL CRIMINAL PENALTY.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

"(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

"(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

"(c) CONTROLLED SUBSTANCE CRIMINAL PENALTY.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

"(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

"(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

"(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

"(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.".

Mr. MCCAIN. Mr. President, this amendment has been cleared on both sides of the aisle. I don't believe there is any further debate. I yield the floor.

Mr. FORD. Mr. President, this side has no objection to this amendment. It is long overdue. It is directed at enforcement of certificates for pilots. We think it is needed; therefore, this side approves it.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3633) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3634

(Purpose: To ensure consumers benefit from any changes to the slot rule and perimeter rule at Ronald Reagan Washington National Airport)

Mr. ROBB. Mr. President, I have an amendment, and I send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia (Mr. ROBB), for himself, Ms. SNOWE, Ms. COLLINS and Mr. GREGG, proposes an amendment numbered 3634.

Mr. ROBB. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 41, line 22, strike the "and".

On page 41, line 23, strike the period and insert ";".

On page 41, line 24 insert the following:

"(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

"(4) not result in meaningfully increased travel delays."

Mr. ROBB. Mr. President, I understand that a number of Senators could conceivably benefit from the additional flights at National. Current language in the bill directs the Secretary of Transportation to award new flights for service outside the perimeter if those flights will provide "network benefits beyond the perimeter" and "increase competition in multiple markets."

I believe this proposed test tilts the Secretary's decision in favor of consumers flying beyond the perimeter and away from considering the benefits to all consumers using this region's airports. For that reason, I am proposing an amendment to provide a more balanced approach. Consumers using the airports are not just worried about the availability of long-haul service, they are also worried about timely service and the availability of service to smaller airports.

The amendment I am offering would simply require the Secretary to consider those factors in awarding any new slots at National. Senators GREGG, SMITH of New Hampshire, GRAHAM of Florida, SNOWE, and COLLINS have agreed to cosponsor this amendment.

Mr. President, I ask unanimous consent that Senator SMITH of New Hampshire and Senator GRAHAM of Florida be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. Again, Mr. President, I believe very strongly—and will have more to say later this afternoon—that it is wrong for the Congress to retreat from its promise to the citizens of this region, and I believe the changes in this bill will be harmful to the capital area's economy as well as its quality of life. If we are going to meddle in the rules governing service at National, however, we should do so in a way that is fair to all consumers.

I understand that this amendment has been accepted by the managers on both sides, and I thank the managers for their assistance. I am prepared to move it or set it aside, whichever would be the preference of either manager at this time.

Mr. SESSIONS. I must say it is not cleared on this side at this time. We would be glad to continue to evaluate that, but I am not at liberty to accept it at this point.

Mr. ROBB. I understand. With that, I ask unanimous consent that it be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBB. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I rise in support of the amendment proposed by Mr. ROBB of which I am proud to be a cosponsor.

This amendment addresses an issue of great importance to the State of Florida. Specifically, concern has been expressed about the weakening of the "Perimeter Rule," and the availability of nonstop flights between smaller airports and Reagan National Airport. I have been in touch with representatives from Jacksonville, Ft. Meyers, West Palm Beach, and Fort Lauderdale. They are convinced that a substantial portion of the direct flights to National that operate out of these airports would eventually be eliminated because the airlines would choose the higher revenue options. A study done by the Washington Airports Task Force supports this opinion.

The study shows that if the perimeter rule was essentially eliminated or weakened by allowing exemptions, economics will drive the airlines to take that airport's capacity away from markets within the perimeter and re-apply it to the higher value markets outside of the perimeter. That means that as many as 25 cities within the perimeter would be vulnerable to loss of some or all of their nonstop service to National. The study also shows that as many as 1.6 million air travelers in 93 congressional districts could be affected.

This amendment assures that, for those communities that are served by small and medium hub airports that fall within the perimeter, travel options will not be reduced and consumers will not be subjected to increased travel delays. In addition, this legislation protects the level of service and choices for consumers in the State of Florida and throughout the country.

I hope that you can support our efforts to ensure that the aviation service in our States are not threatened.

Mr. ROBB. Mr. President, I understand that the managers are now prepared to weigh in on this particular amendment. I yield to the managers of the amendment for any comments they might like to make.

Mr. SESSIONS. Mr. President, we are prepared to accept this amendment. I know of no objection.

Mr. BRYAN. No objection on this side of the aisle.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3634) was agreed to.

Mr. ROBB. I move to reconsider the vote.

Mr. BRYAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SESSIONS. I suggest the absence of a quorum.

Mr. MOYNIHAN. Mr. President, I ask the distinguished manager to withhold the request.

Mr. SESSIONS. I withdraw that request, Mr. President.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3635

(Purpose: To provide for reporting of certain amounts contributed to the Airport and Airway Trust Fund and funding of States for airport improvement)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 3635.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title V, insert the following:

SEC. 5   . ALLOCATION OF TRUST FUND FUNDING.

(a) DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term "Airport and Airway Trust Fund" means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(3) STATE.—The term "State" means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term "State dollar contribution to the Airport and Airway Trust Fund", with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) REPORTING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) REPORT BY SECRETARY.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

Mr. MOYNIHAN. Mr. President, this is a simple proposal to obtain numbers about a Federal program as regards the respective States. As a member of the Committee on Environment and Public Works for the last 22 years, I served as chairman, at one point, and handled a number of highway bills, as we call them, transportation bills, and have been involved with negotiations with the House in these matters.

One of the subjects that comes forward continuously is the payments by respective State residents, or persons passing through a State, into the highway trust fund. This was established in 1956 by President Eisenhower, under his administration, on the recommendation of a commission headed by General Clay, with the previous Speaker, Mr. Wright of Texas, as one of the persons animating the effort in the Congress. There was a source of funding for the Interstate and Defense Highway Program. Indeed, there was, and we have very successfully finished that program and we continue to fund transportation projects across the Nation with those revenues as they come in.

Now, in 1986 we established the airport and airway trust fund. It is a ticket tax and other taxes. It brings considerable revenue, as anyone who has recently ridden on the Washington-New

York shuttle can attest. In fiscal year 1998, we estimate that $4.5 billion was collected in ticket taxes.

However, we have no State-by-State analysis of the dollar contributions. Inevitably and properly, the moneys are used by the Federal Aviation Administration to provide airport projects around the Nation, but with no accounting for the relative contributions of the different States with the thought that there be some proportionality as to the return to the States. I say "some"—nothing precise, nothing is proposed in this amendment to make such a proportionality requirement. Indeed, it is not desired.

Public policy on transportation should follow the needs of transportation, and yet it is reasonable to assume that Senators and Representatives will expect some relationship between what their State provides and what it receives. That may now take place; it may not take place. The answer is we don't know.

The most normal function of government when it collects a tax is to record the origins and the specifics of the revenue stream. There will be some difficulty doing this. It is tricky. A good number of airline tickets are now purchased on the Internet as opposed to travel agents or at the airport. These are methodological problems which the Treasury is entirely capable of dealing with through sampling and other devices. This amendment quite specifically says, "as soon as practicable after the date of enactment of this act and annually thereafter," that the Secretary of the Treasury will report to the Secretary of Transportation.

The term "as soon as practicable" gives the Treasury the leeway it requires to get these numbers and break them down. It is routine government. It is good government. It is an opportunity to avoid a great deal of misunderstanding and discord in the committees involved and on the floor as we ask how appropriate, and in a general sense, how fair the use of these funds is—the allocation of these funds once they have been obligated through taxation.

Accordingly, I hope the Senate can approve this amendment.

Mr. President, I respectfully inquire of the managers whether this straightforward measure could be accepted and spare the Senate the time.

Mr. BRYAN. If I might respond to the inquiry from my friend, the distinguished Senator from New York, I am informed at this point we are not able to accept the amendment. The floor leader is absent from the floor temporarily and will return shortly. Perhaps the Senator may be able to engage in a conversation with him and the distinguished Senator on the other side of the aisle as to working out this point. I am not able to give the distinguished Senator the assurance that he needs that we can approve it.

Mr. MOYNIHAN. My friend from Alabama?

Mr. SESSIONS. I thank the distinguished Senator.

This amendment has just been presented and is now being seen by the managers. I think both sides of the aisle have expressed some concerns, so we will have to study it some more.

Mr. MOYNIHAN. In that regard, Mr. President, I wonder if I could, with the understanding of the managers, ask for the yeas and nays with the understanding that if the managers, after consideration of this very simple proposal, decide that it is acceptable, when that moment comes when this amendment comes up after 5 o'clock, that the yeas and nays be vitiated and the amendment be accepted; if not, we will have a vote.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Once again, if on further consideration the managers would like to accept the amendment, we will vitiate the vote when the time comes.

I thank the Chair, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent to speak as in morning business for 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE HEALTH CARE SYSTEM

Mr. GRAMM. Mr. President, about an hour ago, our dear friend, Senator KENNEDY from Massachusetts, came on the floor to talk about health care and, like Goliath of old, challenged us to respond to his cry to allow him to dramatically change our health care system. Since it appears that there is a break in the legislative action,—I see no one standing around waiting to speak or amend—I thought I would make Senator KENNEDY's day, so-to-speak, by coming over and responding to him.

Mr. President, there are several points I want to make and I will try not to belabor any of them. First of all, there is something to be said about having an institutional memory. I would like to take our colleagues, at least those who are now eager to remake our health care system in their ideal image, down memory lane, and remind them that it was only in 1993 that President Clinton and Senator KENNEDY told us in a debate, which lasted for 18 months in the Senate, that they knew how to solve our health care problem.

Our health care problem, in 1993, according to President Clinton and Senator KENNEDY, was an access problem, that 40 million Americans did not have health insurance, and their solution was to have the Government take over and run the health care system and create one giant HMO that I think they called a "health care purchasing collective." All Americans were going to be forced into one giant Government-run HMO, and the benefit we were going to get from it was that everyone would be covered. The cost of it, obviously, was that we would lose our right to choose.

Now, in that program, no one had the right to sue the Government based on poor medical treatment. They had the right that you have under current law to sue an HMO if they violate their contract. But we were told in 1993 that the problem was access to health care, and that the right to choose your own doctor, the right to choose your own hospital, and the right to sue was not important. What was important—in the words of Senator KENNEDY and the President, which still ring in our ears—was "access."

Now, here we are 5 years later and we are now being told that the problem is not access, the problem is not that 40 million Americans are having trouble paying for health insurance, and that in fact we should take action to make millions more unable to pay for their health insurance; we are now being told that the problem is that HMOs limit choice.

Now, Mr. President, I can't help but be struck by the fact that the same people who, 5 years ago, said the problem is access and we should sacrifice choice by putting everybody into one giant Government-run HMO called a "health care collective," and that we should limit the ability of people to sue in the name of access—those same people are now saying that the problem is that HMOs limit choice. Specifically, they are saying the problem is that, under current law, you can't sue an HMO.

The only point I want to make—and I think it is a very important point—is that, 5 years ago, the President and Senator KENNEDY loved HMOs. They loved them so much they wanted to put every American into one, regardless of their circumstances, and not allow anyone, under punishment of law, to buy health care outside the system. They wanted to have everyone in one giant Government health care HMO called a "health care collective."

Now, they don't love HMOs anymore. Then they cared about people having health insurance, and now they don't care about people having health insurance. In fact, under their bill, even under the most conservative estimates, hundreds of thousands, millions of families will lose health insurance. Suddenly, they don't like HMOs, and they want to protect people from the very same health care system that they wanted to impose on the Nation on a mandatory basis just 5 years ago.

Now, what is their real objective? We all know their real objective because, one thing about them—and they are not trying to hide it—is that they really believe the Government ought to run the health care system. We know what their ideal plan looked like; we had it 5 years ago. By the way, it looked very menacing. We had about 70 Members of the Senate who were cosponsoring these Government-run health care collectives. It looked like a 20-foot tall giant until, finally, a few Members of the Senate went up and stuck a pin in its big belly and it deflated. People realized that when their mama got sick, she was going to have to talk to a bureaucrat instead of a doctor, so we killed the Kennedy-Clinton health care plan.

Well, they are back. Since we are not going to let them run the health care system, they have decided they are going to tell the private sector how to run it.

Let me address the problems with HMOs. Let me say that, unlike the President and Senator KENNEDY, I never was in love with their idea of an HMO. I was opposed to forcing people, on a mandatory basis, to go to a Government-run HMO. I want people to have choices. Now, Senator KENNEDY says these HMOs are bad, but he doesn't want to give people the power to fire them, which I want to do. He wants to give people the ability to sue them.

I want to give people the ability to have real choices. That is what our bill is about.

Let me try to define the problem. I want to define it generically, and then I want to talk about the problem as people see it. Then I want to talk about Senator KENNEDY's solution and then about the Republican solution.

Here is the real problem. HMOs have grown like wildfire because of exploding medical costs. Under our old medical system, which we all loved and which was wonderful, except for one thing—nobody could afford it—with fee-for-service medicine and low-deductible health insurance policies, we all bought health care where somebody else paid for it.

Under our old health care system, if you went to the hospital, somebody else paid 95 percent of your bill. Sometimes that was private health insurance; sometimes it was Medicare; sometimes it was Medicaid; sometimes it was indigent care. But the bottom line was, under our old fee-for-service health care system where Americans with Medicaid, Medicare, and private health insurance had a third party paying, when you went to the hospital somebody else paid 95 percent of your costs.

Can you imagine if we had grocery insurance, so that when we went to the grocery store 95 percent of everything we put in our basket was paid for by our grocery insurance? We would all eat differently, and so would our dogs. Grocery stores as we know them wouldn't exist. They would have 20 times as many people working at the supermarket as they have now. They would have all kinds of luxury foods and prepared foods. And we would all love the grocery store, and we would all hate our grocery insurance bills.

That is the situation we were in. Government, as usual, did nothing about it. In fact, Government policy made all those problems worse. Then the private sector started to move to solve the problem. And one of the innovations was the development of the HMO. People have gone into HMOs, through their jobs, by the millions because they are cheaper, because they exercise more judgment in spending and because they make health care more affordable.

But there is a problem. The problem is that the way the HMOs control cost is by exerting influence over the health care you consume. Here is the problem with our national psyche. The problem is, we all want the benefits of cost control, but we don't want to bear the burden of having the cost control imposed on us and our family. We want the lower rates of the HMOs. We want to make the HMOs give us whatever we want, but we don't want them to charge us more to pay for it.

In other words, as usual, we want a free lunch. We want something for nothing. But that can never be, because one of the things God decided a long time ago is, you can't get something for nothing. If you drive up costs, you have to pay for it ultimately.

Here is Senator KENNEDY's definition of the problem, and here is his solution.

His definition of the problem, which millions of Americans identify with—and so do I—is when you go to see your doctor and you are a member of an HMO, when you go into the examining room, the HMO has its gatekeeper in the examining room, in essence, making decisions with your doctor as to what you need.

We don't want somebody else in our examining room. When we go into the examining room with the doctor, we want to be alone with the doctor. The problem is, with HMOs, one of the prices we pay for lower cost is having a gatekeeper involved in our health care, which almost literally means having a third person in the examining room.

What do Americans want, and what does Senator KENNEDY want?

Americans want to get the gatekeeper out of the examining room. They want to be alone with their doctors. What Senator KENNEDY says is, "OK, you do not like having a gatekeeper in your examining room. So what we will do is this."

If you will adopt Senator KENNEDY's bill, he will bring into the examining room a Government bureaucrat, whom he will choose, who will be there to regulate the gatekeeper and your doctor. And then you will get to hire with your money a lawyer, who can be there to watch the doctor and the gatekeeper and to be there to sue them on your behalf.

I thought it would be instructive to take a simple medical device, the stethoscope, invented by the ancient Greeks and used to this day to listen to people's hearts, and demonstrate graphically what Kennedy-Care looks like. What Kennedy-Care looks like is this stethoscope.

When you go into the examining room, under Senator KENNEDY's program, you are at this end—this part right here where they put that right up against your heart. So that is where you are. Then your doctor has one set of earpieces so that he can listen to your heart and determine if something is wrong with you.

Then the problem everybody is concerned about is, the HMO has a gatekeeper there with his stethoscope next to your heart listening to your beat, second-guessing your doctor.

What you would like to do is cut this part of the stethoscope off. That is what every American who is a member of an HMO would like. But what does Senator KENNEDY do? He adds another stethoscope for the Government bureaucrat that he is going to choose. So the Government bureaucrat is going to be listening to your heartbeat, second-guessing the HMO, and second-guessing your doctor, and trying to tell them both what to do.

In addition, Senator KENNEDY lets you hire a lawyer to come, and gives him another stethoscope.

So here you are. What you wanted was to be alone with your doctor. But now, under the Kennedy plan, you are in the examining room not only with your doctor and the HMO gatekeeper, but also with a bureaucrat chosen by Senator KENNEDY, and a lawyer, whom you pay for. So there you are, and there are four people in the examining room with you, three of whom you don't want.

It is Senator KENNEDY's solution to the problem.

You wanted to get rid of the gatekeeper. But he keeps the gatekeeper, because he doesn't give you the ability to fire the HMO, but he sends his bureaucrats in and then takes your money to hire you a lawyer. Suddenly, you have four people in the examining room with you and you are three times as unhappy as you were before.

That is not the solution that most Americans have in mind.

What is the solution they have in mind? The solution they have in mind is what I call "medical savings account care." Under our program, which is embodied in the Republican alternative, this is what the stethoscope looks like—again, exactly like the Greeks designed it.

Here you are. The doctor is listening to your heart. Here is the doctor. But you have gotten rid of the HMO gatekeeper. You didn't have to hire Senator KENNEDY's bureaucrat. You didn't have to hire Senator KENNEDY's lawyer. What you have is simply you and your doctor.

That is what people want.

How do we do it?

I conducted an interesting experiment the other day and I want to show you a chart and share the results with you today. I took a page of medical providers out of the Yellow Pages. I called up, and asked them if they were part of the largest HMO in Washington, Kaiser HMO. Then I asked if they were part of the largest preferred provider organization. That is Blue Cross, PPO. Then I asked them about the Republican solution, which is based on medical savings accounts, and I will explain more about them in a minute.

The Republican bill—I want to congratulate our leader, DON NICKLES, and the members of our task force who put together an excellent bill that deals with the legitimate concerns that Americans have about HMOs. But we do more on that to try to deal with HMO abuses, because we give people the power to fire their HMO—something Senator KENNEDY does not do. He gives you the power to have a Government bureaucrat oversee your HMO, gives you the power to have a lawyer to sue them, but he doesn't give you the power to fire them.

Now, in addition to dealing with the legitimate concerns about HMOs, we did something so much better, and that is we brought freedom into the Patients' Bill of Rights. What are the Bill of Rights about if they are not about the right to choose. So we create real medical savings accounts, and here is how they work. Let's say I have two children, which I do, and I have a wife. And I am grateful for the children and my wife. I buy the standard option Blue Cross/Blue Shield, and it costs my employer about $4,000 a year. Now, I could buy that same coverage, if it had a $3,000 high deductible, for just $2,000 a year. That is because the first $2,000 of medical costs are prepaid medical expenses rather than insurance.

So under our bill, people would have the right—no one would make you do it, but you would have the right to choose a medical savings account. What it would mean, especially for young couples with a moderate income, is that you could at a low cost buy a high-deductible policy to protect your family in case something really bad happened and yet you could still afford it.

The way it would work is your company, which is currently buying you a $4,000 Blue Cross/Blue Shield standard option, low-deductible policy, would instead buy for $2,000 the high-deductible plan and then deposit the $2,000 it saves into your medical savings account. With that $2,000, and the $1,000 you would normally spend on both health premiums and out of pocket medical expenses, your medical savings account would have $3,000 to pay for all your health care expenses up to $3,000. Any further medical expenses above $3,000 in a year would be covered by your high-deductible insurance.

Now, there are two reasons why this is important. One, at the end of the year, if you had not spent that $3,000 in your medical savings account on medicine, it is your money. If you go to the doctor and you say, I have a terrible headache, and the doctor looks at you, examines you, and he says, look, you probably have a headache and you have two options: One, I can give you two aspirins and it will probably go away, or I can give you a brain scan that will cost $1,000. If you take the two aspirins and it doesn't go away, you can come back tomorrow and I can give you the brain scan. With the medical savings account, since you get to keep that $1,000 if you don't spend it on a brain scan, you will see more rational economic decisions. You will probably ask the doctor what he really thinks, and in all probability, you re going to take the two aspirins and come back tomorrow if the headache is not gone.

On the other hand, under Senator KENNEDY's plan, if you have low-deductible insurance, you will say, well, does this brain scan hurt? And they will say, no, it doesn't hurt at all. In fact, it is very interesting. You can actually watch it. You might say, great, let's have the brain scan.

The point is, if I am spending my money I behave differently than if I am spending someone else's money. But under the medical savings account, at the end of the year, if all I had was a headache, I am $1,000 better off in my pocket—to send my children to Texas A&M or to go on a vacation or buy a refrigerator—if I went with the two aspirins and I didn't need the brain scan. But the most important thing about our medical savings accounts is I get to choose.

Now, let me get back to my experiment. I took a page out of the Yellow Pages. In my Yellow Pages test on the Kennedy health care plan and the Republican health care plan, I decided to give him the benefit of the doubt and assumed that everyone was in the biggest HMO in Washington. Many people won't be. Or let's say everyone went with the most popular preferred provider organization, the Blue Cross/Blue Shield PPO. So what we did was, starting with Ginsberg, Susan M. Ginsberg, M.D., at 106 Irving Street, NW, 723-4015, we went through and called each of these physicians and we asked them three questions: One, Do you participate in the Kaiser HMO?

Ten of them did. So if I were a member of the Kaiser HMO, I could see one of their doctors. If I could get to see somebody under the Kennedy plan, I would even have a Government bureaucrat in the examining room with me sharing my intimate experiences, along with a gatekeeper at Kaiser, but only 10 doctors of the 28 on this list would see me under the Kaiser HMO plan.

Now, if I had the Blue Cross PPO, 17 physicians that are listed on page 1017 of the Yellow Pages, 17 of the 28 physicians would take Blue Cross/Blue Shield. But then we asked them another question. We asked these physicians if they would take a check from a medical savings account. Golden Rule is a just one company that offers these MSA checking accounts. When you go to the doctor, you simply pay with your MSA check.

Then you have, through Mellon Bank with MasterCard, a MasterCard medical savings account. The way it works is you don't call up any gatekeeper. You don't say, do you take my preferred provider? Or, do you participate in this HMO? You simply call up and say, do you take MasterCard? And through the medical savings account at Mellon Bank you can get a MasterCard for participating in the program. And then there is Health Value, which has a medical savings account through Visa.

I performed an additional experiment. After we had asked them, Do you take Kaiser HMO, and 10 of the 28 did; Do you take Blue Cross preferred provider, and 17 of the 28 did. Then we said, Do you take Visa? Every one of the 28 took Visa. Do you take MasterCard? Every one of them took MasterCard. If I have identification, do you take a check? Every one of them took a check.

Now, there is the power of real freedom of choice. The freedom of choice is you do not have to go to an HMO. You do not have to go to some preferred provider. You do not have to appeal to an outside appeals board. You do not have to file a lawsuit. You do not have to have a Government bureaucrat. All you have to do is pick up the phone and call the doctor or the specialist you want and say, "Dr. Goldbaum, do you take MasterCard?" If he takes MasterCard, you don't care whether he is on somebody's preferred provider list or whether he is a referral specialist. He is your primary care physician, if he takes MasterCard.

What our proposal does is set people free to choose. Senator KENNEDY and the President hate medical savings accounts. They respond to medical savings accounts the way vampires react to a cross. And the reason is simply this: They understand that medical savings accounts empower people. And once somebody has a medical savings account, they do not want a Government bureaucrat. They do not need a lawyer. And if they need one, they can go into court and hire the lawyer. They do not have to fool around with gatekeepers. They just simply pick up the phone and dial William D. Goldman, Pediatrics-Adolescent Medicine. He could be a referral doctor for Kaiser or Blue Cross/Blue Shield. But they call up Dr. Goldman, and they have one simple question for Dr. Goldman: "Dr. Goldman, do you take Visa?" If Dr. Goldman takes Visa, they are in. We set them free to choose.

Now, Senator KENNEDY and the President understand that if we ever have medical savings accounts that will work, their idea of having the Government taking over and running the health care system of America is dead. It will never be brought back to life. So they do not like this provision in our bill. But the wonderful thing about it is we do not make people buy medical savings accounts. Many people love HMOs. My mother-in-law participates in an HMO and loves it, and she ought to have the right to choose it. Many people love preferred providers. All we do is make it possible for people to have real choice so if their baby is sick and they want to get in to see a specialist, if they want to see William D. Goldman, pediatrics and adolescent medicine, they don't go to a gatekeeper; they just pick up the phone and say do you take MasterCard? He does? They are in.

Senator KENNEDY tells us that he wants to vote on health care. I find it very interesting that we have offered him the ability to present to the Senate his plan, change it any way he wants to change it—put two Federal bureaucrats in every examining room, hire five lawyers, whatever works for him—develop the best system he can develop for America, we will not try to change it. We will not try to be mischievous and offer an amendment to it. He tells us how to fix the health care system. And then the Republican Task Force, of which I am a proud member, will present our alternative and what will happen is we will let people choose.

Senator KENNEDY, knowing we are in session for 10 more days—I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Senator KENNEDY, knowing we are in session for only 10 more days, wants to do all these amendments. He wants to amend our proposal. We do not want to amend his proposal. All we want to do is give people a choice. We think we have a better way. He, obviously, thinks highly of his plan. It is much closer to the world as he sees it.

What we are saying is, if he really wants to vote on his plan, we can have a vote this afternoon. But what we want to do, instead of getting into all these games with only 10 days left where we try to amend each other's plan and mess it up and end up with something nobody in the world wants, what we have offered, and very generously offered as the majority—I don't ever remember it happening when we were the minority on a major bill—we have offered to Senator KENNEDY, you take your health care plan and you write it exactly as you want it and you offer it and we will vote on it. And if you get 50 votes, you can get the Vice President to come over, break the tie, and you are in. You can put a Government bureaucrat in every examining room, you can have people hire lawyers, you can do it however you want to do it. But we think we have a better way.

What we would like to say to Senator KENNEDY is, we will give you a vote on your plan, and then you give us a vote on our plan. If we win and you do not, then we go forward with our bill. If you win and we don't, we go forward with your bill. But I am afraid there is a growing suspicion—I would never say this because I try to never be suspicious of people's motives—but there are some people who believe all of this discussion about health care is political. There are some people who believe that Senator KENNEDY does not really want his bill voted on because he knows it is not going to pass. Some suspect he knows some of the Democrats are not going to vote for it. And I believe he suspects our proposal would pass.

But the point is, if we really want to vote on health care with just 10 days left, let's stop all the games; let's let the Democrats sit down in a room and write the best plan they can write and we will not try to amend it. We will not try to stall it. We will let them bring it forward, tell us why it is the right idea, and we will vote up or down. Then we would like to have the same right on our plan, and if we are successful then we can go to the House very quickly, work out our differences, and let the bill go to the President. If we really want to do something about health care, that is what we need to do.

Finally, before my time runs out, I want to simply say that I believe that a lot of work has gone into this issue. I will congratulate Senator KENNEDY and others for raising the issue. I think we have a better way, as Republicans. I think our bill is better. I think it gives more choice. I congratulate Doug Badger, who has been the staff director who, through some 25 meetings, has helped us put together, with Senator NICKLES' leadership, what I believe is an excellent program. I would be happy for our program to become law.

But we have 10 legislative days left. If we want to have any opportunity to do something about health care, there is only one way: the Democrats put together their best bill. If that is Senator KENNEDY's bill, that is fine. If they want to change his bill, we are not going to interfere because we are not trying to make mischief. But we have a better way which we think will improve health care in America. We think it will make HMOs more responsive. We think it deals with legitimate concerns without denying millions of people access to health care because they will not be able to afford it, and it gives people the freedom to choose.

Remember the Yellow Pages test. On the Yellow Pages test, if the Republican plan passes and you want a medical savings account—you can have one, but nobody makes you get one. You can do a HMO, you can do Blue Cross/Blue Shield, you can do whatever you want to do. But if you want to choose for your family, we put you in a position so when you call up Seth Goldberg—who is ear, nose, throat, facial plastic reconstructive surgery—you don't have to go through a gatekeeper, on the Republican plan. You just call up Dr. Goldberg and say, "Dr. Goldberg, I wanted to come see you but I had to ask you a question."

So Dr. Goldberg gets out his big file and he figures we are about to ask him do you participate in the Joe B. Brown HMO, and he is going to look it up and see if he does. We just simply say, "Dr. Goldberg, will you take a check?"

He is going to say, "Yes." And when he says yes, if your baby has a throat problem, you are going to get to see a specialist and you are not going to have to go through a gatekeeper.

Senator KENNEDY will let you sue if the gatekeeper says no, and he will have a Government bureaucrat there, with your child, if you ever get in to see the ear, nose and throat specialist. But the point is, if your baby is sick and your baby has a 104-degree fever, you don't care about suing. You want to go to see Dr. Goldberg.

Our plan gets you in the door. Our plan gets your baby medical attention because it empowers you. Hallelujah.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask consent to speak in morning business for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I will shortly offer an amendment to the FAA bill on the floor. But I could not help but listen to my colleague from Texas. I should not frame it that way, I "could not help but listen to him." I was here and listened to him, and I couldn't help but have a desire, an urgency to respond to some of it. I shall not do that now, but reserve the time later.

I notice he talked about the KENNEDY plan. He is probably talking about the plan that is embraced by hundreds of organizations in this country, by the President, by the American Medical Association, and others who believe that health care ought to be practiced in a doctor's office or in a hospital room, not by some insurance accountant 500 miles away, and who understand the stories we have told on the floor of the Senate about a little boy had cerebral palsy whose HMO says this boy only has a 50 percent chance of being able to walk by age 5, and that is insignificant, and therefore we will not give this young boy the kind of therapy he needs. That decision was not made by a doctor. The doctor of that boy recommended therapy. That decision was made by an accountant, and had everything to do with an HMO's bottom line, not health care. That is the issue.

The issue is, do patients have a set of rights here? Do patients, when sick, and who present themselves to a doctor and hospital, have a right to know all of their medical options? Or do they have a right to know only the cheapest medical option?

Does a patient have a right to be taken to an emergency room when they have just broken their neck? I will give you an example of somebody who broke their neck, went to the emergency room, unconscious, and the HMO said, "We can't pay for that because you didn't get prior clearance." That is health care? That is a decision a doctor would make? I do not think so.

That is why doctors across this country, health care professionals across this country, and increasing numbers of people who have been herded into these shoots called "managed care," 160 million of them are now saying, there needs to be some changes here.

Health care ought to be practiced in the doctor's office, in a hospital room. I understand there is great passion about this issue. I hope this Congress will address this issue. The Senator from Texas proposes a way to address it. "We have a bill; they have a bill. We have a vote; they have a vote."

What about regular order? Why does the Senator from Texas propose that we not have regular order? Bring your bill to the floor—we have amendments, they have amendments—vote on the amendments one by one. How do you propose to deal with emergency care? What about the choice of specialists when you need it? What about the ability to know all of your medical options? What about the issue of bringing managed care to the floor of the Senate, a Patients' Bill of Rights—any version—and then having votes, amendment after amendment after amendment?

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. DORGAN. Mr. President, I ask to be recognized to offer an amendment to the underlying bill.

The PRESIDING OFFICER. The Senator is recognized.

The pending business is the Moynihan amendment.

Mr. DORGAN. I ask unanimous consent to set aside the current amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3636

(Purpose: To facilitate air service to underserved communities and encourage airline competition through non-discriminatory interconnection requirements between air carriers)

Mr. DORGAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Ms. SNOWE and Mr. WELLSTONE, proposes an amendment numbered 3636.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new section—

SEC. . NON-DISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS

(a) IN GENERAL.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

"(a) NON-DISCRIMINATORY REQUIREMENTS.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a non-discriminatory basis within 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.

(b) DEFINITIONS.—In this section:

"(1) ESSENTIAL AIRPORT FACILITY.—The term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 states in which one carrier has more than 50 percent of such airport's total annual enplanements."

(c) CLERICAL AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

"41716. Interline agreements for domestic transportation.".

Between lines 13 and 14 on page 151, insert the following—

"(d) ADDITIONAL ACTION.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice."

Mr. DORGAN. Mr. President, as I indicated when I spoke previously on this bill, I think Senator MCCAIN and Senator FORD have done a remarkably good job on this piece of legislation, and I appreciate their work so much. And I think many involved in airline issues in this country, such as safety and so many other related issues, feel the same way. This is an important piece of legislation, and we very much appreciate their good work. I think both of them will be on the floor shortly, but I did want to offer the amendment and begin a discussion of it.

Let me first describe why I felt a requirement to offer an amendment of this type. I offered an amendment similar to this in the Commerce Committee and lost by a vote of 11–9. It is interesting to me. I always remember the exact vote when I lose—11–9—and somehow that sticks with me, because I understand why I lost: there are people who view these issues differently.

My concern here is about competition in the airline industry. I know about competition. I come from a town of 300 people. I grew up in that town. I was in a high school class of nine. We had one blacksmith. We had one doctor. We had one barber. We had one of almost everything. Actually, we had a couple of bars. I guess that is probably typical of a lot of small towns. But we had one of most things. I understand that.

The fact is, most of the people who had their exclusive services that they offered in my hometown always priced their service in a very reasonable way. Go to the barber and the haircut was just very little cost. Same was true with the blacksmith. But then, as I left my small hometown in southwestern North Dakota and started studying economics and lived in some big cities and went off to graduate school and so on, I began to understand that is not always true in our economy. When you have one entity providing a service or a commodity, it is not always true that they will always price that service in the public interest. Sometimes they will price it in their interest.

I began to understand what monopolies were. I studied economics. Actually, I taught economics for a couple years in college. And I have told people

I was able to overcome that experience, nonetheless. But I understood about economic concentration, market dominance.

Then I watched what has happened in the airline industry in the last 20 to 30 years. I understood some of the things that I had studied and learned and understood something in the field of economics relates to what we are experiencing in this country in the airline industry.

In 1938, when the Federal Government began to regulate air transportation, there were 16 carriers—16 carriers—who accounted for virtually all of the air traffic in our country. It was a pretty primitive system back then. If you looked at those airplanes now down at the Smithsonian Institution you would say, "Gee, I'm not sure I would want to ride very far in those airplanes," but people did. Sixteen air carriers accounted for the total traffic in our U.S. domestic market.

By 1978, 40 years later, the year that Congress passed something called deregulation of the airlines, those same 16 carriers had reduced to 11. They were merged. A couple went out of business. So you had 11 carriers. Those 11 carriers accounted for 94 percent of all the airline business in the country.

Today, those 11 carriers have been reduced to seven airline carriers because of mergers, a couple bankruptcies—a lot of mergers. Those seven now account for over 80 percent of all the total traffic. American Airlines, Continental Airlines, Delta, Northwest, United and USAir—they account for 95 percent of the total air traffic in the domestic U.S., with their cochair partners.

Since deregulation, 1978, it was estimated that we have had about 120 new airlines appear. And then about 200 different airlines have disappeared, appeared, disappeared, merged, been purchased. But we do not have more competition after deregulation; we actually have less competition.

Between 1979 and 1988, there were 51 airline mergers and acquisitions. Twenty of those were approved by the Department of Transportation after 1985 when it assumed all the jurisdiction over mergers and acquisition requests. In fact, the Department of Transportation approved every airline merger that was sent to it. You do not need a human being to do that. You do not need somebody that breathes and lives and eats breakfast; all you need is a big rubber stamp. If we are going to have a Department of Transportation that will say, "Gee, no merger is too big. No merger's consequence is too significant for market dominance. We'll just stamp 'approve' with a big, big ink pad and a big stamp," we don't need to pay anybody any significant amount to do that kind of Government work. Every airline merger submitted to it was approved.

The 15 independent airlines operating at the beginning of 1986 had been merged into six megacarriers by the end of 1987.

The father of deregulation, Alfred Kahn, testified recently at one of our hearings. He said that he had great disappointment in the industry concentration because he said it perverted the purpose of deregulation. And he pinned most of the blame on mergers and the Department of Transportation's approval of all of these mergers.

What has happened is that these megacarriers—I will probably describe in a moment "megacarriers"—have created competition-free zones in effect, securing dominant market shares at regional hubs.

Let me describe a couple of these.

Atlanta: Atlanta is a big, old city. If you go down to Atlanta, Atlanta is bustling. It has an economy that is vibrant, a huge city, big airport, a lot of folks coming and going, a lot of traffic. One airline has 82 percent of all traffic in and out of the airport in Atlanta.

Why would that be the case? A city that big, that vibrant, an economy that strong, one airline virtually dominates the hub? Why? Because that is the way the airline companies have sliced up the pie.

Charlotte: One airline, 92 percent in and out of Charlotte.

Cincinnati: One airline, 94 percent.

Dallas-Fort Worth, a big city: One airline, 72 percent.

Denver: One airline, 74 percent,

Detroit: One airline, 82 percent.

Well, I do not need to go through all of them, but you get the picture. This is not exactly the picture of a robust American economy in which there thrives aggressive, interesting competition, one company competing with another for the consumers' business, deciding "I'll offer a better product. I'll offer a lower price." That is what competition is about.

Most businesses understand competition. The airlines have constructed a series of regional hubs which have dominance for major carriers, and then they retreat from the kind of competition you would have expected.

That is my way of describing my criticism of where we find ourselves. I would like to infuse some competition here.

I would like to see if we can find ways to say to the major carriers, "We need more competition." The consumer deserves more competition, the consumer deserves more choices, and the consumer deserves lower prices with respect to airlines.

We have had plenty of studies about this issue. I come from a sparsely populated State, and deregulation has affected us in a much more detrimental way than in other parts of the country. Here are some studies—just a few—that describe deregulation and its impact on small States and rural economies: Airline Competition, Industry Operating and Marketing Practices Limit Market Entry; Trends and Air Fares at Airports in Small- and Medium-sized Communities; Fares and Competition at Small City Airports; Effects of Air Competition and Barriers to Entry. The list goes on and on, study after study.

We don't need to study this. We know what is happening. We know what has happened. Most of us know what should happen. We should do something to help provide competition, certainly in areas that are underserved. For areas that used to have service but don't now have jet service, we ought to find some way to allow that service to exist. I have produced a piece of legislation that I think will do that.

I mentioned that we had an airline shutdown as a result of a labor strike recently. That shutdown was very inconvenient to a lot of people, but it was much more inconvenient to my State. Just prior to deregulation, we had five airline companies flying jets in and out of my State. Now we have one. That one happened to shut down as a result of a labor strike. At 12:01 a.m. on August 30, there were no more jet flights in and out of our State. It was devastating to North Dakota, to the passengers, and to the economy.

That kind of dominance by a carrier I admire. I think the carrier that serves our State is a wonderful carrier. It has some labor problems and other issues, but the fact is, they fly good planes and they have been serving North Dakota for many, many decades. I hope they will continue to serve many decades. I have told their president that one day there will be another carrier and some competition. Although I hope to get them some competition, I want them to stay there because they are a good airline carrier.

But I also want to plug some holes in service that does not now exist, that should exist, and used to exist. For example, a State like North Dakota, for 35 years, had jet service connecting North Dakota to a hub in Denver, CO. After 35 years, that jet service was gone. We no longer have jet service to Denver, CO. The only way a jet service can exist between North Dakota and Denver, CO, is if you have a regional jet service that starts up and can cooperate with and have interline and other agreements with the major carrier that dominates in Denver. We had a company that started and tried to do that, but, of course, the major carrier in Denver said, "We want nothing to do with you; we don't want to do interline agreements with you."

So the only passengers they could haul were the passengers going from North Dakota to Denver. In fact, 70 percent of our people were going beyond Denver. They were flying North Dakota to Denver to Phoenix, to Tulsa, to Tucson, to Los Angeles, to San Francisco. That airline pulled out because they couldn't make it. The large carriers will coshare with each other, they will do all kinds of interline agreements with each other, but they don't want regional jet service to start up and flourish in these regions.

I don't understand that. It seems to me it would benefit them to have regional jet service startups.

However, I proposed something I hope will address this issue in the Commerce Committee that lost 11–9, as I mentioned before. I have modified that substantially now. But even with those modifications, it embodies the principles I am trying to establish: the opportunity for new regional jet service carriers to compete in a regional market by encouraging agreements between new regional jet carriers and large airlines with respect to a number of items—gates, baggage, and other issues.

I will not read the amendment, but let me say that the current Presiding Officer, the Senator from the State of Washington, Senator GORTON, is someone who has spent a great deal of time on airline issues. I will be careful not to mischaracterize any of his views. I hope it is accurate to say that he has been someone who has felt very strongly that he does not want to move in the direction of reregulating air service. While we might disagree on some issues, I very much respect his views, and he has been very strong in asserting his views on a range of these issues.

I have worked with Senator GORTON and others in the last few days to see if we could find agreement on a set of principles in this amendment that will accomplish the purposes and the goals that I want for my region of the country and other regions without abridging the principles that he has with respect to the consistency, deregulation, and other areas. I think we have done that.

The amendment I have sent to the desk, I believe, is an amendment that is approved by Senator GORTON, who is the chairman of the subcommittee on the Commerce Committee that deals with these issues. I want to say to the Senator I very much appreciate his willingness to work with me to address this issue. It is more urgent than it has been in the past, because everyone understands the dilemma that we faced with this shutdown. It could happen again. We have other circumstances out there that could very well result in it happening again. I just want the Congress to send a signal that we are going to provide some workable solutions to allow regional carriers to serve areas not now served, in a way that can give them a viable opportunity to make it. That is the purpose of this amendment.

I think I have described the amendment without spending time on a great deal of detail about the amendment itself. I have worked with Senator McCAIN, his staff, and Senator FORD. I recognize that doing anything in this area causes some heartburn for some people. There are some who are still not pleased because they would prefer the existing order—leave things as they are. Honestly, we can't leave things as they are. We must make some thoughtful changes here. That is what I propose to do with my amendment.

Since the chairman of the subcommittee and Senator FORD were not here, let me again say I thank them very much for their cooperation. I am pleased we were able to work out this amendment. I hope very much they will be able to help me prevail in conference with the House on this very important amendment.

I yield the floor.

Mr. FORD. Mr. President, let me say to my friend from North Dakota, no one has worked any harder or had a deeper interest in trying to accommodate his constituency. He has been typical Henry Clay in this operation; he has been willing to compromise. As Henry Clay said, compromise is negotiated hurt. So he has given up something that hurt, and others have, too.

I am very pleased we have gotten to this point. If I have any ability to help the Senator in conference, I promise him I certainly will.

The PRESIDING OFFICER (Mr. McCAIN). The Senator from Washington.

Mr. GORTON. Mr. President, I want to express my agreement with this amendment and also express my admiration for both the dedication and the persistence of the Senator from North Dakota. It is a quality in him I greatly admire.

We did start from very, very different points of view on this subject. Mine emphasized to the greatest extent free market principles and a lack of interference, whenever possible, with business organizations; his, a deep concern, and an appropriate concern, for smaller cities in which the kind of competitive advantage that my major city, Seattle, clearly has are simply not present.

From the beginning, I have thought that his goal was an appropriate one, to try to see to it that better service was provided his constituents, was proper public policy, and at the same time feared the constrictions that some elements of his amendment imposed.

I think at this point we have something with which we can live temporarily. It is not all that the Senator from North Dakota wants. I don't know everything about this field myself.

One element of this amendment will try to get us the most objective possible information about the nature of the problem and perhaps the best solutions. We will be back—even if this bill passes in its present form—we will be back with another FAA bill in 2 years, all of us with much more knowledge.

So my tribute to the Senator from North Dakota for his dedication to a cause that is significant. I hope we have done it in a way that will not damage the competition among major airlines or minor airlines, and in a way that will be of some real benefit to his constituents and to many other people in cities across the country in similar areas.

I approve of the amendment.

The PRESIDING OFFICER. Is there further debate?

Without objection, the amendment is agreed to.

The amendment (No. 3636) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Arizona.

Mr. McCAIN. Mr. President, I also want to add my words of appreciation to the Senator from North Dakota. It seems that he and I are destined to spend a lot of time together, especially since we are going to take up the Internet Tax Freedom Act here soon. He and I will be having a vigorous discussion on that.

I want to point out something again that I pointed out three times. Deregulation of the airlines is a wonderful and marvelous thing and has done great things for America. But when we have a situation where the State of the Senator from North Dakota is shut down because of one airline going on strike, obviously, we have to look at this whole environment of competition. Mr. President, it is not right; it is not right when an entire region of the country is dependent upon one airline. That is true, perhaps to a lesser degree, for other regions in the country. The concerns of the Senator from North Dakota, not only affecting his own State but the entire Nation, include the dramatic disparity, according to GAO, of airfares and where there is hub concentration and competition, which is clearly something that is indisputable.

So it seems to me that the Senator from Washington, chairman of the Aviation Subcommittee, and I, and others should devote a lot of attention to this issue, as to whether there is true competition and whether people in rural areas and in smaller markets in America are being deprived as a penalty because of where they live. So I want to tell the Senator from North Dakota again, I want to work with him and with the distinguished Senator from Washington, and other members of the committee, next year as we address this issue.

I am afraid, Mr. President, that concentration is increasing rather than decreasing. That trend can only be reversed when we get new entrants into the airline business. I am very disappointed at some of the information—much of it anecdotal—that I hear of the major airlines basically preventing that competition from beginning, or even existing, for a long period of time.

I thank the Senator from North Dakota and I look forward to more work with him on this issue and other issues, such as Internet tax freedom.

I yield to the Senator from North Dakota.

Mr. DORGAN. Mr. President, I was thinking as the Senator from Arizona talked about fares, the ultimate objective of more competition is more kinds of service and lower fares. I pointed out on the Commerce Committee—and I thought maybe I should for my colleagues on the floor—the disparity in fares. I pointed out in the Commerce Committee that we may fly from Washington, DC, to Los Angeles to go to Disneyland and see Mickey Mouse, which is all the way across the country. Or, instead, we could choose to fly to Bismarck, ND, which is half the trip, and see the world's largest cow sitting on a hill outside New Salem. If you wanted to see Salem Sue, the largest cow in the world, you would pay twice as much to go half as far than if you were to go see Mickey Mouse.

Mr. McCAIN. Is that cow alive?

Mr. DORGAN. No; the cow is dead. Because you might be interested in going there, I will tell you that it is a big metal cow that sits on a hill.

My point is that we have a fare structure that says you can go twice as far and pay half as much. Or, if you choose, if you want to go half as far, you get to pay twice as much. People talk about bureaucrats, and the discussion here a while ago was about bureaucrats and the HMO issue. I can't think of many Americans who could sit down and develop a rate structure that says, "You know, we are going to tell people that if they will just go farther, we will cut their ticket in half, but if they don't go as far, we will double their price," and think that marketing strategy has any relevance at all. That has everything to do with competition. Where there isn't competition, they will price at whatever they want to price. Where there is competition, of course, prices must come down because that is the regulator in the competitive system.

Mr. McCAIN. I thank the Senator. I want to say that I am going to urge all of my colleagues to go view that cow.

Mr. FORD. At twice the price.

Mr. McCAIN. At twice the price.

Mr. SARBANES. I wonder if that cow gives milk.

Mr. DORGAN. No.

Mr. FORD. You could prime it.

Mr. McCAIN. Mr. President, I also want to say again to the Senator from North Dakota, I was in Iowa, strangely enough, and I found out—to validate the point of the Senator from North Dakota—that it costs more to fly from Des Moines, IA, to Chicago, IL, than it does from Chicago, IL, to Tokyo. Now, these distortions have to be fixed because we are penalizing Americans who don't have access to major hubs. That is not fair to the American citizens. I know that the Senator from North Dakota will not give up on this particular issue.

Mr. D'AMATO. Mr. President, I would like to raise an important issue with chairman of the Commerce Committee.

I strongly support vigorous competition in the aviation industry. Competition provides greater travel opportunities at lower prices for the people of New York. As the Chairman knows, when discussing increased activities at major airports we must be very mindful of the impact that aircraft noise has on surrounding communities.

A new start-up airline intends to provide new low-fare jet service out of JFK International Airport and is willing to purchase a number of new Stage III aircraft to place into service in New York. These aircraft will be the quietest aircraft manufactured, even quieter than aircraft that are retro-fitted with Stage III technology known as "hush kits." In selecting airlines to receive slot exemptions to enhance competition at JFK, the Secretary should give preference to the quietest aircraft willing to fill such slots, which, as I said, would be newly manufactured Stage III jets.

Mr. MOYNIHAN. I would like to amplify the comments of my colleague from New York on aircraft noise. I strongly endorse increasing travel opportunities and lower air fares for the traveling public, especially in upstate New York where we have some of the highest air fares in the country.

Mr. McCAIN. I would strongly agree with the Senators from New York. Noise is an important issue and all considerations held equal the Secretary should give preference to the quietest aircraft in the awarding of slot exemptions at JFK.

AMENDMENT NO. 3635

The PRESIDING OFFICER. The pending question is the Moynihan amendment.

Mr. FORD. Mr. President, I understand that this is acceptable on both sides.

Mr. MOYNIHAN. Mr. President, I ask that Senators CHAFEE, KENNEDY, and D'AMATO be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I understand that the amendment is acceptable to our distinguished managers. I earlier indicated if that would be the case, I would ask that the yeas and nays be vitiated, and I do that now.

The PRESIDING OFFICER. Is there objection to vitiating the yeas and nays?

Without objection, it is so ordered.

Mr. MOYNIHAN. I ask that the amendment be adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3635) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I thank the managers.

If I might just add a little tale, the manager remarked about Chicago and Hong Kong. In the city of Rochester, a major city in our State, and in the Nation, the flight to Chicago and the flight to Hong Kong cost exactly the same. And the Kodak company, as I understand it, has taken to having their employees who do business in Chicago drive there. There is something deeply mistaken about all of this. Thank heaven, we have you here.

I yield the floor.

Mr. McCAIN. I thank the Senator from New York. I thank him for his abiding concern about Rochester, Ithaca, a number of small- and medium-sized markets in his State that, frankly, have great difficulty getting to New York City, at great expense. I believe his amendment will be helpful in that direction.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I am concerned about the provisions in sections 606 and 607 of this legislation which would increase the number of flights and grant exemptions to the 1,250-mile nonstop perimeter rule at Reagan Washington National Airport. These changes would alter long-standing Federal policies and agreements governing the operations of the three Washington area airports—Reagan National, Dulles, and BWI—and could result in unacceptable noise impacts for tens of thousands of citizens living in the flight path of Reagan National along the Potomac.

I recognize that the chairman and other Members are concerned about potential barriers to entry of new carriers at Reagan Washington National. While recognizing this, I think we must seek a careful balance between the benefits of increased competition and legitimate concerns of our citizens about aircraft noise. Anyone who lives in the flight path of Reagan Washington National Airport knows what a serious problem aircraft noise poses for human health, and even for performing daily activities.

Despite having restrictive nighttime noise rules, aircraft noise remains a major concern for many of our citizens who live in Reagan Washington National's flight path.

The Citizens for the Abatement of Aircraft Noise, a coalition of citizens and civic associations which has been working for more than a decade to reduce aircraft noise in the Washington metropolitan area, has analyzed data from a recent Metropolitan Washington Airports Authority report which shows that approximately 1/3 of the 32 noise-monitoring stations in the region have a day-night average sound level which is higher than the 65-decibel level that has been established by the EPA and the American National Standards Institute as a threshold above which residential living is considered compatible.

Addressing existing noise impacts and the impacts of noise from further flights into Reagan Washington National Airport must, therefore, be a top priority.

Senators MIKULSKI, ROBB, and WARNER have joined with me in framing some amendments to the pending bill to address the potential impact that would arise from increasing the slots and changing the perimeter at National Airport. These amendments seek to provide a noise safety net to mitigate adverse environmental noise consequences of exemptions to the existing operating rules.

Ms. MIKULSKI. Mr. President, today, I rise to offer three amendments with my colleague, Senator SARBANES to address the needs of my constituents in regard to this legislation.

I also note that I am a proud co-sponsor of two amendments offered by Senator WARNER of Virginia that further addresses our citizens concerns.

Mr. President, I want to make it very clear that I am opposed to any changes in the perimeter rule and slot rules at Ronald Reagan National Airport.

I believe the present balance among the three regional airports serves the public well. The present slot rules governing Reagan National work well and should be maintained.

However, I recognize that this legislation has overwhelming support in the Senate and will pass with a majority vote.

As a result, Senator SARBANES and I have crafted two amendments to minimize any potential impact from changes to the slot and perimeter rules.

The first amendment creates a mandatory set-aside of federal funds to mitigate any noise impacts that arise from changes to the perimeter and slot rules.

The amendment requires the Metropolitan Washington Airports Authority to set aside no less than ten percent of their federal funds to prevent noise pollution in areas affected by noise from National and Dulles International Airports.

For my constituents, this means that they will be eligible for financial assistance to soundproof their homes and schools. This amendment will ensure that residents in Montgomery and Prince Georges Counties will finally get some relief from noise that impacts their communities.

Currently, the Metropolitan Washington Airports Authority does not utilize federal funds for noise mitigation activities.

This amendment will ensure that federal funds are used for noise mitigation. For the first time, federal funds will be dedicated to reducing noise in the Washington area.

The second amendment requires that any new slots be distributed evenly during the day to avoid the possibility of stacking new flights early in the morning or in the evening.

I want to make sure that my constituents do not suffer additional noise during the time they are at home in the morning or the evening. When families are together, they should not have to endure additional aircraft noise when enjoying their breakfast or dinner.

The third amendment gives the Washington Airports Authority and the State of Maryland priority consideration for airport improvement grants.

Because Maryland is affected by changes to the perimeter and slot rules, this area should receive priority consideration.

In addition, to the amendments sponsored by myself and Senator SARBANES, we have worked closely with Senator WARNER on two other amendments to further address the needs of our constituents.

One amendment requires a formal environmental review and public hearing before new slot exemptions are granted at Reagan National.

I believe this is fair and necessary to ensure that our constituents have a role in this process and have their voices heard.

A second amendment seeks to guarantee that the pending nominations to the Metropolitan Washington Airports Authority Board are confirmed in an expeditious manner.

A fully functioning board is necessary to proceed with the modernization of Reagan National and Dulles and I support the pending nominations.

Mr. President, I could not stop this bill, so Senator SARBANES and I decided to change it.

For the first time, we succeeded in providing funds for noise mitigation for our constituents.

While I would have preferred no changes to the slot and perimeter rules, I believe our amendments will go a long way to reducing noise impact for our constituents.

AMENDMENT NO. 3637

(Purpose: To ensure that certain funds made available to the Metropolitan Washington Airports Authority are used for noise compatibility planning and programs)

Mr. SARBANES. Mr. President, I send the first of these amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. ROBB, and Mr. WARNER, proposes an amendment numbered 3637.

Mr. SARBANES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 607(c), as included in the manager's amendment, and insert the following:

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

Mr. SARBANES. Mr. President, this amendment is intended to assure that the Metropolitan Washington Airports Authority provide funding for noise abatement activities such as soundproofing of homes and schools, buying homes that are affected by noise, and improving land use planning. It provides that the Metropolitan Washington Airports Authority will expend at least 10 percent of its FAA grant money on noise compatibility planning and programming.

Let me note in submitting this amendment that MWAA is currently spending hundreds of millions of dollars of capital improvement at Reagan National, yet it is not spending a dime on the noise abatement activities. By comparison, Chicago O'Hare is currently spending $205 million of its passenger facility charges on noise abatement and mitigation activities.

In my own State of Maryland, BWI is spending a substantial portion of its AIP fund for noise mitigation efforts. In fact, since enactment of the AIP program, the Maryland Aviation Administration has received 46 AIP grants for BWI, totaling approximately $119 million. Seventeen of these grants, totaling more than $52 million, were for noise mitigation. In other words, 44 percent of all AIP grants for BWI have been for noise mitigation activities.

In direct contrast, since 1991, when Reagan Washington National Airport first became eligible for AIP funds, the Metropolitan Washington Airports Authority has received $106 million in AIP discretionary entitlement funds and none of those funds for financing of the airport's passenger facilities charges has been used for noise abatement activity.

I understand that the rationale that MWAA has given for not spending any funds for noise abatement was that it cannot have a 150 noise compatibility plan approved by FAA. Now that it has such an approved plan, it is time that AIP funds be spent to provide some relief for noise-impacted communities.

This amendment seeks to have the Federal Government address the need for greater balance between airport expansion and associated environmental impact. I know this is an issue that the chairman has taken an interest in. I know he raised it in confirmation hearings with respect to members of the MWAA. We very much welcome his interest. We have tried to work with the committee as we deal with these amendments.

It is my understanding that the amendment is acceptable to the committee. I urge its adoption.

Mr. McCAIN. Mr. President, I want to congratulate both Senators from Maryland who have been steadfast and tenacious in their efforts to further not only improve BWI but also Washington National and Dulles Airports.

Senator SARBANES I think has a very important amendment. Noise abatement is a very serious issue. I am glad to say that at least partially due to his efforts, BWI has made significant improvements. Unfortunately, that has not been the case with Reagan National Airport, which is interesting. That is one of the things that Senator SARBANES is trying to do with this amendment, and is doing at all airports in the Washington metropolitan area under the Metropolitan Washington Airports Authority's work on noise compatibility, planning, and programs.

I think this is an excellent amendment. I thank the Senator for the amendment. We obviously support it. But I know the Senator has other amendments.

I want to additionally state that I understand how difficult some of these issues are for the Senators from Maryland, especially Senator SARBANES who has been involved with these airports for many, many years. I think Senator SARBANES was involved with these airports when Dulles was viewed as a white elephant, and now certainly it is a very busy airport.

I was pleased—and I know Senator SARBANES was—the other day to see an article in the Washington Post that says business at BWI is at an all-time high. It has turned into an outstanding facility.

I thank Senator SARBANES not only for his amendment but the following amendments in his efforts to help the Metropolitan Airports Authority, the districts, and his willingness to work with us on what is a very contentious issue amongst his constituents. I thank him for it.

Mr. President, I believe there is no more debate on this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Hearing none, the amendment is agreed to.

The amendment (No. 3637) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3638

(Purpose: To mitigate adverse environmental noise consequences of exemptions of additional air carrier slots added to Ronald Reagan Washington National Airport as a result of exemption)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB, proposes an amendment numbered 3638.

Mr. SARBANES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 607(a)(2), as included the manager's amendment, in section 41716(c) of title 49, United States Code, as added by that section, strike paragraph (2) and insert the following:

"(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.".

Mr. SARBANES. Mr. President, this amendment seeks to mitigate the environmental noise consequences of new air carrier slots added to the Ronald Reagan National Airport inventory. By precluding air carrier slot clustering during the operational day, it would prohibit more than two new operations per hour during the period between 7 a.m. and 9:59 p.m.

It seeks to achieve a more appropriate balance between the commercial interests of air carriers, the demands of the traveling and shipping public, and the concerns of residents living under the flight pattern. We understand the addition of the slots. This is primarily an effort to spread them out over the course of the operational day and to prevent heavy clustering, particularly in the early morning or late evening hours. I understand the committee feels that this is compatible with the objectives we are trying to seek.

I urge adoption of the amendment.

Mr. McCAIN. Mr. President, I support the amendment. I think it is important. I know both sides support it. I believe there is no further debate on the amendment.

The PRESIDING OFFICER. If there is no further debate on the amendment, the amendment is agreed to.

The amendment (No. 3638) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3639

(Purpose: To mitigate adverse environmental noise consequences of exemptions for Ronald Reagan Washington National Airport flight operations by making available financial assistance for noise compatibility planning and programs)

Mr. SARBANES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland (Mr. SARBANES), for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB, proposes an amendment numbered 3639.

Mr. SARBANES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the first subsection designated as subsection (d) in section 607, as included in the manager's amendment, and insert the following:

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

"(3) Subject to section 47114(c), to promote the timely development of the forecast of cumulative noise exposure and to ensure a coordinated approach to noise monitoring and mitigation in the region of Washington, D.C., and Baltimore, Maryland, the Secretary shall give priority to any grant application made by the Metropolitan Washington Airports Authority or the State of Maryland for financial assistance from funds made available for noise compatibility planning and programs.".

Mr. SARBANES. Mr. President, this amendment seeks to mitigate adverse consequences of the exemptions from the rules governing Ronald Reagan Washington National Airport flight operations by requiring the Secretary of Transportation to make both the Metropolitan Washington Airports Authority and the State of Maryland eligible for priority consideration when the FAA distributes noise discretionary funds under the Airport Improvement Program. With increases in the amount of flights at Reagan National—and these other two airports are interrelated, of course, Dulles and BWI—the problem of noise pollution is likely to grow, and it is vital that we make prudent investments in noise abatement activities.

Therefore, we seek this priority status in order to be able to ensure that we are doing everything we can to soundproof homes and schools and take other steps to address the noise pollution problem for those living in the flight paths.

I understand, Mr. President, that the committee has, as it were, a refinement of this amendment, and this is certainly acceptable to us.

I, again, express my appreciation to the chairman and the ranking member for working with us in such a positive and constructive way on this issue.

AMENDMENT NO. 3640 TO AMENDMENT NO. 3639

Mr. MCCAIN. Mr. President, I have a second-degree amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. COATS). The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 3640 to amendment No. 3639.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 7, strike through line 10 and insert the following:

"(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and amendments made by that title.".

Mr. MCCAIN. Mr. President, in consultation with Senator SARBANES, this amendment basically ensures that neighborhoods around high-density airports are eligible for priority consideration for noise mitigation funding. It is an acceptable amendment.

I believe the Senator from Maryland accepts it and believes it is of some improvement to his amendment. I know of no further debate on the amendment.

Mr. SARBANES. Mr. President, as I understand it, this reference to the high-density airport encompasses what I was specifically directing toward, but it gives it a more general statement, and it is certainly acceptable to us in light of that.

The PRESIDING OFFICER. Is there further discussion on the amendment?

If there is no objection, the amendment is agreed to.

The amendment (No. 3640) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, again I thank Senator MCCAIN and ranking member FORD for their cooperation throughout this effort. As the chairman has recognized, this is a very sensitive problem, and we recognize what the chairman and others are seeking to accomplish here in terms of increased competition in further flights, but we felt it necessary, obviously, to press the case for the noise mitigation problem. I must say both the chairman and ranking member have recognized that problem. We think what we have proposed here will help solve that.

I thank the Senator.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, again, I thank the Senator from Maryland. I believe we have taken significant measures to mitigate any additional noise problems that may result upon passage of this legislation.

AMENDMENT NO. 3641

(Purpose: To require the Administrator of the Federal Aviation Administration to conduct a demonstration project to require aircraft to maintain a minimum altitude over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, and for other purposes)

Mr. MCCAIN. Mr. President, I send an amendment to the desk on behalf of Senator BINGAMAN and Senator DOMENICI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. BINGAMAN, for himself and Mr. DOMENICI, proposes an amendment numbered 3641.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.

(a) IN GENERAL.—Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

Mr. MCCAIN. Mr. President, this amendment by Senator BINGAMAN and Senator DOMENICI has been discussed on both sides. It is acceptable.

Mr. FORD. Mr. President, we are agreeable with this amendment on this side.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3641) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3642

(Purpose: To require the Secretary of Transportation to promulgate regulations to improve notification to consumers of air transportation from an air carrier of the corporate identity of the transporting air carrier)

Mr. MCCAIN. Mr. President, on behalf of Senator REED, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

Mr. MCCAIN. Senator REED of Rhode Island.

The bill clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. REED, proposes an amendment numbered 3642.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title V, insert the following:

SEC. 5. . AIRLINE MARKETING DISCLOSURE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer. In issuing the regulations issued under this subsection the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at 60 Fed. Reg. 3359.

Mr. REED. Mr. President, I rise today to speak on an issue which affects many of our nation's air travelers. I am pleased to offer an amendment to the Senate's Federal Aviation Administration (FAA) reauthorization bill which requires the Secretary of Transportation to implement regulations that ensure airline passengers are more aware of the true corporate identity of the airline on which they are flying.

I am pleased that the managers of the FAA reauthorization legislation have agreed to accept my amendment to their bill. I believe this amendment will go a long way to ensure that airline passengers are better informed.

As you know, Mr. President, following the deregulation of the airline industry in the late 1970's, major airlines began to enter into cooperative agreements with smaller airlines to offer air transportation service to smaller, underserved areas. Common in such agreements is the practice of "code-sharing," where the smaller independent airlines use the name and identification code of the larger airline. For example, for a two-leg "code-shared" flight, where a large air carrier operates one leg and a smaller commuter carrier operates the other, air service for both flight segments is listed under the same identification code. As such, consumers purchasing "code-shared" air service are frequently unaware of the actual corporate identity of the smaller commuter airline on which they are flying.

Mr. President, this lack of disclosure can cause consumers to be completely unaware of the true identity of their transporting air carrier, and therefore, lessen a consumer's ability to make the most informed transportation decision.

Mr. President, under current law, U.S. air carrier ticket agents are required to verbally indicate to consumers the corporate identity of the airline they are flying on, when a ticket is purchased.

However, in practice, Mr. President, these verbal disclosure rules are difficult to enforce. Furthermore, the rules are not applied universally because they do not cover travel agents, who sell a majority of the airline tickets issued in the United States.

As a result, Mr. President, consumers are often surprised to discover that a segment of their flight, although listed under the "code" or name of a large air carrier, could be serviced by a different airline.

Now, Mr. President, I do not mean to suggest that smaller commuter airlines are not safe, nor, do I mean to diminish the valuable service "code-sharing" arrangements bring to many smaller and rural areas in the nation. Rather, I want to help ensure that consumers are aware of the true identity of the airline they are scheduled to fly on.

For these reasons, I offered this amendment to require stronger airline ticketing disclosure rules, an issue the Department of Transportation recently considered.

Indeed, in 1994, the Department of Transportation proposed a rule to require that at the time of sale, travel or airline ticket agents provide consumers with written notification of each airline's corporate name that participate in "code-sharing" agreements. The Department asserted such steps would help to ensure that a consumer had a complete understanding of the transportation they were purchasing. However, to date, the Department has not issued a final rule on this matter.

Mr. President, the Department of Transportation was on the right track, and we need to encourage the DOT to follow through and implement better ticketing disclosure regulations to help better inform consumers. My amendment is simple and straightforward, and does just that. It requires the DOT to implement regulations 90 days after enactment of this bill requiring improved written and oral notification of the corporate name of "code-sharing" airlines. Such requirements would inform consumers of the identity of the air transportation carrier actually providing service, and thereby allow consumers to make more informed purchasing decisions. My amendment also grants the DOT flexibility in this process, and allows the Department to choose the method it deems most appropriate to achieve this goal.

Mr. President, the basis for my amendment is also straightforward: Just four years ago, a constituent of mine, Ms. Pauline Josefson, of Warwick, Rhode Island died in a commuter airline crash. The airline she flew on was listed under a major carrier's identification code.

Ms. Josefson had every reason to assume that the air service she had purchased was that of the major carrier, as her airline tickets indicated. However, she was flying on a plane piloted by an individual who had been repeatedly criticized by other airlines for poor performance and flying ability. If the little known airline's actual corporate name had been disclosed when the ticket was purchased, Ms. Josefson would have had an opportunity to make a fully informed travel decision.

I share the concerns of the Josefson family and others that airline consumers deserve greater disclosure. That is why I have offered this amendment today, Mr. President, which is supported by the Aviation Consumer Action Project, a non-profit organization dedicated to the safety and protection of the flying public, and I ask unanimous consent that a letter of support for this amendment be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AVIATION CONSUMER
ACTION PROJECT,
September 24, 1998.

Re: legislation requiring airline disclosure of code sharing arrangements to consumers.

Senator JACK REED,
U.S. Senate,
Washington, DC.

DEAR SENATOR REED: In response to your request for our comments concerning your draft legislation on code sharing disclosure, the Aviation Consumer Action Project supports such a measure as necessary to curb a common deceptive marketing practice by airlines which is not permitted in other industries.

General Motors cannot sell you a Cadillac then deliver a Toyota or even a Mercedes without first informing the customer. Only the airlines are except from state and local consumer protection and deceptive advertising laws and even most federal labeling laws. The U.S. DOT is the exclusive agency protecting aviation consumers since the enactment of the Airline Deregulation Act of 1978.

Airlines, using techniques known as "code sharing" and "wet leases", are now allowed to sell consumers tickets on other airlines as though they were their own. So for example, someone booking a flight on a U.S. carrier to Warsaw, Poland may actually be flying from New York to London on an American carrier and then to Poland on Lod Airlines (the Polish national carrier) at both a higher cost than if tickets were separately booked and with what most would regard as a lower level of safety and service. Similarly, many airlines use prop commuter airplanes that they do not own or operate with a U.S. carrier brand name like "Delta Connection". After the recent crash of Swissair 111 which killed all on board, it was disclosed that 53 of the passengers were actually Delta passengers, flying under an apparently undisclosed code sharing agreement. Such marketing arrangements are inherently deceptive and should be prohibited, unless disclosed in advance to the airline passenger. The consumer can then decide whether to purchase the ticket or call another airline.

The consumer notice should be in the form as proposed by the U.S. DOT in 1995 which was never acted upon, i.e. "IMPORTANT NOTICE: Service between XYZ City and ABC City will be operated by Jane Doe Airlines", and in advertising airlines should be required to identify the carrier(s) that will actually provide the service by corporate name.

Should you wish further comments, please do not hesitate to contact the undersigned. ACAP is a non-profit corporation dedicated to assisting and speaking out for the flying public on issues of safety, cost and convenience. The organization was founded by Ralph Nader in 1971. It receives no funding from the aviation industry or the Federal Government.

Sincerely,

PAUL HUDSON,
Executive Director.

Mr. REED, I thank the managers of this legislation for accepting this amendment, and for joining me in support of improved airline ticketing disclosure rules to better protect our nation's air travelers.

Mr. McCAIN. Again, this amendment has been discussed on both sides. We think it is a good amendment by the Senator from Rhode Island. By the way, we are appreciative of his involvement in this issue. I do not believe there is any further debate on the amendment.

Mr. FORD. Mr. President, we have no objections on this side and look forward to passing the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3642) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS. Mr. President, I would like to talk just a few minutes on this bill, particularly with respect to rural air service and some of the problems that we face in areas with small towns and small populations.

First, let me say that I certainly support what the Senator from Arizona and the Senator from Kentucky are doing here. I think this is a valuable bill, and I think we should move forward with it quickly.

I do want to emphasize, however, the difficulty that we have in rural America with regard to air transportation. I must confess that it is not a new problem. As we deregulate various industries—and I happen to be for deregulation and letting competition work—we find ourselves with some problems in rural areas, whether it be telephones, or the deregulation of electricity, or air transportation. The obvious effect of deregulation is that capital and facilities, in this case airplanes, move to where there is the greatest usage, where there is the highest density.

So we have made some arrangements, for instance, in telephones with universal service to ensure that despite the fact that the real advantages of competition go to where the heavy volume is, we do continue to provide service to rural areas.

My State of Wyoming is struggling to maintain dependable, scheduled, available air service to airline hubs like Denver and Salt Lake City. We are in the process of seeking to strengthen our economy there, to recruit businesses to move to Wyoming. Travel and tourism is one of the three major economic activities in Wyoming, and so transportation is a vital component of our future. But we are having some problems.

Last year, for example, Mesa Airlines, which operated as United Express, pulled service from five towns in Wyoming that they had been servicing in years past. I worked with Senator ENZI, my associate here, Congresswoman CUBIN, the Governor, and others, and we finally were able to keep service to these towns. In fact, we had to go all the way to the chairman of the board of United Airlines to make this happen. Unfortunately, in most of these towns, we were only able to keep Essential Air Service (EAS). This provides just a bare minimum of service and I am glad we have it, but it does not provide the kind of service that is necessary if you are really going to have economic growth and development. In addition, in other Wyoming communities we continue to face cutbacks in the number of seats that are available every day as well as the loss of jet service to some of these towns.

Those of you who are familiar with Jackson Hole, WY, know that it is a travel town. That is where a great number of people come and go. It is just devastating to the local economy when there are not enough seats to service demand.

As I mentioned, Mr. President, I am in favor of deregulation. I think that makes for healthy competition. But I am concerned that sometimes we have to try another approach. As I mentioned, the investment in dollars nationally—and I understand it—go to where the yield is. They go to where the traffic is. That, I do think we have to understand. But we met with Delta Airlines which serves Salt Lake City and Jackson Hole, WY, and talked a little bit about the fact that there is a need for service, and frankly if we do not have service in some of these places I think you are going to see a continued interest in going back to some re-regulation in air service. I hope it doesn't come to that.

Part of the problem, as I understand it, is the so-called code-share agreements between the big carriers and the commuters airlines. If you go to Denver from Casper, WY, a part of that fare subsidizes the cost of the trip that takes you from Denver to Washington. That does not seem right. That isn't the way it ought to be.

These airlines are basically moving toward a monopolistic situation in the large "hub" airports, served almost entirely by one carrier, which makes serving rural America very difficult because then those airlines can dictate everything—fares, schedules, you name it.

This is kind of unusual for me. I am a marketplace guy. I am one who wants competition. But I also firmly believe that when it comes to these vital services, there has to be a way to ensure that all of America will be served.

I have been involved, because of my chairmanship of the Subcommittee on East Asia, in the rights to go overseas—"beyond rights." I have to think, myself, why are we spending a lot of time and energy talking about expanding air service to somewhere in China when you can't go to Cody, WY?

So that's the situation we find ourselves in today. I don't have all the answers. But I do know that we will continue to work at this issue in Congress. The Essential Air Service (EAS) program works well. But we need to do more. Dependable and safe air travel is an economic lifeline for our State, as it is whether you are in Boston or whether you are in San Francisco. We depend on tourism and small businesses to drive our economy in Wyoming.

We need to come up with a long-term solution to this problem. Hopefully, it will be done in the marketplace so it will be something that is not forced upon the airlines. However, it is hard for me, as I said earlier, to get excited about working on "beyond rights," when we can't get to our own towns.

I am glad we are considering this bill. We need to get this done so our airports can be financed. I am very involved in what is going on with Wyoming's air service. I happen to be a private pilot and have flown quite often into these airports. I know how important it is for us to have that air service.

I commend the Senators who have worked on this bill. I suggest we always need to keep in mind those rural areas to which we find it difficult to provide service.

I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 3643

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. SARBANES, Ms. MIKULSKI and Mr. ROBB, proposes an amendment numbered 3643.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47 of the manager's amendment, between lines 6 and 7, insert the following:

SEC. 607. (g) PROHIBITION.—Notwithstanding any other provisions of this Act, including the amendments made by this Act, unless all of the members of the Board of the Metropolitan Washington Airports Authority established under section 49106 of title 49, United States Code, have been appointed to the Board under subsection (c) of that section and this is no vacancy on the Board, the Secretary may not grant exemptions provided under section 41716 of title 49, United States Code.

Mr. WARNER. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Virginia is adopted.

The amendment (No. 3643) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. I ask unanimous consent to proceed for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

CATASTROPHE IN KOSOVO

Mr. McCONNELL. Mr. President, I rise today to draw attention to the foreign policy catastrophe unraveling in Kosovo. Yogi Berra immortalized the phrase "this is deja vu all over again"—and that is just what we are seeing in Kosovo—Bosnia, all over again. Today, just like yesterday and the day before, men, women, and children in Kosovo are living and dying witnesses to a rerun of the tragic experience suffered by Bosnia for three brutal years. Hundreds of thousands of civilians are, once again, the victims of our false promises and a deeply flawed policy.

Take a minute to review the events as they have unfolded on the ground to establish exactly what I think Belgrade has learned about United States policy. What Milosevic and his mafia have figured out is—we bluster and threaten, we issue ultimatums and condemnations, but the policy is hollow, the threats are empty, the show is a charade.

A recent Congressional Research Service chronology provides stark evidence of this sad pattern of Western threats and demands, always swiftly challenged by vicious Serbian violence and assaults against Kosovo's civilians. And, the response to these attacks? Concessions and inaction.

The United States has not failed alone. We are joined in this collective dishonor by the G–7 nations, the OSCE, the European Union, the Contact Group, and even the United Nations which have individually and collectively reneged on commitments made to take action to stop the bloodshed, to produce a cease-fire, to prompt a withdrawal of Serb troops, and to protect the rapidly mounting numbers of refugees and displaced people.

The CRS report tell us:

On January 8, the six nations of the Contact Group declared Kosovo a matter of priority urging a peaceful dialogue to begin between parties. This message was reinforced by Special Envoy Gelbard in meetings with Milosevic in Belgrade. The response, within days, was attacks by the Serbian police on a small village leaving ethnic Albanians dead and more wounded. While this was a relatively small assault, the beginning of the coming trend was marked by 20,000 people turning out for the funeral in protest of that action.

On February 23, Gelbard announced some minor concessions to the Serbs including restoring landing rights for their airlines. At the same time the Contact Group foreign ministers issued a statement expressing concern about the lack of progress in dialogue. In an attempt at balance and fairness they even condemned terrorist acts by the Kosovo Liberation Army and reiterated their lack of support for Kosovo independence.

What did the Serbs do in response to these generous gestures? Within three days, Serbian forces launched major attacks on villages in central Kosovo. CRS reports the attacks were "spearheaded by thousands of Serbian police and Interior Ministry troops and resulted in 20 to 30 deaths mostly of ethnic Albanians."

On March 2, the United Stats and the European Union joined voices in condemning violence by Serb forces. On March 5, Serb police and special antiterrorist units "began their second largest offensive in central Kosovo. KLA strongholds were attacked with armored vehicles and helicopter gun ships * * * the assault continued for 2 days and claimed the lives of 6 police officers and over 50 Kosovar Albanians."

On March 4, Mr. Gelbard said, "I guarantee you we simply won't brook any renewal of violence," followed on March 7, by Secretary Albright who issued her now famous ultimatum. She said, Milosevic "will have to pay a price. The international community will not stand by and watch the Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia." Her statement was backed up by a Contact Group declaration demanding Milosevic take specific steps within ten days including withdrawing paramilitary troops and allowing Red Cross access conflict zones.

As the Contact Group was issuing its statement, in a gruesome public spectacle, Serb troops dumped 51 bodies at a warehouse, each one an ethnic Albanian, 25 of them were women and children. Before international forensics experts could complete autopsies, the Serbs bulldozed the bodies into a mass grave.

This pattern of challenge and brutal response continued weekly through the spring and summer. Threats of western actions have been dismissed by Serb attacks, after attack, after attack.

Villages are shelled, burned and looted. Crops and fields are burned. The death toll and refugee population swells. Yesterday a Kosovo journalist told me that the Serbs have now destroyed 400 of the 700 villages in Kosovo.

And, the world watches. Deja vu all over again.

I thought we had reached an all time low in June when 84 NATO planes carried out a six nation exercise in Albania and Macedonia intended as a show of strength and force. The Washington Post summed up the events saying, "Yugoslavia's reply to threats of NATO air strikes could be heard for miles around in the nightly bombardment of border villages."

Mr. President, the tragedy continues. Winter's cold curtain now falls upon the weakened shoulders of tens of thousands of families expelled from their homes, in hiding in the mountains and forests of Kosovo. Soon, we will begin to see the heart-rending, pitiful images of ailing, elderly women, clutching babies and toddlers, every possession they could salvage strapped to their backs, stagger out of hiding, hoping to cross borders into safe haven, but more likely, stumbling into harm's way.

And, this time, Mr. President, the consequences of inertia are deadly serious. I agree with Ambassador Holbrooke's assessment that Kosovo is "the most explosive tinderbox in the region." Unlike Bosnia, the long-standing frictions involving Kosovars, Albanian, Serbs, and Macedonians have consequences in Greece and Turkey—precarious NATO partners in the best of times.

The conditions in Kosovo have demanded action for months. Instead we have been a state of policy stall. Now, as much in recognition of the weather, the Administration has turned a lethal pattern of appeasement into a dangerous policy of collaboration and containment.

Let me point to two examples of the current approach which seeks a partnership with Belgrade rather than protection of innocent refugees. As conditions worsen, the Administration seems seized with a containment strategy, which balances on improving delivery of relief while controlling what they view as potentially messy regional spillover problem.

There are two prongs to this misguided effort. First, let me describe what the Administration is considering on the relief front. Earlier this month, administration officials announced plans to work in Kosovo through twelve centers established by Serb security forces to distribute emergency food and supplies to the victims of this savage war. I am not sure what surprised me more—the fact that we would work with the very forces which carried out the atrocities creating hundreds of thousands of victims, or the fact that we decided to encourage this cooperation by actually making food available to Serb troops. The new chief of the Bureau for Humanitarian Affairs offered and has provided thousands of food rations to Serb troops fresh from bloody killing fields. He even asked NGO representatives to cooperate with this plan and work through these twelve centers. As one representative described it to me, the NGOs were the bait, intended to lure refugees into Serb centers. AID claims that this plan was agreed to by the major non-government organizations carrying out humanitarian relief in Kosovo, but I can't find one that thinks collaborating with Belgrade makes any sense.

This effort to control and contain the problem also has a military component—but the wrong military component. Last week, the foreign Operations Subcommittee was briefed on Administration plans to provide $7.3 million in security assistance loans to Macedonia. This train an equip initiative will provide night vision goggles, surveillance radar, ammunition, body armor, howitzers and trucks to 3,000 Macedonian soldiers—troops with longstanding ties to Serbian security forces. Coincidentally, Macedonia also has an ethnic Albanian community which suffer what many describe as apartheid-like conditions.

Arming the Macedonians is the wrong substitute for the current policy failure in Kosovo. Having failed to talk Milosevic into submission, this program strikes me as a complete retreat in which the United States is supplying an effort to establish a cordon sanitaire isolating Kosovo. Strengthening Macedonian troops may have a defense purpose but it also clearly serves an offensive one—to curb the flow of people and supplies into and out of Kosovo.

I hope we all learned at least one lesson in Bosnia—we pay a huge price for imposing an unfair and imbalanced embargo against only one party in a conflict. In good conscience, I for one, cannot support an initiative designed intentionally or otherwise to surround and choke off Kosovo. I have made clear to the Secretaries of State and Defense that I will not release the funds for this reprogramming unless and until appropriate action is taken to produce results in Kosovo.

Secretary Albright has repeatedly stated that the only kind of pressure Milosevic and his mafia understand is the kind which exacts a real price for his unacceptable conduct. His campaign to burn Kosovo to the ground was launched as the Administration pushed Kosovars to the negotiating table and continues as we speak today. It is well past the time for threats of sanctions and NATO flyovers. The Administration must move decisively, offering the necessary leadership to back up our ultimatums with the effective use of air strikes and force in order to secure our common goals: a cease fire, the withdrawal of Serb forces, and the protection of refugees, displaced people and relief efforts.

Balkan history provides substantial evidence that Belgrade's abuse of force demands a commensurate response. Without this fundamental guarantee, diplomacy will most certainly fail and we will bear witness to yet another of Milosevic's genocidal slaughters. His victims will not only be those who suffer, lose their life possessions, and die on Kosovo's fields. He will also destroy American honor and credibility—taking along with that what shred of hope there is for us to lead this troubled world onto a peaceful path into the next century.

Mr. President, I yield the floor.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The Senate continued with the consideration of the bill.

Ms. MOSELEY-BRAUN. Mr. President, I want to take this opportunity to thank the chairman of the Senate Commerce Committee, Senator McCAIN, and the ranking member, Senator HOLLINGS, as well as Senators FORD and GORTON for their patience and help in working with me to reach an acceptable agreement regarding O'Hare Airport.

I do not think I need to remind them how upset I was when I learned they had added a provision to the FAA reauthorization bill adding 100 additional flights per day at Chicago's O'Hare International Airport. The provision was added to the original legislation without consulting the local officials who manage the airport, without input from the mayor of Chicago who is responsible for the airport, without input from the local communities surrounding the airport who will be most affected by additional noise and air pollution, and without consulting either of the senators from Illinois.

This provision immediately raised a firestorm of criticism in the Chicago area. I have an inch-thick stack of newspaper clips from about a 10 day period after this provision appeared in the FAA reauthorization bill, which attests to the deep level of interest Chicago-area residents have in this matter.

O'Hare is already the busiest airport in the world. There are at least 400,000 people whose daily lives are affected by the noise and air pollution generated by the airport. The quality of life of these suburban residents must be taken into account before changes are made affecting the number of operations at O'Hare Airport.

While I was displeased that the new-flights provision was added to the FAA bill without consulting me, the chairman and ranking member have since been gracious and accommodating and have worked with me to reach an agreement on this issue. I want to thank the chairman for his patience, and for his willingness to work with me on a compromise that I believe accommodates his needs, as well as the needs of Chicago-area residents.

The agreement we reached reduces from 100 to 30 to the number of additional flights per day at O'Hare. The agreement provides that 18 of the 30 slot exemptions will be reserved for "under-served" markets, and no less than six of the 18 will be "commuter" slot exemptions reserved for planes with less than 60 seats.

Before any of these slot exemptions are made available, the Secretary must: certify that the additional flights will cause no significant noise increase; certify that the additional flights will have no adverse safety effects; consult with local officials on the environmental and noise effects of the additional flights; and perform an environmental review to determine what, if any, effect the additional flights will have on the environment.

In addition, only "Stage 3" aircraft, the quietest type of aircraft recognized by the FAA, will be eligible to use the new take-off and landing slots.

Finally, after three years the Secretary of Transportation will study and report to Congress as to whether the additional flights resulting from the new slot exemptions have had any effects on: the environment, safety, airport noise, competition at O'Hare, or access to under-served markets from O'Hare.

The Secretary will also study and report on noise levels in the areas surrounding the four "high-density" airports (Chicago O'Hare, Washington National, New York LaGuardia, and New York JFK) once the national 100 percent Stage 3 requirement is fully implemented in the year 2000.

I believe this agreement goes a long way toward addressing the concerns of the local officials and residents of the cities surrounding O'Hare. I want to again thank Senators McCAIN, HOLLINGS, FORD, and GORTON for their attentiveness and understanding. The people of Illinois spoke out in response to the O'Hare provision they inserted in the FAA reauthorization bill, and these Senators listened.

I am particularly pleased that the agreement we reached on this issue, that was reflected in the managers' amendment adopted yesterday, allows this important FAA reauthorization legislation to advance in the Senate. This bill must become law before the end of the year in order to ensure that important airport improvement projects are not delayed or disrupted.

The legislation also includes several important provisions designed to increase air service to small and underserved communities. In Illinois, some of the most serious complaints regarding air service come from our small and medium-sized communities that want air service to O'Hare and other major airports in order to attract global businesses. I am delighted I was recently able to help restore air service between Decatur, Illinois and O'Hare. The restoration of this service will help the city of Decatur, which promotes itself as "America's Agribusiness Center," grow in today's global economy. There are a number of communities across my state demanding flights to Chicago and New York, and the provisions of this legislation should help them get more air service.

I want to again thank the chairman for his understanding.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, while we are waiting for what I hope will be a final resolution of one remaining matter on this bill, I would like to speak to the bill itself, with the understanding of my friend and colleague from Arizona, who knows that I am going to be critical of a portion of the bill. I would like to also thank my colleagues from the capital area, the distinguished senior Senator from Virginia, Senator WARNER, as well as Senators from Maryland, Senator SARBANES and Senator MIKULSKI, for their efforts to make some improvements in an area of this bill that concerns all of us, and many others.

Mr. President, I rise this afternoon to express my strong opposition to interference in our region's airports that is included in the FAA reauthorization bill. I certainly understand that this overall legislation is important for the Nation as a whole, and I fully support most of the bill. We must clearly prepare for the future by investing in aviation infrastructure, safety, and security. This bill provides for those critical investments and, for that, I thank Senators McCAIN and FORD.

This bill also reauthorizes the Airport Improvement Program, which funds the capital needs of our Nation's airports, including millions of dollars for Virginia facilities. Moreover, as the bill's name implies, it reauthorizes the Federal Aviation Administration. The FAA monitors aircraft inspections, manages air traffic control, and develops new ways to detect and prevent security threats. Without these efforts, few people would want to travel by air.

But beyond all of the good and necessary things this bill does, Mr. President, it also reneges on two important Federal commitments to the citizens of Virginia and this area—the existing flight limits and the existing perimeter rule at Ronald Reagan Washington National Airport. These two Federal commitments are extremely important to the future strength and stability of both National and Dulles Airports, Mr. President. They are also extremely important to the communities that surround the airports and have relied on the existing rules.

Mr. President, as my friend and the author of this legislation is quoted as saying just yesterday—but admittedly in a different context—"a deal is a deal." And changing that deal to the clear detriment of the communities and businesses that relied on it—is fundamentally unfair.

This Congress should not involve itself in matters that are essentially local and regional, that serve both the airports and their communities well, and that have provided and continue to provide a road map to future economic strength for the people of northern Virginia as well as those throughout the metropolitan Washington area.

Mr. President, these changes are bad public policy because they benefit, in some cases, Members of Congress, and certainly a small group of consumers, while harming a far larger group. They wreak serious damage on the interdependence of National Airport and Dulles National Airport. They erode the quality of life for communities surrounding the airports. And they fly in the face of an agreement this Congress made in 1986 to turn those airports over to a regional authority and essentially leave them alone.

First, Mr. President, proponents argue that this bill would marginally assist air travelers by increasing the number of daily flights at Ronald Reagan Washington National Airport. But when we increase the number of flights to benefit a few people, we increase the congestion for everyone, and we add to the overall delays of all who fly in and out of National Airport.

In weakening the perimeter rule, we allow a few select people to take long-haul flights out of National. But what about consumers who may lose their short-haul flights to make room for flights to California, Nevada, and Arizona? I am concerned that once we breach the perimeter rule we will eventually lose small-haul flights to smaller communities altogether. This would be brought about in a bill intended to assist travelers to underserved communities.

Second, adjusting the perimeter rule at National will fundamentally shatter the carefully crafted interdependence between National and Dulles airports that has proven so effective in fostering growth at both airports.

Today Dulles flourishes as an international gateway for our region. National thrives, providing convenient regional service. The history of both airports shows us that this constructive, vibrant interdependence is not by accident.

National first opened in 1941, before the advent of large commercial jets such as the DC–8. And Dulles was built in 1962 because larger jets could not land on National's short runways. Medium-sized jets arrived on the scene in 1966, and National soon became overcrowded. Jets were forced to circle, and delays were considerable.

In 1966, the airlines agreed to limit the number of flights at National. They also agreed to a perimeter rule to further reduce overcrowding.

But these were voluntary limits and did not provide the security or the stability needed to maximize the potential of either airport. So during the 1970's and early 1980's, improvements were negligible or nonexistent at both National and Dulles, for two reasons.

One, National drained flights from Dulles. And so improvements at Dulles were put on hold. Two, improvements were also on hold at National. Extensive litigation and public protest over increasing noise lead to this freeze. And there was even some discussion of shutting down National completely.

Congressional legislation in 1986 solved these problems by codifying the perimeter and slot rules that the airlines themselves had agreed upon, and by creating an independent authority to manage the airports. This statutorily limited the number of flights at National, along with the accompanying delays and noise, and increased the business at Dulles providing what we thought was long-term stability to both airports.

Mr. President, there is no way around the fact that weakening the perimeter rule will bring long-haul flights to National at the expense of Dulles.

This marriage between National and Dulles—along with the stability that accompanies most strong unions—has been extremely lucrative for both airports.

Billions of dollars have been invested by businesses in the area near Dulles Airport based on the assumption that Dulles would remain the region's major international gateway. And the public represented by the Metropolitan Washington Airports Authority has made significant investments in Dulles, including more than $1.6 billion in bonds.

Investments in Reagan National Airport have also grown under the stability provided by local management and the slot and perimeter rules. Since the airport was transferred to the Metropolitan Washington Airports Authority, more than $940 million has been invested in the airport. The new terminal is well designed, and represents our Nation's capital well. But the new terminal at National and the substantial investments at Dulles would not have occurred, Mr. President, without the perimeter and slot rules.

In 1986, Congress was sensitive to community outrage as well as the need to improve service. In hearings on the legislation, Congressman Hammerschmidt asked how the Congress could be sure residents would support improvements at National. Secretary of Transportation Elizabeth Dole stated:

> With a statutory bar, to more flights, noise levels, will continue to decline, as quieter aircraft, are introduced.
>
> Thus all the planned projects at National, would simply improve the facility, not increase, its capacity, for air traffic.
>
> Under these conditions, I believe that National's neighbors, will no longer object, to the improvements.

Mr. President, as a result of this understanding between the local community and the Congress, we have had enormous benefits to air service in this region—benefits that we shouldn't imperil by changing rules that have worked so well.

Third, Mr. President this exchange between Secretary Dole and Congressman Hammerschmidt illustrates that there was some concern about the effect of the transfer legislation on the people who live in the communities around National Airport. We need to be sensitive and respectful of their concerns and wishes today.

Increasing the number of flights at National Airport will increase the noise level for local citizens, will exacerbate the congestion for residents, will increase delays for those who fly in and out of National, and could also pose safety risks for surrounding communities.

Weakening the perimeter rule could wreak economic hardship on Dulles, which would threaten the countless businesses and families who settled around the airport expecting it to remain our Nations regional international gateway.

By focusing on the few travelers who may benefit from increasing the flight limits at National, this bill ignores the harm it will cause to the many northern Virginia families who are neighbors to National Airport. Local communities and local businesses surrounding both airports are in opposition to changes in the flight limits and the perimeter rules. It is their quality of life, their economic strength, their ability to plan for a secure future, that is at risk with this portion of the legislation. We have a system in place that works for this region. We have a careful balance between two airports that needs to be preserved.

Finally, Mr. President, with this bill we are again meddling in the affairs of two airports that Congress transferred to a regional authority which we created because we thought airports could be managed better by the authority than by Members of Congress.

The 1986 transfer legislation signed into law by President Ronald Reagan embodied two important concepts that are demolished by the bill we are considering today: That local authorities—not the Federal Government—should decide local issues; and, that the two airports work together in tandem, and with BWI, to serve the national capital region.

As I mentioned earlier, the operation of one airport cannot be changed without affecting the operation of the other.

As the Senate Commerce Committee report noted at the time:

> [I]t is the legislation's purpose, to authorize the transfer under long-term lease of the two airports "as a unit, to a properly constituted independent airport authority, to be created by Virginia and the District of Columbia, in order to improve the management, operation, and development of these important transportation assets."

Let me quote from Congressman DICK ARMEY, who has the following to say about transferring the airports from Federal to local control:

> The simple fact is that our Federal Government was not designed, nor is it suited, to the task of running the day-to-day operations of civilian airports.
>
> Transferring control of the airports to an "independent authority" will put these airports on the same footing as all others in the country.
>
> It gets the Federal Government out of the day-to-day operation and management of civilian airports, and puts this control into the hands of those who are more interested in seeing these airports run in the safest and most efficient manner possible . . . Rather than throw limited federal funds at the airports and tell them to do what they can, this legislation will allow the type of coordinated long-range planning necessary to keep the airports safe and efficient into the future.

The Metropolitan Washington Airports Authority has engaged in the type of long-range coordinated planning that Mr. ARMEY encouraged. Essential to that long-range plan is to balance the operations of the two interdependent airports. National is designed to handle short-haul flights inside the perimeter, and Dulles is designed to handle long-haul flights which are essential to maintaining Dulles as an international gateway.

Yesterday, I heard one of my colleagues comment on the bustling activities surrounding Dulles. The current robust growth at Dulles results directly from the balance between the two airports. The legislation we are considering today begins to tip that balance in a way that will harm both of the airports as well as the communities that surround them.

As Senator Dole said during debate on the 1986 legislation:

> Mr. President, I would like to take just one moment to reaffirm my support for passage of the regional airport bill.

Continuing to quote Senator Dole. "There are a few things the Federal Government—and only the Federal Government—can do well. Running local airports is not one of them."

Finally, Mr. President, in making these changes to the flight limits and the perimeter rule, proponents argue that we are just following the wisdom of the free market. I am aware that the slot and perimeter rules are limits on the market, and I am also aware that GAO studies have criticized the rules as anticompetitive. Moreover, I believe in the free market.

But Government has a role in checking the excesses that can flow from an unfettered free market. The market won't educate children, the market won't protect workers, the market won't check monopolies, and the market won't safeguard our natural resources.

So our charge as policymakers in a capitalist economy is to allow individuals and entrepreneurs and businesses the freest rein possible while safeguarding society's other concerns. Defining those concerns and implementing those safeguards without destroying the benefits we achieve from the free market is one of the most difficult tasks we face.

Mr. President, the free market doesn't care if Ronald Reagan Washington National Airport is unnecessarily congested, but we do. The free market doesn't care if there are flight delays, but we do. The free market doesn't care if there is excessive noise in Alexandria or Arlington, but we do. The free market doesn't care if Dulles Airport is harmed, but we do.

We seek a balance here between the free market and the strength of our airports and the quality of life of our people. That balance is embodied in the flight limits and perimeter rule. They should not be sacrificed to the free market in this debate.

And perhaps more egregiously, Mr. President, this legislation applies an adherence to free market principles on an inconsistent and selective basis. This bill, for example, contemplates restricting air flights over both small and large parks. The report on the bill states that the Commerce Committee "intends that the [Federal agencies] work together to preserve quiet in the national parks." The report goes on to say that while "natural quiet is not an important attribute for all national parks, such as historic sites in urban settings," preserving quiet in some parks "may require banning commercial air tour operations over the park altogether."

I agree with the committee, Mr. President. We should work to preserve the pristine nature of our national parks for the public to enjoy.

But how can we abandon free market principles to preserve the sanctity of our parks and use free market principles to damage the sanctity of life here in our Nation's Capital? It would be wrong, Mr. President, to force Virginians and those who live in this area to endure more noise from National Airport.

There is a second significant inconsistency in this bill, and that involves service assistance for small communities.

On the one hand, the bill attempts to expand service to underserved communities. It creates the Community-Carrier Air Service Program which seeks to develop public/private partnerships with commercial airlines and the local State and Federal governments. These partnerships will offer service previously unavailable. In addition, the bill maintains the Essential Air Service Program which now subsidizes air service in communities such as Kingman, AZ; Rockland, ME; and Seward, AL.

On the other hand, we jeopardize short-haul service from National. This legislation weakens the perimeter rule which was created to both improve service to underserved airports and to expand service at Dulles Airport. Again, if we weaken the perimeter rule, we weaken more than Dulles Airport. We begin a dangerous journey that could jeopardize consumer access to smaller airports across the Nation that currently benefit from the perimeter rule.

Fortunately, Mr. President, the bill before us does not erase the perimeter rule altogether. Unfortunately, it does damage to the rule, and I believe it contemplates doing away with the rule completely, which embodies its own threat to the economic performance of our region.

Before I conclude, I want to ask that Members of this body step back for just a moment and recommit ourselves to honoring the commitment that we made to our regional airports in 1986. Those of us who represent this region have spent enormous time and energy over the last decade trying to keep the Congress from breaking its commitment to communities that we serve. We need to stop wasting valuable time micromanaging these airports. Let's put out a moratorium, if you will, on legislating changes that are in the purview of the Metropolitan Washington Airports Authority. Let's give the Authority, say, 5 years to continue to develop a strong, vibrant air transportation system we want and need for this area at the dawn of a new millennium.

I understand that Senators McCAIN and LOTT will express their commitment not to interfere further in the slot and perimeter rule should this bill pass. I welcome that commitment. But let's acknowledge that the existing rules we change with this bill were carefully crafted, are based on sound public policy, and should not be altered. And let's oppose this Federal intervention in the operation of two airports that are doing just fine without us.

Mr. President, I know this bill will pass, and it should for the reasons I stated at the outset. But in opposition to yet another broken promise by this Congress to the citizens of Virginia and this region, I will vote no on final passage and hope that my concerns, shared by so many of our colleagues, will be addressed in conference.

With that, Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. While my friends from Virginia are here on the floor, both Senator WARNER and Senator ROBB, I want to first of all tell Senator ROBB I appreciate all his words of criticism and scorn. They are well received.

Mr. ROBB. And friendship.

Mr. McCAIN. In the spirit of friendship.

I also want to say that both Senator ROBB and Senator WARNER have been staunch advocates for the people who live in the State of Virginia who are directly affected by these policy changes. I understand that concern and that commitment, and I think it is not only appropriate but laudable. I assure both Senators, my commitment to them and their citizens is we will do everything we can to see that there is not an increase in noise in the neighborhoods surrounding these airports. If we renege on that commitment, I will be glad to come back and revisit this issue. If there is an increase of noise pollution of any kind, I want to tell my two dear friends that I will come back, revisit this issue, so that we can repair any damage that is inflicted on the people of the State of Virginia—and Maryland as well, I might add. Maryland as well.

Both Senators from Virginia have been staunch opponents. They have done remarkable things in preventing even this very modest—let's be realistic here—this is very modest. When we are talking about a total of six round-trip flights a day, it is not a huge increase. But they have done a great job, and I commit to them, finally, we will be glad to revisit this issue if problems arise as a result of this legislation.

Also, we can put all the blame on Senator FORD because he will no longer be with us at that time.

Mr. FORD. There he goes, talking out of school again.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, may I thank our friend and colleague from Arizona, who has worked for many, many years. He does reflect an ongoing dialog that my distinguished senior Senator and I, and the two distinguished Senators from Maryland, have had with him as well as Senators representing a couple of the other airports that were affected by both flight and perimeter rules.

I appreciate very much and take sincerely his offer to revisit the question on noise. I hope he will also include, at least in the spirit of the commitment that he makes, both congestion and diminution in the vitality of Dulles, which is really the other major issue that we are talking about. All of these are in play.

But I understand and appreciate very much, as does my senior colleague, both the commitment the Senator from Arizona has made as well as the spirit of that commitment and the spirit with which he has worked with us over a very long period of time, many years, to get to this particular point.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I join with my distinguished colleague, Senator ROBB, in expressing to both managers our appreciation. It is clear that we are about to adopt a bill which will have measurable impact, in terms of the environment, on the immediate region—Maryland, Virginia, and the District of Columbia. I am about to make a correction in an amendment which will provide, I think, adequate monitoring of that impact on the environment.

I started on the question of these airports—I can't remember, it is so many years ago now. Now that Senator ROBB has joined me in the Senate, he, too, has worked very hard on the airports. I was on the airport commission when we transferred them from Federal ownership to the current legal concept with MWAA. As a matter of fact, I think my colleague was Governor; isn't that correct?

Mr. ROBB. If my colleague will yield just for a comment, I was indeed and, as a matter of fact, had an opportunity to come up and work with the distinguished senior Senator and with others on this legislation. Before I left the Governors' office, I appointed the first two members of the board.

Mr. WARNER. Mr. President, that is correct. I actually wrote the legislation that was eventually adopted. But so much for history.

The residents of this community have to endure the hardships as occasioned by this growing airport. But in the course of my analysis here, in the past year, of this question, I talked at great length with the technical people. The margin, the incremental margin that could increase both in noise pollution and safety—we should include safety in this, and certainly in my conversations no alarm bells were sounded. I hope the NEPA report eventually verifies that finding.

I also would like—having a few moments here with the distinguished managers of this bill, would like to talk a moment about the MWAA board. I know the Committee on Commerce has had the hearing on them. They are yet to go on the Executive Calendar. This is something I have been following very closely. I do not wish to say more about it, but I just look my constituents straight in the eye and say, "Trust the old senior Senator that somehow this thing is going to be resolved." I have known Mr. McCAIN a quarter of a century as a colleague. Trust me, this will be resolved.

I would like to place in the RECORD the importance of allowing last year's money, and such moneys that flow from this piece of legislation—exactly what those projects are. I enumerated them in the course of the hearings on the MWAA appointees, but I think it is important to put them in the RECORD. Foremost among them is, hopefully, the elimination of those vehicles that go out between the terminals at Dulles—how many of our colleagues have come up to me on the floor: "JOHN, the time has come; we have outlived those"?—and other very important modifications, modernization for both of these airports, for which I and others have fought hard in these years.

At Reagan National Airport and Washington Dulles International Airport several major projects are virtually on hold as a result of inaction by the Senate on the confirmation of Metropolitan Washington Airports Authority board members:

(1) At Dulles, the temporary gates attached at the foot of the tower need to be replaced. $11.2 million would come from PFCs; (2) an all-weather connector between a new, badly-needed parking garage and the Main Terminal would require about $29 million from PFCs; (3) for the Midfield B Concourse, a tunnel with moving sidewalks would replace the mobile lounge ride, with about $46 million provided by PFCs; (4) a new baggage handling requires $31.4 million in PFC revenue.

At Ronald Reagan Washington National Airport there are several more:

(1) Rehabilitation of the historic old main terminal, now called Terminal A, will cost $94 million, and is to be paid for with $21 million in grants and $36 million in PFCs; (2) the "connector" between the old and new terminals will be widened, and moving sidewalks added. The cost is $4.8 million, with $4.3 million in PFCs.

Mr. President, these two airports are vital to the economic development of Virginia and the entire metropolitan Washington area. We are anxious that they are physically able to support the improvements in air service the region so badly needs.

I would urge the Commerce Committee to act promptly to forward these nominations to the Senate for its advice and consent.

So I thank the managers. This is an important colloquy we have had right now. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Very quickly we will go—Senators GORTON and SPECTER are here with the final amendment which we will go to in a moment.

Mr. WARNER. May I make a technical change?

AMENDMENT NO. 3639, AS AMENDED

Mr. FORD. Prior to that, we have a pending amendment that is agreed to.

Mr. McCAIN. We have a pending amendment.

The PRESIDING OFFICER. If there is no further debate, the amendment of the Senator from Maryland is adopted.

The amendment, No. 3639, as amended, was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. I assure my colleague Senator WARNER on his technical amendment, we are going to mark up the nominees to the board on Thursday and we will report them out on Thursday.

Mr. WARNER. I thank the Senator.

Mr. McCAIN. I yield the floor.

AMENDMENT NO. 3643 VITIATED

Mr. WARNER. Mr. President, earlier the Senate adopted amendment No. 3643, which the Senator from Virginia introduced on behalf of Senator ROBB, Senator SARBANES, Senator MIKULSKI.

By an innocent error, the wrong sheet of paper got into the hands of the clerk. I take full responsibility.

I now ask that amendment No. 3643 be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 3643 was vitiated.

AMENDMENT NO. 3644

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. SARBANES, Ms. MIKULSKI and Mr. ROBB, proposes an amendment numbered 3644.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43 of the Manager's Amendment beginning with line 21, strike through line 5 on page 44 and insert the following:

(d) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

Mr. WARNER. I am pleased to offer this amendment for myself and Senators SARBANES, MIKULSKI and ROBB.

The purpose of this amendment is in the event the conference report adopts part or all of the provisions of this bill which would increase the number of slots—that is in this legislation that we are now considering—the Secretary of Transportation is given authority to grant additional slots and additional flights beyond the 1,250-mile perimeter of the Ronald Reagan Washington National Airport. These provisions will permit 24 additional flights daily at Reagan National Airport.

I have worked with the managers of the bill for some time. I have expressed my grave concern about the perimeter rule and the associated potential, and probably likely degradation of environmental consequences from these flights.

So, to the extent our bill as passed through the Senate, which still remains to be seen but I presume it will—will contain this provision, then of course, in the conference I cannot predict what will come out of conference. But in that event, then I think we better put a little insurance policy in here as regards the environmental concerns. That is the purpose of this amendment. These additional flights are permitted without any evaluation of the potential impact on noise level, safe operations of the airport, or other environmental impacts.

The amendment I offer today, together with my distinguished colleagues from Virginia and Maryland, requires the Secretary of Transportation to conduct an environmental assessment of the potential impacts of these additional flights on noise levels, safety and the environment prior to the Secretary granting any exemptions.

That is a very important provision. The environmental assessment process, as defined under the National Environmental Policy Act, ensures that the Secretary will fully review possible impacts of these additional flights. Also, this process provides the opportunity for the public to fully participate—I underline that, the public gets a voice—in making known their views on the potential impacts of these additional flights.

I believe this amendment is critical to ensuring that the Ronald Reagan Washington National Airport continues to be a safe and efficient airport for the traveling public, the area residents, and, indeed, the many thousands of employees who work at this airport, together with the aircrews who operate these aircraft.

Having worked the better part of the day on this amendment with the managers, it is my understanding at this time the managers indicate they will accept this amendment without the necessity of a rollcall vote.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. My friend and colleague is not here, the manager of the bill from the majority side. We have discussed this between us and the Senator's statement, as far as I am concerned, is absolutely true. He has worked hard on it, done a lot of hard work on it. I think it is absolutely necessary we have it in for his protection and others. I would not want to speak for my colleague.

Mr. WARNER. Mr. President, I did speak with the manager just moments ago, the Senator from Arizona, Mr. MCCAIN, and he has agreed. I convey that to the distinguished minority leader.

Mr. FORD. I don't doubt your word.

Mr. WARNER. I urge its adoption.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is adopted.

The amendment (No. 3644) was agreed to.

Mr. MCCAIN. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. I thank the Chair and thank the managers.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

AMENDMENT NO. 3645

(Purpose: To amend title 46, United States Code, to provide for the recovery of non-pecuniary damages in commercial aviation suits)

Mr. President, on behalf of Senator SANTORUM, Senator LOTT and myself, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] for himself, Mr. SANTORUM and Mr. LOTT, proposes an amendment numbered 3645.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting "(a) IN GENERAL.—" before "The recovery"; and

(2) adding at the end thereof the following:

"(b) COMMERCIAL AVIATION.—

"(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

"(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

"(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

Mr. SPECTER. Mr. President, this amendment clarifies the 1920 shipping law known as the Death on the High Seas Act which has been interpreted to prohibit families of victims, such as those who were on TWA Flight 800, from seeking relief for other than pecuniary damages.

This amendment is a modification of Senate bill 943 which I had introduced earlier with the following cosponsors Senators SANTORUM, D'AMATO, LAUTENBERG, INHOFE, GRAMM of Texas, HUTCHISON of Texas, MOYNIHAN, WELLSTONE, DODD, FEINSTEIN, TORRICELLI, MURRAY, DURBIN, MOSELEY-BRAUN, MIKULSKI, SARBANES, ROBB and LEVIN.

We have not had an opportunity to circulate this amendment, but I do think it would have very broad support since those cosponsors supported the broader legislative proposal contained in Senate bill 943.

Mr. President, we are submitting this compromise amendment in order to move ahead to obtain some possible compensation for damages beyond pecuniary damages. Specifically, the families of victims of plane crashes more than 3 miles off our shores will be able to sue not only for economic losses such as the lost salary of a deceased spouse, but also for non-economic losses such as loss of companionship, loss of care, and loss of comfort.

The amendment provides that a court can make an award for nonpecuniary damages which shall not exceed the greater of the pecuniary loss sustained or a total of $750,000 per victim.

This amendment is retroactive to the crash of TWA 800, which tragically took 230 lives on July 17, 1996. The hardest hit community in the TWA 800 crash was Montoursville, PA, which lost 16 students and 5 adult chaperones from the local high school who were participating in a long-awaited French club trip to France. It was the parents of some of these children who first contacted our office about introducing legislation to allow them to seek compensation other than for pecuniary losses, which they believed courts would not provide.

Mr. President, under this amendment, the loss for noneconomic damages will be the greater of the pecuniary loss sustained for a total of $750,000 per victim. Illustratively, if the pecuniary loss to an individual was $1 million, then that individual could obtain $1 million for nonpecuniary damages. But if the pecuniary damages are less than $750,000, the maximum that an individual can take would be $750,000.

I offer this amendment, Mr. President, to make the best of what I consider to be a less-than-desirable situation. I am philosophically strongly opposed to caps on damages. I believe that there is very substantial evidence that corporate America has disregarded damages to victims on a calculated pecuniary evaluation as to what will cost them the least money.

Illustrative of that is the famous Pinto case where Ford decided to leave the gas tank in the back of the car because it would cost $11 or $12 to move it to a safe position; and there was a calculation, as disclosed in the files of the Ford Motor Company, that that judgment was made because it would be cheaper to pay the damages than it would be to change the location of the gas tank.

I have some detailed knowledge of recent litigation involving Ford Motor Company where there was a defective brake at issue. It was acknowledged to be defective and the National Transportation Safety Board said it was defective, and there were efforts made to get Ford to recall it, but Ford did not recall it, again, obviously, because the costs they calculated would be less onerous from a financial point of view to allow that danger to remain. A young child aged 3 was killed as a result of that incident.

And there are many, many cases—case after case—the tobacco cases, which were recently illustrative, where there is a calculation made by the corporation to give false information for pecuniary gain, which would warrant punitive damages; cases involving IUDs where there were known defective instrumentalities; cases involving flammable pajamas where children were burned; many, many cases which have led me to conclude that there really ought not to be caps.

I have had some experience as a litigator, mostly on the defense side, some for claimants for personal injuries, but mostly on the defense side with the firm of Barnes, Dechert, Price and Rhoads, later known as Dechert, Price and Rhoads of Philadelphia, and have seen this issue from both sides of the fence. But it is not possible to move ahead on the FAA reauthorization bill, which is an appropriate spot to have this aviation amendment, without tying up this important legislation.

We have had a series of meetings with interested parties and had an amendment to the Death on the High Seas Act been enacted which would have had unlimited damages, there was the announced intent to filibuster the bill. However, the pending FAA bill really needs to be enacted because it contains very substantial money for airport construction across my State of Pennsylvania and throughout America.

So this is a compromise which can be worked out. The figure moved from $250,000 for nonpecuniary damages to $600,000, to the greater of the pecuniary loss or $750,000. I think that the figure is too low as it stands now, but this is the best that can be obtained today. I would note that in offering this amendment today, I make the pledge that if we fail to remove them in Conference on the FAA bill, I will introduce legislation in the next Congress to take the caps off because I think one day there will be a Congress which will be sympathetic to eliminating such caps.

When there was a threat of a filibuster, that was on the basis that a Death on the High Seas Act amendment might be enacted without any cap at all. The whole issue of product liability is a complex issue. And there are some who think that it ought to be curtailed to some substantial extent and others who think that it ought not to be curtailed.

But this does advance the position of families of individuals who have met with tragic death. And it is not uncommon in our Congress and our U.S. Senate that we reach compromises and live to fight another day to push the principles that we believe in. But this is the best that can be done.

In conversations with my constituents and interested parties there is, I think, a sense that this is a desirable consequence today, the $750,000 in noneconomic damages, and that we will look to another day to try to remove the caps altogether.

I want to comment briefly about what I consider to be a very serious potential problem for the Senate procedurally on what has occurred in this matter with respect to what amendments are in order under our rules and what notification Senators like me receive on that matter. It was well known by all of the interested Senators—the majority leader's office, the managers of the bill, and others—that an amendment on Death on the High Seas would be offered.

Then there was a unanimous consent request where the matters that could be presented were limited. At that time, the technical consideration was raised as to what was a relevant amendment, which challenged the ingenuity of the Parliamentarian as to what is relevant in technical Senate rules.

Had there been any doubt in my mind that this amendment was to be challenged on the basis of relevance, and all the interested parties knew what it was, it would be a relatively simple matter for me as a Senator having a right to object to a unanimous consent agreement and to have this specific amendment protected so that I would not face a technical challenge on relevancy. I brought that issue to the attention of the distinguished majority leader and said if we were starting to parse semicolons in this body we would have to have a lot of Senators on the floor to protect their interests on unanimous consent agreements, because it was plain that this amendment was to be offered. Our distinguished majority leader thought my point was well taken.

Thereafter, there was another unanimous consent agreement entered into on the floor of the Senate without "hotlining"—and I don't know that anybody listening to C-SPAN2 cares about it, but the Senators do care—and hotlining is a procedure where Senators' offices are called and told this unanimous consent agreement is to be entered into, which is more than an announcement on the floor of the U.S. Senate, which may be noted or may not be noted.

This Senator did not have notice about a limitation on the amendments which were to be limited in the FAA bill under the unanimous consent agreement. Here again, all the parties were on notice that this was an issue which this Senator intended to pursue.

Now, I have made it plain in my discussions with the interested parties and the majority leader that I understood the importance of this FAA bill, that I would not take steps which would tie the bill up and that I was prepared to try to reach an acceptable compromise as to a figure on noneconomic damages.

However, this experience has taught me something new. From what I have seen in the Senate up to this point, there is a recognition of what Senators intend to offer and there is notification so that Senators can appear and protect their technical interests.

I am not claiming it is prejudice because, as I repeat, I was prepared to accept this compromise. But to be put in a position where, had I chosen not to do so, to have been foreclosed under these circumstances, I think, would have been an inappropriate limitation on my rights to offer a broader amendment. If I must take the position of filing an objection to every unanimous consent agreement, that is an alternative that I would not like. But, that may be necessary if we are not to have our interests protected and to be notified where our interests are known—to come and make sure our amendments can be offered.

I speak about that at some great length because I am very concerned about what has happened in this case. I cannot be more emphatic in saying I disapprove of the procedures which were followed here.

I yield the floor.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the Death on the High Seas Act was either passed or last amended some 70 years ago. It is an act relating to exactly that—death on the high seas—that sets out limitations on damages that can be recovered in fault-based actions for such deaths.

Obviously, the absence of any change in those limitations can be said to be something of an anachronism at this point. The Death on the High Seas Act does not limit the dollar amount of actual economic damages that can be recovered. The Death on the High Seas Act applies equally to death over the seas or on the seas as a result of an aircraft accident. The rationale, of course, for that kind of limitation on damages is the vital importance to the people of this country, of the maritime transportation of goods and passengers, and the air transportation of goods and passengers over the seas of the world.

The view, I am sure, of those who passed the act in the first place was that this was such an important part of our society, that it was so important to encourage the development of efficient, swift, and inexpensive transport of goods and passengers, that there should be certain limitations to legal actions resulting in deaths on the high seas.

The bill to which the Senator from Pennsylvania refers was the subject of a hearing in the Commerce Committee. That bill was not reported favorably or at all by the committee. So some portion of it or all of it was originally posed as an amendment to this bill on the reauthorization of the Federal Aviation Administration, to which this subject is not clearly relevant.

The proponents of S. 943 and of the original form of this amendment wanted to remove all limitations—both for noneconomic damages and for punitive damages—from any such actions. That seemed to me, and continues to seem to me, to be an inappropriate response. The necessity for transportation by air over seas remains absolute in the world in which we live, and to subject either aircraft manufacturers or airlines to unlimited amounts of noneconomic damages and to punitive damages would have a clearly negative impact on the design and maintenance of airliners and of the airlines that operate.

Flight 800 is not a Ford Pinto. All airlines and all aircraft manufacturers, domestic and foreign, are required to meet extraordinarily strict safety standards imposed by the Government of the United States. After 2 or 3 years of study, the greatest experts in the world are not certain of the cause of that crash. They think they know, but if one thing is clear to the ordinary observer, the crash did not take place due to the negligence of the manufacturer or of TWA.

Nevertheless, in the fault-based litigation field which afflicts the United States, there is little doubt that a number of juries by trial lawyers could be persuaded that negligence that no one could have determined in advance was, in fact, present, and these damages would thereby be unlimited.

So as the Senator from Pennsylvania has so graciously pointed out, we have here a compromise. I think that it is appropriate that certain noneconomic damages be recoverable. I think they will be recoverable and will be recovered even though in the normal sense of the word "negligence" against any of the defendants, it will never actually be proven. But I do not think that they should be unlimited. I do not think that cases like this admit to punitive damages under any conceivable set of circumstances.

What this bill does is two things: It allows the recovery of certain noneconomic damages for the loss of care, comfort, and companionship of those who were killed in the aircraft crash to which this bill is retroactively applicable, and in future aircraft accidents, up to the amount of actual economic damages or $750,000—whichever figure is larger. I believe that is a generous award and a generous limitation for aircraft accidents.

The Senator from Pennsylvania feels they should be unlimited, and he represents a strongly held point of view held by a large number of other Members of this body. But this is a legislative compromise. These damage limitations are far greater than they are under present law. They are far less than the American Trial Lawyers Association would like.

It does seem to me that in a body that has struggled with product liability legislation for the better part of two decades, and which includes a majority of Members who feel that certain limits should be placed on product liability litigation, but whose goals have been frustrated through filibusters and the like, that to add another field to the kind of unlimited litigation that so plagues society at the present time and has so troubled debates in this body, not just over product liability but over medical malpractice as well, that such an extension would be highly unwise.

As a consequence, the Senator from Pennsylvania and I disagree on the general philosophy of the vehicle with which we are involved here. But I think that, in the best traditions of the Senate, our disagreements have been resolved, at least for the time being, by a compromise—a compromise that has limits—limits that I think are perhaps too high on the kind of damages that can be recovered and implicitly as to whether they should be recovered at all under the circumstances, and the belief of the Senator from Pennsylvania that standard negligence rules ought to apply here as they do in many other areas.

We have reached compromise on this. He has proposed an amendment which he doesn't completely agree with himself, but he thinks it represents an improvement. And I agree with an amendment that I do not completely disagree with and one I think is relatively too generous. It may well be that the Senator from Arizona thinks this will be the last amendment on this bill and we will move forward from here. I guess we can say that at some future time there will be another contest during which we can examine the premises of our fault-based system of liability and its relationship to aircraft accidents at greater length and at more leisure.

For the time being, I thank the Senator from Pennsylvania and the other Senator from Pennsylvania, Mr. SANTORUM, who first brought this to my attention, and the many others who worked very hard to reach an accommodation. The senior Senator from Pennsylvania has done a very good job on a cause in which he believes, even though he didn't get everything he wanted.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank my colleague from Washington for those kind remarks. I thank him for saying the Senator from Pennsylvania has done a good job. If I can attract the attention of the Senator from Washington, I think he has done even a better job. He and I were elected in 1980 and have served in this body for some considerable period of time, and we are lawyers. It may be unwise to make that kind of admission publicly on C-SPAN2, but we are lawyers. We have many discussions and we agree most of the time.

I heard Don Meredith, the legendary quarterback of the Dallas Cowboys, make a comment about lawyers one day. He said, "99 percent of the lawyers give the rest of them a bad name." Senator DOMENICI, who is listening, is also a lawyer and, with some frequency, he disagrees with the legal profession. We will continue to take up these issues. This is the conclusion for today.

The bill will now go to conference and, in conference, on the House side there has been a decision that the Death on the High Seas Act should not apply to any aircraft accidents. It should apply only to other instrumentalities, but not to airplanes. That will be a matter for conference. If the House should prevail, then the objectives of this Senator would have been accomplished because there would be no limitation on damages because the Act would be inapplicable to airline crashes.

With respect to the TWA 800 incident, it ought to be noted that the federal district court, the trial court, has recently ruled that the limitation of the Death on the High Seas Act does not apply because, while it was outside of 3 miles, it was within 12 miles, and a certain action by President Reagan extended that definition of our waters to a 12-mile limit. But that hasn't been ruled upon by the court of appeals, nor by the Supreme Court. So that district court judge's ruling may change. There are issues that are yet to be resolved in conference and also in the courts on this matter.

In conclusion, I think we have advanced the matter. It is in accordance with the traditions of the Senate to try to reach an accommodation and move the legislation forward and reenter the fray and rejoin the issue at a later date. I thank the Chair and yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I want to take a moment to thank my two lawyer colleagues. I am very pleased that I am not of that profession. I will refrain from telling any more lawyer jokes on the floor.

There were two very different positions here and strongly held views. I believe this is what our work here in the Senate is all about. The Senator from Washington, in his responsibilities as chairman of the Aviation Subcommittee, has preserved some fundamental principles here, and I also think the Senator from Pennsylvania, who has taken a major step forward concerning children. For the first time, now children will be ranked along with everybody else in compensation and in the case of tragedy. I believe that the people who have fallen victim to these terrible aircraft tragedies owe a great debt of gratitude to Senator SPECTER for what he did tonight. There is now some hope for them for some reasonable compensation. We all know that there is no compensation for the loss of a life. But there are certainly ways that we can make their lives better and give them a chance to have a decent future.

I thank Senator SPECTER for what he did here tonight. I also want to thank Senator GORTON, who fundamentally protected principles that he has adhered to for a long period of time.

I yield to the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I thank the distinguished Senator from Arizona for those comments. He has done an outstanding job as chairman of the Commerce Committee on this bill and on other matters.

I urge adoption of the amendment.

Mr. FORD. Mr. President, I object to that right now, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, because of the unanimous consent agreement, which limited the number of amendments, the Senator from Pennsylvania and I have agreed to put that amendment into the managers' package, which we will be proposing very shortly. It will be Senator SPECTER's amendment. We do this only for the sake of preserving the process of the unanimous consent agreement. It will be part of the managers' amendment.

Mr. SPECTER. Mr. President, that accurately states our agreement. For technical reasons, I will withdraw the amendment and it will become a part of the bill as if voted on and passed as part of the managers' package. I concur with what my colleague just articulated.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 3645) was withdrawn.

Mr. McCAIN. Senator WYDEN has very strong views on the High Seas Act. We have been working together on a colloquy that will be included in the RECORD to reflect that.

ALASKA EXEMPTION FROM TITLE VII

Mr. STEVENS. I thank the Manager, the Senator from Arizona, Chairman McCAIN, for his able and fair management of the FAA Reauthorization bill. Subsection 702(b) exempts overflights in Alaska from the provisions of the new section 40125 of title 40 set forth in the subsection 702(a). Is that the Committee's intent?

Mr. McCAIN. Yes.

Mr. STEVENS. Subsection 702(b) also exempts overflights in Alaska from the provisions of Title VII of S. 2279. Is that the Committee's intent?

Mr. McCAIN. Yes.

Mr. STEVENS. The effect of subsection 702(b) then, is to expressly prohibit the federal government's prohibition and regulation of overflights over national park land and tribal land in Alaska, if there were lands or waters in Alaska that would otherwise qualify as such land in the absence of this exemption.

Mr. McCAIN. That is correct.

Mr. STEVENS. I ask that the chairman of the authorizing committee for the Alaska National Interest Lands Conservation Act, Senator MURKOWSKI, to comment on section 702(b) and the operation of section 1110(a) of the Alaska National Interest Lands Conservation Act.

Mr. MURKOWSKI. Section 1110(a) of the Alaska National Interest Lands Conservation Act provides an express and affirmative right to air access to federal lands in Alaska. Section 1110(a) provides as follows:

> Notwithstanding any other provision of this Act or other law, the Secretary shall permit, on conservation system units, national recreation areas, and national conservation areas, and those public lands designated as wilderness study, the use of snowmachines (during periods of adequate snow cover, or frozen river conditions in the case of wild and scenic rivers), motorboats, airplanes, and nonmotorized surface transportation methods for traditional activities (where such activities are permitted by this Act or other law) and for travel to and from villages and homesites. Such use shall be subject to reasonable regulations by the Secretary to protect the natural and other values of the conservation system units, national recreation areas, and national conservation areas, and shall not be prohibited unless, after notice and hearing in the vicinity of the affected unit or area, the Secretary finds that such use would be detrimental to the resource values of the unit or area. Nothing in this section shall be construed as prohibiting the use of other methods of transportation for such travel and activities on conservation system lands where such use is permitted by this Act or other law.

Overflights, including those conducted for profit, are a "traditional activity" in Alaska, and as such currently may be subject to "reasonable regulation" by the Secretary of the Interior under section 1110(a). This policy works for Alaska. Although section 1110(a) applies notwithstanding any other law, section 702(b) clarifies that Congress is not changing its policy toward Alaska in any way.

Mr. STEVENS. The last time Congress enacted legislation on the overflights matter was in the 100th Congress under Public Law 100-91 (101 Stat. 674 et seq.). Prior to enactment, this legislation was reviewed by both the Senate Committee on Energy and Natural Resources and the Senate Committee on Commerce Science and Transportation. As a Commerce Committee member then and now, I would like to discuss Public Law 1001-91.

Under Public Law 100-91, Congress mandated a study by the Secretary of the Interior, acting through the Director of the National Park Service, to determine the impacts that overflights of aircraft have on park unit resources. Section 1(c) expressly excluded all National Park System units in Alaska from the research and the study. In a hearing held during the 105th Congress on S. 268, the park overflights bill that ultimately became Title VII of S. 2279, the National Park Service testified that Alaska parks were not a part of the study commissioned in 1987 and completed in 1995. Therefore, that study mandated by Congress did not provide a basis for applying S. 2279's park overflights provisions to Alaska.

Mr. MURKOWSKI. That's clear.

Mr. COATS. Mr. President, I filed an amendment on this bill regarding the eligibility for new slots at Reagan National Airport. I have decided not to seek a vote on my amendment at this time. I appreciate the efforts of my colleague, Senator McCAIN, the chairman of the Committee, and his leadership on the FAA bill. I would like to ask if the Chairman would be willing to continue to review this issue and its merits as he takes this bill to conference.

Mr. McCAIN. The Senator from Indiana has made clear his concerns regarding increasing the ability of airlines to compete for slots at Reagan National. I can assure him that we will continue to look at this issue as we approach conference in the hopes of crafting a final provision which best meets the many competing interests of members and their states, including those expressed by the Senator from Indiana.

Mr. COATS. I thank the Chairman.

CONSUMER ACCESS TO TRAVEL INFORMATION ACT

Mr. D'AMATO. Mr. President, I would like to engage the distinguished senior Senator from Arizona, the manager of this bill, in a discussion about the growing concern of consumers about airline travel in this country.

Earlier this year, I introduced S. 1977, the Consumer Access to Travel Information Act of 1998. I introduced this important piece of legislation to address a growing problem in the airline industry. For over three years, the major airlines have been moving to gain more control over the airline travel ticket distribution system. While this effort may seem harmless, the ramifications to consumers are significant. Currently, most air travelers get their information from one of the 33,000 travel agencies around the country. These agencies provide consumers with unbiased and comprehensive air travel information, i.e. the best flight at the cheapest fare. Without that independent source of travel information, there is no doubt that consumers will be paying more, in many cases, substantially more for air travel.

S. 1977 would simply require the Secretary of Transportation to investigate the extent of possible anti-consumer, anti-competitive behavior of major airlines, including discriminatory and predatory practices of airlines which target travel agents, other independent distributors, and small airlines. This is authority that the Secretary currently has under the Airline Deregulation Act of 1978, but has failed to act upon. this bill would make certain this investigation is undertaken. If it is determined that anticompetitive, discriminatory or predatory practices exist, the Secretary would report to Congress those steps the Department intends to take to address such practices.

Mr. President, I ask the distinguished Chairman of the Commerce Committee whether he has been made aware of concerns raised by consumers regarding air travel?

Mr. McCAIN. I want to thank the Senator from New York for raising concerns in this area. I have, indeed, heard from consumer groups, particularly small businessmen, regarding the high price of air travel, and the lack of competition in certain markets. Although most of the concerns in this area focus on small, upstart, and regional airlines' ability to compete with the big airlines, I am glad that you have brought to my attention the role of the larger airlines in the ticket distribution system.

Mr. D'AMATO. I thank the Senator. I salute and support the efforts by the manager of this bill to address the competition issue with small airlines. A critical part of a small airline's ability to compete is to have its tickets distributed by an independent entity, mainly the travel agent. Travel agents provide critical services to air travelers, and air travelers depend heavily on travel agents to provide an accurate, broad selection of schedules, fare quotes, and ticketing services for all airlines.

Mr. President, I ask the Senior Senator from Arizona if Congress should address possible anti-competitive behavior with respect to the airline ticket distribution system?

Mr. McCAIN. Mr. President, the Senator raises a valid concern and I believe it is one our Committee needs to explore further. Although I understand the Senator's legitimate concern about the treatment of travel agents by the major airlines, the Committee needs to investigate this issue further before we pass any legislation on the matter.

Mr. D'AMATO. Mr. President, I naturally would prefer to pass this legislation now and have the Department begin looking into possible anti-competitive activities, but I understand the distinguished Chairman's position. In addition, I realize this FAA Reauthorization legislation must be signed into law by the end of this month, and I do not want to delay it further. I ask the Senior Senator from Arizona if the Commerce Committee could have a hearing on this matter in the near future to thoroughly examine the airline ticket distribution system and the critical role of travel agents for consumers?

Mr. McCAIN. I say to my friend from New York that the Committee needs to explore this issue further, and I would like to work with him to put together a hearing on this matter as soon as it is feasible. The air travelling consumer has a real advocate in the Senator from New York, and his leadership on this issue is to be commended.

Mr. D'AMATO. I thank the Senator, and I look forward to working with him further on this important issue.

I thank you, Mr. President.

Mr. HOLLINGS. Mr. President, I rise today in support of S. 2279. This is an important bill that we must finish before we adjourn. Without it the Federal Aviation Administration (FAA) cannot spend any money on airport improvements, and airports in my state of South Carolina and throughout the nation would have to stop needed improvements that will bring better, safer air service to local communities—service which allows those communities to attract and expand businesses.

The bill authorizes approximately $10 billion per year for the FAA for fiscal years 1998 and 1999. This will allow the FAA to focus on its most important mission—safety. Last year, more than 500 million passengers boarded planes and arrived at their destinations safely. Out air traffic control system is the safest in the world, but it needs to be upgraded if we are to remain the world's leader.

The FAA is about to deploy new controller work stations—first in the Seattle en route center, and later in other en route centers. New controller work stations should also begin to be deployed within the next year under the Standard Terminal Automation Replacement System (STARS) contract.

More needs to be done. The National Civil Aviation Review Commission (NCARC) reported that unless something is done, the air traffic system faces gridlock. The FAA has estimated that future passenger growth will be about 3.5% per year through 2009, with enplanements going from 561 million in 1998 to 821 million in 2009. More controllers and more equipment are needed. Not only are we looking at relying on satellites to track aircraft, but each of our airports will need to expand. Concrete, new lighting systems, new terminals, and new security measures are required.

Right now, with the passage of last year's tax increase on the air carriers, the Airport and Airway Trust Fund is flush with money. The FAA estimates that the Trust Fund will take in total receipts of $10.622 billion in FY 1999. Only about 60 percent of the FAA's budget comes from the Trust Fund, with the remainder coming from the General Fund. There is more than enough money in the Trust fund to pay for the Airport Improvement Program (AIP), and I wish we could invest more funding for the program than is included in the bill.

Next year I will fight to make sure that we restore the trust in the aviation trust fund by taking it off budget. The state of South Carolina has an airport in every county. These airports serve small and large communities that benefit from the opportunities that are created by construction on an up-to-date airport. For example, runway improvements at the Greenville/Spartanburg Airport allowed the South Carolina Upstate to attract BMW to build its North American plant there. AIP funding helped the former Myrtle Beach Air Force Base become the Myrtle Beach Jetport, bringing hundreds of tourists to vacations on the South Carolina Grand Strand. Whether it is Orangeburg, Marlboro County, or Hilton Head, South Carolina needs strong air transportation infrastructure. I can tell you as I travel around the state how critical aviation is. I have supported these interests for many years. This bill allow us to continue to meet the needs of the state and country.

Finally, included in the managers' amendment are provisions of the Visit USA Act, introduced earlier this year as S. 2412 by Senator BURNS and myself to further the international standing of the U.S. travel and tourism industry. As co-chairman of the United States Senate Tourism Caucus along with Senator BURNS, I know that the tourism industry is a winner for the United States. In my state of South Carolina, tourism generates over $6.5 billion and is responsible for 113,000 jobs. Over 46 million international visitors came to the United States and spent over $90 billion in 1997. These visitors generated more than $5 billion in Federal taxes alone. To compete with other nations for a larger share of international tourism over the next decade, we must support an international tourism marketing effort. Provisions of this legislation would do that by authorizing appropriations for the marketing program of the U.S. National Tourism Organization (NTO). This authorization would allow the NTO to continue operations beyond the October 11 sunset date.

This legislation is the product of a lot of hard work by many members of the Commerce Committee. I would like to thank them for their dedication to improving America's airport infrastructure and bolstering the safety of airline travel. I look forward to expeditious consideration and passage of S. 2279.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3646

(Purpose: To make technical corrections in the managers' amendment)

Mr. McCAIN. Mr. President, I ask that a managers' amendment be included at this time, which also includes what had previously been the Specter amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. McCAIN), for himself and Mr. FORD, proposes an amendment numbered 3646.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18 of the managers' amendment, line 17, strike "11(4)" and insert "(4)".

On page 34 of the managers' amendment, line 6, insert "directly" after "person".

On page 34, beginning in line 10, strike "aircraft registration numbers of any aircraft; and" and insert "the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and".

On page 34 of the managers' amendment, beginning in line 14, strike "that owner or operator's request within 30 days after receiving the request." and insert "the Administration's request."

On page 34 of the managers' amendment, strike lines 16 through 21.

On page 34 of the managers' amendment, line 22, strike "(c)" and insert "(b)".

On page 36 of the managers' amendment, strike lines 16 and 17 and insert the following:

"(1) An airport with fewer than 2,000,000 annual enplanements; and

On page 39 of the managers' amendment, beginning in line 4, strike "shall, in conjunction with subsection (f)," and insert "shall".

On page 40 of the managers' amendment, strike lines 1 through 8 and insert the following:

"(i) REGIONAL JET DEFINED.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.".

On page 41 of the managers' amendment, beginning in line 9, strike "In addition to any exemption granted under section 41714(d), the" and insert "The".

On page 41 of the managers' amendment, beginning in line 24, strike "In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the" and insert "The".

On page 42 of the managers' amendment, beginning in line 5, strike "smaller than large hub airports (as defined in section 47134(d)(2))" and insert "with fewer than 2,000,000 annual enplanements".

On page 42 of the managers' amendment, line 10, strike "airports other than large hubs" and insert "such airports".

On page 46, line 18, strike "(d)" and insert "(f)".

On page 46, line 24, after "and the" insert "metropolitan planning organization for".

On page 47, line 1, strike "Council of Governments".

On page 35 of the managers' amendment, between lines 2 and 3, insert the following:

SEC. 529. CERTAIN ATC TOWERS.

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida, provided that the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

On page 114, insert:

SEC. 530. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting "(a) IN GENERAL.—" before "The recovery"; and

(2) adding at the end thereof the following:

"(b) COMMERCIAL AVIATION.—

"(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

"(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

"(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

Mr. McCAIN. Mr. President, there is no further debate on the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 3646) was agreed to.

Mr. McCAIN. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. I move to lay on the table in my capacity as a Senator from Utah.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I believe there are no other amendments.

We are prepared for third reading of the bill.

I would like to withhold that for just 1 minute.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I understand there are no further amendments.

We are prepared for third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 536, H.R. 4057, all after the enacting clause be stricken, and the text of S. 2279, as amended, be inserted in lieu thereof, the bill then be read the third time, and immediately following the convening of the Senate on Friday there be 20 minutes for closing remarks divided equally between the majority and minority managers; and, following that time, the Senate proceed to a vote on passage of H.R. 4057, with no other intervening action or debate.

I finally ask unanimous consent that following passage of the bill the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, for the information of all Senators, there will be a vote tomorrow morning at approximately 9:50 on passage of the FAA reauthorization bill.

UNANIMOUS CONSENT REQUEST—S. 442

Mr. McCAIN. Mr. President, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to the consideration of Calendar No. 509, S. 442, and it be considered under the following limitations:

The Commerce Committee amendment be agreed to, and the Finance Committee substitute then be agreed to, and the substitute then be considered as original text for the purpose of further amendment.

I further ask unanimous consent that the only other amendments in order to the bill be the following:

A managers' amendment; McCain-Wyden, extending length of moratorium; Coats, Internet porn, 1 hour equally divided; Nickles, relevant; Bennett, relevant; two Warner amendments, relevant; Senator Hutchison, relevant; Senator Murkowski, relevant; Bond, relevant; Bumpers, mail order; Graham, relevant; Abraham, government paperwork; Enzi, three amendments, relevant; Domenici, interest rates; Bumpers, a commission amendment; and another Nickles relevant amendment.

I further ask unanimous consent that relevant second-degree amendments be in order to all amendments other than the Coats amendment.

I further ask that there be 2 hours of general debate equally divided on the bill.

I finally ask that following disposition of the above listed amendments and the expiration of the time, the bill be read a third time and the Senate proceed to a vote on passage of the bill with no other intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCAIN. Mr. President, I ask unanimous consent that on Friday, September 25, the Senate turn to Calendar No. 509, S. 442, the Internet tax bill, and immediately following reporting by the clerk, the Commerce Committee substitute be agreed to, and immediately following that action the Finance Committee substitute be agreed to and considered original text for the purpose of further amendments. I further ask that during the Senate's consideration of S. 442 or the House companion measure, only relevant amendments be in order.

Mr. FORD. Mr. President, reserving the right to object, if the acting leader would take the first paragraph and use that as his unanimous consent request, this side is willing to accept that. The one I cannot agree to is: "I further ask that during the Senate's consideration of S. 442 or the House companion measure, only relevant amendments be in order." I would object to that. But I would accept the upper part if the Senator is willing to make that unanimous consent request.

Mr. McCAIN. Mr. President, I can't do that, but I appreciate the willingness of the Senator from Kentucky. Let me also state that I am aware that the leadership on the other side is basically prepared tomorrow for us to move forward. I appreciate that. There is great understanding that this is a very important piece of legislation. The Internet Tax Freedom Act is of the highest priority all over America. I believe we will move to it. I believe that we will do it soon. I appreciate the interest and the agreement of the Senator from Kentucky that we could work out some agreement on this—perhaps not tonight but perhaps tomorrow.

Mr. FORD. Mr. President, I will be more than willing to agree to a unanimous consent agreement to proceed to the bill without any other reservations or any time agreements or agreements to amendments. I would be more than willing to do that. But under the circumstances, I doubt if that would be acceptable so we will just have to work overnight and tomorrow on the legislation and see if we can't come to some kind of agreement. And I am hopeful, because we were close tonight, and I think if we had waited until morning I would not have been placed in a position to object. You do a lot of things around here sometimes you don't really like to do, but then I always like to be "Senator No."

Mr. McCAIN. Mr. President, I thank the Senator from Kentucky, especially as we approach the end of this very important legislation which bears his name. I do not wish to end up this evening in any kind of disagreement with the Senator from Kentucky. It is not worth it.

Mr. FORD. A red letter day.

Mr. McCAIN. I do know he is committed to passage of this legislation, the Internet Tax Freedom Act. He understands as well as I do, with just a few days remaining, that if we didn't have some kind of agreement, which I do believe we will agree to, on circumscribing the number of amendments to the bill, then it would be very difficult to get it done in a short period of time. I am not going to pursue this issue. Again, I spent too many hundreds of hours working with the Senator from Kentucky for us to end up in some disagreement over an issue such as this before completion of the bill that is called the Wendell H. Ford legislation, which is very fittingly named after him as the reality is that there is no Member of the Senate who has done more to further the cause of aviation in America than the Senator from Kentucky.

So, Mr. President, for the information of all Senators, there will be a vote tomorrow morning at approximately 9:50 a.m. on passage of the FAA reauthorization bill.

MORNING BUSINESS

Mr. McCAIN. I now ask unanimous consent that there be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 23, 1998, the federal debt stood at $5,517,883,379,683.46 (Five trillion, five hundred seventeen billion, eight hundred eighty-three million, three hundred seventy-nine thousand, six hundred eighty-three dollars and forty-six cents).

One year ago, September 23, 1997, the federal debt stood at $5,382,650,000,000 (Five trillion, three hundred eighty-two billion, six hundred fifty million).

Five years ago, September 23, 1993, the federal debt stood at $4,380,953,000,000 (Four trillion, three hundred eighty billion, nine hundred fifty-three million).

Ten years ago, September 23, 1988, the federal debt stood at $2,587,266,000,000 (Two trillion, five hundred eighty-seven billion, two hundred sixty-six million).

Fifteen years ago, September 23, 1983, the federal debt stood at $1,354,045,000,000 (One trillion, three hundred fifty-four billion, forty-five million) which reflects a debt increase of more than $4 trillion—$4,163,838,379,683.46 (Four trillion, one hundred sixty-three billion, eight hundred thirty-eight million, three hundred seventy-nine thousand, six hundred eighty-three dollars and forty-six cents) during the past 15 years.

CLINTON ADMINISTRATION MUST RESPOND FORCEFULLY TO CUBAN ESPIONAGE

Mr. HELMS. Mr. President, the recent discovery of a sophisticated spy ring operating in U.S. territory is a wake-up call to all who assume that Fidel Castro is no longer America's tireless enemy. The Federal Bureau of Investigation is to be congratulated for its excellent work, and, I ask unanimous consent that the Bureau's press release (dated September 14, 1998) be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL BUREAU OF INVESTIGATION

[Press Release—Date: September 14, 1998—contact: SA Mike Fabregas or Ausa John Schlesinger]

FBI DERAILS CUBAN INTELLIGENCE NETWORK

Hector M. Pesquera, Special Agent in Charge (SAC) of the Miami Division of the Federal Bureau of Investigation (FBI) and Thomas E. Scott, United States Attorney for the Southern District of Florida announce the arrests of ten (10) individuals for conducting espionage activities against the United States for the Republic of Cuba.

The arrest of ten (10) individuals in South Florida on September 12, 1998, marked the culmination of a lengthy investigation into subversive activities by the Cuban Intelligence Service. The ten (10) individuals arrested were directed to infiltrate and spy on United States agencies and installations. These agents also attempted to infiltrate and manipulate Anti-Castro groups within the South Florida community.

The individuals arrested by the FBI include: Alejandro M. Alonso, date of birth November 27, 1958; Ruben Campa, date of birth September 15, 1965; Rene Gonzalez, date of birth August 13, 1956; Antonio Guerrero, Jr., date of birth October 16, 1958; Linda Hernandez, date of birth June 21, 1957; Nilo Hernandez-Mederos, date of birth March 31, 1954; Luis Medina, date of birth July 9, 1968; Joseph Santos-Cecilia, date of birth October 9, 1960; Amarilys Silverio-Garcia, date of birth September 23, 1961; Manuel Viramontez, date of birth January 26, 1967.

Search warrants executed at several locations in South Florida yielded disguises, radios, antennas, maps, computers, money, and other items.

Sac Pesquera and U.S. Attorney Scott would like to commend the efforts of the Naval Criminal Investigative Service (NCIS) who assisted greatly in this investigation.

Mr. HELMS. Mr. President, the fact that several U.S. military installations were among the targets of this spying is evidence that the Castro regime is a menace to the national security of the United States. According to a reliable 1996 report, Cuban commandos have been training in Vietnam at least since 1990 to carry out strikes against U.S. military bases, precisely the target of the attempted infiltrations of last week.

Mr. President, the Clinton Administration simply cannot and must not default on its clear obligation to respond to this and other hostile actions by Cuba.

First, the Federal Bureau of Investigation is obliged to pursue this espionage conspiracy relentlessly. Any and all Cuban personnel working in any diplomatic posts in Washington, D.C., and at the United Nations, who had contact with this spy ring should be detained, prosecuted, and/or expelled without delay.

Future requests by Cuban "diplomats" to travel beyond the confines of Washington, D.C., or New York—particularly to South Florida—should be summarily denied.

Second, U.S. officials, exile groups, and citizens who have been, or are, targets of Cuban spies should be warned by U.S. authorities of this threat.

Third, it is imperative to hold the Russians accountable for their continued eavesdropping on U.S. defense and commercial communications at the state-of-the-art intelligence facility at Lourdes, Cuba. According to reliable published reports, sensitive U.S. information gathered at Lourdes is in the possession of Castro's Cubans and made available to other rogue states to use against the United States. The Russians compensate Castro for this spy platform through a generous oil-for-sugar deal—at a time when Moscow looks to the United States and the international community for multi-billion-dollar hand-outs of the American taxpayers' money.

Mr. President, the Clinton Administration at this very moment is contemplating a huge increase in U.S. aid to Russia, has therefore soft-peddled this grave security threat for too long. The removal of the Lourdes facility and an end to the related compensation to the Cubans must be given top priority in U.S.-Russian relations—and as a subject to be considered in the instances of future U.S. aid proposals.

Fourth, this hostile espionage should put to rest the absurd notion—conceived by the Cuban regime and being considered by Administration officials—that the United States should "cooperate" with the Cuban government to fight drug trafficking in the Caribbean. Any serious talk about anti-drug cooperation should be deferred until after Castro surrenders the half-dozen senior Cuban officials who have been indicated in U.S. courts for smuggling drugs into the United States.

Fifth, senior Administration policy makers have informed members of the Senate Foreign Relations Committee staff that they see no connection between the spy ring and the Clinton plan to give U.S. food aid to the United Nations for Cuba. In light of the espionage revelations, it is incumbent upon the State Department and U.S.A.I.D. to make certain that any food that the Administration proposes to donate to needy Cubans must be conducted entirely through international, independent relief groups operating under scrupulous monitoring.

And, sixth, Mr. President, Americans have long awaited the Clinton Administration's getting around to holding Castro's officials accountable for the terrorist attack carried out by Cuban MIGs on two unarmed Cessnas in February 1996. The fact that this attack on two small planes which were over international waters went unpunished has emboldened the Castro regime to act against us.

The Department of Justice should proceed promptly with an investigation of this incident in connection with the indictment of the Cuban officials involved. It should be done under section 32 of title of the U.S. Code for the willful, premeditated destruction of two civil aircraft resulting in the deaths of Pablo Morales, Carlos Costa, Mario de la Pena, and Armando Alejandre.

Mr. President, the Clinton Administration has an obligation to defend America's national security against any country determined to do us harm.

Surely, decades of fighting tyrants has taught us that appeasement and unilateral concessions serve only to tempt our enemies. If the Administration fails to hold Castro accountable for his repeated acts of treachery against us, it will tempt him to escalate them.

TRIBUTE TO MRS. MINAL KUMAR

Mr. INOUYE. Mr. President, I rise today to pay tribute to the late Mrs. Minal Kumar, who throughout her exceptional career dedicated herself to public service. Mrs. Kumar's extraordinary humanitarian efforts and outstanding contributions have improved the lives of women, children and infants in Hawaii.

As the sole nutritionist on the Island of Kauai for the State of Hawaii Department of Health's Women, Infants and Children program, Mrs. Kumar nearly tripled the program's caseload in six years. She opened clinics in the outlying areas of the underserved communities of Hanalei, Kilauea and Waimea, and was the first nutritionist to serve the Island of Niihau. The central theme of her work was encouraging and supporting mothers to breast feed their children, the infant feeding method recommended to improve the health of infants.

In remembrance of her many accomplishments, her co-workers have built a garden at the Hawaii Department of Health's Kauai District office and a memorial fund in her name has been established by Hawaii Mothers' Milk, Inc. I ask my colleagues to join me in paying tribute to the late Minal Kumar for all she has done for the people of Hawaii.

INDEPENDENT COUNSEL LAW

Mr. MOYNIHAN. Mr. President, I rise to commend to the Senate a most timely and informative article which appeared in the New York Times on August 11, 1998. Written by Todd S. Purdum, the article provides a useful overview of the twenty year history of the independent counsel law and interviews seven of the attorneys who have served in this capacity since the adoption of the Ethics in Government Act of 1978.

Most of those interviewed cite problems with the way the independent counsel process currently works and provide specific recommendations for improvement. Those of us in the Congress will soon have an opportunity to review this matter in greater detail for, as you may know, its current provisions, reauthorized and amended by the Independent Counsel Reauthorization Act of 1994, P.L. 103-270, June 30, 1994, will expire on June 30, 1999, unless reauthorized.

I ask unanimous consent to have this article printed in the RECORD and I thank my good friend Clifton Daniel of New York for calling it to my attention.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times August 11, 1998]

FORMER SPECIAL COUNSELS SEE NEED TO ALTER LAW THAT CREATED THEM

(By Todd S. Purdum)

They are a rarefied roster of not quite two dozen, the men and women who have served as independent counsels investigating high Government officials over the last 20 years. They have delved into accusations of everything from cocaine use by a senior White House aide to perjury, influence-peddling and favor-trading, and have produced decidedly mixed results, from no indictments to convictions to reversals on appeal.

Some of them have been harshly criticized for taking too long, spending too much or criminalizing conduct other prosecutors would most often not bother with. But as Kenneth W. Starr's investigation of President Clinton has moved from scrutiny of a tangled real estate investment to intimations of intimacy with an intern, the law that created independent counsels has come under attack as almost never before.

Interviews in the last week with seven of the people who have held the job since that law, the Ethics in Government Act of 1978, was adopted in the wake of Watergate produced broad consensus that the statute was needed but might have to be overhauled if it was to be renewed by Congress when it expires next year.

The former counsels were unanimous on one point: all were glad to have served. But a majority also said that as currently written, the law covered too many officials and too many potential acts of wrongdoing, and left the Attorney General too little discretion about when to invoke it.

"It should be limited to activities that occur in office," said Lawrence E. Walsh, who spent six years and $40 million investigating the Iran-contra affair and whose suggestions for changes were among the most sweeping. "It should be limited to misuse of Government power and should not include personal mistakes or indiscretions.

The enormous expense of an independent counsel's investigation and the disruption of the Presidency should not be inflicted except for something in which there was a misuse of power. That's not out of consideration for the individual; it's out of consideration for the country."

And while the former counsels generally declined to comment on Mr. Starr's investigation, virtually all of them also said that wide experience as a criminal prosecutor or a defense lawyer—which Mr. Starr does not have—should be a requirement for the job.

"I believe strongly in the concept of an independent counsel to guarantee public confidence in the impartiality of any criminal investigation into conduct of top officials in the executive branch of our Government," said Whitney North Seymour Jr., who won a perjury conviction against Michael K. Deaver, a former top aide to President Ronald Reagan who was accused of lying about his lobbying activities after leaving office.

"However," Mr. Seymour continued, in comments generally echoed by his colleagues, "appointments to that position should be limited to lawyers with proven good judgment and extensive prior experience in gathering admissible evidence, developing corroboration and satisfying the trial standard of reasonable doubt. We simply cannot afford the spectacle of on-the-job training in such a sensitive position."

Since Arthur H. Christy was appointed in 1979 to investigate accusations that Hamilton Jordan, President Jimmy Carter's chief of staff, had used cocaine at Studio 54—a case that ended with no indictments—there have been a total of 20 independent-counsel investigations, some conducted by more than one prosecutor. The names of the targets of two investigations in the Bush era, and the counsels who conducted them, were sealed by court order. One investigator, Robert B. Fiske Jr., was appointed by Attorney General Janet Reno in 1994, at a time when the law had expired, and was replaced four years ago last week by a three-judge Federal panel that chose Mr. Starr instead, but Mr. Fiske had essentially all the same powers.

Five investigations of Clinton Administration officials, including Mr. Starr's, still await outcome, and Ms. Reno remains under intense pressure to ask the judicial panel for yet another independent counsel, to look into campaign finance abuses. No effort was made to interview those conducting active investigations, or the counsel who ended his investigation of Commerce Secretary Ronald H. Brown after Mr. Brown's death in a plane crash in 1996.

ENORMOUS POWER AND INTENSE ISOLATION

A common theme in the remarks of the seven former counsels who agreed to be interviewed was the momentous power and isolation of the job, a universe of solitude and solemn responsibility.

"In terms of individual power, I never had anything like this," said Mr. Walsh, who had served as a Federal district judge and Deputy Attorney General in the Eisenhower Administration. "Night after night, I'd wake up in the middle of the night. I kept a notebook by my bed, and the only way I could get back to sleep was to write down whatever was bothering me. I'd worry about my travel expenses, thinking, 'This is going to seem very high.'"

When Mr. Fiske set up shop to investigate Whitewater, he forsook the companionship of the only four friends he had in Little Rock, Ark., who all happened to be leading lawyers with ties to the city's political and legal establishment.

Scholarly critics of the independent counsel law, including a Supreme Court Justice, Antonin Scalia, have argued that it creates built-in incentives for prosecutors to pursue evidence and avenues of inquiry that law-enforcement officials might otherwise decide were never likely to bear fruit. Those incentives: simply the intense political pressure and public scrutiny that surround any appointment, and the requirement that the prosecutor produce a detailed report justifying all the effort.

That concern was also common among the former prosecutors themselves.

"There ought to be some way to limit the ability of an independent counsel to expand his or her investigation, to keep their eye on the original target they were initially appointed to investigate," said James C. McKay, whose conviction of Lyn Nofziger, a former Reagan aide charged with violating ethics laws on lobbying, was overturned on appeal after an inquiry that lasted 14 months and cost $3 million. "When you think of how the Starr investigation started with Mr. Fiske and Whitewater and now what's become of it, it just seems that there should be some way to have prevented that from occurring."

Joseph DiGenova, who ultimately brought no charges after a three-year, $2.2 million investigation into accusations that senior Bush Administration officials improperly sought information from Bill Clinton's passport files during the 1992 campaign, was the sole former prosecutor to condemn the law altogether, and he said it should not be renewed.

"All of the usual governors, both legal and practical, are absent, because of the special nature of the statute," said Mr. DiGenova, who argues that once the law is invoked, prosecutors are forced to bring "an unnatural degree of targeted attention" to the case.

DISCRETION THAT CUTS IN EITHER DIRECTION

Mr. Fiske, who like Mr. Walsh and Mr. DiGenova thinks any law should cover investigation of only the President, the Vice President and the Attorney General rather than the 75 or so senior Government and campaign officials now automatically covered, also worries about the potential for abuse.

"Once the person is selected, it's like recalling a missile," Mr. Fiske said. "You can't recall it, and it's kind of unguided, except by its own gyroscope. And so all these things are judgment calls."

But like his colleagues, he emphasized that a prosecutor's wide discretion ultimately cut both ways. He recalled that David Hale, a former municipal judge in Arkansas, having pleaded guilty and begun cooperating in the Whitewater case, provided much useful information, along with some that seemed far afield.

"There were a lot of other things that David Hale told us that we could have investigated under our charter," Mr. Fiske recounted, "but I just said, 'This is too far removed from what we were supposed to be doing.'"

Several of the prosecutors expressed concern that the current law led too easily to the appointment of independent counsels. Every time the Attorney General receives from a credible source specific allegations of wrongdoing by an official covered under the act, she has 30 days to decide, without compelling anyone's testimony, whether a preliminary investigation is warranted. If she concludes that it is, then she must decide within 90 days whether there are "reasonable grounds" to believe that further investigation is warranted. If there are, she must apply to the special three-judge court for appointment of an independent counsel.

"That time limit now is too brief," Mr. McKay said.

But one of the former prosecutors, who spoke only on the condition of anonymity, said that the law was sound as written and that complaints that it invited prosecutorial vendettas were overblown. Mr. Seymour also rejected complaints of unbridled power, saying he had had no more leeway as independent counsel than he had earlier had as United States Attorney in Manhattan in the Nixon Administration.

"The United States Attorney for the Southern District has almost unlimited power," Mr. Seymour said. "How the responsibility is carried out is another question."

Similarly another former independent counsel, Alexia Morrison, said that the law did not need any major changes and that "there's been a very successful campaign to lay faults at the foot of the statute when in fact it is conduct that got us here." Asked whether she meant conduct by President Clinton, Mr. Starr or both, Ms. Morrison simply repeated her assertion.

It was Ms. Morrison's investigation into whether Theodore Olson, an Assistant Attorney General in the Reagan Administration, misled Congress in a dispute over toxic waste cleanup that led to the 1988 Supreme Court ruling unholding the independent counsel law. And though she ultimately brought no charges after a 30-month, $1.5 million investigation, she, like some of her colleagues, said that very result underscored one of the most important features of the law: enhancing the public's confidence that nothing has been covered up.

"There are a heck of a lot of very troublesome investigations that have been resolved without bringing any criminal charges," Ms. Morrison said, "and there was not a situation in which anyone came back and said, 'That's outrageous.'"

Mr. Fiske, too, said that in the absence of an independent counsel law, there would seldom be significant public controversy if high officials were charged and brought to trial, whatever the outcome, but that "the problem is when the case isn't brought" because a prosecutor decides there is not enough evidence or likelihood of success. "In many respects," he said, "that is where you need the independent counsel most of all."

But for alleged misdeeds that may have occurred before a senior official took office, Mr. Walsh said, the independent counsel law should not apply. Rather, the solution should be to extend the statute of limitations for any such crimes and investigate after the official leaves office—a suggestion that Ms. Morrison seconded while acknowledging that this could pose its own problems, in terms of stale evidence or lost witnesses.

ONE COMMON THEME: DISDAIN FOR PARTISANSHIP

In one way or another, all the former counsels who were interviewed deplored the partisanship now surrounding an office that grew out of bipartisan concern over President Richard M. Nixon's "Saturday night massacre" of the first Watergate special prosecutor, Archibald Cox, and the two highest officials of the Justice Department.

"It's become so politicized now," Mr. McKay said, "that the ins hate it and the outs love it just for the purpose of bringing the ins down. That's the part that will turn the public sour."

Mr. Seymour agreed, saying: "It plainly has gotten a bad name. And that comes from the public perception of recent events, and I think that's unfortunate."

Mr. DiGenova contended that the aftermath of Mr. Cox's dismissal demonstrated that the independent counsel law was not needed, since the Watergate inquiry continued under a new special prosecutor, Leon Jaworski, until Mr. Nixon's downfall four years before the law was enacted.

"There's no way that a sitting President can possibly prevent his own investigation by firing anybody," Mr. DiGenova said, "because the political process will not permit it."

Ms. Morrison said it remained unclear whether the public would continue to support the law.

"I think most of the previous independent counsels have been able to achieve a result with a general sense of public confidence that the way they got there was appropriate," she said. "But hold your breath. It may be that Starr can spin out a report that tells an incredibly interesting tale that puts the lie to most of the procedural and substantive assaults on him. On the other hand, if it looks like he hasn't produced so much, and has used an elephant gun on a flea, then maybe that won't be so well regarded."

"A Rarefied Roster", independent counsels, the years of their appointments and the results of their investigations.

1979, Arthur H. Christy, investigated accusations of cocaine use by Hamilton Jordan, chief of staff to President Jimmy Carter. No indictments.

1980, Gerald Gallinghouse, investigated accusations of cocaine use by Tim Kraft, President Carter's campaign manager. No indictments.

1981, Leon Silverman, investigated alleged mob ties of Raymond J. Donovan, Labor Secretary to President Ronald Reagan. No indictments.

1984, Jacob A. Stein, investigated alleged financial improprieties of Attorney General Edwin Meese 3d. No indictments.

1986, Whitney North Seymour Jr., won perjury conviction of Michael K. Deaver, former White House deputy chief of staff under President Reagan.

1986, Alexia Morrison, investigated accusations that former Assistant Attorney General Theodore Olson was deceptive about documents withheld from Congress. No indictments.

1986, Lawrence E. Walsh, investigated the sale of weapons to Iran and the diversion of some profits to Nicaraguan rebels. Obtained many convictions, some overturned on appeal, others leading to pardons by President George Bush.

1987, James C. McKay, won conviction of Lyn Nofziger for violating ethics law on lobbying. Conviction was overturned on appeal, and Mr. McKay decided not to retry case. Investigated Mr. Meese on accusations related to the collapse of Wedtech, a military contractor. No indictments.

1987, Carl Rauh, James Harper, investigated the finances of W. Lawrence Wallace, a former Assistant Attorney General. No indictment.

1989, Name of independent counsel and target sealed by court order. No indictment.

1990, Arlin M. Adams, Larry D. Thompson, investigated variety of scandals involving the sale of favors in the Department of Housing and Urban Development. Several indictments and convictions.

1991, Name of independent counsel and target sealed by court order. No indictment.

1992, Joseph DiGenova, investigated possible abuse of passport files by Bush Administration officials. No indictments.

1994, Robert B. Fiske Jr.,* Kenneth W. Starr, conducted inquiry into Whitewater real estate deal, since expanded to include several other investigations, some still ongoing.

1994, Donald C. Smaltz, won indictment of former Agriculture Secretary Mike Espy on charges of receiving, and covering up, favors from companies doing business with the Government. Trial pending. Mr. Espy's former chief of staff was convicted of lying to investigators.

1995, David M. Barrett, investigated accusations that Henry G. Cisneros, the Secretary of Housing and Urban Development, lied to the F.B.I. about payments he made to a former mistress. Won indictment of Mr. Cisneros on 18 felony counts. Trial pending.

1995, Daniel S. Pearson, investigated Commerce Secretary Ronald H. Brown's personal finances. Stopped after Mr. Brown was killed in a plane crash in Croatia.

1996, Curtis Emery von Kann, investigated Eli J. Segal for conflict-of-interest accusations involving fund-raising for a private group while he was head of the Americorps national service program. Investigation ended in 1997 without any action.

1998, Carol Elder Bruce, appointed to investigate whether Interior Secretary Bruce Babbitt broke the law in connection with his testimony to Congress about an Indian casino license.

1998, Ralph I. Lancaster Jr., appointed to investigate accusations that Labor Secretary Alexis Herman engaged in influence-peddling solicitation of $250,000 in illegal campaign contributions.

MESSAGES FROM THE HOUSE

At 12:12 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 81. An act to designate the United States courthouse located at South Michigan Street in South Bend, Indiana, as the "Robert K. Rodibaugh United States Courthouse."

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 1659. An act to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens Volcanic Monument mandated by 1982 Act that established the Monument, and for other purposes.

H.R. 2000. An act to amend the Alaska Native Claims Settlement Act to make certain clarifications to the land bank protection provisions, and for other purposes.

H.R. 2314. An act to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to provide trust land for the benefit of the Tribe, and for other purposes.

H.R. 3381. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

H.R. 4068. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

H.R. 4558. An act to make technical amendments to clarify the provision of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplementary security income benefits.

The message also announced the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 315. Concurrent Resolution expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) under control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1355. An act to designate the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse."

At 12:44 p.m., a message from the House of Representatives, delivered by one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two House on the amendment of the Senate to the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

At 3:00 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

ENROLLED BILLS SIGNED

The following enrolled bills, previously signed by the Speaker of the House, were signed on today on September 24, 1998, by the President pro tempore (Mr. THURMOND):

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

H.R. 1856. An act to amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefits of national wildlife refuges, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

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*Appointed by Attorney General Janet Reno during a period when the independent counsel law had lapsed.

H.R. 81. An act to designate the United States courthouse located at South Michigan Street in South Bend, Indiana, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse"; to the Committee on Environment and Public Works.

H.R. 2314. An act to restore Federal Indian services to members of the Kickapoo Tribe of Oklahoma residing in Maverick County, Texas, to provide trust land for the benefit of the Tribe, and for other purposes, to the Committee on Indian Affairs.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 315. Concurrent resolution expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbia and Montenegro) under control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times, and placed on the calendar:

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 1659. An act to provide for the expeditious completion of the acquisition of private mineral interests within the Mount St. Helens Volcanic Monument mandated by 1982 act that established the Monument, and for other purposes.

H.R. 2000. An act to amend the Alaska Native Claims Settlement Act to make certain clarifications to the land bank protection provisions, and for other purposes.

H.R. 3381. An act to direct the Secretary of the Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on September 24, 1998 he had presented to the President of the United States, the following enrolled bill:

S. 1695. An act to authorize the Secretary of the Interior to study the suitability and feasibility of designating the Sand Creek Massacre National Historic Site in the State of Colorado as a unit of the National Park System, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7101. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals dated September 18, 1998; referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Commerce, Science, and Transportation, to the Committee on Energy and Natural Resources, to the Committee on Finance, and to the Committee on Foreign Relations.

EC–7102. A communication from the Administrator of the Substance Abuse and Mental Health Services Administration, Department of Health and Human Services, transmitting, pursuant to law, notice of drug-free workplace plan certifications for certain agencies; to the Committee on Appropriations.

EC–7103. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's report on agency drug-free workplace plans; to the Committee on Appropriations.

EC–7104. A communication from the Executive Director of the Committee For Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, a notice of additions to the Committee's Procurement List dated September 15, 1998; to the Committee on Governmental Affairs.

EC–7105. A communication from the Secretary of Labor, transmitting, pursuant to law, the Department's report on the labor market for veterans; to the Committee on Veterans' Affairs.

EC–7106. A communication from the Secretary of Defense, transmitting, notice of routine military retirements; to the Committee on Armed Services.

EC–7107. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Agency Disapproval of Directors and Senior Executive Officers of Savings Associations and Savings and Loan Holding Companies" (RIN1550–AB10) received on September 22, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7108. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of two rules regarding the Section 8 Management Assessment Program and the Hispanic-Serving Institutions Work Study Program (RIN2577–AB60, RIN2528–AA06) received on September 23, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7109. A communication from the Manager of the Federal Crop Insurance Corporation, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Common Crop Insurance Regulations; Guaranteed Production Plan of Fresh Market Tomato Crop Insurance Provisions" received on September 22, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7110. A communication from the Manager of the Federal Crop Insurance Corporation, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Nursery Crop Insurance Regulations; and Common Crop Insurance Regulations; Nursery Crop Insurance Provisions" (RIN0563–AB65) received on September 22, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–7111. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's report under the Freedom of Information Act for calendar year 1997; to the Committee on the Judiciary.

EC–7112. A communication from the Chairman of the United States Sentencing Commission, transmitting, the Commission's Annual Report and Sourcebook of Federal Sentencing Statistics for fiscal year 1997; to the Committee on the Judiciary.

EC–7113. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, notice of an amendment to the sentencing guidelines regarding telemarketing fraud; to the Committee on the Judiciary.

EC–7114. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's "Consolidated Report on the Community Services Block Grant Program Implementation Assessments" for fiscal years 1992 through 1997; to the Committee on Labor and Human Resources.

EC–7115. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the Department's reports on the National Information System for the Community Services Block Grant Program for fiscal years 1991 through 1995; to the Committee on Labor and Human Resources.

EC–7116. A communication from the Assistant Secretary for Employment Standards, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Technical Amendments of Rules Relating to Labor-Management Standards of Conduct for Federal Sector Labor Organizations; Correction" (RIN1215–AB22) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7117. A communication from the Assistant Secretary for Occupational Safety and Health, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Occupational Exposure to Methylene Chloride" (RIN1218–AA98) received on September 21, 1998; to the Committee on Labor and Human Resources.

EC–7118. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Obstetric and Gynecological Devices; Reclassification and Classification of Medical Devices Used for In Vitro Fertilization and Related Assisted Reproduction Procedures" (Docket 97N–0335) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7119. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Removal of Regulations Regarding Certification of Antibiotic Drugs" (Docket 98N–0211) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7120. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Removal of Regulations Regarding Certification of Drugs Composed Wholly or Partly of Insulin" (Docket 98N–0210) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7121. A communication from the Inspector General of the Railroad Retirement Board, transmitting, pursuant to law, the Office of Inspector General's budget request for fiscal year 2000; to the Committee on Labor and Human Resources.

EC–7122. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Source Rules for Foreign Sales Corporation Transfer Pricing" (RIN1545–AV90) received on September 17, 1998; to the Committee on Finance.

EC–7123. A communication from the National Director of Appeals, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Settlement Guideline: Tenant Allowances to Retail Store Operators" received on September 23, 1998; to the Committee on Finance.

EC–7124. A communication from the National Director of Appeals, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Settlement Guideline: Subchapter K Anti-Abuse Rule" received on September 23, 1998; to the Committee on Finance.

EC–7125. A communication from the Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Lay Order Period; General Order; Penalties" received on September 21, 1998; to the Committee on Finance.

EC–7126. A communication from the Acting Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Andean Trade Preference" received on September 22, 1998; to the Committee on Finance.

EC–7127. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "An Update of Addresses and OMB Information Collection Numbers for Fish and Wildlife Service Permit Applications" (RIN1080–AF07) received on September 22, 1998; to the Committee on Environment and Public Works.

EC–7128. A communication from the Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Final Rule to List the San Bernardino Kangaroo Rat as Endangered" (RIN1018–AE59) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7129. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Glutamic Acid; Technical Amendment and Correction of Pesticide Tolerance Exemption" (FRL6029–1) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7130. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Flufenacet; Time-Limited Pesticide Tolerance" (FRL6028–8) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7131. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Isoxaflutole; Pesticide Tolerance" (FRL6029–3) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7132. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Emission Standards for Hazardous Air Pollutants for Flexible Polyurethane Foam Production" (FRL6163–9) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7133. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report of a rule entitled "Update of Existing and Addition of New Filing and Service Fees" (Docket 98–09) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7134. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, notice of changes to NASA's initial FY 1998 Operating Plan; to the Committee on Commerce, Science, and Transportation.

EC–7135. A communication from the Chairman of the Federal Communications Commission, transmitting, pursuant to law, the Commission's Third Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services; to the Committee on Commerce, Science, and Transportation.

EC–7136. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule regarding financing for personal communications services licensees (Docket 97–82) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7137. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; CFM International CFM56–5B/2P Series Turbofan Engines" (Docket 97–ANE–29–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7138. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Cessna Aircraft Company Models T210N, P210N, and P210R Airplanes" (Docket 97–CE–62–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7139. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Bombardier Model CL–600–2B19 (Regional Jet Series 100) Series Airplanes" (Docket 98–NM–236–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7140. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 777–200 Series Airplanes Equipped With Air Cruisers Evacuation Slides/Rafts" (Docket 97–NM–95–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7141. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 757–200 Series Airplanes" (Docket 96–NM–232–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7142. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes" (Docket 98–NM–17–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7143. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A320 Series Airplanes" (Docket 98–NM–26–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7144. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Glaser-Dirks Flugzeubau GmbH Model DG–400 Gliders" (Docket 98–CE–12–AD) received on September 21, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7145. A communication from the Acting Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Tuna Fisheries; Atlantic Bluefin Tuna; Closure" (I.D. 090498A) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7146. A communication from the Policy, Management and Information Officer, National Ocean Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Announcement of Graduate Research Fellowships in the National Estuarine Research Reserve System for Fiscal Year 1999" (RIN0648–ZA45) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7147. A communication from the Acting Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska" (I.D. 091598B) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7148. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska" (I.D. 091198D) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7149. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Tuna Fisheries; Atlantic Bluefin Tuna; Closure" (I.D. 090898A) received on September 22, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7150. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed manufacturing license agreement with Turkey for the production of certain transceivers (DTC 89–98); to the Committee on Foreign Relations.

EC–7151. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with the United Kingdom for the production of Longbow Hellfire Missile warheads (DTC 93–98); to the Committee on Foreign Relations.

EC–7152. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed licence for the export of TOW 2A Anti-Tank Missiles to Greece (DTC 97–98); to the Committee on Foreign Relations.

EC–7153. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed licence for the export of S70B SEAHAWK helicopters to Turkey (DTC 98–98); to the Committee on Foreign Relations.

EC–7154. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Spain for the production of M60A3 Laser Tank Fire Control Systems (DTC 105–98); to the Committee on Foreign Relations.

EC–7155. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with the United Kingdom for the production of Airborne TOW Missile Fire Control Systems (DTC 107–98); to the Committee on Foreign Relations.

EC–7156. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Japan for the production of AN/VPS–2 radar equipment (DTC 110–98); to the Committee on Foreign Relations.

EC–7157. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a proposed Manufacturing License Agreement with Japan for the production of T56–A–14 engines for P–3C aircraft (DTC 122–98); to the Committee on Foreign Relations.

EC–7158. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a list of international agreements other than treaties entered into by the United States (98–139 to 98–149); to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1405. A bill to provide for improved monetary policy and regulatory reform in financial institution management and activities, to streamline financial regulatory agency actions, to provide for improved consumer credit disclosure, and for other purposes (Rept. No. 105–346).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 378. A bill for the relief of Heraclio Tolley.

H.R. 379. A bill for the relief of Larry Errol Pieterse.

H.R. 2744. A bill for the relief of Chong Ho Kwak.

S. 1202. A bill providing relief for Sergio Lozano, Fauricio Lozano, and Ana Lozano.

S. 1460. A bill for the relief of Alexandre Malofienko, Olga Matsko, and their son Vladimir Malofienko.

S. 1551. A bill for the relief of Kerantha Poole-Christian.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 2151. A bill to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, euthanasia, or mercy killing of any individual.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 2235. A bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2253. A bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on Armed Services:

Bernard Daniel Rostker, of Virginia, to be Under Secretary of the Army.

James M. Bodner, of Virginia, to be Deputy Under Secretary of Defense for Policy.

Stephen W. Preston, of the District of Columbia, to be General Counsel of the Department of the Navy.

Herbert Lee Buchanan III, of Virginia, to be an Assistant Secretary of the Navy.

Jeh Charles Johnson, of New York, to be General Counsel of the Department of the Air Force.

Richard Danzig, of the District of Columbia, to be Secretary of the Navy.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named Reserve officer for appointment as Chief of the Air Force Reserve under title 10, U.S.C., section 8038:

To be Chief of the Air Force Reserve, United States Air Force

Maj. Gen. James E. Sherrard, III, 6641

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Robert W. Chedister, 3487

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Charles R. Heflebower, 8234

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Thomas R. Case, 2013

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Richard J. Hart, 0821

The following named officer for appointment as The Judge Advocate General of the United States Air Force and for appointment to the grade indicated under title 10, U.S.C., section 8037:

To be major general

Brig. Gen. William A. Moorman, 5251

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be general

Lt. Gen. Montgomery C. Meigs, 3239

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. William M. Steele, 0433

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility and title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. John Costello, 9581

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Ronald E. Adams, 5264

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Randolph W. House, 7507

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Davis S. Weisman, 2064

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel J. Petrosky, 1004

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be major general

Brig. Gen. Darrel W. McDaniel, 4512

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Gen. Eric K. Shinseki, 3256

The following named officer for appointment in the United States Marine Corps to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Michael J. Byron, 1295

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Keith W. Lippert, 1581
Rear Adm. (lh) Paul O. Soderberg, 9559

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

Capt. Mark R. Feichtinger, 3808
Capt. John A. Jackson, 3255
Capt. Sam H. Kupresin, 8757
Capt. John P. McLaughlin, 4645
Capt. James B. Plehal, 5145
Capt. Marke R. Shelley, 9994

The following named officers for appointment in the United States Naval Reserve to the grade indicated under title 10, U.S.C., section 12203:

To be rear admiral (Lower Half)

Capt. James S. Allan, 7214
Capt. Maurice B. Hill, Jr., 6455
Capt. Duret S. Smith, 6254
Capt. James M. Walley, Jr., 5129
Capt. Jerry D. West, 5130

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Vice Adm. Dennis C. Blair, 1618

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral (lower half)

Capt. David Architzel, 0741
Capt. Jose L. Betancourt, 0044
Capt. Annette E. Brown, 7474
Capt. Brian M. Calhoun, 7720
Capt. Kevin J. Cosgriff, 3968
Capt. Lewis W. Crenshaw, Jr., 4960
Capt. Joseph E. Enright, 8942
Col. Terrance T. Etnyre, 8044
Capt. Mark P. Fitzgerald, 2694
Capt. Jonathan W. Greenert, 8869
Capt. Charles H. Griffiths, Jr., 0725
Capt. Stephen C. Heilman, 2302
Capt. Curtis A. Kemp, 5881
Capt. Anthony W. Lenderich, 9020
Capt. Walter B. Massenburg, 4394
Capt. Michael G. Mathis, 4091
Capt. James K. Moran, 5752
Capt. Charles L. Munns, 9043
Capt. Richard B. Porterfield, 3989
Capt. Issac E. Richardson III, 4443
Capt. James A. Robb, 4692
Capt. Paul S. Schultz, 8203
Capt. Joseph A. Sestaak, Jr., 0962
Capt. David M. Stone, 6735
Capt. Steven J. Tomaszeski, 3394
Capt. John W. Townes III, 0177
Capt. Thomas E. Zelibor, 6272

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Vernon E. Clark, 8489

(The above nominations were reported with the recommendations that they be confirmed.)

Mr. THURMOND. Madam President, from the Committee on Armed Services, I report favorably the attached listing of nominations which were printed in full in the RECORDS of July 22, 1998, July 30, 1998, September 2 1998, September 3, 1998, September 10, 1998, September 11, 1998 and September 14, 1998, and ask unanimous consent, to save the expense of printing on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of July 22, 1998, July 30, 1998, September 2, 1998, September 3, 1998, September 10, 1998, September 11, 1998 and September 14, 1998, at the end of the Senate proceedings.)

In the Army nominations beginning *David W. Acuff, and ending *Michael E. Yarman, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

In the Navy nominations beginning Ann E.B. Adcook, and ending Thomas J. Yurik, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

In the Air Force nominations beginning Jeffrey C. Mabry, and ending Neal A. Thagard, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Army nominations beginning David W. Brooks, and ending Shelby R. Pearcy, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Navy nominations beginning David W. Adams, and ending John R. Anderson, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

In the Air Force nominations beginning Hart Jacobsen, and ending Henry S. Jordan, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Air Force nominations beginning Charles C. Armstead, and ending Scott A. Zuerlein, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Army nomination of Col. James G. Harris, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Marine Corps nomination of Lt. Col. Edward R. Cawthon, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Navy nominations beginning Thomas A. Buterbaugh, and ending Dermot P. Cashman, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Navy nominations beginning Dean A. Barsaleau, and ending James N. Rosenthal, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

In the Air Force nomination of Larry V. Zettwoch, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Army nomination of Carl W. Huff, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Army nominations beginning Robert D. Alston, and ending Earl R. Woods, Jr., which nominations were received by the Senate and appeared in the Congressional Record of September 3, 1998.

In the Navy nominations beginning John M. Adams, and ending Maureen J. Zeller, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

In the Navy nominations beginning Christopher L. Abbott, and ending Kevin S. Zumbar, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

In the Navy nominations beginning Daniel Avenancio, and ending Carl B. Weicksel, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

In the Navy nominations beginning Karla M. Abreuolson, and ending Glen A. Zurlo, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

In the Navy nominations beginning Leanne K. Aaby, and ending Michael J. Zucchero, which nominations were received by the Senate and appeared in the Congressional Record of September 14, 1998.

By Mr. THOMPSON, from the Committee on Governmental Affairs:

Patricia A. Broderick, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Harriett Rosen Taylor, term expired.

Natalia Combs Greene, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Stephen F. Eilperin.

Neal E. Kravitz, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, vice Paul Rainey Webber, III, term expired.

(The above nominations were reported with the recommendation that they be confirmed.)

Kenneth Prewitt, of New York, to be Director of the Census, vice Martha F. Riche, resigned.

Robert M. Walker, of Tennessee, to be Deputy Director of the Federal Emergency Management Agency, vice Harvey G. Ryland, resigned.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHISON, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. GREGG, Mr. SARBANES, Mr. CLELAND, and Mr. DODD):

S. 2514. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction, and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REID:

S. 2515. A bill to amend the Internal Revenue Code of 1986 to increase the amount of Social Security benefits exempt from tax for single taxpayers; to the Committee on Finance.

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 2516. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMS:

S. 2517. A bill to amend the Federal Crop Insurance Act to establish a pilot program commencing in crop year 2000 for a period of 2 years in certain States to provide improved crop insurance options for producers; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 2518. A bill to enhance family life; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. BURNS):

S. 2519. A bill to promote and enhance public safety through use of 9-1-1 as the universal emergency assistance number, further deployment of wireless 9-1-1 service, support of States in upgrading 9-1-1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. JOHNSON:

S. Res. 282. A resolution to express the sense of the Senate regarding social security and the budget surplus; to the Committee on the Budget and the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mrs. HUTCHINSON, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. GREGG, Mr. SARBANES, Mr. CLELAND, and Mr. DODD):

S. 2514. A bill to amend the Communications Act of 1934 to clarify State and local authority to regulate the placement, construction, and modification of broadcast transmission and telecommunications facilities, and for other purposes; to the Committee on Commerce, Science, and Transportation.

TELECOMMUNICATIONS LEGISLATION

• Mr. LEAHY. Mr. President, I am pleased to continue my strong objections to proposed Federal Communications Commission rules that could rob states and communities of the authority to decide where unsightly telecommunications towers should be built.

I am one of five Senators who voted against the Telecommunications Act of 1996. One of my fears was that the will and voice of states and local communities would be muzzled if that bill became law. Unfortunately, with the passage and implementation of the Telecommunications Act, my fears have been confirmed.

Mayors and citizens in Vermont towns and in towns across this nation are outraged that they have little control over the construction of these towers. This is especially troubling when communications technology is advancing so rapidly that large towers may become obsolete.

For example, some wireless phone providers offer the older analog wireless service. That is now being replaced by digital phone service in many parts of the nation. Analog providers could provide towerless service to towns by using an array of small antennas, instead of a large tower. Phone companies prefer to build one large tower with its switching equipment because that is cheaper than the switching equipment needed to control an array of small antennas. However, if a town does not want its landscape ruined with a tower, I think the company should be required to offer service through these smaller antennas.

Second, for companies offering the "newer" digital wireless phone service, other technologies are eliminating the need for large towers. The Iridium Corporation will offer phone service throughout the United States in the near future that is based on more than 60 low-earth-orbit satellites. Over time, this will provide a satellite communications link from any place in the world, even where no tower-based system is available.

In areas of the United States outside the range of cellular coverage the Iridium phone will connect you directly to the Iridium satellite network. Emergency communications—911 and disaster assistance—will be greatly aided with this development.

Hospitals, ambulances and other emergency service providers will be linked together by satellite directly from a hand held phone.

The Wall Street Journal reports that this service will cost more than regular cell phone service. However, they also report that other competitors and more efficiencies of scale are likely to bring down costs over time.

In addition, I have previously discussed how the towerless PCS-Over-Cable technology provides digital cellular phone service by using small antennas rather than large towers. These small antennas can be quickly attached to existing telephone poles, lamp posts or buildings and can provide quality wireless phone service without the use of towers. This technology is cheaper than most tower technology in part because the PCS-Over-Cable wireless provider does not have to purchase land to erect large towers.

Since there are viable and reasonable alternatives to providing wireless phone service through the use of towers, I think that towns should have some say in this matter. And I think that mayors, town officials and local citizens will agree with me.

Why should a large tower be forced on a town when wireless phone service can be provided without using a tower? Indeed, many argue that towerless phone service is much better in a disaster situation. During New England's ice storm, I am told that some towers collapsed. Tornadoes, earthquakes or hurricanes can destroy large telephone towers. But satellite phone service would not be affected by these disasters. Also, the PCS-Over-Cable technology is much less likely to be out of service for large areas during a disaster as compared to wireless phone service provided by large towers.

In addition, other advances in communications technology may also make towers obsolete even faster than anticipated.

This is one reason why I am so concerned about the federal government taking away the power of local communities to control where these towers are located. When big, unsightly towers are proposed to be located in the wrong place, towns should be able to just say no. And if the rules proposed by the FCC are implemented, towns will be further marginalized and even lose their input as to where the towers are placed.

As I have said before, I do not want Vermont turned into a pincushion, with 200 foot towers indiscriminately sprouting up on every mountain and in every valley. I have heard from many Vermonters, as well as town leaders and citizens from across the country, who are justifiably afraid that they are losing control over the siting, design, and construction of telecommunications towers and related facilities. They feel that state and local concerns are being sacrificed to the interests of a small part of the telecommunications industry that uses large towers.

Today I continue in my commitment to the preservation of state and local authority. I am joined by Senators JEFFORDS, HUTCHINSON, MOYNIHAN, FEINGOLD, GREGG, MOSELEY-BRAUN, SARBANES, DODD, and CLELAND in introducing legislation which would repeal the authority of the FCC to preempt state and local regulations affecting the placement of new telecommunications towers. This legislation expands and improves upon S. 1350, which I introduced one year ago.

Vermont communities and the state of Vermont must have a role in deciding where towers are going to go. They must be able to take into account the protection of Vermont's scenic beauty. This is true for other states as well.

In fact, by requiring the companies to work with Vermont towns, acceptable alternative locations of towers, acceptable co-location of antennas on existing towers, or the use of alternative towerless technology, could be suggested. This would be much better than allowing any company to just come in willy-nilly and plop down towers next to our backyards.

In my view passage of this bill will actually promote better emergency phone service, better phone service in disasters and the more advanced digital wireless phone service.

The bill I am introducing today will mandate that states and towns cannot be ignored in the spread of telecommunications towers. This bill will recognize that states and towns do have choices in this cellular age.

This bill also incorporates the concerns of the aviation industry. The Federal Aviation Administration presently does not have authority to regulate the siting of towers. Airport officials work with local governments in the siting of towers. Silencing local governments will have a direct effect on airline safety, according to the representatives of the airline industry that we have heard from.

In a comment letter responding to the FCC's proposed rule, the National Association of State Aviation Officials attacked preemption on the grounds that it "is contrary to the most fundamental principles of aviation safety * * * the proposed rule could result in the creation of hazards to aircraft and passengers at airports across the United States, as well as jeopardize safety on the ground." I cannot think of anyone who would want towers constructed irrespective of the negative and potentially dangerous impacts they may have on airplane flight and landing patterns.

Make no mistake. I am for progress, but not for ill-considered, so-called progress at the expense of Vermont families, towns and homeowners. Vermont can protect its rural and natural beauty while still providing for the amazing opportunities offered by these technological advances.

To deprive states of the ability to protect their land from unsightly towers is wrong, and the FCC rules should not stand. My legislation would reaffirm that states have a role to play in where telecommunications towers are placed and providing alternates to wireless providers.

I ask unanimous consent that this new legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) The placement of commercial telecommunications, radio, or television towers near homes can greatly reduce the value of such homes, destroy the views from such homes, and reduce substantially the desire to live in such homes.

(2) States and localities should be able to exercise control over the siting and modification of such towers through the use of zoning, planned growth, and other controls relating to the protection of the environment and public safety.

(3) There are alternatives to the construction of towers to meet telecommunications and broadcast needs, including the co-location of antennae on existing towers or structures, towerless PCS-Over-Cable telephone service, satellite television systems, low-Earth orbit satellite communication networks, and other alternative technologies.

(4) There are alternative methods of designing towers to meet telecommunications and broadcast needs, including the use of small towers that do not require blinking aircraft safety lights, break skylines, or protrude above tree canopies and that are camouflaged or disguised to blend with their surroundings, or both.

(5) On August 19, 1997, the Federal Communications Commission issued a proposed rule, MM Docket No. 97-182, which would preempt the application of State and local zoning and land use ordinances regarding the placement of broadcast transmission facilities. It is in the interest of the Nation that the Commission not adopt this rule.

(6) It is in the interest of the Nation that the memoranda opinions and orders and proposed rules of the Commission with respect to application of certain ordinances to the placement of such towers (WT Docket No. 97-192, ET Docket No. 93-62, RM-8577, and FCC 97-303, 62 F.R. 47960) be modified in order to permit State and local governments to exercise their zoning and land use authorities, and their power to protect public health and safety, to regulate the placement of telecommunications or broadcast towers and to place the burden of proof in civil actions, and in actions before the Commission relating to the placement of such towers, on the person or entity that seeks to place, construct, or modify such towers.

(7) PCS-Over-Cable or satellite telecommunications systems, including low-Earth orbit satellites, offer a significant opportunity to provide so-called "911" emergency telephone service throughout much of the United States.

(8) According to the Comptroller General, the Commission does not consider itself a health agency and turns to health and radiation experts outside the Commission for guidance on the issue of health effects of radio frequency exposure.

(9) The Federal Aviation Administration does not have the authority to regulate the siting of personal wireless telephone or broadcast transmission towers near airports or high-volume air traffic areas such as corridors of airspace or commonly used flyways. The Commission's proposed rules to preempt State and local zoning and land-use restrictions for the siting of such towers will have a serious negative impact on aviation safety, airport capacity and investment, and the efficient use of navigable airspace.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To repeal certain limitations on State and local authority regarding the placement, construction, and modification of personal wireless service towers and related facilities as such limitations arise under section 332(c)(7) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)).

(2) To permit State and local governments—

(A) in cases where the placement, construction, or modification of personal wireless service telephone and broadcast towers and other facilities is inconsistent with State and local requirements or decisions, to require the use of alternative telecommunication or broadcast technologies when such alternative technologies are available; and

(B) to regulate the placement of such towers so that their location or modification will not interfere with the safe and efficient use of public airspace or otherwise compromise or endanger public safety.

SEC. 2. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF BROADCAST TRANSMISSION AND OTHER TELECOMMUNICATIONS FACILITIES.

(a) REPEAL OF LIMITATIONS ON REGULATION OF PERSONAL WIRELESS FACILITIES.—Section 332(c)(7)(B) of the Communications Act of 1934 (47 U.S.C. 332(c)(7)(B)) is amended—

(1) in clause (i), by striking "thereof—" and all that follows through the end and inserting "thereof shall not unreasonably discriminate among providers of functionally equivalent services.";

(2) by striking clause (iv);

(3) by redesignating clause (v) as clause (iv); and

(4) in clause (iv), as so redesignated—

(A) in the first sentence, by striking "30 days after such action or failure to act" and inserting "30 days after exhaustion of any administrative remedies with respect to such action or failure to act"; and

(B) by striking the third sentence and inserting the following: "In any such action in which a person seeking to place, construct, or modify a tower facility is a party, such person shall bear the burden of proof.".

(b) PROHIBITION ON ADOPTION OF RULE REGARDING PREEMPTION OF STATE AND LOCAL AUTHORITY OVER BROADCAST TRANSMISSION FACILITIES.—Notwithstanding any other provision of law, the Federal Communications Commission may not adopt as a final rule the proposed rule set forth in "Preemption of State and Local Zoning and Land Use Restrictions on Siting, Placement and Construction of Broadcast Station Transmission Facilities", MM Docket No. 97-182, released August 19, 1997.

(c) AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF OTHER TRANSMISSION TOWERS.—Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following:

"SEC. 337. STATE AND LOCAL AUTHORITY OVER PLACEMENT, CONSTRUCTION, AND MODIFICATION OF TELECOMMUNICATIONS AND BROADCAST TOWERS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act may be interpreted to authorize any person to place, construct, or modify a broadcast tower or telecommunications tower in a manner that is inconsistent with State or local law, or contrary to an official decision of the appropriate State or local government entity having authority to approve, license, modify, or deny an application to place, construct, or modify a tower, if alternate technology is capable of delivering the broadcast or telecommunications signals without the use of a tower.

"(b) AUTHORITY REGARDING PRODUCTION OF SAFETY STUDIES.—No provision of this Act may be interpreted to prohibit a State or local government from—

"(1) requiring a person seeking authority to locate telecommunications facilities or broadcast transmission facilities within the jurisdiction of such government to produce—

"(A) environmental studies, engineering reports, or other documentation of the compliance of such facilities with radio frequency exposure limits established by the Commission; and

"(B) documentation of the compliance of such facilities with applicable Federal, State, and local aviation safety standards or aviation obstruction standards regarding objects effecting navigable airspace; or

"(2) refusing to grant authority to such person to locate such facilities within the jurisdiction of such government if such person fails to produce any studies, reports, or documentation required under paragraph (1).".•

• Mrs. HUTCHISON. Mr. President, I am pleased to join forces with Senators LEAHY and JEFFORDS to introduce legislation which confirms that zoning decisions should be the providence of local governments, not overseen by the Federal Communications Commission through the use of preemption authority.

It has been my position for some time that the FCC does not have a role to play in local zoning, right of way management and franchising decisions. I fought hard during consideration of the Communications Act of 1996 to ensure that local governments have the right to exercise these fundamental authorities. The issues associated with the use and value of property, public and private, are most appropriately considered at the levels of government closest to the citizenry. Local governments can balance the needs of commerce and the use of property. If their judgment is subject to question, it should be reviewed by the court system. It should not be checked by a federal regulator, who is far less able to calculate the totality of a community's interest.

This legislation is needed because local governments have contended with a proposed FCC rule to preempt local authority over the placement of broadcast towers. The rule, I understand, has been withdrawn as a result of an agreement between the FCC, local and state government interests and telecommunications industry interests under the auspices of the FCC's "Local and State Government Advisory Committee." This agreement provides for facilities siting guidelines and informal dispute resolution. I applaud this agreement. I believe it represents the reality that local governments, in the main, do want to work cooperatively with telecommunications providers who want to serve the residents of a community.

However, I believe that this legislation is still necessary. The FCC simply should not have the authority to preempt local zoning decisions.

I look forward to working on the progress of this bill with my co-sponsors and appreciate the opportunity to act in support of the exercise of local authority.•

By Mr. REID:

S. 2515. A bill to amend the Internal Revenue Code of 1986 to increase the amount of Social Security benefits exempt from tax for single taxpayers; to the Committee on Finance.

SENIOR CITIZEN TAX REDUCTION ACT OF 1998

• Mr. REID. Mr. President, today I introduce legislation which will help alleviate a tax burden for senior citizens with modest incomes.

Until 1984, Federal taxes were not imposed on social security benefits. People pay taxes their whole working life for social security benefits and I do not believe that these payments should be taxed when they retire.

This legislation will help those single persons, widows and widowers with moderate incomes to keep more of their own money in their own pockets. When you responsibly plan for your retirement, you should be able to count on your government to meet its obligations under the contract you've made with social security.

Under current law, there is first, a calculation to determine whether any of your social security benefits are taxable. The base amount is $25,000 for singles and $32,000 for married persons. This base amount is figured by taking one-half of your social security benefits and adding in your other income. If you are single and the result is under $25,000, you don't pay taxes on your social security benefit. If the amount is over this base amount, then a further calculation is done to figure what portion of your social security benefit is taxable.

This further calculation determines how much of a person's benefit is taxed and the answer depends on the total amount of a person's social security benefit and their other income. Right now, if the total of one-half of your benefits and all your other income is more than $34,000 for a single person and $44,000 for married persons, up to 85% of your benefits could be taxable. My legislation increases the single amount to $44,000.

Let me give you an example of the effect my law would have. A widow has $37,000 total income consisting of $10,000 in social security benefits and $27,000 in other income. So for this widow, she adds half of her social security benefit which is $5,000 and her other income of $27,000 for a total of $32,000. Under the current law, since she has over $25,000 total income, she does the next calculation. The result is that she has to include $3,500 of her social security benefits in her adjusted gross income. Under my legislation, none of her social security benefits would be taxable.

While I realize that this may be considered a small step in removing an unfair tax burden, it is also an important first step to those seniors who have made America the greatest country in the world. I encourage the committee to give favorable consideration to our legislation.•

By Mr. GRASSLEY (for himself and Mr. DURBIN):

S. 2516. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes; to the Committee on the Judiciary.

THE FEDERAL COURTS IMPROVEMENT ACT OF 1998

Mr. GRASSLEY. Mr. President, today, along with my colleague from Illinois, Senator DURBIN, I am introducing the Federal Courts Improvement Act of 1998. As chairman of the Judiciary Subcommittee on Administrative Oversight and the Courts, it is my responsibility to review federal court processes and procedures. Every two years or so, the Congress receives an official request from the Judicial Conference, the governing body of the federal courts, that include changes in the law the Judicial Conference believes is necessary to improve the functioning of the courts.

After reviewing the latest official request from the Judicial Conference, Senator DURBIN, who is the ranking member of the subcommittee, and I worked together in putting together a modification of this request to introduce as legislation. We are introducing this legislation today.

The bill contains four different titles including numerous changes in subjects such as judicial financial administration, judicial process improvements, judicial personnel administration, other personnel matters and federal public defenders. While many of these items may not be essential for the court system to operate, they will certainly help the system function better, and hopefully, more effectively.

Mr. President, it is my hope that we can consider this bill and pass it during these last few weeks of this Congress. I will work with Senator DURBIN to try and make that happen. I urge my colleagues to support us in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Courts Improvement Act of 1998.".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—JUDICIAL FINANCIAL ADMINISTRATION

Sec. 101. Extension of Judiciary Information Technology Fund.
Sec. 102. Bankruptcy fees.
Sec. 103. Disposition of miscellaneous fees.

TITLE II—JUDICIAL PROCESS IMPROVEMENTS

Sec. 201. Extension of statutory authority for magistrate judge positions to be established in the district courts of Guam and the Northern Mariana Islands.
Sec. 202. Magistrate judge contempt authority.
Sec. 203. Consent to magistrate judge authority in petty offense cases and magistrate judge authority in misdemeanor cases involving juvenile defendants.
Sec. 204. Savings and loan data reporting requirements.
Sec. 205. Membership in circuit judicial councils.
Sec. 206. Sunset of civil justice expense and delay reduction plans.
Sec. 207. Repeal of Court of Federal Claims filing fee.
Sec. 208. Technical bankruptcy correction.
Sec. 209. Technical amendment relating to the treatment of certain bankruptcy fees collected.

TITLE III—JUDICIAL PERSONNEL ADMINISTRATION, BENEFITS, AND PROTECTIONS

Sec. 301. Judicial administrative officials retirement matters.
Sec. 302. Travel expenses of judges.
Sec. 303. Transfer of county to Middle District of Pennsylvania.
Sec. 304. Payments to military survivors benefits plan.
Sec. 305. Creation of certifying officers in the judicial branch.
Sec. 306. Authority to prescribe fees for technology resources in the courts.

TITLE IV—FEDERAL PUBLIC DEFENDERS

Sec. 401. Tort Claims Act amendment relating to liability of Federal public
defenders.

TITLE I—JUDICIAL FINANCIAL ADMINISTRATION

SEC. 101. EXTENSION OF JUDICIARY INFORMATION TECHNOLOGY FUND.

Section 612 of title 28, United States Code, is amended—

(1) by striking "equipment" each place it appears and inserting "resources";

(2) by striking subsection (f) and redesignating subsequent subsections accordingly;

(3) in subsection (g), as so redesignated, by striking paragraph (3); and

(4) in subsection (i), as so redesignated—

(A) by striking "Judiciary" each place it appears and inserting "judiciary";

(B) by striking "subparagraph (c)(1)(B)" and inserting "subsection (c)(1)(B)"; and

(C) by striking "under (c)(1)(B)" and inserting "under subsection (c)(1)(B)".

SEC. 102. BANKRUPTCY FEES.

Subsection (a) of section 1930 of title 28, United States Code, is amended by adding at the end the following new paragraph:

"(7) In districts that are not part of a United States trustee region as defined in section 581 of this title, the Judicial Conference of the United States may require the debtor in a case under chapter 11 of title 11 to pay fees equal to those imposed by paragraph (6) of this subsection. Such fees shall be deposited as offsetting receipts to the fund established under section 1931 of this title and shall remain available until expended.".

SEC. 103. DISPOSITION OF MISCELLANEOUS FEES.

For fiscal year 1999 and thereafter, any portion of miscellaneous fees collected as prescribed by the Judicial Conference of the United States pursuant to sections 1913, 1914(b), 1926(a), 1930(b), and 1932 of title 28, United States Code, exceeding the amount of such fees in effect on September 30, 1998, shall be deposited into the special fund of the Treasury established under section 1931 of title 28, United States Code.

TITLE II—JUDICIAL PROCESS IMPROVEMENTS

SEC. 201. EXTENSION OF STATUTORY AUTHORITY FOR MAGISTRATE JUDGE POSITIONS TO BE ESTABLISHED IN THE DISTRICT COURTS OF GUAM AND THE NORTHERN MARIANA ISLANDS.

Section 631 of title 28, United States Code, is amended—

(1) by striking the first two sentences of subsection (a) and inserting the following: "The judges of each United States district court and the district courts of the Virgin Islands, Guam, and the Northern Mariana Islands shall appoint United States magistrate judges in such numbers and to serve at such locations within the judicial districts as the Judicial Conference may determine under this chapter. In the case of a magistrate judge appointed by the district court of the Virgin Islands, Guam, or the Northern Mariana Islands, this chapter shall apply as though the court appointing such a magistrate judge were a United States district court."; and

(2) by inserting in the first sentence of paragraph (1) of subsection (b) after "Commonwealth of Puerto Rico," the following: "the Territory of Guam, the Commonwealth of the Northern Mariana Islands,".

SEC. 202. MAGISTRATE JUDGE CONTEMPT AUTHORITY.

Section 636(e) of title 28, United States Code, is amended to read as follows:

"(e) CONTEMPT AUTHORITY.—

"(1) IN GENERAL.—A United States magistrate judge serving under this chapter shall have within the territorial jurisdiction prescribed by his or her appointment the power to exercise contempt authority as set forth in this subsection.

"(2) SUMMARY CRIMINAL CONTEMPT AUTHORITY.—A magistrate judge shall have the power to punish summarily by fine or imprisonment such contempt of his or her authority constituting misbehavior of any person in the magistrate judge's presence so as to obstruct the administration of justice. The order of contempt shall be issued pursuant to the Federal Rules of Criminal Procedure.

"(3) ADDITIONAL CRIMINAL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge shall have the power to punish by fine or imprisonment criminal contempt constituting disobedience or resistance to the magistrate judge's lawful writ, process, order, rule, decree, or command. Disposition of such contempt shall be conducted upon notice and hearing pursuant to the Federal Rules of Criminal Procedure.

"(4) CIVIL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge may exercise the civil contempt authority of the district court. This paragraph shall not be construed to limit the authority of a magistrate judge to order sanctions pursuant to any other statute, the Federal Rules of Civil Procedure, or the Federal Rules of Criminal Procedure.

"(5) CRIMINAL CONTEMPT PENALTIES.—The sentence imposed by a magistrate judge for any criminal contempt provided for in paragraphs (2) and (3) shall not exceed the penalties for a Class C misdemeanor as set forth in sections 3581(b)(8) and 3571(b)(6) of title 18.

"(6) CERTIFICATION OF OTHER CONTEMPTS TO THE DISTRICT COURT.—Upon the commission of any such act—

"(A) in any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, or in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, that may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5) of this subsection; or

"(B) in any other case or proceeding under subsection (a) or (b) of this section, or any other statute, where—

"(i) the act committed in the magistrate judge's presence may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5) of this subsection;

"(ii) the act that constitutes a criminal contempt occurs outside the presence of the magistrate judge; or

"(iii) the act constitutes a civil contempt,

the magistrate judge shall forthwith certify the facts to a district judge and may serve or cause to be served upon any person whose behavior is brought into question under this paragraph an order requiring such person to appear before a district judge upon a day certain to show cause why he or she should not be adjudged in contempt by reason of the facts so certified. The district judge shall thereupon hear the evidence as to the act or conduct complained of and, if it is such as to warrant punishment, punish such person in the same manner and to the same extent as for a contempt committed before a district judge.

"(7) APPEALS OF MAGISTRATE JUDGE CONTEMPT ORDERS.—The appeal of an order of contempt pursuant to this subsection shall be made to the court of appeals in cases proceeding under subsection (c) of this section. In any other proceeding in which a United States magistrate judge presides under subsection (a) or (b) of this section, section 3401 of title 18, or any other statute, the appeal of a magistrate judge's summary contempt order shall be made to the district court.".

SEC. 203. CONSENT TO MAGISTRATE JUDGE AUTHORITY IN PETTY OFFENSE CASES AND MAGISTRATE JUDGE AUTHORITY IN MISDEMEANOR CASES INVOLVING JUVENILE DEFENDANTS.

(a) AMENDMENTS TO TITLE 18.—

(1) PETTY OFFENSE CASES.—Section 3401(b) of title 18, United States Code, is amended by striking "that is a class B misdemeanor charging a motor vehicle offense, a class C misdemeanor, or an infraction," after "petty offense".

(2) Cases involving juveniles.—Section 3401(g) of title 18, United States Code, is amended—

(A) by striking the first sentence and inserting the following: "The magistrate judge may, in a petty offense case involving a juvenile, exercise all powers granted to the district court under chapter 403 of this title.";

(B) in the second sentence by striking "any other class B or C misdemeanor case" and inserting "the case of any misdemeanor, other than a petty offense,"; and

(C) by striking the last sentence.

(b) Amendments to Title 28.—Section 636(a) of title 28, United States Code, is amended by striking paragraphs (4) and (5) and inserting in the following:

"(4) the power to enter a sentence for a petty offense; and

"(5) the power to enter a sentence for a class A misdemeanor in a case in which the parties have consented.".

SEC. 204. SAVINGS AND LOAN DATA REPORTING REQUIREMENTS.

Section 604 of title 28, United States Code, is amended in subsection (a) by striking the second paragraph designated (24).

SEC. 205. MEMBERSHIP IN CIRCUIT JUDICIAL COUNCILS.

Section 332(a) of title 28, United States Code, is amended—

(1) by striking paragraph (3) and inserting the following:

"(3) Except for the chief judge of the circuit, either judges in regular active service or judges retired from regular active service under section 371(b) of this title may serve as members of the council. Service as a member of a judicial council by a judge retired from regular active service under section 371(b) may not be considered for meeting the requirements of section 371(f) (1)(A), (B), or (C)."; and

(2) in paragraph (5) by striking "retirement," and inserting "retirement under section 371(a) or section 372(a) of this title,".

SEC. 206. SUNSET OF CIVIL JUSTICE EXPENSE AND DELAY REDUCTION PLANS.

Section 103(b)(2)(A) of the Civil Justice Reform Act of 1990 (Public Law 101–650; 104 Stat. 5096; 28 U.S.C. 471 note), as amended by Public Law 105–53 (111 Stat. 1173), is amended by inserting "471," after "sections".

SEC. 207. REPEAL OF COURT OF FEDERAL CLAIMS FILING FEE.

Section 2520 of title 28, United States Code, and the item relating to such section in the table of contents for chapter 165 of such title, are repealed.

SEC. 208. TECHNICAL BANKRUPTCY CORRECTION.

Section 1228 of title 11, United States Code, is amended by striking "1222(b)(10)" each place it appears and inserting "1222(b)(9)".

SEC. 209. TECHNICAL AMENDMENT RELATING TO THE TREATMENT OF CERTAIN BANKRUPTCY FEES COLLECTED.

(a) Amendment.—The first sentence of section 406(b) of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1990 (Public Law 101–162; 103 Stat. 1016; 28 U.S.C. 1931 note) is amended by striking "service enumerated after item 18" and inserting "service not of a kind described in any of the items enumerated as items 1 through 7 and as items 9 through 18, as in effect on November 21, 1989,".

(b) Application of Amendment.—The amendment made by subsection (a) shall not apply with respect to fees collected before the date of the enactment of this Act.

TITLE III—JUDICIAL PERSONNEL ADMINISTRATION, BENEFITS, AND PROTECTIONS

SEC. 301. JUDICIAL ADMINISTRATIVE OFFICIALS RETIREMENT MATTERS.

(a) Director of Administrative Office.—Section 611 of title 28, United States Code, is amended—

(1) in subsection (d), by inserting "a congressional employee in the capacity of primary administrative assistant to a Member of Congress or in the capacity of staff director or chief counsel for the majority or the minority of a committee or subcommittee of the Senate or House of Representatives," after "Congress,";

(2) in subsection (b)—

(A) by striking "who has served at least fifteen years and" and inserting "who has at least fifteen years of service and has"; and

(B) in the first undesignated paragraph, by striking "who has served at least ten years," and inserting "who has at least ten years of service,"; and

(3) in subsection (c)—

(A) by striking "served at least fifteen years," and inserting "at least fifteen years of service,"; and

(B) by striking "served less than fifteen years," and inserting "less than fifteen years of service,".

(b) Director of the Federal Judicial Center.—Section 627 of title 28, United States Code, is amended—

(1) in subsection (e), by inserting "a congressional employee in the capacity of primary administrative assistant to a Member of Congress or in the capacity of staff director or chief counsel for the majority or the minority of a committee or subcommittee of the Senate or House of Representatives," after "Congress,";

(2) in subsection (c)—

(A) by striking "who has served at least fifteen years and" and inserting "who has at least fifteen years of service and has"; and

(B) in the first undesignated paragraph, by striking "who has served at least ten years," and inserting "who has at least ten years of service,"; and

(3) in subsection (d)—

(A) by striking "served at least fifteen years," and inserting "at least fifteen years of service,"; and

(B) by striking "served less than fifteen years," and inserting "less than fifteen years of service,".

SEC. 302. TRAVEL EXPENSES OF JUDGES.

Section 456 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(h)(1) In this subsection, the term 'travel expenses'—

"(A) means the expenses incurred by a judge for travel that is not directly related to any case assigned to such judge; and

"(B) shall not include the travel expenses of a judge if—

"(i) the payment for the travel expenses is paid by such judge from the personal funds of such judge; and

"(ii) such judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

"(2)(A) Each circuit judge of a court of appeals shall annually submit the information required under paragraph (3) to the chief judge for the circuit in which the judge is assigned.

"(B) Each district judge shall annually submit the information required under paragraph (3) to the chief judge for the district in which the judge is assigned.

"(3)(A) Each chief judge of each circuit and each district shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each judge assigned to the applicable circuit or district (including the travel expenses of the chief judge of such circuit or district).

"(B) The annual report under this paragraph shall include—

"(i) the travel expenses of each judge, with the name of the judge to whom the travel expenses apply;

"(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the judge to whom the travel applies; and

"(iii) the number of days of each travel described under clause (ii), with the name of the judge to whom the travel applies.

"(4)(A) The Director of the Administrative Office of the United States Courts shall—

"(i) consolidate the reports submitted under paragraph (3) into a single report; and

"(ii) annually submit such consolidated report to Congress.

"(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).".

SEC. 303. TRANSFER OF COUNTY TO MIDDLE DISTRICT OF PENNSYLVANIA.

(a) Transfer.—Section 118 of title 28, United States Code, is amended—

(1) in subsection (a) by striking "Philadelphia, and Schuylkill" and inserting "and Philadelphia"; and

(2) in subsection (b) by inserting "Schuylkill," after "Potter,".

(b) Effective Date.—

(1) In general.—This section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) Pending cases not affected.—This section and the amendments made by this section shall not affect any action commenced before the effective date of this section and pending on such date in the United States District Court for the Eastern District of Pennsylvania.

(3) Juries not affected.—This section and the amendments made by this section shall not affect the composition, or preclude the service, of any grand or petit jury summoned, impaneled, or actually serving on the effective date of this section.

SEC. 304. PAYMENTS TO MILITARY SURVIVORS BENEFITS PLAN.

Section 371(e) of title 28, United States Code, is amended by inserting after "such retired or retainer pay" the following: ", except such pay as is deductible from the retired or retainer pay as a result of participation in any survivor's benefits plan in connection with the retired pay,".

SEC. 305. CREATION OF CERTIFYING OFFICERS IN THE JUDICIAL BRANCH.

(a) Appointment of Disbursing and Certifying Officers.—Chapter 41 of title 28, United States Code, is amended by adding at the end the following new section:

"§ 613. Disbursing and certifying officers

"(a) Disbursing Officers.—The Director may designate in writing officers and employees of the judicial branch of the Government, including the courts as defined in section 610 other than the Supreme Court, to be disbursing officers in such numbers and locations as the Director considers necessary. Such disbursing officers shall—

"(1) disburse moneys appropriated to the judicial branch and other funds only in strict accordance with payment requests certified by the Director or in accordance with subsection (b);

"(2) examine payment requests as necessary to ascertain whether they are in proper form, certified, and approved; and

"(3) be held accountable for their actions as provided by law, except that such a disbursing officer shall not be held accountable or responsible for any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificate for which a certifying officer is responsible under subsection (b).

"(b) CERTIFYING OFFICERS.—(1) The Director may designate in writing officers and employees of the judicial branch of the Government, including the courts as defined in section 610 other than the Supreme Court, to certify payment requests payable from appropriations and funds. Such certifying officers shall be responsible and accountable for—

"(A) the existence and correctness of the facts recited in the certificate or other request for payment or its supporting papers;

"(B) the legality of the proposed payment under the appropriation or fund involved; and

"(C) the correctness of the computations of certified payment requests.

"(2) The liability of a certifying officer shall be enforced in the same manner and to the same extent as provided by law with respect to the enforcement of the liability of disbursing and other accountable officers. A certifying officer shall be required to make restitution to the United States for the amount of any illegal, improper, or incorrect payment resulting from any false, inaccurate, or misleading certificates made by the certifying officer, as well as for any payment prohibited by law or which did not represent a legal obligation under the appropriation or fund involved.

"(c) RIGHTS.—A certifying or disbursing officer—

"(1) has the right to apply for and obtain a decision by the Comptroller General on any question of law involved in a payment request presented for certification; and

"(2) is entitled to relief from liability arising under this section in accordance with title 31.

"(d) OTHER AUTHORITY NOT AFFECTED.—Nothing in this section affects the authority of the courts with respect to moneys deposited with the courts under chapter 129 of this title.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 41 of title 28, United States Code, is amended by adding at the end the following item:

"613. Disbursing and certifying officers.".

(c) RULE OF CONSTRUCTION.—The amendment made by subsection (a) shall not be construed to authorize the hiring of any Federal officer or employee.

(d) DUTIES OF DIRECTOR.—Paragraph (8) of subsection (a) of section 604 of title 28, United States Code, is amended to read as follows:

"(8) Disburse appropriations and other funds for the maintenance and operation of the courts;".

SEC. 306. AUTHORITY TO PRESCRIBE FEES FOR TECHNOLOGY RESOURCES IN THE COURTS.

(a) IN GENERAL.—Chapter 41 of title 28, United States Code, is amended by adding at the end the following:

"§ 614. Authority to prescribe fees for technology resources in the courts

"The Judicial Conference is authorized to prescribe reasonable fees pursuant to sections 1913, 1914, 1926, 1930, and 1932, for collection by the courts for use of information technology resources provided by the judiciary for remote access to the courthouse by litigants and the public, and to facilitate the electronic presentation of cases. Fees under this section may be collected only to cover the costs of making such information technology resources available for the purposes set forth in this section. Such fees shall not be required of persons financially unable to pay them. All fees collected under this section shall be deposited in the Judiciary Information Technology Fund and be available to the Director without fiscal year limitation to be expended on information technology resources developed or acquired to advance the purposes set forth in this section.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 41 of title 28, United States Code, is amended by adding at the end the following new item:

"614. Authority to prescribe fees for technology resources in the courts.".

(c) TECHNICAL AMENDMENT.—Chapter 123 of title 28, United States Code, is amended—

(1) by redesignating the section 1932 entitled "Revocation of earned release credit" as section 1933 and placing it after the section 1932 entitled "Judicial Panel on Multidistrict Litigation"; and

(2) in the table of sections by striking the 2 items relating to section 1932 and inserting the following:

"1932. Judicial Panel on Multidistrict Litigation.

"1933. Revocation of earned release credit.".

TITLE IV—FEDERAL PUBLIC DEFENDERS

SEC. 401. TORT CLAIMS ACT AMENDMENT RELATING TO LIABILITY OF FEDERAL PUBLIC DEFENDERS.

Section 2671 of title 28, United States Code, is amended in the second undesignated paragraph—

(1) by inserting "(1)" after "includes"; and

(2) by striking the period at the end and inserting the following: ", and (2) any officer or employee of a Federal public defender organization, except when such officer or employee performs professional services in the course of providing representation under section 3006A of title 18.".

By Mr. GRAMS:

S. 2517. A bill to amend the Federal Crop Insurance Act to establish a pilot program commencing in crop year 2000 for a period of 2 years in certain States to provide improved crop insurance options for producers; to the Committee on Agriculture, Nutrition, and Forestry.

THE CROP INSURANCE REFORM ACT

Mr. GRAMS. Mr. President, I rise today to introduce a bill which takes an important step toward improving the nation's federal crop insurance program—the "Crop Insurance Reform Act."

Over the last year, we have witnessed devastating circumstances come together to create a crisis atmosphere for many of our nation's farmers. I know that in my own state of Minnesota, multiple years of wet weather and crop disease—especially scab—coupled with rising production costs and plummeting commodity prices is wiping out family farms in record numbers.

With the increased opportunities that accompany Freedom to Farm come increased risks. We've seen this first hand.

Freedom to Farm can work, but a necessary component of it is an adequate crop insurance program. This component has been missing so far. One of the promises made during debate of the 1996 Farm Bill was that Congress would address the need for better crop insurance.

We must not let another growing season pass without having instituted a new, effective crop insurance program. This overhaul is a major undertaking, but instituting a program of comprehensive reform must be a priority upon our return in January.

And, we must start the debate now so that we can have the best system in place in time. The bill I'm introducing today is a first step. It is the result of months of work from my Minnesota Crop Insurance Work Group.

The Work Group consists of various commodity groups, farm organizations, rural lenders, and agriculture economists. We have also worked closely with USDA's Farm Service and Risk Management Agencies. But it was my primary intention to assemble a committee of farmers and lenders—people who know the situation and have seen the problems first hand.

The Crop Insurance Reform Act is designed to address the coverage decision a farmer must make at the initial stages of purchasing crop insurance.

This bill allows more options for producers to choose from when making risk-management decisions. It essentially provides farmers with an enhanced coverage product at a more affordable price.

Currently, producer premium subsidies range from nearly 42% at the 100% price election for 65% coverage, to only 13% at the 100% price election for 85% coverage. Producers continue to stress that, although the Risk Management Agency has recently provided better product options, the subsidy levels at the higher ends of coverage make them cost prohibitive.

This bill will put in place a flat subsidy level of 29% across the 100% price election and at all levels of coverage. This will adjust the producer premiums to make better coverage more affordable.

When farmers are armed with the necessary risk management tools, everybody saves. The government saves in ad hoc disaster payments, arguably the most expensive way to address any kind of financial crisis. But more importantly, the family farmer saves.

This bill is just the beginning of reform. Over the next few months, I will continue to work with my Crop Insurance Work Group, and my colleagues, Senators LUGAR and ROBERTS, to craft a comprehensive program which directly benefits producers and protects the taxpayers.

By Mr. MOYNIHAN:

S. 2518. A bill to enhance family life; to the Committee on Finance.

THE ENHANCING FAMILY LIFE ACT OF 1998

Mr. MOYNIHAN. Mr. President, today I introduce the Enhancing Family Life Act of 1998, a bill inspired by an extraordinary set of proposals by one of our nation's most eminent social scientists, Professor James Q. Wilson. On December 4, 1997, I had the honor of hearing Professor Wilson—who is an old and dear friend—deliver the Francis Boyer Lecture at the American Enterprise Institute (AEI). The Boyer Lecture is delivered at AEI's annual dinner by a thinker who has "made notable intellectual or practical contributions to improved public policy and social welfare." Previous Boyer lecturers have included Irving Kristol, Alan Greenspan, and Henry Kissinger. In his lecture, Professor Wilson argued that "two nations" now exist within the United States. He said:

> In one nation, a child, raised by two parents, acquires an education, a job, a spouse, and a home kept separate from crime and disorder by distance, fences, or guards. In the other nation, a child is raised by an unwed girl, lives in a neighborhood filled with many sexual men but few committed fathers, and finds gang life to be necessary for self-protection and valuable for self-advancement.

Sadly, this is an all-too-accurate portrait of the American underclass, the problems of which have been the focus of decades of unsuccessful welfare reform and crime control efforts. We have tried a great many "solutions," as Professor Wilson notes:

> Congress has devised community action, built public housing, created a Job Corps, distributed Food Stamps, given federal funds to low-income schools, supported job training, and provided cash grants to working families.

Yet still we are faced with two nations. Professor Wilson explains why: "[t]he family problem lies at the heart of the emergency of two nations." He notes that as our families become weaker—as more and more American children are born outside of marriage and raised by one, not two, parents—the foundation of our society becomes weaker. This deterioration helps to explain why, as reported by the Census Bureau today, the poverty rate for American children is almost twice that for adults aged 18 to 64 (19.9 percent for children versus 10.9 percent for adults). And it grows increasingly difficult for government to address the problems of that "second nation." Professor Wilson even quotes the Senator from New York to this effect: "If you expect a government program to change families, you know more about government than I do."

Even so, Jim Wilson, quite characteristically, has fresh ideas about what might help. On the basis of recent scholarly research, and common sense, he urged in the Boyer lecture that we refocus our attention on the vital period of early childhood. I was so impressed with his lecture that afterward I set about writing a bill to put his recommendations into effect.

The Enhancing Family Life Act of 1998 contains four key elements, all of which are related to families. First, it supports "second chance" maternity homes for unwed teenage mothers. These are group homes where young women would live with their children under strict adult supervision and have the support necessary to become productive members of society. The bill provides $45 million a year to create such homes or expand existing ones.

Second, it promotes adoption. The bill expands the number of children in foster care eligible for federal adoption incentives. Too many children drift in foster care; we should do more to find them permanent homes. The bill also encourages states to experiment with "per capita" approaches to finding these permanent homes for foster children, a strategy Kansas has used with success.

Third, it funds collaborative early childhood development programs. Recent research has reminded us of the critical importance of the first few years of a child's life. States would have great flexibility in the use of these funds; for example, the money could be used for pre-school programs for poor children or home visits of parents of young children. It provides $3.75 billion over five years for this purpose.

Finally, the legislation creates a new education assistance program to enable more parents to remain home with young children. A parent who temporarily leaves the work force to raise a child would be eligible for an educational grant, similar to the Pell Grant, to help the parent enter, or reenter, the labor market with skills and credentials necessary for success in today's economy once the child is older.

Mr. President, this bill is a starting point. It is what Professor James Q. Wilson and I believe just might make a difference. We would certainly welcome the comments of others. And I would commend to the attention of Senators and other interested persons the full text of Professor Wilson's lecture "Two Nations," which is available from my office or from the American Enterprise Institute. I ask unanimous consent that a summary of the legislation be included in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE ENHANCING FAMILY LIFE ACT OF 1998—SUMMARY

SECTION 1. SHORT TITLE

This Act may be cited as the "Enhancing Family Life Act of 1998."

SECTION 2. FINDINGS

The Congressional findings support the importance of families in society and social policy.

Title I—Assistance for Children

SECTION 101. "SECOND CHANCE HOMES"

The bill would provide $45 million annually to establish or expand "second chance" maternity homes for unwed teenage mothers. These are group homes where mothers live with their children under adult supervision and strict rules while learning good parenting skills.

SECTION 102. ADOPTION PROMOTION

The bill would expand the number of "special needs" children in foster care for which federal adoption subsidies are available. It de-links" eligibility for these subsidies from the income level of the foster child's biological parents. (Under current law, a foster child determined to have special needs only qualifies for a federal adoption subsidy if the child's birth parents are welfare-eligible.) The subsidies would help adoptive parents meet the particular emotional and physical challenges of troubled children and so they can provide the children permanent homes.

In addition, last year's "Adoption and Safe Families Act" authorizes the Department of Health and Human Services to grant child welfare demonstration waivers to ten states each year. The bill would reserve three of each ten waivers to states willing to test "per capita" approaches to finding permanent homes for children in foster care, as Kansas has done. Under a per capita approach, states or localities contract on a fixed sum basis with agencies to reunite foster children with their biological families or place them with adoptive parents. Because the agency, typically a non-profit social service agency, receives a fixed sum per child (rather then unlimited reimbursement of costs) the agency may settle the child in a permanent home more quickly.

SECTION 103. EARLY CHILDHOOD DEVELOPMENT

The bill provides $3.75 billion over five years for collaborative early childhood development programs. Recent research has demonstrated the importance of the earliest years in a child's life in the child's intellectual and emotional development. States could use the funds for home visiting programs, parenting education, high-quality child care, and preventive health services. States would have great flexibility in deciding which services to provide.

SECTION II—"PARENT GRANTS"

The bill would create a new education assistance program to provide grants to parents who choose to remain at home with young children. The grants would allow parents to obtain the training, or re-training, needed to prosper and advance careers after a period of time outside the labor force. A custodial parent with children under the age of six and no earned income, welfare, or SSI receipt would be eligible to receive a benefit equivalent to the largest Pell Grant available for that year (about $2,700 in FY 1998). The benefit—to be called a "Parent Grant"—could only be used for expenses associated with post-secondary education or completion of high school. Parents could accumulate grants (one for each year outside of the labor market) but would be required to use the grant within 15 years of the year for which the grant was earned. Eligibility would be subjected to income limits ($75,000/year maximum, subject to revision on the basis of cost estimates). The program would be administered by the Education Department, in parallel with Pell Grants and other financial aid programs.

By Mr. McCAIN (for himself and Mr. BURNS):

S. 2519. A bill to promote and enhance public safety through use of 9–1–1 at the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes; to the Committee on Commerce, Science, and Transportation.

WIRELESS COMMUNICATIONS AND PUBLIC SAFETY ACT OF 1998

Mr. McCAIN. Mr. President, today I am introducing the Wireless Communications and Public Safety Act of 1998 to help build a national wireless communications system and save lives. I would like to thank Senator BURNS for co-sponsoring this important legislation with me, and I look forward to working with him to move this legislation forward during the remainder of the Congress and the next Congress.

Mr. President, when a person is seriously injured, in a car crash or a violent crime or in some other way, every minute counts. Medical trauma and public safety professionals speak of the "golden hour"—the first hour after serious injury when the greatest percentage of patient lives can be saved. The quicker that person gets medical help, the greater the chances of survival.

We would like people to be able to get medical help as fast as possible after serious injury. As a practical matter, it takes time—often a half-hour in an urban area or an hour in a rural area—before an ambulance completes the job of getting to the scene of an accident and transporting the injured to a medical facility, where doctors can go to work saving the injured person. This bill is designed to help cut down that medical response time for millions of Americans, by helping to make sure that people can use their wireless telephones to call 9–1–1 immediately to get the ambulances rolling.

More than 60 million Americans carry wireless telephones. Many people carry them for safety reasons. People count on those phones to be their lifelines in emergencies. A parent driving down an interstate highway with children in the back seat draws comfort from knowing that if the car is involved in a crash, he or she can call 9–1–1 for help and an ambulance will be rolling in seconds. An older American driving alone on a long trip feels more comfortable knowing that if an accident occurs or sudden illness strikes, he or she can use the wireless phone to dial 9–1–1 for help and the state police will be on the way.

But there's a big problem. In many parts of our country, when the frantic parent or the suddenly disabled older person punches 9–1–1 on the wireless phone, nothing happens. In many areas of the country, 9–1–1 is not the emergency number, or there simply is no wireless telephone service at all. If a wireless telephone isn't within range of a wireless tower, a wireless call can't go through. The ambulance and the police won't be coming. You may be facing a terrible emergency, but you're on your own.

The same problem arises even if an emergency occurs within range of a wireless tower, if a person is too injured to make a 9–1–1 call, or can make the call but cannot give his or her location.

Mr. President, this bill can be called the 9–1–1 bill—its main purposes are to expand the areas covered by wireless telephone service so that more people in more places can call 9–1–1 systems so that they can deliver more information, like location and automatic crash notification data. The bill is designed to tie our citizens through their wireless telephones to the medical centers, police, and firefighters who can help them in emergencies.

The bill has four main elements.

First, it makes 9–1–1 the universal emergency telephone number. I suspect that most Americans think that 9–1–1 already is the emergency number everywhere, but it isn't. There are many places in America where, even if you can get a telephone connection, 9–1–1 isn't the right number to call for help. This legislation will reduce the danger of not knowing what number to call. The rule in America ought to be uniform and simple—if you have an emergency, wherever you are, dial 9–1–1. The bill sets a national policy for us all to pursue together, but, instead of imposing a federal mandate for executing that policy, allows the states and localities to decide how best to further that policy in their areas.

The second key element of the bill is a system of grants to assist the states and local governments in developing, coordinating, and carrying out their plans to make wireless service available to more citizens and to upgrade their 9–1–1 systems so they can provide the location of wireless callers. The bill gives the states maximum flexibility in designing their plans to qualify for the grants. It is written carefully so that it is not a federal mandate, and we will not have federal bureaucrats micro-managing wireless telephone companies, state and local public safety programs, or hospital emergency rooms.

The people who run our nation's 9–1–1 systems, and increasingly the elected officials who employ them, know they have a growing challenge in this area. More and more Americans are using wireless telephones to communicate, and there are over 83,000 wireless emergency calls a day now. But the technology receiving those calls is often outdated, and new local technology needs to be implemented. By offering substantial federal grants funded from the fees the government receives from wireless carriers who place their towers on federal land, the bill encourages the states to bring the stakeholders together to make the decisions necessary to deploy these life-saving technologies. The implementation problems here are not technological; they are financial and legislative. This bill will provide federal support, but the key leadership and decisions will come from state and local officials.

The the third key element of the bill is research and development of new lifesaving technology for motor vehicles. Proper medical care could be dispatched almost immediately if a car that was involved in a crash automatically signaled to public safety officials that the car had crashed, where it had crashed, and how bad the crash was. The trauma experts tell us they can predict the kinds of injuries a victim has this crash data—so they will know whether to send a helicopter, an advanced care ambulance, or just a wrecker and a ride home. We can use wireless technology to make these automatic reports. This bill will authorize the necessary investments to develop the know-how to tie together our cars, our public safety officials, and our hospitals for rapid response in vehicles emergencies

The fourth key element of this legislation is using federal property to help expand the wireless network. Current law and Administration policy say that federal agencies should encourage wireless facilities on federal property so as to expand the availability of wireless service, but agencies have been slow to open up their land and buildings. This bill will establish a clear and enforceable policy of allowing wireless facilities on federal property when it doesn't interfere with the agency's mission or use of the property. The agency will be allowed to charge fees for the use of the property, and those fees will go into a fund that will pay for grants to states and crash-notification investments under the bill.

It is also important to note what this bill does not do. It does not affect in any way the ability of state or local governments to impose taxes or fees on any business. It does not preempt in any way the current power of state and local government regarding antenna siting over property under their authority. And, indeed, it provides an explicit statutory requirement of notice and comment for state and local officials on siting applications for use of federal property. These three changes I made from earlier drafts resolve some of the concerns that were raised by some leaders of local and county governments.

Some organizations sought additional changes to the legislation.

The Department of the Interior, for example, wanted to change the provision on judicial review of federal agency denials of requests for access to federal property so that the burden of proof in court would be on the person challenging the agency's decision not to grant the requested access. This bill instead adopts the standard used in the Freedom of Information Act, which puts on the agency the burden of sustaining its action. Since the agency has superior access to all the relevant information, it is appropriate for the agency to bear the burden of going forward with evidence and persuading the court of the correctness of the agency's decision.

Also, some have suggested that the bill should be changed so that the sate and local law would apply to the citing of wireless antennas on federal property. That would be inconsistent with current law and run counter to the basis purpose of this legislation. To allow state and local officials to extend state and local zoning laws to the placement of antennas on federal property would give states and localities an unprecedented ability to control decisions by federal officials with respect to federal property, and reduce the revenue generated by the federal leases or antenna siting. We simply cannot have a situation in which a locality could be allowed to hold the interests of the region or the country hostage to parochial interests. The requirement in my legislation that state and local officials have notice and an opportunity to comment with respect to requests for antenna siting on federal property gives state and local officials their appropriate role. They will have the opportunity to present their views, but will not have a veto over placement of antennas on federal property. It is important to remember what is at issue here—the ability of people to call for help in emergencies and get a prompt public safety response—in short, save lives.

This legislation has been developed in consultation with a wide range of groups that have great expertise in the subjects covered by the legislation, including state and local officials who run our nation's 9–1–1 systems, trauma experts, the American Automobile Association, the wireless industry and others. The bill has the strong support of a diverse coalition that includes these and many other groups. To the extent that some groups have concerns about a few of he bill's provisions, I intend to continue to work with them to try to address these concerns.

Mr. President, this bill is an important step forward to helping state and local emergency agencies do their jobs, offering them significant grants to improve their capabilities. This bill also will go a long way toward helping the nation expand its wireless network. It will help make sure that Americans everywhere can dial 9–1–1 to summon prompt assistance in an emergency.

I look forward to working with my colleagues on the Commerce Committee on this important life-saving legislation, an I urge all my colleague to support it.

ADDITIONAL COSPONSORS

S. 981

At the request of Mr. LEVIN, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 981, a bill to provide for analysis of major rules.

S. 1147

At the request of Mr. WELLSTONE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1147, a bill to amend the Public Health Service Act, Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to provide for nondiscriminatory coverage for substance abuse treatment services under private group and individual health coverage.

S. 1529

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 2110

At the request of Mr. BIDEN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2110, a bill to authorize the Federal programs to prevent violence against women, and for other purposes.

S. 2130

At the request of Mr. GRAMS, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2130, a bill to amend the Internal Revenue Code of 1986 to provide additional retirement savings opportunities for small employers, including self-employed individuals.

S. 2180

At the request of Mr. LOTT, the names of the Senator from New Hampshire (Mr. GREGG), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Wisconsin (Mr. FEINGOLD), the Senator from Maryland (Mr. SARBANES), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2201

At the request of Mr. TORRICELLI, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 2201, a bill to delay the effective date of the final rule promulgated by the Secretary of Health and Human Services regarding the Organ Procurement and Transplantation Network.

S. 2283

At the request of Mr. DEWINE, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from Vermont (Mr. LEAHY), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 2283, a bill to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes.

S. 2295

At the request of Mr. MCCAIN, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Colorado (Mr. ALLARD) were added as cosponsors of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

S. 2354

At the request of Mr. BOND, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 2354, a bill to amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

S. 2417

At the request of Mr. SESSIONS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2417, a bill to provide for allowable catch quota for red snapper in the Gulf of Mexico, and for other purposes.

S. 2494

At the request of Mr. MCCAIN, the names of the Senator from Vermont (Mr. JEFFORDS) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2494, a bill to amend the Communications Act of 1934 (47 U.S.C. 151 et seq.) to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems, and for other purposes.

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from Alaska (Mr. STEVENS), the Senator from Arizona (Mr. MCCAIN), and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as "National Children's Day."

SENATE RESOLUTION 274

At the request of Mr. FORD, the name of the Senator from Michigan (Mr.

LEVIN) was added as a cosponsor of Senate Resolution 274, a resolution to express the sense of the Senate that the Louisville Festival of Faiths should be commended and should serve as model for similar festivals in other communities throughout the United States.

SENATE RESOLUTION 282—EXPRESSING THE SENSE OF THE SENATE REGARDING SOCIAL SECURITY AND BUDGET SURPLUS

Mr. JOHNSON submitted the following resolution; which was referred jointly to the Committee on the Budget and to the Committee on Governmental Affairs.

S. RES. 282

Whereas the Congressional Budget Office projections released July 15, 1998, indicate that the "on-budget" deficit, which does not include Social Security program surpluses, will be $41,000,000,000 for Fiscal Year 1998;

Whereas the Congressional Budget Office projections also show that the amount of Federal debt held by the Social Security trust funds will grow from $736,000,000,000 in 1998 to $2,250,000,000,000 in 2008;

Whereas the Social Security trust funds will be credited with interest payments on Federal debt each year, rising from $46,000,000,000 in 1998 to $117,000,000,000 in 2008, and these interest payments are an integral part of Social Security's long-term financial viability; and

Whereas the Congressional Budget Office's current projections indicate that there will not be a consistent surplus in the unified budget until 2005: Now, therefore, be it

Resolved, That it is the sense of the Senate that Congress and the President should—

(1) continue to work to balance the budget without counting Social Security trust fund surpluses;

(2) continue to abide by "pay as you go" budget rules requiring that legislation increasing mandatory spending or reducing revenues must contain offsets to maintain budget neutrality; and

(3) save Social Security first by reserving all surpluses attributable to the Social Security program, including interest payments.

AMENDMENTS SUBMITTED

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

TORRICELLI (AND OTHERS) AMENDMENT NO. 3627

Mr. TORRICELLI (for himself, Mr. LAUTENBERG, Mr. D'AMATO, Mr. MOYNIHAN, Mr. WELLSTONE, and Mr. ROBB) proposed an amendment to the bill (S. 2279) to amend title 49, United States Code, to authorize the programs of the Federal Aviation Administration for fiscal years 1999, 2000, 2001, and 2002, and for other purposes; as follows:

At the end, add the following:

TITLE —NOISE ABATEMENT

SEC. 01. SHORT TITLE.

This title may be cited as the "Quiet Communities Act of 1998".

SEC. 02. FINDINGS.

Congress finds that—

(1)(A) for too many citizens of the United States, noise from aircraft, vehicular traffic, and a variety of other sources is a constant source of torment; and

(B) nearly 20,000,000 citizens of the United States are exposed to noise levels that can lead to psychological and physiological damage, and another 40,000,000 people are exposed to noise levels that cause sleep or work disruption;

(2)(A) chronic exposure to noise has been linked to increased risk of cardiovascular problems, strokes, and nervous disorders; and

(B) excessive noise causes sleep deprivation and task interruptions, which pose untold costs on society in diminished worker productivity;

(3)(A) to carry out the Clean Air Act of 1970 (42 U.S.C. 7401 et seq.), the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.), and section 8 of the Quiet Communities Act of 1978 (92 Stat. 3084), the Administrator of the Environmental Protection Agency established an Office of Noise Abatement and Control;

(B) the responsibilities of the Office of Noise Abatement and Control included promulgating noise emission standards, requiring product labeling, facilitating the development of low emission products, coordinating Federal noise reduction programs, assisting State and local abatement efforts, and promoting noise education and research; and

(C) funding for the Office of Noise Abatement and Control was terminated in 1982 and no funds have been provided since;

(4) because the Administrator of the Environmental Protection Agency remains responsible for enforcing regulations issued under the Noise Control Act of 1972 (42 U.S.C. 4901 et seq.) even though funding for the Office of Noise Abatement and Control has been terminated, and because that Act prohibits State and local governments from regulating noise sources in many situations, noise abatement programs across the United States lie dormant;

(5) as the population grows and air and vehicle traffic continues to increase, noise pollution is likely to become an even greater problem in the future; and

(6) the health and welfare of the citizens of the United States demands that the Environmental Protection Agency once again assume a role in combating noise pollution.

SEC. 03. REESTABLISHMENT OF OFFICE OF NOISE ABATEMENT AND CONTROL.

(a) REESTABLISHMENT.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall reestablish an Office of Noise Abatement and Control (referred to in this title as the "Office").

(2) RESPONSIBILITIES.—The Office shall be responsible for—

(A) coordinating Federal noise abatement activities;

(B) updating or developing noise standards;

(C) providing technical assistance to local communities; and

(D) promoting research and education on the impacts of noise pollution.

(3) EMPHASIZED APPROACHES.—The Office shall emphasize noise abatement approaches that rely on State and local activity, market incentives, and coordination with other public and private agencies.

(b) STUDY.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall submit a study on airport noise to Congress and the Federal Aviation Administration.

(2) AREAS OF STUDY.—The study shall—

(A) examine the Federal Aviation Administration's selection of noise measurement methodologies;

(B) the threshold of noise at which health impacts are felt; and

(C) the effectiveness of noise abatement programs at airports around the United States.

(3) RECOMMENDATIONS.—The study shall include specific recommendations to the Federal Aviation Administration on new measures that should be implemented to mitigate the impact of aircraft noise on surrounding communities.

SEC. 04. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) $5,000,000 for each of fiscal years 1999, 2000, and 2001; and

(2) $8,000,000 for each of fiscal years 2002 and 2003.

DORGAN AMENDMENT NO. 3628

Mr. DORGAN proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place, insert:

SEC. . TAX CREDIT FOR REGIONAL JET AIRCRAFT SERVING UNDERSERVED COMMUNITIES.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Section 46 of the Internal Revenue Code of 1986 (relating to amount of credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by inserting after paragraph (3) the following new paragraph:

"(4) in the case of an eligible small air carrier, the underserved community jet access credit."

(2) UNDERSERVED COMMUNITY JET ACCESS CREDIT.—Section 48 of such Code (relating to the energy credit and the reforestation credit) is amended by adding after subsection (b) the following new subsection:

"(c) UNDERSERVED COMMUNITY JET ACCESS CREDIT.—

"(1) IN GENERAL.—For purposes of section 46, the underserved community jet access credit of an eligible small air carrier for any taxable year is an amount equal to 10 percent of the qualified investment in any qualified regional jet aircraft.

"(2) ELIGIBLE SMALL AIR CARRIER.—For purposes of this subsection and section 46—

"(A) IN GENERAL.—The term 'eligible small air carrier' means, with respect to any qualified regional jet aircraft, an air carrier—

"(i) to which part 121 of title 14, Code of Federal Regulations, applies, and

"(ii) which has less than 10,000,000,000 (10 billion) revenue passenger miles for the calendar year preceding the calendar year in which such aircraft is originally placed in service.

"(B) AIR CARRIER.—The term 'air carrier' means any air carrier holding a certificate of public convenience and necessity issued by the Secretary of Transportation under section 41102 of title 49, United States Code.

"(C) START-UP CARRIERS.—If an air carrier has not been in operation during the entire calendar year described in subparagraph (A)(ii), the determination under such subparagraph shall be made on the basis of a reasonable estimate of revenue passenger miles for its first full calendar year of operation.

"(D) Aggregation.—All air carriers which are treated as 1 employer under section 52 shall be treated as 1 person for purposes of subparagraph (A)(ii).

"(3) Qualified regional jet aircraft.—For purposes of this subsection, the term 'qualified regional jet aircraft' means a civil aircraft—

"(A) which is originally placed in service by the taxpayer,

"(B) which is powered by jet propulsion and is designed to have a maximum passenger seating capacity of not less than 30 passengers and not more than 100 passengers, and

"(C) at least 50 percent of the flight segments of which during any 12-month period beginning on or after the date the aircraft is originally placed in service are between a hub airport (as defined in section 41731(a)(13) of title 49, United States Code, and an underserved airport.

"(4) Underserved airport.—The term 'underserved airport' means, with respect to any qualified regional jet aircraft, an airport which for the calendar year preceding the calendar year in which such aircraft is originally placed in service had less than 600,000 enplanements.

"(5) Qualified investment.—For purposes of paragraph (1), the term 'qualified investment' means, with respect to any taxable year, the basis of any qualified regional jet aircraft placed in service by the taxpayer during such taxable year.

"(6) Qualified progress expenditures.—

"(A) Increase in qualified investment.—In the case of a taxpayer who has made an election under subparagraph (E), the amount of the qualified investment of such taxpayer for the taxable year (determined under paragraph (5) without regard to this subsection) shall be increased by an amount equal to the aggregate of each qualified progress expenditure for the taxable year with respect to progress expenditure property.

"(B) Progress expenditure property defined.—For purposes of this paragraph, the term 'progress expenditure property' means any property which is being constructed for the taxpayer and which it is reasonable to believe will qualify as a qualified regional jet aircraft of the taxpayer when it is placed in service.

"(C) Qualified progress expenditures defined.—For purposes of this paragraph, the term 'qualified progress expenditures' means the amount paid during the taxable year to another person for the construction of such property.

"(D) Only construction of aircraft to be taken into account.—Construction shall be taken into account only if, for purposes of this subpart, expenditures therefor are properly chargeable to capital account with respect to the qualified regional jet aircraft.

"(E) Election.—An election under this paragraph may be made at such time and in such manner as the Secretary may by regulations prescribe. Such an election shall apply to the taxable year for which made and to all subsequent taxable years. Such an election, once made, may not be revoked except with the consent of the Secretary.

"(7) Coordination with other credits.—This subsection shall not apply to any property with respect to which the energy credit or the rehabilitation credit is allowed unless the taxpayer elects to waive the application of such credits to such property.

"(8) Special lease rules.—For purposes of section 50(d)(5), section 48(d) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) shall be applied for purposes of this section without regard to paragraph (4)(B) thereof (relating to short-term leases of property with class life of under 14 years).

"(9) Application.—This subsection shall apply to periods after the date of the enactment of this subsection and before January 1, 2009, under rules similar to the rules of section 48(m) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)."

(3) Recapture.—Section 50(a) of such Code (relating to recapture in the case of dispositions, etc.) is amended by adding at the end the following new paragraph:

"(6) Special rules for aircraft credit.—

"(A) In general.—For purposes of determining whether a qualified regional jet aircraft ceases to be investment credit property, an airport which was an underserved airport as of the date such aircraft was originally placed in service shall continue to be treated as an underserved airport during any period this subsection applies to the aircraft.

"(B) Property ceases to qualify for progress expenditures.—Rules similar to the rules of paragraph (2) shall apply in the case of qualified progress expenditures for a qualified regional jet aircraft under section 48(c)."

(4) Technical amendments.—

(A) Subparagraph (C) of section 49(a)(1) of such Code is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified regional jet aircraft attributable to any qualified investment (as defined by section 48(c)(5))."

(B) Paragraph (4) of section 50(a) of such Code is amended by striking "and (2)" and inserting ", (2), and (6)".

(C)(i) The section heading for section 48 of such Code is amended to read as follows:

"SEC. 48. OTHER CREDITS."

(ii) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by striking the item relating to section 48 and inserting the following new item:

"Sec. 48. Other credits."

(5) Effective date.—The amendments made by this subsection shall apply to periods after the date of the enactment of this Act, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990.

(b) Reduced Passenger Tax Rate on Rural Domestic Flight Segments.—Section 4261(e)(1)(C) of such Code (relating to segments to and from rural airports) is amended to read as follows:

"(C) Reduction in general tax rate.—

"(i) In general.—The tax imposed by subsection (a) shall apply to any domestic segment beginning or ending at an airport which is a rural airport for the calendar year in which such segment begins or ends (as the case may be) at the rate determined by the Secretary under clause (ii) for such year in lieu of the rate otherwise applicable under subsection (a).

"(ii) Determination of rate.—The rate determined by the Secretary under this clause for each calendar year shall equal the rate of tax otherwise applicable under subsection (a) reduced by an amount which reflects the net amount of the increase in revenues to the Treasury for such year resulting from the amendments made by subsections (a) and (c) of section ____ of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"(iii) Transportation involving multiple segments.—In the case of transportation involving more than 1 domestic segment at least 1 of which does not begin or end at a rural airport, the rate applicable by reason of clause (i) shall be applied by taking into account only an amount which bears the same ratio to the amount paid for such transportation as the number of specified miles in domestic segments which begin or end at a rural airport bears to the total number of specified miles in such transportation.".

(c) Treatment of Certain Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—

(1) In general.—Section 332 of the Internal Revenue Code of 1986 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(2) Conforming amendments.—

(A) The material preceding paragraph (1) of section 332(b) of such Code is amended by striking "subsection (a)" and inserting "this section".

(B) Paragraph (1) of section 334(b) of such Code is amended by striking "section 332(a)" and inserting "section 332".

(3) Effective date.—The amendments made by this subsection shall apply to distributions after May 21, 1998.

REED AMENDMENT NO. 3629

Mr. REED proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title II, insert the following:

SEC. 2___. DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

WATER RESOURCES DEVELOPMENT ACT OF 1998

LEVIN AMENDMENT NO. 3630

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill (S. 2131) to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; as follows:

At the end, add the following:

TITLE ___—CONTAMINATED SETTLEMENTS

SEC. ___01. SHORT TITLE.

This title may be cited as the "Contaminated Sediments Management and Remediation Act of 1998".

SEC. ___02. FINDINGS.

Congress finds that—

(1) contaminated sediments can pose a serious and demonstrable risk to human health and the environment;

(2) persistent, bioaccumulative toxic substances in contaminated sediments can poison the food chain, making fish and shellfish unsafe for humans and wildlife to eat;

(3) potential costs to society from contaminated sediments include long-term health effects such as cancer and children's neurological and intellectual impairment;

(4) contamination of sediments can interfere with recreational uses and increase the costs of and time needed for navigational dredging and subsequent disposal of dredged material;

(5) since the enactment of the amendments to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) made by the Great Lakes Critical Programs Act of 1990 (104 Stat. 3000) and the enactment of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580), the Nation has gained considerable experience with and understanding of sediment contamination;

(6) a report on the incidence and severity of sediment contamination in surface waters of the United States, required under section 503 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271), identified 96 areas of probable concern where contaminated sediments pose potential risks to fish and wildlife and to people who eat fish from those areas;

(7) the assessment and remediation of the contaminated sediment program under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) and subsequent studies have demonstrated that there are some effective tools for—

(A) determining the extent and magnitude of sediment contamination;

(B) assessing risk and modeling the changes that would result from remedial action; and

(C) involving the public in solutions;

(8) prompt response after discovery of sediment contamination can prevent subsequent spread through storm events, thereby minimizing environmental impacts and response costs;

(9) the United States needs a better understanding of the sources of sediment contamination in order to prevent subsequent recontamination and minimize the recurrence of environmental impacts and response costs;

(10) the response to releases of contaminated sediments should reflect the risk associated with the contamination, and remedies should reflect the potential for beneficial reuse of sediments;

(11) coordination in the use of government authorities and resources for remediation has not kept pace with the growth in knowledge of effective remediation measures, and responses have not been timely or adequately funded;

(12) the resources of the Federal Government should be brought to bear on the problems referred to in paragraph (11) in a well-coordinated fashion; and

(13) the Federal Government should use the funding and enforcement authorities of the Superfund program to respond to the serious environmental risks that can be posed by contaminated sediment sites.

SEC. ___03. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) CONTAMINATED SEDIMENT.—The term "contaminated sediment" has the meaning given the term in section 501(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580).

(3) REMEDIAL ACTION.—The term "remedial action" has the meaning given the term in section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Army.

(5) TASK FORCE.—The term "Task Force" means the National Contaminated Sediment Task Force established by section 502 of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580).

(6) WATER RESOURCES DEVELOPMENT ACTS.—The term "Water Resources Development Acts" means—

(A) the Water Resources Development Act of 1986 (100 Stat. 4082);

(B) the Water Resources Development Act of 1988 (102 Stat. 4012);

(C) the Water Resources Development Act of 1990 (104 Stat. 4604);

(D) the Water Resources Development Act of 1992 (106 Stat. 4797);

(E) the Water Resources Development Act of 1996 (110 Stat. 3658); and

(F) this Act.

SEC. ___04. TASK FORCE.

(a) CONVENING.—The Secretary and the Administrator shall convene the Task Force not later than 90 days after the date of enactment of this Act.

(b) ESTABLISHMENT.—Section 502(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended—

(1) in paragraph (5), by adding "and" at the end;

(2) in paragraph (6)—

(A) in subparagraph (A), by striking "and"; and

(B) by adding at the end the following:

"(C) to remediate high priority contaminated sediment sites."; and

(3) by striking paragraph (7).

(c) MEMBERSHIP.—Section 502(b)(1) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended by adding at the end the following:

"(G) The Council on Environmental Quality.

"(H) The Agency for Toxic Substances and Disease Registry.".

(d) COMPENSATION FOR ADDITIONAL MEMBERS.—Section 502(b) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271 note; Public Law 102–580) is amended by striking paragraph (5) and inserting the following:

"(5) COMPENSATION FOR ADDITIONAL MEMBERS.—The additional members of the Task Force selected under paragraph (2) shall, while away from their homes or regular places of business in the performance of services for the Task Force, be allowed travel expenses.".

(e) STRATEGY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall publish a strategy to coordinate the use of Federal authorities to prevent the contamination of sediments and to remediate existing contamination.

(2) CONTENTS.—The strategy shall include—

(A) specific recommendations for modifying regulatory programs (including modifications to law) and for improving the management and remediation of contaminated sediments to reduce risks to human health and the environment;

(B) specific recommendations to—

(i) help ensure that management practices and remedial actions taken for contaminated sediments reflect the degree of risk associated with the contamination and the costs and benefits of remediation; and

(ii) encourage the beneficial reuse of sediments; and

(C) specific implementation steps, consistent with budget submissions by the President with the appropriate spending requests, as part of an interagency plan to promote remediation of contaminated sediments and prevent recontamination.

(f) REPORTING ON REMEDIAL ACTION.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Task Force shall submit to Congress a report on the status of remedial actions at aquatic sites in the areas described in paragraph (2).

(2) AREAS.—The report under paragraph (1) shall address remedial actions in—

(A) areas of probable concern identified in the survey of data regarding aquatic sediment quality required by section 503(a) of the National Contaminated Sediment Assessment and Management Act (33 U.S.C. 1271);

(B) areas of concern within the Great Lakes, as identified under section 118(f) of the Federal Water Pollution Control Act (33 U.S.C. 1268(f));

(C) estuaries of national significance identified under section 320 of the Federal Water Pollution Control Act (33 U.S.C. 1330);

(D) areas for which remedial action has been authorized under any of the Water Resources Development Acts; and

(E) as appropriate, any other areas where sediment contamination is identified by the Task Force.

(3) ACTIVITIES.—Remedial actions subject to reporting under this subsection include remedial actions under—

(A) the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or other Federal or State law containing environmental remediation authority;

(B) any of the Water Resources Development Acts;

(C) section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344); or

(D) section 10 of the Act of March 3, 1899 (30 Stat. 1151, chapter 425).

(4) CONTENTS.—The report under paragraph (1) shall provide, with respect to each remedial action described in the report, a description of—

(A) the authorities and sources of funding for conducting the remedial action;

(B) the nature and sources of the sediment contamination, including volume and concentration, where appropriate;

(C) the testing conducted to determine the nature and extent of sediment contamination and to determine whether the remedial action is necessary;

(D) the action levels or other factors used to determine that the remedial action is necessary;

(E) the nature of the remedial action planned or undertaken, including the levels of protection of public health and the environment to be achieved by the remedial action;

(F) the ultimate disposition of any material dredged as part of the remedial action;

(G) the status of projects and the obstacles or barriers to prompt conduct of the remedial action; and

(H) contacts and sources of further information concerning the remedial action.

SEC. ___05. SEDIMENT QUALITY.

Not later than 1 year after the date of enactment of this Actand every 2 years thereafter, the Administrator and the Secretary shall jointly publish a report that provides the status of the development and implementation of—

(1) methods to determine the threat to human health and the environment posed by contaminated sediments;

(2) guidelines or regulations designed to protect human health and the environment from contaminated sediments;

(3) guidelines or regulations designed to reduce the volume or toxicity of contaminants that are deposited in aquatic sediments; and

(4) guidelines or regulations that will encourage the beneficial use of dredged material.

SEC. ___06. COST SHARE.

Section 401(a) of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101–640) is amended by striking paragraph (2) and inserting the following:

"(2) NON-FEDERAL SHARE.—Non-Federal interests shall contribute, in cash or by providing in-kind contributions, not less than 25 percent of costs of activities for which assistance is provided under paragraph (1).".

SEC. ___07. ENVIRONMENTAL DREDGING AND REMEDIATION.

Section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) REMOVAL NOT IN CONNECTION WITH A NAVIGATION PROJECT.—The Secretary may remove and remediate contaminated sediments from the navigable waters of the United States for the purpose of environmental enhancement and water quality improvement if—

"(1) removal and remediation is requested by a non-Federal sponsor; and

"(2) the non-Federal sponsor agrees to pay not less than 25 percent of the cost of the removal or remediation (including the costs of off-site disposal).";

(2) by striking subsection (d); and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. ___08. TECHNOLOGY GUIDANCE AND DEMONSTRATION.

(a) GUIDANCE.—

(1) IN GENERAL.—The Administrator, in consultation with the Task Force, shall develop guidance for selecting appropriate remedial actions for contaminated sediments on a facility-specific basis.

(2) PURPOSES.—The guidance shall assist in deciding whether off-site treatment, in-place treatment, in-place capping, or natural attenuation is an appropriate remedial action, consistent with statutory authorities that are commonly used for remediating contaminated sediments.

(b) DEADLINE.—The Administrator shall—

(1) not later than 18 months after the date of enactment of this Act, publish interim guidance under subsection (a); and

(2) not later than 5 years after the date of enactment of this Act, publish final guidance.

(c) TECHNOLOGY DEMONSTRATION.—The Administrator, in consultation with the Secretary, shall carry out technology demonstration projects related to the remediation of contaminated sediments to assist in developing guidance for remedial actions under subsection (a).

(d) TECHNOLOGY DEMONSTRATION AUTHORITIES.—The technology demonstration shall include projects required to be identified under—

(1) section 401 of the Water Resources Development Act of 1990 (33 U.S.C. 1268 note; Public Law 101–640);

(2) section 312 of the Water Resources Development Act of 1990 (33 U.S.C. 1272);

(3) section 311(b) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9660(b)); and

(4) other appropriate authorities.

SEC. ___09. PILOT PROGRAM ON PREVENTION.

(a) FINDINGS.—Congress finds that—

(1) the costs of dredging for navigational purposes are increased by contamination, including contamination from ongoing activities;

(2) sediment quality problems are not solely the legacy of past discharges;

(3) the "polluter pays" principle has not been consistently applied to contamination of sediments, because parties contributing to the contamination have not necessarily been held responsible for their share of the increased costs of dredging or remediation attributable to the contamination;

(4) prevention measures that control the volume or toxicity of sedimentation should lower the costs of dredging that eventually becomes necessary;

(5) it may be easier and less expensive to prevent contamination of sediment than to remedy it;

(6) the relationship between prevention measures and remediation needs to be better understood;

(7) an improved understanding of the sources of contamination and an improved ability to link sedimentation and contamination to their sources are needed; and

(8) there should be a closer linkage between actions to prevent sediment contamination and the cost savings that can be attained when future remediation becomes unnecessary.

(b) PILOT PROGRAM.—The Task Force shall establish a pilot program to—

(1) improve the understanding of the relationship between upstream prevention and control measures; and

(2) provide incentives for upstream measures that can lower the costs of dredging, disposal, or treatment or reuse of dredged materials.

(c) COMPETITIVE GRANTS.—

(1) IN GENERAL.—The pilot program shall provide for competitive grants to be administered by agencies represented on the Task Force with experience in developing and managing programs that address upstream concerns.

(2) PURPOSES.—The grants shall provide assistance for—

(A) development of plans for reduction in sediment contamination;

(B) technical support for implementing those plans;

(C) measurement of impacts of implementation measures, in comparison to baselines; and

(D) coordinating the use of available authorities to reduce further contamination of sediments.

(3) ELIGIBILITY.—The grants shall be awarded to States or substate organizations that can develop and implement the plans described in paragraph (2) on a watershed basis.

(4) CRITERIA.—The Secretary and the Administrator shall develop criteria for evaluating grant proposals under this subsection.

(d) TECHNICAL ASSISTANCE.—Using the data gathered under section 516(e) of the Water Resources Development Act of 1996 (33 U.S.C. 2326b(e)), after entering into an interagency agreement with the Administrator, the Secretary of Agriculture, and the Secretary of the Interior, the Secretary may provide technical assistance to communities in reducing contamination of sediments.

SEC. ___10. AUTHORIZATION OF APPROPRIATIONS.

(a) TASK FORCE AND PRIORITY SETTING.—There are authorized to be appropriated such sums as are necessary to carry out section ___04.

(b) TECHNOLOGY DEMONSTRATION.—There is authorized to be appropriated to carry out section ___08 $50,000,000.

(c) PILOT PROGRAM.—There is authorized to be appropriated to carry out section ___09 $5,000,000.

• Mr. LEVIN. Mr. President, I am submitting for the RECORD and my colleagues' consideration an amendment to S. 2131, the Water Resources Development Act (WRDA) of 1998, which I hope will be included in that legislation. It is a relatively simple measure. Contaminated sediments are a serious problem in our nation's waterways and ports and a potential threat to human and environmental health. S. 2131 presents a long overdue and perfectly appropriate opportunity to begin addressing this problem.

The EPA submitted a report to Congress this year on the quality of sediments across the nation, pursuant to WRDA of 1992. The report shows that we have cause to worry. Ninety-six areas of probable concern are identified where public and environmental health may be threatened by contaminated sediments. Yet, we have at least six different Federal statutes with implementation responsibilities spread over seven Federal agencies, including a great many specific provisions regarding the Army Corps of Engineers' duties in recent WRDAs, two major programs—Superfund and Clean Water—within EPA, and numerous state and local governments coming at the problem of contaminated sediments in a variety of ways. The inefficiency of this setup and the lack of information exchange and data availability reduces the chances of an expeditious solution. My amendment is intended to improve communication and cooperation among agencies, affected parties and all levels of government, and motivate them to address the problem sooner rather than later.

My amendment requires the National Contaminated Sediment Task Force, as authorized in section 502 of WRDA of 1992 but never funded, to actually meet and make recommendations on how to improve contaminated sediment management practices. Also, this Task Force would have to report on the status of remedial actions on contaminated sediment sites across the nation, including Superfund sites, within one year. This report would also have to identify remediation status, programs and funding for cleanup, the nature and sources, etc. of contaminated sediments.

EPA and the Army Corps would jointly publish a recurring report on ways to assess the threat of contaminated sediment, on the status of any guidelines issued designed to protect human and environmental health or to reduce deposition of toxics into sediment, and on guidelines issued intended to encourage the beneficial use of dredged material.

Finally, the amendment makes modifications to cost-share provisions for environmental dredging, remediation technology assistance, and establishes a pilot program to give grants to communities that try to reduce contamination of downstream sediments.

Mr. President, there have been years of inaction on contaminated sediments. My amendment is primarily intended to gather information and stimulate the agencies with jurisdiction to take this matter seriously and begin working together. If the information I am seeking is prepared in a timely way, the reauthorizations of Superfund and the Clean Water Act will be greatly enhanced from an environmental perspective, insofar as my colleagues would like to truly address the multi-media threat posed by contaminated sediments.●

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

FAIRCLOTH (AND OTHERS) AMENDMENT NO. 3631

Mr. McCAIN (for Mr. FAIRCLOTH for himself, Mr. HOLLINGS, and Mr. HELMS) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) BERMUDA II AGREEMENT.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(3) CHARLOTTE-LONDON (GATWICK) ROUTE.—The term "Charlotte-London (Gatwick) route" means the route between Charlotte, North Carolina, and the Gatwick Airport in London, England.

(4) FOREIGN AIR CARRIER.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(5) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Charlotte-London (Gatwick) route;

(2) the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997, and on May 7, 1998, US Airways announced plans to launch nonstop service in competition with the monopoly held by British Airways on the route and to provide convenient single-carrier one-stop service to the United Kingdom from dozens of cities in North Carolina and South Carolina and the surrounding region;

(3) US Airways was forced to cancel service for the Charlotte-London (Gatwick) route for the summer of 1998 and the following winter because the Government of the United Kingdom refused to provide commercially viable access to Gatwick Airport;

(4) British Airways continues to operate monopoly service on the Charlotte-London (Gatwick) route and recently upgraded the aircraft for that route to B-777 aircraft;

(5) British Airways had been awarded an additional monopoly route between London England and Denver, Colorado, resulting in a total of 10 monopoly routes operated by British Airways between the United Kingdom and points in the United States;

(6) monopoly service results in higher fares to passengers; and

(7) US Airways is prepared, and officials of the air carrier are eager, to initiate competitive air service on the Charlotte-London (Gatwick) route as soon as the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Charlotte-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom.

DEWINE AMENDMENT NO. 3632

Mr. McCAIN (for Mr. DEWINE) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIRCRAFT.—The term "aircraft" has the meaning given that term in section 40102 of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(4) BERMUDA II AGREEMENT.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) CLEVELAND-LONDON (GATWICK) ROUTE.—The term "Cleveland-London (Gatwick) route" means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) FOREIGN AIR CARRIER.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(7) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(8) SLOT.—The term "slot" means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary tentatively renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

THOMPSON AMENDMENT NO. 3633

Mr. McCAIN (for Mr. THOMPSON) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.

(a) In General.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"§46317. Criminal penalty for pilots operating in air transportation without an airman's certificate

"(a) Application.—This section applies only to aircraft used to provide air transportation.

"(b) General Criminal Penalty.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

"(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

"(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

"(c) Controlled Substance Criminal Penalty.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

"(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

"(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

"(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

"(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.".

ROBB (AND OTHERS) AMENDMENT NO. 3634

Mr. ROBB (for himself, Ms. COLLINS, Mr. GREGG, Mr. SMITH of New Hampshire, and Mr. GRAHAM) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 41, line 22, strike the "and".

On page 41, line 23, strike the period and insert ";".

On page 41, line 24, insert the following:

"(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

"(4) not result in meaningfully increased travel delays."

MOYNIHAN (AND OTHERS) AMENDMENT NO. 3635

Mr. MOYNIHAN (for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. D'AMATO, Mr. KERRY, and Mr. LAUTENBERG) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5___. ALLOCATION OF TRUST FUND FUNDING.

(a) Definitions.—In this section:

(1) Airport and airway trust fund.—The term "Airport and Airway Trust Fund" means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) Secretary.—The term "Secretary" means the Secretary of Transportation.

(3) State.—The term "State" means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) State dollar contribution to the airport and airway trust fund.—The term "State dollar contribution to the Airport and Airway Trust Fund", with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) Reporting.—

(1) In general.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) Report by secretary.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

DORGAN (AND OTHERS) AMENDMENT NO. 3636

Mr. DORGAN (for himself, Ms. SNOWE, and Mr. WELLSTONE) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place insert the following new section—

SEC. . NON-DISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS.

(a) In General.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

"(a) Non-discriminatory requirements.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a non-discriminatory basis with 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.

(b) Definitins—In this section:

"(1) Essential airport facility.—The term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 states in which one carrier has more than 50 percent of such airport's total annual enplanements."

(c) Clerical Amendment.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

"41716. Interline agreements for domestic transportation.".

Between lines 13 and 14 on page 151, insert the following—

"(d) Additional Action.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice."

SARBANES (AND OTHERS) AMENDMENTS NOS. 3637–3639

Mr. SARBANES (for himself, Ms. MIKULSKI, Mr. WARNER, and Mr. ROBB) proposed three amendments to the bill, S. 2279, supra; as follows:

Amendment No. 3637

Strike section 607(c), as included in the manager's amendment, and insert the following:

(c) MWAA Noise-Related Grant Assurances.—

(1) In general.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

AMENDMENT NO. 3638

In section 607(a)(2), as included the manager's amendment, in section 41716(c) of title 49, United States Code, as added by that section, strike paragraph (2) and insert the following:

"(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.".

AMENDMENT NO. 3639

Strike the first subsection designated as subsection (d) in section 607, as included in the manager's amendment, and insert the following:

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

"(3) Subject to section 47114(c), to promote the timely development of the forecast of cumulative noise exposure and to ensure a coordinated approach to noise monitoring and mitigation in the region of Washington, D.C., and Baltimore, Maryland, the Secretary shall give priority to any grant application made by the Metropolitan Washington Airports Authority or the State of Maryland for financial assistance from funds made available for noise compatibility planning and programs.".

McCAIN AMENDMENT NO. 3640

Mr. McCAIN proposed an amendment to amendment No. 3639 proposed by Mr. SARBANES to the bill, S. 2279, supra; as follows:

On page 2, strike through line 10 and insert the following:

"(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.".

BINGAMAN (AND DOMENICI) AMENDMENT NO. 3641

Mr. McCAIN (for Mr. BINGAMAN for himself and Mr. DOMENICI) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.

(a) IN GENERAL.—Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

REED AMENDMENT NO. 3642

Mr. McCAIN (for Mr. REED) proposed an amendment to the bill, S. 2279, supra; as follows:

At the appropriate place in title V, insert the following:

SEC. 5 . AIRLINE MARKETING DISCLOSURE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carriers" has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer in issuing the regulations issued under this subsection the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at 60 Red. Reg. 3359.

WARNER (AND OTHERS) AMENDMENT NO. 3643

Mr. WARNER (for himself, Mr. SARBANES, Mr. ROBB, and Ms. MIKULSKI) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 47 of the manager's amendment, between lines 6 and 7, insert the following:

SEC. 607. (g) PROHIBITION.—Notwithstanding any other provisions of this Act, unless all of the members of the Board of the Metropolitan Washington Airports Authority established under section 49106 of title 49, United States Code, have been appointed to the Board under subsection (c) of that section and this is no vacancy on the Board, the Secretary may not grant exemptions provided under section 41716 of title 49, United States Code.

WARNER (AND OTHERS) AMENDMENT NO. 3644

Mr. WARNER (for himself, Mr. SARBANES, Ms. MIKULSKI, and Mr. ROBB) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 43 of the manager's amendment beginning with line 21, strike through line 5 on page 44 and insert the following:

(D) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500-1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

SPECTER (AND OTHERS) AMENDMENT NO. 3645

Mr. SPECTER (for himself, Mr. SANTORUM, and Mr. LOTT) proposed an amendment to the bill, S. 2279, supra; as follows:

SEC. . COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting "(a) IN GENERAL.—" before "The recovery"; and

(2) adding at the end thereof the following:

"(b) COMMERCIAL AVIATION.—

"(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

"(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

"(3) NON-PECUNIARY DAMAGES.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

McCAIN (AND FORD) AMENDMENT NO. 3646

Mr. McCAIN (for himself and Mr. FORD) proposed an amendment to the bill, S. 2279, supra; as follows:

On page 18 of the managers' amendment, line 17, strike "11(4)" and insert "(4)".

On page 34 of the managers' amendment, line 6, insert "directly" after "person".

On page 34, beginning in line 10, strike "aircraft registration numbers of any aircraft; and" and insert "the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and".

On page 34 of the managers' amendment, beginning in line 14, strike "that owner or operator's request within 30 days after receiving the request." and insert "the Administration's request."

On page 34 of the managers' amendment, strike lines 16 through 21.

On page 34 of the managers' amendment, line 22, strike "(c)" and insert "(b)".

On page 36 of the managers' amendment, strike lines 16 and 17 and insert the following:

"(1) An airport with fewer than 2,000,000 annual enplanements; and

On page 39 of the managers' amendment, beginning in line 4, strike "shall, in conjunction with subsection (f)," and insert "shall".

On page 40 of the managers' amendment, strike lines 1 through 8 and insert the following:

"(i) Regional Jet Defined.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.".

On page 41 of the managers' amendment, beginning in line 9, strike "In addition to any exemption granted under section 41714(d), the" and insert "The".

On page 41 of the managers' amendment, beginning in line 24, strike "In addition to any exemption granted under section 41714(d) or subsection (a) of this section, the" and insert "The".

On page 42 of the managers' amendment, beginning in line 5, strike "smaller than large hub airports (as defined in section 47134(d)(2))" and insert "with fewer than 2,000,000 annual enplanements".

On page 42 of the managers' amendment, line 10, strike "airports other than large hubs" and insert "such airports".

On page 46, line 18, strike "(d)" and insert "(f)".

On page 46, line 24, after "and the" insert "metropolitan planning organization for".

On page 47, line 1, strike "Council of Governments".

On page 35 of the managers' amendment, between lines 2 and 3, insert the following:

SEC. 529. CERTAIN ATC TOWERS.

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida, provided that the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

On page 114, insert:

SEC. 530. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT

(a) In General.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting "(a) In General.—" before "The recovery"; and

(2) adding at the end thereof the following:

"(b) Commercial Aviation.—

"(1) In general.—If the death was caused during commercial aviation, additional compensation for non-pecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

"(2) Inflation adjustment.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

"(3) Non-pecuniary damages.—For purposes of this subsection, the term 'non-pecuniary damages' means damages for loss of care, comfort, and companionship.".

(b) Effective Date.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

CONGRESSIONAL GOLD MEDAL TO GERALD R. AND BETTY FORD

D'AMATO AMENDMENT NO. 3647

Mr. McCAIN (for Mr. D'AMATO) proposed an amendment to bill (H.R. 3506) to award a congressional gold medal to Gerald R. and Betty Ford; as follows:

At the end of the bill, add the following new sections:

SEC. 4. CONGRESSIONAL GOLD MEDALS FOR THE "LITTLE ROCK NINE".

(a) Findings.—The Congress finds that—

(1) Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, hereafter in this section referred to as the "Little Rock Nine", voluntarily subjected themselves to the bitter stinging pains of racial bigotry;

(2) the Little Rock Nine are civil rights pioneers whose selfless acts considerably advanced the civil rights debate in this country;

(3) the Little Rock Nine risked their lives to integrate Central High School in Little Rock, Arkansas, and subsequently the Nation;

(4) the Little Rock Nine sacrificed their innocence to protect the American principle that we are all "one nation, under God, indivisible";

(5) the Little Rock Nine have indelibly left their mark on the history of this Nation; and

(6) the Little Rock Nine have continued to work toward equality for all Americans.

(b) Presentation Authorized.—The President is authorized to present, on behalf of Congress, to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to the "Little Rock Nine", gold medals of appropriate design, in recognition of the selfless heroism that such individuals exhibited and the pain they suffered in the cause of civil rights by integrating Central High School in Little Rock, Arkansas.

(c) Design and Striking.—For purposes of the presentation referred to in subsection (b) the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary for each recipient.

(d) Authorization of Appropriation.—Effective October 1, 1997, there are authorized to be appropriated such sums as may be necessary to carry out this section.

(e) Duplicate Medals.—

(1) Striking and sale.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck pursuant to this section under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

(3) Rimbursement of appropriation.—The appropriation used to carry out this section shall be reimbursed out of the proceeds of sales under paragraph (1).

SEC. 5. COMMEMORATIVE COINS.

(a) In General.—Section 101(7)(D) of the United States Commemorative Coin Act of 1996 (Public Law 104–239, 110 Stat. 4009) is amended to read as follows:

"(D) Minting and issuance of coins.—

The Secretary—

"(i) may not mint coins under this paragraph after July 1, 1998; and

"(ii) may not issue coins minted under this paragraph after December 31, 1998.".

(b) Effective Date.—The amendment made by this section shall be construed to have the same effective date as section 101 of the United States Commemorative Coin Act of 1996.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will reconvene on Friday, September 25, 1998 at 9:30 a.m. in Room SR–301 Russell Senate Office Building, to continue a hearing on Capitol security issues and to mark-up S. 2288, the Wendell H. Ford Government Publications Reform Act of 1998.

For further information concerning this meeting, please contact Ed Edens at the Rules Committee on 4–6678.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, September 24, 1998, at 2:00 p.m. in open/closed session, to receive testimony on the report of the Commission to Assess the Ballistic Missile Threat to the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, September 24, for purposes of conducting a full committee hearing which is scheduled to begin at 10:00 a.m. The purpose of this oversight hearing is to receive testimony on the recent midwest electricity price spikes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. McCAIN. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, September 24, 1998 beginning at 10:00 a.m. in room 215 Dirksen.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. McCAIN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, September 24, 1998, at 2:15 p.m. for a business meeting to considering pending Committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, September 24, 1998 at 2:00 p.m. to conduct a hearing on H.R. 1805, the Auburn Indian Restoration Act. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON JUDICIARY

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, September 24, 1998, off the floor in the Presidents room, S–216 of the United States Capitol, immediately following the first vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, September 24, 1998 at 9:30 a.m. to receive testimony on Capitol Security issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for a hearing entitled "Can Small Businesses Compete With Campus Bookstores?" The hearing will being at 10:00 a.m. on Thursday, September 24, 1998, in room 428A Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON READINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that the Readiness Subcommittee of the Committee on Armed Services be authorized to meet at 10:00 a.m. on Thursday, September 24, 1998, in open session, to received testimony regarding the readiness challenges confronting the U.S. Army and Marine forces and their ability to successfully execute the National Military strategy.

The PRESIDING OFFICER. Without objection it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. McCAIN. Mr. President, I ask unanimous consent on behalf of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee to meet on Thursday, September 24, 1998, at 9:30 a.m. for a hearing on the topic of "Improving The Safety of Food Imports."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONSUMER BANKRUPTCY REFORM ACT OF 1998

• Mr. BAUCUS. Mr. President, I rise today to address an issue the Senate addressed yesterday, amendment #3616 by Senator HARKIN. While I cast my vote against tabling this Sense of the Senate, I must admit I did so with great personal reluctance. I respect the independence of the Federal Reserve Board, and I particularly respect the judgement and ability of its Chairman, Alan Greenspan.

Our country has experienced an unprecedented period of economic growth and stability. Congress took the politically difficult step of putting our financial house in order by enacting the 1994 budget reconciliation legislation. But the steady hand of the Federal Reserve Board and its Open Market Committee has helped that seed grow. With the able leadership of Alan Greenspan, the Fed has helped guide our country from the brink of recession to an unprecedented period of economic growth.

But even the Fed is looking at the current economic conditions and reevaluating its interest rate policies. We have a problem with liquidity of capital in this country, which makes it harder for other countries to stabilize their currencies. As they try to acquire dollars, two things happen.

First, our foreign trading partners find it increasing more difficult to purchase American goods. Just ask any farmer in Montana whether this has negative economic consequences for our country and you will get an earful. If farmers can't sell their products in the export market, they cannot survive economically. Communities that are economically dependent upon farmers find themselves in their own downward spiral, as businesses who rely on farmers to buy their goods are also squeezed economically. This same pattern can be repeated in other communities around the country, whether their economic health is tied into farm exports or any other kind of exports.

The second consequence of tight capital is that it can lead to what is known as deflation. It has been a long time since we have had to worry about a deflationary spiral in this country, but it certainly seems to me that this time has regretfully arrived. Our foreign trading partners need dollars desperately because of the devaluation of their own currencies, so they try harder to sell their goods to American consumers. The lower price of these goods drives down the price of domestically produced goods too. American companies cut production, which forces them to also cut employment. As unemployment begins to edge up, consumer confidence and purchasing drops, which causes further drops in price.

So whether we can't sell our products abroad, or too many lower-priced foreign goods are being sold here, the result is the same—a deterioration of our own domestic economy.

I believe the signs all point to an inevitable lowering of interest rates by the Fed. Whether it is done at this next meeting or at some future one, I cannot see another alternative. So while this is a hard vote for me, because of my natural inclination to defer to Mr. Greenspan and the other members of the Federal Open Market Committee, I truly believe it is the right answer not only for our domestic economy but for our global economy as well.•

CONSUMER BANKRUPTCY REFORM ACT OF 1998

• Mr. DODD. Mr. President, I voted in favor of the Consumer Bankruptcy Act of 1998, but I did so with some reservations. I commend the efforts of the members of the Judiciary Committee, especially Senators DURBIN and GRASSLEY and Senators HATCH and LEAHY in taking on the challenge of reforming this important and highly complex area of our laws. They have made an important effort to bring about some badly needed reforms and hopefully reduce the number of bankruptcies in our country.

As many of you know, the most recent statistics from the Administrative Office of the U.S. Courts state that more than 1.4 million people filed for bankruptcy during the 12-month period ending June 30, 1998, an all-time high. This represents an 8.5% increase from the same period last year. Statistics also show that there has been a 400 percent increase in personal bankruptcies since 1980. Clearly we need to reform our bankruptcy laws.

This bill will provide enhanced procedural protections for consumers, and enhanced penalties for creditors who fail to obey the requirements of the bankruptcy code. It also will crack down on abusive and repeat Chapter 13 filings, discourage predatory home lending practices, and provide for the appointment of new bankruptcy judges.

Perhaps most importantly, this bill, as opposed to prior versions, provides stronger safeguards for children and families involved in bankruptcy proceedings. Several months ago, I and 30 of my colleagues wrote to the Chairman and Ranking Member of the Committee about the need for this legislation to include stronger safeguards for the children of people involved in bankruptcy proceedings. In simple terms, we voiced our concern that children should come before creditors, which essentially has been the law for the last 95 years. Under current law, outstanding spouse and child support, in addition to back taxes and educational loans, are debts that cannot be discharged in bankruptcy like other debts. This sound policy is premised on the belief that our laws should minimize the risk of impoverishment of our children and families.

In response to that letter, and my conversation with the Committee Chairman, the Committee Chairman acknowledged the potential adverse consequences the legislation could have upon child support recipients, and he offered an amendment at the full committee mark-up which addressed these problems. The amendment, which passed by a unanimous vote, would raise the legal priority of child support from number 7 to number 1; permit the conditioning of a Chapter 13 confirmation upon the payment of child support payments; allow the conditioning of a Chapter 13 discharge upon the payment of all post-petition child support obligations; and add other provisions that should help children and families collect child support debts.

I offered and had accepted 3 amendments on the Floor that, in my view, further strengthen this bill. The first amendment would: (1) protect income from sources legitimately dedicated to the welfare of children from being dissipated and misdirected to pay debts and expenses unrelated to the care and maintenance of these same children. Child support payments, foster care payments, or disability payments for a dependent child should go to that child and not to a creditor; and (2) ensure that in bankruptcy, children and families are able to keep certain household goods which typically have no resale value. I am speaking about items such as toys, swings sets, video cassette recorders or other items used to help them raise their children.

The second amendment would protect duly established college savings accounts which were set up for the benefit of children from being distributed to creditors. Just because a child's family has gone through a bankruptcy does not mean a child should not be able to go to college.

Lastly, the third amendment, which I co-authored with Senators SARBANES and DURBIN, contains an important new consumer protection regarding credit card debt. Today, many consumers are unaware of the implications of carrying credit card debt and making only the minimum monthly payment on that debt. For instance, assume a consumer has $3000 in credit card debt. Then assume the interest rate that the consumer is paying on that debt is 17½%, which is roughly the industry average. If the consumer makes only the monthly minimum payment on that debt, it will take 396 months or 33 years to pay it off. And with interest, the consumer will have paid a total of 9,658 dollars. This amendment, which I worked on with Senators SARBANES, DURBIN, GRASSLEY and HATCH will require credit card issuers to inform consumers on their monthly billing statement not only how long it will take them to pay off a debt at the minimum monthly rate, but also how much money they will have paid in interest and principal on that debt.

I thank Senators GRASSLEY and DURBIN and Senators HATCH and LEAHY who have worked with me to assure that these protections for children, families and consumers were included in the bill.

I am disappointed that my amendment regarding the extension of credit to young people under the age of 21 was tabled. This amendment was designed to curtail the most aggressive and abusive credit card marketing to people under the age of 21 by requiring that the credit card issuer obtain an application that either contained the signature of a parent or guardian willing to take financial responsibility for the debt, or information indicating an independent means of repaying any credit extended. Most responsible credit card issuers already obtain this information from their applicants. This amendment would have merely required that the less responsible credit card issuers follow the "best practices" already in place for much of the industry.

I am, at the same time, concerned that this legislation will force more debtors into Chapter 13 bankruptcy while eliminating several of the provisions that enabled debtors to meet the terms of their Chapter 13 payment plan. Considering the fact that two-thirds of the repayment plans under current law are not completed, this calls into question whether Chapter 13 really results in the repayment of debts, as advertised.

Moreover, I am concerned, not withstanding strong objections by the National Partnership for Women and Families, more than twenty women's groups, the Leadership Conference on Civil Rights and a variety of other organizations, that new provisions regarding the non-dischargeability of certain types of unsecured debt remain in the bill. These groups expressed their concern that these provisions will impede the ability of debtors to pay both for their post-bankruptcy expenses and to care for their dependents. I hope the Conference looks into these issues more carefully so that we can truly accomplish balanced and effective bankruptcy reform.•

THE COMPREHENSIVE TEST-BAN TREATY: TWO YEARS AND COUNTING

• Mr. BIDEN. Mr. President, today is the second anniversary of the signing of the Comprehensive Nuclear Test-Ban Treaty. It is also nearly a year since the President submitted that treaty to the Senate for its advice and consent to ratification.

Much has happened since then. For example, Congress funded the Department of Energy's Stockpile Stewardship program to ensure that U.S. nuclear weapons remain safe and reliable in the absence of nuclear testing.

We are building new state-of-the-art facilities that will enable scientists to replicate processes that occur in nuclear explosions. We are developing new computers to permit the complex modeling that is necessary to understand nuclear explosions and to test new component materials or designs. We are conducting sub-critical experiments that are permitted under the Test-Ban Treaty.

We are also inspecting annually each type of nuclear weapon in our arsenal, so that problems associated with the aging of those weapons can be identified and corrected without a need for nuclear weapons tests. These inspections and corrective actions enable our nuclear weapons establishment to certify on an annual basis that there are no problems that require renewed nuclear testing.

In short, then, the United States is showing the world that it is, indeed, possible to maintain nuclear deterrence under a test-ban regime.

We are also showing the world that it is possible to verify compliance with the Test-Ban Treaty. Verification is never perfect, but the nascent International Monitoring System has functioned well enough to severely limit what a nuclear power can learn from undetected testing.

Last May, India and Pakistan conducted nuclear weapons tests. Critics of the Test-Ban Treaty note that the International Monitoring System—some of which is already in place—did not predict those tests. Of course, the verification system was never intended to predict nuclear weapons tests, only to detect them and to identify the country responsible.

The International Monitoring System and other cooperating seismic stations did a fine job, in fact, of locating the Indian and Pakistani tests and estimating their yield. By comparing this year's data to those from India's 1974 nuclear test and from earthquakes in the region, seismologists have shown that this year's tests were probably much smaller—and less significant in military terms—than India and Pakistan claimed.

Most recently, the Senate voted to fund continued development of the International Monitoring System. The national interest requires that we learn all we can on possible nuclear weapons tests. I am confident that the Senate made the right choice in voting to restore these funds.

When it comes to the Test-Ban Treaty itself, however, the Senate has yet to speak. The Committee on Foreign Relations has yet to hold a hearing, let alone vote on a resolution of ratification.

In the great Sherlock Holmes mystery "The Hound of the Baskervilles" the crucial clue was the dog that did not bark. On this treaty, the Senate has been such a hound.

Now, why won't this dog bark? I think it's because the Senators who keep this body from acting on the Test-Ban Treaty know that it would pass. A good three-quarters of the American people support this treaty. In fact, support for the treaty has increased since the Indian and Pakistani nuclear tests, despite disparaging comments by some treaty opponents.

Worse yet, as far as some treaty opponents are concerned, India and Pakistan are talking about signing the Test-Ban Treaty. That would chip away mightily at the claim that this treaty will never enter into force, even if we ratify it. The fact is that with U.S. leadership, we can get the world to sign up to a ban on nuclear explosions. I am confident that we will do precisely that.

Treaty opponents have it within their power to stifle America's role in the world and diminish our ability to lead. They also have it within their power, however, to help foster continued American leadership in the coming year and the coming century. I believe that, in the end, their better instincts—and a sober recognition of where the American people stand—will prevail.

The Senate will give its advice and consent to ratification of this treaty—not this year, but next year. The Comprehensive Nuclear Test-Ban may be two years old today, but it is also the wave of the future.•

CTBT ANNIVERSARY

• Mr. BINGAMAN. Mr. President, today marks the two-year anniversary of the opening for signature of the Comprehensive Test Ban Treaty. On September 24, 1996, President Clinton was the first to the sign the CTBT at the United Nations in New York. A total of 150 nations have not signed the treaty, including all five declared nuclear weapons states, and 21 nations have ratified the CTBT.

This week also marks one year since the President transmitted the CTBT to the Senate for its advice and consent to ratification. Unfortunately, one year later the Senate Foreign Relations Committee has yet to hold its first hearing on this historic treaty.

Mr. President, this delay in considering the Treaty not only hinders the Senate from carrying out its constitutional duties; in light of the events in India and Pakistan, it is irresponsible for the Senate to continue to do nothing. It is irresponsible for the security of this nation and the world.

The Indian and Pakistani nuclear tests in May served as a wake up call for the world. We are confronted with the very risk of a nuclear arms race beginning in South Asia. India and Pakistan, as well as their neighbors, have emerged less secure as a result of these tests. I believe that these tests demonstrate the tragic significance of the Senate's failure to take action on the CTBT. We can no longer afford to ignore our responsibility to debate and vote on the treaty.

Today's press reports that both India and Pakistan have stated their intention to sign the CTBT by September 1999. I want to welcome these announcements by India and Pakistan. The steps are in part the result of an intensive U.S. diplomatic effort, and I congratulate the Administration on this success. India's and Pakistan's commitment to halt nuclear testing is critical to reducing tensions and preventing a nuclear arms race in South Asia.

The adherence of India and Pakistan to the CTBT will also enhance prospects for the treaty to enter into force sooner. According to its provisions the CTBT will enter into force when 44 countries have nuclear technology have ratified it. With India's and Pakistan's signatures, all 44 of these countries except one, North Korea, will have signed the CTBT. The addition of India and Pakistan as Treaty signatories marks a significant step toward making the CTBT a reality.

Now more than ever, it is imperative that the Senate begin its consideration of the Comprehensive Test Ban Treaty. Senate action on the CTBT would send a clear signal to India and Pakistan that nuclear testing must stop. It would strengthen U.S. diplomatic efforts to reduce tensions between these two countries and persuade them to give up their nuclear ambitions. But signature of the CTBT by India and Pakistan is only the first step in the process of bringing stability to South Asia. Senate action on the CTBT can help build momentum as additional measures are sought for defusing the violative situation.

Ratification of the CTBT is also critical to U.S. leadership in strengthening the international nonproliferation regime. The risk of nuclear proliferation remains a clear and immediate security threat to the international community as a whole.

Our efforts to reduce the threat of nuclear proliferation have produced significant successes this decade. Several countries, including South Africa, Brazil, and Argentina have abandoned nuclear weapons programs. Under the START Treaty nuclear weapons have been withdrawn from Belarus, Ukraine, and Kazakhstan.

The United States must continue to lead international efforts to halt and reverse the spread of nuclear weapons. For the United States to be effective in strengthening international nonproliferation measures, we need to demonstrate our own commitment to a universal legal norm against nuclear testing.

U.S. ratification of the CTBT is in our national security interest. The United States has observed a testing moratorium since 1992. The other declared nuclear weapons states, Britain, France, Russia, and China, have joined us in halting their nuclear testing programs. It is in our interest for these countries to continue to refrain from such testing, which might otherwise contribute to their designing more advanced weapons that are smaller and more threatening.

The treaty would not prevent the United States from doing anything we otherwise would plan to do, There is no need for renewed U.S. nuclear testing. Nuclear weapons experts from my home State of New Mexico tell me that they have a high level of confidence in the reliability and safety of the U.S. nuclear stockpile.

We are committed through the Stockpile Stewardship Program to ensuring the future safety and reliability of our stockpile in the absence of nuclear testing. Our strong support for this program in the years ahead is critical for U.S. national security under a comprehensive test-ban regime.

Mr. President, the American people recognize the grave danger that a new nuclear arms race in South Asia would pose, not only to U.S. national security but also to the security of the international community. They understand that further nuclear testing threatens to undermine international efforts to prevent the proliferation of nuclear weapons. That's why a recent nationwide poll conducted by the Mellman Group found that 73 percent of the American public believe that the Senate should approve the CTBT, while only 16 percent believe we should disapprove the treaty (11 percent responded "don't know"). This finding of overwhelming support for the treaty occurred after India conducted is nuclear tests.

Therefore, I urge the Senate to begin debate on the Comprehensive Test Ban Treaty. I have sent a letter to the Chairman of the Armed Services Committee requesting that the Committee begin holding hearings on this historic treaty. We need to bring in the experts from the military, intelligence, and scientific communities so we can hear what they have to say. I believe that through such hearings Senators' concerns will be resolved in favor of a CTBT.

For the sake of our security and that of future generations, we must not let this historic opportunity to achieve a global end to nuclear testing slipaway.•

RECOGNITION OF HISTORICALLY BLACK COLLEGES AND UNIVERSITIES IN GEORGIA

• Mr. CLELAND. Mr. President, as designated by the Senate, September 14–

20, 1998, is celebrated as National Historically Black Colleges and Universities Week. I am pleased to take this opportunity to recognize the achievements of these fine institutions of higher education and to pay a special tribute to the ten Historically Black Colleges and Universities located in my home State of Georgia. The 104 historically black institutions of higher learning throughout the United States are cornerstones of African-American education and play an integral role in the lives of African-Americans and in American history.

Historically Black Colleges and Universities have set a high standard for providing quality instruction and valuable, lifelong experiences to students. Though sometimes faced with adversity, historically black colleges and institutions have provided students with the opportunity to broaden their horizons and to reach their fullest potential.

As I have mentioned, my state of Georgia has the privilege of being served by ten of these fine institutions: Albany State University, Clark Atlanta State University, Fort Valley State University, Interdenominational Theological Center, Morehouse College, The Morehouse School of Medicine, Morris Brown College, Paine College, Savannah State University, and Spelman College.

Albany State University, the previous Albany Bible and Manual Training Institute, Georgia Normal and Agricultural College and Albany State College, was ranked by U.S. News and World Report among the top colleges and universities in the South in September 1997. In a recent special report to Black Issues In Higher Education Magazine (July 9, 1998), ASU was ranked among the top 100 producers of degrees for African Americans in three key areas—education, health professions, and computer information Science.

Clark Atlanta State University is a comprehensive, private, urban, coeducational institution of higher education with a predominantly African American heritage. It offers undergraduate, graduate, and professional degrees as well as non-degree programs to students of diverse racial, ethnic, and socioeconomic backgrounds. U.S. News and World report lists Clark Atlanta among the best universities in the United States in its 1996 "America's Best Colleges" guide.

Fort Valley State University, founded in 1890, is a public, state and land-grant co-educational liberal arts institution located in central Georgia's Peach County. The Georgia Board of Regents designated Fort Valley State as a fully accredited University on June 12, 1996, continuing in its leadership role as the only senior college or university in the University System with a mission in all four disciplines—academics, research, extension and service.

Interdenominational Theological Center, established in 1958, maintains its position as the nucleus of theological education for African Americans in the world. Six historic African American seminaries comprise ITC. They are: Gammon Theological Seminary (United Methodist), Charles H. Mason Theological Seminary (Church of God in Christ), Morehouse School of Religion (Baptist), Phillips School of Theology (Christian Methodist Episcopal), Johnson C. Smith Theological Seminary (Presbyterian Church USA) and Turner Theological Seminary (African Methodist Episcopal).

Morehouse College, founded in 1867 as the Augusta Institute, is a small, liberal arts college with an international reputation for producing leaders who have influenced national and world history. The institution is best known for the work of graduates such as Nobel Peace Prize laureate Martin Luther King Jr., former Secretary of Health and Human Services Louis Sullivan, MacArthur Fellow Donald Hopkins, Olympian Edwin Moses, filmmaker Spike Lee, and a number of Congressmen, federal judges, and college presidents. These alumni, and a long list of other Morehouse men from one generation to the next, have translated the College's commitment to excellence in scholarship, leadership, and service into extraordinary contributions to their professions, their communities, the nation, and the world.

The Morehouse School of Medicine became independent of Morehouse College in 1981. The Morehouse School of Medicine is a predominantly black institution established to recruit and train minority and other students as physicians and biomedical scientists committed to the primary health care needs of the underserved and is fully accredited by the Liaison Committee on Medical Education and the Southern Association of Colleges and Schools.

Morris Brown College, founded in 1867, is a private, coeducational liberal arts college engaged in teaching and research in the arts, humanities, education, social and natural sciences. The College is committed to developing, through strong academic, continuing education and cultural enrichment programs, the skills needed to function as a literate citizen in society for persons of all socio-economic status.

Paine College, founded in 1880, has a history tied to the history of the Christian Methodist Episcopal Church and the United Methodist Church. The College was founded to establish an educational institute to train Black ministers and teachers. Throughout its history, Paine has been a distinctively Christian college. It has maintained deep concern for the quest for truth and has been resolute in blending knowledge with values and personal commitment. Paine has been historically dedicated to the preparation of holistic persons for responsible life in society.

Savannah State University, founded in 1890, is the oldest public historically black college in the state of Georgia. SSU offers 26 undergraduate and graduate degrees in three schools—the College of Business Administration, the College of Liberal Arts and Social Sciences and the College of Sciences and Technology. Special programs at SSU include the Marine Sciences program and the Naval Reserve Officers Training Corps.

Spelman College was founded in 1881 as the Atlanta Baptist Female Seminary to increase educational opportunities for Black women in Atlanta. Spelman's mission is to help students to think objectively, critically and creatively within a moral framework and to use their talents to solve problems that are ever present in a rapidly changing and complex environment.

The extraordinary contributions of historically black colleges and universities in educating students and in enriching our communities cannot be overstated. They are a valuable national resource which are being rightly honored for their exemplary tradition in higher education. Mr. President, please join me and our colleagues in congratulating and celebrating a rich legacy and tradition of the excellence, determination, strength, and perseverance of historically black colleges and universities.●

25TH ANNIVERSARY OF ALCOHOL AND DRUG RECOVERY CENTERS, INC.

● Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to Alcohol and Drug Recovery Centers, Inc. of Hartford, Connecticut, on its 25th Anniversary. ADRC provides much-needed services to the residents of 29 Greater Hartford communities: helping men and women first confront then overcome their addictions so they may live productive, substance free lives.

For a quarter of a century, the dedicated workers of ADRC have lent a helpful hand to their neighbors, regardless of race, sex, sexual orientation, disability, or economic circumstances. Their work has had a tangible impact on the community and I am proud to honor ADRC for its work on behalf of Hartford-area families.

This dynamic and proactive organization has continually blazed a trail for other community groups to follow. ADRC has worked hard to earn this praise on its silver anniversary and I am happy to wish all of its staff and friends continued success.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. McCAIN. In executive session, I ask unanimous consent that the Senate proceed to the following nominations on the Executive Calendar: Nos. 648 and 649. I ask unanimous consent that the nominations be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed at this point in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

REFORM BOARD (AMTRAK)

Linwood Holton, of Virginia, to be a Member of the Reform Board (AMTRAK) for a term of five years.

Amy M. Rosen, of New Jersey, to be a Member of the Reform Board (AMTRAK) for a term of five years.

NOMINATION OF AMY ROSEN TO THE AMTRAK REFORM BOARD

Mr. LAUTENBERG. Mr. President, I rise to strongly support Amy Rosen's nomination to the Amtrak Reform Board of Directors. Ms. Rosen has the right blend of business and financial knowledge, talent and creativity needed to lead Amtrak into the next century.

Mr. President, the next few years will be crucial for Amtrak. To increase ridership, modernize and cut costs while reducing its dependence on federal assistance, Amtrak needs Board members with demonstrated business and financial skills. I believe Amy Rosen is eminently qualified to serve on Amtrak's Board and can make that kind of contribution at this critical juncture in Amtrak's history. She has business acumen derived from extensive professional experience in the private sector, along with her work in the public sector.

Currently, Ms. Rosen is Managing Partner of Public Private Initiatives, a financial services and consulting firm that employs innovative financing techniques to benefit public sector, non-profit and private sector clients. At PPI, she is directly involved in applying creative financial tools, such as tax-advantaged leasing and asset securitization to enhance government services.

For example, under Ms. Rosen's tenure, New Jersey Transit has leverage-leased $1.8 billion worth of equipment and facilities, for a net benefit of $100 million to New Jersey Transit and its ridership. Prior to starting Public Private Initiatives, Ms. Rosen was Senior Vice President of Marketing and Managing Director of Lockheed-Martin IMS, where she was responsible for the oversight of all domestic and international marketing initiatives, and state and federal relations. She also was very involved in the Lockheed merger with Martin Marietta. Throughout her tenure, she worked to re-shape the corporation's marketing and acquisition needs in the midst of defense budget cuts. These positions required the kind of skills and expertise that can help Amtrak deal effectively with the challenges it faces today.

Ms. Rosen also has relevant and extremely valuable experience in the public sector. She served as Deputy Commissioner for the New Jersey Department of Transportation under Governor Byrne and currently serves as Vice Chair of the New Jersey Transit Board of Directors. As a result of her service in these posts, she has hands-on experience in state government and will be able to build strong relationships between Amtrak and the states it serves.

Mr. President, while professional experience and particular skills are important for effective service, Ms. Rosen also has the kinds of personal strengths and attributes that the Senate looks for in nominees to high posts. She is bright, energetic, extremely hard working and committed to the goals and mission the Congress has set out for Amtrak. I can also personally attest to her integrity and ability to work well within a group.

Mr. President, I strongly support Ms. Rosen's appointment and I urge my colleagues to do the same. I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AWARDING THE CONGRESSIONAL GOLD MEDAL TO GERALD R. AND BETTY FORD

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3506 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3506) to award the Congressional Gold Medal to Gerald R. and Betty Ford.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3647

(Purpose: To award congressional gold medals to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to collectively as the "Little Rock Nine," on the occasion of the 40th anniversary of the integration of the Central High School in Little Rock, Arkansas, and for other purposes)

Mr. McCAIN. Mr. President, Senator D'AMATO has an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for Mr. D'AMATO, proposes an amendment numbered 3647.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new sections:

SEC. 4. CONGRESSIONAL GOLD MEDALS FOR THE "LITTLE ROCK NINE".

(a) FINDINGS.—The Congress finds that—

(1) Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, hereafter in this section referred to as the "Little Rock Nine", voluntarily subjected themselves to the bitter stringing pains of racial bigotry;

(2) the Little Rock Nine are civil rights pioneers whose selfless acts considerably advanced the civil rights debate in this country;

(3) the Little Rock Nine risked their lives to integrate Central High School in Little Rock, Arkansas, and subsequently the Nation;

(4) the Little Rock Nine sacrificed their innocence to protect the American principle that we are all "one nation, under God, indivisible";

(5) the Little Rock Nine have indelibly left their mark on the history of this Nation; and

(6) the Little Rock Nine have continued to work toward equality for all Americans.

(b) PRESENTATION AUTHORIZED.—The President is authorized to present, on half of Congress, to Jean Brown Trickey, Carlotta Walls LaNier, Melba Patillo Beals, Terrence Roberts, Gloria Ray Karlmark, Thelma Mothershed Wair, Ernest Green, Elizabeth Eckford, and Jefferson Thomas, commonly referred to the "Little Rock Nine", gold medals of appropriate design, in recogniztion of the selfless heroism that such individuals exhibited and the pain they suffered in the cause of civil rights by integrating Central High School in Little Rock, Arkansas.

(c) DESIGN AND STRIKING.—For purposes of the presentation referred to in subsection (b) the Secretary of the Treasury shall strike a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary for each recipient.

(d) AUTHORIZATION OF APPROPRIATIONS—Effective October 1, 1997, there are authorized to be appropriated such sums as may be necessary to carry out this section.

(e) DUPLICATE MEDALS—

(1) STRIKING AND SALE.—The Secretary of the Treasury may strike and sell duplicates in bronze of the gold medals struck pursuant to this section under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the gold medal.

(2) REIMBURSEMENT OF APPROPRIATION.—The appropriation used to carry out this section shall be reimbursed out of the proceeds of sales under paragraph (1).

SEC. 5. COMMEMORATIVE COINS.

(a) IN GENERAL.—Section 101(7)(D) of the United States Commemorative Coin Act of 1996 (Public Law 104–329, 110 Stat. 4009) is amended to read as follows:

"(D) MINTING AND ISSUANCE OF COINS.—The Secretary—

"(i) may not mint coins under this paragraph after July 1, 1998; and

"(ii) may not issue coins minted under this paragraph after December 31, 1998.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be construed to have the same effective data as section 101 of the United States Commemorative Coin Act of 1996.

Mr. McCAIN. I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3647) was agreed to.

The bill (H.R. 3506), as amended, was read a third time and passed.

ORDERS FOR FRIDAY, SEPTEMBER 25, 1998

Mr. McCAIN. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, September 25. I further ask that when the Senate reconvenes on Friday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, the time for the two leaders be reserved and the Senate then resume consideration of the FAA reauthorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. McCAIN. For the information of all Senators, tomorrow the Senate will reconvene at 9:30 a.m. and immediately resume consideration of the FAA reauthorization bill. There will be 20 minutes for closing remarks, followed by a rollcall vote on passage of the FAA reauthorization bill. Therefore, the first rollcall vote of Friday's session will occur at approximately 9:50 a.m. Following that vote, the Senate may consider any legislative or executive items cleared for action.

As a reminder to all Members, a cloture motion was filed today to the vacancies bill and therefore Members have until 1 p.m. on Friday to file first-degree amendments. The cloture vote has been scheduled to occur at 5:30 p.m. on Monday, September 28.

Mr. President, I would like to yield to the Senator from Kentucky if he would have any comments before I make a closing remark.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I will have a few additional remarks tomorrow. I made a speech one night and read it, and going home that evening Mrs. Ford said, "Did you ever think about just speaking from notes and off the cuff? It seems more sincere." So the next time we went out, I made this speech from just three or four notes, and I thought I did very well. We were going home, and I said, "Well, how did I do tonight?" There was a hesitation, and she said, "I believe I'd go back to reading." And so I will be off the cuff tomorrow, with probably some prepared remarks. As you all know, this is probably the last piece of aviation legislation I will have any input into as a Senator.

I appreciate all the cooperation and good humor that has been displayed as we have moved along the way. I have been impressed by the staff that Senator McCAIN has assembled to assist him. I have been amazed at the staff that we have, and how they work together and ultimately get it done. One of the things we worried about was having all the amendments maybe worked out before we got on the floor. And that came close.

But I remember something that Senator ROBERT BYRD told me a long time ago: If you cannot get an agreement, start, and it will create a vacuum. So I think that is exactly what has occurred here, along with the hard work on both sides of the aisle. It has been a good ride, and I look forward to the vote in the morning at 9:50, and then I will make some comments after that.

I am grateful to my colleague for his patience with me. We look forward to several more weeks of working together and accomplishing many things that he and I want to do. We are going to try. Whether we accomplish those things or not, only time will tell. But if there is anything in trying to get it done, Senator McCAIN and I will accomplish our end purpose.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I will have some more remarks tomorrow about my dear friend from Kentucky, because I would like to have more of my colleagues hear them. But hearing him speak in his own unique and frankly straightforward and candid fashion reminds me of all the years now, 12, that he and I have been working together. Perhaps that is not a long time in some areas of life, but it certainly is a long time when you consider the long, long list of issues concerning aviation that he and I have addressed together and the fact that I freely acknowledge, with great pride, that he has taught me an enormous amount, not only about aviation issues but how to achieve legislative results.

I will have more to say about that tomorrow. But as it is kind of quiet here in the Senate tonight, it makes one a bit nostalgic at this late hour.

Mr. FORD. Maybe it is the best time to say it.

Mr. McCAIN. So I will stop before becoming maudlin.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. McCAIN. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:09 p.m., adjourned until Friday, September 25, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 24, 1998:

DEPARTMENT OF STATE

C. DONALD JOHNSON, JR., OF GEORGIA, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS CHIEF TEXTILE NEGOTIATOR.

MISSISSIPPI RIVER COMMISSION

WILLIAM CLIFFORD SMITH, OF LOUISIANA, TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION FOR A TERM EXPIRING OCTOBER 21, 2005, VICE FRANK H. WALK, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate September 24, 1998:

REFORM BOARD (AMTRAK)

LINWOOD HOLTON, OF VIRGINIA, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

AMY M. ROSEN, OF NEW JERSEY, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

HOUSE OF REPRESENTATIVES—*Thursday, September 24, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. NEY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 24, 1998.

I hereby designate the Honorable ROBERT W. NEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend A. David Agro, Capitol Hill United Methodist Church, Washington, D.C., offered the following prayer:

O God of Abraham and Sarah, Hagar and Ishmael, Isaac and Rebekah, Esau and Jacob, Leah and Rachel, Zilpah and Bilhah, we ask for Your faithful presence in this place with these Your people who like our forebears chart the way for many. Enable these servants to follow Your call like Abraham and Sarah to a new land that You will show in order that we too may be a great nation. Hear, O God, the voice of those in the wilderness as You did Hagar and Ishmael and speak Your words of reassurance even as You guide decisions for the sake of those who are outcast and crying for justice. Grant courage that the wrestling in this Chamber will be marked by the fortitude of Rachel and Jacob in their struggle for new life and with familiar issues. May Your face be seen, O God, like Jacob, in the face of our brother and sister as we give thanks for the blessings received from Your hand. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. WELLER) come forward and lead the House in the Pledge of Allegiance.

Mr. WELLER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3150. An act to amend title 11 of the United States Code, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3150) "An Act to amend title 11 of the United States Code, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. GRASSLEY, Mr. SESSIONS, Mr. LEAHY, and Mr. DURBIN to be the conferees on the part of the Senate.

WELCOME TO REV. A. DAVID AGRO

(Mr. MILLER of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Florida. Mr. Speaker, we welcome this morning the Reverend David Agro, who is the pastor of the Capitol Hill United Methodist Church just four short blocks from the Capitol here. Reverend Jim Ford, who is the House chaplain, is in surgery this morning and will be back with us next week. We wish him well and expect his speedy recovery.

Often on occasions we spend weekends here in Washington, and it is a pleasure to have the opportunity to attend services on Sunday morning. My wife and I have attended the Capitol Hill United Methodist Church on many of those occasions. It is a congregation that makes you feel welcome, has beautiful music and very inspirational sermons, so it is a pleasure to have the Reverend David Agro with us this morning and to have him share those inspirational words with us.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes from each side.

OPPOSING ANY DEAL TO SHORT-CIRCUIT THE CONSTITUTIONAL PROCESS REGARDING THE PRESIDENT

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, let us dispense with the notion that Congress can punish the President, punish either by a so-called censure, a fine, or any other punishment. Such a deal is unconstitutional, and anyone who believes in that kind of deal believes not in the rule of law but the rule of man, and needs to read the Constitution.

Impeachment is a process of deciding whether a President is fit for office. The Founding Fathers did not give Congress the authority to punish the President. That is for the judicial system to decide. The question before the House is, is this President fit for office? Has he disqualified himself to continue to lead this Nation?

The decision for the House is whether to impeach or not to impeach. The decision for the Senate is to remove from office or not to remove. Any action to punish this President, any deal cut that short-circuits the constitutional process, is unconstitutional, and I will fight for the Constitution.

Mr. Speaker, this is not the time to abandon our Constitution. I urge my colleagues to read the Constitution, to support the process, and resist the temptation to cut a deal with the President.

TRIBUTE TO THE HONORABLE VIC FAZIO

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I would like to take this opportunity to pay tribute to the gentleman from California (Mr. VIC FAZIO), who has been a very effective Member of this institution, both as a leader and as a member of the Committee on Appropriations, and as a great Californian.

We have been very lucky in California to work with the gentleman from California (Mr. FAZIO), someone who has always been helpful in securing funding for our State, particularly for water projects. I know, because I have called on him for assistance many times in his role on the Committee on Appropriations. I thank the gentleman from California for being so respectful to all of our needs, for being receptive, hardworking, dedicated and fair in making sure our requests are fulfilled.

I thank him, too, for his hard work in fighting for women's rights. He has been a staunch defender on many fronts, supporting the Equal Rights Amendment, arguing for women's reproductive rights, and opposing discrimination against women in the work force, the military and the courts. As a member of the Democratic leadership, the gentleman's outspoken activism has brought needed attention to these causes.

I do not know what we will do without the gentleman from California (Mr. VIC FAZIO). He will be missed.

THE BEST USE OF THE BUDGET SURPLUS

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, according to my colleagues, Republicans want to waste the budget surplus on tax cuts. But let us take a closer look.

The President announced in his State of the Union Address that every penny of the surplus is to be dedicated to saving Social Security. But what the President said does not appear to be what he is really doing.

In fact, the President has proposed to spend billions of dollars on more government programs and services with dollars from the budget surplus. He wants our troops in Bosnia paid with surplus dollars. He wants to replenish the IMF and address the Y2K problem with surplus dollars. He also wants to address embassy security with surplus dollars.

Mr. Speaker, I thought when the President pledged "every penny" of the surplus to Social Security he meant it. I guess his pledge really depends on his definition of the word "penny."

Republicans want to give the American people a tax cut, and we tell them our plan up front. Why cannot the President tell the American people the real funding source of his agenda? For those who think character does not matter, think again.

THE BUDGET SURPLUS SHOULD GO TO SOCIAL SECURITY

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, the Republicans are moving full steam ahead with their plan to raid the budget surplus to pay for tax cuts, instead of putting that money where it rightly belongs, into Social Security.

Make no mistake about it, Mr. Speaker, the Republican tax bill is a direct assault on Social Security. The budget surplus the Republicans want to use to pay for their tax cuts do not exist. The only portion of the Federal budget that is in surplus is the Social Security Trust Fund. In fact, without Social Security, the Federal budget would still be in deficit this year.

Mr. Speaker, hardworking American families deserve tax relief, there is no doubt, but we should not be gambling with the Social Security Trust Fund to pay for it. Let us put every penny of this surplus back where it came from and keep it there until we are sure we have protected Social Security for the long haul.

Let us show seniors and future generations that we will be disciplined with the money Congress has been charged with managing for their retirement years. Let us stop the GOP's $80 billion assault on Social Security dead in its tracks. I would urge all my colleagues to vote no on this irresponsible Republican tax plan.

AN HISTORIC OPPORTUNITY FOR CONGRESS TO ABOLISH THE MARRIAGE TAX PENALTY

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, this Congress has an historic and exciting opportunity to do something it should have done a long time ago, abolish the marriage tax penalty. Many young couples are surprised to learn that government actually penalizes people for getting married; yes, an average of $1,400 per year for middle class income earners.

People have long known that government does not do a lot of smart things. In fact, it does a lot of dumb things. Even liberals have to admit that government has thousands of stupid regulations, programs that actually make things worse instead of better, and inefficiencies that seem to be immune from reform.

But the marriage tax penalty is just plain wrong. It stands as an ugly symbol of everything that is wrong about government that has gotten too big, too arrogant, and too out of touch with what it is like for an average person who struggles every day to get ahead, to make ends meet, to build a better life for themselves and their families.

Why does the government make it so much harder for people who want to get married? I urge Members on both sides of the aisle to do what is right to correct this wrong.

SOCIAL SECURITY TRUST FUNDS DIVERTED

(Mr. DOGGETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOGGETT. Mr. Speaker, with the national news media focused on "all Monica all the time," any attempt here in Washington to address some of the real problems American families are facing is disdainfully disregarded as a mere diversion.

This week we actually have a diversion underway, a very real diversion. It is the diversion of Social Security trust funds to pay for Republican electioneering. With the Nation distracted, our Republican friends are seizing the moment to seize Social Security trust funds in order to provide election eve tax breaks. When will they learn that the Social Security trust fund is not a slush fund?

Let us keep the faith with the people that paid into the trust fund their payroll taxes and are paying in today, and apply any surplus that is finally generated after almost 30 years to save Social Security first.

Let us act to protect those who have paid into this trust fund, and avoid a Republican campaign ploy.

THE 90–10 PLAN SAVES SOCIAL SECURITY AND ENDS THE MARRIAGE TAX PENALTY

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, we have an opportunity this week to focus on the people's business. We have an opportunity to adopt what has already been nicknamed the 90–10 plan, a double win, a win-win for the taxpayers, a plan that sets aside $1.4 trillion for Social Security, twice what the President originally asked for, and sets it aside for a long-term plan to save Social Security.

This plan also works to eliminate the marriage tax penalty. I have often asked, is it right, is it fair that under our tax code, that a married working couple with two incomes pays higher taxes than an identical couple that lives together outside of marriage; that they pay higher taxes just because they are married?

We know that is wrong. We have answered that with this 90–10 plan that saves Social Security, and of course, the centerpiece is an effort which will eliminate the marriage tax penalty for a majority of those who suffer.

Our friends on the other side of the aisle, they talk about the Social Security trust fund. Judith Chesser, deputy commissioner of the Social Security Administration, when asked in the Committee on Ways and Means last week if this tax cut impacts the Social Security trust fund, her answer was simple: No.

Let us pass it. It deserves bipartisan support.

SAVE SOCIAL SECURITY

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, this Congress made a commitment to save and protect Social Security for the future. It is one of the most successful domestic programs that has ever been created, but now, according to my Republican colleagues, we have a surplus, which means that we can then provide a tax cut, while at the same time continue to hide the real deficit with Social Security funds.

To make matters worse, it is estimated that the proposed tax cut would benefit mostly those who earn over $100,000 a year. To spend this illusionary surplus is wrong. We need to remove Social Security from the budget and pay down the national debt.

Let us be honest, we do not have a surplus if we do not include Social Security in the budget. What we have is borrowed money from the Social Security trust fund, and this money will have to be paid back—every penny of it. This surplus should go to the Social Security trust fund and not a tax cut, because there is no surplus.

TIME FOR REFORM FOR THE SAVANNAH DISTRICT OF THE U.S. ARMY CORPS OF ENGINEERS

(Mr. NORWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NORWOOD. Mr. Speaker, here we go again, a different constituent, but the same old shenanigans, the Savannah District of the U.S. Army Corps of Engineers.

Jim Davis buys a house on Lake Thurman, so he can enjoy the beauty and recreational opportunity that this part of Georgia has to offer. That sounds easy enough, does it not? Yet, when the Corps gets involved, it is never easy, it is a pain in the neck.

The Corps will not approve Dr. Davis's permit for lakeshore use until he replants trees within the underbrush area that was cut down some 25 years ago. It is not even his property, it is public property. That is fine, if Dr. Davis had been the one to cut down the trees, but he was not. He just bought the property. So the Corps, which obviously has nothing better to do than to harass my constituents, hassles a man who is simply trying to mind his own business and follow some commonsense rules.

Mr. Speaker, it is time for the Corps to reform its bully mentality and its ludicrous shoreline management plan. If they cannot manage people, they cannot manage property.

ILLEGAL TRADE PRACTICES BY THE CHINESE BALLOONS THEIR TRADE SURPLUS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. TRAFICANT. Mr. Speaker, China's trade surplus has ballooned to over $1 billion a week, and China is doing it illegally: prison labor, slave wages at 17 cents an hour, illegal dumping, trade barriers. When confronted, China thumbs their nose right in our faces.

☐ 1015

In fact, they now say the real trade deficit in America is only pennies on the dollar with China. I ask today, who is teaching those communist accountants? The Internal Revenue Service?

Beam me up.

Mr. Speaker, I say this: Congress should stop coddling China. This is not about trade anymore. It is about national security. And a communist nation is ripping off Uncle Sam.

90–10 TAX RELIEF

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, right now, senior citizens are losing their Social Security benefits because they just want to work and earn a living. Right now, seniors can earn only up to $14,500 before they lose some of their benefits. This is an earnings limit that discriminates against senior citizens.

Is it not outrageous to penalize seniors for working? The Taxpayer Relief Act would raise the limits and give essential tax relief to working seniors. It also sets aside $1.4 trillion, which our colleagues fail to understand, to protect Social Security. That is 90 percent of the total surplus.

President Clinton does not want to help working citizens. He calls our plan "a gimmick to please people." I urge my colleagues, do not believe him. The President has proposed to spend billions from the surplus on bigger government. He is the one with the gimmicks.

We can protect Social Security and give tax relief. Let us just do it.

NORTH KOREA'S RECENT TAEPODONG I MISSILE LAUNCH

(Mr. UNDERWOOD asked and was given permission to address the House for 1 minute.)

Mr. UNDERWOOD. Mr. Speaker, on August 31 of this year, the government of North Korea tested its first three-stage missile over Japan. The missile, a modified Taepodong I, which traveled approximately 1,500 kilometers, landed in the Pacific, northwest of Misawa U.S. Air Force base in Japan.

Mr. Speaker, despite horrific famine, devastating floods and economic quarantine, North Korea has demonstrated its ability to strike targets in Japan and beyond. Missile defense experts have cited that this test is a key milestone in North Korea's efforts to develop their long-range ballistic missile that could conceivably place Alaska, Guam, and possibly Hawaii within the cross hairs of North Korean aggression.

Today, the gentleman from Alaska (Mr. YOUNG) and I are introducing a resolution which condemns North Korea for this act of international recklessness. Mr. Speaker, let us being honest here. This resolution will not stop North Korean missiles from being developed or exported. It will not compel an apology from Kim Jong Il. But what it does do is announce to the regime in Pyongyang, in no uncertain terms, that we are watching and we are taking notice of their actions. I urge my colleagues to please support this resolution.

IN SUPPORT OF RELIGIOUS LIBERTY IN THE MALDIVES

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today to speak on behalf of the persecuted Christians in the Republic of Maldives. Reports indicate that on June 18, 1998, police searched foreign workers' homes and confiscated passports, correspondence, books and other possessions.

Approximately 19 foreign Christians were forced to sign statements and were expelled for life from the Maldives. In addition, Christian Maldivian citizens have been arrested and put in prison. Authorities have denied these individuals visits from their families and have subjected some of them to torture.

Despite government statements that, "The Maldives respects all religion", reports suggest the contrary.

Mr. Speaker, I urge the government of Maldives to protect the religious liberty of all of its citizens and release the individuals who have been arrested for their religious beliefs. Religious liberty should be a fundamental human right of all peoples of the world.

PROTESTING THE EXCLUSION OF DEMOCRAT MEMBERS OF CONGRESS FROM MEETING WITH COLOMBIAN PRESIDENT

(Mr. ACKERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ACKERMAN. Mr. Speaker, I rise today to bring to the attention of the

House an event which I think is unwise and unprecedented.

Today, the new President of Colombia is visiting. But unlike previous visits of heads of state, only Republican Members have been invited to meet with him. In my 16 years in the House, I cannot remember a previous time when Members were excluded from such meetings based on party affiliation.

Mr. Speaker, there is no reason for our foreign policy to become so partisan that only one party is invited to meet with a visiting head of State.

We have always had an "American" foreign policy, and to indicate that this is starting to change to foreign leaders is certainly unwise and unwarranted and very, very unfortunate.

The issues to be discussed affect the interest of all Americans, not just Republican Americans. I believe, Mr. Speaker, that not allowing Democrats into the meeting today with President Pastrana makes the House look foolish in the eyes of our visitors and foreign leaders and diminishes our ability to be effective as policymakers.

Mr. Speaker, are we for the first time today going to change our policy and make foreign dignitaries choose between meeting with Democrats or Republicans, or having to come back and meet with all of us twice? It is an insult to us as Americans, as Democrats, and as representatives of the people.

AS ELECTION DAY DRAWS NEARER, TAX CUT RHETORIC GROWS

(Mr. HAYWORTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYWORTH. Mr. Speaker, as we can tell from the tone of the remarks and the date on the calendar, the rhetoric grows more and more pointedly partisan in this Chamber, and I guess that is a function again of time and of what transpires.

I have listened with interest this morning to my friends on the left continue to talk as if they are the saviors of Social Security. A couple of historic points might be in order.

First of all, for purposes of full disclosure, we should point out that our friends on the liberal side of the aisle over the 40 years of time when they were in control never set aside one penny to save Social Security. Zero point zero. Zilch. Nada.

On the other hand, the new majority embraces a plan that would take in excess of $1.4 trillion and use it to save Social Security and use a relatively meager $80 billion to allow the people of the United States to keep more of their hard-earned money.

What the left really tells us, Mr. Speaker, is: No tax cuts, no time, no how.

IN TRIBUTE TO VIC FAZIO

(Ms. HARMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HARMAN. Mr. Speaker, representing the other tough-to-hold seat in California, I know how hard the gentleman from California (Mr. FAZIO) has worked for his constituents.

I know his courage in fighting for responsible gun control; a woman's right to choose; equal treatment for all Californians, regardless of sexual orientation; and responsible campaign finance reform. And I know his incredible personal courage in returning here after the untimely death 2 years ago of his daughter, Anne.

Losing an election, which VIC never did, is hard. Losing a child is infinitely harder. Yet VIC and Judy have rebounded, and I think the perfect tribute this institution could pay to him after 20 years is to behave in a sober, bipartisan and fair fashion as we consider the very difficult matter of the President which is before us.

I am pleased to join my colleagues in commending VIC for his distinguished public career and proud to call him a friend.

VIC, best wishes to you, Judy and your family.

DEMOCRATS ATTEMPT TO SCARE SENIORS

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Mr. Speaker, the liberals are making false and misleading arguments in their opposition to the Republican tax cut proposal. Every time we hear the other side accuse Republicans of raiding the Social Security Trust Fund or stealing from the Social Security Trust Fund, they are deliberately misrepresenting the truth in order to oppose tax cuts.

Just consider this. The liberals never accuse anyone of raiding the Social Security Trust Fund whenever it comes to spending. In fact, they have proposed billions and billions of new spending without a single thought about Social Security.

It is only when Republicans want to pass tax cuts that they use a bogus argument about Social Security in order to scare seniors, just like they did for 2 years about Medicare.

Mr. Speaker, the fact is, liberals simply oppose tax cuts. The American people should know the truth. Under their definition, all spending is a raid on the Social Security Trust Fund: education, welfare, the big bureaucracy here in Washington.

But now we do have a surplus and I think, yes, we do need to save Social Security with 90 percent of the surplus. But any surplus over that should go to hard-working Americans in the form of tax relief.

THANK YOU, VIC

(Mrs. CAPPS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CAPPS. Mr. Speaker, I speak today in tribute to Congressman VIC FAZIO, one of the finest individuals I have ever known, a public servant who truly exemplifies the idea of "citizen representative," a close friend and political mentor of mine and of my husband Walter.

Mr. Speaker, I will never forget the support and assistance he gave me and my family and staff after Walter's death. He is successful as a Congressman because, although a proud Democrat, he has the ability to work in a bipartisan manner. He is a wonderful Caucus Chair, because, again, he is a voice for unity and consensus within our party.

Mr. Speaker, he will be missed by his constituents and by us all, and he will always be my friend. I say to the gentleman, "Thank you, VIC."

FAST TRACK SHOULD BE PASSED

(Mr. NETHERCUTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NETHERCUTT. Mr. Speaker, American farmers are facing a huge challenge of low commodity prices and unfair competition from foreign governments. Tomorrow, Congress will take up the issue of fast track authority for this administration. Even though I have serious questions about giving this administration any authority on trade issues, considering its record, I do support fast track authority because of the very important part of the bill that assures agriculture full participation in trade negotiations.

Mr. Speaker, by this provision, trade agreements reached will be agriculture-sensitive. An ag representative, a trade representative, will monitor and report back to Congress whether such agreements and negotiation will help or hurt agriculture.

The key to agriculture's success is to open foreign markets so we can sell our commodities overseas. The fast track bill provides agriculture a seat at the tariff reduction table, all subject to final congressional approval. It should be passed.

SAVE SOCIAL SECURITY FIRST

(Ms. MCCARTHY of Missouri asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MCCARTHY of Missouri. Mr. Speaker, the House is considering a Republican tax bill which spends the entire anticipated budget surplus on tax cuts instead of saving it for Social Security. It is a tax bill that violates the budget rules. That is bad public policy.

Mr. Speaker, I have sponsored and voted for specific tax cut proposals in the Taxpayer Relief Act of 1997 and capital gains tax reduction. I will support the Democratic alternative for tax cuts that take effect only when there is a budget surplus that does not include counting Social Security Trust Funds.

Save Social Security first, then offer tax cuts to hard-working people of America.

MEANINGFUL ASSISTANCE REQUIRED FOR AMERICAN AGRICULTURE

(Mr. CHAMBLISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHAMBLISS. Mr. Speaker, America is in danger of losing its number one industry, agriculture.

Mr. Speaker, 1998 has been a disastrous year for farmers all across this great country of ours. And after months of pressure from Congress, the answer of the current administration to this problem was to support a $500 million disaster package that originated across the way in the other body.

The Republican response to this has been much more meaningful and much more sensible. It is a plan that puts money in the pockets of farmers immediately to provide short-term relief. There is also a package to provide long-term relief in the form of tax incentives and tax relief to farmers. This is a meaningful solution to the current problem in ag country.

Now, the administration has come back with a plan that puts farmers and this country deeper in debt and will depress prices for the long-term.

Mr. Speaker, I urge the administration to cut out the political rhetoric and provide real, meaningful leadership in the arena of agriculture.

SAVE SOCIAL SECURITY FIRST

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, over 500,000 retired Arkansans depend on their Social Security monthly check as a necessary source to supplement their retirement income. In fact, the First Congressional District of Arkansas has the largest number of seniors for whom Social Security is their only source of income.

Right now, millions of working Americans are paying into the Social Security system and are counting on it for when they retire. This year, some have suggested that we have a budget surplus. That just simply is not so.

Of course, there is an enormous temptation to use the so-called surplus or the Social Security Trust Fund to cut taxes. I am all for tax cuts, but not on the backs of our children and grandchildren, not on the backs of our retirees who depend on Social Security as their only source of income.

Mr. Speaker, it must be there when we need it. Congress must save Social Security and not rob the Social Security Trust Fund.

□ 1030

DECEPTION

(Mr. THUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THUNE. Mr. Speaker, when the other side repeated over and over again during the 1996 campaign that the Republicans wanted to cut Medicare, it was a lie. Many people believed it and so they continued to say it.

When the other side repeated over and over again in 1995 that the Republicans wanted to cut the school lunch program, that was a lie. Yet that worked, too, to some degree. Now it is 1998. The other side has already started on another deception that lowering taxes on farmers and ranchers and families would threaten Social Security. That, too, is a lie.

How ironic that the party that did nothing, nothing for 40 years to fix a system they knew was going broke, is now attacking our commitment to use 90 percent of the surplus to fix Social Security while giving the remaining 10 percent back to the American people. How is it that billions of dollars in liberal spending do not threaten Social Security but lower taxes for farmers and ranchers somehow would?

America's farmers and ranchers need a break, and it is time to give them much-needed tax relief.

ON THE BUDGET SURPLUS AND SOCIAL SECURITY

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, this year we have a great opportunity, a once-in-a-generation chance to really save Social Security. We can take our budget surplus and begin to pay back the IOUs into our Social Security system. Unfortunately, though, Republicans are putting politics first and Social Security second. They want to raid the surplus to fund their political agenda. They put fiscal irresponsibility first and Social Security second.

No piggy bank money should be used, Mr. Speaker, for election year giveaways. Instead let us bank all of the surplus to shore up Social Security today.

TAX CUTS

(Mr. KIND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, the House this week is going to be considering an $80 billion tax cut. As far as tax cuts are concerned, the provisions contained in it would receive wide bipartisan support in this body. Perhaps it is not as pro-growth oriented as much as I would like to see, but as far as tax cuts, it is not bad.

The problem is, it is going to be relying on the so-called surplus to pay for it. The fact is, there is no surplus unless we are willing to borrow and steal from the Social Security trust fund.

I commend the leadership for being up front and honest about it, that they are intending to take the money from that trust fund to pay for this tax cut, but it is the wrong policy. It is the wrong thing to do for our seniors and children, and we should not engage in that election year tax cut in order to satisfy a certain constituency.

Alan Greenspan, Chairman of the Federal Reserve, was on the hill yesterday and when asked what would be the best use of the so-called surplus, he said, I will tell you what not to do. Do not use it for a permanent new spending program and do not use it for tax cuts when the surplus may never materialize in this very volatile international financial crisis which may have a devastating impact on the U.S. economy.

I encourage my colleagues to oppose the tax cut.

SOCIAL SECURITY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, over the past 6 years Democrats have worked extremely hard and pretty much on their own, I might add, to get our fiscal house in order. We have balanced the budget, created a better economy, and we have, in fact, generated the potential, the potential of a surplus to help pay back the debt that we owe to Social Security.

Let me tell my colleagues now about how that is being jeopardized. The Republican leadership in this House wants to take the surplus in the Social Security system which, in fact, is generating that surplus that we have in our budget, they want to take that money and they want to raid it. They want to use it for tax cuts.

Social Security is one of the great success stories of this Nation. Two-thirds of our retirees depend on Social Security for over half of their income. It is bedrock. It has been there, and it needs to be protected. And it needs to be preserved for the future. It is now under a sneak attack. Make no bones about it. While the country is distracted, they want to take that money.

Are Democrats for tax cuts? You bet. But not at the risk of the Social Security trust fund.

CONFERENCE REPORT ON H.R. 4112, LEGISLATIVE BRANCH APPROPRIATIONS FOR FISCAL YEAR 1999

Mr. McINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 550 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 550

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. NEY). The gentleman from Colorado (Mr. McINNIS) is recognized for 1 hour.

Mr. McINNIS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL) pending which I yield myself such time as I might consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the proposed rule for the conference report to accompany H.R. 4112, the legislative branch appropriations for fiscal year 1999, waives all points of order against the conference report and against its consideration. The rule provides that the conference report will be considered as read.

Mr. Speaker, the underlying conference report for the legislative branch appropriations for fiscal year 1999 represents achievements towards a smaller and smarter government. It shows the progress that can be reached when the will and the effort to make necessary reforms are present.

Some of my colleagues Mr. Speaker, may point out that this conference report provides a slight 2.71 percent increase in spending over last year's level. I would like to note that, in fact, the fiscal year 1999 legislative branch appropriations are still $40.6 million less than fiscal year 1995 levels.

Next year Federal employees will receive a 3.6 percent cost of living adjustment. The legislative branch appropriations conference report only provides for a 2.71 percent increase overall. Of the whole legislative branch budget, 80 percent of the funding goes towards salaries. The increase of 2.71 percent in the fiscal year 1999 legislative branch appropriations conference report represents less of an increase in salaries than the Federal salary cost of living adjustments. Moreover, the legislative branch appropriations conference report reduces the employment level by 1.7 percent. In fact, since 1994, over 15 percent of the legislative branch has been downsized.

Mr. Speaker, no other branch of the Federal Government comes close to this amount of downsizing. The fiscal year 1999 legislative branch appropriations conference report does include some important spending increases where necessary. For example, the legislation will increase the level of our Capitol Police salaries and expenses, recognizing the important job the men and women who make up the Capitol Police force perform.

I would like to take this opportunity to commend the gentleman from New York (Mr. WALSH) and the ranking member, the gentleman from New York (Mr. SERRANO) for their bipartisan efforts to create a smaller, smarter government to provide leadership by example.

Mr. Speaker, this is a noncontroversial rule which the Committee on Rules reported by a voice vote.

The underlying legislation and conference report is bipartisan and financially responsible. The conferees did an excellent job of allocating scarce resources while building upon internal reforms we have adopted in recent years to improve congressional operations.

Mr. Speaker, I urge my colleagues to vote yes on this rule as well as to agree to the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Colorado for yielding me the time. As he has explained, this is a rule that waives all points of order against the conference report on H.R. 4112, which is a bill that makes appropriations for the legislative branch for fiscal year 1999. The bill appropriates a total of $2.3 billion for the operations of Congress and other agencies in the legislative branch.

This amount is less than 3 percent, less than 3 percent higher than last year's appropriation. The measure substantially increases funding for the Capitol Police. This will provide police officers higher pay, especially if they work Sundays, holidays and nights. This is a fair increase for the men and women who are so important to the secure operations of the Capitol complex.

This bill represents the last legislative branch appropriation bill guided by our friend and colleague, the gentleman from California (Mr. FAZIO), who will be retiring at the end of this Congress.

The gentleman from California (Mr. FAZIO) and I both began our service with the 96th Congress back in 1979. Later he became chairman of the appropriations subcommittee on the legislative branch and then the ranking minority member.

In these roles, the gentleman from California (Mr. FAZIO) led passage of the appropriations bills. That was no easy task since anything connected with funding Congress has the potential for controversy.

Throughout his tenure, the gentleman from California (Mr. FAZIO) has been a credit to the residents of California's 3rd district and to the House of Representatives. He has accumulated a great deal of wisdom and experience that will be sorely missed especially in the difficult times ahead.

We need more Members like the gentleman from California (Mr. FAZIO) in the House.

Mr. Speaker, the rule was approved by the Committee on Rules on a voice vote with no objections. I urge adoption of the rule.

Mr. Speaker, I reserve the balance of my time.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

First of all, dittos on the remarks about the gentleman from California (Mr. FAZIO). I have appreciated his work and appreciated the service that he has given to us. Although I have often found myself on the other end of the voting scheme of the gentleman from California, I can say the gentleman from California has always acted with integrity and honor.

Mr. Speaker, I think an important thing about the legislative appropriation we have here is that this year still reflects a significant amount of money less than when we first took the House in 1995. I had heard earlier somebody on the other side of the aisle commenting about how this House had brought this House into fiscal order. In fact, I think Members will find that this House, speaking literally of the House, was brought into fiscal order when the Republicans took control.

We have had cooperation from the other side of the aisle. Clearly this rule indicates that we have cooperation as we put this budget together.

This House really a leaner and meaner machine. We have taken a look at all the different operations contained within the House. We have looked at where we have needs and, where we have needs, we have accommodated those needs. For example, this year in the Capitol Police force, I know that my colleague from Ohio is a big fan of the Capitol Police and has worked very hard for this appropriation. We have made that allocation. We know that we have one of the top police forces, but we know that we are also now providing the resources that they need.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to pay tribute to the gentleman from California (Mr. FAZIO) who will be leaving us. I did not agree with him all the time, but he is a great Member. He will be sorely missed. I want to thank the gentleman from New York (Mr. WALSH) and the gentleman from California (Mr. FAZIO) for incorporating most of my bill, H.R. 2828, that elevates the pay of the Capitol Police by some 12 percent.

I would also like to say to the Congress that I think we have to go a little further. I think that we have to incorporate in authorizing language some of the other structural changes that I offer in 2828 with my good friend the gentleman from California (Mr. NEY) who is in the chair today. That is, we must increase the size of the force, maybe up to 400, 600 personnel. We should change the mandatory retirement age from 57 to 60, as I had submitted, so we can retain our most experienced officers and handle some of the benefit problems they experience.

And finally, I think we need to give the chief flexibility to stop the erosion of the good, young officers that are being recruited by surrounding agencies, and I think the 12 percent pay increase does that.

I think we have to address some of the other issues. On balance, it is a good conference report. I want to thank the gentleman form New York (Mr. WALSH). I want to thank the gentleman from California (Mr. FAZIO).

I want to thank the gentleman from California (Mr. THOMAS), and I would hope that H.R. 2828, that the gentleman from California (Mr. NEY) and I have brought to the Congress, could in fact be brought out and handle some of those other problems for the Capitol Police, because I think it will serve the Nation well.

□ 1045

Mr. McINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. WALSH), and I want to acknowledge all his efforts. We appreciate them very much. It says something when one is able to work on this kind of basis, in a bipartisan way. What the gentleman has done with the legislative appropriation budget, coming into the Committee on Rules where he received a voice vote, not even contested up there, that says a lot.

Mr. WALSH. Mr. Speaker, I thank the gentleman from Colorado for yielding me this time and for his kind words and for the voice vote that we received in the Committee on Rules. It is somewhat unusual. But I think it reflects the approach that my very good friend and colleague, the gentleman from New York (Mr. SERRANO), and I have taken in this bill.

Our staffs work very, very closely together. We share ideas. We try to honor each party's requests. After all, this is the budget that funds the workings of this body and of the Senate. And what is in the interest of the Democratic Party is also in the interest of the Republican Party when it comes to making sure this House runs efficiently.

Bipartisanship is not always possible. In fact, the Founding Fathers set it up so that partisanship would be the catalyst that really makes this country move forward progressively. But in the case of this bill, I think bipartisanship is an important ingredient, and I am very pleased that we have been able to work together.

I would like to thank the Committee on Rules for honoring our request on the rule. I would also like to thank the gentleman from New York (Mr. SOLOMON), who has provided great leadership to the House and to the Committee on Rules over the years. This is the last legislative branch bill to come before him in his chairmanship, and I want to take this opportunity to thank him personally for all the good advice and counsel that he has provided to me over the years. He is one of our New York State leaders and has set a high standard for all of us.

I would also like to take this opportunity, and I will thank the other members of the subcommittee during the discussion of the bill, and the staff, but I would just like to take the opportunity to join with my colleagues in thanking the gentleman from California (Mr. VIC FAZIO) for the leadership that he has provided throughout the years on this sometimes most difficult of bills.

I remember when I first came to the Congress back in 1988, took office in 1989, there was a big to-do about a pay raise. Now, if one is going to go through hell in the legislative process, the pay raise is probably the best way to get there. Because it is never popular, no matter what. And people will say, well, we should have a pay raise when the country has a balanced budget. Well, we have a balanced budget, but I would suspect if we did a poll, most people would say Congress still does not deserve a pay raise. But the fact of the matter is, on occasion, all good workers should be compensated. VIC FAZIO took that challenge.

He also did this subcommittee a favor, by the way, by moving that from this subcommittee to another subcommittee so that the gentleman from New York (Mr. SERRANO) and I do not have to deal with that sticky issue anymore. But the fact of the matter is VIC FAZIO has been a leader, a stand-up guy for the Congress, and it is a tough role for anyone to fill, and it is not always politically popular. But he has never used the subcommittee to do anything but give credit to the Congress.

VIC is a good Democrat. As a Republican, I think I can say that. He is a partisan, but when it comes to the conduct of this office and the conduct of the subcommittee and the protection of this very important and integral body in our government, VIC FAZIO has shown real leadership over the years, and we are deeply indebted to him.

Mr. Speaker, I will save the remainder of my remarks for the bill, and I urge unanimous support of the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I rise today to take this moment to pay tribute to my friend, the gentleman from California (Mr. VIC FAZIO), and to congratulate him on a terrific career in public service, and to personally thank him for the leadership he has given our party and to me personally, as a freshman Member of this great democratic institution.

In fact, his retirement is not only a great loss to this House, but it is also a tremendous loss to future freshmen classes who will not benefit from his leadership, his wise counsel and advice, his timely wit, and the force of his example, which has been nothing less than the highest form of integrity and respect for this institution.

I have watched him time and time again unite our caucus and keep us from taking ourselves a little too seriously sometimes and unite this House by working in a bipartisan fashion. I know I have benefitted from his presence here, just from what I have learned from him. He is one of the great examples of why term limits would, on occasion, hurt the function of our democracy.

I know one of the secrets to VIC's effectiveness. It is not just the charm and the wit, the grace and the intelligence, but it is his smile. I have seen that in another great public servant in this country, my former boss, Senator Bill Proxmire, who recently wrote a book, "The Joyride to Hell," in which he advocates smiling more for a healthy life. Well, VIC does not have to read the book. In fact, he could have written the book.

Keep on smiling, VIC. This body is going to miss you. I personally am going to miss you greatly. Have a great retirement.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. ETHERIDGE).

Mr. ETHERIDGE. Mr. Speaker, I thank the gentleman for yielding me this time, and I also rise this morning to pay tribute to a friend of this institution, a friend of the American people, and a dear friend of mine, the gentleman from California (Mr. VIC FAZIO). He is a dedicated public servant and a leader who not only has served as chair of our Democratic Caucus but as a senior member on the Committee on Appropriations in making sure that the people's business was done in an appropriate manner.

This year I had the privilege to serve as co-chair of the Education Task Force for our Caucus. I worked closely with the gentleman on our education reform plans to strengthen public education for our children.

VIC, I want to thank you for your leadership and putting together plans to build new schools for our children, to reduce class sizes, to improve the teacher quality all across this country and to increase academic standards for all children wherever they may happen to live.

As a member of the Juvenile Justice Task Force, the gentleman had the same kind of vision of making sure that we had tough but fair laws, that we had smart approaches to crack down on violent juvenile offenders and prevent juvenile crime before it occurred.

Even on issues that the gentleman and I did not agree on, that affected my State, he had the willingness to listen, which is a hallmark in the tradition he has had. As my colleagues have already heard, that is why he is so effective, not only in our caucus but in this body. His quick smile, his quick wit and his deep understanding of issues.

The American people owe the gentleman from California (Mr. VIC FAZIO) a debt of gratitude for his years of service to this Nation, and I give my deepest personal thanks and profound admiration for his unwavering friendship and outstanding service and leadership.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I want to join my colleagues in expressing my appreciation for my friend, the gentleman from California (Mr. VIC FAZIO). When this session ends, the Democratic Caucus and the House of Representatives will be losing one of our most respected Members. Vic has served with distinction as chairman of our Democratic Caucus, and although the times have not been the best for our Caucus, Vic has kept us focused on the issues that really are important to the American people. Since first coming to Washington in 1979, he earned a reputation as one of Capitol Hill's most effective legislators.

On a personal note, I want to thank the gentleman for his support and leadership as a member of the Subcommittee on Energy and Water Development of the Committee on Appropriations, in the expansion of the Port of Houston project that is so important to deepening and widening the channels. It is important to my community but also to my area.

This is one small effort of hundreds, both big and small, that VIC has worked on in his career here in Congress to make our country a much better place to live.

VIC, I have enjoyed working with you during my three terms and learning from you, and I wish you the best in your retirement.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PACKARD).

Mr. PACKARD. Mr. Speaker, I appreciate the gentleman yielding me this time. I wish to come and pay tribute also to my dear friend and colleague, the gentleman from California (Mr. VIC FAZIO). VIC was chairman of the subcommittee that I have in the past chaired and is now chaired by the gentleman from New York.

The gentleman kind of broke the ice for me chairing a subcommittee and kind of taught me the ropes, and I just deeply appreciated the advice, the leadership, the example that he showed on quite a bipartisan subcommittee that we served on. It was the first subcommittee I served on as a member of the Committee on Appropriations, and I could not have had a better chairman and a better example, and I personally want to thank him for that.

He served for 2 years, or at least I served with him for 2 years as he chaired the subcommittee. I have always appreciated his friendship, and I will always appreciate the way he directed that committee. I could not have succeeded him in guiding the affairs of that committee had I not had the lessons I learned from him.

People sometimes say there is too much partisanship in Washington, and I am sure at times this is true, but I think that the gentleman from California (Mr. FAZIO) has remained one of the most respected Members of the Congress. His ability to work with everyone is legendary, and he has never let partisanship come before the interest of his constituents and the good of the Nation and I think is an example we could all follow.

I want to personally express my appreciation to his service in the Congress, to the great contribution he has made to California, to his district and to the Nation as a whole. I want to commend to the Members of the Congress for this bill and recommend that it be passed, and I support it.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BERMAN).

Mr. BERMAN. Mr. Speaker, it is fitting that we take time in this particular appropriations bill to pay a small tribute to our retiring colleague, the gentleman from California (Mr. VIC FAZIO). Because while VIC's imprint is in so many areas of public policy in this institution, his work for this particular institution and this particular subcommittee has made all of our lives better and I believe has made the institution much stronger.

With all of the exhilarations of public office and the trials and tribulations, the reasons one thinks about leaving this place, whether it is the other party ending our entitlement program to control of the institution, whether it is even the kind of situation we are in now, the news that VIC FAZIO had decided to leave this institution, to no longer make the House his home, was perhaps, for me, the most unsettling of all.

I have known the gentleman from California for 25 years. He is a consummate political pro. He is a man of tremendous intelligence, incredible patience, great warmth and, as much as anything else, a man of total dependability. When VIC FAZIO tells you he will take care of something, he takes care of it.

I think the Almanac of American Politics put it well when they said about VIC, "FAZIO is a consummate political insider. Always personable and articulate. Entirely presentable outside the back rooms and private hallways. Knowledgeable without being cynical. A sharp operator who keeps score and remembers friends. A politician who is anything but an innocent, but who retains an idealism and a willingness to take serious risks for what he believes."

He is truly one of the great Members of this institution. We are going to miss him very much. I am going to miss him very much; and I wish him well in his pursuits, which I think will be many, as he leaves this institution.

Mr. MCINNIS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, it is a very special moment for me to come to the floor and express both my appreciation for and my disappointment in VIC FAZIO, for I do not believe we have ever sent from California a finer Member of the House of Representatives: extremely decent, talented guy, who has made a huge difference the policy direction of the House, and in doing so has made a huge difference for our State.

□ 1100

I am disappointed because I never thought I would be here in the well having a discussion about the fact that he has chosen to leave.

VIC and I share a very special background together. We have interns all over this place these days but in the old days there were not such things as interns around. One of the original fellowship programs, the Coro Foundation, attempts to attract and train young people who may go into public affairs, and VIC was one of those Coro fellows some years ago. I first got to know him in the toughest of political arenas, in Sacramento, where he was on the staff during reapportionment in the early 1970s. I have had occasion to get to know him as a very tough and serious politician. But way beyond that, he is a very tough and serious policymaker.

If you will remember, the west steps of the Capitol were held up by 20-by-20 poles for something like 30 or 40 years. VIC FAZIO had the good sense and provided the leadership to produce the funding to put our Capitol back together again. When you go to the Library of Congress and see this fabulous building, an incredible monument, VIC FAZIO provided the leadership to make sure that that building was repaired and restored to the level it is presently.

Of all of the people I have dealt with in public affairs who live by a byline that is important to me, VIC FAZIO does, and, that is, "If you don't have your word in this business, you don't have anything." Among the leaders of the country, VIC FAZIO stands out in my mind. In the future, the entire Congress will appreciate and understand the work that he has done.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Speaker, it is a great honor for me to rise and pay tribute to my fellow Californian, VIC FAZIO. As Members of this institution, we have occasion to observe many of our colleagues and we learn from our colleagues. I can honestly say that in my tenure in Congress, I have learned from no other Member more than I have learned from VIC FAZIO. He epitomizes to me what it is to be a public servant, he epitomizes what it is to be an effective legislator, because VIC FAZIO understands that you have to have the commitment, you have to have the compassion, and you have to have the drive to move forward in trying to solve many of the challenges which are facing American families.

What VIC FAZIO has also demonstrated is that the way that you get things done is not simply by running out and getting in front of cameras. The way you get things done is by opening up the hood of the car and being one of the mechanics of the institution, understanding that you have got to get your hands dirty and that you have to be able to work with people from all factions of this institution to bring them together, to find those common values and those common threads which will allow us to move forward in addressing the important issues facing this country. VIC FAZIO has demonstrated that, I think, far better than any Member that has served in this institution, and he certainly has provided an excellent model for all of us.

While I have heard some of our colleagues say, VIC FAZIO, they are congratulating you and hoping the best for you on your retirement, what I am saying is that, VIC FAZIO, you are retiring from this institution but I know full well that you are not retiring from public service, and the American people are still going to benefit from your tremendous work in the years to come.

Mr. MCINNIS. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I rise today to express my sincere best wishes for VIC FAZIO who is departing the Chamber after many years of dedicated service. I have known VIC for over 20 years now, and I can say that I have genuine and the utmost of respect for VIC FAZIO. He is a man of intellect, a man of sincerity, a talented legislator, but above all VIC is a true gentleman. Although we have not always seen eye to eye on all the issues, we both share a bond, our love for northern California, and the recognition that our part of the State is truly a special place.

VIC has always been acutely aware of the relevant issues, whether we were dealing with agriculture, water issues or timber matters. VIC has an amazing insight into the needs and people of California.

I will truly miss you, VIC, and the examples you have set for other Members. Your leadership and dedication for the people of northern California is certainly appreciated. I always knew when I was working with VIC FAZIO that when you gave your word to me, I could trust you completely. I always knew I could count on you to be completely straightforward. That kind of honesty is refreshing.

Mr. Speaker, I am pleased we all have this opportunity today to bid farewell to a man who will be missed more than he knows. It is sometimes easy to forget that regardless of your political stances, we are all here to do the work of the American people.

VIC FAZIO, thank you for reminding us of that, and thank you for your hard work for northern California and for our Nation.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FILNER).

Mr. FILNER. Mr. Speaker, I say to the gentleman from California (Mr. FAZIO), those of us in southern California love you, too.

When anybody ever thinks, as a Democrat certainly, of even the thought of running for Congress, everybody says, "You've got to talk to VIC," because he knows the strategy, he knows the tactics, he knows the politics, he knows the fund-raising. We all have to learn from his wisdom. And we all went to VIC.

But he became our mentor and our friend when we got here not just because of all the politics and the fundraising and the strategy and the tactics that he is so great at but because that we understood his—your, VIC—your commitment to the working people, the families of California and this Nation. You really care about their jobs and their salaries, their health care, the education of their kids, the environment that they live in, the housing opportunities that they have, and it is because of your integrity and your commitment to the real issues that surround American families that we relied on you.

Yes, you are a great politician, but you are a great human being, you are a great friend. We are going to miss you. Thank you from all of us, especially in California.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume. Having heard the gentleman from California just speak, I should probably note the first time I met the gentleman from California (Mr. FAZIO) was in the locker room of the gym when I was first elected. He came up, introduced himself, and when I told him where I was from, he said, "Yes, we've done everything we can to beat you, but welcome." Ever since then I have only built my respect for you, despite the warm welcome.

But, Mr. Speaker, I should add to this that it is interesting, my colleagues on this side of the aisle, the level of respect that they do have for you. I really mean it. Your commitment to that project, to the Native Americans of this country and to the word that this Government gave to the Native Americans and you stood up in that storm and you reminded all of us on both sides of this aisle exactly what that commitment was to the Native Americans. I hope that your words live on, that at some point we can complete that as we promised we would. Certainly your integrity is well-known over here and well-respected.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman for yielding time. Thank you for this time, Members. I think we are recognizing today one of the finest people in public service in America in our time. I have known VIC for 30 years. I came to Sacramento as a young, ex-Peace Corps volunteer looking for work and one of the first staff members I met was a consultant to the committee, VIC FAZIO. VIC was a leader at that time. This is the activism of the 1960s. VIC was always concerned about how we can portray government in the best light, how can we get people to be participatory in this democracy. At the time he had come out of the Coro Foundation, very involved in this idea of internship and the ability to volunteer in learning how government works and how business works. He was instrumental in founding a magazine that could report about government, the California Journal. It is wonderful when you are a founder of a magazine that writes nice things about you. It describes VIC as one of the California delegation's most respected members. I think he is one of California's most respected politicians, because he is the role model for the youth that are around here today, of bright young kids that come into politics. He is the role model for elected officials, whether it is at the State level where he rose to leadership positions very rapidly, served in the legislature, and then came to Congress where he rose to leadership positions in this House. VIC is a natural-born leader.

Of that I think in an era when people are questioning government, when there is a lot of cynicism about whether you ought to participate, we ought to turn in this Nation to VIC FAZIO and say, "This is the kind of people we want in government and life." If you meet him, you will be engaged.

So I speak today as a person who has known him a long time and watched him in his early years. He was just as effective in his early years in youth as he is in his senior years here as a Member of Congress. This House, this institution and American politics will truly miss one of the great leaders in America today, VIC FAZIO.

Mr. McINNIS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, VIC FAZIO is a unique individual. He has had strong support from both Republicans and Democrats in the California delegation. He has tried to be helpful to all Members. He has been in key positions in this Chamber, positions that have showed the respect of his own party in electing him to Chamber-wide responsibilities as one of their leaders. He has certainly been in a great position to carry out the values he believes in, that many of us believe in, a decent and an improved environment, in water resources to help the arid places in the United States, including California. We thank you for your years of congressional service.

He was a highly respected State legislator in our own State. He carried those skills on. As you will notice, he has one of the great smiles in this Chamber. It reminds me about the other body and what was once said about Carl Hayden, who was also a great legislator involved in reclamation. Guy Cordon of Oregon observed, "Carl Hayden has smiled more money through the United States Senate than any other Senator did in legitimate debate." I think we can say that about VIC. We thank you for all you have done.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I am a new Member of Congress. I came here in January of 1997. Unlike many of my colleagues, I had never been elected before. I came out of the business world. I have been very blessed in the past. When I had a seat on the New York Stock Exchange, I remember looking around at all the people down there and trying to find an anchor, trying to find some people that I could emulate, some people that I believed were worthy of having followers. Since I was one of the first women on the floor of the New York Stock Exchange, I did not have a lot of women to emulate. I found a very good gentleman that I followed.

When I came here, although I have a lot of wonderful colleagues in California that are women, NANCY PELOSI being one of them, I looked at VIC FAZIO and said, God never blessed me with a big brother. I still have my parents. But if I ever had to pick a big brother, it would be VIC FAZIO. VIC FAZIO's dedication to his constituents, to the State of California and to the golden rule of Congress is legendary, and his dedication to his family I think is even more important.

I want to offer you, VIC, and Judy and the rest of your family all the blessings. I know you are not retiring. I know you are going to be there for us. I thank you for all you have done.

Mr. McINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I am tempted to begin this by saying that everything I have heard does not sound very familiar because I know VIC FAZIO, and VIC FAZIO is a friend of mine.

I first got to know VIC FAZIO before he was in elective office. Then when he was first elected in the California Assembly, I served with him as a colleague. We were both a little bit younger then, and we actually could play basketball as an exercise.

He and I have been on the opposite side of a number of issues over the years, and we both came back to Congress in the 96th Congress in 1978, he, as he was in the California Assembly, a member of the majority, and I was a member of the minority. For 16 years, that relationship continued.

□ 1115

During the 16 years, when he was in the majority and I was in the minority, he was always fair. We could always get the straight story. He would tell us what he could and then tell us, sometimes, if he could not tell us. But if he could, he would. In this business that is as good as gold. He was and is a professional.

Then in the 104th Congress something happened that probably neither he, nor I, if you really pushed me, thought would ever occur. He became a member of the minority, and I became a member of the majority. I became the chairman of a committee, and he was the ranking member, and I tried to treat him as fairly as he had treated me, and I hope he believes that in the sharing of information which was fairly volatile at the time when we were the new majority, I indicated to him that I trusted him implicitly, and of course I had no worry about that trust because he continued to carry himself as a professional.

It has been a pleasure, Mr. Speaker. The gentleman from California and I have not been on the same side on too many noninstitutional issues; I think on every institutional issue we have been on the same side. I had not thought that the gentleman would leave at this time. He is a valuable resource to this institution. He has decided to leave and the institution is a lesser place for it.

I look forward to seeing the gentleman from California (Mr. FAZIO) in our different capacities, Mr. Speaker, but I just want to say that, notwithstanding our inability to work together on a number of issues, our ability to work together as professionals in this body has been a very rewarding experience for me.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, it was my experience to come to this body in the midst of the 104th Congress right after the government shutdown, and passions were high, and I was thrust into an interesting situation. I felt like I was a high school freshman in a body of 435 senior class presidents. The gentleman from California (Mr. FAZIO) was one of the bright spots for me, somebody who helped me understand what was going on, somebody who took the time and patience that was certainly not merited by anything on my part.

Mr. Speaker, I deeply appreciate what the gentleman from California (Mr. FAZIO) represents. I am only starting to understand what he has done for this institution, and I have enjoyed listening today to the testimonies of many of the gentleman's colleagues, and I am sure that I will continue, as time goes on, to understand what he has done to make this a better place.

But it is the gentleman from California (Mr. FAZIO), the man, in which I stand in awe. Despite difficult personal times, one of the more challenging districts in the United States and what I think most would regard as a near impossible task, chairing our caucus, he has always been a beacon of rationality, civility and thoughtfulness.

Life in this institution is not a life sentence. The gentleman from California has earned the right to accept new challenges and opportunities for himself and his family. But I know my constituents got a Congressperson who is a little better because of the gentleman's thoughtfulness and knowledge, and I know that we are all better by dint of his service.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California, (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, it is with a sense of sadness that I speak today because I am really sorry to see the gentleman from California (Mr. FAZIO) leave this institution. I also rise with a great deal of appreciation for the work that he has done in his career in public service.

We first met each other when Vic was a staffer and I was a member of the State Assembly in California. Later he was elected to the Assembly, we served as colleagues there and for the past 20 years here.

I think the gentleman from California (Mr. FAZIO) is in the category of being someone who is absolutely indispensable. He is the Member who will always work hard, doing more than his fair share of the work. He will take on issues that others avoid, and he will be more interested in making sure that, at the end of the day, we have an accomplishment than the fact that he might get a moment or two on the national television network coverage.

The gentleman from California (Mr. FAZIO) is the kind of person that reminds us that we should be proud of those who seek a career in public service. He is a politician and he is a legislator, and in both of those areas he is a professional. This institution is going to miss him enormously.

I know that all of us have seen the deterioration of civility in this House, the People's House. We have differences of opinion. But we need Members like the gentleman from California (Mr. FAZIO) who can express the differences in a way that will look for accommodations, ways to build bridges to each other and ways to reach a point where we can have accomplishments.

When we think about the debates that we have had in politics in the last couple of years where people have prided themselves on inexperience, on not knowing how the system worked, on not being insiders, of not being professional politicians, the gentleman from California (Mr. FAZIO) stands out as a reason why they are wrong. He is a leader, he is an insider, he is respected, he is a pro. I want to say to him he has been a great friend to me and Janet, and I want to wish VIC and Judy all the very best.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, as a friend and admirer of the gentleman from California (Mr. FAZIO), it is with mixed feelings that I rise today to congratulate him and wish him much success in what lies ahead for him and for Judy Fazio, but with some sadness and disappointment, of course, for this body because his departure is a tremendous loss to our Congress and to our country.

Others have talked about the gentleman's record in California, and I certainly, as former chair of the California Democratic Party many years ago, am well aware of that. I remember the gentleman from California (Mr. FAZIO) in the 1970s as a top-notch administrator to the California State Assembly, and then as a member of the Assembly himself, and then very quickly rising to become a Member of this body, all along the way gaining respect for his values and his principles.

It is just something one says in California about any issue: "Have you spoken to Vic?" No last name, just, "Have you spoken to Vic?", and that meant that that was the touchstone, that was the place we went, that he was the compass, he could give direction to us.

And others have talked about what a great party leader he has been as a Democrat, really with a large "D" and a small "d." Certainly we are proud of him as a political leader of our party, but a small "d" of bringing people into participation and into leadership, Choral Foundation, talent scouting from the very young people and into his leadership in this body as chair of our caucus.

The sky is the limit for the gentleman from California (Mr. FAZIO). He has chosen to leave us now, but, of course, we all wish him much success.

But I want to talk about just one other phase, and that is the pride I take in the gentleman's service in Congress personally as a member of the Italian-American community. In his service here and in his service to our country he has always represented the values of our community, family values, a commitment to family, to education, to hard work, to commitment, to religion and to making the future brighter for our children. And it was this respect that he had for his own, this pride he had for his own heritage, that led him to respect the diversity in our country and the pride that all of those people took. So he is our all-American, Italian-American, great Democratic leader. We will miss him. Paul and I give our best regards to Judy for her contribution as well and to the gentleman from California (Mr. FAZIO) for much success in the future.

I thank the gentleman from California (Mr. FAZIO) on behalf of my constituents and personally.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I am pleased today to join in these tributes to the gentleman from California (Mr. FAZIO), a Member I regard as the model of what a Member of this body ought to be and a wonderful human being.

VIC FAZIO is a man of many facets. He is a fine legislator. He is skilled in the workings of this body. He does not have a match among us in his ability to work through difficult issues, to find a basis for accommodation. He looks out very, very effectively for California's interests, but he also helps all of us do our job for our constituents.

The gentleman from California (Mr. FAZIO) is a guardian of this institution. He is eloquent, as any of us can testify, in rebuking those who would take cheap shots at this institution, attempting to polish their own reputations at the expense of the Congress. But he is not uncritical; he has his own agenda for change. He is a loving critic of this place and has been a leader in finance reform and ethics reform and making the Congress a more responsive, more effective institution. He has been a builder at a time when many were ready to destroy, and history will judge his role as a constructive and important one.

The gentleman from California (Mr. FAZIO) is a man of great personal strength and depth. He has endured a devastating loss in his own family and has, in turn, reached out to many others in this body in times of stress and grief, proving himself a true friend and a source of spiritual strength.

And I know staff feel that way, too. How many times have members of our staffs expressed their admiration for the gentleman from California (Mr. FAZIO) as one who respects them, who treats them as peers, who knows how to work with all kinds of people to make good and important things happen?

And, finally, the gentleman from California (Mr. FAZIO) is a treasured colleague. He has been a mentor for many of us; I have felt that way since the first day I arrived here. He is a source of good advice, a source of encouragement, a friend in good times and bad. I feel personally indebted to him for what he has meant to me and for many of my friends and colleagues.

We bid VIC FAZIO a very reluctant farewell today. We hope we will see a lot more of him, but we will miss the good work and good humor and good colleagueship that have contributed so much to our life in this House.

We bid farewell to the gentleman from California (Mr. FAZIO) with great admiration and affection, great personal indebtedness and all good wishes.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I would like to thank Mr. HALL, the gentleman from Ohio, for yielding this time to me.

I was fortunate and honored to come in in 1979 with the gentleman from California (Mr. FAZIO). We were a class of 77 members, 44 Democrats and 33 Republicans. And last November, November of 1997, when the gentleman from California (Mr. FAZIO) told me, we were at McClelland Air Force Base. He wanted to call me later that night and asked where I was, and we spoke on the phone, and he said that he was retiring and leaving the Congress. I have to say that after I got over my shock it was probably one of the saddest occasions that I have had. And since that time I have had an opportunity to really think of his role in this institution and back home and as a colleague of mine, adjacent are our districts, and I have come to really believe that our constituents in Sacramento, northern California and all of California in January will really come to understand the value of the gentleman from California (Mr. FAZIO).

Mr. Speaker, we will not have his advice, we will not have his counsel, we will not have his very powerful role in the House Committee on Appropriations. We will not have his ability to glue all of the California delegation, all the very diverse elements of the California delegations together. And I have to say that the gentleman from California (Mr. FAZIO) in my opinion is really one of the true giants and one of the true leaders, the Dick Bollings of the world, those that really gave stature to this institution. He will be remembered in that light.

From a personal level I just have to say that I want to thank the gentleman from California (Mr. FAZIO) very much because, over the 20 years that we have had the opportunity to serve together, through his example he really taught me and I have learned through him the real value of what it is to be a politician.

□ 1130

You, more than any other person, have given me really the kind of understanding what a noble profession it really could be through your example and through your leadership.

Personally, I am just going to really miss you a lot. We have become almost the best of friends. You and Judy, I have to say, are wonderful people, and you mean so much to Doris and myself and to all of us in this country. Thank you for your service.

Mr. HALL of Ohio. Mr. Speaker, I yield two minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, along with my colleagues, I share the feeling that this is one of those moments where it is awfully difficult to explain our true feelings about a friend of ours and a true public servant.

I would imagine that these speeches will not make the national headlines tomorrow, because there is no controversy, there is nothing but unanimity in this House about the public service and the character of our friend and colleague, VIC FAZIO. I wish his life would be in the headlines tomorrow, because he would be a reminder to young people, from California to Maine to Texas, that it is a noble calling to be in public service.

Winston Churchill once said that we make a living by what we get, but we make a life by what we give. Based on the high standards of that statesman, the life of VIC FAZIO has been a rich life, and I am confident will continue to be a rich life, for what he has given, given to his district, given to the State of California and given to the Nation. There will be other occasions where I am sure we can list all of his many accomplishments.

Having served with him on the Subcommittee on Energy and Water Development of the Committee on Appropriations, I am grateful for what he has done to help save families all across this country from the devastation of future floods and for what he has done to preserve future generations in America by bringing about programs, important programs, to put aside the waste from nuclear power plants. There are millions of families who will benefit from VIC FAZIO'S life, but they will never know that, because their home will not be flooded, or perhaps there will not be a nuclear incident. But just as surely as we are here today to express our gratitude to VIC for his life of accomplishment, there are Americans all across this land of ours that should be and will be deeply grateful and will have benefitted from what he did.

Finally, in a body and in a process that usually rates people by the list of their accomplishments, I must say that while VIC'S list would be lengthy, the fact is that all of us respect him and will remember him even more for the kind of person that he is, for the character, the decency, that we could only dream about and want to have in public service.

So to our friend and colleague, we say God speed and wish you all the best in the years to come. Thank you for your great service to our country.

Mr. HALL of Ohio. Mr. Speaker, I yield one minute to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I want to thank my friend from Ohio for yielding me this time.

Mr. Speaker, what a great legacy VIC FAZIO will leave when he retires from this institution. I think we all could try to emulate what he has done as a Congressman.

Yes, VIC will be known for what he has done for the people of California, the economic programs he has brought forward and the effectiveness with which he has represented the people of California. He will be known in this Nation as a champion on environmental issues, on family and children issues, on human rights issues. But, Mr. Speaker, I would like to use the little time I have just to point out what a great legacy he has left on the love for this institution and trying to strengthen this institution.

He has served on our Committee on Standards of Official Conduct; he served as chairman of our Caucus, and he has always strengthened this institution and provided the integrity that is expected by the American people. He has strengthened the ability of everyone to have the voices of their constituents heard.

What a great record, what a great individual, what a great friend. He will be sorely missed. I can tell you there are not many like him. I am glad to call him my friend.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before yielding back the balance of my time, I would just simply say that this has been a tremendous tribute to VIC FAZIO, and it has been impromptu. I have not seen anybody come over here with a written speech. It has been very, very bipartisan.

It is almost too bad that we wait until somebody's career is over in the Congress before we say these things. We ought to maybe start to figure out where we are when we have a great person here in the middle of their term and praise them right then. I think it would be so much better to let them know what we think of them.

We think a lot of VIC FAZIO, not only as a professional, as a legislator, but as a wonderful person, a good man. We will miss him, the country will miss him, and we appreciate him very much.

VIC, I know you are going to say a few things later on, so I look forward to listening to them.

Mr. Speaker, I yield back the balance of my time.

Mr. McINNIS. Mr. Speaker, the gentleman from Ohio (Mr. HALL), my colleague on the Committee on Rules, his words are well spoken.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WALSH. Mr. Speaker, pursuant to H. Res. 550, I call up the conference report on the bill (H.R. 4112) making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. NEY). Pursuant to House Resolution 550, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1998, at page 21132.)

The SPEAKER pro tempore. The gentleman from New York (Mr. WALSH) and the gentleman from New York (Mr. SERRANO) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. WALSH).

GENERAL LEAVE

Mr. WALSH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4112 and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WALSH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we bring before the House the conference report on the fiscal year 1999 Legislative Branch appropriations bill, H.R. 4112, and ask my colleagues for their support.

This conference report is a bipartisan agreement, worked out with our colleagues in the other body, with a unanimous vote among the conferees. Before I begin to highlight the agreement, I would like to recognize every member of the subcommittee for their contribution to this work product: On the majority side, the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. CUNNINGHAM), the gentleman from Tennessee (Mr. WAMP) and the gentleman from Iowa (Mr. LATHAM); from the minority side, my good friend and colleague, the ranking member, the gentleman from New York (Mr. SERRANO), along with the gentleman from California (Mr. FAZIO) and the gentleman from Maryland (Mr. HOYER). All of these Members worked as a team to produce this final conference report.

Our original bill, H.R. 4112, and now the conference report, reflect the hard work and the dedication of a tireless staff from both sides of the aisle. I would like to again thank Ed Lombard, Art Jutton, Tom Martin, Lucy Hand, Greg Dahlberg, and Johanna Kenny for their daily contributions needed to produce our final product.

Lastly, I believe it is of great importance to also thank every employee who serves here in the People's House, and we see them all around us. Without your dedication, this House simply could not function. On behalf of every Member honored to serve here, I want to say a simple but sincere thank you all for a job well done. We, the Members, deeply appreciate your efforts.

Mr. Speaker, let me begin to summarize the conference report. To summarize, the conference agreement appropriates $2.3 billion in new budget authority to the Congress and the support agencies and offices of the Legislative Branch. This amount is $116.8 million below the amount requested in the President's budget. That is a 4.7 percent reduction.

Compared to the current level, the $2.3 billion is a slight increase over the $2.28 billion appropriated last year. The 2.7 percent increase overall is below the prospective 3.6 percent cost of living allowance that will probably be given to all Federal employees, including the Legislative Branch staff.

This conference agreement appropriation level is $41 million below the amount appropriated for the Legislative Branch in 1995, four years later. So the downsizing program begun under the leadership of the gentleman from California (Chairman PACKARD) and the ranking member, the gentleman from California (Mr. FAZIO), in the 104th Congress, is still intact.

The House conferees were instructed to concur in the Senate amendment on the Capitol Police which restored $4,197,000 in reductions made by the House bill. The conferees did that. In fact, the conference agreement is above both the House and Senate amendment level with respect to the Capitol Police.

The House bill appropriated $76,381,000 for police salaries and expenses, the Senate appropriated $80,578,000 and the conference report is $83,081,000.

So we have complied with the House instructions to the conferees, and in the spirit of the instruction we have added additional amounts to fund the parity pay and longevity increases requested for the men and women of our police force who have served us so courageously.

A few other highlights, Mr. Speaker. The Legislative Branch jobs, the positions in the Legislative Branch have been reduced another 405 FTEs below the current year. The adjustment to the House-passed items agreed to include:

The conferees added $9.4 million above the House bill for the Architect of the Capitol, which will fund several security-related projects. Under the Architect, the funds to design an integrated security program and other security design costs for police activities, $1.5 million; funds to begin replacement of the aging chillers at the Capitol Power Plant, $5 million; and funds to uniform the workers of the Architect for security reasons, $193,000.

The conferees also agreed to language which makes permanent the authorization of the American Folk Life Center at the Library of Congress. The conferees also agreed to provide $1 million to be matched by 1 million private dollars raised by the National Trust for Historic Preservation to maintain in perpetuity the Congressional Cemetery. The Congressional Cemetery was determined to be one of the 11 most endangered historic sites in America. Our subcommittee, working together with the Senate, decided that we would appropriate $1 million of taxpayer funds to be used as matching funds to maintain this by setting up a trust fund.

The cemetery, as I mentioned before, is not a place where we are entitled to go when we pass on to our final reward. Members of Congress are not buried there by entitlement. If we wish to be, we can be, as have other members of the Legislative and Executive Branch, individuals who have worked in all capacity for the government, and private citizens.

It is run as any other cemetery is. It is just that given its historic nature, we felt that a commitment should be made, since it had fallen into disrepair. We are very proud of this, Mr. Speaker, and hopefully this will be a contribution that this subcommittee has made to our posterity.

Again, I thank my good friend and colleague, the gentleman from New York (Mr. SERRANO), who I look forward to working with on a bipartisan basis when the New York Yankees win this year's world series.

Mr. Speaker, it is a pleasure to present the conference report on the FY1999 legislative branch appropriations bill, H.R. 4112.

To summarize, the conference agreement appropriates $2.3 billion ($2,349,937,100) in new budget authority to the Congress and the support agencies and offices of the legislative branch. This amount is $116.8 million ($116,829,500) below the amount requested in the President's budget. That is a 4.7% cutback.

Compared to the current level, the $2.3 billion is a slight increase over the $2.28 billion appropriated for fiscal 1998. The 2.7% increase is below the prospective 3.6% cost of living adjustment that will probably be given to all Federal employees—including the Legislative branch staff.

This conference agreement appropriation level is $41 million below the amount appropriated for the legislative branch in 1995. So, the downsizing program begun in the 104th Congress is still intact.

The House conferees were instructed to concur in the Senate amendment on the Capitol Police which restored $4,197,000 in reductions made by the House bill. The conferees did that. In fact, the conference agreement is above both the House bill and the Senate amendment with respect to the Capitol Police.

The House bill appropriated $76,381,000 for Police Salaries and Expenses, the Senate appropriated $80,578,000, and the conference agreement provides $83,081,000.

So, we have complied with the instruction of the House to the House conferees, and in the spirit of the instruction, we have added additional amounts to fund the parity pay and longevity increases requested for the men and women of our police force.

Highlights of the conference report: Operations of the Senate: $469.4 million ($469,391,000); operations of the House: $734.1 million ($734,107,700); joint items (Joint committees, Capitol police, guide service, etc.): $96.1 million ($96,134,400); Architect of the Capitol: $201.9 million ($201,910,000), including the Botanic Garden and Library buildings; Library of Congress: $363.6 million ($363,640,000), including the Congressional Research Service; Congressional Budget Office: $25.7 million ($26,671,000); Office of Compliance: $2.1 million ($2,086,000); Government Printing Office: $103.7 million ($103,729,000); and General Accounting Office: $354.3 million ($354,268,000), plus a transfer of unexpended balances of FY1998 funds.

I will include a table showing details and a list of the highlights of the conference agreement.

It may be of some interest to compare the conference agreement to the bill that passed the House on June 25. As is customary, that bill did not contain funds for the operations of the Senate.

The House bill, without the Senate, was $1.8 billion. For those same items, the conferees agreed to a level of $1.82 billion. The House came up by $21.7 million, in order to pay for some urgently needed projects. That is an increase of only 1.2%. So, the House conferees did well.

The result is an increase of $61.6 million over the current year for House-considered items. That is 2.7% above the FY1998 level and well within the prospective 3.6% staff cost of living increase that we are told will be granted by the Administration.

In addition, Legislative Branch jobs have been reduced 405 FTE's below the current year.

The adjustments to House-passed items agreed to include:

The conferees added $9.4 million above the House bill for the Architect of the Capitol which will fund several security-related projects.

Under the Architect: Funds to design an integrated security program and other security design costs for Police activities ($1.5 million); funds to begin replacement of the aging chillers at the Capitol Power Plant ($5 million); and funds to uniform the workers of the Architect for security reasons ($193,000).

At the Library: $2.25 million to digitize the collections and commemorate two important aspects of this country's history; and $993,000 for theft detection tags for materials in the Library's collections

Another item of concern to the conferees was the funding for the Capitol Police. The conferees agreed to provide additional funds for pay initiatives requested by the Capitol Police Board. However, the funds remain fenced, pending approval of the appropriate authorities.

Several legislative matters were agreed to in conference. For congressional printing, a longstanding provision (carried in the House bill) on availability of funds to pay printing costs has been retained. The conferees agreed to a modification of Senate language that relates to billing procedures.

There is an administrative provision that provides for investment on National Garden gift funds in Federal securities.

Under title III of the bill, the House agreed to drop a provision for the Architect to use energy savings contracts for capital projects. We understand that the energy savings already in place reduce the appeal of the Capitol campus for such approaches. In addition, the conferees agreed to language for the buyout programs for the Architect and Public Printer. The language requires each agency to pay into the Civil Service Retirement Fund to offset the cost of early retirements. This is similar to other Federal buyout programs. The conferees have retained a provision added as a House Floor amendment requiring the Architect to develop an energy savings strategy.

The conferees agreed to language which makes permanent the authorization of the American Folklife Center at the Library of Congress. The conferees also agreed to an amendment of a Senate provision relating to charges to the Government Printing Office by the Employee's Compensation Fund at the Department of Labor. The amended language removes GPO as an agency responsible for administrative costs of the fund, in accord with an opinion issued by the Comptroller General.

Two House housekeeping provisions were also added, at the request of the House Oversight Committee.

SUMMARY

In summary, the bill provides $2.3 billion ($2,349,937,100). It is 4.7% ($116.8) million below the requests in the President's budget. FTE levels have been reduced by 405.

The bill maintains a smaller legislative branch as established by the policies set in the 104th Congress. And it provides stability to those operations that must support our legislative needs.

I urge the adoption of the conference report.

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - CONGRESSIONAL OPERATIONS						
SENATE						
Expense Allowances						
Expense allowances:						
Vice President	10,000	10,000		10,000	10,000	
President Pro Tempore of the Senate	10,000	10,000		10,000	10,000	
Majority Leader of the Senate	10,000	10,000		10,000	10,000	
Minority Leader of the Senate	10,000	10,000		10,000	10,000	
Majority Whip of the Senate	5,000	5,000		5,000	5,000	
Minority Whip of the Senate	5,000	5,000		5,000	5,000	
Chairman of the Majority Conference Committee	3,000	3,000		3,000	3,000	
Chairman of the Minority Conference Committee	3,000	3,000		3,000	3,000	
Subtotal, expense allowances	56,000	56,000		56,000	56,000	
Representation allowances for the Majority and Minority Leaders	30,000	30,000		30,000	30,000	
Total, Expense allowances and representation	86,000	86,000		86,000	86,000	
Salaries, Officers and Employees						
Office of the Vice President	1,812,000	1,859,000		1,859,000	1,859,000	+47,000
Office of the President Pro Tempore	371,000	402,000		402,000	402,000	+31,000
Offices of the Majority and Minority Leaders	2,388,000	2,436,000		2,436,000	2,436,000	+48,000
Offices of the Majority and Minority Whips	1,221,000	1,416,000		1,416,000	1,416,000	+195,000
Committee on Appropriations				6,050,000	6,050,000	+6,050,000
Conference committees	2,122,000	2,184,000		2,184,000	2,184,000	+62,000
Offices of the Secretaries of the Conference of the Majority and the Conference of the Minority	409,000	570,000		570,000	570,000	+161,000
Policy Committees	2,155,000	2,218,000		2,218,000	2,218,000	+63,000
Office of the Chaplain	260,000	276,000		267,000	267,000	+7,000
Office of the Secretary	13,306,000	13,694,000		13,694,000	13,694,000	+388,000
Office of the Sergeant at Arms and Doorkeeper	33,037,000	34,359,000		33,805,000	33,805,000	+768,000
Offices of the Secretaries for the Majority and Minority	1,165,000	1,200,000		1,200,000	1,200,000	+35,000
Agency contributions and related expenses	19,208,000	19,332,000		21,332,000	21,332,000	+2,124,000
Total, salaries, officers and employees	77,254,000	79,746,000		87,233,000	87,233,000	+9,979,000
Office of the Legislative Counsel of the Senate						
Salaries and expenses	3,605,000	3,753,000		3,753,000	3,753,000	+148,000
Office of Senate Legal Counsel						
Salaries and expenses	966,000	1,004,000		1,004,000	1,004,000	+38,000
Expense Allowances of the Secretary of the Senate, Sergeant at Arms and Doorkeeper of the Senate, and Secretaries for the Majority and Minority of the Senate: Expenses allowances	12,000	12,000		12,000	12,000	
Contingent Expenses of the Senate						
Inquiries and investigations	75,600,000	74,649,000		66,800,000	66,800,000	-8,800,000
Expenses of United States Senate Caucus on International Narcotics Control	370,000	370,000		370,000	370,000	
Secretary of the Senate	1,511,000	1,511,000		1,511,000	1,511,000	
Sergeant at Arms and Doorkeeper of the Senate	64,833,000	63,511,000		60,511,000	60,511,000	-4,322,000
Miscellaneous items	7,905,000	7,905,000		8,655,000	8,655,000	+750,000
Senators' Official Personnel and Office Expense Account	228,600,000	243,881,000		239,156,000	239,156,000	+10,556,000
Stationery (revolving fund)	13,000					-13,000
Official Mail Costs						
Expenses	300,000	300,000		300,000	300,000	
Total, contingent expenses of the Senate	379,132,000	382,127,000		377,303,000	377,303,000	-1,829,000
Total, Senate	461,055,000	476,728,000		469,391,000	469,391,000	+8,336,000
HOUSE OF REPRESENTATIVES						
Payments to Widows and Heirs of Deceased Members of Congress						
Gratuities, deceased Members	270,300	133,600	136,700	136,700	136,700	-133,600
Salaries and Expenses						
House Leadership Offices						
Office of the Speaker	1,590,000	1,705,000	1,686,000	1,686,000	1,686,000	+96,000
Office of the Majority Floor Leader	1,626,000	1,669,000	1,652,000	1,652,000	1,652,000	+26,000
Office of the Minority Floor Leader	1,652,000	1,696,000	1,675,000	1,675,000	1,675,000	+23,000
Office of the Majority Whip	1,024,000	1,053,000	1,043,000	1,043,000	1,043,000	+19,000
Office of the Minority Whip	998,000	1,026,000	1,020,000	1,020,000	1,020,000	+22,000
Speaker's Office for Legislative Floor Activities	397,000	406,000	397,000	397,000	397,000	
Republican Steering Committee	736,000	753,000	738,000	738,000	738,000	+2,000
Republican Conference	1,172,000	1,205,000	1,199,000	1,199,000	1,199,000	+27,000

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)—continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Democratic Steering and Policy Committee	1,277,000	1,310,000	1,295,000	1,295,000	1,295,000	+18,000
Democratic Caucus	631,000	648,000	642,000	642,000	642,000	+11,000
Nine minority employees	1,190,000	1,218,000	1,190,000	1,190,000	1,190,000	
Training and Development Program:						
Majority			290,000	290,000	290,000	+290,000
Minority			290,000	290,000	290,000	+290,000
Subtotal, House Leadership Offices	12,293,000	12,689,000	13,117,000	13,117,000	13,117,000	+824,000
Members' Representational Allowances						
Expenses	379,789,000	412,964,000	385,279,000	385,279,000	385,279,000	+5,490,000
Committee Employees						
Standing Committees, Special and Select (except Appropriations)	86,268,000	90,608,000	89,743,000	89,743,000	89,743,000	+3,475,000
Committee on Appropriations (including studies and investigations)	18,276,000	19,731,000	19,373,000	19,373,000	19,373,000	+1,097,000
Subtotal, Committee employees	104,544,000	110,339,000	109,116,000	109,116,000	109,116,000	+4,572,000
Salaries, Officers and Employees						
Office of the Clerk	16,804,000	15,817,000	15,365,000	15,365,000	15,365,000	-1,439,000
Office of the Sergeant at Arms	3,564,000	3,611,000	3,501,000	3,501,000	3,501,000	-63,000
Office of the Chief Administrative Officer	50,727,000	58,829,000	57,211,000	57,211,000	57,211,000	+6,484,000
Office of Inspector General	3,808,000	4,379,000	3,953,000	3,953,000	3,953,000	+145,000
Office of General Counsel		840,000	840,000	840,000	840,000	+840,000
Office of the Chaplain	133,000	136,000	133,000	133,000	133,000	
Office of the Parliamentarian	1,101,000	1,106,000	1,106,000	1,106,000	1,106,000	+5,000
Office of the Parliamentarian	(852,000)	(904,000)	(904,000)	(904,000)	(904,000)	(+52,000)
Compilation of precedents of the House of Representatives	(249,000)	(202,000)	(202,000)	(202,000)	(202,000)	(-47,000)
Office of the Law Revision Counsel	1,821,000	1,957,000	1,912,000	1,912,000	1,912,000	+91,000
Office of the Legislative Counsel	4,827,000	4,980,000	4,980,000	4,980,000	4,980,000	+153,000
Corrections Calendar Office	791,000	810,000	799,000	799,000	799,000	+8,000
Other authorized employees	780,000	191,000	191,000	191,000	191,000	-589,000
Former Speakers	(594,000)					(-594,000)
Technical Assistants, Office of the Attending Physician	(186,000)	(191,000)	(191,000)	(191,000)	(191,000)	(+5,000)
Subtotal, Salaries, Officers and Employees	84,356,000	92,656,000	89,991,000	89,991,000	89,991,000	+5,635,000
Allowances and Expenses						
Supplies, materials, administrative costs and Federal tort claims	2,225,000	2,708,000	2,575,000	2,575,000	2,575,000	+350,000
Official mail (committees, leadership, administrative and legislative offices)	500,000	500,000	410,000	410,000	410,000	-90,000
Government contributions	124,390,000	132,949,000	132,832,000	132,832,000	132,832,000	+8,442,000
Miscellaneous items	641,000	651,000	651,000	651,000	651,000	+10,000
Subtotal, Allowances and expenses	127,756,000	136,808,000	136,468,000	136,468,000	136,468,000	+8,712,000
Total, salaries and expenses	708,738,000	765,454,000	733,971,000	733,971,000	733,971,000	+25,233,000
Total, House of Representatives	709,008,300	765,587,800	734,107,700	734,107,700	734,107,700	+25,099,400
JOINT ITEMS						
Joint Economic Committee	2,750,000	2,798,000	2,798,000	2,798,000	3,098,000	+348,000
Joint Committee on Printing	804,000	804,000	352,000	202,000	352,000	-452,000
Joint Committee on Taxation	5,815,500	6,018,000	6,018,000	5,965,400	5,965,400	+149,900
Office of the Attending Physician						
Medical supplies, equipment, expenses, and allowances	1,266,000	1,383,000	1,383,000	1,415,000	1,415,000	+149,000
Capitol Police Board						
Capitol Police						
Salaries:						
Sergeant at Arms of the House of Representatives	34,118,000	38,603,000	35,022,000	35,770,000	37,037,000	+2,919,000
Sergeant at Arms and Doorkeeper of the Senate	36,837,000	38,505,000	37,593,000	38,511,000	39,807,000	+2,970,000
Subtotal, salaries	70,955,000	76,108,000	72,615,000	74,281,000	76,844,000	+5,889,000
General expenses	3,099,000	8,361,000	3,766,000	6,297,000	6,237,000	+3,138,000
(By transfer)	(4,000,000)					(-4,000,000)
Subtotal, Capitol Police	74,054,000	84,469,000	76,381,000	80,578,000	83,081,000	+9,027,000
Capitol Guide Service and Special Services Office	1,991,000	2,196,000	2,110,000	2,195,000	2,195,000	+204,000
Statements of Appropriations	30,000	30,000	30,000	30,000	30,000	
Total, Joint Items	86,710,500	97,695,000	89,070,000	93,181,400	96,134,400	+9,423,900
OFFICE OF COMPLIANCE						
Salaries and expenses	2,479,000	2,286,000	2,086,000	2,286,000	2,086,000	-393,000

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
CONGRESSIONAL BUDGET OFFICE						
Salaries and expenses	24,797,000	25,938,000	25,671,000	25,671,000	25,671,000	+874,000
ARCHITECT OF THE CAPITOL						
Capitol Buildings and Grounds						
Capitol buildings, salaries and expenses	44,477,000	55,342,000	40,347,000	44,441,000	43,683,000	-794,000
Capitol grounds	25,116,000	26,623,000	5,803,000	6,055,000	6,046,000	-19,070,000
Senate office buildings	52,021,000	55,758,000	....	53,844,000	54,144,000	+2,123,000
House office buildings	36,610,000	43,796,000	42,139,000	42,139,000	42,139,000	+5,529,000
Capitol Power Plant	37,932,000	44,379,000	37,145,000	42,222,000	42,174,000	+4,242,000
Offsetting collections	-4,000,000	-4,000,000	-4,000,000	-4,000,000	-4,000,000	....
Net subtotal, Capitol Power Plant	33,932,000	40,379,000	33,145,000	38,222,000	38,174,000	+4,242,000
Total, Architect of the Capitol	192,156,000	221,898,000	121,434,000	184,701,000	184,186,000	-7,970,000
LIBRARY OF CONGRESS						
Congressional Research Service						
Salaries and expenses	64,603,000	68,461,000	66,888,000	67,877,483	67,124,000	+2,521,000
GOVERNMENT PRINTING OFFICE						
Congressional printing and binding 1/	81,669,000	84,000,000	74,465,000	75,500,000	74,465,000	-7,204,000
Total, title I, Congressional Operations	1,622,477,800	1,742,593,600	1,113,521,700	1,652,715,583	1,653,165,100	+30,687,300
TITLE II - OTHER AGENCIES						
BOTANIC GARDEN						
Salaries and expenses	3,016,000	3,235,000	3,032,000	3,180,000	3,052,000	+36,000
LIBRARY OF CONGRESS						
Salaries and expenses	227,504,000	239,415,000	234,822,000	239,176,542	238,373,000	+10,869,000
Authority to spend receipts	-7,869,000	-6,500,000	-6,850,000	-6,500,000	-6,850,000	+1,019,000
Net subtotal, Salaries and expenses	219,635,000	232,915,000	227,972,000	232,676,542	231,523,000	+11,888,000
Copyright Office, salaries and expenses	34,361,000	35,269,000	33,897,000	35,269,000	34,891,000	+530,000
Authority to spend receipts	-22,426,000	-21,170,000	-21,170,000	-21,170,000	-21,170,000	+1,256,000
Net subtotal, Copyright Office	11,935,000	14,099,000	12,727,000	14,099,000	13,721,000	+1,786,000
Books for the blind and physically handicapped, salaries and expenses	46,561,000	48,145,000	46,824,000	46,895,000	46,824,000	+263,000
Furniture and furnishings	4,178,000	5,712,000	4,178,000	4,458,000	4,448,000	+270,000
Total, Library of Congress (except CRS)	282,309,000	300,871,000	291,701,000	298,128,542	296,516,000	+14,207,000
ARCHITECT OF THE CAPITOL						
Congressional cemetery	....	....	1,000,000	....	1,000,000	+1,000,000
Library Buildings and Grounds						
Structural and mechanical care	11,573,000	16,139,000	11,933,000	12,566,000	12,672,000	+1,099,000
GOVERNMENT PRINTING OFFICE						
Office of Superintendent of Documents						
Salaries and expenses	29,077,000	30,200,000	29,264,000	29,600,000	29,264,000	+187,000
Government Printing Office Revolving Fund						
GPO revolving fund	....	6,000,000	....	....	....	....
Total, Government Printing Office	29,077,000	36,200,000	29,264,000	29,600,000	29,264,000	+187,000
GENERAL ACCOUNTING OFFICE						
Salaries and expenses	346,903,000	369,728,000	356,238,000	365,298,000	356,268,000	+9,365,000
Offsetting collections	-7,404,000	-2,000,000	-2,000,000	-2,000,000	-2,000,000	+5,404,000
Total, General Accounting Office	339,499,000	367,728,000	354,238,000	363,298,000	354,268,000	+14,769,000
Total, title II, Other agencies	665,474,000	724,173,000	691,168,000	706,772,542	696,772,000	+31,298,000
TITLE IV - TRADE DEFICIT REVIEW COMMISSION						
Sec. 409 Trade commission appropriation	....	....	....	2,000,000	....	....
Grand total	2,287,951,800	2,466,766,600	1,804,689,700	2,361,488,125	2,349,937,100	+61,985,300
TITLE I - CONGRESSIONAL OPERATIONS						
Senate	461,055,000	476,728,000	....	469,391,000	469,391,000	+8,336,000
House of Representatives	709,008,300	765,587,600	734,107,700	734,107,700	734,107,700	+25,099,400
Joint items	86,710,500	97,695,000	89,070,000	93,181,400	96,134,400	+9,423,900

LEGISLATIVE BRANCH APPROPRIATIONS BILL, 1999 (H.R. 4112)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Office of Compliance	2,479,000	2,286,000	2,086,000	2,286,000	2,086,000	-393,000
Congressional Budget Office	24,797,000	25,938,000	25,671,000	25,671,000	25,671,000	+874,000
Architect of the Capitol	192,156,000	221,898,000	121,434,000	184,701,000	184,186,000	-7,970,000
Library of Congress: Congressional Research Service	64,603,000	68,461,000	66,688,000	67,877,483	67,124,000	+2,521,000
Congressional printing and binding, Government Printing Office	81,669,000	84,000,000	74,465,000	75,500,000	74,465,000	-7,204,000
Total, title I, Congressional operations	1,622,477,800	1,742,593,600	1,113,521,700	1,652,715,583	1,653,165,100	+30,687,300
TITLE II - OTHER AGENCIES						
Botanic Garden	3,016,000	3,235,000	3,032,000	3,180,000	3,052,000	+36,000
Library of Congress (except CRS)	282,309,000	300,871,000	291,701,000	296,126,542	296,516,000	+14,207,000
Architect of the Capitol (Congressional Cemetery and Library buildings and grounds)	11,573,000	16,139,000	12,933,000	12,568,000	13,672,000	+2,099,000
Government Printing Office (except congressional printing and binding)	29,077,000	36,200,000	29,264,000	29,600,000	29,264,000	+187,000
General Accounting Office	339,499,000	367,728,000	354,238,000	363,298,000	354,268,000	+14,769,000
Total, title II, Other agencies	665,474,000	724,173,000	691,168,000	706,772,542	696,772,000	+31,298,000
TITLE IV - TRADE DEFICIT REVIEW COMMISSION						
Sec. 409 Trade commission appropriation	....	....	....	2,000,000	....	....
Grand total	2,287,951,800	2,466,766,600	1,804,689,700	2,361,488,125	2,349,937,100	+61,985,300

1/ Includes transfer from revolving fund of $11,017,000.

Mr. WALSH. Mr. Speaker, I reserve the balance of my time.

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Mr. SERRANO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first let me thank my friend, the gentleman from New York (Mr. JIM WALSH) for those kind words about the Yankees. I am just afraid about the Texas Rangers first.

This is a good conference report. It was a good bill to begin with, Mr. Speaker, and more work has been done on it, especially the work concerning the Capitol Police and some other items that were put in here. I want to take very little time discussing the bill, because the gentleman from New York (Mr. WALSH) has made all the statements that are necessary, and secondly, I will be submitting a statement for the RECORD.

To make sure that I do not run into the same problem he did of getting a note about leaving somebody out, let me just say that I also want to thank the staff on both sides, both the committee and subcommittee and personal staff, that have done such a great job in making this bill what it is, and making our lives much easier. Of course, I would single out Lucy Hand, the person who knows more about this bill than I do, which is the case around here most of the time.

The bill I think speaks to something that the gentleman from New York (Mr. JIM WALSH) and I believe in very seriously. That is the fact that in order to be proud of this government, in order to be proud of this democracy, we also have to make sure that we maintain the grounds and the buildings and the institution itself. One is not separate from the other.

Many times I am terrified of the fact, I hear people boast, as we all should, about our great democracy, and then always try to knock down the government and the institutions involved in it, as if a computer or something else ran this democracy.

When I see the work we do in this bill to make sure that we set a good tone and a bipartisan tone, we are setting the right tone, and especially in what we did for the Capitol Police, we know the tragedy we had here, and the statement that we are making in saying that we support them in the work they do, we support them in the future, we support them today in this conference report.

With that, Mr. Speaker, I would hope that all Members would support this conference report.

Let me move on now, Mr. Speaker, and speak about my friend, the gentleman from California (Mr. VIC FAZIO).

I was thinking, as I was hearing all of the comments being made about the gentleman from California (Mr. VIC FAZIO), and I know he is paying attention, because he wants to hear what I have to tell him. I may break into Spanish at any minute, and the gentleman will be terribly confused.

I was thinking, as I was listening to all the tributes, how I know the gentleman from California. It dawned on me that if we were to have taken photographs of the gentleman from New York (Mr. JOSÉ SERRANO) and the gentleman from California (Mr. VIC FAZIO) throughout the 9 years that I have been here, we would find that most of these photographs would be of me leaning over at a subcommittee or committee meeting or on the floor asking him something, and the gentleman from California (Mr. VIC FAZIO) advising me. That probably would be our photo album. I don't know how far he would get showing that to his grandchildren, but that would be the photo album.

The most important thing that I can say, and that that I have found to be the gentleman's strength, is that he fully understands all of the differences that make up not only the Democratic Party, but both parties.

In other words, when we come here, especially as a freshman, we believe we know everything there is to know about our districts, about our States, and certainly about everything that should happen in Congress. What I have found is that there was really one person here, the gentleman from California (Mr. VIC FAZIO), who knew exactly where every Member came from. That is really important. He knew every district, he knew every need, he knew everyone. He knew every desire of the Member.

When we talk about leadership and the ability of talking to newcomers, that ability to say, you are from New York; you are from New York City, you are not from upstate; you are from the Bronx; your district is primarily Hispanic and African American; language is an issue, immigration is an issue, the gentleman from California knows that about just about every single district in the Nation. That I feel is what prepares him, then, to talk to people.

On top of that, he happens to be something which is great, he happens to be a great human being. He happens to be a friendly person who is always ready to talk to someone and to smile.

He also taught me something else, which I am trying to do. That is, how do we pay our dues when we are members of the Committee on Appropriations? We our dues by playing a role in the legislative branch appropriations subcommittee, because what we do here is not popular all the time, and everybody supports it but nobody wants to vote for it.

We are the only subcommittee that has the support of the House, and then has to go around rounding up votes, and he did it year after year after year, with the kind of tone that got people to respect the work and respect the subcommittee.

Now, as the ranking member of this subcommittee, and hopefully chairman of this subcommittee in the future, I take very seriously what he taught me. He taught me by voice, he taught me by advice, but mostly, he taught me by example.

Let me be perhaps the last one today who pays tribute to the gentleman from California (Mr. VIC FAZIO) by just simply doing something that comes easy to me, and that is to quote a phrase in Spanish that we use every so often on this House floor. That is to say, (Member spoke in Spanish); tell me who you walk with, and I will tell you who you are. For 9 years I have walked with the gentleman from California (Mr. VIC FAZIO), and therefore, I am part of him, and that is not too bad. I thank the gentleman for his friendship.

Mr. Speaker, I rise in strong support of the conference report on H.R. 4112, making appropriations for the Legislative Branch for fiscal year 1999.

Chairman WALSH, the other subcommittee Members, and I share a belief in and commitment to Congress as an institution. This is the People's branch of our national government. Thousands of people work here. Constituents come here to petition their government or see how their laws are made. Tourists from all over the Nation and the world, officials of government at all levels, and international leaders, such as President Nelson Mandela yesterday, visit here.

We must, in this bill, ensure that Congress can operate efficiently, preserve and enhance the Capitol complex, and protect the health, safety, and security of all.

Mr. Speaker, I believe this conference agreement improves on a good bill and provides the resources needed to run this enterprise.

Chairman WALSH has explained the agreements in detail, but I will add a couple of comments.

The conference agreement is more than half a billion dollars above the House-passed bill, but this is almost entirely because the House bill, in keeping with the traditional comity between House and Senate, contained no funds for the Senate. Excluding Senate items, the conference agreement is really only about $11 million above the House bill, and part of this is due to the fact that we have provided funds to improve the pay structure for the Capitol Police—weekend, holiday, and night differentials, and an extension of the longevity schedule.

For Congressional operations, the conference agreement includes $1.7 billion, just $31 million, or about two percent above last year.

This covers the operations of House and Senate Member and Committee offices, administrative offices, and the legislative support activities of the Congressional Budget Office, Congressional Research Service, and the Architect of the Capitol.

The agreement also includes $697 million for other agencies, such as the Library of Congress, the General Accounting Office, and the Government Printing Office.

As in the House bill, it provides buyout authority to the Architect and the GPO so they can manage staff reductions and restructuring. Buyouts are less expensive, less disruptive, and less harmful to the affected workers than the alternative, reductions-in-force.

Mr. Speaker, I repeat that this conference agreement is a good one. However, there are a couple of concerns on our side that must be expressed.

First, however modest the increase in total spending over last year is, it is still an increase. In contrast, other appropriations bills contain drastic cuts and even terminations in programs of great importance to the American people, especially the most vulnerable Americans.

Second, the conference agreement, like the House bill, provides funding for only one quarter for the Joint Committee on Printing. This assumes that Title 44 reform, including disposition of JCP's functions, will be completed by the end of 1998. However, there are few legislative days left in this session and there has been no progress on reform since this bill passed the House in June. I believe it is irresponsible to leave oversight of GPO after December 31 unresolved.

To repeat what I have said again and again, it has been a great personal pleasure for me to work on this bill with our Chairman, JIM WALSH. He is an old friend of mine, and I am a long-time fan of his. He is hard-working and knowledgeable, totally fair and bipartisan.

Of course, we have a very able staff. Ed Lombard's experience and knowledge and Greg Dahlberg's skill and expertise are matchless. Tom Martin has provided valuable service, and each Member's staff has contributed to this process.

The other Members of the Subcommittee, too, have worked well together—Mr. YOUNG, Mr. CUNNINGHAM, Mr. WAMP, and Mr. LATHAM, and the Chairman of the full Committee, Mr. LIVINGSTON. On our side, we have the Ranking Democrat of the full Committee, Mr. OBEY, and Mr. HOYER, and Mr. FAZIO, whose combined knowledge of the Legislative Branch is staggering.

This institution and all of us will miss VIC FAZIO very much. Other Members have talked about VIC's many talents and qualities—his experience, his insight, his wisdom, his fairness—but let me add that no one has been more consistently devoted to this place, or had more knowledge of its inner workings than VIC. His retirement will leave an enormous gap that we must struggle to fill.

Mr. Speaker, Chairman WALSH has done a good job and this is a good bill. I will vote for it and I urge my colleagues to do the same.

Mr. Speaker, I yield such time he may consume to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. I thank the gentleman very much, Mr. Speaker. It has been a great honor to sit here and listen to my colleagues on both sides of the aisle comment about someone that they have gotten to know in whatever time we have spent together here in this institution.

I guess the first thing I want to do is say that I rise in support of the legislative branch bill. That will be the last time I will have the privilege of doing that, and I certainly owe it to my wonderful successors in this role, the gentleman from New York (Mr. JIM WALSH) and the gentleman from New York (Mr. JOSÉ SERRANO), who have done such a great job of upholding a tradition that a number of us, the gentlemen from California, Mr. JERRY LEWIS and Mr. RON PACKARD, Mr. YOUNG of Florida, and myself, attempted to put in place here, with the able assistance of some great staff, my good friend, Ed Lombard perhaps most prominent.

I will put my remarks in the RECORD that go into great detail as to why the Members should support this bill on this occasion. However, I want to take just a few minutes, if the Members are willing to provide some time, perhaps not as much as I might have taken but just a little, to indicate how much my opportunity for public service in this institution has meant to me.

I suppose I could begin by referring to my father and mother. My mother is a great egalitarian, a person who believes in equality and loves the public arena, while she never served in it, she was always a person interested in current events; and my dad, who came through World War II, having spent most of his youth in military service in the South Pacific, came back to school on the G.I. Bill, not really having his first full job until he was 29 years old, when his children were already 6 and 4; who founded the Little League and served on the school board and ran for the city council, and did all those things that people still do when they believe that they have a role in giving back to the public something that they have received. I think my dad paid back his G.I. Bill a lot earlier than some other people might have done.

That led me to public service. I remember John Kennedy's campaign for Vice President in 1956. I think I caught a little bit of the political bug in my early teen years. The next thing I know, I am in California participating, as my good friend, the gentleman from California (Mr. JERRY LEWIS) said, in the CORO program; and before long in Sacramento, and a member of the Assembly; and before I had even had a chance to really understand that institution I became a member of this body for 20 years.

So for 33 years I have been privileged to be a public servant. Believe me, one of the hardest things about leaving Congress will be to reorient my life for at least a while to something other than the public side of life, because for me, it has meant a great deal.

I am not going to, on this occasion, say some of the things I want to say about service here. Suffice it to say I think we have some work to do. We need to attend to the requirement of building friendship and cohesiveness, and to the extent possible, bipartisanship among ourselves. Perhaps on another occasion I will dig deeper into those issues, because I think we have got to deal with them. We know that over the next several weeks and months it will be even more important that we succeed in the goals that our constituents need us to succeed in, our constitutional responsibilities with regard to impeachment.

Suffice it to say, today an opportunity for me has come along to say thank you. First and foremost, I need to thank my family. My wife Judy, is here and I want to tell her how much I appreciate her being my partner, and how much I love her. Judy, thank you.

I want to tell my children, Anne and Dana and Kevin and Kristie, how much I appreciate their sacrifices on my behalf, letting me do what I have done for so long. Anne's loss has been referenced here today. Those 8 years that she had after being diagnosed with leukemia gave us all a great insight into her courage and the spirit that moved her.

I was just reminded earlier about my good friend, the gentleman from California (Mr. JERRY LEWIS) asking the Pope to pray for her. I am sure that contributed greatly to her having that extra time. It really is an example of the way in which Members here can interact and go beyond partisanship and really be friends. JERRY has been a great one.

I remember one day when he stood here in this well attempting to put a model of the Capitol together while I described it. It was during the debate on the future of the west front. It was one of the more farcical moments in congressional history, but a good example of what we were willing to risk in order to make a point.

I think of my friend, the gentleman from California (Mr. HOWARD BERMAN), who would have been perhaps Speaker in the California Assembly, but some of us, like the gentleman from California (Mr. JULIAN DIXON) and I left and came back here and abandoned him. I think of all those others who have been part of the team, part of the group of people trying to move our common purpose along.

I think of the many people who worked with and for me, people on this floor, people on my District's staff, like Ann and Andy Karperos, who are here today with Judy, people who work in my office in the Capitol. We have so many who have come and contributed and remain friends. Those people have made a difference in issues large and small.

Most of all, I have to thank those people who have given me the privilege of allowing me to represent them. I came from Massachusetts and New Jersey to California at 22, and by 33, a group of people in the Sacramento Valley had let me represent them. It was a great gift they gave me, a gift that I am about to give back to them so they can pass it on to someone else.

These are diverse people, representing perhaps 1 million now; at one point or another over the last 20 years, as my district has moved all over the map, cattlemen and orchardists and farmworkers and State workers, people who teach at the University of California; people who have given me the privilege of, for a brief period in our history, of being their voice, their outlet to the democratic process.

I owe them the ultimate in thanks. I appreciate the gift they have given me, and I know that when I give it back to them, as I will in a few months, it will be intact and in the kind of shape where they can proudly pass it on to the next person who will have, I think, the greatest honor any American politician can ever have. That is being elected to the people's House, the House of Representatives. I thank them very much and I thank all of my colleagues.

Mr. Speaker, I rise today for the last time in support of a legislative branch appropriations bill.

I have enjoyed working with Chairman JIM WALSH and ranking member JOSÉ SERRANO, as well as the other members of the subcommittee this year. We are charged with a great responsibility, but often an unrecognized one—that of being the keepers of this great House by drafting legislation that insures that we always will have a roof over our head—or at least a dome—and gives our branch of government the tools to run effectively.

I have taken great pride in serving 18 years on this subcommittee and 14 years as the chairman. In fact, the only person who exceeds my current tenure on this subcommittee is Ed Lombard, whose assistance and guidance over my tenure as chairman and as a member of the subcommittee has been invaluable. Ed has served as the subcommittee's clerk since 1977. I hope that every Member of the House recognizes Ed's dedication to the legislative branch and to this process each year. He truly is the one that keeps this bill moving. With him here, I know that in the years after I leave this House that it will still be kept in order.

In 1981, as a new member of the Appropriations Committee, I was thrust in the position of chair of the Legislative Subcommittee. Ed Lombard and other observers may have considered my performance a little uneven those first few years. But I quickly understood, as every member of this subcommittee does, the significance of our work, and I became committed to a bipartisan approach for seeing this bill through the legislative process.

Fortunately, I was assisted in that endeavor for many years by the good humor of my friend, JERRY LEWIS, and then BILL YOUNG and RON PACKARD after him. I never ceased to be amazed at how the defense bill, with its hundreds of billions, would rocket through the House in an afternoon, while we labored—sometimes for two or three days—on sums that amounted to DOD rounding errors.

Yes it was a necessary if time-consuming annual ritual—the many floor amendments and the protracted debate about how to spend money on ourselves. And perhaps, in some years, the occasional unpleasantness of the experience was balanced by realizing that Members were becoming engaged in this important decision-making process.

There have been some victories, and there have been some defeats.

For nearly a decade, I have been working through this subcommittee on the possibility of building a visitors' center on Capitol Hill. Not only would this center add to the experience of visiting our Capitol Building, but it would be a great security enhancement.

We have appropriated funds for a feasibility study. We have appropriated funds for a design, which was unveiled three years ago. We have the cost estimates. All we need now to do is build it.

I am frustrated with the House Republican leadership, which has not been willing to move this needed construction forward for the four years in their charge. In light of the tragic violence that we were witness to on July 24 of this year that left two U.S. Capitol Police officers mortally wounded, we need to act and we need to act now. This tragic event, more than any other reason, speaks volumes toward the need for this facility and the need to move forward quickly.

The Architect of the Capitol, Alan Hantman, testified last year that the center would improve the physical and educational facilities for visitors, enhance the appearance of the East Plaza, and permit the adoption of measures that would "strengthen the security of the Capitol while ensuring the preservation of the feeling of open access."

The House Sergeant at Arms, Bill Livingood, is also a supporter of the construction of the Capitol Visitors Center. He testified in the same hearing that it would resolve many of the sensitive security issues that exist in the current security plan. He further testified that using a visitors center as the primary entrance and exit for the Capitol, would enable the Capitol police to regulate the number of people inside the Capitol building at a given time and allow them to be better prepared for an evacuation should an emergency arise.

In July, we saw why there is a need to improve security around the Capitol. Now is the time to demonstrate that we have responded to this tragedy and have done all we can to prevent it happening again in the future.

There have been some victories, too. Some are mundane, like energy efficient lighting. Some were massive construction projects, like the Hart Senate Office Building and the Madison Building to the Library of Congress. Some are historically significant, like the restoration of the Capitol's West Front and the restoration of the Jefferson Building, the original Library of Congress. I am glad to have played a small roll in all of them.

Now it's time to say goodbye to this bill and this institution. But I leave it in the capable hands of JIM WALSH, JOSÉ SERRANO and the next generation of Members who will wrestle with these institutional issues on behalf of all their colleagues and on behalf of all Americans.

I wish them the best—may their efforts meet with every success.

Mr. WALSH. Mr. Speaker, I yield such time as he may consume to my good friend, the distinguished gentleman from California (Mr. JERRY LEWIS), chairman of the subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations, and friend of the gentleman from California (Mr. VIC FAZIO).

Mr. LEWIS of California. Mr. Speaker, I appreciate my colleague's yielding time to me. I hope my colleagues who are not on the floor but listening from their offices will make note of this passing, for we have heard today some of those words which will be the last words we hear from a man of the House, the gentleman from California (Mr. VIC FAZIO).

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He is a man of the House, because like very few Members, he understands and believes in this institution.

While VIC and Judy are dear friends of Arlene's and mine, I must say that to see him leaving this place is a great blow to all of us who believe in the future of our democracy. For VIC, like very few Members, truly understands that politics is indeed a part of our life, but our work involves this institution and the people's business.

He recognizes that most of the solutions that come forth to this well do not come forth in the form of partisan politics, but that major solutions and public policy are best melded by men and women working together on behalf of their people.

So, Mr. Speaker, we should all recognize today, as the likes of VIC come, very few come with that quality. As they leave the House, the House is lesser because of it. I would hope we would come together then bonded in our commitment to make certain that we do all that we can to preserve the government's work as we preserve this institution.

Mr. SERRANO. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Speaker, I regret that I was not able to be here to commend our colleague. I would like to say this. Today there are two gentlemen in this House, both of them from California, who in my view epitomize what government is all about: the gentleman from California (Mr. LEWIS), has been a friend for a lot of years. We worked together on the Committee on Appropriations on projects; and, VIC FAZIO, who has been my friend. I do not know if I have been his friend, but he has been my friend for a long while.

Mr. Speaker, these are two of the men that are responsible sometimes when tempers get hot and when the rhetoric gets high; two guys that can cross this aisle and talk to people and get some balance back into the argument.

Mr. Speaker, I would say to the gentleman: VIC, I do not know what you are going to do, but I wish you Godspeed. As a very dear friend of mine always said, I hope you live as long as you want, and you never want as long as you live. I am retiring too, so I want you to come by the home and visit me from time to time.

Mr. Speaker, I would say to the gentleman from California (Mr. LEWIS), Jerry, I want to thank you for being my friend over the years and working with me. I commend people such as yourself and VIC FAZIO for being a calm voice many times when all the storm clouds gather. You are a voice of reason, and that gives us some hope for the future for the body politic and for democracy in our great Nation. I wish the same thing for you.

Mr. SERRANO. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I rise today to pay tribute also to a remarkable Member of the House, Congressman VIC FAZIO of California.

VIC has announced his retirement after 20 years in the U.S. House of Representatives. When he leaves this body at the end of the year, we will miss his leadership and his friendship tremendously.

I salute one of my party's leaders as the Chair of the Democratic Caucus who has led our party with outstanding leadership and integrity. He has also served as a great leader on the Democratic Health Care Task Force, bringing the caucus together around a terrific bill.

Personally, I came here 2 years ago and VIC has provided me with reliable and friendly mentorship and guidance on how the House of Representatives works and how it should work. He has always been a good listener, someone who always has time for junior Members such as myself, and has been there when a lot of us needed some good advice.

Congressman FAZIO's insight into the issues and problems we address in this House have made him a valuable and trusted Member of this body. Our leadership, the House, and most of all the Third District of California have greatly benefited from his service.

Mr. Speaker, I believe I speak for all of my colleagues when I say that the departure of VIC FAZIO will leave a void in this institution. As he approaches retirement, I want to thank VIC for the guidance and leadership and congratulate him for his extraordinary career. I wish him excellent health and happiness in his retirement.

Mr. ROMERO-BARCELÓ. Mr. Speaker, it is with profound regret that I am unable to be in the floor of the House of Representatives to extend a fond farewell to and honor VIC FAZIO, our distinguished Democratic Caucus Chairman and Representative of the Third Congressional District in California. However, the will of nature being what it is, I am in Puerto Rico overseeing relief and cleanup actions to ensure our recovery from the devastation caused by Hurricane Georges. I must declare that this is one of the worst storms to hit Puerto Rico this century, similar to Hurricane San Felipe (St. Philip) in 1928. My priority is to get Puerto Rico back on its feet.

VIC, on behalf of the 4 million U.S. citizens in Puerto Rico, I want to express our deeply felt appreciation for your responsiveness and willingness to champion our cause in the Congress. We are proud to call you our friend.

You have done an excellent job in meeting the challenges facing the Congress throughout this past decade. I salute your equanimity under particularly difficult situations and admire your efforts to place the interests of the American people ahead of party and personal ambitions.

I appreciate the support you have provided me as the elected representative of the people of Puerto Rico to the U.S. Congress since November 1992. I am particularly pleased that you were able to be with us during this crucial year when we commemorate a century of United States-Puerto Rico relations.

You have helped Congress face some of the most controversial issues, allowing everyone an opportunity to express their views and opinions, while bringing a healthy dose of common sense to the discussions. I wish you the best as you make your plans for the future and undertake a new course in life. It has been a privilege to serve with you and an honor to call you my friend.

Godspeed and best wishes.

Ms. SANCHEZ. Mr. Speaker, I rise today to honor a dear friend, Congressman VIC FAZIO. Mr. FAZIO is retiring from Congress after 20 years of public service to the constituents of the Third District of California.

Congressman FAZIO leaves a legacy of hard work and dedication to his constituents, as well as the entire country. He provided leadership, guidance, and support to Members of Congress by serving as the Chairman of the Democratic Caucus.

His knowledge and reverence of government has made him a role model for all Members of this House, and those who aspire to be leaders.

Mr. FAZIO is a devoted public servant who has dedicated his life to making a difference in our society and our nation. He truly enjoys coming to work each morning and does each task with great passion. You will often find him working late into the evening hours assisting a constituent, colleague, staff member, or friend.

Mr. FAZIO, thank you for your leadership, guidance, and kind words of wisdom. It has been an honor to serve in Congress with you. I wish you the best of luck in your future endeavors. You will truly be missed.

Mrs. KENNELLY of Connecticut. Mr. Speaker, when Congress adjourns for the year we will be bidding farewell to a number of very fine members who represent the best that this Nation has to offer. Today, we are honoring one of the best of the best, VIC FAZIO.

I have known VIC since I came to Congress in 1982. He has helped me in many ways; in fact, judging from these tributes, there are few in this Chamber who have not been helped by VIC. He has been a superior leader of the Democratic Caucus—always fair, always judicious, always working to bring about a consensus.

We know VIC as someone who loves the people of his district. He has worked exceptionally long hours doing the very best job he could for them. We know VIC as someone who loves his Appropriations Committee work, helping all Members whenever he could, Democrat and Republican alike. And we have all seen him working the House floor during a vote.

But let me tell you that none of that compares to what I have learned about him since he became Chair of the Democratic Caucus and I became Vice Chair—his honor, his gentle character, his warmth, his outstanding personal friendship. I will miss VIC, but more importantly this House will miss VIC, as will his constituents. At least we have the comfort of knowing that whatever he does, he will do it exceptionally well.

Ms. EDDIE BERNICE JOHNSON of Texas. I rise to offer my best wishes of success to the future endeavors of our departing Democratic Caucus chair, VIC FAZIO. More important, I join my colleagues, particularly those of the Democratic Caucus, in thanking Congressman FAZIO for the direction, strategy and guidance that he has lent to us.

That our caucus is more unified and accommodating of different viewpoints is due to Congressman FAZIO's ability to listen to all opinions of the caucus. That our caucus at the same time is focused on the unified Democratic agenda is due to his great working relationship with our Democratic leader and whip.

In addition, we are focused because from the time that he served as chair in 1994, he possessed a clear vision of what we should be doing to help America's working families.

However, it is not just the members of the Democratic Caucus who will miss his work ethic, intelligence, integrity and respect for this institution. I am sure that our colleagues in the Republican Conference will appreciate and miss his pragmatism and ability to forge bipartisanship out of the most partisan matters.

During his tenure as vice-chair of the Democratic Caucus, Congressman FAZIO was also chair of the Democratic Congressional Campaign Committee, helping many of us here today reach Capitol Hill and serve our districts. He has been the true party stalwart and soldier.

Nevertheless, he has shown the same effective dedication to his legislative work to help the Third District of California, serving on the Appropriations Committee, ranking Democrat on its Subcommittee on the Legislative Branch and ranking Democrat on the Appropriations Subcommittee on Energy and Water Development.

It goes without saying that his accomplishments cannot be summarized in two minutes. What I can say to Congressman FAZIO before I conclude is that on behalf of the Democratic Caucus, the entire House and your constituents of third district that you served with such distinction . . . is that we will miss your dedication and wish you all the success.

Ms. LOFGREN. Mr. Speaker, I want to join in the chorus of voices paying tribute to my good friend and colleague, VIC FAZIO. With the end of this session, Congress will lose one of its brightest lights.

Perhaps, the best thing I can say is the simplest—thank you.

When I came to Congress in 1995, it was immediately clear VIC FAZIO was someone to turn to when gridlock seemed inevitable or a solution impossible. VIC stood out as a role model, as an example of how to act effectively, with integrity and with dignity. It's easy to understand why he has commanded so much respect from both sides of the aisle.

I know I share the conviction of many when I say that VIC FAZIO has defined what it means to be a public servant—always keeping the common interest in the forefront. Just to cite one example, in his key role on the Appropriations committee, I don't know how many times he labored quietly to ensure that Northern California was treated fairly.

VIC, I will deeply miss your leadership, and your good counsel. You have left a great legacy for our institution.

Mr. DICKS. Mr. Speaker, I am very pleased to join my colleagues today to bid farewell to my good friend, Congressman VIC FAZIO of California, whose departure from this institution will certainly be a great personal loss for all of us and for the House itself. Having known VIC since his election to Congress in 1978, I have appreciated many things about our service together. But most of all VIC has impressed me as a member who deeply cares about the integrity of this institution, and about the people who serve here. He has been a "member's member," in the sense that he has always tried to represent the very best of Congress and to stand up for the institution against the criticisms that have come our way, particularly in recent years.

VIC FAZIO and I have served on the Appropriations Committee during his time here in the House, and I have appreciated his help and support on the Energy and Water Development Subcommittee, where he has always taken a balanced approach to the many difficult power and resource issues that affect the Western States most particularly. He has been a valuable ally on several issues of importance to my constituents, and I have counted on his help and his support.

VIC has also been a member who has always had a clear sense of direction for the Democratic Party in the House, serving as the Caucus Chairman and speaking out strongly in support of the causes and positions that form the foundation of our party's political philosophy here in this chamber. He is able to communicate from the very soul of our Democratic Party, and we will all miss his spirit, his leadership, and certainly his friendship.

As he leaves this body and ends a 33-year career in public service, I think it is important for the Members of the House to pay tribute to VIC FAZIO who has represented the very best ideals of our institution and who has truly been a model public servant.

Mr. TORRES. Mr. Speaker, I rise today to honor my colleague and friend, VIC FAZIO.

VIC has decided to retire from this institution to pursue new adventures. Normally, this would be a sad occasion. But from where I stand, this is a time to celebrate. You see, like VIC, I have chosen retirement—not to settle into sedentary retirement or to vacate the public arena, but to explore new opportunities.

So for me, witnessing the end of this phase of VIC's career as a statesman does not make me sad.

But for this institution and for the American people, this is indeed a sad occasion. I know VIC very, very well. We are from the same State and the same party and serve together in our party's leadership structure and on the Appropriations Committee. I know that VIC has served all his constituents with distinction.

And when I refer to his constituents, I speak not only of the people of California's Third District, who have kept VIC in Congress for 20 years. I speak also of his colleagues in this body, because if anyone around here can be considered "our Congressman," it is VIC.

In an era where Congress-bashing has become a national spectator sport, VIC FAZIO has been courageous in his defense of this body and the men and women who comprise it. As ranking Democrat and past chairman of the Legislative Branch Appropriations Subcommittee, VIC has not been shy about saying what is right and good about the United States Congress.

VIC has been tenacious in making sure that the men and women who have chosen public service over personal gain can serve proudly, even in the face of increasing partisan turmoil. He has worked hard to see that the legislative branch receives adequate funding and he has championed pay raises for legislative branch personnel, even when that is not politically popular.

VIC realizes that we are people, we are human, and we work hard to represent real people across America. VIC has never been afraid to stand up and speak the truth, even when the truth is the politically incorrect thing to say.

As VIC begins the next phase of his life, I salute him and know that he will be guided by the principles of fairness and justice that have made him such a respected colleague in this chamber.

Good luck to you, VIC, and thanks for all you have done for me, the people of California, and the American people.

Mr. FROST. Mr. Speaker, I rise today to honor Representative VIC FAZIO, who is leaving us after an exemplary career of service to our country. For 10 terms in Congress, Representative FAZIO has tirelessly served this body with the greatest of honor and dedication. I would like to thank VIC for all the years of hard work and determined effort he has given to the Democratic Party and to the U.S. House of Representatives.

VIC your model behavior in leadership and direction has been an inspiration to all of us. You have guided so many of us through both good and difficult times. We thank you for your loyalty to this institution and the guidance you have bestowed upon us over your many years of service.

The time and energy you have invested throughout the years warrants the utmost respect and regard from this entire body. Congressman FAZIO, thank you for all of the intelligence and integrity you have demonstrated throughout your years in Congress. This Congress will miss you and your devoted commitment to the entire country.

Mr. LEE. Mr. Speaker, I rise today to pay tribute to my California colleague, hall mate/neighbor, friend, roll model, and mentor, VIC FAZIO. Long admired for his legislative and political knowledge and ability, as well his leadership capacity and style, he will be, in my mind, the consensus builder and public servant extraordinaire.

VIC was one of the first people I spoke with upon my arrival on Capitol Hill. His advice, counsel and guidance have made a tremendous impact on the path I now follow in this institution.

Thank you VIC for all you had done for California, especially northern California. Your commitment to our State on the issues that are important to people is commendable because you truly care.

VIC FAZIO has made an indelible mark on this institution and will be sorely missed. Your career has been exemplary and we are privileged to have had benefit of your insight, knowledge and positive energy.

Your distinguished leadership, combined with integrity and hard work, has been an inspiration to many. Those on both sides of the isle seek have sought your counsel on a myriad of issues. Your tireless work as Democratic caucus chair has provided us a vehicle to share concerns, air opinions and develop consensus on a host of issues important to this institution and ultimately to the Nation.

I will miss your warmth and caring, and most of all you smile.

VIC, may you, Judy, and the family enjoy all the happiness and blessings life has to offer. You deserve only the best.

Mr. SERRANO. Mr. Speaker, I yield back the balance of my time.

Mr. WALSH. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. NEY). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 356, nays 65, not voting 13, as follows:

[Roll No. 457]

YEAS—356

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Foley
Forbes

Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Oberstar
Obey
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schumer
Scott
Serrano
Sessions
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Torres
Towns
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—65

Barr
Barrett (WI)
Blunt
Boyd
Chenoweth
Christensen
Condit
Conyers
Cox
Crane
Crapo
Deutsch
Doggett
Ensign
Filner
Frank (MA)
Gejdenson
Goode
Goodlatte
Green
Hall (TX)
Hefley
Herger
Hilleary
Hostettler
Hulshof
Inglis
Kind (WI)
Klink
Lee
Lewis (GA)
Lofgren
Luther
McGovern
McKinney
Meehan
Miller (CA)
Minge
Moran (KS)
Neumann
Nussle
Olver
Paul
Payne
Petri
Roemer
Rothman
Royce
Salmon
Sanford
Scarborough
Schaffer, Bob
Sensenbrenner
Shadegg
Shays
Smith, Linda
Stearns
Stenholm
Stump
Tanner
Taylor (MS)
Tierney
Velazquez
Vento
Waters

NOT VOTING—13

Brady (TX)
Burton
Cardin
Diaz-Balart
Ehrlich
Goss
Kennelly
Linder
Poshard
Pryce (OH)
Rangel
Ros-Lehtinen
Shaw

□ 1225

Messrs. ROTHMAN, HALL of Texas, INGLIS of South Carolina, HERGER, and HEFLEY changed their vote from "yea" to "nay."

Ms. PELOSI changed her vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DIAZ-BALART. Mr. Speaker, I was absent on rollcall 453, the LaHood motion to table H. Res. 545, impeaching Kenneth Starr; rollcall 454, H. Res. 144, expressing support for the Bicentennial of the Lewis and Clark Expedition; rollcall 455, H. Res. 505, expressing the sense of the House with respect to Diplomatic Relations with Pacific Island Nations; rollcall 456, H. Con. Res. 315, Condemning Atrocities by Serbian Police against Albanians; and rollcall 457, the Conference Report to accompany H.R. 4112, the Legislative Branch Appropriations for FY 99, due to official business. Had I been present, I would have voted "Aye" on all of these votes.

PERSONAL EXPLANATION

Ms. ROS-LEHTINEN. Mr. Speaker, I was unavoidably detained and wish to be recorded as an "aye" vote on H.R. 4112, the Legislative Branch Appropriations Conference Report (Roll Call 457).

GENERAL LEAVE

Mr. SERRANO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Res. 550, and include extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONFERENCE REPORT ON H.R. 3616, STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 549 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 549

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. LaTourette). The gentleman from New York (Mr. Solomon) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Texas.

Mr. FROST. Mr. Speaker, I would like at this point, before we begin debate, to acknowledge the presence on the floor of our colleague, the dean of the Texas delegation (Henry Gonzalez) who has been ill for the last year but who has returned to be with us during these closing days of the session.

Mr. SOLOMON. Mr. Speaker, from this side of the aisle, we would like to say hello to the dean of the Texas delegation and welcome him back. He is one of the most respected Members of this body.

□ 1230

Mr. Speaker, for purposes of debate only, I yield half our time to the gentleman from Texas (Mr. Frost), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this resolution makes in order the consideration of the conference report to accompany H.R. 3616, the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. The rule waives all points of order against the conference report and against its consideration, and it provides that the conference report shall be considered as read.

Mr. Speaker, the rule will enable the House to proceed with the expeditious consideration of the conference report for the Defense Authorization Act for Fiscal Year 1999, the most important bill that Congress is called upon to enact each and every year.

I do note right here at the outset, Mr. Speaker, that the conferees have dedicated this legislation to Senator Strom Thurmond. And that, I believe, is something unprecedented, to name a bill after a Member who is still in office.

The preamble to this conference report cites Senator Thurmond's various services to the Nation, and he is certainly deserving of this singular honor. Here is a man who went into Normandy with the 82nd Airborne Division on D-Day, back during World War II, and still, today, 54 years later, he continues to serve our country as chairman of the very important Senate Committee on Armed Services, a committee on which he has been a member for 40 years. Forty years. STROM THURMOND has truly had a unique and influential career in service to the country, and we salute him here today.

Mr. Speaker, I would also like to pay tribute to our colleague from South Carolina (Mr. SPENCE), the chairman of the Committee on National Security, and equally commend the gentleman from Missouri (Mr. SKELTON), the ranking member of the committee. They are truly two of the most respected, outstanding Members of this body. They do, year in and year out, yeoman work on this extremely, extremely important measure. These gentlemen have served our country with distinction. Not for as long as STROM THURMOND has, but nobody else has, but they are certainly no less able and certainly no less dedicated. We appreciate the outstanding work that they and the conferees have done on this report.

And their staffs are to be commended as well. A lot of people do not know how much staff work goes into something as important as this, and on both sides of the aisle they are truly outstanding. They have made the very most of what they were given to work with, the budget ceilings being what they are, which we all object to.

This conference report is the product of a genuine bipartisan effort. It has, I am informed, been signed by every conferee, and that is highly unusual in itself.

Mr. Speaker, I, for one, want to pay particular tribute to what the conferees have done in addressing the readiness problem. I know there are people who question how a $270 billion budget, when we are spending that much money, how it could still leave us with a hollow military. And hollow it is, and getting worse by the day. Consider this: In a span of 31 years, from 1960 to 1991, the United States military conducted only 10 so-called operational events, deployments that took place outside our normal alliance and training-related obligations. Only 10 in that 31-year period. But in only the last 7 years—and this is what is so, so cogent—since 1991, our military has conducted 26 operational events. The Marine Corps alone has conducted 62 contingency operations in the decade of the 1990s, compared to only 15 such operations in the decade of the 1980s.

The ever-accelerating number of demands placed on our Armed Forces has occurred at a time when the military has been experiencing its most significant reductions since the end of World War II. Ten years ago we had over 2.2 million American men and women in uniform, over 2 million. By the end of 1999, that number will be less than 1.4 million. In the last 10 years, the number of Army divisions and Air Force fighter wings has been reduced by nearly half. The Navy has been reduced in size by more than one-third.

Mr. Speaker, we all recognize that the strategic environment is significantly different today than it was a decade ago. But let us never, never be lulled into complacency or a false sense of security. We must never, ever allow our military to hollow out, as what happened in the 1970s. Many of my colleagues will recall, if they were here then, that we had American hostages being held in a place called Iran, and we attempted to rescue those hostages. To do that, the military equipment being in such bad condition, we had to cannibalize about 10 helicopter gunships to get five that would work. Four of those failed, and so did the mission, and the rescue attempt went down the drain. That is the condition we were in in the 1970s.

This is the third year in a row that the defense bill conferees have had to find additional funds for the important readiness accounts. On top of that, they have had to face enormous pressures in balancing the need between short-term readiness and the critical modernization and procurement requirements for which the administration has consistently requested funding that is well below its own forecast of what is necessary to keep our forces prepared and to give our young men and women the best possible strategic weaponry they can have if, God forbid, they ever have to be put in harm's way again. And we all know that that is inevitable. It always happens.

And, finally, Mr. Speaker, let us never forget that we rely today on an all-voluntary military force. That is not going to change. Morale and quality of life are matters of vital importance to the young men and women in uniform today. Quality of life.

I recall in the Marine Corps, when I served 40 years ago, 90 percent of us were single. We did not have families. Today, that is absolutely reversed. Most of the men and women today in the military are married, and we have to provide decent living quarters and decent standards of living for these young men and women.

And, frankly, my colleagues, the combination of shrinking force structures, declining defense budgets, and the increased pace of operations is taking its toll. If Members will just go to any of the recruiting offices in any of their congressional districts, they will see that today we are having a problem recruiting a real cross-section of America to serve. And the reason is because they cannot depend on the military as a career. When we reduce our overall numbers from over 2 million down to 1.4 million, where is the career for these young men and women? Where are we going to get this real cross-section of America to serve in our military? It is not easy. Go and check with the recruiters.

The conferees are to be congratulated for addressing head-on the issues of health care, of retirement and compensation benefits, and living facilities that are of such concern to the all-voluntary force. Again, with what they were given to work with, with these budget limitations, they have done just an outstanding job. Our forces must be able to keep pace with their counterparts in civilian life if we are ever going to be able to maintain the kind of military that we want.

So, Mr. Speaker, I would urge strong support for the rule and for the conference report. Once again, the conferees are to be thanked for a job well, well done.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this rule and this vital conference report. Providing for our common defense is one of the primary constitutional duties of the Congress, and this conference agreement seeks to fulfill that obligation within the constraints imposed by the balanced budget agreement. But as the ranking member of the Committee on National Security said last night when the Committee on Rules met to grant this rule, the task of trying to address the many issues affecting our Armed Forces was much more difficult this year than it has been in years past.

The gentleman from Missouri (Mr. SKELTON) makes a very good and very important point. Mr. Speaker, last week the Joint Chiefs and the unified combat commanders told the President that their increasing duties at home and abroad have placed enormous strains on each of the branches of the Armed Services and that the readiness and operational capabilities of the Services are suffering.

As it was reported in The New York Times yesterday, the commanders told the President that funding shortfalls have eroded their readiness to fight and win the next war, have led to shortages of spare parts for war planes, cuts in training, and difficulties in recruiting and keeping qualified troops. Mr. Speaker, this bill attempts to address those shortfalls, but it is abundantly clear that defense spending must increase in future years.

I am especially pleased to learn that the administration has taken the warnings of the Joint Chiefs to heart and that the President intends to propose adding $1 billion to the emergency supplemental to address some of the shortfalls outlined to him, and that the

President has also indicated his support for a significant increase in military spending in the coming fiscal year.

I would certainly endorse those increases in military spending to ensure that our military might and superiority does not suffer needlessly. I want to congratulate Secretary Cohen and General Shelton for their ongoing commitment to the men and women in uniform who serve our Nation and their commitment to a strong and vital military.

Mr. Speaker, the conference report does a good job within the constraints of the Balanced Budget Act, which has capped spending for the Department of Defense. The conference report addresses pressing needs in improvement in pay and allowances, family and troop housing, improved medical care and education for military dependents. These improvements are key if we are to keep family men and women in our Armed Forces.

This conference report increases funding for several categories of operations and maintenance as well as readiness and recruiting. These funding increases are critical to maintaining our military superiority in all corners of the globe.

This conference report also provides $279.9 million in funding for post-production support of the B–2 bomber fleet, $2.2 billion for research and development, and advance procurement for the F–22 Raptor fighter. The Raptor is the 21st century attack fighter that will ensure the air superiority and maintain the air dominance of the Air Force.

The conference agreement also authorizes $742.8 million for the acquisition of 8 V–22s, which will replace the aging Marine Corps helicopter fleet to ensure our combat troops can be ferried quickly and efficiently to combat situations.

Mr. Speaker, this is a good bill that deserves the support of the House. The men and women who serve their country deserve the best this Congress can give them. While these funding limits may not be able to give the Department of Defense everything it needs, this conference agreement does a great deal to ensure our most critical priorities are addressed. I urge adoption of this rule and the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from San Diego, California (Mr. DUKE CUNNINGHAM).

He is a true patriot. He was a naval aviator fighter pilot in Vietnam, and the movie Top Gun was based on his heroic deeds. I do not mind leaving this Congress at the end of this year because we are going to have people like him here. He is a great American.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from New York for yielding me this time, my Marine Corps friend, but let me state one thing in correction. The movie Top Gun was not based on my life. There were several of the scenes based on real-life events. We never overstate in this business our qualifications. But I thank the gentleman.

Mr. Speaker, I would like to talk about a few things, and I think $99\frac{9}{10}$ percent is positive. There are some things in here on a bipartisan basis. I left the Committee on National Security, the authorization committee. It is show-me-the-dollars to the Committee on Appropriations, for defense. But the two committees work hand-in-hand. And one of the biggest reasons I hated leaving the Committee on National Security was my friend, the gentleman from Missouri (Mr. IKE SKELTON), and the work we did there.

But let me tell my colleagues a couple of things that we did, and I think things we need to do in the future as well. The gentleman from Oklahoma (Mr. J.C. WATTS), the gentleman from Texas (Mr. MAC THORNBERRY), the gentleman from Virginia (Mr. JIM MORAN), the gentlemen I just spoke of, the gentleman from Missouri (Mr. IKE SKELTON), and myself fought to get FEHBP for our veterans. A worker in the Pentagon that is nonmilitary, after they retire, during Medicare they qualify for FEHBP. Someone we ask to fight our battles does not qualify, and that is wrong, Mr. Speaker, and we need to change that. But the folks I mentioned before fought for that.

And I would also like to give thanks to a gentleman that we lost this year, and that is General Jim Pennington, who passed away, and this was one of his dreams, to bring FEHBP to veterans. He lived long enough to see this come to fruition in a pilot program, and we need to carry on with that as well.

□ 1245

After the Committee on National Security heard the classified briefings on Long Beach Naval Shipyard and the Communist Chinese Shipping Company, COSCO, there was a vote, I believe it was 45–4, to keep the Communist Chinese from taking over Long Beach. Now, I have never been against them staying as a tenant just like they are in other ports, but to give them absolute control when the reason we went into Afghanistan and some of our other sites, it was COSCO that shipped those chemical and biological and in some cases nuclear parts to those things from China, to give them access to Long Beach Naval Shipyard was just wrong, not access but complete control. That is in this bill.

Something we worked on very diligently from a very bipartisan group called the Sportsmen's Caucus was the disabled sportsman. What we found is that a lot of our military bases are now opening up to disabled sportsmen. You can imagine being in a wheelchair and wanting to go fishing and you go out on a dock that does not have a handrail. This was also in the bill, in the disabled sportsman portion of it.

Let me speak and say something to my colleagues. Very bipartisan committees, both the authorization and appropriation. Where we get outside of that is where I would like to speak to my friends that do not believe that we need more defense spending. We could survive under the balanced budget agreement with defense spending. But we cannot survive with that limited budget and then take 300 percent, the overseas deployments, and take those funds out of that already limited bill. The reason that we only have 24 percent of our military, of our enlisted staying in is family separation, and pilots are leaving in droves, the economy is good and they can get jobs on the outside. That experience is going. We are going to lose great numbers of airplanes over the next five years, even if we invest now. Because when you have your experience going out of your enlisted, your pilots are gone, you are having to take cannibalization. Oceana has four up jets, they normally have 45, because they are cannibalizing parts. So your training back here in the United States for your brand new pilots is very limited. All of these are factors in this readiness.

I am happy that the President is going to put a billion dollars into the emergency supplemental. But the Joint Chiefs told him he needs $15 billion over a period of time, and Shalikashvili said that we need to increase procurement spending by up to $60 billion. A billion dollars just will not do it over the long haul. I am thankful that the President and some of my colleagues realize that the Cold War is not totally over. I would like to thank both sides of the aisle for the bipartisan work on this bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank the gentleman from Texas for yielding time. First let me compliment the chairman of the Committee on Rules. This is the last time that the gentleman from South Carolina (Mr. SPENCE) and I will be before the committee with the gentleman from New York as the presiding chairman. We wish him well and we thank him for his many, many efforts on behalf of the young men and women in uniform. We extend our heartfelt thanks to the gentleman from New York.

Regarding the gentleman from California (Mr. CUNNINGHAM), I thank him for his kind words. We know and hope that his work on the Committee on Appropriations will reflect the work that we on the authorization committee will do as it precedes the work on the appropriation efforts.

The gentleman from Texas (Mr. FROST) mentioned the fact that the President has recognized that we need additional funding for our military. I am in receipt yesterday of a letter from the President wherein he stated that there will be the $1 billion in emergency recommendations. He also added that in the long run, there will be additional necessary funds for readiness.

Let me share with this body that I am not a newcomer to this issue. I was concerned about readiness shortfall, concerned about spare part problems and concerned about some research and development and procurement several years ago. I embarked on a major effort to put together a military bill, a defense bill, from scratch. On March 22, 1996, I appeared before the Committee on the Budget recommending additional funds for fiscal years 1997, 1998 and 1999. But of course those figures were not adopted. I am sending that budget to the President, to the Secretary and to the Chairman of the Joint Chiefs, because it might reflect what well is needed now, because there were shortfalls in those years and we find ourselves in a position of young people leaving, and spare parts and readiness is down. We need to do something about it. Now is the time for us to fulfill the pledge. We must take care of the troops. We must let them know we appreciate them, that we back what they are doing in their efforts, we will back their families, and we will allow there to be sufficient funds for training so they can be ready for any contingency that comes along. That is our job. We should not have to wait for the President to make the recommendation. It is good that one is coming forth. I have suggested to him a figure which I hope he will look to.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado Springs, CO (Mr. HEFLEY) another outstanding member of the Committee on National Security who has served on that committee for more than 10 years now.

Mr. HEFLEY. Mr. Speaker, no Member in this House has been more supportive of a strong national defense than the chairman of the Committee on Rules has been since he has been here. We are going to miss him in that role. I am including even those of us who serve on the Committee on National Security. He has been such a stalwart. We appreciate that greatly. I think we should make the gentleman an honorary member of the Committee on National Security, if nothing else.

Mr. Speaker, I rise in support of H.R. 3616, the National Defense Authorization Act for Fiscal Year 1999, and for this good rule. The legislation is critically important to the defense of the Nation. It contains a needed military pay raise of 3.6 percent, an issue on which I am proud to say the Committee on National Security has been a leader. This legislation supports the readiness of the armed forces by providing an additional $900 million above the President's request to bolster underfunded training and readiness requirements. This bill would also strengthen export controls on extremely sensitive satellite and missile technology. This is a good bill. It is a good rule.

I want to focus some attention on the part of the bill that I have worked the most on, and, that is, the military construction authorizations for the coming year. There is no question that the poor condition of military infrastructure continues to affect readiness and quality of life for military personnel and their families. This bill would authorize $8.4 billion for the military construction and family military housing programs of the Defense Department and the military services. This amount is $666 million more than the President's request and over 52 percent of that funding is dedicated to improving troop housing, military family housing, child development centers, physical fitness and other facilities that significantly affect the quality of life of military personnel and their families. The remainder supports either critical enhancements for training and readiness or to improve basic working conditions. This bill fully supports the MILCON appropriations agreement which passed the House 417–1 and was signed by the President over the weekend.

For too long, military infrastructure has been ignored. It has been far too easy to put off needed investment in infrastructure on the assumption that one more year will not make a difference, that we can get by. The result of years of this neglect is a crumbling infrastructure which undermines readiness and housing that no one in this House would want their son or daughter living in. Over the past four years, Congress has struggled to find ways to fix the problem but from year to year we have been met by administration budget requests that continue to decline. The problem cannot be fixed by wishing it away.

Earlier this week the President indicated a willingness to join those of us in Congress who have argued that defense spending must increase to meet critical shortfalls such as these. I hope we have finally turned the corner on shortfalls in the defense budget.

I urge all Members to support this bipartisan legislation and to vote for a strong defense bill and to support this rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from San Diego, CA (Mr. HUNTER) another outstanding Member and an 18-year member of the Committee on National Security.

Mr. HUNTER. Mr. Speaker, I want to thank the gentleman from New York (Mr. SOLOMON) for turning the Committee on Rules into an Armed Services Committee and then a National Security Committee. It has always been, I think, reassuring to Members on both sides of the aisle when we have had our bill moving through the process to know that the Committee on Rules was going to take up our bill under the leadership of a Member of Congress who finds that the constitutional duty to protect this country is of primacy. Whether he is in a Republican Conference, in an in-house conference or speaking to the full House or making sure that some important mission of the Committee on National Security works and is successful, the gentleman from New York has been a real fighter for a strong national defense.

Along those lines, I think we are in some danger in this country. We have been telling the President as we boosted his defense budget every year on the Committee on National Security and then in the full body, we have increased President Clinton's budget, we have been telling him every year that we do not have enough, that we are losing people, that we have got pilot shortages, that we have got technical shortages. We now have sailor shortages in the Navy. We are losing people. We are building a navy at a rate which if you consider new construction will give us a 200-ship navy when we had a 600-ship navy just a few years ago. We are seeing the North Koreans now achieving ballistic missile capability that the CIA said they would not have for years, achieving that right now, and we have no defense against it. We have an army that has been cut from 18 to 10 divisions. We see a desperate need for stealthy, tactical aircraft and we do not have them. Yet we are trying to move that program along. I think we have cut defense perilously. Yet the President has rejected our overtures for the last four years.

This year, I notice, if you read the papers now, President Clinton is now writing letters saying defense has been cut too much, that we have to do something about it. Mr. Speaker, we have done something about it in this bill with the very limited dollars that we have. Our great leader the gentleman from South Carolina (Mr. SPENCE) on the Committee on National Security has assigned us all our various areas. I have worked on modernization. We have tried to increase the tactical fighter program. We have tried to put money in the Joint Strike Fighter, the F–22. We have added extra shipbuilding money. We desperately need more. We have moved out on missile defense. We have tried to take steps, although they have been small steps, in a number of areas that are absolutely national priority with respect to national defense. The best thing we can do right now is pass this conference report and then regroup and put an additional 10 or 20 or

$30 billion a year in our national defense, do what we have to do to remain the supreme military power in the world and also have the ability to meet the new threat of terrorism.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding time. I come to the floor with a sense of both relief and concern, relief that this bill, this rule, the bill underlying this rule no longer requires sex segregation in the armed forces; concern that it does express a sense of the House that sex segregation return to the armed forces of the United States.

Mr. Speaker, there is an old saying that says "if you don't know something, you better ask somebody." I hope we will listen to those who do know something about this complicated issue. A report is due in March from military experts. Meanwhile, the armed services have told us that sex-integrated training is safest and best for our country. Perhaps that is to be turned around. We certainly should not move in advance of that. Training, it seems to me, is precisely where women and men should first meet. Delay puts both at risk if for the first time you meet the opposite sex after you have been trained when you may be in a theater of war or elsewhere in danger.

□ 1300

Mr. Speaker, I hope that our country has learned after all these years that there ought to be a profound presumption against segregation based on race or sex. The Armed Services deserves credit for the great success they have made of gender-integrated training. The top enlisted men of all four Armed Services opposed gender-segregated training, and I want to quote the Chief Master Sergeant of the Armed Forces who says, we have done the job and we have done it with men and women serving together. I am confounded as to what the problem is.

I am, too, Mr. Speaker, and I hope we will stick with what we have.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just briefly let me say that the previous speaker is held in the highest esteem by me. But she and I certainly differ, as my colleagues know, on this issue.

As my colleagues know, our military is there to fight a war, and our military does not come under the laws of the land. They come under the Military Code of Justice, and there is a reason for that.

There are exceptions when men and women can train together. There are those of us that believe that women should never be put in combat under any circumstances, and some of us will never change our mind on that.

But the truth of the matter is we cannot take young men and women, 18 years old, first time away from home and integrate them into training. It just does not work, and I think the bill speaks to that, although not as much as I would like to see.

And, having said that, I am going to yield to the next speaker, who is someone I deeply admire and respect.

Mr. Speaker, I yield 5½ minutes to the gentleman from Monticello, Indiana (Mr. BUYER), who is young, a relatively new Member of our Congress. He is a subcommittee chairman on the Subcommittee on Military Personnel and has done such an outstanding job in working with the private sector commissions that have been looking into this matter, and he is also a Major in the Army Reserve, and I salute him.

Mr. BUYER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I just would like to share with everyone there is a reason, as chairman of the Subcommittee on Military Personnel, as we have looked into this issue on the separation of gender, whether it is the small unit level or in training, the gentlewoman who just spoke before me used the word "segregation." She used the word "segregation" for a reason, to taint the argument and to go back to the issues on segregation, on race.

The issue here is separation of gender at the small unit level. We sought to return the Air Force back to the way they had been doing it for over 20 years. Just this past July when, in fact, those of whom argued for integration of the sexes have held out the Air Force as the model, we sought to take them back to the model, and for some reason now they are overembellishing in their argument on saying we have somehow taken steps back, that this will be a segregation of the sexes just as though it has been segregation of the races. That is ba-looie. I do not even have the word to properly describe that.

We sought the Kassebaum-Baker. This was a bipartisan panel. Individuals of great diversity in their ideology looked at this and said unanimously that we need to separate at the small unit level, which means flights in the Air Force, platoons in the Army, divisions in the Navy, and we sought to follow the Kassebaum panel, and I applaud this is the sense of this House, to follow the Kassebaum panel.

Now there is in law with regard to the separation by a permanent wall of the gender. As my colleagues know, for some reason, it has lost America's attention here all of a sudden. Great Lakes, where they do naval training, just had a conviction, and it was very ugly, no different than what had happened at Aberdeen, where we had a drill sergeant that was preying upon young women. This has to cease in America's Armed Forces.

And I will tell my colleagues I will not, and I am very careful because I know that there are some who are using that as saying, well, that is the reason we need women out of the military, and I will tell my colleagues what. That is false. So long as I chair the Subcommittee on Military Personnel we cannot deploy without women in the ranks. The issue goes to at what level and under what requirements can they serve, whether it is the ground combat function.

Now let me address the issues that are of concern to me. Right now, I applaud the President stepping forward and giving a recommendation about the plus-up of $1 billion, but I would disagree with my good friend, the gentleman from Missouri (Mr. SKELTON), who just said on the House floor that we should not have to wait for the President to recommend. Excuse me. This is the President responding to Congress who is taking the lead, who is alerting America about the depletions of our military readiness and our capabilities to respond to the national military strategy of two nearly simultaneous major regional conflicts. Let us be up front with our allies throughout the world right now.

I just returned from San Diego a couple of weeks ago. My colleagues, we have ships that are being deployed at what is called C–2 readiness levels. It used to be ships would go out as C–1, fully manned. They are C–2 plus one sailor, which means when somebody gets hurt in the workplace they are really under C–3 status.

So what we are doing here is we say we have a problem with regard to recruiting in the Navy. No kidding. We have a problem with recruiting in the Navy. It happens when we are asking our sailors to do more with less, when we have 10 people that may have worked in a particular room, now there are five, and they are working longer hours, and there is a spiral here. Some are saying, well, I am out of here; I am out of the Navy.

Well, I tell my colleagues what. When people are leaving the Navy, those are the best recruiters that we have, and when we lose those quality of individuals, they are returning to their communities, and we want them to tell the good sailor story, not the bad sailor story.

So part of that billion dollars, I say to the gentleman from Missouri (Mr. SKELTON), and I know he will be a strong advocate, will stop this downward spiral to improve recruiting and retention in the Navy.

But now let me share with my colleagues here 3 o'clock this afternoon the gentleman from Mississippi (Mr. TAYLOR) and I have to hold a Subcommittee on Military Personnel hearing. Why? The ink is not even dry on this conference report, and the Surgeon Generals have alerted me that there is a $600 million shortfall in the medical readiness budget. We are about to vote on this, and people are going to claim, well, this is an adequate budget. Now, and I can hardly believe this, my colleagues, now I am being alerted that there is a $600 million shortfall in the medical budget.

Now the DOD, the administration's position is, well, it is not that bad, it is around 200 million, depends on what modeling of budgeting being used. Two hundred million, 600 million, one cannot run a business this way. So I am very distressed.

So when the President says, here is a billion dollars, a billion just is not going to cut it. This readiness shortfall on the hollowing out of the force is much greater, and let us not kid anyone.

So I want to work with the gentleman from Missouri (Mr. SKELTON), and I will work with the chairman with regard to the medical readiness shortfall. I will get to the bottom of this this afternoon, and the gentleman from Mississippi (Mr. TAYLOR) and I both will report to our colleagues on our findings from this hearing.

But there is a good story to tell, and I agree with the gentleman from Missouri (Mr. SKELTON). I love to hear him talk about his warmth and his compassion and his sympathy for those who are burning the night oil, who stand on watch so that we can enjoy our peace and freedoms, and God bless him so long as he is in this position because he tells a great soldier story along with the chairman.

There is something else I have to share with my colleagues. I have had the true pleasure of having a dear friend on the Armed Services Committee, now the Committee on National Security, in the gentleman from Pennsylvania (Mr. MCHALE). He has been my dear friend since I first walked into this institution, perhaps because we are both comrades from the Gulf War experience. He now is a lieutenant colonel as a Marine reservist.

As my colleagues know, the gentleman from Pennsylvania (Mr. MCHALE) has been under attack by the administration. That has been unfortunate. But the gentleman from Pennsylvania, when Sonny Montgomery left, he and I stepped forward into the breach and formed a Reserve Components Caucus, and we were able to make great strides in working with the administration over some disagreements between whether it is the National Guard and the Reservists. There should be a seamless military under these concepts, and we have worked very, very hard, whether it is with regard to the budgeting, whether it is in regard to benefits.

And I just want to share with the body, working with the gentleman from Pennsylvania (Mr. MCHALE) is a distinct honor and it was a distinct privilege because he was always focused in the right direction on what are the requirements of the Marine in the field, the sailor on the ship, whether it is airmen in the air or the soldier on the ground, and I salute him for that. And, hopefully, as he leaves this body, I want him to know that he has served this institution with great distinction, and he has brought honor not only upon himself and his family but this institution by how he served and the manner he conducted himself.

So Godspeed to my colleague, the gentleman from Pennsylvania (Mr. MCHALE).

Mr. FROST. Mr. Speaker, we have no additional speakers, I urge adoption of the rule, and I yield back the balance of our time.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Claremont, California (Mr. DREIER), the distinguished vice chairman of the committee who will be closing for our side.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding this time to me, and I would like to extend the congratulations that the gentleman from Indiana (Mr. BUYER) did to the gentleman from Pennsylvania (Mr. MCHALE) also to Mr. BUYER, because I believe that carrying that message of Reservists is a very, very important one, and he has done it very well. So congratulations to both Messrs. BUYER and MCHALE, although I know Mr. BUYER will be returning here next year, unlike the unfortunate decision that Mr. MCHALE made.

Mr. Speaker, a week ago today we marked the 211th anniversary of the signing of the U.S. Constitution on September 17, Constitution Day, and I had the thrill of going, one of my constituents had this nationwide program, and I left the Committee on Rules, as the gentleman from New York (Mr. SOLOMON) knows, to recite the preamble of the Constitution on a nationwide hookup. And from my perspective those key words right in the middle of the preamble are so important, and they cannot be forgotten: Provide for the common defense.

To me, as we look at the many things that the Federal Government involves itself in, there really is only one that can only be done by the Federal Government, and that is providing for the common defense. And that is why this measure is so important.

The gentleman from South Carolina (Mr. SPENCE) has done a spectacular job in his position, and I will never, never forget the speech that he gave to our Republican conference several months ago about the importance of our national security.

Now I hope and pray that this $1 billion request that the President has made and his recognition that we need to enhance our defense capability will not, in fact, be too little too late. But the world now knows that the threat that exists is much different than it was during the Cold War, but it is, in many ways, more dangerous because of the disparate uncertainty that exists. If we look at, as my friend from California (Mr. HUNTER) said, the North Korean situation, if we look at the Middle East, if we look at Kosovo, it is very serious.

Mr. Speaker, I strongly support this rule and strongly support the conference report, and, if the chairman wants me to, I will move the previous question.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, pursuant to House Resolution 549, I call up the conference report on the bill (H.R. 3616) to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 549, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 22, 1998 at page 21145.)

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) each will be recognized for 30 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. SPENCE).

(Mr. SPENCE asked and was given permission to revise and extend his remarks.)

□ 1315

Mr. SPENCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the National Defense Authorization Act for fiscal year 1999 started the year out on a bipartisan note. It was reported out of the Committee on National Security back in early May on a vote of 50 to 1 and it passed the House on a vote of 357 to 60.

I am glad to inform all of my colleagues that the conference report today also enjoys strong bipartisan support. Even after several weeks of often difficult compromise, all 33 Committee on National Security conferees signed the conference report, something which has not occurred in 17 years, not since 1981. Likewise, all Senate conferees have signed the conference report.

Mr. Speaker, the funding authorized in this conference report is consistent with the spending level set in the Balanced Budget Act, but, unfortunately, represents the 14th consecutive year of real decline in the defense budget.

While the fall of the Berlin Wall brought with it an opportunity to reduce our Cold War defense structure, almost 10 years later I believe that the threats and challenges America confronts and the pressures these threats have placed on a still shrinking United States military have been dramatically underestimated. The mismatch between the Nation's military strategy and the resources required to implement it is growing. As a result, serious quality of life, readiness and modernization shortfalls have developed that, if left unaddressed, threaten the return to the hollow military of the 1970's. Mr. Speaker, it is a very serious problem.

During each of the last three years, Congress has increased the spending over the President's defense budget in order to address a number of these shortfalls. This year, faced with the constraints of the Balanced Budget Act, we have not been able to increase the defense budget, and, instead, we are left with a much more difficult challenge of trying to reprioritize the President's budget request. However, through such careful re-prioritization, we have provided the military services at least some of the tools needed to better recruit and retain quality personnel, better trained personnel, and better equip them with the advanced technology. This conference report is a marked improvement over the President's budget request, as indicated by the unanimous and bipartisan support it has among the House and Senate conferees.

Mr. Speaker, this conference report is before the House today only as a result of the incredible efforts of all of our conferees, as well as the staff. In particular I want to recognize the critical roles played by the Committee on National Security subcommittee and panel chairmen and ranking members. Their efforts made my job easier and their dedication has made today possible.

I would also like to thank the gentleman from Missouri (Mr. SKELTON), the committee's ranking member, for his cooperation and support. I have enjoyed working with the gentleman for many years. He has served as a dedicated member of the committee, and I am honored to be working with him now in his capacity as the committees ranking member.

Mr. Speaker, please allow me to pause at this time and thank the gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules, for his invaluable service and support of our committee over these years he has been chairman of the Committee on Rules, and many other valuable ways in which he supported his own efforts in support of our military people throughout this world.

I would also like to pay tribute to my good friend, Senator STROM THURMOND, for whom this conference report has been named. There is no one in this or any other Congress who has done more than Senator THURMOND for our Nation's defense, so presenting this conference report to the House in his name is a special honor for me.

Senator THURMOND will step down as chairman of the Senate Armed Services Committee at the end of this Congress, but I have no doubt that he will continue to work tirelessly and effectively on behalf of the men and women who serve in our military. It is his way. He knows no other. So I look forward to many more productive years of working with my good friend from South Carolina to ensure our military remains second to none.

Finally, Mr. Speaker, I would be remiss if I did not recognize the efforts of the Committee on National Security staff. This is a very large, complex and often controversial bill, yet the staff is instrumental in making it work year after year. In a too often thankless job, the staff remains one of consummate professionals.

Mr. Speaker, this is an important piece of legislation, and I urge my colleagues to support the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to offer my support on the conference report on H.R. 3616, the National Defense Authorization Act for fiscal year 1999. There were numerous issues which the conference addressed. Many were easy to resolve; others provided more difficulty. Among the latter were funding for Bosnia, gender-integrated training, tritium production, restrictions on base closure, and export controls concerning commercial communication satellites and related items.

With hard work and goodwill, the conferees worked up a report that reflected compromise on these issues between the two bodies. At the same time we took consideration of a number of concerns that Secretary of Defense Cohen expressed to Senators THURMOND and LEVIN and the gentleman from South Carolina (Chairman SPENCE) and to me concerning both bills when we met with him during the conference that we had with him in mid-July. As a result, I believe we have a good conference report, a good conference agreement, with which all of us, the House and the Senate and the administration, can be satisfied.

This year we operated under the restrictions of the Balanced Budget Act of 1997, thus a task of trying to address the many issues affecting the Armed Forces was more difficult to manage than in years past. However, we provided a pay raise, 3.6 percent, which is a half a percent more than the budget request, supported the department's request for a real increase in the procurement budget for modernization for the first time in 13 years, and authorized more than $250 million above the budget request for family housing and troop housing and child development centers.

Members and the staff from both sides worked in a cooperative manner to shape a conference report that enjoys strong bipartisan support. All the conferees, Mr. Speaker, all of the conferees from the Committee on National Security in the House and the Armed Services Committee in the Senate signed the conference report.

As one who believes that we need to provide for a sustained period of real growth in defense spending, I am encouraged by the reports that the Pentagon and the administration will seek to redress these shortfalls in fiscal year 2000 and hopefully in the future years.

Mr. Speaker, I might point out, as I briefly mentioned a moment ago in debate on the rule, that back in March of 1996 I put forward a three-year defense budget before the Committee on the Budget. It added at that time additional funding for each of those three years.

As a result of the limitations that the Committee on the Budget came forth with, we have been working under a constrained figure each of those three years. However, I am encouraged that as a result of our efforts, which really started right here, the gentleman from South Carolina (Mr. SPENCE), bless your heart, helped put together a letter, with most of the top row in our committee, urging the President to consider and also urging other House and Senate leaders to consider increasing the overall defense budget, which is sorely needed.

Although the bill that is before us fails to address all of the readiness and quality of life and modernization shortfalls which exist, it is the best we could do, given the budget constraints, to train the quality of force that is the most important component of the military strength. I hope our colleagues will support this conference report, and I hope that in the days ahead we will find additional funding, and that it starts right here in the Congress.

Let me add, Mr. Speaker, a special congratulations to my friend, the distinguished gentleman from South Carolina (Mr. SPENCE) for his absolute commitment to having the work of the committee carried on in a bipartisan fashion. I personally appreciate it, and those of us on our side appreciate it as well. This bill is a reflection of that bipartisan spirit. It is with this in mind that I can fully support and urge my colleagues on both sides of the aisle to vote in favor of this.

Members of the committee on both sides have worked hard since February to get us here today, many hearings, many briefings, many conferences. This is especially true with the subcommittee panel chairmen and the ranking members. And allow me to thank the staff. My goodness, we could not get along without them. I thank them for so ably assisting us. Their dedication, their expertise, is outstanding, and we appreciate their hard work.

Let me conclude, Mr. Speaker, by saying that I note we will also be on this bill having the gentlewoman from California (Ms. HARMAN) and the gentleman from Pennsylvania (Mr. MCHALE) voting for the last time. They have been truly dedicated members of this committee, the Committee on National Security. I want to thank them for their fine efforts over the years. They are wonderful Americans, outstanding and excellent representatives of the people who elected them. We wish them well in the days and years ahead. Their contributions to the work on this committee will long be remembered and their presence will be missed.

Mr. Speaker, I reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield two minutes to the gentleman from Virginia (Mr. BATEMAN), the chairman of our Subcommittee on Military Readiness.

Mr. BATEMAN. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I rise today in strong support of the conference report on the National Defense Authorization Act for fiscal year 1999. This conference report is essential to the readiness of our military forces.

Through several hearings, here and in the field, and after extensive study by the committee, we of the Subcommittee on Military Readiness have recognized that the military forces are doing much more with less at a time of significant downsizing of our combat and support forces. The best thing that can be said about this report is that it is the best we can do within the budget constraints that have been imposed upon us.

Realistically, it must also be said that the best we can do in this context is not nearly good enough. It address shortfalls in many of the essential readiness accounts. The committee increased readiness funding for training operations and flying hours, maintenance and repair of combat equipment, and facilities renovation and repairs, but we are not catching up with the need. All of these increases are necessary and will improve the quality of life of our service members and their families.

Also included in the conference report is a provision that gets at the problem of timely and accurate reporting on the readiness conditions of the forces. I believe this and several other provisions found in the conference report on H.R. 3616 will provide better information that will help to quickly identify the continued decline in military readiness and place us in a position to act before the system is further degraded.

I would like to thank the ranking member of the readiness subcommittee, the gentleman from Texas (Mr. ORTIZ) for outstanding cooperation, knowledge and leadership throughout the process. The Subcommittee on Military Readiness has had to deal with several difficult issues that have transcended political lines, which would have been more difficult if it were not for his expertise, his assistance and his bipartisanship.

Only the constraints of time would prevent me from mentioning by name the members of the Subcommittee on Military Readiness who have contributed so much to the work product of the committee, and they I am indeed grateful to.

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Mr. SKELTON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Virginia (Mr. SISISKY), the ranking Democrat on the chairman's subcommittee and a very, very valuable member of our committee.

Mr. SISISKY. Mr. Speaker, I thank my colleague, the gentleman from Missouri, for yielding time to me.

Mr. Speaker, in the House's perspective, this conference agreement on H.R. 3616 does not contain everything we wanted. Nevertheless, the final product deserves our support.

This conference agreement authorizes $49.5 billion for procurement in fiscal year 1999. This represents an increase of $800 million above the President's request, and more importantly, $4 billion, or 8 percent, above last year's level. Even more importantly, it marks the end of a too long procurement holiday. Clearly this is good progress, but more is needed.

Procurement budgets have drifted to artificially low levels in recent years, and went from the Reagan buildup in the eighties and the end of the Cold War in the nineties, but equipment developed and produced in the seventies and eighties is rapidly reaching the end of its useful life. It must be replaced if we are to maintain required equipment levels and technological superiority for our forces. I believe H.R. 3616 represents a good-faith effort to respond to that concern.

Mr. Speaker, during the last year I have been on the Subcommittee on Military Readiness with my colleague, the gentleman from Virginia (Mr. BATEMAN), and I have taken it upon myself to travel to military bases; not glamorous bases. I have visited the 7th Fleet in the farthest, remote stretches of Japan. I have been in the field at Fort Campbell, Kentucky, with the 101st Airborne. I have been to Bosnia. I have been in the Persian Gulf. Three weeks ago, four weeks ago, I visited the 82nd Airborne Division or the 18th Armored Corps at Fort Bragg, North Carolina.

How lucky we are in this country, how lucky we are in this Congress, to have young men and women serving like these young men and women do. Members have heard today from many speakers about the shortfalls in health care, quality of life issues, equipment, retirement, all of these different things. Through this all, God blessed this Republic with young men and women who are serving today on a very, very short leash, ready to do something.

I would tell my colleagues in this body that what they have heard about a $1 billion shortfall, and we are going put it into readiness, is nothing. I told the Members about an increase in procurement, but guess what, we need more than $60 billion a year. When all these new weapons systems come due in a couple of years we are going to need a lot more than that. If not, we are heading for disaster, I am afraid, in our military.

I think it has to be told, and our colleagues have to understand, this Nation, this Nation needs these young people. We have to take care of these young people, because let me tell the Members this, the worst thing in our lives from a political standpoint is one day we may have to vote for selective service again, if we do not recruit people. That is one of the problems that we are having today, recruiting people, and particularly as it relates to pilots.

Having said that, without reservation, I urge my colleagues to vote in favor of this conference agreement.

Mr. Speaker, this conference agreement on H.R. 3616 does not contain everything that we would have wanted for procurement from the House perspective. Nevertheless, it is a final product that is deserving of our support. Let me explain.

This conference agreement authorizes $49.5 billion for military procurement for fiscal year 1999. This represents an increase of $800 million above the President's request and, more importantly, $4 billion or 8 percent above last year's level. More importantly, it signals the end of an overly protracted "procurement holiday." Clearly, good progress—but more is needed.

Procurement budgets have drifted to artificially low levels in recent years because we've benefited from a "procurement holiday" made possible by the Reagan build-up in the eighties, and the end of the Cold War in the nineties. But, cold war equipment developed and produced in the 1970's and 1980's, is rapidly reaching the end of its useful life and must be replaced if we are to maintain the requirement equipment levels and technological superiority for our forces. Recent procurement budgets are proving inadequate for the task—equipment modernization is not keeping up with equipment retirements and threat development. This is particularly worrisome with respect to our naval forces.

Clearly, the time for increased procurement budgets has come. And H.R. 3616 represents a good faith effort to respond to that concern. By signaling the end of an increasingly corrosive "procurement holiday," this conference agreement deserves our unqualified support. Therefore, and without reservation, I urge my colleagues to vote in favor of this conference agreement.

Mr. SPENCE. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. HUNTER), the chairman of the Subcommittee on Military Procurement.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding time to me. I have already made a statement during the rule debate, but let me just say again that this bill need to be passed. It is a bare minimum. It is a starting point.

Today, after years of our committee telling the President that we are underfunded in defense, he has announced that he believes we are underfunded in defense. With respect to fixed-wing aircraft, rotary aircraft, our shipbuilding program, our missile defense program, and lots of what I would call ham and eggs items, those are the generators and the small trucks and the heavy trucks, and all the things that make our military move, we are shortfunded.

We are building today, once again, to a fleet of 200 ships in the U.S. Navy. I think the stability of the world depends on a strong America and our ability to project military power. We have lost a great deal of that ability over the last 4 years. It is time to rebuild, and the first thing we can do, and every Member can do to contributing to that rebuilding of defense, is to pass this conference report. Everyone should vote for this report.

Mr. SKELTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me comment on the words of the gentleman from Virginia (Mr. SISISKY). I especially appreciate his positive comments about the young men and young women that we have in uniform today. They are the finest in the world. It is our job to take care of them, and hopefully in the days and years ahead we can do a better job, because as Harry Truman said, the buck stops with us, in the Constitution.

Mr. Speaker, it is a pleasure to yield 3 minutes to the gentleman from Texas (Mr. ORTIZ).

Mr. ORTIZ. Mr. Speaker, I want to thank my good friend for yielding time to me. I rise in strong support of H.R. 3616, the National Defense Authorization Act for Fiscal Year 1999.

Mr. Speaker, I want to specifically address the provisions in the act relating to military readiness. First, I would like to express my personal appreciation to the Subcommittee on Military Readiness leadership and to my colleagues on both sides of the aisles of the subcommittee and the full committee for the manner in which they conducted the business of the subcommittee this session. I want to express my appreciation to the gentleman from Virginia (Mr. BATEMAN) for his personal involvement, and the extra steps that he took in getting us to where we are today.

We had the opportunity to see readiness through a different set of eyes, the eyes of the brave soldiers, sailors, and airmen who are entrusted with the awesome responsibility of carrying out our national military strategy. We heard them talk about the shortages of repair parts, the extra hours spent trying to maintain old equipment, and the shortage of critical personnel.

While we in this body may differ on some policy and program objectives, we on the subcommittee were able to get a better appreciation of the challenges that these brave souls face in trying to do more with less. For their effort, we can all be proud. I personally remain concerned about how long they will be able to keep up with the pace.

The readiness provisions in the bill reflect some of the steps I believe are necessary, with the dollars available, to make their task easier. It does not provide all that is needed under this bill. While I would be more pleased if the migration of O&M funds to other accounts did not take place, I am optimistic that the recent correspondence I have seen from the President indicates an interest in providing additional funds for the readiness accounts.

Mr. Speaker, we have many, many problems. Retention has become a serious problem. As I talk to the men and women who serve, the first question they ask me is this: You know, when my father went in the military, he would get 60 percent of his pension. It has gone down to 50, and now to 40 percent.

We have to do more to help our young men and women. The Air Force, they are 700 pilots short. I could go on and on and on. But with what we have to work with, I think that this is a good bill. I ask my colleagues to support it.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WELDON), who is the chairman of our Subcommittee on Military Research and Development.

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished friend and chairman for yielding time to me. I want to say what a great honor it is to serve with both the gentleman from South Carolina (Mr. FLOYD SPENCE) and the gentleman from Missouri (Mr. IKE SKELTON), two outstanding Americans, and what a great, refreshing breeze is flowing through this Chamber as Democrats and Republicans stand together in support of our military.

I want to applaud my distinguished ranking member, the gentleman from Virginia (Mr. PICKETT) on the Subcommittee on Military Research and Development, who is a true American who has done a fantastic job, as have all of our colleagues, in an impossible situation.

What Members need to understand, Mr. Speaker, is that we are facing what my good friend, the gentleman from Virginia (Mr. SISISKY) referred to as a major train wreck, because some very divergent things are happening.

We are into our 15th consecutive year of real cuts in defense spending. We are facing a situation now where we have an all volunteer force. Unlike 20 years ago, where we could draft people and pay them next to nothing, today a much larger portion of our defense budget goes for quality of life issues: housing, education, health care costs.

Unlike 20 years ago, in the past 6 years we have deployed our troops 26 times. That is 26 times in 6 years versus 10 times in the previous 40 years, and none of these 26 deployments by our Commander in Chief were budgeted for. None of them were paid for. So the $15 billion in contingency costs to pay for those 26 deployments had to be eaten out of an already decreasing defense budget.

What is the fastest growing part of our defense budget? It is environmental mitigation. We did not even have that category 20 years ago. This year we will spend $11 billion on environmental mitigation. When we add all of those factors together, Mr. Speaker, we are facing an impossible situation.

We have not replaced our equipment that needs to be replaced. We have not done the readiness that needs to be taken care of. We have not provided the R&D funding that is necessary. By the year 2000, as the gentleman from Virginia (Mr. SISISKY) pointed out, we face a major, colossal train wreck. All these new programs that have not been paid for come on line at one time.

This Congress needs to understand that while this bill is important and while we all should vote yes in favor of it, the real tough challenge lies ahead. Hopefully together we can increase the top line number for defense spending.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to our colleague, the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the ranking member for yielding time to me and for accommodating me, as I have some other scheduled things.

I want to thank him and the other members of the conference committee particularly on the part of the House for insisting successfully on inclusion in this bill of the amendment we adopted overwhelmingly to put a cap on American contributions for the expansion of NATO. I do not understand why the administration fought us, but we did them a great favor by overcoming their opposition. I thank the gentleman from Virginia (Mr. SISISKY), the gentleman from Missouri, and others for putting it in.

I understand that we have a problem with not enough money for defense. If we take as a given all of the missions we have undertaken and assigned to our defense establishment, then we have a problem in paying for them.

But there are two solutions to that: One is to pay a lot more money, to cut into the surplus, to take money away from other possible uses in the budget by ramping up defense spending. The other is to ramp down what we have undertaken to do.

Yes, we must not ever compromise with our national security. Yes, there are other parts of the world where we want to go and offer assistance. But 50 years after the end of World War II, we continue to overdo it vis-a-vis our allies. We have today around this world wealthy allies capable of doing more.

Part of the problem we have is this unilateral assumption by America of responsibilities beyond which are reasonable. That is why I am delighted to have the committee today bring us a bill which for the first time puts a congressionally mandated binding limit on what we can spend for NATO.

We have to explain this to our Western European allies, and we continue, even with this, to be spending tens of billions of dollars for the defense of Western Europe, unnecessarily. The Russian enemy which called this into question has crumbled as a conventional military power. The Europeans themselves, unlike the end of World War II, are numerous and prosperous. They could do more. I hope this is an example we will follow in the future.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MCHUGH), the chairman of our MWR panel.

Mr. MCHUGH. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I, too, rise in strong support of this conference report for national defense, particularly as it relates to the provisions authorizing the morale, welfare, and recreation activities of the department.

Before I do that, I want to add my words of thanks and praise to both the chairman, the gentleman from South Carolina (Mr. SPENCE), and the ranking member, the gentleman from Missouri (Mr. SKELTON), for their cooperative effort and bipartisanship, and as we have heard time and time again, for the great job they do. They serve as an example to all of us.

Also I want to thank the members of the MWR panel and its ranking member, the gentleman from Massachusetts (Mr. MEEHAN) for his constructive and bipartisan support.

Our biggest challenge was the protection and enhancement of the resale system, the commissaries and exchanges that provide low-cost groceries and other essential items for servicemembers, their families and retirees wherever they serve around the world.

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These programs have been under scrutiny recently by those who question the value of that system. In order to find out how important the system is to the military life, the MWR panel held a lengthy and I think we can say balanced hearing on the benefit. And from the standpoint of the military, from the top ranks to the lowest, the view was unanimous and clear. Commissaries and exchanges are a great and invaluable benefit to the men and women in uniform.

For that reason, the House has included several provisions that strengthen the resale system and the quality of life for our soldiers and their families. For example, we were concerned that the pressures on service budgets would lead to the degradation of commissary funding and this bill takes strong action to protect those funds. Given the President's recent admission that the military is indeed underfunded in the fiscal year 1999 and beyond, these measures are even of greater importance, and I am pleased that they were included in this report.

Mr. Speaker, I want to highlight one other provision. Other Members, indeed all Americans, appreciate the dedication of the members of the Reserve and National Guard. They are often called to duty on short notice, whether they be deployed to Bosnia or to help to clean up after some national disaster.

I believe, and my colleagues on the conference committee have agreed, that it is time to increase those privileges. We have done that in this bill. It is a great bill and a great step and I thank the gentleman from South Carolina (Chairman SPENCE) for allowing me this time.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii (Mr. ABERCROMBIE), who is such a strong supporter of national security, and who is also the ranking member of the Subcommittee on Military Installations and Facilities.

Mr. ABERCROMBIE. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) and the gentleman from South Carolina (Mr. SPENCE) for their wise counsel and their ready availability to all the Members, including this Member, with respect to any aspect of our Committee on National Security reports and this conference report.

Mr. Speaker, I would like to thank as well to the gentleman from Colorado (Mr. HEFLEY), my subcommittee chairman and my friend. Unfortunately, he is not on the floor at the moment, but I hope that my good wishes and good feelings towards him will be conveyed. I thank him for his leadership and for the fair process by which he has handled the military construction portion of the Defense authorization bill. His collegial and bipartisan approach encourages and in fact has yielded an outcome which shuns parochialism and constantly strives for the good-government solutions that this bill represents to difficult funding issues. It is made even more difficult by the constrained fiscal environment which has been mentioned.

Mr. Speaker, I will not take up the Members' time in repeating the details of the report, only to point out however that the budget adopted by the conferees represents a considerable effort in bettering the quality of life for our military personnel.

A good portion of the $666 million that was added to the President's request for military construction is to be spent on the most intractable problem we face, military housing; $101 million towards improving existing family housing units and $153 million towards new barracks and dormitories. Quality of life of our military personnel will be improved as a result.

Mr. Speaker, I would like to tell my colleagues we are far from our goal of adequate housing. More spending is needed. As this bill goes forward, the condition of the military installation continues to deteriorate. We will be working on it.

Though I support the bill, I want to express my continued concern that we are unable to assure a level playing field for small businesses. I have worked with the gentleman from Missouri (Mr. TALENT) on the CLASS proposal in the House passed authorization, because it improves the quality of life again for our service members and maintains a level playing field for small businesses to compete in the forwarding of household goods. Unfortunately, in the end, we were not able to get agreement on this. I can assure my colleagues we will work to resolve this issue in the best interests of our men and women in the Armed Forces.

Regrettably, also the Charter and Build provision was not included. Mr. Speaker, I want to thank the gentleman from Virginia (Mr. BATEMAN) in particular for his steadfast resolution in this regard. The provision is good for America because it provides a means for the Navy to acquire the ships it needs to meet our strategic requirements and sustain the industrial base needed to produce them. The issue, I assure my colleagues, will be revisited until it is won.

Mr. Speaker, I thank the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) for their leadership on this issue. I tell my colleagues that they can rest assured that I will continue to work with them on behalf of the strategic interests of the United States of America.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. FOWLER).

Mrs. FOWLER. Mr. Speaker, I rise in strong support of this conference report, and I want to give a special thanks also to the gentleman from South Carolina (Chairman SPENCE) and the gentleman from Missouri (Mr. SKELTON), ranking member. They have worked innumerable hours to bring this conference report to the floor today.

This year again, our committee faced difficult budget challenges. At the same time we heard witness after witness testify that readiness is suffering and that critical modernization needs are not being met.

Under these circumstances, this bill is an excellent product. The conferees struggled mightily to increase authorization levels for depot and real property maintenance, for training, construction, and key modernization accounts. We also provided a 3.6 percent troop pay raise and took other steps to address the Services' acute retention problems.

However, Mr. Speaker, I must tell my colleagues that this bill does not meet all of our national security needs. This is the fourteenth consecutive year that real defense spending will decline. Meanwhile, we have diverted $10 billion from key investments to Bosnia, even as North Korea tests multistage ballistic missiles over Japan.

We must increase our spending on defense if we hope to assure that our national security priorities are met. I urge support for this conference report.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Guam (Mr. UNDERWOOD), who is the ranking member on the Merchant Marine panel.

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman from Missouri (Mr. SKELTON) for yielding me this time, my ranking member, and I want to extend my congratulations to him and to the gentleman from South Carolina (Chairman SPENCE) of the Committee on National Security for this excellent conference report.

Mr. Speaker, I too stand in strong support of H.R. 3616. Coming from the Island of Guam, which has had great experience with war and is in the middle of any potential contingency in Asia, we full well know that the stability of the world, the stability of our region depends upon a strong America and that a strong America depends upon a strong military. In fact, a strong military depends upon taking care of our young people in the military, and that is why we have so many concerns.

Mr. Speaker, I want to echo some of those concerns about the OPTEMPO and the concerns about readiness and some of the issues which have been brought to the surface under the leadership of the gentleman from Virginia (Mr. BATEMAN), amongst others. I also want to draw a little bit of attention to benefits and quality of life issues for both Reserve and Active Service personnel.

I am happy that we were able to include in this conference report, in the legislation, a provision that would allow National Guardsmen to have commissary privileges when they are called up for duty in a federally declared disaster area, which is experience that the Guam National Guard had an unfortunate experience in with the recent typhoon Paco.

I am also happy to note that we have doubled the number of commissary visits from 12 to 24 under the leadership of MWR Chairman MCHUGH. I am also happy to report that by working very closely with the chairman of the Subcommittee on Military Personnel, the gentleman from Indiana (Mr. BUYER) and ranking member, the gentleman from Mississippi (Mr. TAYLOR) we have authorized a car rental reimbursement program for service people who do not get their cars shipped overseas and get them delivered on time. This quality of life provision, with which especially those of us overseas are greatly familiar, will help reduce the burden that our men and women in uniform face when relocating to a permanent station overseas.

Mr. Speaker, I also want to draw attention to the fact that this legislation has many provisions for the missile defense of our Nation, which sometimes in the course of discussing missile defense, sometimes Alaska and Hawaii were left out and almost all the time Guam was left out.

The Nation must continue to develop robust theater missile defense, such as the Navy Theater Wide, which is especially well-suited to protect an insular area like Guam. And given the current level of missile development in North Korea, this is a matter of grave concern to my people, as it should be to the entire country.

I also want to thank the chairman of the Subcommittee on Military Installations and Facilities, the gentleman from Colorado (Mr. HEFLEY) for accepting an amendment that will require the Department of Defense to report to Congress their proposed plan for privatization of military electric and water utilities.

Mr. Speaker, I thank again both the gentleman from South Carolina (Chairman SPENCE) and my good friend, the gentleman from Missouri (Mr. SKELTON).

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. THORNBERRY), a very valuable member of our committee.

Mr. THORNBERRY. Mr. Speaker, I rise in support of this conference report and in admiration of the work of our chairman and the ranking member. This bill is not perfect, but it certainly deserves our support.

Mr. Speaker, I want to highlight two areas. One deals with nuclear weapons. The administration has not asked for enough money, and Congress has not provided enough money, to make sure that our nuclear weapons laboratories and production facilities can do the job that we are asking them to do. This bill does, however, put some extra money into those places and begins to make up some of that deficit. But it is very important that we keep a strong nuclear deterrent. That will be a tough job in the future.

The bill also supports our continuing efforts to dismantle Russian delivery systems and to put tighter security around Russian nuclear weapons and Russian nuclear materials, both of which are very important. With all the terrorism, nuclear proliferation, and instability around the world, we cannot afford to neglect either of these areas at all.

Secondly, this bill helps take some steps toward preparing for the future. Part of that is getting and keeping the best people we can. It has got a pay raise, and thanks to the work of the gentleman from Oklahoma (Mr. WATTS), the gentleman from Florida (Mr. MICA), the gentleman from Virginia (Mr. MORAN) and others, it has a demonstration project for military retiree health care that takes us a step closer to keeping our commitments to military retirees.

There is a study on the organization of the Pentagon to try to make sure that we are the best organized possible to deal with the challenges of the future. And there is a clear expression of the importance of joint experimentation to try to make sure that whatever money we spend on future procurement items is spent on the right things that will help us to meet the challenges of the future.

Mr. Speaker, we are going into a period where the challenges are more difficult than they have ever been in the past. We have a long way to go, but this bill helps take us in the right direction and deserves the support of all our colleagues.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. HARMAN), a strong member of our committee. A few moments ago, I expressed our appreciation for all the work that the gentlewoman has done in the area of national security and we are going to miss her.

Ms. HARMAN. Mr. Speaker, I thank our ranking member, the gentleman from Missouri (Mr. SKELTON) for his generous words. He knows that this is my last defense authorization bill.

I have served on the committee for three terms, 6 years, first under the distinguished chairmanship of Ron Dellums and now under the leadership of the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON), THE ranking member.

I also want to acknowledge that our former chairman, the late Secretary of Defense Les Aspin, was a mentor of mine, and he is on my mind today, too.

Mr. Speaker, during the past three Congresses, the committee has strengthened our Nation's defense capabilities, but naturally I always hoped we could do more.

I have always believed we need to modernize our military by focusing on tomorrow's battles, not yesterday's. As such, I strongly believe Congress can do more to embrace the revolution in military affairs.

Similarly, we need to modernize our forces and continue development of advanced precision strike capabilities, like the B-2 Stealth bomber, and heavy lift capability, like the Air Force's C-17. In fact, I have always called the C-17 my fifth child.

The committee has started to address the imbalance in the tooth-to-tail ratio, and I commend it for that. In our defense downsizing, we have cut too much of our combat ability, the tooth, and left a disproportionate amount of our support structure, the tail.

As a representative of the district I call the aerospace center of the universe, I know what those cuts mean in human terms and in national security terms.

□ 1400

Mr. Speaker, we also must move to assure safety and opportunity to women without whom we could not field an all-volunteer force. I am pleased that this bill does not resegregate basic training by gender, a move backwards, in my view.

Mr. Speaker, though I will not be in Congress, I plan to continue to help shape our Nation's defense policies. My service to the women and men who build our defense assets and put their lives on the line for our country will not end with Congress's adjournment.

To my friends on the committee, to my friends who have been on the committee, it has been an honor to work with them.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GRANGER), former mayor of Fort Worth, Texas, a very valuable member of our committee.

Ms. GRANGER. Mr. Speaker, I rise today in strong support of the 1999 National Defense Authorization Act conference report. While this legislation does not contain everything many of us would like to have funded, I do want to take a moment to thank the gentleman from South Carolina (Mr. SPENCE), the gentleman from California (Mr. HUNTER), the gentleman from Pennsylvania (Mr. WELDON) and the gentleman from Missouri (Mr. SKELTON) for their very, very hard work to produce a bill that meets the needs of our Armed Services.

A great American general once said, wars are fought with weapons, but they are won with soldiers. I believe our national defense policy should be based on this sound premise. Great weapons and great troops are what make America's military the best. However, I share the gentleman from South Carolina (Mr. SPENCE's) and the defense community's concerns that these funding levels are still inadequate to meet the increasing number of threats to our national security.

We cannot continue to do more with less. We cannot continue to expect to get ahead by just getting by. So while I support this legislation, I urge my colleagues to recommit themselves to the cause of national security. That is why it is so important the committee included funding for the F-16, V-22, F-22 and continued R&D for the multiservice, multi-role joint strike fighter. These weapons make a statement about our commitment to national security, and they will make a difference in preserving our national safety.

I am looking forward to working with the gentleman from South Carolina (Mr. SPENCE) in his commitment to continuing to make national security our number one national priority.

Mr. SKELTON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. PICKETT), ranking member of the Subcommittee on Military Research and Development.

Mr. PICKETT. Mr. Speaker, I commend the gentleman from South Carolina (Mr. SPENCE) and the gentleman from Missouri (Mr. SKELTON) for their constructive work in reaching this conference agreement which I strongly support. I also want to commend all committee members, including our chairman and ranking member, for what they have done to make it possible for us to be here today with an agreement I think meets most of our defense needs.

Given the considerable budget limitations we have had to deal with this year, I am very encouraged with the conference agreement before us. While keeping spending limits within those set by the balanced budget agreement, the conference agreement continues to make progress in resolving several concerns about the Defense Department's proposed future years defense plan. I am pleased to report that the naval aviation and missile defense programs remain on schedule, that Army modernization plans remain intact and that Air Force priorities have been maintained.

I am also encouraged that the conference agreement includes an honest effort to address each of the above issues. Several provisions provide additional authorization for promising programs, and others invest in what may prove to be leap-ahead technologies. As a result, it is my hope that this agreement will represent the beginning of an increased commitment to research and development.

As a long-standing member of the Committee on National Security, I have repeatedly recognized the virtue of maintaining adequate investment in our Nation's science and technology defense programs. To be sure, without such healthy investment in the 1960s and 1970s, our Nation would not have been able to prevail so decisively during the 1991 Gulf War, nor would our Nation's more recent deployments have proven successful.

As in the Gulf War example, today's force has benefited from planning and commitment. Innovative forethought and steadfast execution 20 and 30 years ago produced a superior and unmatched military in 1990, one founded on advances in stealth, precision targeting, communications, imagery and mobility, just to name a few.

But our challenge remains and continues today. And while it is a challenge, it is also a necessity that we indefinitely sustain the impressive force that we have. This conference agreement authorizes a number of programs designed to meet this challenge. On behalf of our Nation's soldiers, sailors, airmen and Marines, I ask all Members of this body to vote yes on final passage of the fiscal year 1999 defense authorization bill.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COX), for the purpose of a colloquy.

Mr. COX of California. Mr. Speaker, I thank the chairman for yielding me the time.

I rise to applaud the gentleman from South Carolina (Mr. SPENCE) and the conferees for bringing to this House a measure that is vital to our national security. I am especially pleased that the conference report incorporates a number of the bills that made up our policy for freedom in China. These bills passed the House last fall with overwhelming bipartisan support.

One of the "Policy for Freedom in China" bills included in the conference report is the legislation written by the gentleman from California (Mr. HUNTER), providing for design of a theater missile defense system for Taiwan. This significant provision was drafted in response to the Taiwan Straits crisis of 1996 in which the PRC fired nuclear-capable missiles surrounding Taiwan's major ports.

However, since the recent North Korean missile launch over Japan, it has become clear that other friends and allies in the region, not just Taiwan, are vulnerable to the threat of missile attacks.

I would like to inquire of the distinguished chairman, the gentleman from South Carolina, whether the conference report will, in fact, require the administration to address the missile defense needs of Taiwan and also our other East Asian allies.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Speaker, I would say to the gentleman that he is correct. In light of the emerging evidence of North Korea's missile threat to the United States and our forces in the region, the conferees expanded the provision to include not just Taiwan but all of our allies in the Asian Pacific region. This is an important provision of the conference report, and I appreciate the gentleman's interest and leadership in this area.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. COX of California. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I want to commend the chairman of the full committee also for working the missile defense issue, especially in light of the fact that the North Koreans are now very close to having an ICBM, that is intercontinental ballistic missile, capability. This provision is absolutely imperative.

Mr. COX of California. Mr. Speaker, I thank the chairman of the committee for his clarification of this matter. I commend the conferees for taking the critical steps to secure peace and stability in East Asia.

Mr. SKELTON. Mr. Speaker, I reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Speaker, in the authorization conference report there is a large increase of $120 million for the Navy Theater Wide Ballistic Missile Defense system that we just spoke of. I believe $50 million of the increase was set aside specifically for improvements.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, that is correct.

Most of the Navy Theater Wide funding to date has gone to support the new interceptor required to destroy incoming ballistic missiles. Additional funding for radar development is needed to assure that the system is capable of detecting and tracking ballistic missiles in flight.

Mr. SAXTON. Mr. Speaker, I also note that the report discusses the availability of a prototype radar by the year 2001 to support testing of the new interceptor.

Mr. HUNTER. Mr. Speaker, if the gentleman will continue to yield, that is true. In essence, this date is direction to the Navy to get started now on a radar development program in a way that best supports the Navy Theater Wide.

Mr. SAXTON. Mr. Speaker, the Navy has two options to upgrade its radar capabilities. One is an upgrade of the SPY-1 radar. I believe that this option would meet all the Navy Theater Wide system requirements while also meeting the projected cruise missile threat.

The other option is a single-purpose radar system that would be mounted in the superstructure of an Aegis cruiser. The Navy has not taken a formal position on which option they believe is preferable. I believe and I strongly believe this SPY-1 upgrade is the right alternative, and I believe we need to get started on a radar development now to support the NTW mission and the new interceptor.

Mr. HUNTER. Mr. Speaker, I want to thank the gentleman because our conference report, and that is supported by the chairman and the gentleman from Pennsylvania (Mr. WELDON), supports the gentleman's goal of vigorously pursuing the radar improvements that the gentleman has accurately noted are needed. The $50 million increase to the Navy Theater Wide program is specifically dedicated to accelerating these radar improvements and to ensure that the radar can support the full range of Navy requirements, including cruise and ballistic missile threats. And, once again, this is a very imperative program.

Mr. SPENCE. Mr. Speaker I yield 2 minutes to the gentleman from Maryland (Mr. BARTLETT), a very active and knowledgeable member of our committee.

Mr. BARTLETT of Maryland. Mr. Speaker, these are very difficult remarks for me, but I cannot keep faith with hundreds of thousands of Americans without rising to express major concern about a portion of this bill. The Family Research Council, the Christian Coalition, Concerned Women for America and Focus on the Family are all calling for a no vote on this bill. They are doing that because they love this country. They are doing that because they really support a strong military.

Their concern is that this report failed to include language on requiring separate gender training in PT, in small units recommended by the Kassebaum-Baker panel, included in our House bill and endorsed by a letter to the conferees signed by all of senior leadership and by all but one of our full committee chairs.

Not a single woman plays professional football. Not a single woman plays professional baseball. Men and women are different, and they need to be trained separately in PT.

No matter how long we worship at the altar of political correctness, it will not change this fact. We need to send this bill back to conference so we can report out a good bill that we can pass that is really going to support our military. If we continue with the present policy, it assures continued embarrassing sexual misconduct scandals.

The chaplain at Fort Leonard Wood said what we are trying to do runs contrary to the powers of nature. Secondly, it is contrary to good order and discipline. It puts readiness at risk. It puts the lives of our young military people at risk.

Please send this back to committee. Support these hundreds of thousands of Americans that want a strong military and appropriate training for our young people.

Mr. SKELTON. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. MORAN), who has been so active in helping establish the Federal Employees Health Benefits Program demonstration project.

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from Virginia (Mr. MORAN) is recognized for 3 minutes.

Mr. MORAN of Virginia. Mr. Speaker, I am very grateful to the ranking member not only for yielding me this time but particularly for his leadership and the leadership of the chairman of our Committee on Armed Services, the gentleman from South Carolina (Mr. SPENCE).

There are so many reasons to rise in support of this bill, but, more than any, the underlying theme of this bill is that our Armed Forces are not just about weapons or strategies or technology, but the heart of our Armed Forces are the people who have to operate the weapons, who have to represent us in this country and abroad.

This bill is primarily designed to ensure that we can recruit, that we can train, that we can sustain our enlisted personnel, the very best that this country has to offer, and we can also treat military retirees with the gratitude and the respect that they deserve.

There is one provision in this bill that I want to underscore, because it does address a situation that has occurred over the years, really since 1956, when the military started to back off what was considered to be a commitment. When people enlisted in the military right up until last year they were told in recruitment literature that they would be entitled to free, quality, lifetime health care.

This bill addresses that. It does so initially in a demonstration project. One of those demonstration projects is designed to extend the Federal Employees Health Benefits Plan, as the gentleman from Missouri (Mr. SKELTON) and other speakers have said, to military retirees. It is the right thing to do.

□ 1415

Two people have died over the past year who spent a great deal of effort, who provided wonderful leadership, particularly for military retirees but also when they were in the military, and specifically over the last few years on this issue: General Pennington, who led the Retired Officers' Association, and Colonel Vince Smith, in my own district. Vince Smith and his wife Edie have worked for 6 years on this provision. These two heroes passed away knowing that this Congress responded to what they knew was a legitimate, and very important, request.

With this legislation, we honor their memory and the memory of millions of people, men and women, who have served this country. They deserve the greatest respect we can afford them. They deserve the commitment that this bill entails. They deserve the kind of treatment that we will be able to eventually provide, which does not end when somebody leaves the service, but continues throughout their retirement years.

Mr. Speaker, this is a bill we should all support.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. PAPPAS).

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding me this time, and I simply want to stand here and rise in support of this conference report. There may not be everything that is contained within it that every single Member agrees to, but overall, I think, Mr. Speaker, that it moves the defense and the national interests of our country forward, provides some very necessary funds for programs and our personnel, and I thank the chairman and the ranking member and all the members of the committee for working together in a bipartisan fashion to bring this forth.

Mr. EVERETT. Mr. Speaker, I rise in support of this conference report to the FY 99 Defense Authorization Bill (H.R. 3616). While we continue to underfund our national security strategy, this being the fourteenth consecutive year of a declining defense budget, this conference report meets our defense priorities within this constrained budget environment. Last week, the Joint Chiefs of Staff and the Secretary of Defense presented the President with the stark realities of the state of military readiness and weapon systems modernization shortfalls that our military is now experiencing. The President indicated his willingness to address these funding shortfalls in next year's budget request, which is a long time coming.

With regard to a specific land conveyance provision in the bill (section 2833), I am pleased that we were able to make these technical, but necessary changes to the conveyance terms of real property from the Army's Redstone Arsenal to the Alabama Space Science Exhibit Commission. This section ensures that the future development of the U.S. Space & Rocket Center previously conveyed by the Army to the appropriate agency of the State of Alabama will remain consistent with the long-term master plan for the use of that property as agreed upon by the Center, Redstone Arsenal and the Marshall Space Flight Center, Present financing arrangements and mortgages relating to new and existing facilities at the Space and Rocket Center are preserved, and appropriate coordination of further financing initiatives, mortgages and other debt society arrangements in accordance with the agreed-upon master plan is assured.

I urge my colleagues to support this conference report.

Mr. COX of California. Mr. Speaker, I rise to applaud Chairman SPENCE and the Conferees for legislation vital to our country's national security.

I am especially pleased to note that the bill includes a number of key elements of the "Policy for Freedom in China" that passed the House last fall with overwhelming bipartisan majorities.

They include: H.R. 2647, Representative TILLIE FOWLER's bill enhancing the President's authority over enterprises in this country controlled by China's People's Liberation Army under the International Emergency Economic Powers Act (Section 1237).

H.R. 2195, Representative CHRIS SMITH's bill strengthening Customs Service interdiction of products made by China's infamous Laogai slave-labor camps (Sections 3701–3703).

H.R. 2232, Representative ED ROYCE's Radio Free Asia Act, increasing the free flow of information in the major dialects of China and Tibet (Sections 3901–3903).

H.R. 2386, Representative DUNCAN HUNTER's bill providing for design of a theatre missile defense system for Taiwan (Section 1533).

This key provision, which passed the House 301–116, was designed initially to respond to the Taiwan Strait Crisis of 1996, in which Beijing conducted missile firings into the international waters adjacent to Taiwan's key ports.

In light of the emerging evidence of North Korea's missile threat to U.S. allies and forces in the region, the Senate and the conference have improved this provision by broadening it to include not just Taiwan but all our other key regional allies in the Asian-Pacific region.

As a result, this important provision will serve to enhance security not just for Taiwan but for other key allies like Japan and the Republic of Korea.

I strongly support this enhancement of the bill.

Mr. Speaker, with approval of this conference report both the House and Senate will have enacted our Policy for Freedom in China, thereby abandoning the Clinton Administration's empty approach and making important progress in ensuring peace and security in East Asia.

I appreciate the consideration the Conference has given to these issues and appreciate the opportunity to speak on behalf of passage of the report.

Mr. BENTSEN. Mr. Speaker. I rise in strong support of the conference report on H.R. 3616, the Defense Authorization for FY 1999.

I am very pleased that the Conferees agreed to strike language included in the Senate-passed bill that would have allowed the Department of Defense (DoD) an unprecedented exemption to existing law to import a very dangerous class of chemicals called Polychlorinated Biphenyls (PCBs). Congress banned the manufacture and importation of PCBs in 1976 as part of the Toxic Substances Control Act (TSCA). PCBs when released into the environment collect in the body and cause a broad range of adverse health effects including cancer, reproductive damage, and birth defects. When incinerated, PCBs release dioxin—one of the most toxic chemicals known. PCBs accumulate in the environment and move toward the top of the food chain, contaminating fish, birds, and ultimately humans.

The language originally included in Section 321 of the Senate bill, S. 2060, would have nullified over twenty years of sound environmental law and jeopardized the health and safety of Americans by allowing the DoD to import foreign-produced PCBs into the United States. This proposed change was never reviewed by the Commerce Committee, which has jurisdiction over TSCA. It is also important to note that current law already provided an exemption that allows the DoD to return PCB waste to the United States if the PCBs were manufactured in the United States, shipped to a foreign military base, have been continuously under U.S. control, and now need to be returned for disposal. This exemption ensures that any PCBs exported from the United States to one of our foreign military installations can be returned.

Mr. Speaker, I applaud the Chairman and Ranking Member for striking the Senate language and instead directing the DoD to submit a detailed report to Congress on the true size and scope of the PCB problem at our overseas military bases. I look forward to working with the National Security, Commerce, and Transportation & Infrastructure Committees to address this problem and I urge my colleagues to support the legislation.

Mr. SPENCE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SPENCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 50, not voting 11, as follows:

[Roll No. 458]

YEAS—373

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski

Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E.B.
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Pease
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Redmond
Regula
Reyes
Riggs
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Sabo
Salmon
Sánchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Serrano
Sessions
Shadegg
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—50

Barrett (WI)
Bartlett
Blumenauer
Bonior
Campbell
Conyers
Davis (IL)
DeFazio
Delahunt
Filner
Franks (NJ)
Furse
Goode
Gutierrez
Hoekstra
Hooley
Jackson (IL)
Kind (WI)
Klug
Kucinich
Lee
Lofgren
Lowey
Luther
McDermott
McKinney
Meeks (NY)
Miller (CA)
Minge
Morella
Nadler
Oberstar
Obey
Owens
Paul
Payne
Pelosi
Petri
Rangel
Rivers
Rohrabacher
Rush
Sanders
Sensenbrenner
Shays
Stark
Velazquez
Vento
Woolsey
Yates

NOT VOTING—11

Aderholt
Brady (TX)
Burton
Ehrlich
Goss
Johnson, Sam
Kennelly
Poshard
Pryce (OH)
Riley
Shaw

□ 1438

Mrs. LOWEY and Mr. JACKSON of Illinois changed their vote from "yea" to "nay."

Mr. FRANK of Massachusetts changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. RILEY. Mr. Speaker, I was unavoidably detained and was not present for rollcall No. 458. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. ADERHOLT. Mr. Speaker, on rollcall No. 458, I was unavoidably detained. Had I been present, I would have voted "yea."

PERSONAL EXPLANATION

Mr. SAM JOHNSON of Texas. Mr. Speaker, I was unavoidably detained on rollcall No. 458. I ask that the RECORD reflect, that had I been present, I would have voted "yea."

GENERAL LEAVE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

WORKFORCE IMPROVEMENT AND PROTECTION ACT OF 1998

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 513

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3736) to amend the Immigration and Nationality Act to make changes relating to H-1B nonimmigrants. The bill shall be considered as read for amendment. In lieu of the amendment recommended by the Committee on the Judiciary now printed in the bill, the amendment in the nature of a substitute printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary; (2) the further amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII, which shall be in order without intervention of any point of order or demand for division of the question, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my very dear friend, the gentelwoman from Fairport, NY, star of MS-NBC (Ms. SLAUGHTER) pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule makes in order H.R. 3736, the Workforce Improvement and Protection Act under a modified closed rule providing one hour of general debate divided equally between the chairman and ranking minority member of the Committee on the Judiciary. The rule waives all points of order against consideration in the House.

At the close of the debate on the rule, I will be offering an amendment to the rule to consider as adopted in lieu of the amendment recommended by the Committee on the Judiciary printed in the bill the amendment printed in the CONGRESSIONAL RECORD that is numbered 3. This amendment consists of the text of the compromise agreed to last night by the Senator from Michigan (Mr. ABRAHAM) who has worked tirelessly on this issue, the Clinton administration, and the gentleman from Texas (Mr. SMITH) chairman of the Subcommittee on Immigration who has been a great friend and a very sincere champion of immigration reform.

Additionally, Mr. Speaker, the rule makes in order the amendment printed in the CONGRESSIONAL RECORD numbered 2 to be offered by the gentleman from North Carolina (Mr. WATT) which will be in order without the intervention of any point of order and will be debatable for one hour equally divided and controlled by the proponent and an opponent.

□ 1445

Mr. Speaker, America's high tech explosion has been one of the truly inspiring stories of the last 2 decades. Brand names that were barely heard of 2 decades ago are now recognized not only here in the United States but all around the globe. Whole new private sector industries have expanded to the point where millions of American families enjoy their standard of living because of the jobs that they create.

In my State of California, Mr. Speaker, cutting edge industries that develop technology and sell it in every major world market have transformed a depressed, defense-based economy to a vibrant technology- and export-based economy.

The driving force behind these cutting edge industries and job-creating technologies is simple. It is the energy, brain power and perseverance of skilled people. Mr. Speaker, the fundamental concept behind this bill is that skilled people create jobs, they do not take up jobs.

California wins when talented, energetic people come to the State to build companies and create jobs. It does not matter whether those skilled people come from New York, Missouri or Montreal; California wins. This bill will help create more jobs in California and the rest of the country by insuring that more skilled workers can come here to help strong private sector businesses prosper.

Mr. Speaker, the companies that take advantage of skilled workers that temporarily enter the country from abroad do more than just create more good jobs here. The technological advances that they pioneer are felt throughout the country as better and less expensive consumer products, reduced production costs, increased efficiency, better wages and a higher standard of living for all Americans. Everyone loses when the private sector is denied access to skilled people.

Mr. Speaker, the compromise crafted through intense bipartisan negotiations over the past 2 weeks addresses the very legitimate concerns raised about the actions of a tiny minority of companies that abuse the H1B program, using it in a way that was never intended by the proponents of this valuable program. In addition to the current requirement that H1B workers be paid the same as American employees in similar positions, and I underscore that once again, Mr. Speaker, the requirement that H1B workers be paid the same as American employees in similar positions and previously agreed-to changes that would allow the Department of Labor to audit many companies which use H1B workers to ensure that they are recruiting American workers and not replacing them with foreign workers, today's compromise inserts additional requirements as well.

Companies that hire a significant number of H1B workers will be subjected to unprecedented scrutiny by the Department of Labor to ensure that they are making efforts to recruit American workers and that H1Bs are not taking jobs from Americans. Mr. Speaker, a fee of $500 per application will also be charged companies that seek to use H1B workers, with the revenues being used to fund math and science scholarships, to retrain displaced workers and to permit the Department of Labor to police the program.

Now it is an unfortunate reality, Mr. Speaker, but a reality all the same, that our education system is not producing enough skilled workers to meet the needs of many industries. Half of the students graduating from American universities with doctorates in science, math and computer programing are foreign-born students. It is a sad fact that 70 percent of American high tech companies claim a shortage of skilled workers as the leading barrier to their growth. This is a long-term national problem, and nothing we do here reduces the importance of dramatically improving education and training. We have much work to do on that account.

Mr. Speaker, it is always a pleasure to be able to present the House an opportunity to enact bipartisan legislation that will benefit our economy and create jobs. The Workforce Improvement and Protection Act highlights the very best of the role immigration plays in our national economy, injecting the vibrancy of skilled and energetic people. Not only do the vast majority of immigrants work hard, support their families and pay taxes, but some turn out to be like one named Andy Grove. He came to this country and, using his brain and his heart, made the Intel Corporation what it is today, a world leader in technology that has created thousands of jobs for Americans and thousands of products for American families.

Mr. Speaker, this is a very, very good compromise worked out among all the parties, including both the Senate, the House and the administration.

I urge adoption of both the rule and the bill.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from California for yielding me the customary 30 minutes.

Mr. Speaker, I will not actively oppose this rule. The agreement that has been crafted with the administration addresses some of the concerns my colleagues and I have with the underlying bill, but I do have concerns about how we arrived at this rule.

The process we adopted seems to abolish as irrelevant the committee process in the House of Representatives. This rule throws out the crafted consensus bill reported by the Committee on the Judiciary by a 23 to 4 vote; that is right, a 23 to 4 vote. The Committee on the Judiciary Subcommittee on Immigration and Claims heard from a variety of witnesses at its April hearing, including representatives from affected businesses, academia, labor unions and the Labor Department. At its markup, the subcommittee reported the bill by voice vote.

The full Committee on the Judiciary, working in bipartisan cooperation, fully considered the bill, adopting 11 amendments by voice vote. The committee report included a letter from the White House commending the committee-reported bill as a good basis for fine tuning final legislation that the administration could support. One might have thought that the legislative process had worked, producing a bill that addresses a problem and it could be enacted into law.

But last July, when the Committee on Rules first considered this rule, the Committee on Rules majority decided that the work of the Committee on the Judiciary, reported by a 23 to 4 margin, could be discarded at its whim. The Committee on Rules majority appropriated to itself the right to substitute a wholly different bill, drafted in secret, without the benefit of hearings or the expertise of the authorizing committee.

Unfortunately, this circumvention of the committee process is becoming a bad habit. Last month, we voted on a health care bill which no committee considered, and it had no chance of being enacted into law. Last week, we considered important bills to fight drug use that no committee had considered, marked up or reported.

And why should the American public care? Is this just inside baseball, irrelevant to the final legislative product? No. Far too often, the Congress has hastily passed ill-considered legislation that had many unforeseen consequences.

As I noted, the majority in the Committee on the Judiciary have reached an agreement with the White House that will allow this bill to be signed into law. The agreement was reached last night, although few of us and almost probably none of us have any idea what it is, and none of us have had the opportunity to examine it.

The Committee on the Judiciary-reported bill should have been brought to the House floor in regular order under an open rule. Unfortunately, that is not the circumstances in which we find ourselves. I register my objection.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 2½ minutes to the gentleman from Morris, Illinois (Mr. WELLER), a valued member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I rise in support of this rule, and I rise in support of this compromise.

Mr. Speaker, one thing that I am very proud of, of course, I represent the South Side of Chicago and the south suburbs, and that is the Chicago region ranks fourth today in high tech. We often think of Silicon Valley and the Boston corridor and Seattle, but the Chicago region is home to over 3,000 information and high tech corporations that are growing and, of course, creating new jobs in the Chicago region.

One lesson that we have all learned, though, as high tech jobs grow, as this new industry of the 21st century grows, that we have also learned that there is a shortage of skilled workers who have the computer skills to fill the jobs that are now made available. In fact, there are 340,000 jobs, it is estimated, that went unfilled this past year because of lack of computer skills in the workforce, and that is an issue that we have got to address long term as we work to give computer and Internet access to our schools throughout this Nation. But, short term, we need to solve this problem; and this compromise worked out between the administration and this House of Representatives and the Senate solves the problem; and that is why I stand in support of it.

Think about it. Information technology is our future. It is estimated there is 130,000 information technology jobs created in the past year. Over the next 10 years, we expect to create 1.3 million new jobs, and it is important to my home State of Illinois.

In 1995, information technology created 189,000 jobs for the people of Illinois, generating $8.5 billion in annual wages. The average industry wage is $45,000. The average private sector wage is only $30,000. These are good-paying jobs, and it is a great opportunity for young people to know that there is a future in high technology.

We need to win this fight. If we do not find a way to fill these jobs, we are going to lose out. If we want to compete globally, we have to fill these jobs with qualified workers. This legislation, which provides H–1B visas, raises the caps, will help us fill those positions as we work to prepare more Americans to fill these jobs in the future.

I am also proud this compromise between the White House and this Congress also increases protection for American workers. It is a good compromise. It is common sense. That is how this process should work. We protect workers giving the opportunity for our industry to grow and create new jobs, and I am proud that Chicago and the Chicago region, which ranks fourth in high technology, will be the winner when this legislation passes.

Again, I ask for bipartisan support.

Ms. SLAUGHTER. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentlewoman for yielding this time to me.

I always find it very interesting, the names of the bills that come before us during this Congress. I would venture, if we did not have the kind of protections we have in speech on the floor of the House, that we would be able to sue our colleagues on the other side of the aisle for false advertising.

Workforce Improvement and Protection Act, a bill that allows some of the best jobs in the high tech industry to go to foreign workers who we bring into this country under a special H–1B provision, while those very same companies have spent the last year laying off hundreds of thousands of American workers. And I hope that when we get into the general debate I will have the opportunity to cite specific companies and the number of thousands of American workers in the high tech field that they have been laying off.

Mr. Speaker, this is not about a lack of workers. It is about a lack of workers that are the cheapest to be found. It is about a lack of indentured servants that we can bring in from other nations who cannot complain because there is virtually no enforcement by the Department of Labor.

Now I understand under the bill that we are to take up today that we have increased some of the oversight by the Department of Labor, but the fact of the matter is that only the smallest percentage of companies using H–1B visas will be able to be scrutinized. Those will be the companies that are called H–1B dependents.

When I first began to talk about the problem with H–1Bs and this visa, a lot of people across America were calling my office, Mr. Speaker, and indeed some Members thought H–1B was some experimental aircraft. The fact of the matter is that this was a program that was developed back in 1990. The colleges and the universities and the high tech industries were coming to Congress saying, we are not educating enough people with PhDs and the kind of degrees to take these high tech jobs.

My question still is, if we are not educating them, those same educational institutions, those colleges and universities that are complaining to us, are at fault. They are the schools that are accepting the tuition money that is being earned and paid out by the hard-working people of this country, and then they are not educating those students to take the jobs of tomorrow.

And to my friends on the minority side I will say at the same time that they are attempting to eliminate the Department of Education, eliminate the Department of Commerce, eliminate the Department of Labor who could monitor the needs of the work force and could help us train the workers for those skilled needs. Instead, they are saying, let us raise the number up, let us raise the number of foreign workers that we are bringing in by 142,500, and that is what this rule does. That is what this bill does.

□ 1500

It says to the hard-working taxpayers across this country, "Your kids are too stupid, your schools are too bad, and we are not going to do anything about it, except we are going to bring foreign workers in to take those good paying jobs. If you don't like it, we in Congress don't care."

Because you bring this bill up today, no one has read it, no one knows what the provisions of this bill are. The White House worked this out. They did not talk to those of us in the House, except to advise us what the deal was that they had made. No one consulted us, no one asked us what we thought, what we needed. We were not a part of putting this legislation together.

I would say that the gentlewoman from the Committee on Rules, the gentlewoman from New York (Ms. SLAUGHTER), who yielded time to me, is absolutely right. We come here today blindly, not knowing what it is we are voting for. What are the specific protections in there? I defy one Member on either side to tell us exactly what that language is, because we have not had a chance to scrutinize it.

That is not the way the House of Representatives should work. Over 80 percent of the people in a Harris poll across this country, when asked if they favored the program, when the H–1B program was explained to them, over four out of five workers across this country, voters across this country, said they do not want to see an increase in this program.

We are defying that. We are flying in their face. This is not about building up a high-tech industry. This is about catering to high-tech industries, and a very formidable political voice, right before we have an election. If it is bipartisan, then both parties are guilty of doing it.

This is about giving away American jobs over the next three years. 147,500 additional foreign jobs are being given away. You can take my words and remember them, because two or three years from now, for those of you who vote for this rule, for those of you who vote for this bill, when your constituents by the tens of thousands tell you that they have been denied labor because the companies were waiting for H-1Bs, that their children have been denied, with those giant student loans, the ability to apply for those jobs because the companies want H-1Bs, go back and remember what it is we did today, and remember my words.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to respond to my very good friend from Pennsylvania.

Mr. Speaker, I would like to outline the details of the changes that have been made and say, first of all, in the area of education, 10,000 scholarships are going to be provided under this plan. There were very minor changes made in the compromise bill itself. Let me just go through those, if I may.

First of all, the amendment I am going to be offering, which is the compromise, extends the H-1B program three years, not four years. Companies will pay a $500 fee, as I said in my opening statement, to fund education, training and oversight. The fee had been half that in the original measure. Violators of H-1B rules will be banned for three years from the program, anyone who is violating it.

The compromise tightens up the small business exemption that is in the bill. The Department of Labor is authorized to do spot checks on companies which face any credible charges that have been leveled, and, along with the equivalent pay, which I mentioned again in my opening remarks, H-1B workers must get equivalent benefits.

So those are the changes made in the compromise.

Mr. KLINK. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Pennsylvania.

Mr. KLINK. Mr. Speaker, we have not seen the specific language. That is my problem. I understand those things are in there. We have not had a chance to debate them.

Mr. DREIER. Mr. Speaker, reclaiming my time, it is in the CONGRESSIONAL RECORD. I have a copy of it right here. I am more than happy to provide it to my friend.

Mr. Speaker, I yield 3½ minutes to my friend, the gentleman from Huntington Beach, California (Mr. ROHRABACHER), who is very well guided in his strong support of the rule, but slightly misguided in his opposition to the compromise.

Mr. ROHRABACHER. Mr. Speaker, I rise today in support of the rule, but in strong opposition to H.R. 3736, a bill which would raise the annual number of high-tech jobs given to foreign workers.

Currently the INS issues 65,000 H-1B visas per year to highly skilled noncitizen technical workers. H.R. 3736, in response to high-tech industry's claim that there is a crisis in the shortage of trained American workers, would increase the H-1B cap to 115,000 jobs in 1999 and 2000, and 107,000 jobs the following year. That is over 200,000 jobs going to foreign workers.

Big business' claim that there is a worker shortage curiously comes at a time when our Nation's high-tech companies have laid off over 200,000 American employees, this year. The question is whether those Americans think there is a worker shortage crisis. And that does not even include, I might add, the tens of thousands of aerospace workers who have been laid off and are in need of training before they can get a job in these high-tech companies.

Mr. Speaker, let us be honest about H-1B and this issue. This is not about a shortage of qualified American workers; it is about pacifying a powerful big business interest who is trying to secure cheap foreign labor.

Mr. Speaker, whom do we represent? Working people who get laid off after having given their service to their industry and to their country are the people we should be most concerned about.

Instead of letting the market forces work and seeing the wages rise and the amount of money put into job training increase because there is a supply and demand issue here, instead of letting that market force work to the benefit of our own people, we are being asked to interfere with this market process so we can flood the market with people from overseas who are willing to work for less money. Whom do we care about? Whom do we represent if we are going to do this?

There are hundreds of thousands of workers from developing countries, indeed, that are willing to work for less. But the fact that they are importing them will take pressure off people to train our own people or to increase the wages of our people so those people will get their own training. The effect of this bill is to bring down the market wage for our high-tech workers.

It is called supply and demand. That is what we believe in. We Republicans especially are supposed to believe in that. It is not just supposed to work for the benefit of big companies; it is supposed to work for the benefit of all of our people. It will also reduce the incentives for companies to reeducate and retrain employees or unemployed Americans. It will provide an incentive for companies to lay off senior employees before they qualify for retirement or if they need health benefits, which people who get older need. Instead, it will bring on people who are from developing countries who are willing to work for a lot less and are a lot younger, and thus will not use the health care or the retirement benefits.

To whom are we loyal? Whom do we care about? We are supposed to care about the American people. American business, if they expect loyalty from their employees, have got to be loyal to their employees.

Mr. Speaker, I oppose H.R. 3736, while supporting the rule, because H-1B was a rotten idea to begin with, and it is a rotten compromise.

Ms. SLAUGHTER. Mr. Speaker, I yield 6½ minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I would very much like to associate myself with the remarks of the previous speaker. This is a very important piece of legislation here, and one of the problems with the rule is that it cuts off debate and limits amendments that can be made on a very important job policy bill.

This is all about jobs. To the American people, I say wake up. These are the jobs of right now and the jobs of the future. This is a problem of growth and prosperity, and we welcome it. We are discussing the jobs of today and the jobs that will be mushrooming in numbers in the future. Lots and lots of them will be created. Information technology workers; they are the workers of the future.

This is the wrong solution to the problem of shortages though. There are shortages. They are very real. But this solution sets the wrong precedent. If we go this way, we are going to find ourselves repeatedly increasing the quota and repeatedly raising the number of foreign workers who can come in from the outside and take jobs that should be here for American workers.

This bill is a negative job bill for American workers. Right now there are 65,000 foreign workers who fill up these kinds of jobs, who are in the country right now. What this bill proposes to do is this year increase it by 25,000 or 30,000 so we could have 90,000 this year. Then it is going to keep increasing, and by the year 2001 you will have 107,000 if they follow the formula that they have here.

But the likelihood is that if you set the precedent, if you start now, they are not going to follow this formula. You are going to have an amendment to increase it more next year, and still another amendment. Instead of doing what has to be done to guarantee that our own workers are trained properly and educated properly, that our own education policies are changed, so that our schools will begin to generate large numbers of people who can become information technology workers we will continue to raise the foreign worker quota.

65,000 now, then 90,000, then 107,000, that is only a small part of the problem. There are going to be many, many more jobs than that.

These numbers tell only a small part of the story. The Information Technology Association has done a survey that shows that right now there are about 300,000 vacancies, 300,000 right now, in information technology workers. The Department of Labor estimates that in five years we will have 1.5 million vacancies. These are vacancies that they compute after they take into consideration the number of youngsters who are in college majoring in computer science, math and other kinds of programs that will allow them to fill up the jobs. Even after you get all of the graduates out of the schools and they take these jobs, you are still going to have at least 1.5 million vacancies in five years, if you do not do anything about it.

What can we do about it? We must find ways to fill these jobs which are more substantial than what we are doing here. What we are doing here is opening the spigot so that massive numbers of foreign workers will keep coming in.

By the way, they pay foreign workers less, so this is highly desirable for industry. The pattern is they generally pay them less.

We need a program and set of policies that train American workers, starting with technology in our own schools. We need a pool, a supply of people to draw from, people who come through the schools and have been exposed to enough computer training to want to go on to junior college.

By the way, you can get some jobs after you come out of high school. You can get an A-1 certification for Microsoft just with a high school diploma and you can go out and earn $35,000 to $40,000 a year just coming out of high school. That is the kind of jobs we are talking about. But those who go on to junior college will get higher paying jobs, those who go to college and get computer programming degrees will get even more, can get $100,000 after they have been working for three or four years.

We are talking about a lucrative field that is likely to keep growing, so we want to have in our schools technology, as the President called for. We want to support the E-rate. There is a direct relationship between the people who are opposing the E-rate right now. E-rate, by the way, guarantees schools will be able to have telecommunications services at a discount. It allows some schools that could not afford to link their computers up with the Internet and have those services, to have them by giving as much as a 90 percent discount to the poorest schools.

The E-rate is being opposed now by some of these same companies. Many of the same companies that are bringing in the foreign workers are opposing the E-rate, which would allow us to have our schools prepared to educate a larger body of people who can take these jobs as American citizens. So we need to support the E-rate. We need to deal with the problem of school construction funding, which does not allow certain schools to be wired because they are too old and you need to renovate them or build new schools.

We need store front computer training centers, not only to allow youngsters from poor neighborhoods to be able to go in at night when the schools are closed down and get some practice, but also all these workers that are being laid off.

I want to say we have proposed, I proposed in the higher education legislation, an amendment which would allow colleges to combine with communities and set up store front training centers which will begin to deal with this problem. We need many innovative approaches.

Why is Bangalore, India, considered the computer programming capital of the world? Why are most of the workers who will be brought in under this program coming from India? Because India decided a long time ago, they had the vision and wisdom, to have first rate computer training programs in their schools. Bangalore in particular, developed first rate computer training programs. So they have large pools of people who are feeding the computer systems of all of the English speaking world. They speak English, so that is another advantage.

So we need policies that revamp our education system in order to produce the workers who can take these jobs. We do not need any more patchwork, easy answers for the big industries. They get lower paid workers and they get an unlimited flood of them without having to contribute to the effort here in America to educate our own citizens.

These are the jobs of the future. Wake up. These are the jobs of the future. If we give them away now, we will never be able to get them back.

□ 1515

Mr. DREIER. Mr. Speaker, I am very pleased to yield 3 minutes to my good friend, the gentleman from Del Mar, California (Mr. CUNNINGHAM), who has a great understanding and grasp of this issue. We are all very, very happy to see him back, healthy and raring to go.

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman from California for yielding time to me.

Mr. Speaker, the United States of America is the envy, I think, of the whole world on our high-tech accomplishments and our industries. Take a look at our biotech industry. Look at QualComm all over the world. Look at our health care. Look at our universities in health care. Look at the supercomputers that San Diego and other schools have. We need to keep that going.

My nephew had a full scholarship to MIT. His fiance is finishing up her Ph.D. in biotech at the age of 27. Their future is set because of the shortages that we have in the technology field.

In San Diego we have a program that takes displaced aerospace workers and trains them in these high-tech fields. However, I would like to tell the Members that workers at a beginning entry level do not have the same productivity as someone that has a Ph.D. and experience in the field that could produce the jobs, the biotech, the health care remedies and those kinds of things that we need.

If we look at the aerospace industry, we are in a sine wave with jobs. At times there are high peaks, and right now we happen to be in low peak, and we need people to replace them. What this bill does is takes that valley and levels it off, and at the end of that valley we allow for the American worker to have priority over a foreign worker, and they are out. That is all we are trying to do.

Here is the challenge. Remember Jaime Escalante? He said, just because a child is a minority she is not any ledss capable than other children. I can teach that child math. The community thought he was nuts. The teachers thought he was nuts. The children thought he was crazy. Yet, he taught those kids math. Then the community rallied behind him.

That is what we need to do with the American education system. We need to invest in the public education system, through private and local initiatives. But at the same time, we cannot continue to only get about 50 cents on the dollar out of our Federal programs. That is why our Dollars to the Classrooms Act, getting 90 cents out of the dollar for classrooms, is very, very important. We need to invest in those kinds of things.

This bill is a balance for American workers and American jobs. When we take a look, we, the United States of America, are 15th of the industrialized nations in math and science. That is a crime in itself. Look at the D.C. schools. Children are graduating, and over 60 percent are functionally illiterate.

If we want a long-term solution, it is—and I agree with my friend, the gentleman from New York—it is education, and making sure that we have those effective kinds of programs. We do not do that in this country, to a large degree. Overall, we have a shortage in the field that we need to fill. This bill allows us to do that.

Are there problems with it? Yes. But I think it is a bipartisan agreement in most areas, and I support the rule and the bill.

Mr. Speaker, America's high-tech industry is the envy of the world. It powers our strong economy. And it is making our lives better.

Advanced technology requires people with advanced skills to keep these innovations coming. Our high-tech industry spends far more per worker on training and education than other industries do.

But the Commerce Department, the American Electronics Association, my local San

Diego Chamber of Commerce, and many of the employers in my district—like Hewlett-Packard, Qualcomm, UCSD and others—all agree that there are not enough of these high-skill workers to go around.

Moreover, our colleagues and universities are not producing enough science and engineering graduates to meet demand. And of those graduates, a large percentage are non-U.S. nationals.

So what can we do?

First, America's schools must do better than last place among industrialized countries in math and science. Our "Dollars to the Classrooms Act" and other local initiatives will help meet that challenge. But it will take time.

Second, we should encourage more young people to pursue the high-tech field. Again, this will take a long time to bear fruit. But we can do it.

Third, we should adopt this legislation, H.R. 3736, the Workforce Improvement Act.

The Workforce Improvement Act temporarily increases the number of high-skill worker visas. It will help American employers address the current high-tech worker shortage, so they can strengthen America's economy, help create American jobs in America, and maintain our global leadership in technology and innovation.

The bill contains a reasonable balance of checks and balances—helping to keep the H-one-B visa program from being abused, while resisting the temptation to have the U.S. Department of Labor involved in every private hiring decision.

And the fees from this program will help pay for advanced American worker training and education.

This bill is not perfect. I would have preferred that the increase in H-one-B high skill worker visas was offset with a reduction in other visa categories. But the measure is a product of compromise. And on balance, it is in the national interest.

For American workers, American jobs, and a strong American future * * * support this important legislation, and oppose the Watt substitute and the motion to recommit.

Ms. SLAUGHTER. Mr. Speaker, I yield 4½ minutes to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I take some pleasure in the fact that I seem to share the same views as my distinguished colleague, the gentleman from California (Mr. ROHRABACHER) on this issue. I want to explain some of the reasons for that.

I want to address the primary argument put forth by supporters of this bill that a shortage exists of the workers needed to maintain American leadership in the information technology industries. As usual, anecdotes far outweigh hard evidence in the debate. I thought it might be useful to examine more closely the data that is available.

Determining a labor shortage is a fiendishly difficult exercise, even for labor economists. Defining the types of workers involved, where they get their education, the tasks employers want them to do, and the overall economic climate are just some of the items that go into the analysis. None of these factors remain static, and it is difficult to track them on a real-time basis. It is no wonder that John Bishop, the Chair of the Department of Human Resource Studies at Cornell, has warned us to be careful in adopting policies to address perceived shortages. This is not a policy that can be easily reversed.

We on the Committee on Science have specific experience about the damage we can do manipulating the labor market. At the beginning of this decade we were concerned about a shortfall of scientists and engineers. We gave new money to the National Science Foundation to get more people into the pipeline. By the time they finished their education and went out to the job market, there were not any jobs for them.

Those of us who have been here for a while may recall the billboard that read, and I quote, "Will the last person leaving Seattle please turn out the lights," during the aerospace slump of the seventies. This is typical in the aerospace industry. Now the National Research Council is recommending that we sharply limit new entrants into the life sciences training programs, because there are so few places for graduates to go.

It has become almost sacred writ that there are 346,000 vacancies for information technology workers. I believe that we should treat this assertion with great skepticism. This number was derived from telephone surveys of companies in the field, but the response rate was just 36 percent of those chosen for sampling.

The gentleman from Michigan (Mr. DINGELL) and I asked the General Accounting Office for their views on the methodology that led to this result. GAO reported to us that they considered the response level too low to permit the results to reflect conditions across the country. GAO further noted that there was not enough information about the vacancies discussed in the study to answer some very important questions: How many of these vacancies are caused by normal turnover, and how long does it take a company to fill a job slot when it becomes empty?

IBM once looked at this particular issue a few years ago and discovered that at any one time it was normal to have some 5 percent of their jobs vacant. The surveys gave us no information on the salary levels of the vacancies, so we cannot know if the companies were offering competitive salaries or merely wishful thinking. The study itself warned that no one should infer that 346,000 jobs would be immediately ready to absorb 346,000 qualified candidates.

At this point, I would like to raise the supply side of the equation, because it is not getting much consideration in the debate. The Computing Research Association tells us that enrollments in computer sciences have grown 40 percent in each of the last 2 years. The Statistical Factbook for the University of California at San Bernadino in my district shows that declared majors in the Information and Decision Management Department have jumped from 22 in 1992 to 219 in 1997. Enrollment leaped from 28 to 143 just between 1993 and 1994. Dr. Walt Stewart, the department chair, told my staff that these numbers are low because they do not capture the students from other departments.

The American Association of Community Colleges reports strong increases in enrollments in programs for computer technology, software, and computer-assisted design. Our children are getting the message that there is an opportunity here. For us to make policy about demand while ignoring supply is guaranteed to get us into trouble.

My last point involves the current economic situation. Reports in the latest issues of The Economist and Business Week indicate that the high-tech sector is feeling strong pressure from the breakdown of Asian economies. There is severe overcapacity in the semiconductor business; Motorola has just decided to postpone building its new chip manufacturing plant in Virginia. Falling prices for PCs, while a boon for consumers, limit the profits their makers can earn. TIME reported this week that China is contemplating a 30-percent devaluation of its currency early next year, a severe blow to recovery efforts in Japan, Korea, Indonesia, and Malaysia. Prosperity may be just around the corner. Prudence recommends that we do no harm in this volatile situation.

I intend to vote for the Watt-Berman-Klink substitute. I do so because it increases visa limits only through fiscal year 2000, thereby reducing the outyear effects on the labor market. I also believe that all companies who benefit from this public policy should be required to demonstrate that their resort to H–1Bs is driven by genuine need and not convenience. The substitute derives directly from Chairman LAMAR SMITH's bill that earned a bipartisan majority from the members of the Judiciary Committee. Support Watt-Berman-Klink.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to my friend, the gentleman from Roanoke, Virginia (Mr. GOODLATTE), who is strongly supportive of the bipartisan compromise that has been worked out by the House, the Senate, and the administration.

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding time to me, and he is quite right.

Mr. Speaker, I rise in support of this rule and the compromise legislation offered by my good friend, the gentleman from Texas (Mr. SMITH), chairman of the Subcommittee on Immigration and Claims. This legislation is the product of extensive work and deliberation between the Committee on the Judiciary, the gentleman from Texas (Chairman

SMITH), and the high-tech industry. I believe it represents an effective compromise that addresses the needs of the high-tech industry and also provides important and necessary protections for American workers.

Mr. Speaker, this country has a vested interest in ensuring that our policies encourage the continued growth of the booming high technology industry. The high-tech industry has contributed over 3 million jobs to the United States economy over the last 3 years. It has also accounted for over 27 percent of the growth in the gross national product.

The industry's ability to hire the best and brightest is essential if we are to remain the global leader in this emerging field. Unfortunately, there is currently an insufficient number of American workers available to fill many high technology positions. According to some reports, as many as 300,000 high technology jobs are unfilled due to a lack of qualified American workers in a tight labor market.

The current quota of 65,000 H-1B visas was reached months ago, leaving many companies without the resources they need to effectively operate and expand. If we do not responsively address this problem, we risk placing a strain on the expansion of the industry that could end up costing the American people countless jobs.

I have consistently worked to ensure our immigration policy is firm, fair, and effective. Immigration laws should not be used as a tool to provide sources of cheap labor, nor should they be used to deprive qualified American workers the opportunity to succeed in the marketplace. However, we are currently confronted with a skilled labor shortage.

Our response to this shortage should be targeted yet effective. We should not alter our fundamental commitment to maintain responsible and productive levels of immigration, but we should be willing to permit the necessary number of workers to enter temporarily to respond to the lack of qualified workers.

Mr. Speaker, every effort should be made to ensure that qualified American workers are not being laid off or passed over to hire foreign workers. This bill provides necessary protection for American workers. It also takes important steps to support the training of American workers, so we will remain effective and competitive in the future.

Furthermore, this is only a temporary measure. It will only increase the numbers until 2002, at which point the numbers will return to current levels. This is a temporary fix to address a problem that needs immediate attention.

Mr. Speaker, this is a responsible, reasonable, and necessary piece of legislation that is essential to the continued success of our booming high-tech industry and the millions of American jobs that it creates. I urge my colleagues to support this compromise and oppose the substitute offered by the gentleman from North Carolina.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I thank the gentlewoman from New York for yielding time to me.

Mr. Speaker, what I would like to focus on is the unparalleled economic growth that we are currently experiencing and why. The principal reason we are doing as well as we are economically is attributable to the high technology sector. U.S. firms dominate the world market in both high-tech products and high-tech services. Over 3.3 million Americans are directly employed in high technology jobs.

But the work force shortage faced by the technology sector threatens our world dominance in the technology sector and our continued economic prosperity. Over the next 10 years the global economy is projected to grow at three times the rate of the U.S. economy. Basic high technology infrastructure needs in just 8 of the fastest growing countries are going to reach $1.6 trillion.

If the U.S. does not seize the opportunity to supply goods and services to these emerging markets, other countries will. But U.S. firms simply cannot compete if they do not have access to a highly-trained work force. There is no doubt that the quantity and even the quality of our current work force is failing to keep pace with the needs of the technology industry.

Some 10 percent of high technology jobs are now vacant. This is nearly 200,000 vacant jobs across the country. U.S. firms who cannot find enough domestic workers are sending more and more contracts overseas. In Northern Virginia, we have a vacancy rate of 19,000. Just pick up the Washington Post any Sunday and Members will see where those vacancies are.

We are in desperate need of more workers, and as a result, because we do not have the workers, we are sending jobs overseas, even to fulfill government contracts. We are going over to India, Ireland, and any number of other countries that are willing to meet our needs.

But does it not make more sense to pay an American worker here $60,000 a year than to send a job overseas, pay them maybe $16,000, but that money is spent in their economy? We are so much better off if these jobs and these salaries are spent in our U.S. economy. That is what we are trying to achieve.

Mr. Speaker, this bill is a substantial improvement. It increases the cap. It is going to enable us to better meet the needs, but it is not adequate. We still need to do more work.

□ 1530

I must say, in terms of the training provision, that we cannot continue job training programs in the way that we have done them in the past. They need to be much more tied to industry. They need, in fact, to be industry driven.

Let the companies in the technology sector, particularly, get together, cooperate, contribute maybe a third of the money. Let the Federal Government contribute a third of the money. Let universities contribute. And with that consortia, let us make sure that the training that we do is going to be immediately met by job placement. We cannot afford to train just for the sake of training. We need to be putting people in the jobs that are available today.

Mr. DREIER. Mr. Speaker, I yield 3 minutes to the gentleman from Glendale, California (Mr. ROGAN), my very good friend who is a hard-working member of both the Committee on Commerce and the Committee on the Judiciary.

Mr. ROGAN. Mr. Speaker, I thank the gentleman from California (Mr. DREIER), my friend and neighbor, for yielding me this time.

Mr. Speaker, first, I want to commend the gentleman from Texas (Mr. SMITH) for his leadership on this issue. Over the past several months, he worked to achieve a compromise measure that will help both American businesses, universities and our workforce.

I also want to recognize the distinguished Senator from Michigan, Mr. ABRAHAM, for leading the negotiations with the administration on behalf of the Senate and the House leadership.

H-1B visas have played a crucial role in America's vibrant economy. During the past 3 years, the high-tech industry has contributed over 3.5 million jobs to the U.S. economy and has accounted for a 27 percent increase in our gross national product.

Human and intellectual capital fuel this industry, and a small but critical element of the high-tech workforce consists of foreign-born workers holding H-1B visas. H.R. 3736 will temporarily raise the annual cap on H-1B visas in order to lessen the shortage of high-tech workers.

As cochairman of the Speaker's High Technology Working Group, I recognize America's strong interest in ensuring that our policies encourage the continued growth of technology while promoting the strength of the national economy as a whole.

This is an issue of international competitiveness. Our ability to hire the best and the brightest is essential if America is to remain the global leader in technology. This compromise strikes an important balance between addressing the workforce needs of this industry and protecting the security of American workers.

This legislation creates a workable system where employers can temporarily obtain immigrant workers to fill high-tech jobs when there is a lack of qualified domestic workers. Further, this protects American workers from abuses such as being laid off or being replaced by a foreign worker, and it achieves this without creating a huge enforcement bureaucracy at the Department of Labor. This legislation also recognizes this as a short-term solution to the high technology worker shortage. The increased number of H-1B visas will sunset in 2002.

This bill provides further protections for American workers by targeting employers who are more likely to abuse the program. Additionally, this legislation supports long-term solutions to worker shortages by providing more job training programs and college scholarships for Americans in areas such as math, engineering and computer science.

Mr. Speaker, I urge my colleagues to support the rule that will bring forth legislation to support America's high-tech industry while securing and offering better jobs for Americans.

Ms. SLAUGHTER. Mr. Speaker, I have no further requests for time. May I ask if my colleague has further requests?

Mr. DREIER. Mr. Speaker, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I would like to congratulate the gentlewoman and say that we have just completed with our last speaker, just as she has. So, obviously, this could not have been planned any better than it has.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would close by simply saying that I believe that this is an extraordinarily good compromise for a very, very important issue to address a telling need to ensure that we do not see companies that have been thriving forced to leave the United States of America for their survival, so that we can remain on the competitive edge. I urge support of it.

AMENDMENT OFFERED BY MR. DREIER

Mr. DREIER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DREIER:

At the end of the resolution add the following new section:

"SEC. 2. Notwithstanding any other provision of this resolution, the amendment in the nature of a substitute printed in the Congressional Record and numbered 3 pursuant to clause 6 of rule XXIII shall be considered as adopted in lieu of the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1."

Mr. DREIER. Mr. Speaker, I will briefly take a moment to explain this amendment.

Mr. Speaker, this amendment simply provides that, upon the adoption of the resolution, the text of the administration-endorsed compromise that we have come to with the House and the Senate and the administration shall be considered as adopted.

I urge support of the resolution as well as the amendment.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the amendment and on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the amendment offered by the gentleman from California (Mr. DREIER).

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

Mr. SMITH of Texas. Mr. Speaker, pursuant to House Resolution 513, I call up the bill (H.R. 3736) to amend the Immigration and Nationality Act to make changes relating to H-1B nonimmigrants, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 513, the bill is considered as having been read for amendment.

The text of H.R. 3736 is as follows:

H.R. 3736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1 SHORT TITLE.

This Act may be cited as the "Workforce Improvement and Protection Act of 1998".

SEC. 2. TEMPORARY INCREASE IN SKILLED FOREIGN WORKERS.

Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended—

(1) by amending paragraph (1)(A) to read as follows:

'(A) under section 101(a)(15)(H)(i)(b), subject to paragraph (5), may not exceed—

'(i) 95,000 in fiscal year 1998;

'(ii) 105,000 in fiscal year 1999; and

'(iii) 115,000 in fiscal year 2000; or'; and

(2) by adding at the end the following:

'(5) In each of fiscal years 1999 and 2000, the total number of aliens described in section 212(a)(5)(C) who may be issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) may not exceed 7,500.'.

SEC. 3. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS.

(a) IN GENERAL.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

'(E)(i) The employer has not laid off or otherwise displaced and will not lay off or otherwise displace, within the period beginning 6 months before and ending 90 days following the date of filing of the application or during the 90 days immediately preceding and following the date of filing of any visa petition supported by the application, any United States worker (as defined in paragraph (3)) (including a worker whose services are obtained by contract, employee leasing, temporary help agreement, or other similar means) who has substantially equivalent qualifications and experience in the specialty occupation, and in the area of employment, for which H-1B nonimmigrants are sought or in which they are employed.

'(ii) Except as provided in clause (iii), in the case of an employer that employs an H-1B nonimmigrant, the employer shall not place the nonimmigrant with another employer where—

'(i) the nonimmigrant performs his or her duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

'(II) there are indicia of an employment relationship between the nonimmigrant and such other employer.

'(iii) Clause (ii) shall not apply to an employer's placement of an H-1B nonimmigrant with another employer if the other employer has executed an attestation that it satisfies and will satisfy the conditions described in clause (i) during the period described in such clause.'.

(b) DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)) is amended by adding at the end the following:

'(3) For purposes of this subsection:

'(A) The Term 'H-1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

'(B) The term 'lay off or otherwise displace', with respect to an employee—

'(i) means to cause the employee's loss of employment, other than through a discharge for cause, a voluntary departure, or a voluntary retirement; and

'(ii) does not include any situation in which employment is relocated to a different geographic area and the employee is offered a chance to move to the new location, with wages and benefits that are not less than those at the old location, but elects not to move to the new location.

'(C) The term 'United States worker' means—

'(i) a citizen or national of the United States;

'(ii) an alien lawfully admitted for permanent residence; or

'(iii) an alien authorized to be employed by this Act or by the Attorney General.'.

(2) CONFORMING AMENDMENTS.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by striking 'a nonimmigrant described in section 101(a)(15)(H)(i)(b)' each place such term appears and inserting 'an H-1B nonimmigrant'.

SEC. 4. RECRUITMENT OF UNITED STATES WORKERS PRIOR TO SEEKING NONIMMIGRANT WORKERS.

Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)), as amended by section 3, is further amended by inserting after subparagraph (E) the following:

'(F)(i) The employer, prior to filing the application, has taken, in good faith, timely and significant steps to recruit and retain sufficient United States workers in the specialty occupation for which H-1B nonimmigrants are sought. Such steps shall have included recruitment in the United States, using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H-1B nonimmigrants under subparagraph (A), and offering employment to any qualified United States worker who applies.

'(ii) The conditions described in clause (i) shall not apply to an employer with respect to the employment of an H-1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).'.

SEC. 5. LIMITATION ON AUTHORITY TO INITIATE COMPLAINTS AND CONDUCT INVESTIGATIONS FOR NON-H–1B-DEPENDENT EMPLOYERS.

(a) IN GENERAL.—Section 212(n)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(A)) is amended—

(1) in the second sentence, by striking the period at the end and inserting the following: ', except that the Secretary may only file such a complaint respecting an H–1B-dependent employer (as defined in paragraph (3)), and only if there appears to be a violation of an attestation or a misrepresentation of a material fact in an application.'; and

(2) by inserting after the second sentence the following: 'Except as provided in subparagraph (F) (relating to spot investigations during probationary period), no investigation or hearing shall be conducted with respect to an employer except in response to a complaint filed under the previous sentence.'.

(b) DEFINITIONS.—Section 212(n)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as added by section 3, is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (E), respectively;

(2) by inserting after 'purposes of this subsection:' the following:

'(A) The term 'H–1B-dependent employer' means an employer that—

'(i)(I) has fewer than 21 full-time equivalent employees who are employed in the United States, and (II) employs 4 or more H–1B nonimmigrants; or

'(ii)(I) has at least 21 but not more than 150 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 20 percent of the number of such full-time equivalent employees; or

'(iii)(I) has at least 151 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

In applying this subparagraph, any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer. Aliens employed under a petition for H–1B nonimmigrants shall be treated as employees, and counted as nonimmigrants under section 101(a)(15)(H)(i)(b) under this subparagraph.'; and

(3) by inserting after subparagraph (C) (as so redesignated) the following:

SEC. 6. INCREASED ENFORCEMENT AND PENALTIES.

(a) IN GENERAL.—Section 212(n)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(C)) is amended to read as follows:

'(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B) or (1)(E), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(F), or a misrepresentation of material fact in an application—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed ($1,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

'(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

'(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer also has failed to meet a condition of paragraph (1)(E)—

'(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

'(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

(b) PLACEMENT OF H–1B NONIMMIGRANT WITH OTHER EMPLOYER.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

'(E) Under regulations of the Secretary, the previous provisions of this paragraph shall apply to a failure of an other employer to comply with an attestation described in paragraph (1)(E)(iii) in the same manner as they apply to a failure to comply with a condition described in paragraph (1)(E)(i).'.

(c) SPOT INVESTIGATIONS DURING PROBATIONARY PERIOD.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by subsection (b), is further amended by adding at the end the following:

'(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) or to have made a misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether the employer is an H–1B-dependent employer or a non-H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).'.

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to applications filed with the Secretary of Labor on or after 30 days after the date of the enactment of this Act, except that the amendments made by section 2 shall apply to applications filed with such Secretary before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. In lieu of the amendment printed in the bill, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD numbered 3 is adopted.

The text of H.R. 3736, as amended by amendment No. 3 printed in the CONGRESSIONAL RECORD is as follows:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.

(a) SHORT TITLE.—This Act may be cited as the "Temporary Access to Skilled Workers and H–1B Non-immigrant Program Improvement Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents, amendments to Immigration and Nationality Act.

TITLE I—PROVISIONS RELATING TO H–1B NONIMMIGRANTS

Sec. 101. Temporary increase in access to temporary skilled personnel under H–1B program.
Sec. 102. Protection against displacement of United States workers in case of H–1B dependent employers.
Sec. 103. Changes in enforcement and penalties.
Sec. 104. Collection and use of H–1B nonimmigrant fees for scholarships for low-income math, engineering, and computer science students and job training of United States workers.
Sec. 105. Computation of prevailing wage level.
Sec. 106. Improving count of H–1B and H–2B nonimmigrants.
Sec. 107. Report on older workers in the information technology field.
Sec. 108. Report on high technology labor market needs, reports on economic impact of incresae in H–1B nonimmigrants.

TITLE II—SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES

Sec. 201. Special immigrant status for certain NATO civilian employees.

TITLE III—MISCELLANEOUS PROVISION

Sec. 301. Academic honoraria.

(c) AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT.—Except as otherwise specifically provided in this Act, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to that section or other provision of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

TITLE I—PROVISIONS RELATING TO H–1B NONIMMIGRANTS

SEC. 101. TEMPORARY INCREASE IN ACCESS TO TEMPORARY SKILLED PERSONNEL UNDER H–1B PROGRAM.

(a) TEMPORARY INCREASE IN SKILLED NONIMMIGRANT WORKERS.—Paragraph (1)(A) of section 214(g) (8 U.S.C. 1184(g)) is amended to read as follows:

"(A) under section 101(a)(15)(H)(i)(b), may not exceed—

"(i) 65,000 in each fiscal year before fiscal year 1999;

"(ii) 115,000 in fiscal year 1999;

"(iii) 115,000 in fiscal year 2000;

"(iv) 107,500 in fiscal year 2001; and

"(v) 65,000 in each succeeding fiscal year; or".

(b) EFFECTIVE DATES.—The amendment made by subsection (a) applies beginning with fiscal year 1998.

SEC. 102. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS IN CASE OF H–1B-DEPENDENT EMPLOYEES

(a) Protection Against Layoff and Requirement for Prior Recruitment of United States Workers.—

(1) Additional statements on application.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

"(E)(i) In the case of an application described in clause (ii), the employer did not displace and will not displace a United States worker (as defined in paragraph (4)) employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application.

"(ii) An application described in this clause is an application filed on or after the date final regulations are first promulgated to carry out this subparagraph, and before October 1, 2001, by an H–1B-dependent employer (as defined in paragraph (3)) or by an employer that has been found under paragraph (2)(C) or (5) to have committed a willful failure or misrepresentation on or after the date of the enactment of this subparagraph. An application is not described in this clause of the only H–1B non-immigrants sought in the application are exempt H–1B nonimmigrants.

"(F) In the case of an application described in subparagraph (E)(ii), the employer will not place the nonimmigrant with another employer (regardless of whether or not such other employer is an H–1B-dependent employer) where—

"(i) the nonimmigrant performs duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

"(ii) there are indicia of an employment relationship between the nonimmigrant and such other employer;

unless the employer has inquired of the other employer as to whether, and has no knowledge that, within the period beginning 90 days before and ending 90 days after the date of the placement of the nonimmigrant with the other employer, the other employer has displaced or intends to displace a United States worker employed by the other employer.

"(G)(i) In the case of an application described in subparagraph (E)(ii), subject to clause (ii), the employer, prior to filing the application—

"(I) has taken good faith steps to recruit, in the United States using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), United States workers for the job for which the nonimmigrant or nonimmigrants is or are sought; and

"(II) has offered the job to any United States worker who applies and is equally or better qualified for the job for which the nonimmigrant or nonimmigrants is or are sought.

"(ii) The conditions described in clause (i) shall not apply to an application filed with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).".

(2) Notice on application of potential liability of placing employers.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by adding at the end the following: "The application form shall include a clear statement explaining the liability under subparagraph (F) of a placing employer if the other employer described in such subparagraph displaces a United States worker as described in such subparagraph.".

(3) Construction.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is further amended by adding at the end the following: "Nothing in subparagraph (G) shall be construed to prohibit an employer from using legitimate selection criteria relevant to the job that are normal or customary to the type of job involved, so long as such criteria are not applied in a discriminatory manner.".

(b) H–1B-Dependent Employer and Other Definitions.—

(1) In general.—Section 212(n) (8 U.S.C. 1182(n)) is amended by adding at the end the following:

"(3)(A) For purposes of this subsection, the term 'H–1B-dependent employer' means an employer that—

"(i)(I) has 25 or fewer full-time equivalent employees who are employed in the United States; and (II) employs more than 7 H–1B nonimmigrants;

"(ii)(I) has at least 26 but not more than 50 full-time equivalent employees who are employed in the United States; and (II) employs more than 12 H–1B nonimmigrants; or

"(iii)(I) has at least 51 full-time equivalent employees who are employed in the United States; and (II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

"(B) For purposes of this subsection—

"(i) the term 'exempt H–1B nonimmigrant' means an H–1B nonimmigrant who—

"(I) receives wages (including cash bonuses and similar compensation) at an annual rate equal to at least $60,000; or

"(II) has attained a master's or higher degree (or its equivalent) in a specialty related to the intended employment; and

"(ii) the term 'Nonexempt H–1B nonimmigrant' means an H–1B nonimmigrant who is not an exempt H–1B nonimmigrant.

"(C) For purposes of subparagraph (A)—

"(i) in computing the number of full-time equivalent employees and the number of H–1B nonimmigrants, exempt H–1B nonimmigrants shall not be taken into account during the longer of—

"(I) the 6-month period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998; or

"(II) the period beginning on the date of the enactment of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 and ending on the date final regulations are issued to carry out this paragraph; and

"(ii) any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer.

"(4) For purposes of this subsection:

"(A) The term 'area of employment' means the area within normal commuting distance of the worksite or physical location where the work of the H–1B nonimmigrant is or will be performed. If such worksite or location is within a Metropolitan Statistical Area, any place within such area is deemed to be within the area of employment.

"(B) In the case of an application with respect to one or more H–1B nonimmigrants by an employer, the employer is considered to 'displace' a United States worker from a job if the employer lays off the worker from a job that is essentially the equivalent of the job for which the nonimmigrant or nonimmigrants is or are sought. A job shall not be considered to be essentially equivalent of another job unless it involves essentially the same responsibilities, was held by a United States worker with substantially equivalent qualifications and experience, and is located in the same area of employment as the other job.

"(C) The term 'H–1B nonimmigrant' means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

"(D) The term 'lays off', with respect to a worker—

"(i) means to cause the worker's loss of employment, other than through a discharge for inadequate performance, violation of workplace rules, cause, voluntary departure, voluntary retirement, or the expiration of a grant or contract (other than a temporary employment contract entered into in order to evade a condition described in subparagraph (E) or (F) of paragraph (1)); but

"(ii) does not include any situation in which the worker is offered, as an alternative to such loss of employment, a similar employment opportunity with the same employer (or, in the case of a placement of a worker with another employer under paragraph (1)(F), with either employer described in such paragraph) at equivalent or higher compensation and benefits than the position from which the employee was discharged, regardless of whether or not the employee accepts the offer.

"(E) The term 'United States worker' means an employee who—

"(i) is a citizen or national of the United States; or

"(ii) is an alien who is lawfully admitted for permanent residence, is admitted as a refugee under section 207, is granted asylum under section 208, or is an immigrant otherwise authorized, by this Act or by the Attorney General, to be employed.".

"(2) Conforming amendments.—Section 212(n)(1) (8 U.S.C. 1182(n)(1)) is amended by striking "a nonimmigrant described in section 101(a)(15)(H)(i)(b)" each place it appears and inserting "an H–1B nonimmigrant".

(c) Improved Posting of Notice of Application.—Section 212(n)(1)(C)(ii) (8 U.S.C. 1182(n)(1)(C)(ii)) is amended to read as follows:

"(ii) if there is no such bargaining representative, has provided notice of filing in the occupational classification through such methods as physical posting in conspicuous locations at the place of employment or electronic notification to employees in the occupational classification for which H–1B nonimmigrants are sought.".

(d) Requirements Relating to Benefits.—

(1) In general.—Section 212(n)(1)(A) (8 U.S.C. 1182(n)(1)(A)) is amended—

(A) in clause (i), by striking "and" at the end;

(B) in clause (ii), by striking the period at the end and inserting ", and"; and

(C) by adding at the end the following:

"(iii) is offering and will offer to H–1B nonimmigrants, during the period of authorized employment, benefits and eligibility for benefits (including the opportunity to participate in health, life, disability, and other insurance plans; the opportunity to participate in retirement and savings plans; cash bonuses and noncash compensation, such as stock options (whether or not based on performance)) on the same basis, and in accordance with the same criteria, as the employer offers benefits and eligibility for benefits to United States workers.".

(2) Orders to provide benefits.—Section 212(n)(2)(D) (8 U.S.C. 1182(n)(2)(D)) is amended—

(A) by inserting "or has not provided benefits or eligibility for benefits as required under such paragraph," after "required under paragraph (1),"; and

(B) by inserting "or to provide such benefits or eligibility for benefits" after "amounts of back pay".

(e) Effective Dates.—The amendments made by subsections (a) and (c) apply to applications filed under section 212(n)(1) of the Immigration and Nationality Act on or after the date final regulations are issued to carry out such amendments, and the amendments made by subsection (b) take effect on the date of the enactment of this Act.

(f) Reduction of Period for Public Comment.—In first promulgating regulations to implement the amendments made by this section in a timely manner, the Secretary of Labor and the Attorney General may reduce to not less than 30 days the period of public comment on proposed regulations.

SEC. 103. CHANGES IN ENFORCEMENT AND PENALTIES.

(a) Increased Enforcement and Penalties.—Section 212(n)(2)(C) (8 U.S.C. 1182(n)(20(C)) is amended to read as follows:

"(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B), (1)(E), or (1)(F), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(G)(i)(I), or a misrepresentation of material fact in an application—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 of 214(c) during a period of at least 1 year for aliens to be employed by the employer.

"(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an application, or a violation of clause (iv)—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

"(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer displaced a United States worker employed by the employer within the period beginning 90 days before and ending 90 days after the date of filing of any visa petition supported by the application—

"(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $35,000 per violation) as the Secretary determines to be appropriate; and

"(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 3 years for aliens to be employed by the employer.

"(iv) It is a violation of this clause for an employer who has filed an application under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other persion, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer's compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.

"(v) The Secretary of Labor and the Attorney General shall devise a process under which an H-1B nonimmigrant who files a complaint regarding a violation of clause (iv) and is otherwise eligible to remain and work in the United States may be allowed to seek other appropriate employment in the United States for a period (not to exceed the duration of the alien's authorized admission as such a nonimmigrant).

"(vi) It is a violation of this clause for an employer who has filed an application under this subsection to require an H-1B nonimmigrant to pay a penalty (as determined under State law) for ceasing employment with the employer prior to a date agreed to by the nonimmigrant and the employer. If the Secretary finds, after notice and opportunity for a hearing, that an employer has committed such a violation, the Secretary may impose a civil monetary penalty of $1,000 for each such violation and issue an administrative order requiring the return to the nonimmigrant of any amount required to be paid in violation of this clause, or, if the nonimmigrant cannot be located, requiring payment of any such amount to the general fund of the Treasury.".

"(b) Use of Arbitration Process for Disputes Involving Qualifications of United States Workers Not Hired.—

(1) In general.—Section 212(n) (8 U.S.C. 1182(n)), as amended by section 102(b), is further amended by adding at the end the following:

"(5)(A) This paragraph shall apply instead of subparagraphs (A) through (E) of paragraph (2) in the case of a violation described in subparagraph (B).

"(B) The Attorney General shall establish a process for the receipt, initial review, and disposition in accordance with this paragraph of complaints respecting an employer's failure to meet the condition of paragraph (1)(G)(i)(II) or a petitioner's misrepresentation of material facts with respect to such condition. Complaints may be filed by an aggrieved individual who has submitted a resume or otherwise applied in a reasonable manner for the job that is the subject of the condition. No proceeding shall be conducted under this paragraph on a complaint concerning such a failure or misrepresentation unless the Attorney General determines that the complaint was filed not later than 12 months after the date of the failure or misrepresentation, respectively.

"(C) If the Attorney General finds that a complaint has been filed in accordance with subparagraph (B) and there is reasonable cause to believe that such a failure or misrepresentation described in such complaint has occurred, the Attorney General shall initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from the roster of arbitrators maintained by such Service. The procedure and rules of such Service shall be applicable to the selection of such arbitrator and to such arbitration proceedings. The Attorney General shall pay the fee and expenses of the arbitrator.

"(D)(i) The arbitrator shall make findings respecting whether a failure or misrepresentation described in subparagraph (B) occurred. If the arbitrator concludes that failure or misrepresentation was willful, the arbitrator shall make a finding to that effect. The arbitrator may not find such a failure or misrepresentation (or that such a failure or misrepresentation was willful) unless the complainant demonstrates such a failure or misrepresentation (or its willful character) by clear and convincing evidence. The arbitrator shall transmit the findings in the form of a written opinion to the parties to the arbitration and the Attorney General. Such findings shall be final and conclusive, and, except as provided in this subparagraph, no official or court of the United States shall have power or jurisdiction to review any such findings.

"(ii) The Attorney General may review and reverse or modify the findings of an arbitrator only on the same bases as an award of an arbitrator may be vacated or modified under section 10 or 11 of title 9, United States Code.

"(iii) With respect to the findings of an arbitrator, a court may review only the actions of the Attorney General under clause (ii) and may set aside such actions only on the grounds described in subparagraph (A), (B), or (C) of section 706(a)(2) of title 5, United States Code. Notwithstanding any other provision of law, such judicial review may only be brought in an appropriate United States court of appeals.

"(E) If the Attorney General receives a finding of an arbitrator under this paragraph that an employer has failed to meet the condition of paragraph (1)(G)(i)(II) or has misrepresented a material fact with respect to such condition, unless the Attorney General reverses or modifies the finding under subparagraph (D)(ii)—

"(i) the Attorney General may impose administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation or $5,000 per violation in the case of a willful failure or misrepresentation) as the Attorney General determines to be appropriate; and

"(ii) the Attorney General is authorized to not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of not more than 1 year for aliens to be employed by the employer.

"(F) The Attorney General shall not delegate, to any other employee or official of the Department of Justice, any function of the Attorney General under this paragraph, until 60 days after the Attorney General has submitted a plan for such delegation to the Committees on the Judiciary of the United States House of Representatives and the Senate with respect to such delegation.".

(2) Conforming amendment.—The first sentence of section 212(n)(2)(A) (8 U.S.C. 1182(n)(2)(A)) is amended by striking "The Secretary" and inserting "Subject to paragraph (5)(A), the Secretary".

(c) Liability of Petitioning Employer in Case of Placement of H-1B Nonimmigrant With Another Employer.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

"(E) If an H–1B-dependent employer places a nonexempt H–1B nonimmigrant with another employer as provided under paragraph (1)(F) and the other employer has displaced or displaces a United States worker employed by such other employer during the period described in such paragraph, such displacement shall be considered for purposes of this paragraph a failure, by the placing employer, to meet a condition specified in an application submitted under paragraph (1); except that the Attorney General may impose a sanction described in subclause (II) of subparagraph (C)(i), (C)(ii), or (C)(iii) only if the Secretary of Labor found that such placing employer—

"(i) knew or had reason to know of such displacement at the time of the placement of the nonimmigrant with the other employer; or

"(ii) has been subject to a sanction under this subparagraph based upon a previous placement of an H–1B nonimmigrant with the same other employer.".

(d) Spot Investigations During Probationary Period.—Section 212(n)(2) (8 U.S.C. 1182(n)(2)), as amended by subsection (c), is further amended by adding at the end the following:

"(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) (or has been found under paragraph (5) to have committed a willful failure to meet the condition of paragraph (1)(G)(i)(II)) or to have made a willful misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether or not the employer is an H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).".

(e) Investigative Authority.—Section 212(n)(2) (8 U.S.C. §1182(n)(2) is further amended by adding at the end the following:

(G)(i) If the Secretary receives specific, credible information, from a source likely to have knowledge of an employer's practices, employment conditions or compliance with the employer's labor condition application whose identity is known to the Secretary, that provides reasonable cause to believe that an employer has committed a willful failure to meet a condition of paragraph (1)(A), (1)(B), (1)(E), (1)(F), or (1)(G)(i)(I), a pattern and practice of failures to meet the [aforementioned conditions], or a substantial failure to meet the [aforementioned conditions] that affects multiple employees, the Secretary may conduct a 30 day investigation of these allegations, provided that the Secretary personally (or the Acting Secretary in the case of the Secretary's absence or disability) certifies that the requirements for conducting such an investigation have been met and approves commencement of the investigation. At the request of the source, the Secretary may withhold the identity of the source from the employer, and the source's identity shall not be disclosable pursuant to a Freedom of Information Act request.

"(ii) The Secretary shall establish a procedure for any individual who provides the information to DOL that constitutes part of the basis for the commencement of an investigation on the basis described above to provide that information in writing on a form that the Department will provide to be completed by, or on behalf of, the individual.

"(iii) It shall be the policy of the Secretary to provide to the employer notice of the potential initiation of an investigation of an alleged violation under the authority granted in this [] with sufficient specificity to allow the employer to respond before the investigation is actually initiated unless in the Secretary's judgment such notice would interfere with efforts to secure compliance.

"(iv) Nothing in this section shall authorize the Secretary to initiate or approve the initiation of an investigation without the receipt of information from a person or persons not employed by the Department of Labor that provides the reasonable cause required by this section. The receipt of the l.c.a. and other materials the employer is required in order to obtain an H–1B visa shall not constitute "receipt of information" for purposes of satisfying this requirement.".

SEC. 104. COLLECTION AND USE OF H–1B NONIMMIGRANT FEES FOR SCHOLARSHIPS FOR LOW-INCOME MATH, ENGINEERING, AND COMPUTER SCIENCE STUDENTS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) Imposition of Fee.—Section 214(c) (8 U.S.C. 1184(c)) is amended by adding at the end the following:

"(9)(A) The Attorney General shall impose a fee on an employer (excluding an employer described in subparagraph (A) or (B) of section 212(p)(1) and an employer filing for new concurrent employment) as a condition for the approval of a petition filed on or after October 1, 1998, and before October 1, 2001, under paragraph (1)—

"(i) initially to grant an alien non-immigrant status described in section 101(a)(15)(H)(i)(b); or

"(ii) to extend for the first time the stay of an alien having such status.

"(B) The amount of the fee shall be $500 for each such non-immigrant.

"(C) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(s).

"(D)(i) An employer may not require an alien who is the subject of the petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

"(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).".

(b) Establishment of Account; Use of Fees.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

"(s) H–1B Nonimmigrant Petitioner Account.—

"(1) In general.—There is established in the general fund of the Treasury a separate account, which shall be known as the 'H–1B Nonimmigrant Petitioner Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).

"(2) Use of fees for job training.—63 percent of amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Secretary of Labor until expended for demonstration programs and projects described in section 104(c) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.

"(3) Use of fees for low-income scholarship program.—32 percent of the amounts deposited into the H–1B nonimmigrant Petitioner Account shall remain available to the Director of the National Science Foundation until expended for scholarships described in section 104(d) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998 for low-income students enrolled in a program of study leading to a degree in mathematics, engineering, or computer science.

"(4) Use of fees for application processing and enforcement.—2.5 percent of the amounts deposited into the H–1B non-immigrant Petitioner Account shall remain available to the Secretary of Labor until expended for decreasing the processing time for applications under section 212(n)(1), and 2.5 percent of such amounts shall remain available to such Secretary until expended for carrying out section 212(n)(2). Notwithstanding the preceding sentence, both of the amounts made available for any fiscal year pursuant to the preceding sentence shall be available to such Secretary, and shall remain available until expended, only for carrying out section 212(n)(2) until the Secretary submits to the Congress a report containing a certification that, during the most recently concluded calendar year, the Secretary substantially complied with the requirement in section 212(n)(1) relating to the provision of the certification described in section 101(a)(15)(H)(i)(b) within a 7-day period.".

(c) Demonstration Programs and Projects To Provide Technical Skills Training for Workers.—

(1) In general.—Subject to paragraph (3), in establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of the enactment of this Act, or demonstration programs or projects under section 171(b) of the Workforce Investment Act of 1998, the Secretary of Labor shall establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

(2) Grants.—Subject to paragraph (3), the Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of the enactment of this Act; or

(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under section 121 of the Workforce Investment Act of 1998; or

(B) regional consortia of councils or local boards described in subparagraph (A).

(3) Limitation.—The Secretary of Labor shall establish programs and projects under paragraph (1), including awarding grants to carry out such programs and projects under paragraph (2), only with funds made available under section 286(s)(2) of the Immigration and Nationality Act, and not with funds made available under the Job Training Partnership Act or the Workforce Investment Act of 1998.

(d) Low-Income Scholarship Program.—

(1) Establishment.—The Director of the National Science Foundation (referred to in this subsection as the "Director") shall award scholarships to low-income individuals to enable such individuals to pursue associate, undergraduate, or graduate level degrees in mathematics, engineering, or computer science.

(2) Eligibility.—

(A) In general.—To be eligible to receive a scholarship under this subsection, an individual—

(i) must be a citizen or national of United States or an alien lawfully admitted to the United States for permanent residence;

(ii) shall prepare and submit to the Director an application at such time, in such manner, and containing such information as the Director may require; and

(iii) shall certify to the Director that the individual intends to use amounts received under the scholarship to enroll or continue enrollment at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965) in order to pursue an associate, undergraduate, or graduate level degree in mathematics, engineering, or computer science.

(B) Ability.—Awards of scholarships under this subsection shall be made by the Director solely on the basis of the ability of the applicant, except that in any case in which 2 or more applicants for scholarships are deemed by the Director to be possessed of substantially equal ability, and there are not sufficient scholarships available to grant one to each of such applicants, the available scholarship or scholarships shall be awarded to the applicants in a manner that will tend to result in a geographically wide distribution throughout the United States of recipients' places of permanent residence.

(3) Limitation.—The amount of a scholarship awarded under this subsection shall be determined by the Director, except that the Director shall not award a scholarship in an amount exceeding $2,500 per year.

(4) Funding.—The Director shall carry out this subsection only with funds made available under section 286(s)(3) of the Immigration and Nationality Act.

SEC. 105. COMPUTATION OF PREVAILING WAGE LEVEL.

(a) In General.—Section 212 (8 U.S.C. 1182) is amended by adding at the end the following:

"(p)(1) In computing the prevailing wage level for an occupational classification in an area of employment for purposes of subsections (n)(1)(A)(i)(II) and (a)(5)(A) in the case of an employee of—

"(A) an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), or a related or affiliated nonprofit entity; or

"(B) a nonprofit research organization or a Governmental research organization;

the prevailing wage level shall only take into account employees at such institutions and organizations in the area of employment.

"(2) With respect to a professional athlete (as defined in subsection (a)(5)(A)(iii)(II)) when the job opportunity is covered by professional sports league rules or regulations, the wage set forth in those rules of regulations shall be considered as not adversely affecting the wages of United States workers similarly employed and be considered the prevailing wage.".

(b) Effective Date.—The amendment made by subsection (a) supplies to prevailing wage computations made for applications filed on or after the date of the enactment of this Act.

SEC. 106. IMPROVING COUNT OF H-1B AND H-2B NONIMMIGRANTS.

(a) Ensuring Accurate Count.—The Attorney General shall take such steps as are necessary to maintain an accurate count of the number of aliens subject to the numerical limitations of section 214(g)(1) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(b) Revision of Petition Forms.—The Attorney General shall take such steps are as necessary to revise the forms used for petitions for visas or nonimmigrant status under clause (i)(b) or (ii)(b) of section 101(a)(15)(H) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)) so as to ensure that the forms provide the Attorney General with sufficient information to permit the Attorney General accurately to count the number of aliens subject to the numerical limitations of section 214(g)(1) of such Act (8 U.S.C. 1184(g)(1)) who are issued visas or otherwise provided nonimmigrant status.

(c) Reports.—Beginning with fiscal year 1999, the Attorney General shall provide to the Congress—

(1) on a quarterly basis a report on the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3-month period under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(i)(b)); and

(2) on an annual basis a report on the countries of origin and occupations of, educational levels attained by, and compensation paid to, individuals issued visas or provided nonimmigrant status under such sections during such period.

Each report under paragraph (2) shall include the number of individuals described in paragraph (1) during the year who were issued visas pursuant to petitions filed by institutions or organizations described in section 212(p)(1) of such Act (as added by section 105 of this Act).

SEC. 107. REPORT ON OLDER WORKERS IN THE INFORMATION TECHNOLOGY FIELD.

(a) Study.—The Secretary of Commerce shall enter into a contract with the President of the National Academy of Sciences to conduct a study, using the best available data, assessing the status of older workers in the information technology field. The study shall consider the following:

(1) The existence and extent of age discrimination in the information technology workplace.

(2) The extent to which there is a difference, based on age, in—

(A) promotion and advancement;

(B) working hours;

(C) telecommuting;

(D) salary; and

(E) stock options, bonuses, and other benefits.

(3) The relationship between rates of advancement, promotion, and compensation to experience, skill level, education, and age.

(4) Differences in skill level on the basis of age.

(b) Report.—Not later than October 1, 2000, the Secretary of Commerce shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a).

SEC. 108. REPORT ON HIGH TECHNOLOGY LABOR MARKET NEEDS; REPORTS ON ECONOMIC IMPACT OF INCREASED IN H-1B NONIMMIGRANTS.

(a) National Science Foundation Study and Report.—

(1) In general.—The Director of the National Science Foundation shall conduct a study to assess labor market needs for workers with high technology skills during the next 10 years. The study shall investigate and analyze the following:

(A) Future training and education needs of companies in the high technology and information technology sectors and future training and education needs of United States students to ensure that students' skills at various levels are matched to the needs in such sectors.

(B) An analysis of progress made by educators, employers, and government entities to improve the teaching and educational level of American students in the fields of math, science, computer science, and engineering since 1998.

(C) An analysis of the number of United States workers currently or projected to work overseas in professional, technical, and management capacities.

(D) The relative achievement rates of United States and foreign students in secondary schools in a variety of subjects, including math, science, computer science, English, and history.

(E) The relative performance, by subject area, of United States and foreign students in postsecondary and graduate schools as compared to secondary schools.

(F) The needs of the high technology sector for foreign workers with specific skills and the potential benefits and costs to United States employers, workers, consumers, postsecondary educational institutions, and the United States economy, from the entry of skilled foreign professionals in the fields of science and engineering.

(G) The needs of the high technology sector to adapt products and services for export to particular local markets in foreign countries.

(H) An examination of the amount and trend of moving the production or performance of products and services now occurring in the United States abroad.

(2) Report.—Not later than October 1, 2000, the Director of the National Science Foundation shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in paragraph (1).

(3) Involvement.—The study under paragraph (1) shall be conducted in a manner that ensures the participation of individuals representing a variety of points of view.

(b) Reporting on Studies Showing Economic Impact of H-1B Nonimmigrant Increase.—The Chairman of the Board of Governors of the Federal Reserve System, the Director of the Office of Management and Budget, the Chair of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Commerce, the Secretary of Labor, and any other member of the Cabinet, shall promptly report to the Congress the results of any reliable study that suggests, based on legitimate economic analysis, that the increase effected by section 101(a) of this Act in the number of aliens who may be issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act has had an impact on any national economic indicator, such as the level of inflation or unemployment, that warrants action by the Congress.

TITLE II—SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES

SEC. 201. SPECIAL IMMIGRANT STATUS FOR CERTAIN NATO CIVILIAN EMPLOYEES.

(a) In General.—Section 101(a)(27) (8 U.S.C. 1101(a)(27)) is amended)—

(1) by striking "or" at the end of subparagraph (J),

(2) by striking the period at the end of subparagraph (K) and inserting "; or", and

(3) by adding at the end the following new subparagraph:

"(L) an immigrant who would be described in clause (i), (ii), (iii), or (iv) of subparagraph (I) if any reference in such a clause—

"(i) to an international organization described in paragraph (15)(G)(i) were treated as a reference to the North Atlantic Treaty Organization (NATO);

"(ii) to a nonimmigrant under paragraph (15)(G)(iv) were treated as a reference to a nonimmigrant classifiable under NATO–6 (as a member of a civilian component accompanying a force entering in accordance with the provisions of the NATO Status-of-Forces Agreement, a member of a civilian component attached to or employed by an Allied Headquarters under the 'Protocol on the Status of International Military Headquarters' set up pursuant to the North Atlantic Treaty, or as a dependent); and

"(iii) to the Immigration Technical Corrections Act of 1988 or to the Immigration and Nationality Technical Corrections Act of 1994 were a reference to the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.".

(b) CONFORMING NONIMMIGRANT STATUS FOR CERTAIN PARENTS OF SPECIAL IMMIGRANT CHILDREN.—Section 101(a)(15)(N) (8 U.S.C. 1101(a)(15)(N)) is amended—

(1) by inserting "(or under analogous authority under paragraph (27)(L))" after "(27)(I)(i)", and

(2) by inserting "(or under analogous authority under paragraph (27)(L))" after "(27)(I)".

TITLE III—MISCELLANEOUS PROVISION

SEC. 301. ACADEMIC HONORARIA.

(a) IN GENERAL.—Section 212 (8 U.S.C. 1182), as amended by section 105, is further amended by adding at the end the following:

"(q) Any alien admitted under section 101(a)(15)(B) may accept an honorarium payment and associated incidental expenses for a usual academic activity or activities (lasting not longer than 9 days at any single institution), as defined by the Attorney General in consultation with the Secretary of Education, if such payment is offered by an institution or organization described in subsection (p)(1) and is made for services conducted for the benefit of that institution or entity and if the alien has not accepted such payment or expenses from more than 5 institutions or organizations in the previous 6-month period.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to activities occurring on or after the date of the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 2, which shall be considered read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. SMITH) and the gentleman from North Carolina (Mr. WATT) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. SMITH).

GENERAL LEAVE

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3736.

First, some background: The H–1B bills passed by the Senate and by the House Committee on the Judiciary both propose to increase the quota of H–1B temporary visas for foreign professional workers. Both bills responded to the fact that the demand has exceeded the annual quota of 65,000 in each of the past 2 fiscal years.

The reason for this increased demand is thought to be a shortage in America's information technology workforce. While evidence for this shortage is inconclusive, I believe we should give the industry the benefit of the doubt and grant the additional visas.

The Senate and House Committee on the Judiciary bills had stark differences. The House Committee on the Judiciary bill required that employers comply with two new attestations when petitioning for H–1B workers. Employers would have had to promise not to lay off American workers and replace them with H–1Bs, and to recruit American workers before petitioning for foreign workers.

I felt that these protections for American workers were necessary because of the large number of documented abuses of the H–1B program, instances of companies actually laying off Americans to be replaced by H–1Bs and companies recruiting workers exclusively from overseas. The Senate bill contained no comparable protections.

With the assistance and support of the House leadership, we wrote a workable compromise. And, in negotiations concluded just yesterday, we made further changes that were supported by the administration.

The measure we are considering today embodies those compromises; and, of course, it is a negotiated agreement. That is the nature of any legislative process. What is important is that we have come up with a bill that both responds to the needs of the high-tech industry and adds protections for American workers.

The employers most prone to abusing the H–1B program are called job contractors or job shops. Often, much of their workforce is composed of foreign workers on H–1B visas. These companies make no pretense of looking for American workers. They are in business to contract their H–1Bs out to other companies. The companies to which the H–1Bs are contracted benefit by paying wages to the foreign workers often well below what comparable Americans would receive. Also, they do not have to shoulder the obligations of being the legally recognized employers; the job shops remain the official employers.

Under the compromise we are considering today, the no-layoff and recruitment attestations will apply to H–1B-dependent businesses in those instances where they petition for H–1Bs without masters degrees and where they plan to pay the H–1Bs less than $60,000 a year. The attestations are being targeted to hit the companies most likely to abuse the system. Other employers who use a relatively small number of H–1Bs will not be affected, unless they have been found to have willfully violated the rules of the H–1B program.

Specifically, the no-layoff attestation prohibits an employer from laying off an American worker from a job that is essentially the equivalent of a job for which an H–1B is sought during the period beginning 90 days before and ending 90 days after the date the employer files a visa petition for the foreign worker.

The recruitment attestation requires an employer to have taken good-faith steps to have recruited American workers for the job an H–1B alien will perform and offer the job to an American worker who applies and is equally or better qualified than the foreign worker.

Other features of the compromise are that the H–1B quota will be set at 115,000 in 1999 and 2000 and 107,500 in the year 2001. Then the quota will return to 65,000, at which time the attestations also will sunset.

The Labor Department will enforce all aspects of the program, except in those instances where an American worker claims that a job should have been offered to him or her instead of to a foreign worker. In such cases, an arbiter appointed by the Federal Mediation and Conciliation Service will decide the issue.

Under the compromise, a $500 fee per alien will be charged to all employers except universities and certain other institutions. The funds will go for scholarship assistance for students studying mathematics, computer science, or engineering, for Federal job training services, and for processing and enforcement expenses. The fee will sunset in the year 2001.

Under current law, the Labor Department can only investigate a user of the H–1B program if an aggrieved party files a complaint. The compromise will allow the Department to investigate a company in certain instances where it receives specific, credible information that provides it with reasonable cause to believe that the company has committed a willful violation to abide by the rules of the H–1B program, has shown a pattern or practice of failing to abide by the rules, or has substantially failed to meet the rules.

While current law requires an employer to pay an H–1B alien at least the prevailing wage for the occupation, the compromise will also require the employer to provide benefits equivalent to those given to American workers.

Mr. Speaker, let me conclude with one point of legislative history. The compromise eases requirements on companies when they are petitioning for workers who have advanced degrees. For example, companies who would otherwise have to comply with the two new attestations are relieved of this obligation.

The bill actually uses the phrase "master's or higher degree (or its equivalent)." The point I want to make is that the term "or its equivalent" refers only to an equivalent foreign degree. Any amount of on-the-job experience does not qualify as the equivalent of an advanced degree.

The bill is a workable compromise that deserves our support.

Mr. Speaker, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find myself in a very interesting position today, one that in the 6 years that I have been in this House is unprecedented. Because I am here defending the work product of the committee of jurisdiction in this case.

On May 20, 1998, the full Committee on the Judiciary took a vote on a bill that I will be offering as a substitute to the bill that we are considering here on the floor, and we passed that bill out of the full Committee on the Judiciary by a vote of 23 to 4.

□ 1545

We got to that bill after going through the subcommittee that the gentleman from Texas (Mr. SMITH) chairs and on which I am the ranking member, and working out some details in the subcommittee, and we continued to work out further details as we moved from the subcommittee to the full committee. And by the time we got to the full committee, the full Committee on the Judiciary, we had broad bipartisan support for a bill. And that is the bill that I am here offering as a substitute to what is being offered on the floor today.

So instead of me being the minority opposing what the majority of our committee did, I find myself in the very unique position of being on the floor of the House defending what the Committee on the Judiciary did by a 23 to 4 vote, bipartisan, with the chairman of the subcommittee having gone on and being told to support some other bill, which we will be voting on today unless my substitute passes.

Now, why did we get to the bill that I will be offering as a substitute? We got there because we finally concluded that H–1Bs are probably necessary at this point. We have an H–1B program that authorizes 65,000 foreign workers per year to come into our country and work subject to certain specialty provisions. The H–1B, let me make sure everybody understands, the H–1B visas are available for workers coming temporarily to the United States to perform services in specialty occupations.

A specialty occupation is one that requires a theoretical and practical application of a body of highly specialized knowledge and attainment of a bachelor's or higher degree in the specific specialty as a minimum for entry into the occupation in the United States.

Now, that is a fancy way of saying, you have to be in a pretty narrow area that is specialized in order to be eligible to come into the United States on an exceptional basis and take a job that, in effect, we are saying we just do not have the United States workers in our country capable of filling that job.

Now, this H–1B program has been around for a long time. We have 65,000 people a year that we allow to come in. They spend a total of 6 years each, 65 times 6 is almost 400,000 foreign workers that can be in the United States under the current H–1B program.

Now, how did we get here? High tech industries expanded their employment base and concluded that they needed more than the 65,000 a year allocation and, in fact, the Committee on the Judiciary agreed with them.

We will hear arguments all over the place, but the truth of the matter is that we finally concluded, well, we do not really know whether there is a shortage that requires an increase in H–1B slots or not, but we are prepared to give the benefit of the doubt and keep on moving. So let us do this and let us do it in a reasonable way that acknowledges that the high tech industry has a problem that they cannot get enough U.S. workers to fill these highly technical positions, but we did it against a backdrop where some people were really concerned.

In fact, I am going to be reading here a lot, interestingly enough, from the committee's report. This is the full Committee on the Judiciary report that I keep finding myself reading from, one that I would have hoped that my colleague would be reading from in defense of our bill, rather than me having to read from it to defend the bill that we passed.

Let me read what Secretary of Labor Robert Reich, the former Secretary of Labor said. He said, our experience with the practical operation of the H–1B program has raised serious concerns that what was conceived as a means to meet temporary business needs for unique, highly skilled professionals from abroad is, in fact, being used by some employers to bring in relatively large numbers of foreign workers who may well be displacing U.S. workers and eroding employers' commitment to the domestic work force.

So how did we decide to address this in the Committee on the Judiciary on a bipartisan basis? We said, we acknowledge that there is a shortage, but we also acknowledge on the other side that some people say this program is being abused and has been abused. So if we are going to expand the numbers of authorized people who can come in under this program, then we also ought to expand the protections for U.S. workers and the guarantees that employers have to provide that they are neither displacing a U.S. worker, laying off a U.S. worker or having not sought to obtain a U.S. worker. And we need to put in place a mechanism to provide training to U.S. citizens so that we do not make this a permanent H–1B expansion going forward.

And that is exactly what the Committee on the Judiciary set out to do, and it did it masterfully. With one exception, and that was the training component, which is also in my bill, in my substitute and in the committee, in the new bill that we are now considering on the floor.

So how did we do this? We said, you need the workers. You come in, you make an attestation that you have not fired or will not fire an employee or replace that fired employee by a foreign worker. I mean, that is fair enough. You make an attestation that you have sought to find a comparable worker in the United States. That is fair enough.

And yet now we have a bill in front of us that requires that attestation of only a very small group of employers. Here is the exception, so that everybody knows: Employers with fewer than 25 employees and more than 7 H–1B workers would have to make the certification. Employers with 26 to 49 employees and more than 12 H–1B workers would have to make the certification. Employers with more than 50 workers with at least 15 percent, 15 percent of their work force being H–1B employees would have to make the certification. But everybody else in the world can bring in their H–1B employees without making those certifications.

Now, the House is going to have a classic opportunity here today. We have got a bill that does what 23 members of the Committee on the Judiciary said is fair. That is the substitute that I will be offering, along with the gentleman from California (Mr. BERMAN) and the gentleman from Pennsylvania (Mr. KLINK). It is the committee's bill.

And we have got a bill that is the base bill that was written by the Senate, worked out in the back room, agreed on last night on the floor at 5 minutes to 4:00 in the afternoon the next day, without anybody even having seen what the language is, except they printed it in the CONGRESSIONAL RECORD in small print last night. Now they are saying we should accept what the Senators said over here, lock, stock and barrel, abandon the bipartisan agreement that the committee had and go forward with that.

Nobody thinks that is fair, and we have got a better bill, which addresses the issue and protects United States workers.

That is the choice that the House has in front of them today.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

I would just like to make the point, again, that this is a bill that is supported by both the Republican leadership and the administration. This is an unusual conjunction of sometimes opposing forces agreeing on a bill, and that is yet another reason why Members should support it.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the next chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend, the distinguished chairman of the subcommittee, for yielding me this time.

Some might say that they had heard enough from me during the debate on the rule which I just managed, but I did feel compelled to state that I believe that the gentleman from Texas (Mr. SMITH) has been very courageous and hard working in pursuing this compromise.

My friend from North Carolina is correct that it is an unusual procedure, but guess what? This H-1B visa bill is not going to become public law until a majority of the House of Representatives casts its vote, until the United States Senate has its compromise, until it goes through the conference process and it gets to the desk of the President of the United States for signing. So guess what? A majority of the Members here will have to direct how this process is going to go ahead.

I happen to think that it is a very reasonable and positive compromise. It is one which does address concerns that have been raised by virtually everyone on this. Some of my colleagues talk about the problem in the area of education, saying, we need to have a better educated citizenry so that they can, in fact, fulfill these jobs that are out there. I agree, and this bill addresses that, with 10,000 scholarships that go to those lower income individuals. It is done with a $500 fee that is going to be charged that should raise $75 million so that this can annually be funded to address those concerns.

It also tightens up the small business area, the exemption there. I remember having a discussion in the Republican conference with my friend, the gentleman from California (Mr. GALLEGLY) who was concerned, I think he offered an amendment in the committee which talked about shortening the time frame for the program itself.

Well, in fact, in the compromise, the time frame of the program has been reduced. It was going to be ultimately at first, I guess, 5 years, if we included this year, but we have gone so late now we are not doing that, so it has gone from 4 years down to a 3-year program. I hope that within that 3-year time frame we are able as a Nation to educate the best qualified people so that, as we create new technologies, we will have qualified individuals out there to address them.

It is going to be a 3-year program, not a 4- or a 5-year program. Then, obviously, we will have to look at it again.

□ 1600

Those who are violators of this program can be debarred for 3 years, and so there clearly is an incentive to comply with the strictures of the program itself. The Department of Labor is going to be able to participate in spot checks for those companies that have knowingly violated in the past. I think that is a decent provision that was put in there.

And we have had so many people who have stood up and said, oh, there is nothing that has been made available and no one has been able to see it. I am going through this explanation, and I think the modifications that are made are, frankly, quite, quite modest.

But one of the things that I think is important to note is that, while U.S. companies are required to pay the so-called prevailing wage, the same wage, they cannot all of a sudden say we are going to fire an American worker so that we can instead go and start hiring someone from another part of the world at a lower rate. We not only are requiring equivalent pay but equivalent benefits in this compromise.

So as I listen to the criticism that will be leveled by some on both sides of the aisle, it seems to me that it is a very, very balanced measure. It is worthy of our support. It is worthy of our support for a very, very important reason. While we address the concern of American workers, Mr. Speaker, we have to look at the ability of the industries of the United States of America to remain competitive.

Virtually everyone has acknowledged that we are, today, living with a global economic crisis. I have been in a number of meetings today in which I have heard things, in fact, that are very, very troubling about the potential future. Tomorrow, we will be voting on fast track negotiating authority. There is a debate raging on the replenishment of the International Monetary Fund. The question of interest rates, all of these economic questions are out there as far as the future of the global economy, and I believe we need to be very concerned about the U.S. economy, which, obviously, is the world's leader.

Mr. Speaker, if we turn down an attempt to increase the H-1B visas, guess what will happen? We have businesses that are being lured out of the United States by spots like Singapore and Ireland trying to create tax incentives and other incentives to draw our businesses out. Why? They will be able to have the best-qualified, skilled expertise there. Now, for every one of these H-1B visas that will come in creating jobs, there will be four U.S. jobs that are created as a by-product of that.

So this is a win-win. It will help keep U.S. businesses here in the U.S., ensuring that they have an incentive to stay here. And this is a compromise which is positive. It has been one that has, again, been worked out by the Clinton administration, Democrats and Republicans in the United States Congress, in both Houses, the House and the Senate, and it is one that I believe is worthy of bipartisan support here in the House of Representatives.

So, with that, I would again like to congratulate my friend from San Antonio, the very distinguished chairman of the subcommittee, for working long and hard on this. It was a pleasure to work with him on this issue, and we look forward to a spectacular victory in the not-too-distant future.

Mr. SMITH of Texas. Mr. Speaker, I thank my friend from California for his generous words about me and for his accurate words about the bill itself.

Mr. Speaker, I would like to inquire how much time remains for each side?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Texas (Mr. SMITH) has 17½ minutes remaining, and the gentleman from North Carolina (Mr. WATT) has 17 minutes remaining.

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I would like to enter into a colloquy with the distinguished chairman.

Mr. Speaker, the 1990 amendments to the Immigration and Nationality Act created two new Visa categories, O and P, which provide for the temporary entry of aliens who have extraordinary ability in the sciences, arts, education, business, or athletics, and for the temporary entry of athletes and entertainers with lesser abilities.

Clearly, Mr. Speaker, the O and P visa categories were created to ensure that entertainers, athletes and support personnel would no longer be admitted under the broad H-1 standard of omission but, instead, would come in under the O and P categories. It is my understanding, therefore, that this bill under consideration today does not pertain to the temporary admission of entertainers and their accompanying crews. Is that also the gentleman's understanding?

Mr. SMITH of Texas. Mr. Speaker, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from Texas.

Mr. SMITH of Texas. Mr. Speaker, let me emphasize that that is my understanding, and I thank the gentleman for making that valid point.

Mr. NADLER. Mr. Speaker, I thank the gentleman.

Mr. SMITH of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Speaker, I urge my colleagues to support this H.R. 3736 so we can ensure a continued supply of highly skilled workers for American companies.

To those of us who are in business, particularly in manufacturing, some of the rhetoric we have heard in connection with this bill just does not make any sense. Whether we like it or not, we are in a world economy. Our competition is just as likely to come from Asia, Europe or Latin America as it is from the town next door. We can only compete if we constantly are adapting to new technologies and new demands, and to do that we have to find employees who have skills that we need. It is not a question of American versus foreign workers. It is a matter of keeping up and, hopefully, ahead of the constant competition. And if we fail at that, there will not be any jobs.

So the question is, in this world economy, how do we best promote the interest of our economy and the American workers? And it seems to me this bill is entirely consistent with doing what is best for our economy and our workers.

Some people argue this bill will hurt American workers. The principal protection for American workers that has been in H-1B programs before, and continues to be a part of the program under this bill, is that an H-1B worker must be paid at least as much as other employees with similar qualifications and experience.

There have been some abuses in the H-1B program, as there have been in many other government programs, and the problems have been particularly in the area of paying the required wage. This bill that we are considering today provides additional enforcement and includes tighter restrictions on H-1B dependent employers.

I would also note that H.R. 3736 has an important provision to generate additional funds for training and education of American workers in technology fields where there is such a demand for workers right now. Hopefully, as some of the reforms of JTPA that we have recently passed go into effect, these funds will be used to improve retraining programs for Americans so that Americans can fill the technical jobs that are increasingly the jobs available in this economy.

Let me just say that we all have seen polls that have been sent around to our offices asking Americans whether they support allowing 190,000 additional foreign technical workers to come into the United States. To be more accurate, they should instead ask this question: "Would you prefer these 190,000 technical jobs be filled in the United States or transferred to other countries?" Then I think the answer would be much different. That is the challenge of the world economy in which we are operating. I think H.R. 3736 provides the right answer to that question.

And, again, I appreciate the work of the Members of the House and the Senate in agreeing on an agreement reached with the administration, and I urge my colleagues to support 3736.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself 30 seconds, just to say to my good friend from North Carolina that this is not about whether we become a global economy. We have acknowledged that we are a global economy. We made findings in the bill that the Committee on the Judiciary passed 23 to 4 that acknowledged there was a need. So this is not about that.

Now, there are some people who believe we ought not be doing any of this, and I am going to yield to one of those people right now. The gentleman from California (Mr. ROHRABACHER), is a colleague of the gentleman from North Carolina (Mr. BALLENGER) on the Republican side, who thinks we should not be doing any of this.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, with all due respect to my good friend, the gentleman from North Carolina (Mr. CASS BALLENGER), this is about whether we have 200,000 jobs here for Americans or whether we will have 200,000 jobs given to foreigners who come here. And those jobs will be taken up, yes, but we are taking away, by this law, the incentive for people to retrain people who can fill these jobs if we pass this legislation. So I stand here today to oppose H.R. 3736.

This bill is contrary to the interests of hundreds of thousands of American workers, in fact, millions of American workers. It represents an attempt by high-tech corporations to hire cheaper foreign labor. And we cannot really blame them for that. That will add to their profit. That is who they represent, the interest of their stockholders. But we are not supposed to be representing the interest of their stockholders, we are supposed to be representing the interests of the American people and the United States. And rather than hire laid-off, high-tech employees or retrain other unemployed Americans, now these high-tech companies will just bring in cheaper foreign labor.

So why retrain people? Why hire older Americans, who might have to use health benefits or retirement benefits? Let us bring in these 25-year-old Indians or Pakistanis. This bill, in short, is a windfall to some companies that are making a profit off bringing in cheaper foreign labor, but it is a kick in the teeth to Americans, hard-working Americans, many of whom have been so loyal to their country and their employer but now are unemployed.

Now they need some retraining or they need a job, and Congress is being asked to change the rules so that we can have hundreds of thousands of foreigners to come in here and take those jobs. Because those foreigners will get less money.

Now, we can talk about, well, there is some things in the bill that protect that. In the end, we know that this will suppress any type of momentum in the economy to pay people more because there is, quote, a shortage. Thus, loyal Americans, people who have worked real hard for their employer or real hard for their country are going to be unemployed and untrained because those people that are going to be hired are going to be from outside this country.

H.R. 3736 will bring in hundreds of thousands and flood the job market. If supply and demand were being adhered to, and those of us on our side of the aisle always talk about supply and demand, we believe in it, that is why we oppose many of these other things, well, if it is being adhered to, it has to be adhered to when it pressures wages up and helps the American people at those times as well as when it helps American companies. If we believe in it, let us stand for it now.

Now, what would it mean if we let the supply and demand work at a time like this when they say there is a shortage of labor in the high-tech industries? It means wages would rise or investments would be made for retraining. That is what we are undercutting by passing this bill. We are undercutting increasing wages for our people and retraining. So there are thousands of veterans and aerospace workers, veterans who need jobs and they need retraining, aerospace workers in my area who need retraining, and there are perhaps 200,000 people who have been laid off by high-tech companies themselves, all of these people are the victims of this legislation.

And who are we helping? We are helping hundreds of thousands of foreign workers. Who are we loyal to here?

This is a maneuver to add to the profit margin of these high-tech companies. And, again, it is good for them. They should be out for their profit. But it is a dagger aimed at loyal employees, especially employees who are over 40 who may have to use health benefits and retirement benefits.

We should decide what our standard of immigration is all about, what is best for our country, and it should not be flexible and manipulated and used to subsidize any industry or to keep wages down. What these companies should do is go hire people and train them or get involved in the community but not manipulate the rules in order to keep their profits up and keep wages down. So wages and prices as well should be just like in supply and demand. It should be outside. Wages and prices should not be based on political maneuvers or manipulations.

Finally, this bill reflects an attitude I find pervasive in corporate America, and that is many of our executives think of themselves as citizens of the world. This is a global economy; thus, they are globalists. Well, I have news for everybody that makes that argument. We better be loyal to the American people. The freedom of the world, the prosperity of our country, the whole future of mankind depends on these people who have worked hard for our country. They have worked hard for their employer. They have been loyal to us, and they expect us to be loyal to them. And if we sell them out for the profit margin of a couple of high-tech companies, so it will be a little higher, at a time when they are unemployed and out of work, but we are going to flood the job market with foreigners, who are we loyal to and what does that mean to our future?

Our high-tech companies and their corporate leaders should be loyal to the United States of America. And if they are not, well, we, at least in the United States Congress, have to be loyal to the American people.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume to remind my colleagues this bill does, in fact, target businesses that are called H-1B dependent. Businesses who hire more than 15 percent of these type of foreign workers are targeted, and we do have safeguards for the American worker. We do have safeguards that include the fact that the businesses cannot fire an American worker and hire an overseas worker, and they have to make good-faith efforts to hire American workers first. So the abusers of the program are being targeted by the compromised bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. PORTER).

□ 1615

Mr. PORTER. Mr. Speaker, I thank the distinguished gentleman from Texas for yielding this time to me, and I commend him for his leadership on this issue.

Mr. Speaker, I rise today in strong support of H.R. 3736. This well-balanced legislation addresses the needs of the business community while protecting the well-being of American workers. It meets a short-term labor demand for our country, and it institutes strong safeguards to protect against a permanent reliance upon alien labor sources, including a new program of grants to provide technical skills training for workers.

Mr. Speaker, one project that should be supported under this new program is the DePaul University High-Tech Workforce Pilot Program in Chicago. Developed in conjunction with corporate and local entities, this comprehensive program ensures that America's workforce will be better prepared to compete in the dynamic high-tech industry. I am confident that implementation of DePaul's training, retraining and education program will expand America's skilled labor force and enhance our competitive position in the global marketplace.

Mr. Speaker, the technology industry is presently experiencing a labor shortage. The current 65,000 cap on H–1B visas, created by Congress in 1990, has been rendered irrelevant by the technology explosion of the past decade. This arbitrarily chosen quota was met by May of this year and has left American businesses unable to hire new H–1Bs until next January. In the interim, technology firms have been left with thousands of open jobs and few qualified applicants. Employing American workers for these jobs is not, at present time, a feasible solution. Failures in our educational system has created a void of qualified American skilled labor, compelling high tech firms to rely upon foreign born talent to fill these positions. Without an increase of the 65,000 visa ceiling, these vacant jobs will not be filled, thereby weakening a high growth industry that has been at the forefront of this nation's current economic boom.

Many of my colleagues have expressed concerns that increasing the number of H–1B visas will displace American workers and shut them out of future employment opportunities in the high tech industry. This bill institutes numerous measures to ensure that Americans will not be victimized by this legislation. A $500 fee paid by businesses wishing to participate in the H–1B program will raise approximately $75 million annually to be split between a scholarship program for underprivileged high school students studying mathematics, computer science, or engineering and funding for job training programs which focus on information technology. Furthermore, a system of fines and/or a one to three year disqualification for those companies who abuse this law will work to further protect American workers from being shut out of the high-tech industry by H–1B aliens.

Mr. Speaker, H.R. 3736 constitutes a carefully constructed, well-balanced piece of legislation that addresses the needs of the American business community while protecting the well-being of American workers. I urge my colleagues to vote in favor of this bill.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume. The self-executing amendment to H.R. 3736 includes a provision to provide math, engineering and computer science scholarships to needy students and a provision to provide additional worker training programs. There are a number of pilot programs being developed around the country to provide high-tech training to American workers. As the gentleman from Illinois (Mr. PORTER) has just mentioned, DePaul University has developed just such a pilot program to address the shortage of qualified U.S. high-tech workers in conjunction with corporate and local entities that might well serve as a good model for other programs across the country.

Programs like the one developed by DePaul University are what we had in mind when the training provisions were drafted. Again I thank the gentleman from Illinois for helping us make sure that this provision was in the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. OWENS).

Mr. OWENS. Mr. Speaker, I cannot emphasize too strongly, and I returned to the floor to state that this is an education problem, not an immigration problem. The immigration band-aid is botching up the whole process. There is a symptom here. We have a problem in terms of a shortage of people to fill information worker jobs. As long as we patch it up with a band-aid, we are not going to deal with the real problem. We need major surgery. Instead of a DePaul University experiment, which is a laudable innovation and I have no problem with that, but it is too small. We need something on the scale of a GI bill which offered education to every GI returning from World War II. We need something that massive to deal with the coming explosion of needs for information workers in our economy and in the economies of all the countries of the world. It is that big.

We are the indispensable nation. If we are going to stay ahead, our education system has to be ahead. We have to have the most educated people on the face of the earth. There is no reason why we cannot do that. We have the resources. We can finance it. We have the policies that have been proposed by the President in terms of school construction so that all of our schools can be wired in a way which allows them to have computers and educational technology in order for them to prepare youngsters at a very early age to enter into the information technology worker field.

We also have an e-rate that has been proposed by the Federal Communications Commission which gives communications services at a discount to schools and libraries. The same companies that are begging for these foreign workers and will utilize foreign workers are opposing the implementation of the e-rate. The e-rate is a permanent arrangement which will lower the cost of telecommunications services for schools. That is part of a comprehensive policy that we need. We need a comprehensive approach which includes school construction and wiring of schools, making more computers available, the e-rate, information and technology training centers at the community level so that youngsters from low-income homes will have an opportunity to go in and practice on the computer like their middle-income counterparts.

But since the low-income youngsters do not own computers, we need some storefront computer centers where we can keep them open late at night and on Saturdays so that not only the students or youngsters but also older workers who are being downsized and misplaced in their present jobs can get some new training. Other workers need to upgrade themselves. They do not have computers at home. There are a number of components that ought to go into meeting this massive need. It is true, we are going to need them. 1.5 million vacancies are predicted over the next 5-year period. Instead of this band-aid which if it were only temporary, I would not be here. It is not temporary when you talk about a three or four-year period. "Temporary" is this year or next year. But they are talking about going all the way to the year 2001 and in the process of making that journey from now until the year 2001, they are going to ask to have those quotas raised. I predict that we will be back here next year with an argument being made to increase the quota of foreign workers coming in.

Why can we not be as wise and have as much vision as Bangalore, India? Many years ago they decided they would heavily invest in training their students in computers and computer programming. Now Bangalore, India is considered the computer capital of the world. Most of these foreign workers that are going to come in will be coming from India. I have no problem with them coming from India or anywhere else, but the American students ought to have the opportunity to get the training that they need to fill these jobs. American workers also will keep the standard of pay at the level commensurate with the rest of our economy. They are going to pay these workers who come in as foreigners less. There are many inducements and enticements that are involved here which will make the industries continue to pressure to have more and more of the quota increases of foreign workers. We need to train our own workers with a comprehensive education program.

Mr. SMITH of Texas. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. I thank the gentleman for yielding time. Mr. Speaker, I have very mixed feelings about this bill. There are some improvements that have been made without question by the gentleman from Texas (Mr. SMITH) and the gentleman from California (Mr. DREIER). I do not like to disagree with them. However, I have some major concerns.

My background is in education, heading a university with numerous computer programs. I come from the State of California where Silicon Valley is most of Santa Clara County.

But there are Silicon Valleys of many and few firms all over the United States of America. They are in Michigan near Ann Arbor. They are across the Potomac in Fairfax County, Virginia. They are in San Diego County and Orange County in California.

But I happen to come from Los Angeles County where 400,000 aerospace workers have been laid off over the last decade. And recently, Boeing, which I am delighted to have in my particular congressional district, they cut back roughly 3,000 workers in Downey, California. Now, that hurts. These workers built the Appollo, the Sky Lab, and the Shuttle.

Many of these 400,000 have either jobs much lower than they had at one point in time or simply have not been placed and have moved out of the field.

I feel very strongly that the Silicon Valleys of the Nation—and let us start with those firms in Santa Clara County. They should sit down with the Presidents of the community colleges of the Nation and work out the type of education program the computer firms need if domestic workers will master the skills to fill these jobs. These are not minimum wage jobs. These are $30,000 a year, $40,000 a year, $50,000 a year, and $60,000 a year jobs! We should have goals for our young people and adults who need to be retrained for the Information Age. Many already have the math and other courses. They just need the opportunity. That is why I am concerned. We have got to have an exchange of improving the quality of the product.

In California we have an excellent community college system. There are 107 two year colleges spread over the State from the Mexican border to the Oregon border. They have outstanding faculty members

We need to have the presidents of the colleges and the computer firms in the same room. The college presidents need to say, "look, you can help us, Silicon Valley, because State budgets never cover our equipment needs. Our school budget is never able to secure the latest up-to-date generational equipment. We can help you with development of this curriculum. We need your input."

The chief executives in education and industry must get together. Who will buy the coffee and provide the room. If that is not going to happen, I will tell you that the $75 million and the 10,000 scholarships it will fund is pitiful, When enacted, H.R. 3736 will remove the existing cap off at the 65,000 foreign worker level annually and this legislation would almost double the cap by going to 115,000. The 10,000 scholarships to retrain the American worker is a seemingly big drop in the bucket, but is not when the foreign visas rise from the current level of 65,000 annually to 115,000 in the year 2000. In 2001, 107,500 MIB visas would be issued. So much for 10,000 retrained American workers. There should be 107,500 trained American workers, not just 10,000. In the Second World War many more workers were trained.

I cannot believe that if we set goals and communicate with young and old alike, there will not be people who will seek that training. We should make sure that 7th and 8th grades know about the new and needed jobs that will be available in the twenty-first century.

I think my colleagues have done a wonderful job in some of the differences, but once you go this route with that big a gap between visas and scholarships, then you are in trouble. Industry and education need to get together. That ought to be our goal. Until that time, I am not going to vote for a bill that increases the visa cap,

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume. I just want to reassure my colleague from California that we do have that $500 fee in this bill that every business will pay for every H-1B worker that business brings into the country. That is a huge pot of money. It is going to be used largely for job training and also for scholarships, particularly for college students who major in either computer science or math or engineering. I hope that that will reassure the gentleman and answer and address some of his concerns.

Mr. Speaker, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me this time. Let us get to what we are really debating here today. We are debating the failed trade policy of the United States of America. We are going to run a $200 billion trade deficit this year. That means we are going to export about 4 million jobs. But we were told, "Don't worry. Those 4 million jobs are those old, dirty, obsolete industrial jobs." Even though they were family wages and they paid benefits, not to worry. Those workers will be retrained for the future, the high-tech industry of the United States of America.

So as we export the industrial base jobs, the family wage jobs, the jobs with benefits, what are we going to do now? We are going to import people for those jobs of the future. We are going to export our industrial jobs and we are going to import people into the United States to do the jobs of the future.

What about those 4 million people? What about the people laid off from the aerospace jobs, from the computer companies and everywhere else? Are you telling us the American people are stupid? They know what you are doing here. You are screwing them going and coming. You are going to bring in people to fill the jobs you promised them when you took away their jobs.

Both bills should be rejected, the bill and the substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, I rise in support of the measure before us for a number of reasons. As a member of the Subcommittee on Immigration and someone who has experience in immigration law, used to teach immigration law, I have worked through with the White House and leadership on the other side of the aisle on this issue, and I believe that the product before us has many things that merit our support.

First, although much has been said about computer professionals, and I come from Silicon Valley, I represent Santa Clara County, the H–1B program extends beyond computer specialists. I would note that I just received a call from a superintendent of schools in San Jose who said, "Please be careful. We're getting almost all our bilingual teachers through the H–1B program right now." So that is something to keep in mind.

Secondarily there are specialists. This is not just a shortage issue, it is a specialist issue. Like the biotech firm in Silicon Valley that has hired specialists in Great Britain who are on the cutting edge of a particular type of science and has kept them on full salary since last spring in Great Britain waiting for an H–1B visa to become available. That is not a shortage issue. That is a specialist issue. That needs to be kept in mind.

Finally, it is also a shortage issue. For my colleagues who say that we ought to do a better job of training our own people, I could not agree more. We need to get into schools that have been neglected. We need to make sure that poor children who are not achieving have a chance to achieve and become scientists and engineers. And although this bill will not accomplish all of that, this 75 to $100 million a year that will be provided for in the bill by the fees is going to help retrain American workers through the Job Training Partnership Act and also will be made available for math and science instruction.

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Now in listening to my colleagues here and in talking to Members on the Republican side of the aisle and also in the Senate I think that we may need in conference to take a look at the allocation of funds in the math and science arena and see if we should not do a little bit more in K–12 education in addition to the scholarships, and I think that there is a willingness to work together on that.

But having said that, Mr. Speaker, and if we could accomplish that, we should also note that in this bill there is the toughest enforcement that has ever been devised that is oriented towards those who are the wrongdoers primarily in abusing American workers, and that is the so-called job shops. Very heavy attestation requirements, very severe penalties and very strong enforcement provisions.

I would just also note that the Department of Labor has additional enforcement authority beyond the complaint system.

So this is a tough bill, it is a balanced bill, and it is a bill that provides funding for American school kids so they can become the scientists and engineers we need. I hope that my colleagues will support this very sensible approach.

Mr. WATT of North Carolina. Mr. Speaker, I yield the balance of our time to close the general debate to the gentleman from Pennsylvania (Mr. KLINK), and then I will yield him some more time when we start the debate on the substitute.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Pennsylvania is recognized for 2¼ minutes.

Mr. KLINK. Mr. Speaker, I thank the gentleman from North Carolina for yielding this time to me, for his courteousness during this debate and also his leadership. The gentleman, the ranking member, is someone that, after we have been through this and my other work with him, I would appreciate being in a foxhole with him any day. He has conducted himself very well and very ably in this as he has on many other issues. And even though we have ended up with different conclusions, I would say to the gentleman from Texas (Mr. SMITH) he did good work to get us as far as he has gotten us, but it is not nearly good enough, and I think that the people of the country need to understand what is before us today.

Let me first talk about the macro view. My friend from Oregon touched on the point when we were debating NAFTA back in 1993. He said that we understand that those low-skilled jobs are going to move offshore, but we were promised, as the gentleman said, that the high-tech jobs would be created, our workers would be retrained for those jobs, our sons and daughters would be trained for those jobs; that was the new economy. And now what this bill is saying is that our children are too stupid; our displaced workers are too stupid. We are not putting money into training. We need to bring over those foreigners who can take the jobs and displace America.

The other macro view about this is, what will that do long term to the social fabric of this Nation? What will it do towards the attitudes of Americans when they see foreigners coming here and taking those jobs? It is only natural, if someone has got $60,000 or $70,000 in college loans and they are waiting on tables because the high-tech industry will not hire them, and, by the way, I have testimonial after testimonial from hundreds of people across this country who have been displaced who have not gotten jobs, and the people have told them we are waiting for the H–1B expansion because we can hire these workers cheaper, and when they are here, they are ours. They are nothing more than indentured servants. That is exactly what they are.

As my colleagues know, we have heard stories today about 10,000 scholarships. What good is a scholarship created by this program if the people who have gone to college here now cannot get hired? So we will have 10,000 more people with college educations waiting in the unemployment line and waiting on tables. That is what this debate is about.

I cannot understand why there is this huge deal about $500 a job in the new bill. For $500 we are going to sell each American job. That is what it cost. If my colleagues want a $50,000 or $60,000 a year job, vote for this and get it for $500. What a deal.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again this compromise bill is supported by both the Republican leadership and the administration because it does two things right. It continues to protect the rights of American workers, and in addition to that it also provides the needed workers for high-tech industry itself.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DAVIS), who is both chairman of the Subcommittee on the District of Columbia and, just as importantly, he is a former high-tech executive in the information technology field.

Mr. DAVIS of Virginia. Mr. Speaker, I thank my friend from Texas for yielding this time to me, working with the other body and working with the administration to try to bring a bill with some very complex components and, obviously, some very emotional components to fruition here where we can do what is right for American workers. And to my friend from Pennsylvania who spoke, I know these are sincere words from him, but I take a different macro view of how the world and jobs are being created.

The reality is that high-technology jobs are being created in America faster than we have qualified people to fill them. This was not expected at the time. In my own county, the Northern Virginia Technology Council did a study that showed we have 20,000 available jobs, average salary $42,000 a year, that we cannot fill. Now, what happens if we cannot find the people to fill them?

There is, by the way, a nationwide vacuum in the vacancies in the information technology field, and this is a study by the Information Technology Association of America, the ITAA: 346,000 vacancies for computer programers, systems analysts, software engineers, computer scientists nationwide that we cannot fill. It is building and costing companies more to hire people. We are in a bidding war. Salaries are going up. And with the year 2000 problems and others it is costing our Federal Government billions of dollars more than we originally envisioned because of the scarcity of trained technical workers.

Now what does this bill do? It confronts it. One of the most challenging components of the information age is, as a society, how do we confront these challenges that workers are going to have to be trained and constantly retrained as technologies emerge, as they change rapidly to fill the rapidly developing jobs in this era? H.R. 3736 serves as a short-term remedy to this Nation's long-term need for highly skilled technical workers. If we do not, and let us take these 20,000 jobs in Fairfax that are available right now, if we do not find technical workers that are qualified to do this, what happens to those jobs? I will tell my colleagues exactly what happens:

We have companies right now unable to find trained Americans to do the jobs that are moving the jobs to India, they are moving them to Malaysia, they are moving them offshore. And as they move offshore, we lose those jobs from this country entirely over the long period so that when our sons and daughters and friends and neighbors are trained to be able to provide for this, not only those jobs but the jobs that spill out of that have gone offshore forever. This is a short-term remedy.

And it does something else that I am not hearing from the other side and opponents of this. It addresses the issue of training, something we as a society both on the private sector and government sector have really not focused on in the information age, and that is how you get people to be trained and retrained into where the jobs are, how do we coordinate public education, higher education, community colleges and train people for exactly where the jobs are? Because government traditionally lags a little bit behind the market, and we are finding that now, because of the fee that companies are paying for each worker that is put into a fund is going to fund scholarships for individuals who would otherwise not be trained and to entice people to go into some of these engineering and speciality fields so they can get the training and at the end of the cycle, in the year 2001, we are going to have trained Americans to fill these jobs. Without this legislation, I dare say there is nothing pending before this body that addresses the issue of how we are going to get people into these fields where the jobs are.

In my State of Virginia, we have more students graduating from college each year going into psychology as a major than we do into the computer science area, three times as many last year, and yet the jobs are not there, they are in the technical side. This bill addresses that. This bill makes the companies who are bringing workers in on a temporary basis pay for those jobs. That is the way it ought to be. It should not be the taxpayers at large. We have no other vehicle that does that.

And that is the beauty of this compromise. By creating that $500 fee to be included as a part of every H–1B visa issued, it will support this fund, and it is going to provide scholarship assistance for students studying math, computer science, engineering for Federal job training services.

I think that instead of sitting, complaining and whining about what is happening in different parts we need to take actions, that the result of those actions move jobs out of the United States on a permanent basis. What we need is to take more positive steps to induce qualified Americans to become trained and retrained, and this bill does that. We need to bring students from the inner city right now where a lot of these high technology jobs do not even exist, get them into training and programs. They have the aptitudes. Get them into programs where they can be trained and take advantage of these.

This is the wave of the future, not just in the United States, not just in the Silicone Valley or northern Virginia, but across the world, and this legislation is the first meaningful piece I have seen come out of this Congress that addresses this in a fair way and addresses the future, not just the current cycle.

And I just thank my friend from Texas (Mr. SMITH) for working so hard to bring this compromise about. I am excited about this legislation. I hope my colleagues will support it.

Mr. SMITH of Texas. Mr. Speaker, I yield back the balance of my time.

AMENDMENT NO. 2 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 2 in the nature of a substitute offered by Mr. WATT of North Carolina:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Workforce Improvement and Protection Act of 1998".

SEC. 2. TEMPORARY INCREASE IN SKILLED FOREIGN WORKERS; TEMPORARY REDUCTION IN H-2B NONIMMIGRANTS.

Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended—

(1) by amending paragraph (1)(A) to read as follows:

"(A) under section 101(a)(15)(H)(i)(b), subject to paragraph (5), may not exceed—

"(i) 95,000 in fiscal year 1998;

"(ii) 105,000 in fiscal year 1999;

"(iii) 115,000 in fiscal year 2000; and

"(iv) 65,000 in fiscal year 2001 and any subsequent fiscal year; or";

(2) by amending paragraph (1)(B) to read as follows:

"(B) under section 101(a)(15)(H)(ii)(b) may not exceed—

"(i) 36,000 in fiscal year 1998;

"(ii) 26,000 in fiscal year 1999;

"(iii) 16,000 in fiscal year 2000; and

"(iv) 66,000 in fiscal year 2001 and any subsequent fiscal year.";

(3) in paragraph (4), by striking "years." and inserting "years, except that, with respect to each such nonimmigrant issued a visa or otherwise provided nonimmigrant status in each of fiscal years 1998, 1999, and 2000 in excess of 65,000 (per fiscal year), the period of authorized admission as such a nonimmigrant may not exceed 4 years."; and

(4) by adding at the end the following:

"(5) The total number of aliens described in section 212(a)(5)(C) who may be issued visas or otherwise provided nonimmigrant status during any fiscal year (beginning with fiscal year 1999) under section 101(a)(15)(H)(i)(b) may not exceed 5,000.".

SEC. 3. PROTECTION AGAINST DISPLACEMENT OF UNITED STATES WORKERS.

(a) IN GENERAL.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by inserting after subparagraph (D) the following:

"(E)(i) Except as provided in clause (iv), the employer has not laid off or otherwise displaced and will not lay off or otherwise displace, within the period beginning 6 months before and ending 90 days following the date of filing of the application or during the 90 days immediately preceding and following the date of filing of any visa petition supported by the application, any United States worker (as defined in paragraph (3)) (including a worker whose services are obtained by contract, employee leasing, temporary help agreement, or other similar means) who has substantially equivalent qualifications and experience in the specialty occupation, and in the area of employment, for which H–1B nonimmigrants are sought or in which they are employed.

"(ii) Except as provided in clause (iii), in the case of an employer that employs an H–1B nonimmigrant, the employer shall not place the nonimmigrant with another employer where—

"(I) the nonimmigrant performs his or her duties in whole or in part at one or more worksites owned, operated, or controlled by such other employer; and

"(II) there are indicia of an employment relationship between the nonimmigrant and such other employer.

"(iii) Clause (ii) shall not apply to an employer's placement of an H–1B nonimmigrant with another employer if the other employer has executed an attestation that it satisfies and will satisfy the conditions described in clause (i) during the period described in such clause.

"(iv) This subparagraph shall not apply to an application filed by an employer that is an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965), or a related or affiliated nonprofit entity, if the application relates solely to aliens who—

"(I) the employer seeks to employ—

“(aa) as a researcher on a project for which not less than 50 percent of the funding is provided, for a limited period of time, through a grant or contract with an entity other than the employer; or

“(bb) as a professor or instructor under a contract that expires after a limited period of time; and

“(II) have attained a master's or higher degree (or its equivalent) in a specialty the specific knowledge of which is required for the intended employment.”.

(b) DEFINITIONS.—

(1) IN GENERAL.—Section 212(n) of the Immigration and Nationality Act (8 U.S.C. 1182(n)) is amended by adding at the end the following:

“(3) For purposes of this subsection:

“(A) The term ‘H–1B nonimmigrant’ means an alien admitted or provided status as a nonimmigrant described in section 101(a)(15)(H)(i)(b).

“(B) The term ‘lay off or otherwise displace’, with respect to an employee—

“(i) means to cause the employee's loss of employment, other than through a discharge for cause, a voluntary departure, or a voluntary retirement; and

“(ii) does not include any situation in which employment is relocated to a different geographic area and the employee is offered a chance to move to the new location, with wages and benefits that are not less than those at the old location, but elects not to move to the new location.

“(C) The term ‘United States worker’ means—

“(i) a citizen or national of the United States;

“(ii) an alien lawfully admitted for permanent residence; or

“(iii) an alien authorized to be employed by this Act or by the Attorney General.”.

(2) CONFORMING AMENDMENTS.—Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)) is amended by striking “a nonimmigrant described in section 101(a)(15)(H)(i)(b)” each place such term appears and inserting “an H–1B nonimmigrant”.

SEC. 4. RECRUITMENT OF UNITED STATES WORKERS PRIOR TO SEEKING NONIMMIGRANT WORKERS.

Section 212(n)(1) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(1)), as amended by section 3, is further amended by inserting after subparagraph (E) the following:

“(F)(i) The employer, prior to filing the application, has taken, in good faith, timely and significant steps to recruit and retain sufficient United States workers in the specialty occupation for which H–1B nonimmigrants are sought. Such steps shall have included recruitment in the United States, using procedures that meet industry-wide standards and offering compensation that is at least as great as that required to be offered to H–1B nonimmigrants under subparagraph (A), and offering employment to any United States worker who applies and has the same qualifications as, or better qualifications than, any of the H–1B nonimmigrants sought.

“(ii) The conditions described in clause (i) shall not apply to an employer with respect to the employment of an H–1B nonimmigrant who is described in subparagraph (A), (B), or (C) of section 203(b)(1).”.

SEC. 5. LIMITATION ON AUTHORITY TO INITIATE COMPLAINTS AND CONDUCT INVESTIGATIONS FOR NON-H–1B-DEPENDENT EMPLOYERS.

(a) IN GENERAL.—Section 212(n)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(A)) is amended—

(1) in the second sentence, by striking the period at the end and inserting the following: “, except that the Secretary may only file such a complaint respecting an H–1B-dependent employer (as defined in paragraph (3)), and only if there appears to be a violation of an attestation or a misrepresentation of a material fact in an application.”; and

(2) by inserting after the second sentence the following: “Except as provided in subparagraph (F) (relating to spot investigations during probationary period), no investigation or hearing shall be conducted with respect to an employer except in response to a complaint filed under the previous sentence.”.

(b) DEFINITIONS.—Section 212(n)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as added by section 3, is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (E), respectively;

(2) by inserting after “purposes of this subsection:” the following:

“(A) The term ‘H–1B-dependent employer’ means an employer that—

“(i)(I) has fewer than 21 full-time equivalent employees who are employed in the United States; and

(II) employs 4 or more H–1B nonimmigrants; or

“(ii)(I) has at least 21 but not more than 150 full-time equivalent employees who are employed in the United States; and

(II) employs H–1B nonimmigrants in a number that is equal to at least 20 percent of the number of such full-time equivalent employees; or

“(iii)(I) has at least 151 full-time equivalent employees who are employed in the United States; and

(II) employs H–1B nonimmigrants in a number that is equal to at least 15 percent of the number of such full-time equivalent employees.

In applying this subparagraph, any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as a single employer. Aliens employed under a petition for H–1B nonimmigrants shall be treated as employees, and counted as nonimmigrants under section 101(a)(15)(H)(i)(b) under this subparagraph.”; and

(3) by inserting after subparagraph (C) (as so redesignated) the following:

“(D) The term ‘non-H–1B-dependent employer’ means an employer that is not an H–1B-dependent employer.”.

SEC. 6. INCREASED ENFORCEMENT AND PENALTIES.

(a) IN GENERAL.—Section 212(n)(2)(C) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)(C)) is amended to read as follows:

“(C)(i) If the Secretary finds, after notice and opportunity for a hearing, a failure to meet a condition of paragraph (1)(B) or (1)(E), a substantial failure to meet a condition of paragraph (1)(C), (1)(D), or (1)(F), or a misrepresentation of material fact in an application—

“(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $1,000 per violation) as the Secretary determines to be appropriate; and

“(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

“(ii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1), a willful misrepresentation of material fact in an application, or a violation of clause (iv)—

“(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $5,000 per violation) as the Secretary determines to be appropriate; and

“(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 1 year for aliens to be employed by the employer.

“(iii) If the Secretary finds, after notice and opportunity for a hearing, a willful failure to meet a condition of paragraph (1) or a willful misrepresentation of material fact in an application, in the course of which failure or misrepresentation the employer also has failed to meet a condition of paragraph (1)(E)—

“(I) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

“(II) the Attorney General shall not approve petitions filed with respect to that employer under section 204 or 214(c) during a period of at least 2 years for aliens to be employed by the employer.

“(iv) It is a violation of this clause for an employer who has filed an application under this subsection to intimidate, threaten, restrain, coerce, blacklist, discharge, or in any other manner discriminate against an employee (which term, for purposes of this clause, includes a former employee and an applicant for employment) because the employee has disclosed information to the employer, or to any other person, that the employee reasonably believes evidences a violation of this subsection, or any rule or regulation pertaining to this subsection, or because the employee cooperates or seeks to cooperate in an investigation or other proceeding concerning the employer's compliance with the requirements of this subsection or any rule or regulation pertaining to this subsection.”.

(b) PLACEMENT OF H–1B NONIMMIGRANT WITH OTHER EMPLOYER.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)) is amended by adding at the end the following:

“(E) Under regulations of the Secretary, the previous provisions of this paragraph shall apply to a failure of an other employer to comply with an attestation described in paragraph (1)(E)(iii) in the same manner as they apply to a failure to comply with a condition described in paragraph (1)(E)(i).”.

(c) SPOT INVESTIGATIONS DURING PROBATIONARY PERIOD.—Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by subsection (b), is further amended by adding at the end the following:

“(F) The Secretary may, on a case-by-case basis, subject an employer to random investigations for a period of up to 5 years, beginning on the date that the employer is found by the Secretary to have committed a willful failure to meet a condition of paragraph (1) or to have made a misrepresentation of material fact in an application. The preceding sentence shall apply to an employer regardless of whether the employer is an H–1B-dependent employer or a non-H–1B-dependent employer. The authority of the Secretary under this subparagraph shall not be construed to be subject to, or limited by, the requirements of subparagraph (A).".

SEC. 7. PROHIBITION ON IMPOSITION BY IMPORTING EMPLOYERS OF EMPLOYMENT CONTRACT PROVISIONS VIOLATING PUBLIC POLICY.

Section 212(n)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(n)(2)), as amended by section (6), is further amended by adding at the end the following:

"(G) If the Secretary finds, after notice and opportunity for a hearing, that an employer who has submitted an application under paragraph (1) has requested or required an alien admitted or provided status as a nonimmigrant pursuant to the application, as a condition of the employment, to execute a contract containing a provision that would be considered void as against public policy in the State of intended employment—

"(i) the Secretary shall notify the Attorney General of such finding and may, in addition, impose such other administrative remedies (including civil monetary penalties in an amount not to exceed $25,000 per violation) as the Secretary determines to be appropriate; and

"(ii) the Attorney General shall not approve petitions filed by the employer under section 214(c) during a period of not more than 10 years for H–1B nonimmigrants to be employed by the employer.".

SEC. 8. COLLECTION AND USE OF H–1B NONIMMIGRANT FEES FOR STATE STUDENT INCENTIVE GRANT PROGRAMS AND JOB TRAINING OF UNITED STATES WORKERS.

(a) IMPOSITION OF FEE.—Section 214(c) (8 U.S.C. 1184(c)) is amended by adding at the end the following:

"(9)(A) The Attorney General shall impose a fee on an employer (excluding an employer described in subparagraph (A) or (B) of section 212(p)(1)) as a condition for the approval of a petition filed on or after October 1, 1998, and before October 1, 2002, under paragraph (1) to grant an alien nonimmigrant status described in section 101(a)(15)(H)(i)(b). The amount of the fee shall be $500 for each such nonimmigrant.

"(B) Fees collected under this paragraph shall be deposited in the Treasury in accordance with section 286(t).

"(C)(i) An employer may not require an alien who is the subject of the petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

"(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).".

(b) ESTABLISHMENT OF ACCOUNT; USE OF FEES.—Section 286 (8 U.S.C. 1356) is amended by adding at the end the following:

"(t) H–1B NONIMMIGRANT PETITIONER ACCOUNT.—

"(1) IN GENERAL.—There is established in the general fund of the Treasury a separate account which shall be known as the 'H–1B Nonimmigrant Petitioner Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the account all fees collected under section 214(c)(9).

"(2) USE OF HALF OF FEES BY SECRETARY OF EDUCATION FOR HIGHER EDUCATION GRANTS.—Fifty percent of the amounts deposited into the H–1B Nonimmigrant Petitioner Account shall remain available until expended to the Secretary of Education for additional allotments to States under subpart 4 of chapter 8 of title IV of the Higher Education Act of 1965 but only for the purpose of assisting States in providing grants to eligible students enrolled in a program of study leading to a degree in mathematics, computer science, or engineering.

"(3) USE OF HALF OF FEES BY SECRETARY OF LABOR FOR JOB TRAINING.—Fifty percent of amounts deposited into the deposits into such Account shall remain available until expended to the Secretary of Labor for demonstration programs described in section 104(d) of the Temporary Access to Skilled Workers and H–1B Nonimmigrant Program Improvement Act of 1998.".

(c) CONFORMING MODIFICATION OF APPLICATION REQUIREMENTS FOR STATE STUDENT INCENTIVE GRANT PROGRAM.—Section 415C(b) of the Higher Education Act of 1965 (20 U.S.C. 1070c–2(b)) is amended—

(1) in paragraph (9), by striking "and" at the end;

(2) in paragraph (10), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(11) provides that any portion of the allotment to the State for each fiscal year that derives from funds made available under section 286(t)(2) of the Immigration and Nationality Act shall be expended for grants described in paragraph (2)(A) to students enrolled in a program of study leading to a degree in mathematics, computer science, or engineering.".

(d) DEMONSTRATION PROGRAMS AND PROJECTS TO PROVIDE TECHNICAL SKILLS TRAINING FOR WORKERS.—

(1) IN GENERAL.—Subject to paragraph (3), in establishing demonstration programs under section 452(c) of the Job Training Partnership Act (29 U.S.C. 1732(c)), as in effect on the date of enactment of this Act, or demonstration programs or projects under a successor Federal law, the Secretary of Labor shall establish demonstration programs or projects to provide technical skills training for workers, including both employed and unemployed workers.

(2) GRANTS.—Subject to paragraph (3), the Secretary of Labor shall award grants to carry out the programs and projects described in paragraph (1) to—

(A)(i) private industry councils established under section 102 of the Job Training Partnership Act (29 U.S.C. 1512), as in effect on the date of enactment of this Act; or

(ii) local boards that will carry out such programs or projects through one-stop delivery systems established under a successor Federal law; or

(B) regional consortia of councils or local boards described in subparagraph (A).

(3) LIMITATION.—The Secretary of Labor shall establish programs and projects under paragraph (1), including awarding grants to carry out such programs and projects under paragraph (2), only with funds made available under section 286(t)(3) of the Immigration and Nationality Act, and not with funds made available under the Job Training Partnership Act or a successor Federal law.

SEC. 9. IMPROVING COUNT OF H–1B AND H–2B NONIMMIGRANTS.

(a) ENSURING ACCURATE COUNT.—The Attorney General shall take such steps as are necessary to maintain an accurate count of the number of aliens subject to the numerical limitations of section 214(g)(1) of the Immigration and Nationality Act who are issued visas or otherwise provided nonimmigrant status.

(b) REVISION OF PETITION FORMS.—The Attorney General shall take such steps as are necessary to revise the forms used for petitions for visas or nonimmigrant status under clause (i)(b) or (ii)(b) of section 101(a)(15)(H) of the Immigration and Nationality Act so as to ensure that the forms provide the Attorney General with sufficient information to permit the Attorney General accurately to count the number of aliens subject to the numerical limitations of section 214(g)(1) of such Act who are issued visas or otherwise provided nonimmigrant status.

(c) REPORTS.—Beginning with fiscal year 1999, the Attorney General shall provide to the Congress not less than 4 times per year a report on—

(1) the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3-month period under section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act;

(2) the numbers of individuals who were issued visas or otherwise provided nonimmigrant status during the preceding 3-month period under section 101(a)(15)(H)(ii)(b) of such Act; and

(3) the countries of origin and occupations of, educational levels attained by, and total compensation (including the value of all wages, salary, bonuses, stock, stock options, and any other similar forms of remuneration) paid to, individuals issued visas or provided nonimmigrant status under such sections during such period.

SEC. 10. GAO STUDY AND REPORT ON AGE DISCRIMINATION IN THE INFORMATION TECHNOLOGY FIELD.

(a) STUDY.—The Comptroller General of the United States shall conduct a study assessing age discrimination in the information technology field. The study shall consider the following:

(1) The prevalence of age discrimination in the information technology workplace.

(2) The extent to which there is a difference, based on age, in promotion and advancement; working hours; telecommuting; salary; and stock options, bonuses, or other benefits.

(3) The relationship between rates of advancement, promotion, and compensation to experience, skill level, education, and age.

(4) Differences in skill level on the basis of age.

(b) REPORT.—Not later than October 1, 2000, the Comptroller General of the United States shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a). The report shall include any recommendations of the Comptroller General concerning age discrimination in the information technology field.

SEC. 11. GAO LABOR MARKET STUDY AND REPORT.

(a) STUDY.—The Comptroller General of the United States shall conduct a labor market study. The study shall investigate and analyze the following:

(1) The overall shortage of available workers in the high-technology, rapid-growth industries.

(2) The multiplier effect growth of high-technology industry on low-technology employment.

(3) The relative achievement rates of United States and foreign students in secondary school in a variety of subjects, including math, science, computer science, English, and history.

(4) The relative performance, by subject area, of United States and foreign students in postsecondary and graduate schools as compared to secondary schools.

(5) The labor market need for workers with information technology skills and the extent of the deficit of such workers to fill high-technology jobs during the 10-year period beginning on the date of the enactment of this Act.

(6) Future training and education needs of companies in the high-technology sector.

(7) Future training and education needs of United States students to ensure that their skills at various levels match the needs of the high-technology and information technology sectors.

(8) An analysis of which particular skill sets are in demand.

(9) The needs of the high-technology sector for foreign workers with specific skills.

(10) The potential benefits of postsecondary educational institutions, employers, and the United States economy from the entry of skilled professionals in the fields of engineering and science.

(11) The effect on the high-technology labor market of the downsizing of the defense sector, the increase in productivity in the computer industry, and the deployment of workers dedicated to the Year 2000 Project.

(b) REPORT.—Not later than October 1, 2000, the Comptroller General of the United States shall submit to the Committees on the Judiciary of the United States House of Representatives and the Senate a report containing the results of the study described in subsection (a).

SEC. 12. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act and shall apply to applications filed with the Secretary of Labor on or after 30 days after the date of the enactment of this Act, except that the amendments made by section 2 shall apply to applications filed with such Secretary before, on, or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 513, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just point out to my colleagues that this has been an interesting debate up to this point, and my colleagues will see, if they have been listening to the debate, how difficult an issue this is. This is not a Republican issue. It is not a Democratic issue. There are some very difficult issues that we have had to address here, and I will just say to my colleagues that, in addressing those issues, the Committee on the Judiciary took every single point that was made in the general debate into account.

There are people in the general debate who are saying we should not have an H-1B program at all because we got enough American workers here in our country to meet the need. There are people who said we ought to increase it a lot more than we increase it in either this bill or in my substitute. There are people who are all over the waterfront on this issue, and we tried to take every single view into account as we went through the process.

Now listen to what the committee report says. This is the committee report in support of the bill which I am offering as my substitute which ought to be on the floor because it passed the Committee on the Judiciary by a vote of 23 to 4. This is what the committee report says. It says, it is in the Nation's interest that the quota for H-1B aliens be temporarily raised. First, unless Congress acts, employers will not be able to employ new H-1B nonimmigrants until the beginning of the next fiscal year.

The committee report then goes on to say, the committee recognizes that the evidence for such a shortage is inconclusive. There are people out there who are saying there is no shortage of high-tech workers. There are people who are saying there is a major shortage of high-tech workers, and we, in our committee report, acknowledge that we could not decide that one way or another.

□ 1645

Then the committee report says, however, the increase in the H-1B quota should be of relatively brief duration; there will be a bumper crop of American college graduates skilled in computer science beginning in the summer of 2001.

Now, we acknowledge that if there is a shortage, it is a temporary shortage of high skilled workers, and we ought to respond to that shortage by increasing the number on a temporary basis. And that is exactly what the committee's bill does, the one that I am offering instead of my chairman defending the committee's bill, I am here offering on the floor, defending the committee's position.

Now, what does our bill do? What does our bill do? It temporarily increases the number of H-1B visas until the year 2000 under our bill, because we recognize that this was a temporary problem that we were trying to address. So our plan was to increase it from 65,000 to 95,000 workers for fiscal year 1998, to 105,000 for the year 1999, and to 115,000 for the year 2000. And then we were going to go back to the current level of 65,000, because we had evidence that said in 2001 we are going to have a bumper crop of students coming out of school in these fields and we will not need this increase anymore. That is why we passed the bill the way we passed it out of our committee.

So now you have a choice between a bill that we had hearings on, that documented, to some extent, the need for it. We acknowledged that there might be a need for it and increased the numbers until the year 2000, but not to 2001, like the bill we have on the floor today. The bill we have on the floor goes to 115,000 for 1999, 115,000 for 2000 and 107,500 for the year 2001, when we have in our record documentation that there is going to be a bumper crop of American students coming out, and it is in our report.

So, you have got a choice: Do you take our efforts that we worked so hard in the committee on and passed, 23 to 4, to address this issue, or do you take something that somebody pulled out of the sky, where I do not know where the figures came from, I still do not know, and nobody will be able to tell us.

Now, we had evidence before the committee that said this program is being abused, and we took steps in the committee's bill to address the abuse in the process.

Our bill, the substitute which is being offered here today, requires all employers to attest that they have not laid off or otherwise displaced a U.S. worker who has substantially equivalent qualifications, and that they will only place the foreign worker that comes in under the program with another employer who has also attested to this. You cannot either bring in a person for your own benefit or for another employer unless you have attested that you are not going to lay off a U.S. worker. Now, is that unreasonable? There is not a person in this chamber who could say that that is unreasonable, if we are going to fulfill our minimum obligation to U.S. employees.

Yet the bill we are voting on today does not apply that requirement to all employers. What it says is some convoluted formula, if you are under 25,000 employees, then you have to attest; under 25,000 to 50,000, you have to do another kind of attestation. It makes no sense. We had attestation that 23 Members of the Committee on the Judiciary said was a good way to protect against abuses, and we are throwing it in the trash can, unless we adopt the substitute that is on the floor today.

The third thing our bill does is that it requires that all employers attest that they have in good faith taken timely and significant steps to recruit and retain sufficient U.S. workers in the specialty occupation for which the foreign workers are sought.

That is not an unreasonable requirement. All we are saying is do not go and bring a foreign worker into the United States unless you have in good faith taken some steps to try to recruit U.S. workers. That is why all of these people are coming to the floor today and saying to us, well, in my part of the country, people are being laid off.

If there are laid off people in Michigan and there is a need in California, my goodness, we ought to request the employer to go to Michigan before we send them to India. That is all we are saying, and that is all the attestation would do. And it applies to all employers again, just like it should apply to all employers.

Now, there is something in our bill, because we did not have all the facts, that required a study to be done by GAO to determine what impact this is having.

I do not know whether they put that in their new bill or not, but I do not see anything about the GAO in the draft of the bill that I got late last night in the CONGRESSIONAL RECORD in the fine print. So maybe they will tell me that that is in their bill too. But at least we ought to during this three or four year period document whether there is a shortage or is not a shortage, and our substitute does that, the bill that passed the Committee on the Judiciary, which I, a minority member of the committee, has to come to the floor and defend the committee's work product. That ought not be the case.

We had a good bill. We passed it 23 to 4, bipartisan support, broad based support. It addressed the issues. It was not protectionist. It acknowledged that we had a problem. But we have got to do it in a way that is fair to the American workers.

Mr. Speaker, I ask all of my colleagues to search their heart and vote for this bipartisan substitute that came out of the Committee on the Judiciary by a 23 to 4 vote; not a bill that we have been sent over here from the Senate that has nothing in it that really supports the findings that we made as a committee in this House of Representatives.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Speaker, I oppose the amendment offered by my colleague, the gentleman from North Carolina (Mr. WATT).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Texas is recognized for 30 minutes.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill we are considering on the floor today represents a good faith compromise between differing H–1B measures, one passed by the Senate and one passed by the House Committee on the Judiciary. It is not perfect, but compromises seldom are.

What the bill does do is take a middle role between varying viewpoints as to the H–1B visa program. The H–1B program is being abused by firms known as job shops or job contractors. These companies do not bring in a few H–1B aliens a year to plug skill gaps in their work forces. Instead, many, and sometimes all, of their personnel are in fact H–1B workers.

Job contractors make no pretense of looking for American workers. They are in the business of contracting out their H–1Bs to other companies. The companies to which the H–1Bs are contracted benefit by paying wages to the H–1Bs often well below what comparable Americans would receive. In order to achieve this benefit, they have been known to lay off American workers and replace them with H–1B foreign workers from job contractors.

In order to stem this abuse, H.R. 3736 requires job contractors, defined as companies where 15 percent or more of the workforce is composed of H–1Bs, to make good faith efforts to recruit American workers, to not lay off Americans and replace them with foreign workers, and to not contract H–1Bs to other companies who use them to replace other American workers.

If we are to have an increase in the H–1B quotas and protect American workers at the same time, it will be through H.R. 3736, and not the Watt amendment.

Mr. Speaker, I urge my colleagues to vote against this amendment.

I also want to make a final point: You might get the impression from listening to some of the opponents of the bill and to some of the proponents of the Watts substitute that there is nothing in the bill to protect American workers. The opposite is true. We are going to protect American workers, and, in fact, we are going to target the companies that have in fact been the abusers in the past. So there are lots of protections for the American workers in the bill. That will continue, that is in the compromise.

Mr. Speaker, I yield four minutes to my friend the gentleman from Utah (Mr. CANNON), who is also a member of the Subcommittee on Immigration and Claims.

Mr. CANNON. Mr. Speaker, I thank the subcommittee chairman, for yielding me time.

Mr. Speaker, I rise today in opposition to the Watt amendment in the nature of a substitute to H.R. 3736, the Workforce Improvement and Protection Act. The H–1B program is critical to our Nation, and, in particular, to the state of Utah, which I represent. The engine driving American productivity has performed well beyond anyone's expectations over the past several years, and I am sure we all realize how much of this performance is due to the contribution made by the high-tech sector and its commitment to research, development, innovation and achievement.

So today we must make a choice that is critical to this engine of American productivity. We must decide whether this engine will continue to have fuel to run on, because that is what we are talking about here. Our high-tech sector cannot function without the high skilled individuals employed to generate that productivity, and voting in favor of this substitute would effectively put a stop to this productivity.

At the same time, I am pleased that a compromise has been reached that safeguards productivity while it, for example, generates additional private sector funds for scholarships for American students in the fields of mathematics, computer science and engineering.

The compromise will build our investment in American students and workers, will sustain our high-tech sector, and will allow America to remain the global economic leader it is today. I voted "no" during the markup of an earlier version of this language in the Committee on the Judiciary several months ago, for the same reasons I urge Members to vote against it today.

Mr. WATT of North Carolina. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. BERMAN), a cosponsor of the substitute.

Mr. BERMAN. Mr. Speaker, I rise in support of the substitute sponsored by the ranking member of our subcommittee and the gentleman from Pennsylvania, as well as myself.

Here is where I come from: I buy into a lot of the arguments of the proponents of the bill. One, in a global economy, we want our companies to be competitive. That includes making sure they are able to hire workers with the skills necessary for them to be as competitive as they can be, because it is our competitive edge which will help us in the future.

I come from a very strong background of believing in immigration, believing immigration is good for this country, believing immigration based on family relationships and employer sponsorships are both important and that those immigrants contribute a great deal to our economy and to our social fabric and to our culture.

I also accept the premise that probably at this particular time we need substantial additional visas for H–1B, for temporary nonimmigrant workers who have specific skills. I just think that to say that huge numbers of the employers who will utilize these H–1B workers do not have to go through a basic meaningful process of recruitment and do not have any meaningful constraints on their ability to displace a U.S. worker in order to bring in a temporary nonimmigrant visa is wrong fundamentally, and, moreover, will in the long term undermine America's willingness to accept immigration under these grounds.

□ 1700

So I think the substitute, which provides a meaningful attestation requirement, is a compelling help to this particular legislation.

The way this is written, a company that employs 5,000 people but has only 600 H–1B workers would not be obligated to provide any of the attestation requirements, because it would not meet the definition of an H-1B-dependent company.

That makes no sense to me. This is not an amendment that simply excludes small employers, not that they should not have the same obligations, anyway, but we can talk about the Department of Labor, paperwork burdens, and things like this. We could be talking about some enormous employers with substantial numbers of H-1B employees who will not be required to have enforceable obligations to recruit domestically first, or to agree not to displace U.S. workers with people filling these nonimmigrant visas, these H-1B visas.

I urge support for the substitute. I congratulate our ranking member for his preparing of this amendment, and I urge its adoption.

Mr. WATT of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of the substitute of the gentleman from North Carolina (Mr. WATT) and the gentleman from California (Mr. BERMAN) to the legislation pending before us.

I do so because of many of the points that the two authors of this substitute have pointed out. When we read the committee report, we see the documented concerns that have been raised both about age discrimination, about displacement, about unemployment in various regions of the country, and the overdefining of some of these jobs, and I think that it is incumbent that we ask employers to make the kinds of efforts necessary to make sure that in fact these jobs cannot be filled from United States citizens before we go overseas to look for them.

I, like the proponents of this legislation, also accept the notion that there are in many instances jobs that cannot be filled from the domestic work force, for one reason or another, and it may be temporary in some cases, or what appears to be permanent when we consider the rapidity of change within these industries.

But not all of these jobs are the narrow band of jobs on the cutting edge where, in many instances, those individuals do not exist within the American work force, and we ought to make sure that, therefore, we can go overseas and recruit those individuals and bring them here to help companies remain in the competitive position.

But many of the other jobs in fact are available, but they may not be available in that immediate geographic region. It ought to be incumbent on people to go out and to see and recruit individuals that can fill those jobs, either because they have been laid off of their jobs in another region of this country, or they can be readily retrained for those jobs that these employers are looking for.

For that reason, I believe that the substitute is a preferable work product in assuring that we make sure that American citizens who are looking for work, who have these skills, are in fact considered first, because that really is the obligation that these companies should have. If they are not available, then we ought to make sure that we also provide a vehicle so those people can be brought into the work force. Again, I support the substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to support the substitute to H.R. 3736 prepared by my colleagues from North Carolina, California, and Pennsylvania. I have already expressed my skepticism about the claims of a shortage. I would like to turn here to the protection for U.S. workers.

The Republican proposal is carefully crafted to apply only to companies that we call "body shops." It would allow most American firms who use H-1Bs to avoid scrutiny by the Department of Labor. The Watt substitute requires all companies using H-1Bs to attest that they have sought an American employee, and that they have not laid off an American in order to take on the H-1B employee.

In the Republican bill, the protection against layoffs only applies if the body shop knows or should have known that the ultimate employer was going to lay off the American worker. If I am an American worker, that does not fill me with confidence.

The Department of Labor has been hampered in enforcing the H-1B program because only H-1B visa holders could initiate complaints. The Republicans claim that the Department receives authority to investigate based on specific credible information of violation. What is not said is that the Secretary must first "* * * provide notice to allow the employer to respond before the investigation is initiated, unless the Secretary determines it would interfere with compliance."

In practice, we know the Secretary has few resources to investigate violations now, and the Department can expect to find employers objecting to investigations as soon as the Department informs them that one is being considered. It should also be noted that the increased protections provided by the Republican substitute last only as long as the increase in visa numbers continues. The Watt substitute permanently protects U.S. workers.

I noted earlier that the claim of a shortage is not well supported by the evidence. The Republicans think they have made a great concession by shrinking their bill from 5 years to 3 years, but with substantial increases in the numbers. The Watt substitute provides a smaller increase. I prefer this more limited intervention in the labor market.

Our colleague, the gentleman from Texas (Mr. SMITH) worked hard to produce a bipartisan consensus in the Committee on the Judiciary. The Watt substitute embodies the fruits of his labor. I believe the House would do better to vote for the Watt substitute.

Mr. WATT of North Carolina. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for yielding time to me, I thank him for his leadership, and I thank my good friend, the gentleman from Texas, for working on this very difficult issue.

Frankly, in my district I get immigrants who are speaking of those they have left behind, and are certainly concerned that this country might be seen as closing the doors to those who seek to come and work. At the same time, I get many of those who are in this country, who are born in this country, who express a great degree of concern about losing their jobs and opportunities.

Where reasonable men and women can agree, that is what we should be doing in the United States House of Representatives. Adversarial positions, where we can agree, do nothing to help America and to move forward.

I think the gentleman from Texas (Mr. SMITH) is an obviously reasonable person, not only because he comes from the State of Texas, but I know where he went to undergraduate college, so I know where his background leads him, and I know he is a reasonable man.

With that in mind, I think it is extremely appropriate that we support the Watt-Berman-Klink bill. Just look at that, New York, Pennsylvania, and California. Can we get any more American, talking about how can we can resolve this question?

I think it is extremely important that we insist that employers attest to the fact that they have not laid off or otherwise displaced a U.S. worker who has a substantially equivalent qualification, and that they will only place the foreign worker with another employer who has also attested to do this.

Do Members realize that there are thousands of middle-aged, and I know they would not want us to call them that, engineers who are unemployed? Do Members realize that 650,000 Americans get Bachelor's of Science degrees in science and engineering, and 120,000 master's degrees? Do Members recall that Bill Gates never finished college, and organized Microsoft?

Frankly, we need this amendment, because it allows $500 for a training fee on such H-1B visas to be applied to train and retain American workers. The legislation will also provide for a more accurate account of foreign workers and GAO studies of the high technology labor market.

Mr. Speaker, we can do this together. There is no reason why we should leave these chambers and not protect American workers. There is no reason why we should not train those who can be trained. There is no reason why we should not hire our middle-aged, if you will, engineers who need jobs.

Frankly, let me say to the computer industry, there is no reason why they should not be going into the inner city and hiring minorities and women. They have a very poor record of that, of which I look forward to convening a meeting with the computer industry to tell me, who are they hiring in this country? Are they hiring women? Are they promoting people? Are they bringing back engineers who have been displaced?

We can work this out together. This is not an adversarial posture. Yes, America stands for opening its doors of opportunity to those who would come legally. Let us not close the door on them. But at the same time, we owe an obligation to protect Americans who are unemployed, underemployed, and who want an opportunity, 650,000 getting degrees in science and math, and 120,000 with master's degrees.

I think this amendment is the right and fair way to go. I ask for reasonable men and women to join me on this.

Mr. SPEAKER. I thank the gentleman for yielding me time and for the opportunity to speak on this bill. Although it is true that in recent years, the high tech industry has fueled enormous growth in the United States and has benefitted the corporate information technology industry, I have some serious concerns about wholeheartedly supporting H.R. 3736 for several reasons.

H.R. 3736 seems to speak to the need for more skilled workers to move into highly paid jobs in the high tech/information technology industry. Yet, there are more complex issues that should not be overlooked. currently highly skilled foreign workers are unable to obtain a H1–B visa and work for U.S. industry.

The cap on such highly skilled position visas was met in May of this year, and this bill proposes to increase the number of processable visas, by 30,000 for 1998, 40,000 for 1999, and 50,000 for the year 2000. Although on its face, these increases may seem as if they are a positive move for our country's technological industry, there are several issues regarding the provisions of this bill which we must consider.

For example, what about increasing resources for training U.S. workers for these high tech jobs? Currently there are thousands of middle age engineers who are unemployed. There have been recent studies which indicate that the industry only hires about 2% of all of those applying for programmer positions.

Is there really a shortage of high tech workers in America? I am also concerned that although the H1–B visa program was originally designed to bring in highly skilled workers it has been used for other less ethical purposes. A little over two years ago the high technology industry was laying off U.S. computer programmers by the hundreds and replacing them with cheaper foreign workers. High Tech management told us that Americans were being paid too much and that temporary foreign workers should be used to keep wages down, lest companies should move abroad!

Every year, this country produces 650,000 bachelor degrees in science and engineering and 120,000 masters degrees! And let's not forget that even degrees aren't absolutely necessary to train talented and motivated U.S. workers.

Remember, Bill Gates dropped out of College and THEN created Microsoft! Right now, our most highly skilled, sought after, domestic technology workers have realized just how valuable they are to high tech Corporate America, and the industry is unwilling to pay these workers the high wages they are demanding!

Mr. Speaker, I am urging my colleagues to vote for the Watt-Berman-Klink substitute. Although it is true that in recent years, the high tech industry has fueled enormous growth in the United States and has benefitted the corporate information technology industry, I have some serious concerns about wholeheartedly supporting H.R. 3736 for several reasons.

H.R. 3736 seems to speak to the need for more skilled workers to move into highly paid jobs in the high tech/information technology industry. Yet, there more complex issues that should not be overlooked.

Currently highly skilled foreign workers are unable to obtain a H1–B visa and work for U.S. industry. The cap on such highly skilled position visas was met in May of this year, and this bill proposes to increase the number of processable visas, by 30,000 for 1998, 40,000 for 1999, and 50,000 for the year 2000. Although on its face, these increases may seem as if they are a positive move for our country's technological industry, there are several issues regarding the provisions of this bill which we must consider.

For example, what above increasing resources for training U.S. workers for these high tech jobs? Currently there are thousands of middle age engineers who are unemployed. There have been recent studies which indicate that the industry only hires about 2% of all of those applying for programmer positions. Is there really a shortage of high tech workers in America?

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Every year, this country produces 650,000 bachelor degrees in science and engineering and 120,000 masters degrees! And let's not forget that even degrees aren't absolutely necessary to train talented and motivated U.S. workers. Remember, Bill Gates dropped out of college and then created Microsoft! Right now, our most highly skilled, sought after, domestic technology workers have realized just how valuable they are to high tech Corporate America, and the industry is unwilling to pay the workers the high wages they are demanding!

For the above reasons, I am urging my colleagues to vote for the Watt-Berman-Klink substitute. Some of the most important changes in the Watt Berman legislation require employers to attest that they have not laid off or otherwise displaced a U.S. worker who has substantially equivalent qualifications, and that they will only place the foreign worker with another employer who has also attested to this. In addition, the Watt-Berman substitute will provide $500 for a training fee on each H–1B visa applied for to train and retrain American workers. This legislation will also provide for a more accurate count of foreign workers and GAO studies of the high technology labor market.

I believe that the growing workforce of our country and the strength and growth of the high tech industry in particular can be met most effectively by fully developing the skills of our own U.S. workers. In fact, the hidden blessing in the current high demand market for certain technical specialties is that it should encourage us to retrain displaced workers, attract underrepresented women and minorities, better educate our young people and recommission willing and able older workers who have been forced out of their work.

Increased immigration should it be allowed, should be considered a complement to our industries, not a substitute for U.S. workers.

PARLIAMENTARY INQUIRY

Mr. WATT of North Carolina. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman will state it.

Mr. WATT of North Carolina. Mr. Speaker, could the Speaker advise us as to who has the right to close, and why?

The SPEAKER pro tempore. As a member of the committee controlling time in the opposition, the manager of the bill, the gentleman from Texas (Mr. SMITH), has the right to close.

Mr. WATT of North Carolina. The gentleman from Texas (Mr. SMITH) has the right to close?

The SPEAKER pro tempore. That is correct.

Mr. WATT of North Carolina. Mr. Speaker, I yield myself 1½ minutes.

Mr. Speaker, before I yield to the final speaker to close debate, the gentleman from Pennsylvania (Mr. KLINK), I just wanted to spend a minute or two, or less than a minute or two, really, saying that I understand the predicament that the chairman of my subcommittee is in. I suspect he would rather be supporting my substitute than the bill that he is on the floor with, so I do not envy his position.

He has worked hard on this bill, and to kind of show Members how interesting this is, we had to get a special ruling from the Chair to determine who has the right to close this debate, because the bill that came out of our committee, except in one respect, is the same bill that I am offering as a substitute. This is a very unusual process.

The bill that I am offering as a substitute is a bill that passed our committee by a vote of 23 to 4, and here I am, defending the committee's bill. So I want to just empathize with my friend, the gentleman from Texas. He has gotten a bill shoved down his throat, just like we are having a bill shoved down our throats, but we are the House. We have the right to stand up and vote against the Senate's bill and support our own bill. That is what I hope my colleagues will do.

Mr. Speaker, I yield the balance of our time to the gentleman from Pennsylvania (Mr. KLINK), the cosponsor of this substitute.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. KLINK) is recognized for 6 minutes.

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding time to me. It has been a pleasure to work with him on this. I hope we are successful in our substitute. I also want to again laud the gentleman from Texas (Mr. SMITH) for working with us.

I just want to just draw the attention of the Members to a Dear Colleague that was sent out on June 18 by my friend, the gentleman from Texas (Mr. SMITH) and the gentleman from California (Mr. ELTON GALLEGLY).

They pointed out what I thought was a very important point, and that is that during the time that all of these information technology companies were in fact telling us how much of a shortage there was of workers in the workplace, they were laying off workers by the hundreds of thousands.

Silicon Graphics laid off 1,000; Xerox laid off 9,000; Seagate Technologies, 10,000; Intel 4,000; National Semiconductor, 1,000; Hewlett Packard, 1,000; Boeing, 12,000 workers. Do they mean that they were so so stupid they could not be reeducated or retrained to take other jobs?

Kodak laid off 19,000 workers; AT&T, 18,000 workers laid off; Ameritech, 5,000 workers laid off; Motorola, 16,500 workers laid off; and on and on and on we go. I could read many more. In fact, the final number by the end of August that we have is 208,558 workers, that is that we know about.

If this was on the legitimate, this whole argument about not liking the substitute, our friends in industry would not have disagreed so much with attesting to the fact that they could not find American workers, or that they were not firing American workers.

□ 1715

See, the fact of the matter is that if they really are searching for Americans for these jobs, or if they are not displacing an American worker, then they should not have any difficulty then attesting to that fact in order to get H–1B visas. But the industry has been screaming about the attestation.

The committee's own report says that "it is imperative that we build into the H–1B program adequate protection for U.S. workers." Continuing to quote from the report from the committee in the House, "the most simple, most basic protection that can be given to any American worker is a guarantee that he or she will not be fired by an employer and replaced by a foreign worker. More broadly stated, an employer should not in the same instance fire an American worker and bring on a foreign worker when the American worker is well-qualified to do the work intended for the foreign worker. The H–1B program currently contains no such guarantee."

The underlying bill that we are trying to substitute provides protection for only a small percentage, about 1 percent, of the H–1B workers that are going to be brought into this country. This substitute has that attestation provision for all of those workers and that, in fact, is the difference.

Mr. Speaker, I want to get into speaking for some of the workers who are not here to speak for themselves.

Mr. BECERRA. Mr. Speaker, will the gentleman yield?

Mr. KLINK. I yield to the gentleman from California, my friend.

Mr. BECERRA. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. KLINK) for yielding me a bit of his time.

I just wanted to come down and say that as much as I would love to be able to support the underlying bill, having a large number of firms that are in desperate need of workers to fill high-tech, high-paying jobs, it is difficult to stand here and not be able to support the bill unless we have the Watt amendment, which is the committee's bill.

It is such a frustrating thing to stand here knowing that this committee passed a bill out for House consideration, a full vote of the House, and we cannot get Members who supported it in committee to now support what they voted out of committee. That would be something a number of us would be willing to support. Unfortunately, now we have to try to get it into the bill that is being debated here through an amendment.

The problem I see with the underlying bill without the Watt amendment accepted is that we restrict the application of this visa category to only a small percentage of all the employers who are going to be out there seeking these employees from foreign countries, which means that we are going to have a vast number of companies that will be able to skirt the law, bring in foreign workers, and deny American workers the opportunity to get good-paying jobs. That is not fair, that is not reasonable, and I think most people here know that I am one who is generally pro-immigration that is fair and reasonable.

Mr. Speaker, if we did more to make sure that the workforce of the future that we grow by ourselves in our country could meet the needs of these firms, that would be great. But I understand the need temporarily for these firms immediately.

I wish I could support this; I cannot without the Watt amendment. I hope everyone here will vote for the Watt amendment, which is in fact the committee's bill. Then we could get good support out of this House and hopefully get it to the President's desk. But without the Watt amendment, I would hope everyone would vote against this bill.

Mr. KLINK. Mr. Speaker, reclaiming my time, that seemed like an adequate 60 seconds. I thank the gentleman from California for what he was able to fit into that time.

Mr. Speaker, let me speak for those workers out there. We have no definitive evidence that there is a shortage. And if those 208,000 people have been laid off, can they not be retrained? I want to talk about a research faculty member from Texas who wrote me to say, "I train international students to qualify for H–1B and other work visas. I would like to know, however, why these companies show no interest in hiring me."

How about Linda Killcrese of Dover, New Jersey, who said, "In my own case, all information technology staff were fired by American International Group and replaced by a body shop."

Mr. Speaker, we have workers after workers who complain that they have jobs, and at $500 a job we are selling away the future of American workers.

Mr. SMITH of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, much has been made in the last few minutes about the need to support the Watt substitute because it is the committee bill. I will look forward to the enthusiastic support of my friends on the other side of the aisle on future committee bills commensurate with their support of the Watt substitute tonight.

Mr. Speaker, I want to repeat again that the underlying bill has the support of both the Republican leadership and the administration. And the reason it has garnered such bipartisan support is because it does target companies that have historically been the abusers of the H–1B program. It does target companies who in the past have not hired American workers when they should have, and it targets companies that in the past may have fired American workers and replaced them with foreign workers.

In addition to that, it also provides the needed high-tech employees for our high-tech companies which will generate more jobs in the economy and help our economy continue to expand.

So, Mr. Speaker, I do want to encourage my colleagues to vote against the Watt amendment and vote for the underlying bill.

Mr. Speaker, I yield such time as he may consume to the professor from Stanford Law School, the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I thank the gentleman from Texas for yielding me this time, and I welcome him to my class any time he pays the tuition.

Mr. Speaker, I wish to note with recognition of the great effort of my friend, the gentleman from North Carolina (Mr. WATT). I do understand what he is offering. I respect him and his thinking. I am impressed by it.

I also wish to recognize what a remarkable job the gentleman from Texas (Mr. SMITH), the subcommittee chairman, has done along the lines very much of the gentleman from North Carolina's comments: I know LAMAR SMITH, LAMAR SMITH is a friend of mine, and he has gone farther than perhaps he wished to go. I know how far he has gone in order to bring a bill to the floor that will meet the approval of a majority of this body and the President of the United States. My credit to both of these fine gentlemen.

Mr. Speaker, there are two differences between the Watt substitute and the underlying Smith version. One has received a lot of attention, the attestation requirement, and I will have a word about that in a second. But the first has not, and that is that there is a difference in the Watt substitute in that the increased H-1Bs come from H-2Bs, so that the net number of temporary immigrant visas will not increase. Whereas, under the Smith bill, the H-1Bs are a net increase.

So, we really have two differences and they are quite significant. If we believe that it is beneficial to our country to have a net increase in the number of temporary visas, then only the Smith bill provides for that.

As to the attestation requirement, the arguments that have been made are in my judgment missing the fundamental point that we are speaking of a temporary position. That is why we do not have an attestation requirement in existing law for an H-1B visa. See, if we are hiring somebody to come to this country on a permanent basis, that is a green card. And for a green card, an attestation requirement is needed and that is in existing law. That is because they are coming to this country and are going to be a member of our economy on a permanent basis.

But the whole idea of the H-1B and the H-2B is that it is a temporary invitation to this country for a task that needs someone now. That is why the attestation requirement runs into such opposition in many industries, because the need now to go through the attestation requirement delays the ability to fill that need now. That is why existing law does not have an attestation requirement for the H-1B visa.

We would, for the first time, be imposing into law an H-1B attestation requirement, and that is quite a move towards those who have expressed, with all good faith, concern for protecting the jobs of the American worker.

Indeed, the best way, it seems to me, to protect it is job of the American worker is to guarantee a vibrant economy with a growing sector that relies upon the H-1B and permanent immigrants and American citizens.

That is my second main point. It is essential that we remain competitive. If as a result of what we do today we have fewer temporary immigrant laborers hired, but we lose the opportunity for the person necessary to the immediate job at hand to come to this country, we will have lost a great deal. For the immediate need is exactly the competitive edge, and then that technology, that opportunity, will very well go to another country which does have the ability to hire the temporary worker without the delay of the attestation requirement.

So, I observe that under existing law we do not have an attestation requirement, and for a very good reason. I observe that we do have an attestation requirement, however, for permanent workers and I observe that the Smith version of the bill has an attestation requirement where there is reason to expect it. Namely, where there is a reliance upon the imported, the H-1B imported laborer above the 15 percent.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from California.

Mr. LAZIO of New York. Mr. Speaker, I thank the gentleman from California for yielding, and I thank the gentleman from Texas (Mr. SMITH) for his great work on behalf of high-tech companies and workers throughout this country.

Mr. Speaker, I would just like to offer my support for this bill as well from somebody who represents an area that has transitioned from a particularly defense-laden economy to one that has a much more diversified economy. It is now struggling to continue to break free to add employment to what is increasingly a biotech and high-tech economic base.

This bill strikes the right balance between promoting the growth of the high-tech companies that are so important to the future of this country and the need to keep American workers educated, trained, and fully employed.

Just last month, I would say to the gentleman from California, I met with a large group of high-tech executives from my district. They repeated a concern that I have heard time and time again that Long Island does not have enough workers with the unique skills that they need today. Our schools are not producing enough engineering graduates, they told me, and high schools do not concentrate enough effort on the technological education that will provide the core technological skills our students need.

This is something we all want. We need to address these problems on both a long-term and short-term basis. This compromise reflects this reality.

H-1B visa holders bring unique skills to American companies help U.S. businesses access foreign markets, provide training to American workers about foreign markets, and help fill temporary worker shortages.

Clearly, the long-term answer is to be sure that American students and workers are prepared to fill these good jobs permanently. But this bill provides 10,000 scholarships a year for low-income students in math, engineering and computer science. Equally important, it provides training for many thousands of American workers through the Jobs Partnership Act. These programs will be paid for by the companies that benefit from the H-1B visa program, and not by taxpayers.

The bill protects our workers today with three types of layoff protections, including requiring those companies most likely to abuse the program to attest that they are not laying off an American employee to hire an H-1B employee. The bill even provides a $35,000 fine for violations.

For the short term, while we are helping to train and educate American workers and students, we provide a temporary 3-year increase in the number of H-1B visas. Mr. Speaker, I urge my colleagues to take advantage of this opportunity to promote our high-tech companies and help our workers now and in the future.

I urge my colleagues to look at this as a two-pronged strategy of looking to the short-term to insure growth in our most promising industries and also insuring a continuing supply of students with the type of technological and educational backgrounds to make that happen.

Mr. Speaker, I thank the gentleman from California (Mr. CAMPBELL) for yielding this time to me, I know it is precious time, to allow me to make these remarks.

Mr. CAMPBELL. Mr. Speaker, reclaiming my time, I thank the gentleman from New York (Mr. LAZIO) for his insightful remarks and courtesy.

Mr. SHAYS. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Speaker, I thank the gentleman from California (Mr. CAMPBELL) for his helpful and enlightening comments, and to follow the gentleman from New York (Mr. LAZIO), because he really said exactly what I would like to say. In fact, he said in just a few minutes what would probably take me 10 minutes to say.

So, Mr. Speaker, I will simply associate my comments to those of the gentleman from New York and the gentleman from California. I also wish to thank the gentleman from Texas (Mr. SMITH) for his outstanding efforts in bringing this legislation to the floor.

Mr. Speaker, I have been a strong opponent of illegal immigration. I think we need to do a better job of cracking down on illegal immigration. At the same time, I think it is imperative that in certain areas we increase legal immigration, particularly in the areas where other jobs are related. I believe by bringing in people with high-tech skills, we help create more jobs in the United States for American workers.

Mr. CAMPBELL. Mr. Speaker, again reclaiming my time, I have been informed by the subcommittee chairman that the distinguished ranking minority member may wish to speak, and that it would be courteous to allow him to do so.

Mr. Speaker, I yield to the gentleman from North Carolina (Mr. WATT), my good friend.

□ 1730

Mr. WATT of North Carolina. I thank the gentleman for yielding to me.

Mr. Speaker, I think the reason he wanted to yield to me was that he had represented that he was on his final speaker, and he did not want it to look like he had misrepresented. I understand that other Members came to the floor after that. He probably also wants me to speak in favor of my substitute again, but I will not take advantage of his generosity.

Mr. CAMPBELL. Mr. Speaker, it just adds to my admiration for the gentleman from North Carolina, his candor.

I yield to the gentleman from Ohio (Mr. BOEHNER).

Mr. BOEHNER. Mr. Speaker, I want to congratulate our good friend, the gentleman from Texas (Mr. SMITH) who has labored with this bill along with other Members over the course of this year. And although the gentleman from North Carolina has a worthy alternative, I think that the bill we have before us is an agreed-upon bill between the House and the Senate and the administration. It is time to move this issue forward.

There are probably a lot of people in America who wonder why we have guest workers, why we would bring these special H–1B workers in. I think it is important to note that over the last 18 to 20 years, the American economy has grown to be the most competitive economy in the world. If Members will recall, in the late 1970s and early 1980s, we were losing quickly our ability to compete.

What has happened over the last 18 to 20 years is America, because of the information age, because of the advent of new technology, has really become the most competitive Nation on the earth. The only problem is, our workers, a lot of them, we do not have enough to fill these very highly skilled positions. That is why we have this temporary guest worker program.

While I support the program, I support what we are doing here, we also have to keep in mind that we need to do a better job of making sure that we have the educational resources and the options available for U.S. citizens to gain the skills and gain the education to fill these positions long-term. That is why in this bill there is some additional money for training and education. But I think it causes us to take a moment to think about the bigger picture of what has to happen in our country.

Tomorrow, hopefully, we will have the Higher Education Reauthorization Act on the floor of the House that will, again, show the American people our commitment to broadening higher education and the availability of it for all Americans, because long-term we have the skills and the ability to fill these jobs ourselves if, in fact, we make that commitment to them.

In the meantime, we need this to maintain our competitiveness. It is the right thing to do. The gentleman from Texas really does deserve a big pat on the back for laboring through a lot of slings and arrows from a lot of different directions over the course of this year.

Mr. CAMPBELL. Mr. Speaker, in brief recital of where I was before, I was equally surprised at the additional speakers. I had made the point that the Smith version gives us a net increase in temporary worker visas, the Watt substitute does not; that it is important to have temporary visas so that people needed for an immediate job can get into that job without the delay of attestation.

But a very fundamental point has been raised by my friends on the other side saying that there have been layoffs and what sort of compassion do we have for American workers who have been laid off. I have a great degree of compassion. I hear them at every town hall meeting in my district which is a high technology district. But the Smith substitute, I think, cuts the compromise just about right.

It realizes that the people who are laid off in categories are different from the categories where the H–1B visas are being hired. They are simply not the same. In high technology terms, the layoffs tend to be in the fabrication side, and the H–1Bs tend to be in the engineering side. That is exactly where we need to be importing, for temporary engineering purposes, that brainpower that might otherwise go to one of our competitor countries.

The Smith substitute makes that cut perhaps roughly at 15 percent. Nevertheless it makes exactly the cut that we ought to between those are truly job shops and should be subject to an attestation requirement and should be subject to heightened Department of Labor scrutiny, because they are taking jobs away from Americans, and those legitimate American employers who need a temporary visa for someone to come in and provide the technological expertise that otherwise will diminish our competitive position.

I close by observing that the economic benefit is as important as the preservation of the existing jobs. The first being new growth for new jobs; the second being the preservation of existing. Without the H–1B, we will not, I think, be able to guarantee the growth of new jobs. Important as preserving the existing jobs are, we must do both. The Smith substitute recognizes both of those.

A former constituent of mine, Andy Grove, came to this country as an immigrant. He founded Intel Corporation and he was Time magazine's Man of the Year. This is the kind of talent that I would wish to come to our country rather, in Andy Grove's case, than stay in Europe.

At the end of this debate, this is only the first step. We must do far more to retrain American workers. I strongly support the provision in the Smith alternative that every H–1B visa employer pay $500 that goes into a retraining and education fund for Americans so that they do not lose this opportunity in the long run. But even that is not enough.

Legislation of my own supports a double deduction for retraining an American worker, not just the ordinary and necessary cost of doing business deduction but twice it, so that if you are retraining an American worker, you have an economic incentive from all of us that that person keep the job and keep the job in this country.

Mr. SMITH of Texas. Mr. Speaker, I yield myself the balance of my time.

I thank my friend from California for his very articulate and trenchant remarks. I urge my colleagues to vote against the Watt amendment and for the underlying bill.

Ms. DUNN. Mr. Speaker, I rise today in support of the Workforce Improvement and Protection Act. America's cutting-edge companies depend on the annual admission of a small number of highly-skilled workers under the H–1B visa program in order to maintain a competitive edge in the global marketplace. The H–1B visa program is a timely—and often the only—means for U.S. companies to employ foreign-born professionals on a temporary basis. These workers supplement the domestic labor force where no American worker is available who can perform the job.

In recent years, the high-tech, engineering, pharmaceutical, and other industries that use H–1B workers have enjoyed extraordinary growth. Demand for H–1B workers has increased to a point where the annual cap of H–1B visas was reached in May this year and is expected to be reached even earlier in coming years. This means that indispensable people, who likely have been educated and trained in the United States, will have to return home and work for our foreign competitors instead of staying in the U.S. to advance American companies and generate jobs for American workers.

In my home State of Washington, companies like Boeing and Microsoft, and the hundreds of other high-tech firms just starting up, understand the importance of H–1B visas. I recently received a letter from a constituent detailing her concerns. She employs less than 10 H–1B workers in a company of over 230 employees. These workers are in key leadership roles, where people with international experience and perspective, along with technical expertise, are required. The success of these visa holders enables this company to hire many more American workers. Without the H–1B visa program, this firm would be negatively impacted, to the point where the company could move out of my district, possibly to a foreign country, moving 230 jobs and the ensuing economic benefit out of the United States.

Mr. Speaker, high-tech companies aren't the only ones utilizing the talents of H–1B workers. The Fred Hutchinson Cancer Research Center, also in Washington State, is an excellent example of the specialized abilities of these workers. For example, Dr. Rainier Storb, a German national, joined the bone marrow research team working at the Center. Dr. Storb brought unique knowledge to this team, which subsequently developed the use of bone marrow transplantation. This research resulted in the clinical treatment of a host of blood and immune system diseases. Lymphomas and anemias, which were terminal just 20 years ago, are now successfully treated in 80 percent of cases. This work led to the award of a Nobel Prize in Medicine. Dr. Storb's example is simply one of a number where the contribution of a foreign born scientist led to significant scientific and health care progress, the creation of jobs and economic opportunity, and training to countless other scientists from the U.S.

While our Nation's economic health is strong today, I believe that we must ensure access to the best talent the world has to offer in order to keep this momentum. Temporarily expanding H–1B admissions will help insure that the United States remains the world leader in the development of new technologies.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to the current version of H.R. 3736, which drastically increases the number of available H–1B visas while severely limiting worker protection clauses that were contained in the version passed out of the House Judiciary Committee on May 20, 1998. I am especially disturbed that the newest compromise achieved by Senate Members and the administration late last night has been brought to the floor today with little time for us to adequately review this newest proposal.

I am not convinced of the need for more temporary workers. Industry alleges there is a great shortage among high-tech companies. The Information Technology Association of America, an industry-funded group claims 340,000 information technology jobs are going unfilled.

In March of this year, the GAO questioned the "reliability of ITAA's survey findings," as not supported by the evidence. It concluded the response rate of the survey was too low (36%) to make an accurate projection.

It is important to note various reports which show that industry has laid off over 142,000 American workers since the beginning of this year. Why were they laid off if there is a shortage?

The August 1997 Computerworld Magazine found over 17 percent of American high-tech workers over the age of 50 are unemployed. If there is a shortage, why aren't these individuals being retrained and rehired?

Foreign high-tech workers generally earn less than their American counterparts, despite laws requiring employers to pay them "prevailing wages." A July 26, 1998 Washington Post article found that foreign computer programmers with masters' degrees earn $50,000 compared to $70,000 that a comparably educated American worker could earn. So what are these industries doing? Hiring cheaper labor? Are H–1B visas being used as a conduit for cheap labor? It sure looks that way. Between 1990 and 1995, computer specialist jobs increased by only 35 percent, while the number of visas requested by employers increased by 352 percent! These companies are more interested in hiring foreign workers than our American workers.

In response to these concerns, the bipartisan bill reported out of committee on May 20, 1998 contained worker protection clauses designed to prevent foreign workers from being hired over American workers because they are cheaper labor. The clause simply required employers petitioning for H–1B foreign workers to show a good faith effort to recruit Americans first.

This simple requirement was read as too burdensome to the industry. They argued that it would cause "too much red tape" impeding their ability to hire workers. Well I say to those companies, what about the hardship faced by 142,000 laid off technology workers?

I am appalled that this simple attestation clause has been whittled down to nothing in the current form of H.R. 3736. This attestation clause is now expected to reach only 5 percent of H–1B employers. While the job-shops will be required to attest that no American workers were laid off to create the position for the foreign worker and that workers they provide on a contractual basis to another company do not replace American workers, this is not enough. Ninety-five percent of our workers are left unprotected under this bill. Even with the added authority given to the Department of Labor in the newest compromise between Members of the Senate and the administration, there is no guarantee that our workers will be protected. The Department of Labor is only allowed to investigate and punish once there is a willful violation. What about other violations? I am simply not convinced that our American workers will be sufficiently protected.

Fundamental fairness requires that we take a balanced approach when lifting the cap on H–1B visas. We cannot raise the limit for foreign workers while providing no worker protections for Americans laid off from this very industry. There was a bipartisan measure in the House that could have passed. Now I am forced to oppose passage of this bill unless amended because it still does not provide adequate protections for American job-seekers.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. WATT).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. WATT of North Carolina. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 177, nays 242, not voting 15, as follows:

[Roll No. 459]

YEAS—177

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bereuter
Berman
Berry
Bishop
Blagojevich
Boehlert
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Clay
Clayton
Clyburn
Coburn
Conyers
Costello
Coyne
Cummings
Danner
Davis (IL)
Deal
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Doyle
Ehlers
Engel
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gilman
Gonzalez
Gordon
Green
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Horn
Hoyer
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kingston
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
McCarthy (MO)
McDade
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Nadler
Neal
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Regula
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Ros-Lehtinen
Roybal-Allard
Royce
Rush
Sabo
Sawyer
Schumer
Scott
Sensenbrenner
Serrano
Sisisky
Skaggs
Slaughter
Smith (MI)
Spratt
Stabenow
Stark
Stokes
Strickland
Thompson
Thurman
Tierney

Towns
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weygand
Wise
Woolsey
Wynn

NAYS—242

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehner
Bonilla
Bono
Boyd
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
DeFazio
DeLay
Dickey
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Foley
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Goode
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Hooley
Hostettler
Houghton
Hulshof
Hunter
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kind (WI)
King (NY)
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lofgren
Lucas
Manzullo
Martinez
Matsui
McCarthy (NY)
McCollum
McCrery
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Riggs
Riley
Rogan
Rogers
Roukema
Ryun
Salmon
Sanders
Sandlin
Sanford
Saxton
Scarborough
Schaffer, Bob
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—15

Brady (TX)
Burton
Goss
Kennelly
Manton
Murtha
Poshard
Pryce (OH)
Rothman
Sánchez
Schaefer, Dan
Skelton
Torres
Wexler
Yates

□ 1758

Messrs. PAPPAS, GIBBONS, HALL of Ohio, SANDERS, WHITFIELD, FOX of Pennsylvania, BILIRAKIS, EVERETT, and DICKS, and Mrs. CAPPS, Mr. CONDIT, and Ms. HARMAN changed their vote from "yea" to "nay."

Mr. GILMAN, Ms. McCARTHY of Missouri, Mr. LUTHER, Mr. DIAZ-BALART, and Ms. ROS-LEHTINEN changed their vote from "nay" to "yea."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 513, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of Texas. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 288, noes 133, not voting 14, as follows:

[Roll No. 460]

AYES—288

Ackerman
Aderholt
Allen
Archer
Armey
Baker
Baldacci
Ballenger
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Coble
Coburn
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
Delahunt
DeLay
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Etheridge
Everett
Ewing
Farr
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Frelinghuysen
Frost
Furse
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hinojosa
Hobson
Hoekstra
Hooley
Houghton
Hoyer
Hulshof
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kim
Kind (WI)
King (NY)
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Menendez
Mica
Miller (CA)
Miller (FL)
Minge
Moran (KS)
Moran (VA)
Morella
Myrick
Nadler
Neal
Nethercutt
Neumann
Northup
Nussle
Ortiz
Oxley
Packard
Pappas
Parker
Pastor
Paul
Paxon
Pease
Pelosi
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Ramstad
Redmond
Regula
Reyes
Riley
Roemer
Rogan
Rogers
Ros-Lehtinen
Roukema
Ryun
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Souder
Spratt
Stabenow
Stearns
Stenholm
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Tierney
Upton
Vento
Walsh
Watkins
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Weygand
White
Wicker
Wilson
Wolf
Woolsey
Young (FL)

NOES—133

Abercrombie
Andrews
Bachus
Baesler
Barcia
Barr
Barrett (WI)
Berry
Blagojevich
Blunt
Bonior
Borski
Boucher
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Carson
Chenoweth
Clay
Clyburn
Collins
Combest
Condit
Conyers
Costello
Coyne
Cummings
Danner
Davis (IL)
Deal
DeFazio
DeGette
DeLauro
Deutsch
Dingell
Doyle
Duncan
Emerson
Engel
Evans
Fattah
Filner
Franks (NJ)
Gallegly
Gejdenson
Gonzalez
Goode
Green
Hefley
Hilleary
Hilliard
Hinchey
Holden
Horn
Hostettler
Hunter
Hutchinson
Jackson (IL)
Jefferson
Johnson (WI)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kingston
Kleczka
Klink
Kucinich
Lampson
Lee
Lewis (GA)
Lipinski
LoBiondo
Martinez
Mascara
McKinney
McNulty
Meek (FL)
Meeks (NY)
Metcalf
Millender-McDonald
Mink
Moakley
Mollohan
Ney
Norwood
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Payne
Peterson (MN)
Rahall
Rangel
Riggs
Rivers
Rodriguez
Rohrabacher
Rothman
Roybal-Allard
Royce
Rush
Sanders
Sandlin
Serrano
Sherman
Smith (MI)
Smith (NJ)
Solomon
Spence
Stark
Stokes
Strickland
Stump
Stupak
Taylor (MS)

Thompson
Thurman
Towns
Traficant
Turner
Velazquez
Visclosky
Wamp
Watts (OK)
Wexler
Whitfield
Wise
Wynn
Young (AK)

NOT VOTING—14

Brady (TX)
Burton
Goss
Kennelly
Manton
Murtha
Poshard
Pryce (OH)
Sánchez
Schaefer, Dan
Skelton
Torres
Waters
Yates

□ 1814

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, due to a death in my immediate family, I was not present during today's floor proceedings. Had I been here, I would have voted "Yea" on rollcall vote number 457; "Yea" on rollcall vote number 458; "No" on rollcall number 459; and "Yea" on rollcall vote 460.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3736, WORKFORCE IMPROVEMENT AND PROTECTION ACT OF 1998

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, H.R. 3736, the Clerk be authorized to correct section numbers, cross-references and punctuation, and to make such stylistic, clerical, technical, conforming and other changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2206, HUMAN SERVICES REAUTHORIZATION ACT

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2206) to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and, without objection, appoints the following conferees:

Messrs. GOODLING, CASTLE, SOUDER, CLAY, and MARTINEZ.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

GOP RESPONSE TO AG CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. CHAMBLISS) is recognized for 5 minutes.

Mr. CHAMBLISS. Mr. Speaker, 2 years ago, this body made a commitment to the American farmer. Like a majority of my colleagues, I stood on this very floor during that farm bill debate and promised my farmers that the Federal Government would walk hand in hand with them as our Nation began the transition to a 21st-century-based agricultural economy, such an economy that depends less on government and more on letting hard-working American farmers and ranchers do their best in producing the finest crops and produce in the world.

Congress and the President must hold true to our pledge and remain committed to these free market principles. But, at the same time, the Federal Government must recognize that agriculture, more than any other sector of the economy, is constantly subject to conditions beyond its immediate control.

Unfortunately, this has been evident in recent years as unprecedented weather conditions have pummeled America's farmers, and the effect of these conditions upon America's rural communities has been devastating.

In my home State of Georgia, the most recent study done by the University of Georgia places the 1998 crop losses from forces of nature beyond the control of farmers in the State of Georgia alone at $767 million. From flood-soaked cotton last winter to frost-damaged peaches this spring to drought-stricken peanuts this summer, not a single crop has been spared, and the story is the same all across rural America.

The deteriorating state of America's farm economy is a national priority, and I am pleased to see the leadership of this body stepping up to the plate and going to bat for America's farm families. In the absence of presidential leadership in addressing the crisis gripping our rural communities, the Republican majority has taken immediate action to protect our farmers.

Our $4 billion disaster relief measure will place real money into our farmers' hands at a time of great need. This money can now be used to pay off past operating loans and help our family farms prepare for the future crop years, and this relief package accomplishes this without tearing apart the farm bill and its commitments made to farmers.

Included in the Republican relief measure is 2.25 billion in direct payments to farmers whose crops have been damaged by weather-related disasters, including special funds targeted to farmers who have suffered multi-year crop losses and those suffering severe livestock feed losses. The relief package also contains over 1.5 billion in aid to assist farmers in dealing with the loss of markets and the Clinton administration's inability to keep foreign markets open for our farmers.

This assistance will come in the form of one-time increases in the agricultural marketing transition payments under the 1996 farm bill. While the damage done by the administration's neglect of agricultural trade cannot be fully offset, this assistance will help farmers make it through this temporary market turndown. While the House and Senate Republicans have had their nose to the grindstone in putting together an agriculture relief package, our farmers have only received a cold shoulder and hot air from the Clinton administration on this crisis. Now all of a sudden it is the fourth quarter, and the administration wants to get up off the sidelines and into the game.

While I do welcome the administration in getting off the bench and joining Congress on addressing this extremely important issue, I must ask the current administration, where have you been all year long with respect to our farmers? In fact, just where has this administration been on agriculture for the last 6½ years?

When Congress passed the 1996 farm bill and sent it to President Clinton for signature into law, we joined American farmers in expecting more aggressive trade policies, reduced regulation, lower taxes and increased agriculture research funding. Well, what has President Clinton given the American farmer? No viable trade policy, increased regulations, resistance to tax relief and less funding for agricultural research. Furthermore, the President's travels have spanned the globe in recent months: China, Europe, Africa, Latin America and a number of other countries. But I have yet to see a single policy benefiting American agriculture resulting from his continuous globe trotting while, on the other hand, Chairman BOB SMITH of the House Committee on Agriculture has been successful on several different trips abroad in selling American farm products to the country that he has visited.

Our farmers need strong leadership in both good times and bad, and this administration has failed them miserably. Congress, the President and the Federal Government made a commitment to farmers just over 2 years ago. We can provide our farmers the help we need without turning our backs on that commitment. Only the Republican agricultural relief proposal accomplishes both, and I encourage my colleagues to do the right thing for American farmers and support this relief measure.

A PICTURE OF FREE TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, tomorrow Speaker GINGRICH has promised that he would bring the fast track legislation to the floor of the House of Representatives.

Some years ago, this Congress passed the North American Free Trade Agreement, a disastrous trade agreement that has led to more problems on the Mexican border, more unemployment in this country, more problems with food safety, more problems with truck safety, more problems with drug trafficking, and, ultimately, a bill that swelled, that took a trade surplus with Mexico of $2 billion and turned it into a trade deficit of $20 billion.

The so-called fast track legislation which Speaker GINGRICH is presenting to the House tomorrow is basically a procedural issue that will allow the extension of the North American Free Trade Agreement to the other countries of Latin America.

For those of us who voted against the passage of NAFTA in 1993, we are particularly disturbed at the idea of expanding this failed trade agreement, the North American Free Trade Agreement, to another couple of dozen Latin, Central and South American countries.

About 12 months ago at my own expense I traveled to the Mexican border. I flew to McAllen, Texas, rented a car with a couple of friends and drove across to Reynosa, Mexico. I went to the home of two auto workers, two people that worked at a large American auto plant in Mexico. Each of these workers, husband and wife, made 95 cents an hour. They brought home about $40 a week, each of these two workers. They lived in a home with no electricity, no running water and lived in a home with dirt floors. Right behind their shack was a ditch which had some kind of effluent running in it, certainly not clear, clean water, some kind of waste from some industrial plant or some sewage treatment or whatever, and there were children playing nearby in this ditch and nearby this ditch.

On the other side of this ditch was another shack where a young woman worked who was expecting her first child. She was in her early twenties. She and her husband lived in this tiny shack. She was working at another large American company. She was making about 90 cents an hour. She had no electricity, no running water. She had a plywood floor, a little bit better conditions. She had over in the corner of her little shack a stove that you might buy at an American department store for $250 to $300 that was run by a generator. This lady was paying for this stove through her company, through her employer. They were taking $10 a week from her $40 a week paycheck, and she was paying for this stove for 52 weeks which you could have bought in this country for $250 to $300.

Her brother-in-law, who lived in the other half of her shack separated by a cardboard, couple of pieces of cardboard stuck together, worked in another American factory; and he was suffering, his doctor said, at the age of about 25 or 26, from some kind of neurological damage, some kind of brain damage because he every day worked in a solution where he dipped his hands into a lead-based solution, and over time that lead solution caused him damage to his central nervous system. That same company in the United States makes the same product but does not use lead in its process. Why? Because the U.S. Government will not let that company have workers work in that lead-based solution like that.

When you look at NAFTA, you look at fast track, that is the picture of the future, that is the picture of free trade according to Speaker GINGRICH and according to the leaders of the other body. That kind of picture of the future: very low wages, weak environmental laws, nonenforced worker safety laws, problems with truck safety, problems with food safety, problems with more drugs coming across the Mexican border into the United States.

Later that day, we traveled to Laredo, Texas, and stood at the border between Nuevo Laredo and Laredo. That is the port of entry where the most trucks enter the United States, about 2,500 a day.

□ 1830

Governor Bush, the Governor of Texas, has done virtually nothing to guarantee truck safety at that checkpoint. There was one scale there, a set of scales provided by the State of Texas, which had been broken for three months.

There was one Federal truck inspector there who was in charge of inspecting these 2,500 trucks a day. I asked him how many trucks he inspected per day, and he said 10 to 12. I asked him how many of those trucks he took out of service because they were unsafe; he said 9 to 11.

Clearly the problems of truck safety, the problems of food safety at the border, the problems of drug smuggling coming into the United States, with more and more congestion and as more and more traffic is coming into the United States, clearly all those problems have been exacerbated by the passage of the North American Free Trade Agreement. Drug smugglers in Mexico, drug kingpins, have bought up legitimate trucking and shipping and freight operations and warehouse operations along the border, and are using those legitimate operations to bring more and more drugs into the country.

Mr. Speaker, NAFTA has failed miserably; Fast Track will bring more problems. We should tomorrow defeat Fast Track.

REVAMPING THE MONETARY SYSTEM

The SPEAKER pro tempore (Mr. BASS). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, Mr. Speaker, I would like to call the attention of fellow colleagues to the issue of three things that have happened in the last couple of days.

Today it was recorded in our newspapers and it was a consequence of a meeting held last night having to do with a company that went bankrupt, Long-Term Capital Management. I believe this has a lot of significance and is something that we in the Congress should not ignore.

This is a hedge fund. Their capitalization is less than $100 billion, but, through the derivatives markets, they were able to buy and speculate in over $1 trillion worth of securities, part of the financial bubble that I have expressed concern about over the past several months.

But last night an emergency meeting was called by the Federal Reserve Bank of New York. It was not called by the banks and the security firms that were standing to lose the money, but the Federal Reserve Bank of New York called an emergency meeting late last night. Some of the members of this meeting, the attendees, came back from Europe just to attend this meeting because it was of such a serious nature. They put together a package of $3.5 billion to bail out this company.

Yesterday also Greenspan announced that he would lower interest rates. I do not think this was an accident or not coincidental. It was coincidental that at this very same time they were meeting this crisis, Greenspan had to announce that, yes indeed, he would inflate our currency, he would expand the money supply, he would increase the credit, he would lower interest rates. At least that is what the markets interpreted his statement to mean. And the stock market responded favorably by going up 257 points.

On September 18th, the New York Times, and this is the third time that that has come about in the last several weeks, the New York Times editorialized about why we needed a worldwide Federal Reserve system to bail out the countries involved in this financial crisis.

Yesterday, on the very same day, there was another op-ed piece in the New York Times by Jeffrey Garten, calling again for a worldwide central bank, that is, a worldwide Federal Reserve system to bail out the ailing economies of the world.

The argument might go, yes, indeed, the financial condition of the world is rather severe and we should do something. But the financial condition of the world is in trouble because we have allowed our Federal Reserve System, in deep secrecy, to create credit out of thin air and contribute to the bubble that exists. Where else could the credit come from for a company like Long-Term Capital Management? Where could they get this credit, other than having it created and encouraged by a monetary system engineered by our own Federal Reserve System?

We will have to do something about what is happening in the world today, but the danger that I see is that the movement is toward this worldwide Federal Reserve System or worldwide central bank. It is more of the same problem. If we have a fiat monetary system, not only in the United States but throughout the world, which has created the financial bubble, what makes anybody think that creating more credit out of thin air will solve these problems? It will make the problems much worse.

We need to have a revamping of the monetary system, but certainly it cannot be saved, it cannot be improved, by more paper money out of thin air, and that is what the Federal Reserve System is doing.

I would like to remind my colleagues that when the Federal Reserve talks about lowering interest rates, like Mr. Greenspan announced yesterday, or alluded to, this means that the Federal Reserve will create new credit. Where do they get new credit and new money? They get it out of thin air. This, of course, will lower interest rates in the short run and this will give a boost to a few people in trouble and it will bail out certain individuals.

When we create credit to bail out other currencies or other economies, yes, this tends to help. But the burden eventually falls on the American taxpayer, and it will fall on the value of the dollar. Already we have seen some signs that the dollar is not quite as strong as it should be if we are the haven of last resort as foreign capital comes into the United States. The dollar in relationship to the Swiss frank has been down 10 percent in the last two months. In a basket of currencies, 15 currencies by J.P. Morgan, it is down 5 percent in one month.

So when we go this next step of saying, yes, we must bail out the system by creating new dollars, it means that we are attacking the value of the money. When we do this, we steal the value of the money from the people who already hold dollars.

If we have an international Federal Reserve System that is permitted to do this without legislation and out of the realms of the legislative bodies around the world, it means that they can steal the value of the strong currencies. So literally an international central bank could undermine the value of the dollar without permission by the U.S. Congress, without an appropriation, but the penalty will fall on the American people by having a devalued dollar.

This is a very dangerous way to go, but the movement is on. As I mentioned, it has already been written up in the New York Times. George Soros not too long ago, last week, came before the Committee on Banking and Financial Services making the same argument. What does he happen to be? A hedge fund operator, the same business as Long-Term Capital Management, coming to us and saying, "Oh, what you better do is protect the system."

Well, I do not think the American people can afford it. We do have a financial bubble, but financial bubbles are caused by the creation of new credit from central banks. Under a sound monetary system you have a commodity standard of money where politicians lose total control. Politicians do not have control and they do not instill trust into the paper money system.

But we go one step further. The Congress has reneged on its responsibility and has not maintained the responsibility of maintaining value in the dollar. It has turned it over to a very secretive body, the Federal Reserve System, that has no responsibility to the U.S. Congress. So I argue for the case of watching out for the dollar and argue for sound money, and not to allow this to progress any further.

GLOBAL CREDIT CRUNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, we have crossed the threshold of uncertainty and we are now entering upon a new economic dimension. In fact, we have been in that dimension for some time now.

Recalling the global economy, it is an area that is fraught with dangers and difficulties for us and other economies around the world. In fact, we have already seen its expression in East Asia, Russia and elsewhere, and the impact of the global economic decline is going to impact on us very soon and we need to prepare ourselves for it.

The Federal Reserve in that regard should have lowered interest rates a year ago when the Asian crisis first became a threat. Chairman Greenspan has told us many times that it takes a year or more for changes in monetary policy to express themselves and become workable in the real world.

In the meantime, things have only gotten worse. Economies all across Asia are depressed. Russia has collapsed, and Latin America looks like it will be the next region on the planet to contract this economic contagion.

The first signs of trouble are showing up on our shores: Lower corporate profits, a rising trade deficit, a decrease in exports, layoffs in the manufacturing sector, sinking commodity prices, and, now, a looming credit crunch.

Banks and securities firms the companies that were the biggest beneficiaries of the emerging market boom, are shaping up to be the biggest losers as these markets go bust.

Our largest financial firms gambled trillions of dollars on these economies in a daisy chain of derivative transactions that were essentially placing highly leveraged bets on everything from exchange rates to interest rates to government bonds in a variety of countries.

When the Russian government devalued its currency and defaulted on its obligations, it set off a global selling frenzy as these financial firms struggled to meet margin calls from their counterparts. Some of our biggest banks have announced losses of $1 billion or more in these transactions.

Just yesterday, the New York Federal Reserve Bank orchestrated a multi-billion dollar bailout of a sophisticated hedge fund. These were not armchair investors who got in over their heads. This fund was run by the former head of a leading investment bank, two Nobel Prize-winning economists, and a former vice-chairman of the Federal Reserve Board. It is amazing to think that losses of this magnitude could happen in a market that is essentially unregulated. It is even more amazing that some of my colleagues in this Congress would tie the hands of the one regulatory agency, the Commodities Futures Trading Commission, that is looking into this situation.

The end result for the American people is that our banks are dipping into their reserves to cover these losses in these speculative derivatives transactions. This is money that will not be loaned to local businesses to financial local growth at home because it will not be there. This is money that will not help entrepreneurs with their start-up ventures. This is money that people will not be able to use to finance new homes, cars or other major purchases, because it will not be available.

It is imperative that the Federal Reserve's Open Market Committee lower short-term interest rates when they meet next Tuesday. Not only will this send a signal to the global marketplace that we are committed to the strength of our economy, but it will also help alleviate the coming credit lunch.

Last night I introduced House Concurrent Resolution 329, calling on the

Federal Reserve Board to lower interest rates as soon as possible. I urge all of my colleagues to join me in sending this strong message to the Fed that the health of our economy depends on their expeditious action.

BALANCING THE BUDGET ON THE BACK OF THE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I would like to address this body about the condition of the budget resolution that Congress is supposed to have passed several months ago. Indeed, it was supposed to have been completed on April 15th, and, here we are, we are in the last seven days of September, and we still have no budget.

Now, there are some that say, what is the worry? Is the budget not balanced? Can we not forget about having a Federal budget resolution that sets the spending levels for the various programs that we operate as a government? I submit we cannot.

There is good news. It does appear that if you only look at what is called the unified budget, which includes some surplus in the Social Security program, indeed we will have a surplus. But if you back out this borrowing from the Social Security program rather than the surplus, it now appears that we will have a deficit in the neighborhood of $70 billion.

It does not make sense, Mr. Speaker, for us to continue to borrow from the Social Security Trust Fund, to take those payroll taxes that Americans are paying into the Social Security program and that their employers are matching, and to use part of that to operate the Federal Government.

When we say we have a surplus, we should reserve that phrase for the situation where we are no longer borrowing from the Social Security program.

□ 1845

No, we do not have a surplus. We have a deficit this year. We need a budget resolution. We cannot simply brush this off as a formality that is not important.

There is another reason that we ought to have a budget resolution this year. That is because we are considering a reduction in taxes. I think every Member of this body would like to see us reduce taxes. The question is not should we reduce taxes, but the question is, when should we do it? A budget resolution would help us make this decision in a more rational fashion.

The proposal that we will be considering later this week will require an $80 billion tax cut or provide for an $80 billion tax cut over a period of 5 years. Many of us feel that this tax cut ought to be conditioned on first balancing the budget without using Social Security. We ought to say that we are not going to somehow take money from the payroll tax program and use that to support a tax cut. Instead, let us make sure that we either cut Federal programs to support that tax cut, or we truly have a surplus, and then have the tax cut.

Mr. Speaker, I think it is time for all of us in this body to call upon our leadership to appoint a conference committee so that the House and the Senate can get together and finally adopt a budget resolution.

When we adopt that budget resolution, we will know and this Nation will know that, No. 1, we do not have a surplus yet this year; and No. 2, they will know that if indeed we are going to talk about a tax cut, the only responsible way to discuss that tax cut is with full awareness that it is being financed with payroll taxes that otherwise ought to be set aside and protected for the Social Security program.

TRIBUTE TO THE LATE REVEREND DR. AMOS WALLER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, I rise to pay tribute to a great organizer, a visionary leader, a coalition-builder, a singer, and a preacher of the gospel, the Reverend Dr. Amos Waller, who recently made his transition and passed through this life.

Every once in a while a leader comes along who is gifted with the ability to magnetize people and draw them into his presence, and keep them returning for more of whatever it was that they were receiving. Such has been the life and is the legacy of the Reverend Dr. Amos Waller, founder and pastor of the Mercy Seat Missionary Baptist Church.

Reverend Waller was a graduate of the Selma, Alabama, University of Baptist Faith, and was ordained as a minister in 1956. For the next 42 years he has been a preacher, pastor, revival evangelist, and lecturer, and was a chaplin for the A.R. Leak Funeral Home.

In addition to his work as pastor of Mercy Seat, Dr. Waller organized the WestSide Ministers Alliance, served with the Neighborhood Assistance Program in the city of Chicago's Department of Human Services, was politically active in his neighborhood, and provided food and shelter for the poor and needy members of his community.

As a matter of fact, not only did he provide food for the needy, but he was one who believed in the doctrine that man does not live by bread alone, and so a typical Sunday after services, hundreds of people would gather in his dining room for chicken and dressing and potatoes and turnip greens, and all of the other delights that he was noted for.

The Reverend Waller was a man of great diversity who became a board member of the National Baptist Convention U.S.A., and was a great friend of and worked closely with Reverend Sun Myung Moon. In August of 1995 he participated in an international marriage ceremony where 42 couples from his church united with over 3 million others throughout the world as they took and renewed marriage vows.

Reverend Waller has been a developer of ministers and of churches, and out of Mercy Seat came the New Home Baptist Church, where the Reverend Mac McCullough is the pastor; the Greater St. John Baptist Church, where the Reverend LeRoy Elliot is pastor; the Grace Temple Baptist Church, where Reverend Dennis Will is pastor; the Full Gospel Church, where Evangelist Betty Yancy is pastor; True Light Missionary Baptist Church, where the Reverend Freddie Brooks is pastor; Greater Damascus Missionary Baptist Church, where the Reverend Curley Brooks is pastor; New Christian Center, where the Reverend Greg Macon is pastor, and the Pleasant Valley Baptist Church, where Reverend Sparks is pastor.

Reverend Waller was affectionately known as Daddy by many of the younger ministers in his community and throughout the area, because he embraced them all.

Reverend Waller received awards from the mayor of Chicago, the Governor of Illinois. He and Mrs. Waller, who preceded him in death, were presented the 1996 Parents of the Year award for Illinois, in conjunction with a proclamation by President Clinton declaring July 26, 1996, as Parents Day.

Reverend Waller understood the role of business and economic development activities, and helped to start local businesses; specifically, the A-1 Garfield Exterminating and Janitorial Service, operated by Mr. Garfield Major. He encouraged his parishioners to vote and to shop in the neighborhoods where they lived, a sound and wise economic development strategy.

In the book of Matthew, the fifth Chapter, 14th through 16th verses, we read, "Ye are the light of the world. A city that is set on a hill cannot be hid. Neither do men light a candle and put it under a bushel, but on a candlestick, and it giveth light onto all that is in the house. Let your light shine before men, that they may see your good works and glorify your father which is in heaven."

The Lawndale Community of Chicago and the Nation have seen and benefited from the good works of Reverend Dr. Amos Waller, and now may his soul rest in peace.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4618, AGRICULTURE DISASTER AND MARKET LOSS ASSISTANCE ACT OF 1998

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–743) on the resolution (H. Res. 551) providing for the consideration of the bill (H.R. 4618) to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4578, PROTECT SOCIAL SECURITY ACCOUNT, AND H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–744) on the resolution (H. Res. 552) providing for consideration of the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2621, RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. HASTINGS of Washington (during the special order of the gentleman from Texas, Mr. HUNTER), from the Committee on Rules, submitted a privileged report (Rept. No. 105–745) on the resolution (H. Res. 553) providing for consideration of the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes, which was referred to the House Calendar and ordered to be printed.

NATIONAL SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from California (Mr. HUNTER) is recognized for 60 minutes as the designee of the majority leader.

Mr. HUNTER. Mr. Speaker, I thought it would be appropriate today to talk a little bit about national security, especially in the wake of the President's remarks. We have had some remarkable statements by the President in the last several days regarding national defense.

They are remarkable not because they display any insight that is unusual, from my perspective, but that they are the first admission by the President that our military is broke and needs fixing. When I say it is broke and it needs fixing, I mean it is dramatically underfunded.

We spent about $100 billion more per year in the 1980s under Ronald Reagan than we are spending today, if we look at real dollars. We do not have the soviet empire to contend with, but we still have fragments of the soviet empire, including Russia, which still has nuclear weapons which are still aimed at the United States.

We have now a number of nations exploding nuclear devices, like India and Pakistan. We have Communist China racing to fill the shoes, the superpower shoes, of the Soviet Union. Also we have a number of terrorist nations, or would-be terrorist nations, around the world, including North Korea, which are now testing missiles and developing missiles much more rapidly than our intelligence service ever thought they would.

Particularly, I think, we were alarmed when we saw just a few days ago, really, the North Korean Taepo Dong-1 missile, a three-stage missile, fired over Japan in a very long flight, or what would have been a very long flight, had they let it go all the way. We realized suddenly that they were years ahead of our intelligence estimates in terms of building and deploying intercontinental ballistic missiles, ICBMs.

ICBMs have an important meaning to the United States because that means to us as Americans, those are the missiles that reach us. Short-range missiles like the Scud missiles that Saddam Hussein used to kill some of our troops in Desert Storm of course can still threaten troops in theater.

That means that if we have American Army personnel, Marine Corps personnel, or Navy personnel around the world, those Russian-made Scud missiles, which are proliferating to a lot of outlaw states like Iran, Iraq, Libya, Syria, and others, can fire on our troop concentrations.

But ICBMs have a special meaning to Americans because those are the missiles that reach us in our cities. That means, to a serviceperson who may be serving in the Middle East, there are lots of little missiles that can reach him in his role as a uniformed serviceman for the United States, but the missiles that are being developed now by the outlaw nations can reach his parents and his family, his city, his community. That has a special meaning to us.

Along with my good friend, the gentleman from Pennsylvania (Mr. CURT WELDON) and the chairman of our committee, the gentleman from South Carolina (Mr. FLOYD SPENCE), I have taken to asking a lot of questions concerning our progress in missile defense to the Secretary of Defense and the chairman of the Joint Chiefs when they appear before us.

My favorite question is, if an intercontinental ballistic missile was fired today at an American city and was coming in, do we have the ability to stop it before it explodes in our community? The answer always is no.

The reason I ask that question is not because I think maybe the Secretary does not know the answer, but because if we ask the average citizen in the United States or a lot of average citizens in the United States whether or not we have a defense against missiles, most will tell us, sure we do.

I remember watching one focus group when they were explaining to the monitor, good American citizens, hardworking, why they thought we had a defense against missiles. The guy that was running the program said, how would we shoot them down? One person said, we would scramble the jets. Of course, we know, a lot of us know, that one cannot possibly catch up with an ICBM that is traveling as fast as a 30–06 bullet or faster with a jet.

Another person said, we would shoot them down with cruise missiles. We know we cannot do that, those on the committee, because cruise missiles are very slow compared to ICBMs.

Another said, I thought Ronald Reagan took care of that program. But he did not take care of the program, President Reagan, that is, because he was stopped by the people who sit in this Chamber, by the U.S. Congress. We derided his warning to us that we were entering the age of missiles and we had to have a defense against missiles; that they would be proliferating around the world to outlaw states, and that even if the Soviet Union went away, we were living in an age of missiles, we could not get away from that, and we had better start learning how to defend against it.

□ 1900

I think it is kind of interesting, Mr. Speaker, that you are here today, the great gentleman from New Hampshire (Mr. BASS). I want to make sure you are still there, because I remember when I was going on and on in one of our meetings about the need for missile defense and I invoked the name of Billy Mitchell. I reminded my colleagues that Billy Mitchell was warning the

United States in the 1920s that we had entered the age of air power, and he so enraged some of our service leaders that when he sunk some ships, some Navy ships, with bombs to show that planes could sink ships, they promptly court-martialed him for his candor.

He criticized, incidentally, the state of national defense. But he was trying to warn the United States that we were entering an age of air power, of air battles for which we were ill-prepared. We learned that. And only by our industrial base roaring back in the 1930s and 1940s to take on the Axis Powers did we finally prevail. But his warning was a righteous warning it was a right warning, it was accurate. That, of course, was the Speaker's great uncle, the great General Billy Mitchell.

Well, today we are living in the age of missiles. Yet we have given short shrift and not enough money to missile defense programs. That means that if a leader in North Korea brings his generals in and says, What if we have a tank war with the Americans? Can we beat them? His generals say, No, they have the best tanks in the world. What if we try to take on their Navy? Can we beat them? No, they have the quietest submarines in the world. We will never beat the Americans at sea. What can we do to the Americans that they cannot stop? His generals will tell that North Korean leader, as I am sure they do on a very regular occasion, They cannot stop ballistic missiles. Why not? I do not know. We were watching television, they might say, watching international television and we saw all these congressmen, I guess they are called, getting up and fighting against the missile defense. They said it was a bad thing to have war in the heavens and to stop an incoming ballistic missile. We cannot figure it out, but the Americans decided to not have any defense. They want to be totally vulnerable to a missile strike.

What is that North Korean or Libyan or Iraqi or Iranian leader going to tell his Department of Defense? He is going to tell them, Go where they are vulnerable. Build missiles. We cannot beat their tanks. We cannot beat General Schwarzkopf's Army on the ground, or what is left of it under the Clinton administration. We cannot beat the Navy, but we can throw missiles at them and they have nothing to stop it.

Mr. Speaker, we need to spend a large chunk of money. And I know there is going to be some waste and I know there is going to be some redundancy, but we better spend a large chunk of money under a national emergency framework. That means get all the regulators out of there, get the guys out of there that say we cannot test at this test range because there are certain mockingbirds that will not sleep when we are testing missiles out here. Or we cannot test here because this is a historic site.

It means that when the bean counters come in and the Pentagon says we cannot go to the system yet because we have not checked off the 30,000 boxes and the small business set-asides on that, it means we have to sweep them out of the way and go on an emergency program that is just as important, I think, to our national survival today as the Manhattan Project was at the end of World War II.

My father was a U.S. Marine who had been in the Leyte Gulf operation in the South Pacific. He was in marine artillery and he was waiting for the call for his unit to deploy and invade the Japanese mainland. He did not have to do that because we came up with the Manhattan Project that built the nuclear weapon that we were forced to use at Hiroshima and Nagasaki.

That precluded what we estimated to be 1 million U.S. casualties in trying to take the Japanese mainland. One of those casualties might have been my father. So, as tough a decision as that was for Mr. Truman to make, I think it was the right one and I think most Americans agree.

Well, today we are in a race. It is almost as important as that race in World War II. This is a race not to throw offensive systems at people and kill a lot of Russians or kill a lot of Iraqis or kill a lot of Iranians. This is a defensive system that will shoot down a missile in flight so that we do not have to kill a lot of our adversaries in a retaliatory strike.

I hope, Mr. Speaker, that this Congress, under the good leadership of our Speaker, Mr. GINGRICH, and the leadership of Mr. LOTT and a lot of right-minded Republicans and Democrats who realize that now missile defense is an emergency, will come to the fore and support a very strong, robust emergency missile defense program.

We need to build on an emergency schedule a defensive system that will handle the missiles that North Korea is just now testing; that will handle the Iranian missile that was tested a short time ago; and, will handle in fact intercontinental ballistic missiles of all shapes and sizes, because we can bet they are going to be coming out us.

Mr. Speaker, let me move to another part of the national security bill that I think is important. Incidentally, this bill was shepherded forward, was passed today with a big vote and it is the result of a lot of hard work by great members on the Committee on National Security, Republicans and Democrats, starting with our good chairman, the gentleman from South Carolina (Mr. FLOYD SPENCE), a very strong advocate for national defense.

I was sorry to see that it was the last time this bill was going to be shepherded through the Committee on Rules by the gentleman from New York (Mr. GERRY SOLOMON), chairman of the committee, one of the best national security Members I have ever seen.

Mr. Speaker, want to talk a little bit about this bill. I am the chairman of the Subcommittee on Military Procurement which helps to authorize our ships and our planes and our tanks and those things. This bill does provide for ships and planes and tanks and a lot of other things like trucks and radios and generators and ammunition. But I can tell my colleagues, although we provided for all those types of things, we did not provide for much in terms of quantity.

For example, we are only going to build this year 1 F-16. We are only going to build 30 F/A-18 tactical aircraft. We have money in for the Joint Strike Fighter, which I think is important. We have money in for the F-22. We are going to build some remanufactured Kiowa Warriors. We are going to build other aircraft that are on the periphery in all three of the services in terms of being support aircraft and combat support aircraft, but we are not going to build a great many of those aircraft.

We are not going to build the B-2 bomber. Remember, Mr. Speaker, we only have 21 B-2 stealth bombers. The great thing about those bombers was that one of those bombers flying into a mission area could evade and avoid enemy air detection with their radars, could avoid enemy SAMs and could knock out the same number of targets as 75 conventional aircraft. So the B-2 bomber was a great multiplier. One B-2 equals 75 conventional aircraft. But we killed that program. President Clinton killed that program last year, and we are only going to have 21 B-2 bombers. So, we built none of them in this particular bill.

We are only building enough ships, just enough to keep up to what I call the 200-ship Navy. President Ronald Reagan had an almost 600-ship Navy just a few years ago. Today, we are building toward the 200-ship Navy, a very small Navy.

In the area of ammunition, we are still billions of dollars short. We are about a billion and a half dollars short of basic Army ammunition. We are still $300 million short of basic Marine Corps ammunition.

Mr. Speaker, let me go to some of the personnel problems. We are going to be short, now we know, over 800 pilots in the U.S. Air Force. We are going to be short also of Navy pilots. We are going to be short lots of sailors, the people that go out and make the ships actually sail and deploy and do their missions.

I am told now by members of the U.S. Navy that when our Navy ships come in we are so short in certain munitions that we have to take the munitions off the decks of some of the incoming ships and put them on the decks of outgoing ships. That means we do not have very many. If we have to expend those ammunitions in a war or conflict, we are going to be short of ammo very, very quickly.

We did something in this bill that I do not think is a good thing, but we did it at the request of the conferees. Something we could not get through the conference, although the House did, I think, the right thing. That is we did not separate men and women in basic training.

Mr. Speaker, I have seen the requirements of infantrymen. I have seen the requirements of being able to carry a buddy who may weigh 220 pounds off the field, while at the same time maybe carrying a weapon and some other things. I have seen the mixed platoons, that is men and women in infantry platoons, and I will simply say that I think we are disserving the parents of America who are counting on having an Army where the guy next to their son is able to carry him off a battlefield, along with equipment, before he is killed.

In many, many other areas, but especially areas involving physical endurance, we are shortchanging not only the young people in the service who have to rely on their buddy, but we are also shortchanging, of course, the parents who invite them and ask them to join the uniformed services.

So, Mr. Speaker, we tried to get that provision through to maintain a separation. We know that there are many, many personal problems that have emanated from the lack of what I would call good, practical, common sense oversight with respect to training and mixing of the genders in training. I do not think we have done a service to either the families of the young women or the young men whom we have thrown together in these very tight environments in basic training.

Nonetheless, it was insisted by some of the conferees that we maintain that experiment in human behavior. But I will tell my colleagues that this committee is going to be watching very closely. The gentleman from Indiana (Mr. BUYER) and the gentleman from Maryland (Mr. BARTLETT) and the gentleman from South Carolina (Mr. SPENCE) and a lot of other folks who are really concerned about that are going to be monitoring it, along with myself. We are going to see to it that if there is not a reversal in the numbers of incidents that are arising from that mixed training, and other problems and disciplinary problems, we are going to come back with the bill that we had this year.

Mr. Speaker, I would be happy to yield to a gentleman who is a great friend of mine, the chairman of the Subcommittee on Military Research and Development, who knows his stuff on defense and has been a champion of ballistic missile defense, the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I was listening to the gentleman's special order and had to come over and first of all praise him for not just a special order, but for the leadership role he has played on defense issues in this Congress and in past Congresses as the chairman of the Subcommittee on Military Procurement.

The gentleman has fought long and hard with his colleagues on the other side to make sure that we had the money to buy the equipment with the very limited budget to meet the needs of our troops. And as he has said time and time again, we are in the midst of a crisis right now.

In fact, I predict that this 10-year period in time, the 1990s, will go down in history as the worst period of time in terms of undermining our national security. In the next century, people are going to realize that the economic savings that were generated during this administration were all done on the backs of our men and women in the military.

While we have been cutting defense, and now we are in the fifteenth consecutive year of real defense cuts, we have a Commander in Chief who has increased our deployment rate to 26 in the past 6 years. That compares to 10 in the previous 40 years. And none of these 26 deployments were budgeted for. None of them were paid for. The $15 billion in contingency costs to pay for those came out of the hide of the men and women who serve in the military, their readiness, their modernization, and the research technology necessary to meet the threats of the 21st century.

My friend and colleague talked about missile defense. This issue is now becoming again a major national issue. It is becoming such an issue not just because of our collective work to raise the issue, but because of what is happening.

We were told by the intelligence community that we would not see these threats emerge. Earlier this year, we saw the Iranians test, and we think deploy right now, a medium-range missile, the Shahab 3, that threatens all of Israel.

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Last week we had members of the Israeli Knesset, the chairman of their international affairs and defense committee Uzi Landau here for a week. The Israelis feel their backs are against the wall because they do not have a highly effective system that can defeat that Shahab 3 missile. They are vulnerable, just as our 25,000 troops in that theater are vulnerable.

We saw the North Koreans test the NoDong missile, and we think it has now been deployed, which puts all of our troops in Asia at risk, which includes Japan and South Korea. And we have no highly effective system to take out that NoDong. Then in August, we saw what none of us felt would occur because the intelligence community told us it would not happen for years and that is the North Korean test of a 3-stage rocket, a 3-stage missile that they had the audacity to fly over the territorial land and waters of Japan.

We now have evidence that has been based on intelligence community assessments that says that this Taepo Dong missile may be able to do something that we were told 3 years ago would not happen for 15 years; that is, hit the territorial lands of the United States including all of Guam and parts of Alaska and Hawaii.

This is totally and completely unacceptable to us. And as my friend and colleague knows, members of both parties in this body and the other body have been crying for a response, for systems to protect our troops or allies and our people against the threat that missile proliferation in fact has produced. But to date we have not had success.

I say it is largely because there has been a lack of commitment on the part of this administration to follow through and to set the tone and to do something that the gentleman has repeatedly asked for, and that is to muster all the resources of our country, our national labs, our agencies, as much as President John Kennedy did when he mustered America to land on the moon within 10 years.

My colleague and friend has said that we should muster all the forces that we have in this country to solve this problem and to provide protection. And for those who say that we should not worry about missile defense, that it is something in the future, I would ask them to look those families of those 29 young Americans who were killed 7 years ago in Saudi Arabia when that low complexity Scud missile landed in their barracks and wiped them out, tell those moms and dads and brothers and sisters that this threat is not here, that it is not real.

The single largest loss of life we have had in this decade of our American troops was when that Scud missile was fired into our American barracks, and we could do nothing about it because we had no system in place. What bothers me, and I think my colleague will agree with me, is that this administration talks a good game. In fact, just this week, they had a major press event. They even asked that, they are talking with the Japanese about doing a joint missile defense initiative with Japan. I happen to support that kind of a concept but what bothers me is, they are not even funding the existing systems. Yet they are putting the rhetoric out that they want to fund an entirely new initiative with the Japanese.

Mr. HUNTER. Maybe they think, I would say to my colleague, maybe the Clinton administration thinks that they can talk those missiles down with the Japanese.

Mr. WELDON of Pennsylvania. I tend to agree with my colleague, that if talk in fact were the answer, we would have had every missile in the entire world, because of the rhetoric and the hot air that has come out of this administration on its commitment to missile defense. But the point is that as they did with the Israelis and the supporters of Israel, understand this very well, when President Clinton went before AIPAC's national convention in Washington 2 years ago, he pounded his fist on the podium and he said, we will never allow the people of Israel to be vulnerable to Russian Katushka rockets. He said to them, we will help you build the Nautilus program.

What he did not tell the friends of Israel was that for the three previous years he had tried to zero out all the funding for the theater high energy laser program, which is what Nautilus is. And what he did not tell the friends of Israel was that in that fiscal year, the administration made no funding request to fund the Nautilus program. To this date, we have not received a funding request.

As my friend knows, I had to go to AIPAC, and I had to say to them, how much money does Israel need to move this program forward? The dollar amount that we put in our defense bill 2 years ago was not requested by this administration, in spite of the President's rhetoric. It was provided by the folks at AIPAC who gave us the number to put in the bill to provide the dollar support for Israel.

Now we have a request, a situation where they are saying we are going to help Japan. What about the $11 billion necessary to fund the Meads program which we have committed to with the Italians and Germans? What about the money necessary to fund Navy Upper Tier, Navy Area Wide? What about the funding necessary to deploy PAC 3, THAAD? What about the funding necessary to help Israel continue the Arrow program? Where is all that funding coming from when this administration has said they are going to take our current missile defense budget from $3.6 billion to $2.6 billion.

You cannot do it. We need to take this message to the American people. The friends of Israel are aware of this rhetoric and they are on our side. But something is happening across America. I wanted to come over and I wanted to enter into the Record, if my colleague in fact will allow me, to put in the changing mood of the American people.

Over the past 2 months there have been over 20 national newspapers who have put into the Record endorsements of the need for this country to very quickly deploy national and regional missile defense systems.

I would like to, at this point in time, put into the Record comments from those 20 some odd newspapers, from all the major cities, from the Washington Times, the Savannah Morning News, the Wall Street Journal, the Daily Oklahoman, the Kansas City Star, the Boston Herald, the Chicago Sun-Times, the Detroit News, the Wisconsin State Journal, the New Republic, the Cincinnati Enquirer, the Florida Times union, the Pittsburgh Post Gazette, the Las Vegas Review Journal, the San Diego Union Tribune, the Indianapolis Star, the Arizona Republic, Providence Journal, the New York Post, the same arguments that we have been making that America is now beginning to listen to.

It is time this administration stopped the rhetoric and started putting the muscle where it is needed, and that is to deploy very quickly the most highly effective theater and national missile defense systems that our money can buy.

Mr. Speaker, I include for the Record the editorial comments to which I referred:

America's Editorial Boards Support National Missile Defense

The irony in all of this is that Israel could have a missile defense years before similar protection is afforded Americans . . . Good for the Israelis that they have a government determined to protect from a real and growing danger from abroad. But could someone please explain why Americans do not deserve as much?

"TO HIT A BULLET WITH AN ARROW," THE WASHINGTON TIMES, SEPTEMBER 23, 1998

Unfortunately, it seems some lawmakers would prefer to put their faith—and America's safety—in arms-control agreements. They trust Baghdad and Pyongyang to keep their words more than they trust the ability of American scientists to devise a last-resort shield against hostile attacks.

"INVITATION TO MISSILES," SAVANNAH MORNING NEWS, SEPTEMBER 12, 1998

So it's good to see Japanese officials wiping the mud from their eyes to say that while the object that whizzed over Japan was probably a missile, launching a satellite with similar sophisticated rocketry would have sent the same wake-up call: that no country is safe today from the very real threat of attack by missiles carrying weapons of mass destruction.

"THE MISSILE PLOT THICKENS," THE WALL STREET JOURNAL, SEPTEMBER 10, 1998

Bold action is needed to counter Clinton's idle approach to defending the U.S. against a grave and growing threat.

"VULNERABLE AND AT RISK," THE DAILY OKLAHOMAN, SEPTEMBER 8, 1998

Defenses against missiles for threatened American allies and our troops and installations overseas—and soon perhaps the nation itself—is the most important national security problem today. Everything that Congress can do to prod a head-in-the-sand administration must do so.

"MISSILE DEFENSES NEEDED EVEN MORE," BOSTON HERALD, SEPTEMBER 6, 1998

In fact, changing the policy goal from research to deployment—as soon as possible—will change the fundamental dynamics of the research. The threat is closing in faster than the response, and that's what must change.

"MISSILE THREAT CLOSING IN FAST," KANSAS CITY STAR, SEPTEMBER 5, 1998

Lawmakers should get the process rolling toward development of this very necessary defensive system. We certainly hope no bin laden type ever gets his hands on a ballistic missile, but it would be grievously wrong to relay on hope alone.

"IN DEFENSE OF DEFENSE," CHICAGO SUN-TIMES, SEPTEMBER 3, 1998

But the alternative is to leave America without any defense against enemy missile attack. In view of the Constitution's requirement that the government "provide for the common defense," that wouldn't seem to be an option.

"NORTH KOREA'S WAKE UP CALL," DETROIT NEWS, SEPTEMBER 2, 1998

In these days of suicidal attackers, holding American hostages to attack is even less defensible than before. Holding them hostage is, in fact, an invitation to attack.

"NO DEFENSE ALLOWED," WASHINGTON TIMES, SEPTEMBER 2, 1998

The North Korean missile launch shows how quickly the world can grow more dangerous. The United States can't protect itself or its friends from threats posed by rogues like North Korea or international terrorists. How many wake-up calls will America's leaders get?

"MISSILE DEFENSE NEEDED," DAILY OKLAHOMAN, SEPTEMBER 1, 1998

America, meanwhile, is defenseless against missile attack—whether launched by Iraq, North Korea or another rogue state, or an independent operator like bin Laden. Either way the threat is real.

"MISSILE MADNESS," DAILY OKLAHOMAN, AUGUST 31, 1998

If the United States waits until a terrorist state has blackmail capability, it's too late. Congress should update the nation's intelligence system and protect its shore from unexpected attack. The United States won't win "the war of the future" by relying on weapons and strategies of the past.

"OLD STRATEGY WON'T WIN NEW WAR," WISCONSIN STATE JOURNAL, AUGUST 27, 1998

Mr. Clinton's Administration has repeatedly recommended cuts in missile defense programs both in forward theaters and here at home. One way to clearly signal terrorists of America's new resolve would be to reverse this policy and restore missile defense funding to the level that existed before Mr. Clinton took office.

"A NEW TERRORISM POLICY?" DETROIT NEWS, AUGUST 25, 1998

As for the religion of deterrence: Who would like to bet the peace of the world and the lives of hundreds of thousands of people on the rationality of Saddam Hussein and Kim Jong Il? So far their behavior has not seemed overly influenced by the theories of Thomas Schelling. The point is not that deterrence will not work. The point is that deterrence may not work. and there are now many more places, and inflamed places, where it may fail. . . So, then, are there land-based systems that belong in the security posture of the United States, as one of its many elements of defense and deterrence? In a madly proliferating world, the question must be asked.

"SHIELDS UP," THE NEW REPUBLIC, AUGUST 17 AND 24, 1998

It surely hasn't escaped the notice of this country's enemies that the U.S. has absolutely no defense against ballistic missile attack. The fact that the U.S. cannot shoot down a missile heading for an American city is a powerful and dangerous incentive for the bin Ladens of the world to acquire one.

"THE NEXT TERRORISM," THE WALL STREET JOURNAL, AUGUST 21, 1998

We may always have terrorists gunning for us. Congress needs to move ahead with a strategic missile defense and hardening U.S. defenses against biochemical weapons of mass destruction.

"EMBASSY BOMBINGS," THE CINCINNATI ENQUIRER, AUGUST 13, 1998

Does anybody doubt that the terrorists in Tanzania and Kenya would have bombed a U.S. city, rather than obscure embassies, if they had the weaponry? In time, they may get the weapons. Americans need protection.

"REVIVE STAR WARS," THE FLORIDA TIMES-UNION, AUGUST 13, 1998

Missile technology is spreading more rapidly than predicted while the United States still has no missile defense whatever . . . The Iranian missile launch is another sobering warning: It's time to move faster on missile defense.

"DON'T WAIT ON DEFENSE SYSTEM UNTIL IT'S TOO LATE," KANSAS CITY STAR, AUGUST 9, 1998

The fact that the United States has absolutely no defenses against ballistic missile attack is an unacceptably large negative incentive to this country's enemies. The way to deter them is not by signing more archaic arms-control agreements but by researching and deploying a national missile defense system as quickly as possible after the next president takes office.

"EARLY WARNING," THE WALL STREET JOURNAL, JULY 29, 1998

To be sure, a workable missile defense is better than nothing; it is one more protection, even if it is not total. And in developing such a system, scientists stand to make important technological breakthroughs with spin-offs in other fields.

"A NEW ARGUMENT FOR MISSILE DEFENSE DESERVES SERIOUS STUDY," PITTSBURGH POST-GAZETTE, JULY 29, 1998

The Iranian missile test has energized calls from the congressional leadership for immediate attention to building and deploying an anti-missile defense system to protect the United States from incoming warheads . . . President Clinton should heed the calls to develop an ABM system.

"MISSILE THREAT LOOMS," LAS VEGAS REVIEW-JOURNAL, JULY 28, 1998

Recent events are challenging the Clinton Administration's relaxed assumptions about the need for a defense against ballistic missiles. And none too soon we think.

"MISSILE DEFENSES DESERVE URGENT PRIORITY," SAN DIEGO UNION-TRIBUNE, JULY 27, 1998

It's easier for some to worry about global warming that may or may not be resulting from human activity than it is to recognize the real threat of a missile crisis that could be prevented with a defense system along the lines Ronald Reagan urged on the nation so many years ago.

"REAGAN WAS RIGHT," DAILY OKLAHOMAN, JULY 23, 1998

There are indications that the administration will dismiss the Rumsfeld report as politically motivated and continue with its go slow approach. Clinton's 1999 budget request calls for just under $1 billion for national missile defense . . . But Americans should take this report [from the Rumsfeld Commission] seriously and demand action from Congress.

"A VERY REAL THREAT," THE INDIANAPOLIS STAR, JULY 23, 1998

The Clinton Administration has used the three-year-old [NIE] assessment by the CIA as an excuse to take its time developing a national missile defense. The new [Rumsfeld] report issued last week indicates that policy is foolhardy. Ronald Reagan was right about the need for this sort of pro-active defense, so that never again would America have to rely on nuclear attack weapons to deter a possible foe.

"FORCING THE ISSUE," THE DAILY OKLAHOMAN, JULY 22, 1998

The Clinton Administration has for too long thwarted research and development and delayed deployments of effective defenses against missile attack. The message of the Rumsfeld commission is that there will be consequences to pay continuing the status quo. Dangerous consequences for all of us.

"UNPROTECTED AMERICANS, TIME FOR A CHANGE," THE ARIZONA REPUBLIC, JULY 20, 1998

The Rumsfeld panel's report is the latest sign that the United States will have to engage in more serious research, and make heavier investments, in anti-missile defenses that can help protect the public against menacing threats—and possibly even outright attacks—by rogue nations headed by irrational leaders.

"WE STILL NEED A SHIELD," PROVIDENCE (RHODE ISLAND) JOURNAL, JULY 20, 1998

Enough is enough. We have in the Rumsfeld Commission report evidence aplenty that we are facing a serious national security threat. To continue to leave Americans vulnerable is unconscionable.

"EVERY ROGUE HIS MISSILE," THE WASHINGTON TIMES, JULY 20, 1998

The commission's report should revive debate over development of an anti-ballistic missile system. Perhaps some of the money that Congress now spends on pork-barrel projects the Pentagon neither wants nor requests could be used to enhance the nation's defense against the newest, and most unpredictable, members of the world's nuclear club.

"RENEW ANTI-MISSILE DEBATE," WISCONSIN STATE JOURNAL, JULY 20, 1998

The emerging threat from countries like Iran, Iraq, and North Korea makes it irresponsible for America not to do whatever it can as soon as it can to develop a shield against these terrifying weapons.

"THE FINAL FRONTIER," NEW YORK POST, JULY 19, 1998

In this new age of emerging, virulently hostile nuclear powers, the United States must expeditiously negotiate with Russia an end to the ABM Treaty and deploy an anti-missile defense system.

"NAKED AMERICA," LAS VEGAS REVIEW JOURNAL, JULY 17, 1998

Until this odd Administration, we thought a President's first duty was to the common defense. At least Congress is a co-equal branch of government. And armed with the substance of this [Rumsfeld] report, it has a stronger political case for the more urgent development of missile defenses.

"ZERO WARNING," WALL STREET JOURNAL, JULY 16, 1998

North Korea soon will have a missile that can reach Alaska and Hawaii; does anyone think this mad regime will show the military prudence of the Soviet Union? Saddam Hussein would have fired nuclear weapons at the anti-Iraq coalition if he had had them and some of his Scud missiles did get through; does anyone think the world has seen the last of Saddam's ilk? . . . Republicans must lead the nation to act against real danger and abandon the foolish consolation of treaties with nonexistent adversaries.

"IT'S TIME FOR MISSILE DEFENSE," THE BOSTON HERALD, JULY 12, 1998.

Mr. HUNTER. I thank my friend for his excellent comments and for his leadership. I remind him that a couple of years ago, I think it was 1987, when the Israelis were building the Lavi fighter or embarking on the Lavi fighter program, which was kind of a mid-range fighter aircraft that they thought they needed, the gentleman from Pennsylvania (Mr. WELDON) and I and several other members on the Committee on National Security sent a letter to the Israeli leadership saying, if you had an attack by aircraft from a neighboring Arab country, and I think then we were thinking of Syria, you would shoot them all down before they got to Tel Aviv. But if you were attacked by ballistic missiles, Russian-made ballistic missiles coming from a neighboring Arab country, you would not be able to stop a single one. That is the essence of our letter.

We urged them to begin the Arrow missile program, the Arrow missile defense program. As a result of that, partly as a result of our letter and the result, I think, of a lot of other factors and also the importance, the realization by the Israeli leadership that they were in the missile age, they realized that even if we do not and they would have to defend against these missiles sooner or later, they began that program, the Arrow missile defense program. And it is going very well. They have had a number of successes. I have often thought that here we have a very small country, and it seems that they have been able to do more with a handful of scientists and a couple of pickup trucks than we have been able to do with this big defense apparatus, big Department of Energy apparatus and this huge bureaucracy. And maybe it is because we have a huge bureaucracy, but I think more important than that, it is because we have an administration in the White House that does not really want to do it.

Mr. WELDON of Pennsylvania. The gentleman raises a very interesting point. In fact, two hours ago I met with the senior leaders of the Israeli company building the Arrow program in my office as well as Israeli officials. They have had the success the gentleman refers to. In fact, this past week they had another success with the Arrow program. But it gets down to a basic philosophical debate in this city where the liberals want to tell us that arms control agreements and arms control regimes will provide the security protection we need.

And many on our side, like myself and my colleague are saying, you need systems because you cannot always trust those other signatories to the arms control regimes. But this administration has failed in three different ways.

First of all, they have not committed themselves to force the deployment of missile defense systems, partly because they want arms control agreements. This administration has the worst record in enforcement of arms control agreements in this century. Two months ago I did a floor speech where I documented 37 instances of arms control violations by Russia and China, where Russia and China sent technology to India, to Pakistan, to Iraq, to Iran, to Syria, Libya and North Korea. In those 37 instances, the administration imposed sanctions three times and then waived the sanctions in each of those cases. So it should be no surprise to us when India and Pakistan saber rattled each other. We saw China sending 11 missiles to Pakistan. We saw the ring magnets going to Pakistan for their nuclear program. We saw the Russians sending technology to India.

Why should we then be surprised when these two countries are going at each other? We did nothing to stop that proliferation because this administration did not enforce the very arms control agreements that they maintain are the cornerstone of their security arrangements worldwide.

So not only have they not funded missile defense, they have not even enforced the arms control agreements that they maintain are the basis of stability in the world, and they have created the false impression through their rhetoric that they really are concerned about having systems in place to provide protection.

For all of those reasons, I think we are more vulnerable today, our allies are more vulnerable today than at any point in time in my lifetime.

Mr. HUNTER. The gentleman makes an important point. I know he is on the select committee, the special committee that is looking at this administration's transfer of technology to Communist China with respect to satellite technology and missile technology. I saw what I thought was a great cartoon the other day. Some cartoons really hit close to home. It had a truth to it.

The first question in the cartoon was, which country's missile technology has the Clinton administration most improved? And the second part of the cartoon was, Communist China's.

And the gentleman, I would ask him to make any comments that he can make at this time because I know he is on the special committee, but basically this administration allowed the top engineers and scientists in this country, people who can go out and examine a missile and tell what is wrong with it, they allowed them to interchange and meet with and send papers to the Communist Chinese rocket scientists who were having real trouble making the Long March missile work.

The Long March missile is a missile that the Chinese Communists use for two things. One is they put up satellites with them. Some of our satellite companies in the United States hire them to shoot our satellites up on their missiles. But the other use of the Long March is they have nuclear warheads on some of them aimed at cities in the United States.

It is not in our interest for the Long March missile to work. Especially if it is launched at Los Angeles. However, our engineers, under the permissions or the negligence of the Clinton administration, were allowed to engage for months at the request of the Chinese Communists, after they had some failures with the Long March missile launching a satellite, to engage with them and show them what they were doing wrong and after that series of interchanges, their most important type of Long March missile, as I understand it, has not had a failure.

That means we helped them fix whatever was wrong. That reminds me about the joke about the three guys who were caught by Khomeini and they were going to be guillotined, and the first one got under the guillotine and Khomeini ordered pull and the guillotine came halfway down and stuck. Khomeini said, that must be a message from Allah, let this man go. The second guy gets under there and he says, pull, and they pull it, sticks halfway down. Another message. Let him go. The third guy gets under and says, I think I see your problem. That is kind of what we did with the Chinese and the Long March missile.

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Here we are, the target of those missiles carrying nuclear warheads, and our engineers are over there in China showing them what is making the missiles crash after they have only gone a few miles. We want those missiles to crash.

Mr. WELDON of Pennsylvania. If the gentleman will continue to yield, obviously, I am not authorized to divulge information from the select committee's investigation, but I can relate one piece of information that is in the public domain that I think points up exactly what the gentleman is referring to very clearly.

Before 1996, China had no high-speed supercomputers. None. The only two countries that manufacture high-speed supercomputers are the U.S. and Japan. Japan's export policy has been very rigid and very tight. Up until 1996, so was ours. In 1996, things began to change. Export waivers began to be issued. Presidential waivers began to be issued. For whatever reason. The bottom line. Today, there is public information, on the record, that China has over 100 high-speed supercomputers, all of which were obtained from the U.S., which gives China, listen to this fact, more high-speed supercomputing capability than our entire Department of Defense, within 2 years. That is on the record, in public documents provided by this administration, in terms of what capability China has.

Now, I am not against engaging China. In fact, I led two delegations there last year. I am for an engagement that is based on candor and strength, much like the engagement I think we should have with Russia. But facts are facts. They do not need over 100 high-speed supercomputers to do computational research. They need that kind of supercomputer research to design nuclear bombs, nuclear weapons, and to be able to do testing of nuclear systems, like we are doing with our ASCII Blue project.

The 100 supercomputers that China has, I would maintain many of them are being used in developing new generations of weapons that China is, in fact, today working on. Prior to 1996, they had none. From 1996 until today they have in excess of 100. Again, more than the entire supercomputing capability of our Defense Department. If that is not an outrage, I do not know what is.

And I thank my colleague for yielding.

Mr. HUNTER. Mr. Speaker, I thank my colleague and thank him for his contribution here today. I think he is one of the great experts in defense in our House and he has done a great job as the R&D subcommittee chairman.

Mr. Speaker, how much time do we have left?

The SPEAKER pro tempore (Mr. BASS). The gentleman from California (Mr. HUNTER) has 24 minutes remaining.

Mr. HUNTER. Mr. Speaker, one other thing I wanted to comment about today, because it is coming up on the House floor, is so-called fast track, and I just want to tell my colleagues why I do not think this President, this administration, should be entrusted with fast track.

Fast track is power. It is a power that we give American presidents, we as Congress, who are vested under the Constitution, or chartered under the Constitution with the obligation of making trade agreements. We give up some of that trade agreement power, power to negotiate the agreement, to the executive branch; to the President. And so the President, instead of all the Congressmen making the deals and the committees being involved in all the details, the executive branch goes out and makes the deals, like NAFTA, and then they bring them back to the House of Representatives and to the Senate and we vote on them.

Now, I would say, first, a couple of things. First, I think that the negotiating team that the President has, that he has utilized for trade deals, has not been a very competent team. And I am thinking of the port entrance treaty that we made, or agreement that we made with Japan where we were going to be able to get some liberalization from Japan for other people coming in and unloading in ports around Japan. In that deal we were totally finessed.

I think of NAFTA, primarily negotiated by another administration but, nonetheless, by a bureaucracy that started with a $3 billion trade surplus in favor of the U.S. and today is in a $15 billion trade loss.

Now, the great thing about being a free trader, and I like free traders, I have a great sense of humor about them, but the great thing about being a free trader is they never have to say they are sorry. If we have a trade surplus with a nation, they say that is great; and if their deal makes a trade loss with a nation, a loss for America, they say that is great, too. Today we have a $15 billion trade loss with Mexico. We went from a surplus of $3 billion to a $15 billion loss.

Mr. WELDON of Pennsylvania. As the gentleman knows, as a Republican and a colleague, I supported the same position he did on NAFTA, which is opposition to NAFTA, because I felt that this administration would not impose the requirements on Mexico in terms of improving wage rates and labor conditions and tougher environmental laws. So in not doing that, our companies would, in fact, fly south to Mexico, which they have done.

But the interesting point that I want to tie in here is organized labor has been so quick to criticize Republicans on issues like NAFTA when, in fact, it was this administration who shoved NAFTA down our throats in the Congress.

And I want to raise one more point.

Mr. HUNTER. President Clinton pushed NAFTA.

Mr. WELDON of Pennsylvania. Absolutely.

Mr. HUNTER. He rammed it through.

Mr. WELDON of Pennsylvania. As he is doing with fast track this week.

I want to raise one more additional point before I leave and let my colleague finish his time. Unlike most of my Republican friends, I get strong support from organized labor, and I am proud of that. I come from a working class family and understand the needs of working class people. My friend, I think, probably has many similar votes. I do not know if he has the support I do, but I get a lot of support from labor.

I had a group of steelworkers in today asking me about what I was going to do on fast track. I asked them this question: Where has the AFL-CIO been on the one million union jobs that have been lost in this country because of this administration's cuts in defense and aerospace?

Now, we have heard Members get up and rale about the loss of decent paying wages and how critical that is. One million U.S. union jobs were lost in the past 6 years from cutbacks in defense and aerospace budgets. The AFL-CIO did not issue a peep. Union workers, steelworkers who were building the ships at Bath Iron Works, UAW workers who were building the C–17, people who were building the F/A–18–Cs and Ds, all of these cutbacks that have occurred across the country were with union plants. IBEW workers, UAW workers, steelworkers, Teamsters. Where was the AFL-CIO? Where was that on the rating card of rating Members of Congress on their votes? Why was no member of either party rated for not voting to provide the funding support to keep those union jobs in place?

And to all those union brothers and sisters out there who are today working at labor positions making one-half or one-third or one-fourth of what they used to make, I ask them, what did their union dues go for? Their union dues did not go to fight for those jobs they now do not have. One million of them are out of work today because the only area we have cut in the Federal budget for the past 6 years has been the defense budget. The only area.

Sure, we can talk about decreasing the level of increase, and we call that a cut. And we all know that is not what we are talking about with defense. Defense is the only area of the budget that has sustained real cuts above the rate of inflation to gut the program itself. And that has resulted in one million American men and women who carry the union card who have lost their jobs.

When we cut the MilCon budget, the gentleman knows the requirements of the Federal Government, even though many on our side oppose it: Davis-Bacon. So who benefits or who loses when we cut the MilCon defense budget? All of those building trades: the steamfitters, the pipefitters, the brick layers. They are the ones who lose because we have cut back on MilCon construction projects, all of which must be done according to Davis-Bacon prevailing wage rates.

Where has the AFL-CIO been? It has been like this: With its fingers in its ears, its hands over its eyes, and its hands over its mouth. It has not spoken one word on behalf of the union members who are today out of work because of those cuts.

Mr. HUNTER. My friend makes a great point, and there is one other thing that we have done for every union worker and every nonunion worker in this country, and it was done by Presidents Reagan and Bush, and that is that we built a military that was strong enough.

Besides providing those millions of jobs, one million of which have been cut by the Clinton administration, but besides providing those jobs, we fielded a force, a military force, which, since 1991, has been cut roughly in half, but which was so strong in 1990 and 1991, that when we took on Saddam Hussein in the sands of the Middle East, even though we sent over, in my understanding, 40,000 body bags, that is where they put the bodies of the dead Americans after they have been killed in battle, we sent over 40,000 empty body bags, only a very few Americans came back in those bags because we were so strong that we won overwhelmingly without many casualties. If we had to fight that war today, having cut the Army from 18 to 10 divisions, our air power from 24 air wings to only 13, and our navy ships from 546 ships to about 333 ships, we could not win overwhelmingly. We would lose more Americans.

The gentleman knows how great it is when we go to a union picnic and we see, like during Desert Storm, all those bumper stickers saying, "I support our men in Desert Storm", "I support our troops," "I support our soldiers." The best service we can do for working men and women is to see to it that they come home, when they are of service age; that they come home alive, with all their faculties. And if they are retired and they have a couple of kids out there, to see to it that their kids come home alive, with all their faculties. That is why we need a strong defense. I thank my friend for bringing that point up.

Mr. Speaker, let me just close on this pending fast track, and why I think it is a bad idea. I think we have established that trade deals are business deals. And if we look at the trade lobbyists and some of the proceedings that are now being investigated with respect to this administration, I do not think we can give them a clean bill of health and say that they were not unduly influenced by some bad elements. I think that is putting it charitably.

Secondly, I think they just are not smart enough or good enough to make good deals. After 4 years of making deals with China, we have now a trade deficit with Communist China that is over $40 billion a year. So we have lost in trade with China. The merchandise trading lost this year was a loss to the United States, according to our own statistics from the Clinton administration, of over $240 billion.

So the first rule is, if we have a guy who is a businessman who always loses money, we do not trust him with all our money. That is pretty simple. That is a very basic thing. We have, unfortunately, Mr. Speaker, folks in the Clinton administration who are losers, proven losers with respect to making trade deals, and we should not entrust all of this power to them. So not this President and not this time.

Mr. Speaker, I will be back with the gentleman from Pennsylvania (Mr.

WELDON) and other members of the Committee on National Security to talk a little bit more about the need to rebuild national defense over the next several weeks.

SOCIAL SECURITY AND THE REPUBLICAN TAX PROPOSALS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight I have a number of my colleagues, Democratic colleagues, who would join me this evening to talk about the issue of Social Security in the context of the tax proposals that the Republicans plan to bring to the House floor tomorrow as well as Saturday of this week.

Mr. Speaker, the Republicans, in my opinion, are moving full steam ahead with this plan to raid the budget surplus to pay for tax cuts instead of putting that money where it rightly belongs, and that is into Social Security. Make no mistake about it, Mr. Speaker, the Republican tax bill is a direct assault on Social Security. The budget surplus that the Republicans want to use to pay for their tax cuts that they are going to be putting before this House tomorrow or Saturday do not exist. There is no budget surplus. The only portion of the Federal budget that is in surplus is the Social Security Trust Fund. In fact, without Social Security, the Federal budget would still be in a deficit this year.

According to the Congressional Budget Office, Social Security will take in a $101 billion surplus this year. But CBO also projects the total surplus for the Federal budget this year to be $8 billion. If we do the math, Mr. Speaker, we find that without the surplus in the Social Security Trust Fund, the total Federal budget would have a $93 billion deficit in 1998.

□ 1945

The story is the same if we project the numbers out even further. The CBO projects that without the Social Security surplus, the Federal Government would run a $137 billion deficit over the next five years. Over the next 10 years, CBO projects a $1.6 trillion deficit for both the Social Security trust fund and the total Federal budget. In other words, every single penny of surplus the Federal Government is expected to take in over the next 10 years will come from the Social Security trust fund. Because the Federal Government borrows from the Social Security trust fund to pay for other government programs, by the year 2008 the general fund of the Treasury will owe Social Security $2.52 trillion. I do not want to just keep going into these numbers, I would like to yield some time to some of my colleagues this evening, but I want to say that when I talk to my constituents back in the district, regardless of these numbers, they understand the reality. They understand, particularly the senior citizens amongst my constituents, that we have been borrowing from the Social Security trust fund now for a number of years and that that money has to be paid back at some time in the future. So it is very deceptive, I would say, on the part of the Republican leadership to propose a tax cut bill knowing full well that this has to come from the Social Security trust.

I would like to yield some time to some of my colleagues this evening to talk about this. Democrats as a party have joined with President Clinton in pointing out from day one this year, the President actually mentioned it in his State of the Union address back last January, that it is imperative that we do what we can this year, if not now in future Congresses, to correct the problems that we will face with Social Security 10, 20, 30 years from now, because there will not be enough money in the trust fund to pay for that generation of baby boomers that will become 65, that will be senior citizens at the time. And so all we are really saying as Democrats is the time is now to think about what we are doing here. We just got into a situation where we have some extra money being generated from general revenues because the economy is good and we passed this Balanced Budget Act last year, let us not now before we have time to think about it just go hog wild, in effect, and start spending money on a tax cut which essentially is just coming from the Social Security trust fund.

I yield to my colleague the gentleman from Maryland who has been making this point many times to me over the last few weeks.

Mr. WYNN. I thank the gentleman from New Jersey for yielding and I thank him for his leadership on this issue. I am pleased to join with him tonight in talking about the issue of tax cuts, phony tax cuts, and the more important issue of saving Social Security. There is a difference in this evening's debate. The Republicans are here with an election-year gimmick, election-year candy which basically says to the American people, "I know what you want and I'm going to give you a tax cut." We take a longer term view on the Democratic side. We believe that the most responsible thing we can do is not give an election-year gimmick but, rather, to protect and save Social Security first, to look forward 20 years when we really need to address the problem of an insolvent Social Security system and say, "Let's plan now for that day." The way we plan now for that day is quite simply by saving all the money in this projected surplus and putting it toward Social Security and not toward some kind of election-year tax break gimmick.

Let us talk about taxes for a minute because I think there is a certain mythology that has been perpetrated by the Republicans with respect to why we need these tax cuts. One of the first things we will hear will be a phrase that reads something like this: Taxes are a crushing drain on the American economy. The fact of the matter is, Mr. Speaker, that that is not true. The economy is doing very well. There is no crushing drain. There is no overwhelming burden on our economy. Our economy is today the best it has been in 30 years. We have low unemployment. More people are working. We have low and stable interest rates. We have increased business starts. We have fewer bankruptcies. So where is this crushing burden that my colleagues on the other side of the aisle want to talk about? It does not exist. It is a myth. It is a part of their election-year rationale to suggest that they have got the solution for the American public. There is no crushing drain or overwhelming burden on the American taxpayer. They say, "Oh, yes, there is."

Item number 2, they will tell you that the tax rates are too high on the average American. That, too, is a myth. It is not true. The tax rates for the average American family with two children are the lowest they have been since 1978. Tax rates for even the folks in the highest brackets are lower than they have been since the 1960s and the 1970s. So when Republicans run down to the well and start talking about the tax rate on the American citizen is too great and somehow government's hand is in their pocket, they are not telling you the truth. What we have given you with the balanced budget and a healthy economy is tax rates that are in fact lower than they have been in many, many years.

Third, they will say, well, what about as a percentage of gross domestic product? The Republicans will try to suggest to you that tax revenues as a percentage of gross domestic product is the highest that it has ever been. Well, yes, tax revenues are high. Why? Because more people are working and more people are paying taxes. So that is not a problem. That is a by-product of a healthy economy. People are working. They pay more taxes. It is not a drain. It is a positive by-product. There is a second by-product that is the result of this healthy economy that impacts on the tax revenue and, that is, millionaires. Yes, millionaires. Our economy has generated numerous millionaires as a result of the stock market. When they take their profits out, they pay capital gains tax. Those capital gains tax from the millionaires go toward the general fund and increase our tax revenues. So we have a healthy revenue picture but it is not because there is an overwhelming or disproportionate burden. It is because people are paying more taxes because they are earning more money, or in the case of the millionaires, they are making more profits. So we see that this mythology that has been developed around the notion of we need massive tax cuts to save this country simply is not true.

Now let us look at the Democrats' proposal. We say that the most significant issue in American politics today is saving Social Security. We know there is a day coming when the baby boom generation will become eligible for Social Security and when that day comes if we do not make some adjustments, we will be facing an insolvent Social Security system in the year 2020. By the year 2030, we will not be able to make our payments on time. That is the problem that we as public officials ought to be dealing with, not some tax gimmick because it is election year but a serious consideration of how we can address the Social Security problem.

Now, this administration, led by President Clinton, has said very simply this. What we ought to do is take any surplus that we get and put it aside to save Social Security, so that it will help us address this insolvency problem when it arrives. We will have to do other things: We will have to have a commission, we will have to come up with hard recommendations but certainly we need to start putting some of this money aside. But the thing we have to keep in mind is we do not even have the money yet. We do not have the surplus yet. It is a projected surplus. Some people say, "Let's wait at least until the black ink dries before we start spending it." We should not start spending. We should not start giving it away. We should start saving it. That is what the Democrats are proposing. It is long-range thinking. It is thinking that will protect our community, our young people in years to come. I think that this is the way we ought to go. I think this is the sound public policy. That is why when we take up this debate over the weekend we are going to say, no, save Social Security first, then talk about tax cuts after we have a serious proposal to save Social Security.

The gentleman from New Jersey has done a wonderful job leading this issue. I thank him for allowing me to have a few moments this evening.

Mr. PALLONE. I want to thank the gentleman for his input into this. One of the things that the gentleman pointed out which I think is so important is the projections that we are working with now are basically assuming a good economy, or an economy that grows at the rate that we have now, and in fact if the economy slowed down, the problems that he pointed out and the Democrats have been pointing out in terms of the amount of money that is available in Social Security are aggravated considerably.

I will just briefly mention again some of these statistics from the Congressional Budget Office. According to the Congressional Budget Office if the economy were to fall into a recession like the one in 1990 and 1991, the budget would be in deficit within one year. My colleagues on the Committee on Ways and Means, and we are going to have the gentleman from Washington (Mr. MCDERMOTT) next talk to us, but on the Committee on Ways and Means they pointed out that if the recession began in 1999, the $79 billion budget surplus projected for the year 2000 would turn into a $38 billion deficit and the $86 billion surplus in 2001 would become a deficit of $53 billion. So the assault on Social Security that the Republicans are proposing this year would widen these deficits by as much as $18 billion a year. Of course we hope the economy is going to continue to be good and we are going to do whatever we can to make sure that it is, but the problems that the gentleman from Maryland pointed out become aggravated if we do not continue to have an economy that is this good, and frankly the economy has not been this good for most of the last 10 or 20 years. So it is another reason why we have got to be very careful about what we do.

I yield to the gentleman who is on the Committee on Ways and Means and has been very knowledgeable and thoughtful about this whole proposal.

Mr. McDERMOTT. I thank the gentleman for bringing this issue to the floor tonight. I think the reason I was willing to come down here and talk about this is that tomorrow and the next day the American public is going to be treated to a con game that you might see at a county fair, the pea and the three walnut shells, they move it around, you are not quite sure where it is. I would like to talk about what actually is happening.

There will be two bills that will be brought to the floor. One of them will be the so-called protection of Social Security bill, and the other one will be a tax bill. Now, it is my belief, and I think the figures show, that we do not have the money to give a tax break unless we use money that comes from Social Security.

Now, I put this chart up here. This is the column for the next five years. You can see that the projected, and, remember, this is projected on the basis of the way our economy is going. Now, if you think the economy for the next five years is going to continue to go up and no problems, this is what it looks like, because that is the projection that comes out of the Congressional Budget Office that there will be a surplus over the next five years all told of $657 billion. A lot of money. Now, that is all the extra money that is raised from Social Security. Understand that Social Security, when you pay your FICA taxes, we pay in each year more money than we actually pay out in benefits to old people. So we are building a surplus for the time when we get to the baby boomers in 2010. Next year we will collect $657 billion more Social Security money than we need to pay our debts. That is the check to your mother, your father, my mom is 89, my father is 93, they get their check. We are going to have $657 billion over the next five years more than we actually need to pay those checks. What are we going to do with it? That is what the debate is about.

Now, part of it, $137 billion, has to go to reduce the deficit. We are still borrowing all over the world, and the only way to get rid of that is to pay that off, to pay off that $137 billion in deficit. That leaves $520 billion of Social Security money not spent. Now, tomorrow we will hear people come out here and say, "Well, we'll save 90 percent of it and we'll use just 10 percent of it for a little tiny tax break."

Let me show you what happens over the next five years. Over the next five years, we collect more than $1 trillion, $1.27 trillion more in the Social Security fund than we need to pay. So you say, "Gee, that's a lot of money. We ought to be able to give some of that back." Remember, it is for the Social Security of people who are going to get to 65 in 2010, the baby boomers.

Now, at that point, in that second five-year period, we would put $859 billion of it, that is how much that actually goes into Social Security and we would have a surplus of $168 billion. If you add those two, the next 10 years together, we are going to raise $1.5 trillion more than we need for Social Security. But we owe $1.516, that is $1.5 trillion—I have to get my trillions right—we have to put that much in Social Security, and the actual surplus is $31 billion at the end of 10 years. Now, I defy anybody to believe that you can project where we are going to be in the year 2008 and know that we are going to have $31 billion.

What we are going to hear tomorrow is people saying, "Well, look, we've got all this surplus, let's spend some of it now and we know it will come in, we don't have to worry." This is exactly the kind of thinking that the Republicans beat up on the Democrats ever since I came to Congress. They said, "You're balancing the budget by borrowing from Social Security and putting it into the budget. You are not being honest. You are borrowing from Social Security and you are balancing the budget, you're not raising taxes, you're just hiding from people the fact that you're spending more than you're taking in and you're stealing out of Social Security to pay for it."

□ 2000

They yelled at us for 10 years. Now suddenly we have some extra money, and it is like they forgot what they have been saying around here for 10 years that I have been here, and they say:

Well, we have some extra money; let us give it back.

The problem with that is that it is based on assumptions that the economy is going to keep going.

Now you all have seen what happened in the stock market. Nobody can look at the stock market over the last month or so and say to yourself I can project what it is going to be like 10 years from now.

I come from Seattle, and one-third of our economy is based on international trade in this country. Seattle is very heavily dependent on that, so I know what is going on in the port of Seattle, which is the second largest port on the west coast. That port has an increase of 34 percent imports, and the exports have dropped by 32 percent.

So what is happening from all over Asia is that boats come in loaded with stuff and go back empty because the Asians are not buying from us. All those little businesses in Seattle that were exporting chemicals, and they were doing all kinds of business, they are dying on the vine all over the place right now, and the same number of ships are coming in and out, but it is only one-way trade.

People wonder why the farmers got problems in this country. I live in a place in Seattle where I can see the elevators right down on the waterfront. We have got the deepest water port on the whole west coast. They come in there, and they used to put out 40 boats a month. This last 2 months they put out 2 boats. That means we are not exporting grain from Minnesota and North Dakota and South Dakota and Nebraska and Kansas. All these farmers are out there wondering why is the price of wheat the lowest it has been in God knows how many years. It is because there is no market.

And the Congressional Budget Office is making these predictions without taking into account what is actually happening in Asia. We will not get another revenue estimate until July 1, next year.

Now my view, to believe that we are going to have this kind of money, takes a lot of belief. You have got to believe in the Tooth Fairy, and Santa Claus and the Easter Bunny to actually believe that this is a realistic view for the next 10 years.

But the Republicans want to give money back and say we are not going to take care of what we owe Social Security.

We have borrowed from the Social Security $520 billion. In the next 5 years we are going to keep borrowing, and if we do not put it in there, we are simply not going to have a Social Security system for our kids. My son, who is 30 years old, said to me, Dad, I really do not think there is going to be Social Security when I get to be 65. If we do tomorrow what is planned by the Republicans, there will not be.

Mr. Speaker, the President was absolutely right when he said it right here in this room, right at that podium. He said we are going to save Social Security first. Then, after that is done, after the security of our children is taken care of, then we can talk about tax breaks.

Now you will also hear some interesting things. I want to show just what this really looks like, another way for you to look at it. Again here is the amount of money that we are going to have. We are going to have about $650 billion, and 137 billion of it is going to go to pay for taxes. That is the current law and the democratic plan. We will pay off the budget deficit first in the next 5 years. Then we have $520 billion to go into the trust fund in anticipation of 2010 when the baby boomers hit the system.

The Republican plan tomorrow says, well, I mean we do not have to save all of this. Why do we not just give away $90 billion in a tax break? This is their 90–10 business. They will say we are saving 90 percent of it and we are only spending 10 percent of it, so what is the harm?

Well, if I were sitting out there 30, 35, 40 years old and wondering about whether I could count on Social Security when I was 65, I would say: No, put it in the reserve and do not spend it.

Now the Democrats will offer a bill tomorrow that says we want to take this surplus and put it in the Federal Reserve so that the Congress cannot spend it, the New York bank and the Federal Reserve system, and it can only be spent if we are going to default on some of our debts on our securities. Otherwise it stays there to deal with the future of Social Security.

Now one of the things you will hear out here tomorrow that will also be confusing is people will say, well, Democrats are not for tax breaks, Democrats just want a lot of money, and they want to spend it all the time. That is not true. Many Democrats voted for tax cuts last year. Why? Because they were paid for. They were not using the Social Security surplus.

The first thing that will happen tomorrow, and for people watching this it is going to be difficult to really understand; when we pass the rule, we will pass a rule on the floor here on how this whole process is going to be argued out here, but buried in that rule are provisions that overlook all the rules of balancing the budget that was so important last year. This year they come out on the floor, and right here they are going to waive those rules; say, oh, those are from last year, they are not for this year, because they will create a deficit by giving a tax break, and they are simply waiving all the balanced budget stuff that they are going to go around in this campaign and say we balanced the budget. If they do this, they will have done it by ripping up the rule book and saying that was for last year, now we can just spend whatever we want and we do not have to account for it.

They will also say Democrats have offered some of these. I offered on the Committee on Ways and Means the tax plan. I offered the family, the part of the tax plan that gives the marriage tax penalty, wipes some of it out. I offered it twice in 1997. The entire Republican Caucus on the Committee on Ways and Means voted no. They did not want to do it last year. They were giving money to people at the top of the income scale. They did not want to do anything about people at the bottom. So I offered this marriage tax penalty last year. On two occasions it was turned down.

I also offered that you could deduct the money that you spent to buy your own health insurance if you were a self-employed person. Small businessman or woman buys their own health insurance; they cannot deduct it. The Boeing Corporation in my city or Microsoft or Weyerhauser or any of the big companies, they deduct it all. But if you are a small business person, you cannot deduct it all, and I said that is not fair; why do we not let the small businessman do that? So I offered that last year, but it was paid for. This proposal that you will see tomorrow is not paid for unless you are willing to use money raised through the Social Security tax.

Now the reason we set that tax up, you go back to 1935. Franklin Delano Roosevelt wanted us all to begin preparing for our old age, and he set up these accounts. You know, your number is a 9 digit number, and you have been putting money into that account in expectation that some day you will get to be 65 and draw it out. And we have been operating on that basis now for about 60 years, and many people say that we are going to have a big problem in 2010 because of the baby boomers, a whole bunch of people born immediately after the Second World War come onto Social Security, and we have to save now so that we are ready to pay their benefits in 2010. You can wait. You can say, well, let us not worry about that, that is tomorrow; you know, who knows what will happen? We know how many people there are and how many people that are going to have to have benefits in 2010.

Now some people say the Social Security system is broken, that it is hopeless, it is all done. It is not. That is a myth that some Members would like to say because they want to change this from a government-guaranteed system to give everybody their own individual account. Sounds like a good idea until you look at the stock market over the last month. When you look at that, you say to yourself what if I had put my money in the stock market to retire on and I made the wrong choice?

Tonight I was watching television, and they have a stock fund in the market that last night they had a whole bunch of the big bankers got together and came up with something like $400 million to save one of those mutual funds that everybody is running to put their money in. Now, if we take away the government guarantee, we leave a lot of people in real trouble. In this country today there are 5 million widows living on $8,000 a year. They are counting on this; $8,000 a year is not high living. That is just making it. And if we do not take care of this, we are going to have to reduce the benefits in 2010. If we take care of it, we can continue the benefits going out as they have for the last 60 years. But that is why it is important that we start saving now.

People call me a liberal, but I am very conservative about looking down the road and seeing an enormous problem and knowing that we have to start saving for it now. If we do not, it will be our children who will get the short end of the deal, and for people of my generation and the people who are on this floor to not think about your kids is criminal in my view because what you are saying to them is you work all your life paying for my Social Security, and then when you get there, there is nothing there. That is not the way we ought to do it, and we ought to save the money.

The President, as I said before, was absolutely right, and I think the gentleman's bringing this to the floor is giving us a opportunity to discuss this and lets people understand what is he going to happen tomorrow. They are going to hear a lot of flimflam. Tomorrow they will pass a bill saying we are saving 90 percent of Social Security, and the next day they will say: and we are giving you a tax break. And they are never going to tell you that that tax break came out of the Social Security. They are going to try every way possible to say that there is no problem. But you cannot have a $90 billion tax break tomorrow without taking it from Social Security, and my view is we ought to think to the future.

So, we will raise these same issues again tomorrow, but I think that it is crucial that people begin to think long term. Sometimes in the Congress we think like one election to the next election, and that is what is going on tomorrow. They are thinking about November 3; can I give people a tax break so on November 3 they will think I am a great person and vote for me? Some of us are going to vote no, not because we do not want to give tax breaks, but because it is not fair and it is not right and we have to think long term.

So thanks for giving me the opportunity to talk about it.

□ 2015

Mr. PALLONE. I want to thank my colleague from Washington. The gentleman really articulates well what we face tomorrow. If I could just develop a couple points you make, because I think they are so important.

First of all, there is no question that this debate over the next two days is totally political and being done by the Republican leadership because they are looking for votes in the November election, because we already know that it is very unlikely that the Senate would even take up this legislation, and the President, of course, has vowed to veto the legislation. So we are not even talking about anything that could possibly happen or be signed into law in time before the Congress adjourns. So the whole debate on the Republican side is totally partisan, totally oriented towards the November election in an effort to garner votes.

The other thing that my colleague from Washington pointed out that I think is so important is that the money that has been generated by the Social Security surplus has been generated because we know that the baby-boom generation a few years from now is going to be very large and there are going to be a lot more seniors that need Social Security benefits.

I believe it was maybe 20 years ago in the seventies that the Congress and the President signed legislation that actually increased the tax, the FICA tax on Social Security, with the anticipation that the baby-boomers would pay this higher level, generate a surplus, and that that money would pay for their benefits because there would be so many more of them in 2010 or 2020.

What happens if that money is not there because it has been borrowed and spent on tax cuts or other things? Well, what happens is that either there will have to be another tax increase, which future generations will have to pay, which is very unfair to them, or, alternatively, they would have to cut back on the benefits.

We have already heard talk about cutting back on the COLA for Social Security, raising the age, and those are the consequences or likely consequences of this irresponsible Republican policy, that ultimately in the future we might have to raise taxes that people pay or their earnings amount in order to pay for Social Security, or cut back on the benefits. So it is a very irresponsible, totally political proposal that we are going to be seeing the next two days.

I would now like to yield to my colleague from Arkansas, who has worked with me on our Health Care Task Force. We put together the proposal, the Patients' Bill of Rights to reform HMOs, and the Kids Health Care Initiative that has been very successful last year, and he has been speaking out on the Social Security issue quite a bit for the last few weeks. I yield to the gentleman.

Mr. BERRY. I appreciate my colleague from New Jersey yielding me. I, too, have enjoyed working with him on a number of issues, particularly health care, and also on this particular issue of Social Security.

Mr. Speaker, I rise today to talk about a program that everyone in America has a vested interest in, and, of course, that is the Social Security system.

But I want to make it perfectly clear: I favor cutting taxes, but I do not favor robbing my children and my grandchildren's future to do it. Right now millions of working Americans are paying into the Social Security system and are counting on it for when they retire.

No one should have to worry that one day Social Security will not be there for them. That is an obligation that our government undertook a long time ago, and we should honor this obligation. I think that is one thing that troubles me a great deal, is the apparent willingness of the majority party here now to disregard the obligations that we have committed ourselves and our government to in the past. I think it is also noteworthy here that when Social Security was enacted, not one Republican voted for it.

In many ways, the Social Security trust fund operates much like a personal bank account. If an individual deposits more than he or she spends, the surplus is reflected as a positive balance in that account. Just as a positive balance sheet for a personal account represents an obligation by the bank to the individual holding the account, a positive balance in the Social Security trust fund represents an obligation of the United States Treasury to that fund. In other words, you put that money in the trust fund as you are working, and, when you need it, when you retire, it is owed to you.

While current retirees have nothing to worry about because Social Security will be there for them, when they need it, the Social Security system will face undeniable problems in the future. The problems need to be addressed now—that is, unless some of the people in this Congress would fulfill a lifelong dream, and that would be to do away with Social Security, and heaven forbid that that would be allowed to happen.

I am a farmer. I have been interested or associated with agriculture all of my life. Farming is a very volatile business; you have good years and bad years. When you have good years, you pay off your debt, you invest in the necessary infrastructure to be successful, and then you put some back for the future.

I think that is what we need to do with the government's so-called surplus, and certainly what we need to do with the Social Security trust fund. This year, the Social Security trust fund will collect $100 billion more in payroll taxes and interest than it pays out to the beneficiaries. However, by 2010, when 76 million baby-boomers begin to retire, the Social Security system's cash flow surplus will begin to decline. By the year 2032, the payroll taxes will only generate approximately 75 percent of the revenues needed to pay for the benefits of those current retirees. In other words, the trust fund will not have the money to pay out to all those who have retired.

The problems with the Social Security program are due to demographics, which include the baby-boom generation, declining birth rates and increasing life expectancies. As a whole, we are creating an older society. The number of people 65 and older is predicted to rise by 75 percent by the year 2025, whereas the number of workers whose payroll taxes finance the Social Security benefits of retirees is projected to grow only by 15 percent.

Social Security is financed by payroll and self-employment taxes on a pay-as-you-go basis, meaning that today's workers are paying for the benefits of today's retirees. The revenue from Social Security payroll taxes is deposited in the U.S. Treasury. The programs, benefits and administrative expenses are paid out of the Treasury. If Social Security's income exceeds the amount it pays out, as it does currently, then the surplus is credited to the trust fund in the form of U.S. securities.

Mr. Speaker, I have come to the floor many times over the last few weeks to talk about Social Security because I am concerned for my children and my grandchildren. Some in Congress have suggested recently that we raid the Social Security trust fund to pay for tax cuts. Some have said that we can pay for these tax cuts because this year we have a budget surplus.

I, like everyone, am for tax cuts, as I have already said, but not on the backs of our children and grandchildren. This surplus simply does not exist. This surplus is the Social Security trust fund.

The Concord Coalition agrees with me. They say over the next 5 years the Congressional Budget Office projects a cumulative budget deficit of $137 billion without dipping into the Social Security trust fund. Obviously, $137 billion in deficit cannot be used to offset $80 billion in tax cuts or anything else.

From this year, through the end of 2008, the Congressional Budget Office predicts a cumulative surplus of $1.6 trillion. Over the same period, the surplus in the Social Security system is also projected to be $1.6 trillion. In other words, all of the projected budget surplus over the next 11 years is attributable to the Social Security trust fund, which should be off-budget.

By dipping into this so-called surplus, we are dipping into our children's and grandchildren's future. We are taking the money that would have been paid to them by the trust fund and we are saying we will fix it later, we will pay it back, we will do the right thing, maybe. We don't care about the future. We care about how it looks today and how it is going to look on November 3rd.

Is this how we should treat the people of this country? I do not think so. I cannot return to Arkansas and look the thousands of retired Arkansans in the first Congressional District in the eye and say, "I am sorry, I just wasn't thinking about what would happen down the line. I was thinking of today."

As I have said, we should cut taxes, but we should not rob the Social Security trust fund to do it. There are millions of people who depend on their monthly Social Security check as a necessary source to supplement their retirement income. Thousands of retired seniors in my district and across the country rely on Social Security as their only source of income. The Social Security System is the most successful government program ever created. All of the Members of this body should stop to think about how important the program is to each one of us, to our children and our grandchildren. We need to save the so-called surplus to be sure that the Social Security System is solvent.

Members of Congress have a responsibility to not only worry about today, but to worry about tomorrow. We must ensure that Social Security will continue to provide the benefits promised to those who have paid into the system. We must save Social Security. Our children and grandchildren deserve to know that Social Security will be there for them when they need it, and we must not rob the Social Security trust fund.

Mr. PALLONE. Mr. Speaker, again I want to thank my colleague from Arkansas. I think that what the point the gentleman makes very effectively is that our position, the Democratic position, is essentially the fiscally conservative position. Our colleague from Washington State (Mr. McDERMOTT) was making the point that for so many years the Republicans and the leadership on the other side of the aisle kept making the point about how we should not be going further into debt, and now here we are essentially arguing what is the fiscally sound thing to do to save for the future to make sure the money is there, and we are getting opposition from them. So it is amazing to see how, I guess, the ideologies change somewhat.

But I know the gentleman has always stood on the side of fiscal conservatism, and this is obviously a manifestation of that. I am proud to be with the gentleman saying the same thing, because I think it is so important if we are going to have this money available for Social Security in the future.

Mr. Speaker, I just wanted to point out again what the Democrats are proposing. The Democrats have a proposal to save Social Security first, and our proposal would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank of New York to be held in trust for Social Security. If we pass this bill today or tomorrow or Saturday, the President would sign it immediately. It is that simple. But, unfortunately, the Republicans have decided to make this a political issue, and there is no question in my mind about what they are doing.

First of all, the President has stated unambiguously that if the Republicans send him a bill that pays for tax cuts with the Social Security surplus, that he will veto it. So we are not against a tax cut. The Democratic proposal would essentially have the same tax cuts. What the President has been saying, and he just reaffirmed it last week, is that we have been waiting so long, 29 years, for a balanced budget, and it is a mistake for us to basically when we see the ink, so-to-speak, turn from red to black and watch it dry for a minute or two before we get carried away. He is just saying let us not squander the surplus on tax cuts before we save Social Security.

Today the Democrats had a rally in front of the Capitol. Vice President GORE was there with a number of Democratic House Members and Senators. Vice President GORE reiterated this point today when he said that we are not going to basically rip up the Balanced Budget Act. We care about the Balanced Budget Act and we want to make sure that we save Social Security and do not just rip up this Balanced Budget Act by passing this tax cut.

I think that it is important to know that many of the tax cuts included in the Republican bill were proposed and sponsored by Democrats. This is what my colleague from Washington was saying. The marriage penalty relief, the $500 child credit and the Hope Scholarship, expanding the deduction of health insurance for the self-employed, these proposals were actually rejected by the Republicans when they were offered by Democrats at the committee level.

So it is not that the Republicans really are pushing these proposals, because they have had ample opportunity to do it before. The point is that now, just a few weeks before the election, they are suggesting that this be done, but their intention really is not to have it passed here and go to the Senate and be signed by the President.

They know that none of that is going to happen in the next few weeks.

The main thing that Democrats are saying tonight and will be saying over the next few days is that we have to have some fiscal discipline. We can show seniors and future generations that Congress will be responsible with the money the American people have entrusted us to manage for their retirement years. What we are saying is that the Republicans should abandon this ill-conceived proposal to undermine Social Security and spare itself the futile exercise of passing a bill that is speeding basically down a road to nowhere.

I can assure my colleagues on the other side of the aisle that if they drop this proposal and really move on to a legislative agenda that has some meaning, addressing HMO reform, addressing environmental and education concerns, the things that the American people want to see addressed, we could actually accomplish something here, rather than wasting our time with this tax proposal, which basically has no chance of passing and only jeopardizes Social Security.

□ 2030

WHO DO YOU TRUST? WHO DO YOU BELIEVE?

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from South Dakota (Mr. THUNE) is recognized for 60 minutes as the designee of the majority leader.

Mr. THUNE. Mr. Speaker, I have been listening with interest this past hour to a number of my colleagues on the other side of the aisle, and it always amazes me to get a glimpse into the mind of a liberal because they really think that it is their money. On the other hand, we think that it is the American people's money.

We listen to them talk about the reasons why we cannot lower taxes on hard-working Americans, on farmers and ranchers and small businesspeople and families, and we are at a loss sometimes as to how possibly they could have arrived at this point in time.

As I listened, there were a number of things that were mentioned. For example, the fact that the economy is performing so well right now; we certainly do not need to lower taxes. It occurred to me as I was listening to that, we think about what makes the economy perform well. Low interest rates. Low inflation. Low taxes. And we look at where we were just a few years ago before the Republicans took control of the Congress and started to get wasteful government spending under control and started to look at ways to systematically lower the tax burden on people in this country and stimulating growth in this economy and stimulating investment and generating additional tax revenues.

As a point of fact, back in 1994 before the Republicans took control of the Congress, we looked as far as the eye could see and we saw deficits 10 years into the future, $3 trillion in deficits projected into the future. Just this last July, the Congressional Budget Office has revised its estimate and now for the next 10 or 11 years out into the future they are projecting a $1.6 trillion surplus. $3 trillion in deficit in 1994 to a $1.6 trillion surplus in 1998.

Mr. Speaker, think about that. That is almost a $5 trillion turnaround in a matter of 3½ years. And the President would like to take credit for that, but frankly the President taking credit for the good economy is about like the Easter Bunny taking credit for Easter.

What happened is the Republicans got control of the Congress, began to roll back a lot of wasteful discretionary spending, worked with the entitlement programs to make those programs more efficient, and saved the taxpayers billions and billions of dollars on the spending side of the equation.

Couple that last summer with the Balanced Budget Agreement and the tax cut that came with it and we saw a rollback of taxes. Capital gains tax relief, death tax relief, tax relief for families, education credits, and so forth to make it easier for people in this country to make a living and pay their bills and pay their taxes and to try to fulfill all the responsibilities and obligations that they have.

So, the fact that we have an economy that is performing well today is in many ways attributable to the changes that have been made since the 1994 election when this majority got control of the Congress. And to think and to sit and listen to the other side rant and rave about the fact that somehow, some way, the Republicans are going to raid Social Security to give tax cuts to their rich friends is just another lie, like the lie about the Republicans wanting to kill Medicare or wanting to kill school lunches or any of those other things, and the American people are tired of it.

We have been predicting that this would happen, and it is happening because one after another the parade of speakers coming to the floor on the liberal side of the aisle say that these Republicans want to cut Social Security.

Mr. Speaker, I want to tell the American people that that is not the case at all. As a matter of fact, we have made a commitment to save Social Security. Look at what this plan consists of: $1.6 trillion in surplus that is going to be generated over the course of the next 10 years, we are saying that $1.4 trillion, 90 percent, ought to be walled off and used to save Social Security. And not only for the current people, current generation who is receiving Social Security benefits, but for those who are paying in today.

And I can tell my colleagues, personally nobody is more interested in seeing that program survive and be there than I. I have two parents who are about 80 years old who rely on that program as their sole means of existence.

Then look at the young people who are paying in the FICA tax, the payroll tax, and are trying to balance the books in their families and trying to make ends meet and get a little bit ahead in life and they are hit with these taxes. We need to make sure that they have a program that is there for them in the future when it comes time to retire. We have made that commitment.

The question I would ask of the American people as they listen to all that rhetoric on the other side about the Republicans wanting to cut Social Security is ask one question: Who was it that said in 1995 that they were going to reform welfare and did it? Who was it that said they were going to balance the budget in 1996 and 1997 and did it? Who was it that said we were going to lower taxes on American workers across this country and did it?

Who was it that said we were going to save Medicare and make it viable for the next 10 years until we can get some long-range changes and reforms in place to make Medicare a program that will work well into the future and did it? Who was it that said they would reform the Internal Revenue Service and did it?

It was this majority in this Congress. And the American people have to ask themselves a fundamental question as this debate gets underway and that is: "Who do you trust? Who do you believe?"

Should we believe the people who for 40 years have not put a crying dime into the Social Security trust fund? Or should we believe the people who promised welfare reform, promised a balanced budget, promised lower taxes, promised a Medicare program that worked into the future, promised IRS reform? That is the question that is before the House and before the American people as this debate gets underway.

Mr. Speaker, I just happen to believe that when we look at a $1.7 trillion annual fiscal budget, that the tax relief that is being proposed under the 90–10 plan, and the American people should bear in mind, $1.6 trillion in surplus, $1.4 trillion sealed off, walled off to save Social Security, and $80 billion in the form of tax relief.

Mr. Speaker, $80 billion on a $1.7 trillion budget is less than one-half of 1 percent to go back to the people whose money it is in the first place. But we cannot get that through the minds of people in this town, because if we listen to the debate that is going to occur from the liberals on the other side, they are going to talk about how we have all these reasons why we should not lower taxes.

I heard the discussion tonight about farm prices being low, and I happen to agree. We are in a terrible economic disaster in rural America. And the gentleman from Washington alluded to the fact that some of it happens to do with unfair trading practices. Well, that is attributable to the Clinton administration's failure to enforce trade laws and agreements. But we have a terrible problem with farm prices. What are we going to do about that?

One of the things that is proposed in this tax relief is that of the $80 billion, a bunch of it is going to help farmers and ranchers. I think that is worthwhile. Another proposal included is that by raising the threshold that the death tax applies to, the small farmer, the small rancher and independent producers in my State and other States have the opportunity, if they choose, to pass along their operation to the next generation without having to face both the Internal Revenue Service and the undertaker at the same time. I think that is remarkable, the death tax relief in this bill.

Another thing that we talked about was deductibility of health insurance premiums for self-employed persons, farmers and ranchers, people who have to pay health insurance premiums and yet do not have some employer-provided plan and therefore take it out of their own pocket and do not get to deduct it like if they had an employer or they were employers and used that as an expense. Mr. Speaker, that helps farmers and ranchers.

There is an provision that makes permanent income averaging. For farmers and ranchers there are lots of ups and downs, and unfortunately lately mostly downs. Some day that is going to come around and we are going to see income. We will have an opportunity to give our producers, farmers and ranchers, an opportunity to spread their income over time so that they do not get stuck with a big tax liability in one year.

There is a provision that allows for a loss carryback. If one has had profitable years in the past, go back as far as 5 years and if they have had profitable years, but losses in the current year, they can take the losses, offset them, and use them against their profitable years and get a tax refund this year. Mr. Speaker, that is projected to help 100,000 farmers and ranchers across this country; something that is very critical right now to help with the cash flow problems that our farmers and ranchers are suffering from.

If we want to do something about helping farmers and ranchers, instead of getting up and ranting and raving about how the Republicans, here they go again trying to give tax relief to their rich friends, think about the people that we are helping. The people in South Dakota that I represent, the farmers, the ranchers, the small businesspersons, the families that are trying to make a living and struggling to survive, are not rich. They need some help and need some tax relief.

I heard this evening, "We have to do this for our children." I keep wondering as I listen to that, where were these guys for the last 40 years when we were racking up over $5 trillion in debt because of government spending that was out of control? Where were they then? Now, all the sudden we cannot lower taxes and give something back to the American people? We have to think of our children? And yet for years and years and years in this institution when the other side controlled, had the majority control of the House of Representatives, we went in a cycle, a period of continual runaway Federal spending, racked up enormous deficits, and added to a debt that is now about $5 trillion.

So, Mr. Speaker, as we listen to this debate, and I hope the American people are tuning in, because frankly there is going to be a lot of rhetoric and hot air that fills this Chamber in the next few days. But I believe if we listen carefully to this debate, that it will not be lost on the American people that this is the same group that year in and year out, and this is an election year, we are going to hear people arguing and talking about how the Republicans want to kill this program or that program. And now they are saying that the Republicans want to kill Social Security.

That in fact is not at all the case. We are here because we want to save that program and that is why we are dedicating this surplus, 90 percent of it, to saving Social Security. Walling it off and giving that other 10 percent back to the American people whose money it is in the first place.

That is what this debate is about. It is about being responsible to the taxpayers of this country. If we leave this surplus in this town, I can assure one thing. That is that it will get spent. There is no way that the Federal Government and the liberals in this institution will allow those dollars to stay here for very long.

So, Mr. Speaker, I thank you for the opportunity to address some of these issues this evening. I wanted to respond to some of the arguments that I heard in the debate earlier from my friends on the other side of the aisle.

I encourage the American people to tune into this debate. It is important. It is about their future and their tax dollars and seeing that they get the best possible return on their dollars.

ISSUES FACING AMERICA AT THE END OF THIS CONGRESSIONAL SESSION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I think it is important to note that we are less than 5 weeks away from the end of this session. We will probably adjourn no later than October 15. The date is still basically October 9, but the rumor is that it will be some time after that. It is certainly going to be no later than October 15 or 16. The necessities of this election year dictate that we will have to adjourn.

I think that there is a full plate of unfinished business, and it is most unfortunate that most of that business is not being addressed. We did a few bills today that are significant, I guess, in terms of conference reports. We also did a bill that I think is very harmful relating to education, and I will come back to that.

The rumor is also that a continuing resolution which will carry our budget into next year will be substituted for the passage of individual appropriations bills. The debate and the discussion of critical issues that will take place on appropriations bills will probably not be there unless we have a rule which allows us to have a number of hours of debate on the continuing resolution, the long one. There is a short continuing resolution that is going to take us into October, but a longer continuing resolution is being prepared.

This means that we will not have a chance in the context of appropriations and budget making systematically, we will not have a chance to discuss certain vital issues. They are vital issues that are not getting the kind of exposure that they need.

□ 2045

The American people have common sense that we welcome, we ought to welcome into this process, and we need to let them know what is going on.

I want to commend my colleagues, the gentleman from New Jersey (Mr. PALLONE) and the gentleman from Washington (Mr. MCDERMOTT), for the very thorough discussion of Social Security, what the Social Security trust fund means, how it works, what it is all about. Out of this present conflict between the majority party and the minority party, perhaps we will have a better understanding developed by the lay people in this country, by the voters, by the ordinary common people of what Social Security is all about, how it works.

We may have an honest bookkeeping process developed, because right now they do smoke and mirrors with Social Security funds. They use the funds in various ways that cover deficits in the regular budget. They talk about being off budget at certain times, and they place it in budget at other times. Maybe we can have a separate accounting system for Social Security grow out of this conflict between the two parties as to how Social Security should be administered.

It is a vital issue for all Americans. There are very few families that are not in one way or another touched by what happens with Social Security. Certainly, in the African American community, for some time now there have been studies showing that African Americans in smaller percentages live to be 65. The mainstream community, the white community, the greater proportion of them live to be 65 and over and enjoy their Social Security benefits.

Right now a much smaller percentage of African Americans are living to be 65 and being able to enjoy the Social Security benefits. Therefore, the African American community will be very hard hit by the movement of the retirement age from 65 to 67. That is going to take place within two or three years. You are going to have to wait until you are 67 before you can receive your Social Security benefits. Already the people who need the help the most are going to be penalized by this Band-Aid approach to saving Social Security.

A commission, several years ago, came up with that answer, one thing we should do is move the retirement age from 65 to 67. Now they are proposing to move it to 70 after that. It will keep moving and there will be certain groups of people who will never catch up with it, if we do not find some other way to save and protect Social Security.

I think we ought to declare off limits now and forever more any movement of the age of retirement as a way to protect Social Security. What my colleagues were saying earlier makes much more sense. Let us use the money that has accumulated in these prosperous times to deal with the problem that we project for Social Security down the road.

I am not going to go back and repeat their arguments. I want to congratulate the gentleman from Washington (Mr. McDERMOTT) in particular, Dr. McDERMOTT, who was the author of the single payer health plan here in Congress. He is still the author of it; he originated it, the single payer health plan.

Dr. McDERMOTT gave a brilliant analysis of how the Social Security fund works and how the money is accumulated. And I want to congratulate him for that statement, that presentation.

Saving and protecting Social Security is something we have got to talk about more in the next few days in the context of the proposal of the Republicans that we have a tax cut. There is a surplus. Most people do not realize that that surplus is primarily money in the Social Security fund. The surplus is in the Social Security fund. Anyone who wants to take part of the present surplus and move it somewhere else will be taking it from the Social Security fund.

Our position is that we must protect the Social Security fund first, protect Social Security and guarantee that the difficulties projected will be taken care of before you begin to take money out of this surplus which is mostly Social Security funds.

I previously stated that I think that if there is a surplus, some part of it ought to be dedicated to education and the necessary steps to improve education. A greater investment in education is a worthwhile use of any surplus funds. But not until we are sure that we have the adequate protection for Social Security, that the money stream, the revenue stream, the projections for the future are all in place and we can see where the money is going to be left over after you make the necessary adjustments to secure Social Security.

That is on our plate. We need to really deal with it. We need to broaden and maximize the discussion over the next few weeks, and everybody should be in on it. It affects us all. It is a very important program. It takes the cash straight to the recipient, to the person. It has a minimum amount of bureaucracy and layers of infrastructure. It is a check to a person who has earned it in terms of his Social Security rights.

Another thing that we must discuss more in the next few weeks is the Federal assistance to education. I regret that a continuing resolution is going to cover this whole question of what are the appropriations for education for this year. Somehow we need to infuse into the discussion of the continuing resolution a discussion of what are you going to do about education this year. The despair that is felt by parents across this Nation must find some relief from the Federal Government.

The Federal Government is responsible for only a small portion of the funding of education. We have gone over that before. Seven percent of the total funding for education is Federal funding. The rest of it is State and local funding. But that 7 percent that comes from the Federal Government is a stimulant. It makes the local government and the State government do certain kinds of things that they normally do not do.

The Federal Government has been accused of interfering, creating a bloated bureaucracy, making red tape, unbearable for teachers. This cannot be true when only a small percentage of the funds for education are Federal funds. If the Federal Government has only a 7 percent funding involvement, then our influence is only 7 percent, and we cannot, we cannot have an authority beyond the funding. We are the scapegoats, the Federal Government is the scapegoat, but it is limited, too limited.

I have always said that 7 percent is not enough. The Federal Government should at least rise to the level of 25 percent of funding for education in America. If we have 25 percent of the funding, if we provided 25 percent of the money responsibility on our schools, we still will only have 25 percent of the authority and influence. The other 75 percent of the authority and influence would still be at the State and local level. So our schools would still be State and locally run.

Federal assistance to education, unfortunately, if we have a continuing resolution, may be held hostage. It is a great excuse to do nothing.

The majority party would like to do nothing. They are aware of the fact that poll after poll and focus group after focus group demonstrate that the American people, the voters place a very high priority on matters related to education. And they think the Federal Government should be more involved in education in a very basic way.

But instead of engaging that involvement or desire to be rescued in an honest way, the majority party chooses to play trickery and pretend it is concerned about education, while it does things like the bill that was on the floor last Friday.

The bill on the floor last Friday was called Dollars to the Classroom. If you look at it very closely, it is not Dollars to the Classroom, it is dollars to the governors of the States, dollars to the governors. And the governors were given great freedom as to how they were going to spend those dollars, so fewer dollars would probably end up in the classrooms where they were needed most. The Dollars to the Classroom is just one more gimmick, part of a smoke screen that the majority Republicans have pursued to make people think that they are concerned with education when they are not.

Dollars to the Classroom would have pulled all of the authority and all of the infrastructure out of the Department of Education, which would be another way to destroy the Department of Education. They do not say that anymore, but that is still the goal.

We must make certain that in the process of developing this continuing resolution, there be a broader discussion of the things that ought to be in there that are not likely to be in there, if you leave it to the majority Republicans. We ought to not go another year without dealing with school construction, class size reduction or technology.

I will come back to a larger discussion of this. But saving and protecting Social Security, Federal assistance to education. Minimum wage increase, it has been defeated in the Senate. It has not even been put on the floor here, but I think that they owe it to the majority, again, of Americans who would like to see a minimum wage increase, they owe it to put it on the floor and let us vote on it. But that is not likely to happen.

HMO reform, greater health care coverage, HMO reform to bring the HMOs back into control. They got off to a bad start, and no one has said we ought to abolish HMOs. You do not hear any discussion of that. I think HMOs were at the center of the plan proposed by Mrs. Clinton. Most people do not realize it, that health maintenance organizations were a critical part of that plan that was ridiculed and withdrawn for no good reason, really, because it was superior to what has been allowed to mushroom and grow spontaneously, sort of. The HMOs are here to stay, so reform of HMOs is a vital discussion that has to take place. And we are in the process of doing that. The problem is we have to have a full discussion of that between both houses.

Coupled with HMO reform there must be the effort to get greater health care coverage. We need to deal with the fact that 10 million, at least 10 million Americans are not covered that ought to be covered by some health care plan. Again, Dr. McDermott, who was explaining the Social Security plan, is the author of a single payer health plan which would result in the coverage of all Americans. Single payer is not popular these days. Those kinds of things are not even discussed that much, but we should keep it in the back of our minds, that Canada has a single payer system. And Canada is able to cover its citizens without going bankrupt. Canada is alive and well. Its economy has not been plunged into any kind of crisis. For years Canada has had a single payer health plan which covers everybody. Whatever we do, regardless of what form it takes, HMO reform or any other adjustments, we ought to move to cover everybody with a health care plan. That ought to be still on our agenda.

There are some larger issues that also may not be legislative issues, but in this time of focus on the personal life and the intimate life of the President, we ought to be reminded that this great Nation cannot take its eye off major problems throughout the world. This great Nation has a duty to keep watching the kinds of developments that are taking place all over the world which may have an impact upon us.

We ought to be concerned about the stall of the peace process in the Middle East. It is a process and a set of combatants there that we have great involvement with, both the Arabs and the Jews of Israel. We have allies and enemies on both sides. And that process can blow up in our face in a short period of time. We need to not focus so on the trivialities of a Ken Starr report and focus back on some of the pressing foreign policy issues like the Middle East peace stalemate.

Yugoslavia, Bosnia, Serbia, Kosovo, those are items that also may blow up in our face. But even if they do not get worse and blow up, we have to be concerned about the fact that they are a drain on the American taxpayers now. The Yugoslavian conflict that we reluctantly entered and provided leadership for meaningful intervention, that conflict now has gone on for quite some time and America, the taxpayers of this country, have gotten bogged down in a process which is draining the Treasury. The amount of money available for these kinds of interventions is all going toward Yugoslavia, Bosnia and Serbia. Now they say we need greater involvement in Kosovo. We are talking about $6 or $7 billion now directed at one part of the world.

I am all in favor of this country exercising its role as the indispensable Nation, providing leadership when nobody else is there to provide the leadership. It is important. But when you go into a conflict like the Yugoslavian conflict and you stay there and expend billions of dollars, then what you are doing is creating a precedent, which I am certain the American people, anybody with common sense would not want followed.

□ 2100

We are ready to intervene, ready to become a part of rescuing people in emergency situations, but emergencies should not continue forever. We are nation-building in Yugoslavia. We are doing what we said we would not do in Somalia; what we said we would not do in Haiti. We are going to the extreme of staying much too long, and the patience of the taxpayers in terms of the next necessary intervention will be worn thin. I think we should find a way to extricate ourselves from Yugoslavia after an expenditure of $7 billion. It is a lot.

On the one hand, we expend that much money in Yugoslavia, and we totally abandon Haiti. We had promised an aid package to Haiti, and that aid package only consisted of $200 million of United States funds, funds from this country. But it was part of an international package where the French and the Canadians and a number of countries were going to also contribute to the reconstruction of the economy in Haiti. Well, none of these other countries are willing to ante up and pay their portion or give their portion of the aid until the United States moves part of its $200 million to Haiti. So we are stuck. And Haiti is in a crisis now because theirs is an infrastructure that is continually crumbling.

We cannot keep ignoring Haiti. Haiti is a part of the Western Hemisphere. Haiti is a part of a collection of islands and places in this hemisphere where things happen that we cannot ignore, and important developments there impact upon our quality of life here.

For example, as the economies of Haiti or any other of the Caribbean islands crumbles, the drug lords move in. We have some small island countries that are now controlled by drug lords. We may be surrounded if we do not move to look at the problems of this hemisphere in a new way and deal with the problems of Haiti and the problems of the crumbling economies of certain island groups that have been hit very hard with a new set of rules that make it more difficult for them to sell their bananas in the European market.

The economies that were hit hard by the hurricane just yesterday and today, economies that never were that strong and have never had any significant assistance from the United States, those economies now are sitting there as bait and targets for drug lords to prey upon.

We are very concerned about drugs and the continuing in-flow of drugs and the impact that drugs have on our economy. We are going to spend millions of dollars to provide aid for police and military operations in certain countries in order to combat the drug trade. Most of that money is going to go into the hands of the very people who are part of the whole problem. Large amounts of corruption have been discovered in all of the countries that we will be giving this aid to: Mexico, Colombia. Every country.

In the final analysis, when we get down to the bottom line, the law enforcement officials are involved in the drug trade, and that is a consequence of allowing the economies to decline and the standards of government to be corrupted. And we are not going to solve the problem by addressing whatever aid systems we have only to the military and to the police agencies.

Much further across the world there is another problem that we ignore at our peril: The India and Pakistan nuclear testing duels. India and Pakistan both have exploded nuclear weapons. We are so busy watching Monica Lewinsky and following Ken Starr, the fact that these two nations both, in a period of less than a month, exploded nuclear weapons does not seem to bother us.

We have forgotten, I think, that nuclear debris blows in the air, and nuclear debris gets into the water, the oceans, and it moves around the whole world. Every time we have nuclear explosions of any kind, we increase the amount of debris out there in the atmosphere.

I was not a star pupil in physics, but in college biology we did learn about the half-life of radioactive material, how long it stays there, and the fact that radioactive material bombards our genes and our genes suffer from mutations. Some of the new kinds of diseases and microbes and viruses that we have are probably the result of radioactive bombardment and, thus, these mutations.

I remember in the biology class the professor citing some experiment that had been done with fruit flies. Fruit flies breed rapidly, so they can tell from one generation to another what the changes were. And the radioactive bombardment of fruit flies had led to some astounding mutations and changes in those fruit flies.

That was a long time ago, when I was in college biology. The rules are still the same. The principles are still the same. If there are bombs being exploded in India and Pakistan, then we have a problem that we ought to all be looking at.

The Indians and the Pakistanis danced in the street. The ordinary people went out and danced in the street when India exploded their nuclear bomb. They thought it was a great thing. It was like a great celebration that we are now a great power. The party in power, the Hindu party, is now said to have a firm grip on the populace, and that they will probably stay in power for a long time, because they have demonstrated that they are a modern nation and can stand toe-to-toe with the other nuclear powers.

So the people who danced in the street in India and the people who later came behind them and said we need one, too, they applauded their government for matching the government in Pakistan. They are the ones who are most vulnerable in terms of radioactive fallout. They do not know it, but there will be increasing cancer cases and all kinds of strange things happening to them. It is quite sad to see humanity dancing with glee, joyfully celebrating a phenomenon that is likely to have a very cruel and immediate physical impact on them in the next decade.

India and Pakistan represent a very explosive situation. Something is going to have to give there. And instead of waiting until it progresses to the point of Yugoslavia, where we have mayhem and murder and, for humanitarian reasons, all the nations of the world decide they want to do something about it, we ought to try to solve the Pakistan India problem now.

At the heart of it is the Kashmir crisis, the Kashmir situation, which is a long-standing crisis. When I was in high school I remember India received its independence and Pakistan was a breakaway area that, at the last moment, broke away and formed its own independent nation. Kashmir was supposed to become part of Pakistan but a deal was made with the rajah of Kashmir. And although the people who lived there primarily were Muslim, he was Hindu, they decided to go with India. He decided, as an individual.

That may be collapsing too much history too rapidly, but, basically, Kashmir is a place where the greater percentage of the people are Muslims. If they are given a chance to vote, they would vote to become a part of Pakistan. If they became independent, because they are Muslims, they would have a close alliance with Pakistan. India knows this. And instead of acquiescing to the will of the people, allowing a vote to take place and having Kashmir become either independent or quasi-independent, or having Kashmir make the decision to join Pakistan, India refuses to allow a vote. There is armed conflict there. Soldiers are arrayed on different borders and real difficulties may erupt at any time.

The United States has played a major role in several conflicts that have taken place over the years because the United States has basically been an ally of Pakistan. Pakistan deserves a little more help from the whole world, and certainly from the United States, because Pakistan will probably be the loser in any armed conflict with India if nobody else came to their aid. Instead of waiting for some armed conflict to develop, we ought to try to go to the aid of the situation by insisting, having the United Nations use its moral force, appeal to that element in India which still believes in Mahatma Gandhi, and appeal to India's sense of leadership in the world to go ahead and let Kashmir and the people of Kashmir vote. Let them determine where they are going to go in the standoff between armies in Kashmir and move on to a different set of arrangements.

Now, this particular crisis and this particular problem did not just pop into my head. It is one that has been brought to my attention because in my Congressional District, the 11th Congressional District in Brooklyn, there is a large Pakistani community, either the first or second largest Pakistani community in the country. And like everybody else, they have brought their problems to my attention. And I am appalled at the length of time that the Kashmir-India-Pakistan crisis has gone on.

It is one of the things that we should be concerned with. It is one of the things that we are neglecting, as the indispensable Nation. If there is a real bloody conflict, they are going to call on us. If there is a threat to the stability of the world, or the fishing lanes, there are all kinds of reasons why we will respond, and that is good. Just for humanitarian reasons, we should respond, and I have no problem with that, but we will not unless we are able to take our eyes off the trivial, the endless flow of trivial details about what is happening in the President's private life and what is happening with the Ken Starr Monica Lewinsky case, et cetera.

We need to come back and, before this session of Congress ends, try to get serious about the fact that we are the indispensable Nation, involved in all kinds of activities that are important to the world as well as important to our own economy and our own quality of life.

So I have talked about saving Social Security, the Federal assistance to education, minimum wage increase, HMO reform and greater health care coverage, the stalled peace process in the Mideast, Yugoslavia, Bosnia, Serbia, Kosovo, and those kinds of eruptions in that part of the world, Pakistan, India and Kashmir. These are just some of the kinds of pressing problems and issues that we ought to be addressing.

Finally, I would also like to conclude my little list here by talking about something much closer to home, which arouses a lot of emotions, and that is the President's Commission on Race. Recently, the President's Commission on Race made a report, and 99 percent of the people of this country do not even know they have concluded their activities and made a report. I think that some aspect of the Lewinsky-Starr pornographic drama was unveiled on the same day they made their report. Certainly in the days that followed, the headlines, the media, everything was dominated by the Lewinsky-Starr Peyton Place drama or soap opera.

So the Commission issued a report, and I have not had a chance to read the report yet, but I have read some of the highlights in the press conference or the interviews with members of the Commission. The Commission made a great point of saying that it did not think that we should apologize for slavery. It did not think that the American government should apologize for slavery.

Now, I wonder why, if they were not going to make a positive statement, that we should apologize for slavery, why did they bother to deal with that issue at all? I think the Commission sort of defined itself by rushing to make a statement that was a negative one. Instead of emphasizing that what it did stand for, what it did want, it made a statement which everybody picked up as wonderful. It is wonderful that the Commission on Race, appointed by the President, says that there should be no apology for slavery.

Now, that is something that needs to be discussed and it, of course, is completely off the radar screen. Very little discussion will take place. But the President is to be applauded, still, for appointing that Commission. The existence of that Commission was a very important step forward. However small its budget might have been, or its staff, or however circumscribed its charge was, it was a constructive step forward by a President who did not have to do it. There was no crisis in terms of rioting in the street, there was no crisis of bombing of schools, there was no crisis of a governor standing in the schoolhouse door.

□ 2115

All of these kinds of things were not happening. So the President had no political reason for appointing a commission to review race relations. It was a brilliant stroke to just get people to discuss it. Discussing the issue will not resolve the very serious problems that we face with respect to race relations in the United States, but not discussing it certainly will not get us anywhere and when a President uses his prestige to spark a discussion and move it forward, that is a very positive achievement and the President should be given full credit for that.

The problem is in my opinion that the people on the commission did not take full advantage of the opportunity. I think the commission had some of the best minds in the field. All the people there were quite impressive in terms of their academic credentials, in terms of their experience, et cetera. I think they had very good minds. I regret that the commission, the giant intellect and the giant minds were accompanied by very tiny spirits. I think it is a tiny spirit that makes a point that we will not recommend that there be an apology for slavery and that is the most important thing that they have to lead with. We do not recommend that there be an apology for slavery. They are tiny spirits because they seem to be afraid, intimidated by certain forces that have insisted that apologizing for slavery is ridiculous or it is absurd, it is unfair to ask this generation to apologize for slavery because they cannot do it, they were not here, there were good people in both North and South, et cetera, et cetera. There are a lot of reasons that are given. However, all of these reasons, and everybody who backs away from endorsing an apology for slavery, including the majority of the members in the Black Caucus think it should not be done because it is too little and we do not want to have people have their consciences salved by taking a little step like apologizing for slavery. I disagree. I think it is symbolism and we live by symbolism. Symbolism is very important. There is a galloping symbolism that other nations are adopting. We have an apology every week just about. If you follow the papers, something is there every week apologizing for some atrocities that have been committed in the past, some injustices, et cetera.

This week, today, Thursday, September 24, we have an apology with money. I am going to read from the New York Times International, Thursday, September 24, today. This is on page A–12. Siemens Creates a Fund for Nazi Slave Workers.

> "Following the lead of Volkswagen," Volkswagen was in the paper last week. Volkswagen apologized for the enslavement of large numbers of people during the war, having them work in their plant and not only apologized, they offered $12 million. I think Siemens is following the lead of Volkswagen.
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> "Following the lead of Volkswagen, the German electronics giant Siemens announced plans today for a $12 million fund to compensate former slave laborers forced to work for the company by the Nazis during World War II.
>
> "Siemens is one of several German businesses under pressure from lawsuits in the United States and threats of more at home from Nazi-era victims.
>
> "Volkswagen last week became the first of these companies to agree to such payments when it announced its own $12 million fund—a change of heart after arguing for years that it had no legal duty to pay back wages for labor forced on it by the Nazi war machine.
>
> "Siemens had a similar change of heart. Almost a year ago, the company insisted that it could do no more for its former slave laborers than express "deepest regrets."

Siemens has gone from apologizing, they did express deep regrets, they apologized. And we are saying large numbers of people are saying that this nation, America, the great nation of America should not even do that. Do not apologize for slavery. Do not have the government apologize for the horror, probably the greatest crime committed against humanity when you add it all up and look at its in its totality. But Siemens is doing that for the laborers who were forced to work as slaves during the war. Volkswagen is doing it. Siemens today, Volkswagen last week. And last week, week before last, quite some time, the Swiss, the Swiss banks and the Swiss government have been apologizing to the Jews who were swindled out of their money in various ways when they deposited it in Swiss banks during World War II. The Swiss are also on the spot in terms of their being the agents of the Nazi government, and they are very apologetic about that. So to have our Commission on Race portray themselves as heroes because they are against apologizing for slavery is most unfortunate.

I think that some good can come out of the commission report. I will certainly look at the report closely and I hope that we move to act on some of the recommendations that are made by the commission. But the commission in total certainly has left a legacy of spinelessness. The tiny spirits stick out there despite the gigantic minds. An apology for slavery would be very much in order. It is very much consistent with what is being done all over the world. The Japanese apologizing to the Koreans that they forced into prostitution, the Catholics apologizing in France to the Jews for what they did to them, on and on it goes. There are apologies in civilized nations, in civilized cultures, apologies all over. So are we not able to at least take that step of apologizing for slavery, having our government apologize for the fact that slavery was legal, slavery was protected by the government. For 232 years it took place here on our continent under the supervision of legal bodies that protected it. We are not asking for $12 million for a group of slaves that might have worked one place and $10 million for another group. New York City was the third largest slave port in the country. Most people do not know that. They associate slavery with the South. But New York City was the third largest slave port in the country. There are many streets named after the great slave owners, slave holders, in Brooklyn, my own home borough. If you were to have some way to compute the amount of money that is owed in back wages to all the slaves who labored for years and years without any pay, certainly New York would have a big payout. You would have a large number of families that would be eligible for very big payouts. But we are not going to go that far. We are not going to try to do the impossible. But an apology is a good beginning. A recognition of the horrors that were perpetrated with the aid of government is a good beginning. We should have had that beginning.

Now, I have covered a lot of territory, all the way from slavery and protecting Social Security to apologies for slavery. My point tonight is, these are very important items that must be kept on our agenda. These are very important items that we cannot ignore.

A recent book came out about this whole matter of the slave labor in Germany. Each of the factories that were involved, Volkswagen and Siemens, they say the Nazis forced them to use slave labor. But there is a book out which is called "The Splendid Blond Beast: Money, Law and Genocide in the Twentieth Century" by Christopher Simpson. In that book the thesis is the companies pursued the cheap slave labor. They wanted it, they went after it, they bid on it. It was not just the government insisting that they utilize the slave labor of prisoners of war and Jews and other people that the Nazis had enslaved. "The Splendid Blond Beast: Money, Law and Genocide in the Twentieth Century" by Christopher Simpson. That book has come out recently. There are discussions of it. That is why I think it should be related to the apology for slavery and the commission report. All of these things relate very much to each other. All of them are important.

We are a Nation now that has a leadership role in the world. We are the indispensable nation. The President calls us the indispensable nation. I agree with that term. But we are absorbed with trivialities. One way to smother this Nation and to destroy it is to get so consumed with trivialities that we cannot deal with the major basic issues that confront our economy, our Nation and the world. We are obsessed with ephemeral kinds of things that do not mean very much one way or the other. We are consumed. We are manipulated to be consumed by trivialities. The lives of the movie stars and the lives of the elected officials when they are treated like the lives of the movie stars become far more important than the critical issues of our day. We need to do something about the issues that I have just outlined. We need to do something now. We are at a pivotal period where we do not have certain kinds of pressures on us. We do not have a recession. We have a surplus that we are looking at. We need to have a real, thorough examination of what it means to have a surplus and deal with that. We also need to take a look at the context with which these trivialities keep being pushed to the forefront.

The newspapers and the television stations are obsessed with forcing us to examine the trivialities related to the President's private life, for example. First you have an organ of government, the special prosecutor's office, publishing great details, exploiting trivialities in a way which will guarantee that the report gets a maximum distribution. You have an organ of government paid $40 million, the whole Special Prosecutor's office, which is putting out something which you could call a form of nonfiction pornography. In fact I think it was a statement made by Ken Starr himself that is very interesting where he said that anybody who does that kind of thing certainly deserves to be condemned. Ken Starr on 60 Minutes in an interview with Diane Sawyer in 1987 made the following statement. Quote, from Ken Starr:

> Public media should not contain explicit or implied descriptions of sex acts. Our society should be purged of the perverts who provide the media with pornographic material while pretending it has some redeeming social value under the public's "right to know." End of Ken Starr's quote.

Kenneth Starr, 1987, 60 Minutes, CBS Television interviewed by Diane Sawyer. Let me just read the quote once more. Quote from Ken Starr:

> Public media should not contain explicit or implied descriptions of sex acts. Our society should be purged of the perverts who provide the media with pornographic material while pretending it has some redeeming social value under the public's right to know.

End of quote from Ken Starr.

I agree, Mr. Starr. But you are the one who is guilty. We have your report which has been basically rejected by the majority of the American people. They do not like it. You overreached. Whoever acts in concert with you or that you act in concert with, they have overreached. And we have a situation where all of these publications and exposures of salacious material have not impressed the American people in a positive way. We have the common sense of the American people rising up to challenge and attempt to manipulate their minds. The salacious material, the pornography was all put there in order to distract you with trivialities and not focus on the case that is not there against the President. The President has done nothing which is an impeachable offense. One way to make you forget that is to introduce Peyton Place and soap opera instead and let you get all caught up in discussions of the details of the soap opera, Tobacco Road, Peyton Place and a whole lot of details about intimate activities that should not be published under a government imprimatur, certainly not by a special prosecutor.

□ 2130

So the American people have rejected it. It has not worked. There has been no automatic response which says throw him out; you know, we do not have that. The polls have not done any gyrations spinning downward, and I want to read from an article that appeared in today's New York Times. Frank Newport, the editor and chief of the Gallup poll writes the following:

> Republicans these days do not seem to think much of public opinion polls. With a strong majority of Americans still opposed to the impeachment of President Clinton, some prominent Republicans are arguing that Congress should do what it thinks is right, not what the polls say.

It is very strange to hear politicians, Republicans or Democrats, saying we should ignore the polls. We live by the polls, and, you know, when we should be ignoring the polls and providing leadership and guidance, that is seldom happens. But suddenly the Republicans have said the polls are not important. I wonder how long that is going to be in effect.

Going back to the article by Mr. Newport, quote:

> Poll taking in an art, not a science, HENRY HYDE, chairman of the House Judiciary Committee said on Tuesday. Representative TOM DELAY of Texas was more direct: I think frankly the polls are a joke. Dan Quayle, the former Vice President, sees a subtext. I think that the people are far more turned off with Bill Clinton and all of his shenanigans than all of these public opinion polls are expressing, he said in August.

So, Dan Quayle, TOM DELAY and HENRY HYDE all think polls are ridiculous, they are superfluous, they do not mean much.

Going back to Mr. Newport's article:

> But Republicans should not shoot the messenger. After all polls do nothing more than summarize the opinions of the people. In a democratic society ignoring the polls demonstrates a considerable arrogance. Why should we assume that pundits and elected officials know more than the average American or that careful scientific polls do not accurately measure public sentiment?
>
> There is no doubt that Americans want Congress to listen to them. In a Gallup survey conducted this month 63 percent of those surveyed said that on the question of a possible impeachment of President Clinton Members of Congress should stick closer to public opinion rather than doing what they themselves think is best. And to date Americans do not want the President to leave office. Even after the release of the Starr Report and of Mr. Clinton's testimony on videotape the number of Americans who approve of the job Mr. Clinton is doing is 66 percent according to a Gallup poll taken on Monday. Only 32 percent of respondents favored impeaching and removing Mr. Clinton from office. Thirty-nine percent said that he should resign.
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> The results were similar in other polls. In a NBC news poll, also taken on Monday night, only 26 percent of the respondents believe the President was telling the truth, but 60 percent did not believe the President should resign.
>
> It is certainly possible that the public can still be convinced that impeachment is a correct course. That is what happened during Watergate. In November 1973, just 30 percent of Americans favored impeaching and forcing Richard Nixon from office. By August 1974, just before Nixon resigned, more than 60 percent favored such action.
>
> The job for those who feel Mr. Clinton should leave office is to take these convictions to the public to continue to make that case. Ultimately, however, Congress should listen to the public's response, much of it measured through polling.

That is the end of the quote of Mr. Frank Newport in the New York Times. I think that is today, today's New York Times, September 24 on the op-ed page.

I cite that because, and I read from Ken Starr's statement before 60 Minutes to make the point that we are off into trivialities, and we are being deliberately in many cases led into trivialities, into matters of little consequence, in order to ignore the big issues. And, as a Nation, we are probably going to be subjected to this kind of activity again and again.

The spin is a part of American political life now, the spin. The spin often will spin you into outer space where there is nothing but dust and there is nothing of any consequence.

So I am arguing that we should exercise the common sense out there that they do not appear to have here in the Congress.

Continue to focus on the issues, continue to understand that saving Social Security is an issue that ought to be discussed widely, you ought to have a role in that, you ought to go visit your Congressperson and talk to them about it. You ought to understand that an $80 million tax cut jeopardizes the effort to systematically begin the process of guaranteeing that Social Security will survive and be there fully when it is needed in the future. You ought to not allow yourself to be pulled away from the focus on that very real issue.

Federal assistance to education is a very real issue. Let me just expand for one moment on what happened today. We had on the floor of the Congress today a bill which would increase the immigration quota for professional workers. That immigration quota increase is designed primarily to bring in more information technology workers into this country. Information technology workers are people who work in various ways with computers and the Internet programing and various things related to the computer culture, and there is a great demand for workers. We already have 65,000 of those workers in America. That quota was overrun back in the spring, and now they want to bring in this year another 25,000, and then every year between now and the year 2000 increase the number.

What does that have to do with education in America? It says that we are going to be giving away. We have already given away 65,000 jobs to foreigners. We want to give away another 25,000 to foreigners this year, and we are going to give up to 1,000 in the year 2001; 107,000, I forget. The big problem here is that those figures do not tell the full story. If this is the way the problem is going to be solved when you have vacancies and a need for workers in the high tech area like information technology, if you are going to allow the companies to bring in people from the outside, then they are never going to be willing to fund and develop an adequate education system in America.

You know, first of all there is an advantage in bringing in foreigners from the outside. They always pay them less. They do not pay them as much as they pay information technology workers who are based and trained here. So that is one advantage they are always going to be seeking.

We must insist that the piece of legislation which passed on the floor today is the wrong way to go, that we ought to revamp our education system in order to be able to have a pool, a large pool of people who are in the early grades exposed to computer literacy training, and they go up to high school, and they get more training, and some kids could actually graduate from high school and not go to college and get certified; Microsoft I think certification, A-1 certification; and make between 30 and $40,000 a year. If they want to continue at a junior college or college, you know all of those opportunities are almost guaranteed to be there in the future. That is the way we are going with our economy and the technology. The jobs will be there. The Department of Labor estimates that there will be 1.5 million vacancies in 5 years in the information technology area.

So, we cannot wait until this session is over. We need to do something about federal assistance to education now.

Last Saturday I had a luncheon as part of the Congressional Black Caucus legislative weekend. I had a luncheon and invited 50 school superintendents to come and help us to develop a strategy or let us get together in solidarity in order to make certain that for the remainder of this session of Congress we are not ignored that the education agenda is not pushed on the back burner and left there. Thirty-five school superintendents came; I was surprised at the large number who responded. These are superintendents from what we call America's most challenged districts, the districts that have the largest percentages of poor students, students who receive free school lunches.

So, you know, at that time we addressed the basic issues that they are confronted with. They want the school construction program that is proposed by the President. They want that to pass: $22 billion over a 5-year period to help with school construction. They want class size reduction. They want wiring of the schools for technology. If we do all these things, we will not have to call upon foreign nations to provide us with a work force in the next five to ten years.

We want to deal with HMO reform. You know, we talk a lot about Medicare and the problems that Medicare has. The problems that Medicaid, the poorest people have, are far worse than the problems being experienced by the people who have Medicare. And there are too many problems with HMOs and Medicare already.

The big problem with Medicaid is that the Governors, the States, are squeezing the capitation fees so hard, they are lowering the capitation fees for families and individuals to the point where it is hard for the HMOs to provide the kind of service they should provide. It is the Governors, it is the State apparatus that insists on squeezing more and more, saving more and more, and it has become a situation where the government has endorsed second class health care. Second class health care is deadly health care. You either have first class health care or you have dangerous and deadly health care. And when you cut corners on health care, it means that the health care is likely to do more harm than good. We are being forced into that by States that are greedy and want more and more money.

So that is an important issue.

Save and protect Social Security, provide federal assistance to education now, let us not wait this session. We need to act on the President's proposals. More and more people in the black community, I must confess, parents, are looking to vouchers, 56 percent according to several polls. Fifty-six percent of the parents said they are ready to try vouchers. I know why that phenomenon is taking place. They are desperate. They have given up on the public schools. The way to reverse that desperation is to show there is some reason to have hope, take some action to do meaningful things about the situation in our public schools, take dramatic, highly visible action like school construction, class size reduction and the wiring of schools in order to have a maximum use of technology. That brings hope for the public schools. It renews all that is there.

We must continue despite the fact that a continuing resolution sort of blocks out a clear discussion of the issues. We must continue the discussion and try to force onto the agenda of the continuing resolution debate all of these priority programs like the saving and protection of Social Security, and the federal assistance to education, HMO reform. They cannot be smothered away by the fact that there will be no individual appropriations bills on each one of these areas.

So I hope that the common sense of the American people will invade these halls in the next few weeks, we will get away from the trivialities and the pornography and return to issues that matter most in this indispensable Nation. We need to continue to make decisions that are going to carry us into the 21st century as a leader of the free world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Manton (at the request of Mr. GEPHARDT) for today after 5:00 p.m. on account of personal reasons.

Ms. SÁNCHEZ (at the request of Mr. GEPHARDT) beginning at 5:00 p.m. today and for the balance of the day on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. KAPTUR) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. CHAMBLISS) to revise and extend their remarks and include extraneous material:)

Mr. CHAMBLISS, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. BILBRAY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. KAPTUR) and to include extraneous material:)

Mr. KIND.

Ms. JACKSON LEE of Texas.

Ms. PELOSI.

Mr. CONDIT.

Mrs. CAPPS.

Mr. DOOLEY of California.

Mrs. MALONEY of New York.
Mr. UNDERWOOD.
Mr. KUCINICH.
Mr. MCDERMOTT.
Mrs. MINK of Hawaii.
Mr. OBERSTAR.
Mr. KLECZKA.
Ms. SÁNCHEZ.
Ms. VELÁZQUEZ.
Ms. MCCARTHY of Missouri.
Ms. LEE.

(The following Members (at the request of Mr. CHAMBLISS) to revise and extend their remarks and include extraneous material:)

Mr. THOMAS.
Mr. EHRLICH.
Mr. RIGGS.
Mrs. NORTHUP.
Mr. BOB SCHAFFER of Colorado.
Mr. BILIRAKIS.
Mr. CASTLE.
Mr. SMITH of Oregon.

(The following Members (at the request of Mr. OWENS) to revise and extend their remarks and include extraneous material:)

Mr. TOWNS.
Mrs. MORELLA.
Mr. RAMSTAD.
Mr. BURTON of Indiana.
Mr. HUTCHINSON.
Mr. ROHRABACHER.
Mr. FRELINGHUYSEN.
Mr. DIXON.
Mr. GREEN.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On September 23, 1998:

H.R. 1856. To amend the Fish and Wildlife Act of 1956 to promote volunteer programs and community partnerships for the benefit of national wildlife refuges, and for other purposes.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until tomorrow, September 25, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11228. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Brucellosis in Cattle; State and Area Classifications; Florida [Docket No. 98-014-2] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11229. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mediterranean Fruit Fly; Addition to Quarantined Areas [Docket No. 98-083-1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11230. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mexican Fruit Fly Regulations; Removal of Regulated Area [Docket No. 98-084-1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11231. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Validated Brucellosis-Free States; Alabama [Docket No. 98-086-1] received August 17, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11232. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mediterranean Fruit Fly; Addition to Quarantined Areas [Docket No. 98-083-2] received August 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11233. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Risk-Based Capital Standards: Unrealized Holding Gains on Certain Equity Securities [Docket No. 98-12] (RIN: 1557-AB14) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11234. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Capital; Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Servicing Assets [Docket No. 98-10] (RIN: 1557-AB14) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11235. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations [44 CFR Part 67] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11236. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA-7261] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11237. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Department's final rule—Suspension of Community Eligibility [Docket No. FEMA-7694] received September 15,1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11238. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Department's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA-7693] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11239. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [44 CFR Part 65] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11240. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determination [44 CFR Part 67] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11241. A letter from the Deputy Assistant Secretary for Policy, Department of Labor, transmitting the Department's final rule—Interim Rule Amending Summary Plan Description Regulation (RIN: 1210-AA55) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

11242. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Department's final rule—Amendment of the Commission's rules to Provide for Operation of Unlicensed NII Devices in the 5 GHz Frequency Range [ET Docket No. 96-102] received August 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11243. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Establishment of 24-month Validity Period for Certain Reexport Authorizations and Revocation of Other Authorizations [Docket No. 980821223-8223-01] (RIN: 0694-AB74) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11244. A letter from the Director, Office of Executive Assistance Management, Department of Commerce, transmitting the Department's final rule—Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, Other Non-Profit, and Commercial Organizations (RIN: 0605-AA09) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11245. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the Authority's final rule—Regulations Implementing Coverage of Federal Sector Labor Relations Laws to the Executive Office of the President [5 CFR Parts 2420,2421,2422,2423, and 2470] received September 8, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11246. A letter from the Executive Director, The Presidio Trust, transmitting the Trust's final rule—Management of the Presidio (RIN: 3212-AA01) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11247. A letter from the Acting Deputy Assistant Administrator for Ocean Services and Coastal Zone Management, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Financial Assistance for a National Ocean Service Intern Program [Docket No. 980723189-8189-01] (RIN: 0648-ZA46) received September 10, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11248. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—NOAA Climate and Global Change Program, Program Announcement [Docket No. 980413092-8092-01] (RIN: 0648-ZA39) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11249. A letter from the Deputy General Counsel, Small Business Administration, transmitting the Administration's final rule—Disaster Loan Program [13 CFR Part 123] received September 9, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

11250. A letter from the Assistant Secretary of Labor, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letter [No. 41-98] received September 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11251. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Automated Data Processing Funding Limitation for Child Support Enforcement Systems (RIN: 0970-AB71) received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11252. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Washington: Withdrawal of Immediate Final Rule for Authorization of State Hazardous Waste Management Program Revision [FRL-6147-3] received September 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11253. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Health Care Programs: Fraud and Abuse; Revised OIG Exclusion Authorities Resulting From Public Law 104-191 (RIN: 0991-AA87) received August 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

11254. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 98-53), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

11255. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's Proposed Letter(s) of Offer and Acceptance (LOA) to Spain for defense articles and services (Transmittal No. 98-57), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

11256. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 98-62), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and referred to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2370. A bill to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General; with amendments (Rept. 105-742). Referred to the Committee of the Whole House on the State of the Union.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 551. Resolution providing for the consideration of the bill (H.R. 4618) to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities (Rept. 105-743). Referred to the House Calendar.

Mr. SOLOMON: Committee on Rules. House Resolution 552. Resolution providing for consideration of the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust fund, and for consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes (Rept. 105-744). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 553. Resolution providing for consideration on the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes (Rept. 105-745). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MENENDEZ (for himself, Mr. Bonior, Mr. Reyes, Mr. Sandlin, Mr. Borski, Ms. Furse, and Mr. Underwood):

H.R. 4617. A bill to provide increased funding to combat drug offenses, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on Education and the Workforce, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SMITH of Oregon:

H.R. 4618. A bill to provide emergency assistance to American farmers and ranchers for crop and livestock feed losses due to disasters and to respond to loss of world markets for American agricultural commodities; to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MINK of Hawaii:

H.R. 4619. A bill to modify the requirements under the Immigrant Investor Pilot Program in order to permit an alien who joins a limited partnership after the partnership's creation to qualify for a visa under such program; to the Committee on the Judiciary.

By Mr. HORN:

H.R. 4620. A bill to establish a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, to provide uniform safeguards for the confidentiality of information acquired for exclusively statistical purposes, and to improve the efficiency of Federal statistical programs and the quality of Federal statistics by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards; to the Committee on Government Reform and Oversight, and in addition to the Committees on Education and the Workforce, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CASTLE (for himself, Mr. Boehlert, Mr. English of Pennsylvania, Mr. Foley, Mr. Fox of Pennsylvania, Mr. Dooley of California, Mr. Gilman, Mr. Hinojosa, Mr. Lazio of New York, Mr. Quinn, Mr. Sawyer, and Mr. Shays):

H.R. 4621. A bill to provide for grants, a national clearinghouse, and a report to improve the quality and availability of afterschool programs; to the Committee on Education and the Workforce.

By Ms. DUNN of Washington:

H.R. 4622. A bill to amend the Internal Revenue Code of 1986 to clarify the standards used for determining whether individuals are not employees; to the Committee on Ways and Means.

By Mr. FOSSELLA (for himself, Mrs. Kelly, Mr. Manton, Mr. Ackerman, Mr. King of New York, Mr. Meeks of New York, Mr. Solomon, Mrs. Maloney of New York, Mr. Engel, and Mr. Gilman):

H.R. 4623. A bill to amend title 36, United States Code, to grant a Federal charter to the National Lighthouse Center and Museum; to the Committee on the Judiciary.

By Mr. LEACH:

H.R. 4624. A bill to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Leif Ericsson; to the Committee on Banking and Financial Services.

By Mr. MCDERMOTT (for himself, Mr. Dicks, and Mr. Adam Smith of Washington):

H.R. 4625. A bill to designate the United States court house located at West 920 Riverside in Spokane, Washington, as the "Thomas S. Foley United States Court House"; to the Committee on Transportation and Infrastructure.

By Mr. THOMAS:

H.R. 4626. A bill to amend the Internal Revenue Code of 1986 to provide individuals a credit against income tax for the purchase of a new energy efficient affordable home and of energy efficiency improvements to an existing home; to the Committee on Ways and Means.

By Mr. UNDERWOOD (for himself and Mr. Young of Alaska):

H. Res. 554. A resolution to condemn North Korea's missile launch over Japan; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

395. The SPEAKER presented a memorial of the legislature of the territory of Guam, relative to Resolution No. 303 memorializing the Congress of the United States to pass legislation granting an exemption from the maritime cabotage laws of the United States to benefit Guam, Hawaii, Alaska, and Puerto

Rico; jointly to the Committees on National Security and Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 306: Mr. Regula.

H.R. 372: Mr. Dicks.

H.R. 457: Mr. Adam Smith of Washington.

H.R. 979: Mr. Menendez.

H.R. 1126: Mr. Redmond.

H.R. 1500: Mr. Forbes and Mr. Peterson of Minnesota.

H.R. 2094: Mrs. Mink of Hawaii.

H.R. 2593: Mrs. Bono, Mr. Klink, and Mr. McGovern.

H.R. 2868: Mr. Inglis of South Carolina.

H.R. 2908: Mr. Sawyer and Ms. McCarthy of Missouri.

H.R. 3008: Mr. Lampson.

H.R. 3169: Mr. Blagojevich.

H.R. 3290: Mr. Dickey.

H.R. 3304: Mr. Kucinich.

H.R. 3602: Mr. Doolittle.

H.R. 3632: Mr. Campbell.

H.R. 3636: Mr. Pastor, Mr. Christensen, Ms. Pelosi, Mr. Delahunt, Mr. Olver, Mrs. Johnson of Connecticut, and Mr. Camp.

H.R. 3702: Ms. Christian-Green, Mr. Forbes, and Mr. Murtha.

H.R. 3704: Mr. Traficant, Ms. DeLauro, Mr. Ensign, and Mr. Canady of Florida.

H.R. 3835: Mr. Souder, Mr. Kind of Wisconsin, Mr. Shaw, Mr. Mollohan, Ms. Rivers, Mr. DeFazio, and Mr. Doyle.

H.R. 3925: Ms. Pelosi.

H.R. 3935: Mr. Markey and Mr. Gutierrez.

H.R. 3949: Mr. Cook.

H.R. 4019: Mr. King of New York and Mr. Stenholm.

H.R. 4027: Ms. Christian-Green.

H.R. 4172: Mr. Sam Johnson of Texas and Mr. Norwood.

H.R. 4196: Mr. Goodlatte.

H.R. 4197: Mr. Blunt.

H.R. 4213: Mr. Livingston.

H.R. 4228: Mr. Manzullo.

H.R. 4291: Ms. Furse.

H.R. 4299: Mr. Bonior.

H.R. 4322: Mr. Barrett of Wisconsin.

H.R. 4368: Mr. Smith of New Jersey.

H.R. 4370: Mr. Cooksey and Mr. Bob Schaffer.

H.R. 4404: Mr. LaHood.

H.R. 4407: Mr. Baldacci and Mr. Peterson of Minnesota.

H.R. 4449: Mr. Lewis of Kentucky, Mr. Chambliss, Mr. Ballenger, Mr. Price of North Carolina, Mrs. Myrick, Mrs. Morella, Mr. Adam Smith of Washington, and Mr. Holden.

H.R. 4492: Mrs. Capps, Ms. Woolsey, Mr. Gutknecht, Mr. Dicks, and Mr. Canady of Florida.

H.R. 4499: Mr. Brady of Pennsylvania, Mr. Serrano, and Mr. Frost.

H.R. 4504: Mr. McGovern.

H.R. 4542: Mr. Forbes.

H.R. 4553: Mr. Bachus, Mr. Sessions, Mr. Ehrlich, Mr. Parker, and Mr. Hefley.

H.R. 4563: Mr. Pappas, Mrs. Kennelly of Connecticut, Ms. Lee, Mrs. Myrick, Mr. Yates, Mr. Brown of Ohio, Mr. Gejdenson, Mr. Wexler, Mr. Lantos, Mr. Berman, Mr. Barrett of Wisconsin, Mr. Weller, Mrs. Kelly, and Mr. Deutsch.

H.R. 4567: Mr. Meehan and Mr. Bob Schaffer.

H.R. 4575: Mr. Gallegly.

H.R. 4590: Mr. Greenwood, Mr. Boehlert, and Mr. McGovern.

H.R. 4597: Mr. Skaggs, Ms. Jackson-Lee of Texas, Mr. McGovern, Mr. Sandlin, Ms. Rivers, Mr. Spratt, Mr. Klink, Ms. Roybal-Allard, Mr. Green, Mr. Wynn, Ms. Eddie Bernice Johnson of Texas, Ms. Stabenow, Mr. Gordon, and Mr. Adam Smith of Washington.

H.R. 4600: Mr. Ackerman.

H.R. 4611: Mr. Rangel and Mrs. Thurman.

H. Con. Res. 166: Mr. Peterson of Minnesota.

H. Con. Res. 317: Mr. Nethercutt and Mr. Torres.

H. Con. Res. 320: Mrs. Kelly, Mr. McGovern, Mr. Pascrell, Mr. Gutierrez, and Mr. Upton.

H. Con. Res. 328: Mr. Weldon of Pennsylvania, Mr. Gutierrez, and Mr. Sandlin.

H. Res. 479: Mr. Rush.

H. Res. 519: Mr. Cook.

H. Res. 532: Mr. Aderholt and Mr. Brady of Texas.

H. Res. 533: Mr. Moran of Virginia and Mr. Lipinski.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the clerk's desk and referred as follows:

78. The SPEAKER presented a petition of The Legislature of Rockland County, relative to Resolution No. 214 of 1998 petitioning Congress to defeat Senate Bill S. 10, because the protection of juveniles who are incarcerated, is a deep concern to it. This Legislature opposes laws that would subject juveniles to contract with adult prisoners in jails or prisons or holding juveniles in adult jails for an unlamented amount of time; to the Committee on Education and the Workforce.

79. Also, a petition of The Legislature of Rockland County, relative to Resolution No. 193 of 1998 petitioning the Congress of the United States, to enact the Ticket to Work and Self-Sufficiency Act of 1998; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4578

Offered by: Mr. Rangel

(Amendment in the Nature of a Substitute)

Amendment No. 1: Strike all after the enacting clause and insert the following:

SECTION 1. RESERVATION OF SOCIAL SECURITY SURPLUSES SOLELY FOR SOCIAL SECURITY SYSTEM.

(a) In General.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

"(n)(1) The Secretary of the Treasury, before the beginning of each fiscal year, shall estimate the amount of the Social Security surplus for such year. For purposes of this subsection, the term 'Social Security surplus' means the excess of the receipts in the Trust Funds during the fiscal year (including interest on obligations held in such funds) over the outlays from such funds during such year:

"(2) If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer during such year from the General fund of the Treasury an amount equal to the amount of the surplus to the Federal Reserve Bank of New York. Such transfer shall be made monthly on the basis of estimates by the Secretary of the Treasury of the portion of the surplus attributable to the month, and proper adjustments shall be made in amounts, subsequently transferred to the extent prior estimates were in excess of or less than amounts required to be transferred. Amounts transferred under this paragraph shall substitute for (and be in lieu of) equivalent amounts otherwise required to be transferred to the Trust Funds.

"(3) The Federal Reserve Bank of New York shall hold the amounts transferred under paragraph (2), and all income from investment thereof, in trust for the benefit of the Trust Funds. Amounts so held shall be invested in marketable obligations of the United States with maturities that the Managing Trustee determines are consistent with the requirements of the Trust Funds. Amounts held in trust under this paragraph (and earnings thereon) shall be treated as part of the balance of the Trust Funds.

"(4) If, at any time, any obligation acquired under paragraph (2) has a market value less than its acquisition cost by reason of a change in interest rates, the Federal Reserve Bank of New York may, at any time, present such obligation to the Secretary of the Treasury for redemption, notwithstanding the maturity date or any other requirement relating to such obligation, and the Secretary of the Treasury shall redeem such obligation for an amount that is not less than such acquisition cost.

"(5) Upon request by the Managing Trustee, the Federal Reserve Bank of New York shall transfer to the appropriate Trust Fund the amount determined by the Managing Trustee to be necessary to meet the obligations of such Fund.

"(6) All transfers to the Federal Reserve Bank of New York under paragraph (2) shall be treated as Federal outlays for all budgetary purposes of the United States Government, except that such transfers shall not be subject to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and all transfers to the Trust Funds under paragraph (5) shall be treated as offsetting receipts.".

(b) Effective Date.—The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1998.

Amend the title so as to read: "A bill to reserve 100 percent of the social security surpluses solely for the Social Security System.".

H.R. 4579

Offered By: Mr. Rangel

(Amendment in the Nature of a Substitute)

Amendment No. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This Act may be cited as the "Taxpayer Relief Act of 1998".

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.

Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Designation of and tax incentives for renewal communities.
Sec. 603. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 604. Extension of work opportunity tax credit for renewal communities
Sec. 605. Conforming and clerical amendments.
Sec. 606. Evaluation and reporting requirements.

TITLE VII—TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY

Sec. 701. Tax reductions contingent on saving social security.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) In General.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) Additional Standard Deduction for Aged and Blind To Be the Same for Married and Unmarried Individuals.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) Technical Amendments.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) In General.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) Exclusion From Gross Income.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) Limitations.—

"(1) Maximum amount.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) Certain dividends excluded.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) Special Rules.—For purposes of this section—

"(1) Exclusion not to apply to capital gain dividends from regulated investment companies and real estate investment trusts.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) Certain nonresident aliens ineligible for exclusion.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(3) Dividends from employee stock ownership plans.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) Conforming Amendments.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting "116," before "137".

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) Coordination with section 116.—This section shall be applied before section 116."

(2) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Dividends or interest.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(5) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(6) Section 857(c) is amended to read as follows:

"(c) Restrictions Applicable to Dividends Received From Real Estate Investment Trusts.—

"(1) Treatment for section 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) Treatment for section 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) In General.—Subsection (a) of section 26 is amended to read as follows:

"(a) Limitation Based on Amount of Tax.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.".

(b) Conforming Amendments.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) Allowance of deduction.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) In General.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) Members of uniformed services and foreign service.—

"(A) In general.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) Qualified official extended duty.—For purposes of this paragraph—

"(i) In general.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) Uniformed services.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iii) Foreign service of the United States.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iv) Extended duty.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.".

(b) Effective Date.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

"(c) Applicable Credit Amount.—

"(1) In general.—For purposes of this section, the applicable credit amount is $345,800.

"(2) Applicable exclusion amount.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000."

(b) Effective Date.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) In General.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) Technical Amendments.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "STATE".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) In General.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-year spending requirement for public school construction issue.—

"(I) In general.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) Public school construction issue.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) Other rules to apply.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause."

(b) Effective Date.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) In General.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

"(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

"(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

"(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

"(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

"(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

"(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

"(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

"(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

"(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

"(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.".

(b) Conforming Amendments.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking "after 2001 and before 2003" and inserting "after 2007 and before 2009"; and

(B) in subclause (II), by striking "2000" and inserting "2006".

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A))

is amended by inserting "and section 121 of the Taxpayer Relief Act of 1998" after "1996".

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) In General.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

"(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

"(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(II) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(b) Conforming Amendments.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting ", and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998," after "This subsection as in effect in December 1978".

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking "in the case of an individual who did not die" and all that follows and inserting "in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—"; and

(B) by adding at the end the following:

"(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(c) Effective Date.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) General Rule.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) Dollar limitation.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking ", and before January 1, 2001".

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) In General.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

"(G) Farming losses.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

(b) Farming Loss.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Rules Relating to Farming Losses.—For purposes of this section—

"(1) In general.—The term 'farming loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) Coordination with subsection (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) Election.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year."

(c) Coordination With Farm Disaster Losses.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

"Such term shall not include any farming loss (as defined in subsection (i))."

(d) Effective Date.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) In General.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) In general.—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to $75 multiplied by the State population, or

"(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) Conforming Amendment.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) Effective Date.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) Temporary Extension.—

(1) In general.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "December 31, 1999",

(B) by striking "24-month" and inserting "42-month", and

(C) by striking "24 months" and inserting "42 months".

(2) Technical amendment.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(3) Effective date.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) Increase in Percentages Under Alternative Incremental Credit.—

(1) In general.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) Effective date.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) Temporary Extension.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(b) Effective Date.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "December 31, 1999".

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) Special Rule for Contributions of Stock Made Permanent.—

(1) In general.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) Effective date.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) Expanded Public Inspection of Private Foundations' Annual Returns, Etc.—

(1) In general.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain

trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) Public Inspection of Certain Annual Returns and Applications for Exemption.—

"(1) In general.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-year limitation on inspection of returns.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) Exceptions from disclosure requirement.—

"(A) Nondisclosure of contributors, etc.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

"(B) Nondisclosure of certain other information.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) Limitation on providing copies.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) Exempt status application materials.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) Conforming amendments.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) Effective date.—

(A) In general.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) Publication of annual returns.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) Income Derived From Banking, Financing or Similar Businesses.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

"(h) Special Rule for Income Derived in the Active Conduct of Banking, Financing, or Similar Businesses.—

"(1) In general.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

"(2) Eligible controlled foreign corporation.—For purposes of this subsection—

"(A) In general.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

"(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

"(ii) conducts substantial activity with respect to such business.

"(B) Predominantly engaged.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

"(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

"(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

"(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

"(3) Qualified banking or financing income.—For purposes of this subsection—

"(A) In general.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

"(i) is derived in the active conduct of a banking, financing, or similar business by—

"(I) such eligible controlled foreign corporation, or

"(II) a qualified business unit of such eligible controlled foreign corporation,

"(ii) is derived from 1 or more transactions—

"(I) with customers located in a country other than the United States, and

"(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

"(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

"(B) Limitation on nonbanking and nonsecurities businesses.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

"(C) Substantial activity requirement for cross border income.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

"(D) Determinations made separately.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

"(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

"(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(4) Lending or finance business.—For purposes of this subsection, the term 'lending or finance business' means the business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) issuing letters of credit or providing guarantees,

"(E) providing charge and credit card services, or

"(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

"(i) the corporation (or qualified business unit) rendering services or making facilities available, or "(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

"(5) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

"(B) HOME COUNTRY.—Except as provided in regulations—

"(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

"(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

"(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

"(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

"(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

"(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

"(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

"(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

"(i) one or more entities in order to satisfy any home country requirement under this subsection, or

"(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

"(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

"(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends."

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

"(a) INSURANCE INCOME.—

"(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

"(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e))."

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

"(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

"(1) EXEMPT INSURANCE INCOME DEFINED.—

"(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

"(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

"(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

"(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

"(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

"(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

"(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(2) EXEMPT CONTRACT.—

"(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

"(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

"(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

"(I) which cover applicable home country risks, and

"(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

"(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

"(i) conducts substantial activity with respect to an insurance business in its home country, and

"(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

"(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

"(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

"(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

"(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

"(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

"(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

"(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

"(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

"(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

"(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

"(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

"(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

"(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

"(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

"(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

"(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

"(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

"(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

"(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

"(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

"(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

"(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

"(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

"(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

"(11) CROSS REFERENCE.—

"For income exempt from foreign personal holding company income, see section 954(i)."

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

"(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

"(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

"(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

"(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

"(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

"(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

"(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

"(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

"(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

"(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

"(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

"(ii) such company or branch shall use the appropriate foreign loss payment pattern.

"(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

"(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

"(ii) the reserve determined under paragraph (5).

"(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

"(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

"(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

"(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

"(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

"(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953."

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i)."

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

"(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

"(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

"(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity)."

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting "or" at the end of subparagraph (A), by striking ", or" at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

"Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i)."

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting "other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year" before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) DEFINITIONS.—For purposes of this title—

(1) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term "1998 Act" means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term "1997 Act" means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

"Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).".

(c) AMENDMENTS RELATED TO SECTION 3201 OF 1998 ACT.—

(1) Section 7421(a) of the 1986 Code is amended by striking "6015(d)" and inserting "6015(e)".

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking "of this section" and inserting "of subsection (b) or (f)".

(d) AMENDMENT RELATED TO SECTION 3301 OF 1998 ACT.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking "The amendments" and inserting "Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments".

(e) AMENDMENT RELATED TO SECTION 3401 OF 1998 ACT.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking "7443(b)" and inserting "7443A(b)"; and

(2) in paragraph (2), by striking "7443(c)" and inserting "7443A(c)".

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting "6331(i)," after "6246(b),".

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting "(f)(5)," after "(c), (e),".

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking "paragraph (7)(A)" and inserting "paragraph (7)(A)(i)".

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term "qualified partnership" means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) Amendment Related to Section 202 of 1997 Act.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans)."

(b) Provision Related to Section 311 of 1997 Act.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) Amendment Related to Section 506 of 1997 Act.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

"For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.".

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) Amendments Related to Section 904 of 1997 Act.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

"(1) In general.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

"(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

"(i) which is administered after September 30, 1988, and

"(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

"(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.".

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

"(3) Limitation on transfers to vaccine injury compensation trust fund.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.".

(e) Amendments Related to Section 915 of 1997 Act.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting "or 1998" after "1997", and

(B) by amending subsection (d) to read as follows:

"(d) Effective Date.—This section shall apply to taxable years ending with or within calendar year 1997.".

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting "Robert T. Stafford" before "Disaster".

(f) Amendments Related to Section 1012 of 1997 Act.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(g) Amendment Related to Section 1082 of 1997 Act.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

"(iv) Coordination with paragraph (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated."

(h) Amendment Related to Section 1084 of 1997 Act.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

"If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary."

(i) Amendment Related to Section 1205 of 1997 Act.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking "under such contracts" in the last sentence and inserting "under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A".

(j) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) In General.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

"(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and".

(b) Conforming Amendments.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(3) Paragraph (1) of section 873(b) is amended to read as follows:

"(1) Losses.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States."

(c) Effective Dates.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) Amendments Related to Section 6103 of 1986 Code.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

"(5) Department of agriculture.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).".

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking "(j)(1) or (2)" in the material preceding subparagraph (A) and in subparagraph (F) and inserting "(j)(1), (2), or (5)".

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) Amendment Related to Section 9004 of Transportation Equity Act for the 21st Century.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

"(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) Clerical Amendments.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking "rehabilitation plan" and inserting "plan for employment". The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking "Section" and inserting "section".

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the "American Community Renewal Act of 1998".

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) Designation.—

"(1) Definitions.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) Number of designations.—

"(A) In general.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) Minimum designation in rural areas.—Of the areas designated under paragraph (1), at least 4 must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(3) Areas designated based on degree of poverty, etc.—

"(A) In general.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) Exception where inadequate course of action, etc.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) Priority for empowerment zones and enterprise communities with respect to first half of designations.—With respect to the first 10 designations made under this section—

"(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

"(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

"(4) Limitation on designations.—

"(A) Publication of regulations.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) Time limitations.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) Procedural rules.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the States in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) Nomination process for Indian reservations.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) Period for Which Designation Is in Effect.—

"(1) In general.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination, or

"(C) the date the Secretary of Housing and Urban Development revokes such designation.

"(2) Revocation of designation.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

"(c) Area and Eligibility Requirements.—

"(1) In general.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) Area requirements.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of one or more local governments,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) Eligibility requirements.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) Consideration of high incidence of crime.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) Consideration of communities identified in GAO study.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) Required State and Local Commitments.—

"(1) In general.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) Course of action.—

"(A) In general.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) Recognition of past efforts.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) Economic growth promotion requirements.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) Coordination With Treatment of Empowerment Zones and Enterprise Communities.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) Definitions and Special Rules.—For purposes of this subchapter—

"(1) Governments.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) State.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) Local government.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.

"(4) Application of rules relating to census tracts and census data.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

"Sec. 1400F. Renewal community capital gain.
"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) General Rule.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) Qualified Community Asset.—For purposes of this section—

"(1) In general.—The term 'qualified community asset' means—

"(A) any qualified community stock,

"(B) any qualified community partnership interest, and

"(C) any qualified community business property.

"(2) Qualified community stock.—

"(A) In general.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

"(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

"(B) Redemptions.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

"(3) Qualified community partnership interest.—The term 'qualified community partnership interest' means any interest in a partnership if—

"(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

"(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

"(4) Qualified community business property.—

"(A) In general.—The term 'qualified community business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

"(ii) the original use of such property in the renewal community commences with the taxpayer, and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

"(B) Special rule for substantial improvements.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

"(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

"(ii) any land on which such property is located.

"(c) Certain Rules To Apply.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

"For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

"(1) references to renewal communities were substituted for references to empowerment zones in such section; and

"(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

"PART III—FAMILY DEVELOPMENT ACCOUNTS

"Sec. 1400H. Family development accounts for renewal community EITC recipients.

"Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

"Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

"(a) Allowance of Deduction.—

"(1) In general.—There shall be allowed as a deduction—

"(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

"(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

"(2) Limitation.—

"(A) In general.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

"(i) $2,000, or

"(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(B) Persons donating to family development accounts of others.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

"(3) Special rules for certain married individuals.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

"(4) Coordination with IRA's.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

"(5) Rollovers.—No deduction shall be allowed under this section with respect to any rollover contribution.

"(b) Tax Treatment of Distributions.—

"(1) Inclusion of amounts in gross income.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

"(2) Exclusion of qualified family development distributions.—Paragraph (1) shall not apply to any qualified family development distribution.

"(c) Qualified Family Development Distribution.—For purposes of this section—

"(1) In general.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

"(2) Qualified family development expenses.—The term 'qualified family development expenses' means any of the following:

"(A) Qualified higher education expenses.

"(B) Qualified first-time homebuyer costs.

"(C) Qualified business capitalization costs.

"(D) Qualified medical expenses.

"(E) Qualified rollovers.

"(3) Qualified higher education expenses.—

"(A) In general.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

"(B) Postsecondary vocational education school.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(C) Coordination with other benefits.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

"(4) Qualified first-time homebuyer costs.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

"(5) Qualified business capitalization costs.—

"(A) In general.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(B) Qualified expenditures.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(C) Qualified business.—The term 'qualified business' means any business that does not contravene any law.

"(D) Qualified plan.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

"(6) Qualified medical expenses.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) Qualified rollovers.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) Tax Treatment of Accounts.—

"(1) In general.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) Loss of exemption in case of prohibited transactions.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) Other rules to apply.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) Family Development Account.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) Qualified Individual.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) Other Definitions and Special Rules.—

"(1) Compensation.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) Married individuals.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) Time when contributions deemed made.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) Employer payments; custodial accounts.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) Reports.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

"(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

"(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) LIMITATIONS.—

"(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

"(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

"(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

"SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

"(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

"(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

"(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

"(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

"PART IV—ADDITIONAL INCENTIVES

"Sec. 1400K. Commercial revitalization credit.

"Sec. 1400L. Increase in expensing under section 179.

"SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

"(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

"(b) APPLICABLE PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—The term 'applicable percentage' means—

"(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

"(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

"(2) CREDIT PERIOD.—

"(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

"(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

"(c) Qualified Revitalization Buildings and Expenditures.—For purposes of this section—

"(1) Qualified revitalization building.—The term 'qualified revitalization building' means any building (and its structural components) if—

"(A) such building is located in a renewal community and is placed in service after December 31, 1999,

"(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

"(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

"(2) Qualified revitalization expenditure.—

"(A) In general.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

"(i) for property for which depreciation is allowable under section 168 and which is—

"(I) nonresidential real property, or

"(II) an addition or improvement to property described in subclause (I), and

"(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

"(B) Dollar limitation.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

"(i) $10,000,000, reduced by

"(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

"(C) Certain expenditures not included.—The term 'qualified revitalization expenditure' does not include—

"(i) Straight line depreciation must be used.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

"(ii) Acquisition costs.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

"(iii) Other credits.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

"(d) When Expenditures Taken Into Account.—

"(1) In general.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

"(2) Progress expenditure payments.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

"(e) Limitation on Aggregate Credits Allowable With Respect to Buildings Located in a State.—

"(1) In general.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

"(2) Commercial revitalization credit amount for agencies.—

"(A) In general.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

"(B) State commercial revitalization credit ceiling.—The State commercial revitalization credit ceiling applicable to any State—

"(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

"(ii) zero for each calendar year thereafter.

"(C) Commercial revitalization credit agency.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

"(f) Responsibilities of Commercial Revitalization Credit Agencies.—

"(1) Plans for allocation.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

"(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

"(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

"(2) Qualified allocation plan.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

"(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

"(B) which considers—

"(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

"(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

"(iii) the active involvement of residents and nonprofit groups within the renewal community, and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(g) Termination.—This section shall not apply to any building placed in service after December 31, 2006.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) General Rule.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) Recapture.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) Qualified Renewal Property.—For purposes of this section—

"(1) In general.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) Certain rules to apply.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section."

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) Extension.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) Renewal communities included.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E)."

(b) Extension of Termination Date for Renewal Communities.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2006, in the case of a renewal community, as defined in section 1400E)."

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) Extension.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) Extension of credit for renewal communities.—

"(A) In general.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) Qualified first- and second-year wages.—For purposes of subparagraph (A)—

"(i) In general.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) Qualified first-year wages.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) Qualified second-year wages.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) Congruent Treatment of Renewal Communities and Enterprise Zones for Purposes of Youth Residence Requirements.—

(1) High-risk youth.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) Qualified summer youth employee.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) Headings.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) Deduction for Contributions to Family Development Accounts Allowable Whether or Not Taxpayer Itemizes.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) Family development accounts.—The deduction allowed by section 1400H(a)(1)(A)."

(b) Tax on Excess Contributions.—

(1) Tax imposed.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) Excess contributions.—Section 4973 is amended by adding at the end the following new subsection:

"(g) Family Development Accounts.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed."

(c) Tax on Prohibited Transactions.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) Special rule for family development accounts.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) Information Relating to Certain Trusts and Annuity Plans.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) Inspection of Applications for Tax Exemption.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) Failure To Provide Reports on Family Development Accounts.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts)."

(g) Conforming Amendments Regarding Commercial Revitalization Credit.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) No carryback of section 1400K credit before date of enactment.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) The last sentence of section 50(b)(3) is amended to read as follows: "If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit."

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) Clerical Amendments.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

TITLE VII—TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY

SEC. 701. TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY.

(a) REQUIREMENT FOR BALANCED BUDGET AND SOCIAL SECURITY SOLVENCY.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect before the first January 1 after the date of the enactment of this Act that follows a calendar year for which there is a social security solvency certification.

(b) EXEMPTION OF FUNDED PROVISIONS.—The following provisions shall take effect without regard to subsection (a):

(1) Subtitle C of title I (relating to increase in social security earnings limit and recomputation of benefits).

(2) Section 213 (relating to production flexibility contract payments).

(3) Title III (relating to extension and modification of certain expiring provisions).

(4) Title IV (relating to revenue offset).

(5) Title V (relating to technical corrections).

(c) SOCIAL SECURITY SOLVENCY CERTIFICATION.—For purposes of subsection (a), there is a social security solvency certification for a calendar year if, during such year, the Board of Trustees of the Social Security Trust Funds certifies that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in actuarial balance for the 75-year period utilized in the most recent annual report of such Board of Trustees pursuant to section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)).

H.R. 4579

OFFERED BY: MR. STENHOLM

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 2: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Relief Act of 1998".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Designation of and tax incentives for renewal communities.
Sec. 603. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 604. Extension of work opportunity tax credit for renewal communities
Sec. 605. Conforming and clerical amendments.
Sec. 606. Evaluation and reporting requirements.

TITLE VII—TAX REDUCTIONS CONTINGENT ON BALANCED BUDGET

Sec. 701. Tax reductions contingent on balanced budget.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(3) Dividends from employee stock ownership plans.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) Conforming Amendments.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting "116," before "137".

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) Coordination with section 116.—This section shall be applied before section 116."

(2) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Dividends or interest.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(5) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(6) Section 857(c) is amended to read as follows:

"(c) Restrictions Applicable to Dividends Received From Real Estate Investment Trusts.—

"(1) Treatment for section 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) Treatment for section 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) In General.—Subsection (a) of section 26 is amended to read as follows:

"(a) Limitation Based on Amount of Tax.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.".

(b) Conforming Amendments.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) Allowance of deduction.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) In General.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) Members of uniformed services and foreign service.—

"(A) In general.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) Qualified official extended duty.—For purposes of this paragraph—

"(i) In general.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) Uniformed services.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iii) Foreign service of the United States.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iv) Extended duty.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.".

(b) Effective Date.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

"(c) Applicable Credit Amount.—

"(1) In general.—For purposes of this section, the applicable credit amount is $345,800.

"(2) Applicable exclusion amount.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000."

(b) Effective Date.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) In General.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) Technical Amendments.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "STATE".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) In General.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-year spending requirement for public school construction issue.—

"(I) In general.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) Public school construction issue.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

“(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

“(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

“(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

“(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

“(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

“(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

“(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

“(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

“(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

“(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

“(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking “after 2001 and before 2003” and inserting “after 2007 and before 2009”; and

(B) in subclause (II), by striking “2000” and inserting “2006”.

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting “and section 121 of the Taxpayer Relief Act of 1998” after “1996”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

“(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

“(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

“(II) the first year following the year with respect to which the recomputation is made, in any other such case; or”.

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting “, and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998,” after “This subsection as in effect in December 1978”.

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking “in the case of an individual who did not die” and all that follows and inserting “in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—”; and

(B) by adding at the end the following:

“(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

“(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

“(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking “, and before January 1, 2001”.

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

“(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.”

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

“(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

“(1) IN GENERAL.—The term ‘farming loss’ means the lesser of—

“(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

“(B) the amount of the net operating loss for such taxable year.

“(2) COORDINATION WITH SUBSECTION (B)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

“(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.”

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

“Such term shall not include any farming loss (as defined in subsection (i)).”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

“(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

“(A) an amount equal to $75 multiplied by the State population, or

“(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.”

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking “section 146(d)(3)(C)” and inserting “section 146(d)(2)(C)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) Temporary Extension.—

(1) In general.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "February 29, 2000",

(B) by striking "24-month" and inserting "44-month", and

(C) by striking "24 months" and inserting "44 months".

(2) Technical amendment.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(3) Effective date.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) Increase in Percentages Under Alternative Incremental Credit.—

(1) In general.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) Effective date.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) Temporary Extension.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) Effective Date.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "February 29, 2000".

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) Special Rule for Contributions of Stock Made Permanent.—

(1) In general.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) Effective date.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) Expanded Public Inspection of Private Foundations' Annual Returns, Etc.—

(1) In general.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) Public Inspection of Certain Annual Returns and Applications for Exemption.—

"(1) In general.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-year limitation on inspection of returns.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) Exceptions from disclosure requirement.—

"(A) Nondisclosure of contributors, etc.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

"(B) Nondisclosure of certain other information.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) Limitation on providing copies.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) Exempt status application materials.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) Conforming amendments.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) Effective date.—

(A) In general.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) Publication of annual returns.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) Income Derived From Banking, Financing or Similar Businesses.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

"(h) Special Rule for Income Derived in the Active Conduct of Banking, Financing, or Similar Businesses.—

"(1) In general.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

"(2) Eligible controlled foreign corporation.—For purposes of this subsection—

"(A) In general.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

"(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

"(ii) conducts substantial activity with respect to such business.

"(B) Predominantly engaged.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

"(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

"(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

"(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

"(3) Qualified banking or financing income.—For purposes of this subsection—

"(A) In general.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

"(i) is derived in the active conduct of a banking, financing, or similar business by—

"(I) such eligible controlled foreign corporation, or

"(II) a qualified business unit of such eligible controlled foreign corporation,

"(ii) is derived from 1 or more transactions—

"(I) with customers located in a country other than the United States, and

"(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

"(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

"(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

"(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

"(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

"(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) issuing letters of credit or providing guarantees,

"(E) providing charge and credit card services, or

"(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

"(i) the corporation (or qualified business unit) rendering services or making facilities available, or

"(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

"(5) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

"(B) HOME COUNTRY.—Except as provided in regulations—

"(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

"(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

"(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

"(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

"(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

"(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

"(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

"(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

"(i) one or more entities in order to satisfy any home country requirement under this subsection, or

"(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

"(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

"(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends."

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

"(a) INSURANCE INCOME.—

"(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

"(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e))."

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

"(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

"(1) EXEMPT INSURANCE INCOME DEFINED.—

"(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

"(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

"(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

"(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

"(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

"(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

"(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(2) EXEMPT CONTRACT.—

"(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

"(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

"(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

"(I) which cover applicable home country risks, and

"(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

"(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

"(i) conducts substantial activity with respect to an insurance business in its home country, and

"(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

"(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

"(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

"(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

"(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

"(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

"(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

"(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

"(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

"(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

"(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

"(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

"(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

"(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

"(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

"(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

"(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

"(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

"(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

"(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

"(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

"(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

"(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

"(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

"(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

"(11) CROSS REFERENCE.—

"For income exempt from foreign personal holding company income, see section 954(i)."

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

"(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

"(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

"(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

"(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

"(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

"(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

"(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

"(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

"(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

"(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

"(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

"(ii) such company or branch shall use the appropriate foreign loss payment pattern.

"(B) Life insurance and annuity contracts.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

"(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

"(ii) the reserve determined under paragraph (5).

"(C) Limitation on reserves.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

"(5) Amount of reserve.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

"(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

"(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

"(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

"(6) Definitions.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953."

(3) Reserves.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i)."

(c) Special Rules for Dealers.—Section 954(c)(2)(C) is amended to read as follows:

"(C) Exception for dealers.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

"(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

"(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity)."

(d) Exemption From Foreign Base Company Services Income.—Paragraph (2) of section 954(e) is amended by inserting "or" at the end of subparagraph (A), by striking ", or" at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

"Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i)."

(e) Exemption for Gain.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting "other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year" before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) Extension of Duty-Free Treatment Under System.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) Retroactive Application for Certain Liquidations and Reliquidations.—

(1) In general.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) Requests.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) In General.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) Conforming Amendments.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) Effective Date.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) Definitions.—For purposes of this title—

(1) 1986 code.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1998 act.—The term "1998 Act" means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 act.—The term "1997 Act" means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) Coordination With Other Titles.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) Amendment Related to Section 1101 of 1998 Act.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) Amendment Related to Section 3001 of 1998 Act.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

"Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).".

(c) Amendments Related to Section 3201 of 1998 Act.—

(1) Section 7421(a) of the 1986 Code is amended by striking "6015(d)" and inserting "6015(e)".

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking "of this section" and inserting "of subsection (b) or (f)".

(d) Amendment Related to Section 3301 of 1998 Act.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking "The amendments" and inserting "Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments".

(e) Amendment Related to Section 3401 of 1998 Act.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking "7443(b)" and inserting "7443A(b)"; and

(2) in paragraph (2), by striking "7443(c)" and inserting "7443A(c)".

(f) AMENDMENT RELATED TO SECTION 3433 OF 1998 ACT.—Section 7421(a) of the 1986 Code is amended by inserting "6331(i)," after "6246(b),".

(g) AMENDMENT RELATED TO SECTION 3708 OF 1998 ACT.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting "(f)(5)," after "(c), (e),".

(h) AMENDMENT RELATED TO SECTION 5001 OF 1998 ACT.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking "paragraph (7)(A)" and inserting "paragraph (7)(A)(i)".

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term "qualified partnership" means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) AMENDMENT RELATED TO SECTION 202 OF 1997 ACT.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans)."

(b) PROVISION RELATED TO SECTION 311 OF 1997 ACT.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

"For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.".

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

"(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

"(i) which is administered after September 30, 1988, and

"(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

"(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.".

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

"(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.".

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting "or 1998" after "1997", and

(B) by amending subsection (d) to read as follows:

"(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.".

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting "Robert T. Stafford" before "Disaster".

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

"(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated."

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

"If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary."

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking "under such contracts" in the last sentence and inserting "under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A".

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

"(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section

165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(3) Paragraph (1) of section 873(b) is amended to read as follows:

"(1) Losses.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States."

(c) Effective Dates.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) Amendments Related to Section 6103 of 1986 Code.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

"(5) Department of agriculture.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).".

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking "(j)(1) or (2)" in the material preceding subparagraph (A) and in subparagraph (F) and inserting "(j)(1), (2), or (5)".

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) Amendment Related to Section 9004 of Transportation Equity Act for the 21st Century.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

"(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) Clerical Amendments.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking "rehabilitation plan" and inserting "plan for employment". The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking "Section" and inserting "section".

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the "American Community Renewal Act of 1998".

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) Designation.—

"(1) Definitions.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) Number of designations.—

"(A) In general.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) Minimum designation in rural areas.—Of the areas designated under paragraph (1), at least 4 must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(3) Areas designated based on degree of poverty, etc.—

"(A) In general.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) Exception where inadequate course of action, etc.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) Priority for empowerment zones and enterprise communities with respect to first half of designations.—With respect to the first 10 designations made under this section—

"(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

"(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

"(4) Limitation on designations.—

"(A) Publication of regulations.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) Time limitations.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) Procedural rules.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the States in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) Nomination process for Indian reservations.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) Period for Which Designation Is in Effect.—

"(1) In general.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination, or

"(C) the date the Secretary of Housing and Urban Development revokes such designation.

"(2) Revocation of designation.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

"(c) Area and Eligibility Requirements.—

"(1) In general.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of one or more local governments,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) COURSE OF ACTION.—

"(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.

"(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

"Sec. 1400F. Renewal community capital gain.

"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community asset' means—

"(A) any qualified community stock,

"(B) any qualified community partnership interest, and

"(C) any qualified community business property.

"(2) QUALIFIED COMMUNITY STOCK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

"(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

"(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

"(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any interest in a partnership if—

"(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

"(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

"(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

"(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

"(ii) the original use of such property in the renewal community commences with the taxpayer, and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

"(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

"(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

"(ii) any land on which such property is located.

"(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

"For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

"(1) references to renewal communities were substituted for references to empowerment zones in such section; and

"(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

"PART III—FAMILY DEVELOPMENT ACCOUNTS

"Sec. 1400H. Family development accounts for renewal community EITC recipients.
"Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.
"Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—There shall be allowed as a deduction—

"(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

"(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

"(2) LIMITATION.—

"(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

"(i) $2,000, or

"(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

"(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

"(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

"(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

"(b) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

"(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

"(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

"(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

"(A) Qualified higher education expenses.

"(B) Qualified first-time homebuyer costs.

"(C) Qualified business capitalization costs.

"(D) Qualified medical expenses.

"(E) Qualified rollovers.

"(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

"(A) IN GENERAL.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

"(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

"(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

"(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

"(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law.

"(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

"(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) TAX TREATMENT OF ACCOUNTS.—

"(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

"(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

"(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) LIMITATIONS.—

"(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

"(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

"(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

"SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

"(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

"(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

"(d) Overpayments Treated as Refunded.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

"(e) Termination.—This section shall not apply to any taxable year beginning after December 31, 2006.

"PART IV—ADDITIONAL INCENTIVES

"Sec. 1400K. Commercial revitalization credit.

"Sec. 1400L. Increase in expensing under section 179.

"SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

"(a) General Rule.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

"(b) Applicable Percentage.—For purposes of this section—

"(1) In general.—The term 'applicable percentage' means—

"(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

"(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

"(2) Credit period.—

"(A) In general.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

"(B) Applicable rules.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

"(c) Qualified Revitalization Buildings and Expenditures.—For purposes of this section—

"(1) Qualified revitalization building.—The term 'qualified revitalization building' means any building (and its structural components) if—

"(A) such building is located in a renewal community and is placed in service after December 31, 1999,

"(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

"(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

"(2) Qualified revitalization expenditure.—

"(A) In general.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

"(i) for property for which depreciation is allowable under section 168 and which is—

"(I) nonresidential real property, or

"(II) an addition or improvement to property described in subclause (I), and

"(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

"(B) Dollar limitation.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

"(i) $10,000,000, reduced by

"(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

"(C) Certain expenditures not included.—The term 'qualified revitalization expenditure' does not include—

"(i) Straight line depreciation must be used.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

"(ii) Acquisition costs.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

"(iii) Other credits.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

"(d) When Expenditures Taken Into Account.—

"(1) In general.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

"(2) Progress expenditure payments.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

"(e) Limitation on Aggregate Credits Allowable With Respect to Buildings Located in a State.—

"(1) In general.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

"(2) Commercial revitalization credit amount for agencies.—

"(A) In general.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

"(B) State commercial revitalization credit ceiling.—The State commercial revitalization credit ceiling applicable to any State—

"(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

"(ii) zero for each calendar year thereafter.

"(C) Commercial revitalization credit agency.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

"(f) Responsibilities of Commercial Revitalization Credit Agencies.—

"(1) Plans for allocation.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

"(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

"(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

"(2) Qualified allocation plan.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

"(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

"(B) which considers—

"(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

"(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

"(iii) the active involvement of residents and nonprofit groups within the renewal community, and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(g) Termination.—This section shall not apply to any building placed in service after December 31, 2006.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) General Rule.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) Recapture.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) Qualified Renewal Property.—For purposes of this section—

"(1) In general.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section."

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E)."

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2006, in the case of a renewal community, as defined in section 1400E)."

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

"(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A)."

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

"(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed."

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts)."

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end

of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) The last sentence of section 50(b)(3) is amended to read as follows: "If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit."

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

TITLE VII—TAX REDUCTIONS CONTINGENT ON BALANCED BUDGET

SEC. 701. TAX REDUCTIONS CONTINGENT ON BALANCED BUDGET.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect before the first January 1 after the date of the enactment of this Act that follows a calendar year for which there is a balanced budget certification.

(b) EXEMPTION OF FUNDED PROVISIONS.—The following provisions shall take effect without regard to subsection (a):

(1) Subtitle C of title I (relating to increase in social security earnings limit and recomputation of benefits).

(2) Section 213 (relating to production flexibility contract payments).

(3) Title III (relating to extension and modification of certain expiring provisions).

(4) Title IV (relating to revenue offset).

(5) Title V (relating to technical corrections).

(c) BALANCED BUDGET CERTIFICATION.—There is a balanced budget certification if the Director of the Office of Management and Budget certifies that—

(1) there is a surplus in the budget of the United States for the fiscal year ending in the calendar year (excluding the receipts and disbursements of the Federal Old Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund), and

(2) there will continue to be such a surplus in each of the next 5 fiscal years even if the provisions of this Act were in effect.

EXTENSIONS OF REMARKS

SOUTHWEST DEFENSE COMPLEX: AMERICA'S FUTURE DEFENSE

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. THOMAS. Mr. Speaker, I rise today in support of the Southwest Defense Complex, a proposal to consolidate defense research, development, testing, evaluation, and training in the Southwest United States. This proposal links 12 bases in 5 states (California, Utah, Nevada, New Mexico, and Arizona) and will focus on addressing two of the challenges facing defense in the future: the use of communication technology to transfer information across great distances in order to attack efficiently and with higher success rates and the ability to use resources to their maximum in a time of decreasing defense budgets. This consolidation is vital to the future of U.S. national security and for the Department of Defense to achieve optimum use of its facilities. The Southwest is ideal for defense research and training because of the large amount of land, air, and sea space in the region.

Future warfare promises to be very different from war in the past. Dependence on technology is steadily increasing; as such, the ability to manage information will be the key to battle. A futuristic attack may play out like this: knowledge about the enemy and targets to be hit are obtained from large distances. Then the armed services evaluate targets based on priority and decide what resources to use against them. Decisions about each step may be made by individuals who are thousands of miles away from each other: the soldier on the ground who obtains the information about possible targets, the commander who decides which targets to hit, and the pilot who fires the weapons. The effect of the attack can be assessed within moments and the pilot can be updated as he travels. The coming dependence on technology that provides fast, accurate transmission of information will cause the coming years to be unlike any other era in history.

The Department of Defense is reevaluating how it researches, develops, and tests new technologies and trains personnel. We are developing tactics to use our superior information systems to maximize use of equipment and fighting personnel, thus decreasing costs and human risk. As technology becomes cheaper and more accessible, we must be ready to confront others with sophisticated technologies. Lastly, our need to adapt our defense strategy and structures comes at a time when our military budget is decreasing. This change makes it even more critical for the Department of Defense to find a more streamlined way to squeeze the maximum out of its resources.

These challenges require our military to respond with increased integration and consolidation of research, development, testing, and training, and the Southwest provides the perfect opportunity to perform these activities. Multiple use of resources between branches of the service is necessary in order to make sure that precious resources are used to their fullest. For example, it makes much more sense to develop missiles in one place instead of in five different locations. Bases in the Southwest have already begun to share resources and cooperate in testing. Navy and Air Force facilities in California share the use of optical sensors for visual tracking of aircraft, so that each service does not have to duplicate investment. The western range bases have a common data display format so that they may easily share information. F–15 aircraft stationed at Edwards Air Force Base are flown against unmanned drones at the Naval Air Warfare Center at Pt. Mugu, both in California, so that they do not have to fly cross-country. We need to encourage the services to continue taking such efficient and cost-effective steps. This resource use is the foundation of the proposed Southwest Defense Complex and is the reason that the Complex is critically important.

The Southwest provides a great deal of space to test new technology and train soldiers to use it, both of which are vital to the successful defense of our nation in the future. In order to develop technology in the most cost-effective manner, lab and field-testing need to be in close proximity to each other. Technology can then be developed, tested in the field, and sent back to the lab in order to be adapted further to the battle environment. Commercial technology can be quickly adapted to military uses in order to decrease costs. The most cost-effective way to test and train commercial technology is to have the lab that is adapting it in the vicinity of the field where it is being tested. On the human side of the operation, in order for operations to run smoothly, military personnel need to train as they expect to fight. Soldiers should practice and train maneuvers using technologies in a real-world environment. In this way, both the technology and the people that use it will be as prepared as possible for future threats to national security while utilizing military resources to their maximum.

Physical space is vital to the type of testing and training just described. A single open-air test range requires nearly two million acres of open land. The Southwest is the only region of the country that offers land of this size, as well as air and sea space needed for other kinds of testing. The Southwest offers over 335 million acres of federally owned land. Over 490 thousand square miles of air space is available in the Southwest, and 484 thousand square miles of sea are open for training activities. This land can be used without the interference from civilians or substantial electromagnetic interference—both of which are a problem in the rest of the country.

Climate and weather considerations are also critical to testing and training under the most efficient conditions. The Southwest's weather and climate are ideal for these purposes. For example, China Lake Naval Air Warfare Center in California has 260 clear days per year and has very low levels of atmospheric distortion. Visibility at China Lake is frequently over 100 miles and seismic activity is very low. However, there are a variety of climates in the Southwest Complex: arid deserts, cold and icy climates, and mildly humid and moist seashores. These conditions provide optimum circumstances for training and testing since the region combines a variety of climates for real-world testing with optimum weather for maximum efficiency in use of time.

Thus, the Southwest offers advantages that no other area of the country can. We have large amounts of open air, land, and sea space for testing and training, particularly of new and commercially-adapted technology. We offer existing facilities with personnel with experience in sharing of equipment in order to have maximum benefits from scarce resources. These assets make the Southwest Defense Complex critical to the future of defense and national security and they allow the Department of Defense to thoroughly prepare for future threats using state-of-the-art technology while decreasing costs. This is an opportunity that the United States cannot afford to pass up. I thank my colleague, Rep. MCKEON for his support of the Southwest Defense Complex. I especially want to thank those in my district who have put forth great efforts to advocate this proposal such as Steve Perez, Ken Peterson, and John McQuiston of the Kern County Board of Supervisors.

I strongly urge my colleagues to support the Southwest Defense Complex in order to enhance our national security for the future.

THE DEDICATION OF UNION SQUARE PARK AS A NATIONAL HISTORIC LANDMARK

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Union Square Park in New York City. I am very pleased to report that Union Square was dedicated as a National Historic Landmark on September 11, 1998, in a ceremony that paid honor to the tremendous history of this important site and to the hundreds of thousands of people who have supported labor in this country.

The very first Labor Day Parade took place on September 5, 1882, at Union Square. At that time, nearly 30,000 trade unionists from 30 unions marched before a reviewing stand to demonstrate the strength of labor. The laborist were there to support the eight-hour

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

work day and other measures to improve the lives of working people and their families. Also on that day, speeches were given by labor leaders and activists appeared carrying signs with pro-labor slogans.

Union Square has played a significant role in the development of the labor movement in the United States. The very first parade on September 5, 1882, created the momentum that followed that event to the enactment of federal legislation establishing a national holiday for the recognition of labor.

Union Square has also played an important role in the historic development of New York City. It was initially settled as a square surrounded by beautiful residences, and later, in the 1850's, the area around the Square became New York City's first theatrical district.

Also during the 19th century, Union Square became a major nexus for transportation, ultimately to become a hub in New York City's subway system. The easy access to Union Square helped to bring people in the 1920's and 1930's to Union Square Park for political rallies and labor demonstrations.

In recent years, Union Square Park has been rehabilitated and has become known for its open spaces and green-grocer markets. It retains its importance in New York City through this, its transportation crossroads, and its proximity to the historic and refurbished Ladies' Mile. Its historic importance will only be augmented by its designation as a National Historic Landmark.

Mr. Speaker, I am proud and honored to bring to your attention this important dedication. Of the 2,250 sites granted this status, fewer than 25 are related to labor. The inclusion of Union Square as a National Historic Landmark will guarantee that it will continue to be a magnet for working people and free political expression.

COLORADO CHILD CARE ASSOCIATION MAKES POSITIVE REFORMS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I recently had the opportunity to hear from the Colorado Child Care Association regarding the challenges they are facing during this time of significant change to the industry. Increased demand, new research about the importance of childhood learning, changing expectations toward the industry, and contradictions in government policy are impacting child care businesses and the families they serve.

Recent scientific findings suggest what many of us who are involved in education policy have known for some time—early childhood learning is critical to intellectual and emotional development. There are learning "windows" of time for cognitive development and if these "windows" are missed, learning will occur more slowly and with difficulty. This research is changing consumers expectations of early child care. People are demanding greater quality and the industry is responding by providing just that. The industry is moving from custodial care to an active, educational approach to child care.

Unfortunately, several obstacles remain which prevent the industry from competitively raising their standards to the level which is deemed necessary. Educational care is more expensive than custodial care because qualified teachers are needed and they must be compensated for their skills. There is a direct correlation between cost and quality which consumers must bear in mind when they shop for this service.

While the public is responding to these changes, public policy is slow to keep up. The government's approach to child care is undermining efforts to increase quality and availability. Public programs are highly fragmented, imposing different standards and different funding streams. Bias against taxable entities results in the exclusion of quality businesses from providing education to disadvantaged and at-risk children. The segregation of disadvantaged children from their community peers prevents positive interaction.

Moreover, competition from public entities undermines the viability of the private sector. Most child care providers operate with profit margins of under four percent. Heavy labor costs for small children are offset by the smaller cost of caring for older children. When public programs take older children from the private sector, they force private businesses to increase the cost of infant and toddler care or to go out of business. While private child care is more than adequate to provide for the needs of welfare-to-work consumers, liberal policymakers continue to push for more public facilities. Low reimbursement rates are the only disincentive to providers. Space is available.

Lastly, cognitive gains from public and private early childhood learning programs are not maintained in the public schools. By the third grade, preschool and Headstart learners have lost their advantage. Parents who were once encouraged to be active in their child's education through Headstart and other programs, are discouraged from participation. High academic standards are reduced.

Mr. Speaker, the Colorado Child Care Association is dedicated to making the positive reforms during this time of changing needs and expectations. Congress needs to take up its share by eliminating obstacles which are holding back these institutions.

Additionally, I would like to thank Andre Ransom, Sharon Archer, Marilyn Rhodes, Carrier Rivera, Lee and Joan Fetters, Sandy Bright, and Larry and Ruth Neal for the time they have spent with me and my staff and for their commitment to improving child care in the Fourth District of Colorado.

78 YEARS OF SERVICE: THE DELAWARE VOLUNTEER FIREMEN'S ASSOCIATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CASTLE. Mr. Speaker, I rise today to salute the contributions, hard work and dedication of a fine, outstanding and caring group of individuals in my home State of Delaware: The Delaware Volunteer Firemen's Association (DVFA). On the behalf of the citizens of the First State, I would like to thank them for their vital and dynamic service to our community.

This weekend, in Dover, volunteer firefighters from Delaware will gather to recognize and celebrate their seventy-eight years unselfish service and notable leadership to our state. This type of dedication and commitment to serving the public is very rare among individuals. For many years, dedicated and caring men and women have been trained to help prevent or battle fires and perform countless hours of emergency medical services for our citizens. For these reasons and many more, I believe Delaware's volunteer fire and emergency medical personnel are the best in the country.

Mr. Speaker, during the last year, Donald W. Knight has served as president of the Delaware Volunteer Firemen's Association. Like those who have preceded him in this capacity he has provided leadership and vision to the Delaware volunteer fire and emergency medical service community. Under his tenure, President Knight successfully led the DVFA efforts to establish improved training standards for Emergency Medical Service Volunteers. Additionally, he advocated statewide training for emergency responders on potential incidents of terrorism and improved services to the sixty member companies of the DVFA. Upon completion of his term this weekend, President Knight assumes his new role as Delaware State Fire Prevention Commissioner. I have every confidence that he will provide the Delaware State Fire Prevention Commission with the same diligent and hands on leadership that benefitted the Delaware Volunteer Firemen's Association so well over the past year.

As the gavel falls to open the 78th annual DVFA Conference celebration, I extend my sincere congratulations and appreciation not only as a Member of the U.S. House of Representatives, but as a former Governor who values the leadership, teamwork and dedication the DVFA has given to the people of the First State. I hope you all realize how deeply your efforts are appreciated.

CONGRATULATIONS TO THE GOLDEN JUBILEE CELEBRANTS

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. UNDERWOOD. Mr. Speaker, with honor and appreciation, I commend the seven special women who have dedicated loving service to the people of Guam and the Northern Marianas for the past fifty years. This year, Sisters Mary David Richard, RSM; Mary Celeste Fejarang, RSM; Mary Angelica Perez, RSM; Evelyn Muña, RSM; Joseph Marie Perez, RSM; Mary Callista Camacho, RSM; and Marie Pierre Martinez, RSM, celebrate Golden Jubilees as a Sister of Mercy. In honor of the occasion, I would like to share with my colleagues significant events and the achievements of these remarkable women.

Sister Mary David Richard was born Josephine Marie Richard in Buffalo, New York, on March 29, 1929. She never thought of leaving Buffalo until she entered the community in Belmont, North Carolina on September 15, 1947. At her reception on August 14, 1948, she took on her new identify as "Sister Mary David." She first came to Guam in 1953 and returned to the States in 1960. In 1975, she returned to Guam to teach math at the junior high level. She currently assists the administrators of Saint Anthony School as the computer operator for basic student data. Sister Mary David treasures her return to the island, meeting up with former students, the love and generosity of the Sisters on Guam, and the opportunity she had to make contact with the Pope when he visited Guam in 1981.

Sister Marie Celeste Fejarang was born Maria Crisostomo Fejarang on October 31, 1927, in Hagåtña, Guam. She is the elder of two siblings born to Vicente and Remedios C. Fejarang. Having attended Guam schools and graduating from George Washington High School in 1947, she entered the Sisters of Mercy as a postulant December 12, 1947. She was received on December 6, 1948 and was given the name "Sister Mary Celeste." She took her final vows on August 15, 1956. She taught at Santa Barbara School in Dededo, Saint Anthony School in Tamuning, Cathedral Grade School in Hagåtña, and, during a mission from 1956 to 1960, Saint Benedict's in North Carolina. For seventeen years, Sister Mary Celeste worked with the SPIMA (Servicio Para I Man Amko) program under the Guam Association for Retired Persons as a site manager. She also serves as a Cultural Instructor at Tamuning Elementary School.

Sister Mary Angelica Perez is the third of ten children born to Juan Diaz Perez and Remedios Leon Guerrero Perez. Born Remedios L.G. Perez on November 8, 1930, she entered religious life as a Sister of Mercy postulant on July 24, 1947 in Belmont, North Carolina. She was received as a Novice on August 15, 1948, and took the name "Sister Mercy Angelica." She professed her Final vows on August 13, 1956 at the Cathedral in Hagåtña. Sister Mary Angelica taught at schools in North Carolina and Guam. She even served as principal of Santa Barbara School in Dededo. Currently, she is the K–2 music teacher at Santa Barbara.

Sister Evelyn Muña was born Evelyn Pereira Muña on October 19, 1929 to Juan and Pilar Muña, the fourth of twelve siblings. She entered religious life in North Carolina on January 9, 1948 and was received as a Novice on August 15, 1948 taking the name "Sister Mary Matthew." Her Final Profession took place on August 13, 1956, with other Sisters here on Guam. After her return to Guam in 1955, she taught at the Academy of Our Lady, Santa Barbara School, John F. Kennedy High School, Saint Anthony School, and the University of Guam. She also taught CCD in the parishes of Asan, Piti, Chalan Pago, and Ordot. In addition, after reclaiming the name Sister Evelyn, she was elected Regional Superior for two terms. She served as superintendent of the Catholic schools in the Archdiocese of Agana and then became the first Chamorro to be elected in the General Council of the Sisters of Mercy in Belmont, North Carolina. Sister Evelyn also served as Director of Catholic schools and currently works with the Development Office at the Academy of Our Lady of Guam.

Sister Joseph Marie Perez was born Josefina Pangelinan Perez on May 15, 1930 in Hagåtña. The daughter of Vicente Borja Perez and Maria Guerrero Pangelinan, she is the third of nine siblings. She joined the Sisters of Mercy on December 12, 1947 and took on the name Sister Joseph Marie on December 6, 1948. Sister Joseph Marie professed her Final Vows on August 13, 1956 at the Cathedral in Hagåtña. She has taught students at the Academy of Lady, Saint Anthony School and Santa Barbara School. She additionally served as Pastoral Minister for Saint Joseph's Parish at Inarajan. Currently, she is a Research Assistant at the Richard Taitano Micronesian Area Research Center.

Sister Mary Callista Camacho is the daughter of Emeteria Baza Leon Guerrero and Enrique Marinez Camacho. She was born Filomena L.G. Camacho on November 8, 1926, the fifth of ten children. Entering the community of the Sisters of Mercy at the Motherhouse in Belmont, North Carolina in July 1947, she was received as a Novice on August 15, 1948 taking the name Sister Mary Callista. She returned to Guam in 1953 and made her final profession on August 13, 1956. Sister Mary Callista served in various capacities including administrator at Cathedral Grade School, Saint Anthony School, Santa Barbara School, and Bishop Baumgartner Middle School. She also served the Diocese of Chalan Kanoa at the chancery and through Pastoral Ministry. Her service with the Government of Guam was through the headstart program and as a director of the Insular Arts Council. Sister Mary Callista is currently the Deputy Director of Catholic Social Services working with the Executive Director, Cerila Rapadas.

Sister Marie Pierre Martinez is the daughter of Don Pedro Martinez and Maria L.G. Martinez, and the seventh of 12 siblings. She entered the Mercy Community on June 20, 1948 and was received as a Novice on December 6, 1948 taking the name "Sister Marie Pierre." She served both as teacher and as principal at the Academy of Our Lady. She also served as principal of Mount Carmel School in Saipan and became the first supervisor of Mercy Schools on Guam. In 1982, she established the Pastoral Care Department at the Guam Memorial Hospital and served as its director until her retirement in 1993. Sister Marie Pierre is currently the director of the Associates Program of the Sisters of Mercy on Guam.

The renown of the Sisters of Mercy reaches beyond their reputation as teachers and school administrators on Guam, Saipan, Rota, and other places in Micronesia. Their pastoral, family, youth, and health-care ministries together with their esteemed standing in the Mariana Islands are truly exemplified by this group of extraordinary women. I happily join with the people of Guam in sending the Sisters of Mercy who are celebrating their Golden Jubilees our best wishes and a heartfelt Si Yu'os Ma'ase. May your jubilee celebration be blessed by the graces of Santa Marian Kamalen. Your services to the community are truly remarkable.

ON THE RIGHTS OF INDIVIDUALS AND COMMUNITIES

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KUCINICH. Mr. Speaker, the recent, sad events at the Capitol have drawn us together as a community as never before. Within these walls, there is something greater than a collection of strong-willed individuals going their separate ways. We are a part of the same community whether as individuals, we are the Speaker of the House, a janitor who cleans at the end of the day, a Congressman from Ohio, or a Capitol policeman. Our community has the specific goal of setting and refining the ground rules that guide our great country; ground rules that define the balance between the rights of the individual and the rights of the community.

The balance between the rights of individuals and the rights of the community can be murky, especially when dealing with an individual's health and the safety of others in the community. Tuberculosis, for example, is a highly contagious disease. People who refuse treatment for this disease are a danger to themselves and others. The State of New York now legally mandates this treatment. This is an example of where the community has balanced the rights of the individual and the rights of the community and come up with a win-win situation. Both the community and the affected individual benefit from a successful treatment.

What are the rights of the community when someone who suffers from schizophrenia refuses to take his medication or follow-up with a psychiatrist? Should others die so that an individual ill with the disease of paranoid schizophrenia can have the freedom to refuse treatment. Several States have enacted an outpatient commitment which requires the ill individual to take medication and follow the prescribed treatment or be committed to a hospital.

As a Congress, we need to encourage more States to adopt outpatient commitment laws. In addition, we need to make more resources available to encourage the training of psychiatrists. One simple aid would be for the Department of Health and Human Services to designate psychiatry as a primary care speciality and actively encourage hospitals and medical schools to maintain and expand their psychiatry residency programs. Another impediment to training psychiatrists could easily be removed. It is not unusual for psychiatrists to have had some previous training in another field of medicine, before embarking on a psychiatry residency. Current Medicare regulations often reimburse these residents at 50% of the rate of other residents. This disincentive needs to be removed.

Although we can never eliminate the possibility of a recurrence of the recent tragedy at the Capitol, these measures can reduce the chances of such a recurrence. If the deaths of Officers Gibson and Chestnut have helped many of us realize the importance of community, then their deaths will not be entirely in vain.

NINETIETH ANNIVERSARY OF THE RUSSIAN ORTHODOX CATHEDRAL OF THE HOLY TRANSFIGURATION

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the Russian Orthodox Cathedral of the Holy Transfiguration on the 90th anniversary of its founding. Throughout its history, the Cathedral of the Holy Transfiguration has dedicated itself to providing spiritual guidance to the growing immigrant population of Greenpoint, Brooklyn.

The Cathedral was founded in 1908, with construction beginning on the cathedral in 1916. In 1921 Archbishop Platon consecrated the church. This large, beautiful house or worship was listed in the National Registry of Historic Places in 1980.

The Cathedral of the Holy Transfiguration would not have grown and prospered without its dedicated parishioners and priests. The first Divine Liturgy was celebrated by Rev. Alexander Hotovitzky. The first assigned pastor was Rev. Theofan Buketoff. Since that time a number of distinguished theologians have had the privilege of serving the Greenpoint community through the Cathedral of the Holy Transfiguration.

The Cathedral has met the challenge presented by the diverse and growing immigrant population of the community by offering a variety of religious and spiritual services. Among these are Divine Liturgies, Vigil, panikhida and Vespers. The church encourages the active participation of its parishioners in its liturgical life.

Additionally, the church provides myriad services for the community via various clubs and associations. These church sponsored organizations also provide a sense of community and belonging for their members. These organizations include the Brotherhood of the Holy Trinity, the Transfiguration Russian Orthodox Club, the Church School, the Parents Association and a special organization for new immigrants. These groups provide services ranging from church maintenance to youth educational programs.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to the Russian Orthodox Cathedral of the Holy Transfiguration as it celebrates its 90th anniversary. I am honored to have such a distinguished and important parish in my district continuing in a long tradition of spiritual and community service.

TRIBUTE TO GOOD PEOPLE

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to many of my constituents in Fort Lupton and Platteville for their hard work, and selfless dedication to their neighbors in a time of need. Early in August, a tragic car accident took Dwight Schmidt away from his wife Susan and three-year-old son David. My sympathy goes to the family for their inconsolable loss. To make matters worse, Susan had crops ready to harvest, and bills to pay. Sadly, the Schmidt's faced losing their income after Dwight passed away. However, the community responded with selfless fervor to this urgent situation.

Demonstrating an earnest devotion to the community and the Schmidt family, many good people volunteered their time and labor to harvest the Schmidt's potato crop. I thank these, good, hard-working people for their efforts and for their sense of duty to a friend in need. Mr. Speaker, for heir heroic deeds, I commend Steve Eckhardt of Eckhardt Farms, Alan and Kenny Frank, Wilbur and Tom Olin, Bruce and Curt Sandau, Brian and Claude Horning, Tom and Vicki Erickson, John and Donna Rupple, Ritchie Pyeatt and his crew, Gary and Joyce Herman, Alberta Watada, and Agland. Also dedicating their time and preparing lunch for the harvest crew were Pearl Schmidt, Pauline King, Sally Huth, Verna Mullet, Dort Mintle, Mrs. Richard Sheetz, Lorraine Tarver, Karen Bailey, Kathy Berry, Sheila Benjamin and the Bank of Colorado in Ft. Lupton. I also applaud John Ripple, the manager of the Platteville Potato Association, Inc. who opened a special day for business just to process the Schmidt's crops. These are among the many good neighbors earning their living and sterling reputations on Colorado's Eastern plains.

THE 90TH ANNIVERSARY OF THE BOROUGH OF ROSELAND, COUNTY OF ESSEX, NEW JERSEY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to congratulate the people of the Borough of Roseland, County of Essex, New Jersey, as they commemorate the 90th anniversary of the incorporation of their community.

In 1908, the residents of the Roseland Community, displeased with the services they were receiving, took action to separate themselves and their town from the Township of Livingston, Essex County. During this time, many communities throughout the State of New Jersey decided to separate from larger townships and the time was right for the residents of Roseland to make a change.

The completion of the Morristown and Erie Railroads in 1904–1905 had made it possible for residents of Roseland to work in surrounding cities, while enjoying life in the country. During this time the Borough purchased water supply lines and installed electric home and street lighting which further enhanced life in Roseland. By the 1920s, Henry Ford's methods of mass production of the automobile changed the development of Roseland forever.

After World War I, new houses went up, many residents now owned cars and Roseland flourished. At this time, the Borough outgrew its country-style living and joined the more urban society we know today. The Great Depression and World War II brought with them some hard times for the people of Roseland, but the residents proved that as a community they could survive. When called to serve their country, all residents of Roseland accepted their responsibilities and did their part. After victory, the pride felt all over the nation was especially strong in Roseland.

In the following decades, Roseland's development continued. During this time, great improvements in community services and facilities were made. Roseland is now thriving with a prosperous business center, excellent schools and a strong sense of community.

Mr. Speaker, for the past 90 years, the Borough of Roseland has prospered as a community and continues to flourish today. By all accounts, it will continue to prosper in the future, and I ask you, Mr. Speaker, and my colleagues to congratulate all residents of Roseland on this special 90th Anniversary Year.

CONGRATULATIONS ON THE 61 YEARS OF SERVICE TO THE LADIES' AUXILIARY OF THE DELAWARE VOLUNTEER FIREMEN'S ASSOCIATION

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today to commend and pay tribute to the Ladies Auxiliary of the Delaware Volunteer Firemen's Association.

This weekend, the Ladies' Auxiliary will gather to observe its 61 years of service to the community of Delaware. The Auxiliary encompassed many of the fire companies in Delaware and pledged their combined efforts to help the firemen of Delaware as well as those whose homes had been damaged by fire. The ladies have assisted with efforts that included contributions to burn centers, food and clothing to burn victims as well as financial support.

Throughout their long and distinguished history of volunteerism, the members of the ladies Auxiliary assisted the Red Cross by sending Christmas packages to soldiers during the war years. Retiring to peacetime, the Auxiliary focused on fund raising to assist local fire companies. During fires and emergency services calls, tired firefighters have come to rely on the meals and beverages provided by the ladies auxiliary.

Mr. Speaker, when the Ladies Auxiliary opens their 61st meeting in Dover, they will do so under the gavel of retiring President Barbara Metheny. Under President Metheny's leadership, the Ladies Auxiliary organized various fund raising efforts to benefit several worthy causes that included a special relief effort targeted for the Concord Alabama Fire Department that had been devastated by the tornado. As a member of the Hartly Ladies Auxiliary and the past President Kent County Ladies Auxiliary, President Metheny's service to the fire community has been exemplary and I salute her and the entire Metheny family for their commitment and dedication to the Delaware Volunteer Firemen's Association. I wish them many more years of success as they continue to assist volunteer fire and emergency services throughout Delaware.

TRIBUTE TO INGRID ACEVEDO

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. PELOSI. Mr. Speaker, I rise to pay tribute to Ingrid Acevedo, the Director of Public Relations for the U.S. Committee for UNICEF, who was among those who perished in the crash of Swissair Flight 111 on September 2, 1998.

My colleagues and I are well acquainted with UNICEF's fifty-two years of service for the children of the world. The U.S. Committee for UNICEF builds support in the United States for UNICEF's work through fundraising, education, and advocacy. Ingrid Acevedo, as Director of Public Relations, worked tirelessly to increase public awareness of UNICEF's initiatives and to bring home to the American people the needs of vulnerable children around the world.

In the three years that Ingrid worked at the U.S. Committee for UNICEF, she helped to raise the visibility of UNICEF in the United States. She served as the primary media liaison during the 1996 Summer Olympics Aid Atlanta, a project that raised money for children suffering the impact of conflicts around the globe. This year, Ingrid was playing a catalytic role in the revival of "Trick-or-Treat for UNICEF." She was in the process of implementing a campaign to renew media interest in this popular American children's tradition when her life was so tragically cut short. Ingrid Acevedo worked to educate the American public about the plight of millions of children around the world who need our help and support, and did so with creativity and enthusiasm. She was using her talents to encourage all of us to do more to save and to improve the lives of needy children.

Ingrid Acevedo was a young woman who cared about the less fortunate and who dedicated her life to making a difference. Prior to working for the U.S. Committee for UNICEF, Ingrid spent two years in Washington as Manager of National Media Relations for Bread for the World, as organization that has done so much to fight hunger and poverty both here and overseas.

Ingrid Acevedo was only 32 years old when she died, but she made those years count. Hers is a record of service for everyone to emulate. Those of us in the Congress who support UNICEF's work for children are deeply saddened by the loss of this young woman who worked so hard for UNICEF and who had both the talent and the potential to have done even more. We extend our condolences to her mother, Dinorah Acevedo, and to her surviving relatives.

The loss of such a dedicated, outstanding individual is difficult for the human heart to comprehend. Rather than focusing on what we have lost, let us celebrate Ingrid Acevedo's work for children and for the poor and hungry, by renewing our own commitment to those in need. That is the most appropriate tribute to Ingrid Acevedo.

IN HONOR OF COLER/GOLDWATER SPECIALTY HOSPITAL AND NURSING FACILITY AND ROOSEVELT ISLAND HOUSING MANAGEMENT CORPORATIONS ON FDR DAY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a respectful tribute to the Coler/Goldwater Specialty Hospital and Nursing Facility and Roosevelt Island Housing Management Corporation as they and the residents of Roosevelt Island celebrate FDR Day on Saturday, September 12, 1998.

This very special day on Roosevelt Island recognizes the accomplishments and goals of the disabled in honor and memory of Franklin Delano Roosevelt, our nation's most heralded disabled American, and the 44th Governor of the State of New York and the 32nd President of the United States. As President, Franklin Roosevelt led the nation through some of its worst crises, most notably the Great Depression and the Second World War. As a man who had overcome the fear and insecurity of his own physical disability, he assured the people that they had "nothing to fear but fear itself."

The FDR Festival was born in 1981 with a proclamation by the United Nations declaring 1981 as the "International Year of Disabled Persons." In that founding year of the Festival, the theme was "Full Participation and Equality."

The United Nations expressed its concern about the prevailing negative treatment of disabled persons with the words: "A drastic change in our attitude toward disabled persons is a prerequisite. We have, above all, to remember that the problems of physical or mental disability are the problems of society as a whole. We not only bear the collective responsibility to avert the unnatural courses of human disability, such as war, but to give the disabled everywhere, every possible assistance to lead productive lives."

On Saturday, I will join with the residents of Roosevelt Island to celebrate and honor the many accomplishments of the disabled. I also would like to commend Detective Steven D. McDonald, disabled in the line of duty, who will be participating in the awarding of medals to participants of FDR Day. Detective McDonald's bravery and courage is an inspiration to us all.

Mr. Speaker, I ask that my colleagues rise with me in this tribute to Coler/Goldwater Specialty Hospital and Nursing Facility and the Roosevelt Island Housing Corporation, the FDR Day Committee and all other dedicated citizens who have worked to ensure a very special day of recognition for the disabled. The unity between the able bodied community with the disabled community is an achievement that you all should be proud to be a part of.

GRANT ELEMENTARY SCHOOL, EUREKA, CA

HON. FRANK RIGGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. RIGGS. Mr. Speaker, 1998 marks the Year of the Ocean. It is appropriate to recognize today Grant Elementary School in Eureka, California for its innovative, leading edge approach to educating students about the environmental, as well as the economic balance needed to keep our oceans healthy and productive into the next century and beyond.

Grant School recently celebrated the fourth annual Ocean Weeks. Each of the classrooms at Grant School studied a different ocean habitat, ranging from the rocky shore for kindergarten classes to the study of islands for sixth grade students.

During the two weeks of Ocean Weeks, students toured habitats from other classrooms within the school and were able to learn about the whole ocean. Community participation in this project was tremendous and ensured Ocean Weeks was successful. Volunteers gave presentations about local watersheds and organized a hands-on fish printing station for all students. One local storyteller spoke about the Native American interaction with the ocean. Local merchants also shared their time and talents by exposing students to the environmental and economic significance of marine science in Humboldt County, on California's North Coast.

Students had opportunities to participate in field trips to tidepools, the Arcata Marsh, and the Humboldt Bay Wildlife Refuge. They also were treated to a special tour of a Coast Guard Dolphin Search and Rescue helicopter and learned issues of ocean safety when the Coast Guard Group from Humboldt Bay landed at the school campus. Humboldt Bay Harbor Commissioner Jimmy Smith gave an interesting lesson to students at Grant School about the recent oil spill in Humboldt Bay and the resulting effect on plant and animal life.

As you can see, Mr. Speaker, Ocean Weeks has been and remains an exciting time for the students attending Grant Elementary School. The faculty, participating community members, and the PTA, which provided the financial support, are all to be commended. This is an excellent example of community support that enhances the learning process. I wish much success to not only the Grant School faculty, but also to students who will enjoy this level of commitment and dedication to their education in the future.

IN RECOGNITION OF HELEN SALAMAN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to honor a wonderful American and long time civil servant—Helen Salaman. An immigrant from Hungary, Helen arrived in the

United States in 1921. As many immigrants, Helen sought a better life and acted on this desire by becoming the first female graduate of her law school class at the University of Detroit Law School.

Soon after graduating from law school, Helen became a full-time mother which prevented her from pursuing a legal career. However, being a mother did not prevent her from being active in other avenues. Not only did Helen steep herself in her sons' schooling and extra-curricular activities, but she became deeply involved in the Democratic Party. Helen twice served as a delegate at the Democratic National Convention and in 1960 Helen managed the senatorial campaign of Patrick McNamara.

In 1962, at 53 years of age, Helen joined the U.S. Customs Service in the Fines, Penalties and Forfeitures Division. Helen's job entailed investigating civil fraud and as a result of the expertise, she became a national resource for such cases. Helen recently retired from her job as penalties officer at the Customs Service in Detroit after 36 years of dedicated service. In mid-March at a farewell party given by her colleagues, 175 people showed up to wish her well. Helen believes that, at 89, she was the oldest Federal employee ever.

Mr. Speaker, Helen Salaman is a loving mother and a dedicated American citizen who devoted her life to civil duty. As we adjourn today, let us do so in honor of and respect for this great American—Ms. Helen Salaman.

NONCITIZEN BENEFIT CLARIFICATION AND OTHER TECHNICAL AMENDMENTS ACT OF 1998

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. UNDERWOOD. Mr. Speaker, the bill before us today, H.R. 4558, is important in that it clarifies the eligibility of immigrants in receiving Supplemental Security Income (SSI) benefits. As you know, the 1997 Balanced Budget Act permanently grandfathered most but not all noncitizens who were receiving SSI benefits when the welfare reform law was signed into law on August 22, 1996. About 22,000 "nonqualified" noncitizens were grandfathered through only September 30, 1998 in order to give the Social Security Administration adequate time to determine their status. This legislation would clarify that these individuals—many of whom are elderly or disabled and who claim citizenship but lack documentation or are not capable of documenting their immigration status—will continue to receive SSI benefits from the federal government.

While there should be strong and vigorous debate on the ensuring that those most in need of public assistance not fall through the safety net, perhaps it is not clearly known that not all U.S. citizens are eligible for participation in the SSI program. SSI is available to citizens who live in one of the 50 States; however, U.S. citizens residing in Guam, American Samoa, the U.S. Virgin Islands and Puerto Rico are not eligible for assistance under the SSI program. Given the fact that the cost of living is much higher in the territories than almost any mainland location, and given the fact that we have a permanent cap on Medicaid, I sincerely believe that there is a definite need to extend the SSI program to the territories.

Citizenship in this country and the privileges associated with it should not be measured by geographic choice in residency or the size of one's pocketbook. Whether one chooses to live in Hagatna, St. Croix or Peoria, a federally funded program should be accessible to everyone.

I urge my colleagues pass H.R. 4558 and to extend the SSI program to the American citizens in the territories.

SENSE OF CONGRESS CONDEMNING ATROCITIES BY SERBIAN POLICE AND MILITARY FORCES AGAINST ALBANIANS IN KOSOVA

SPEECH OF

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 23, 1998

Mr. KUCINICH. Mr. Speaker, today I rise to show my support of H. Con. Res. 315 in condemning the atrocities in Kosova. The region has suffered significant loss of life and an immense amount of property damage due to the brutal actions of the Milosevic administration's military forces.

Tension in the area has been increasing since the government of Yugoslavia removed Kosova's autonomous status in 1989 without the consent of the people, of whom 90% are ethnic Albanians. Human rights groups report that the conflict has escalated to the point where forces are conducting abductions and summary executions of innocent civilians. More than 900 people have died in the fighting this year, while an estimated 200,000 Albanian refugees have been forced out of their homes. If the offensive continues, these refugees will be at risk of freezing to death in the forests where they have hidden.

Mr. Speaker, we can not allow this destruction of Kosova's resident's to continue. Because the Milosevic government has been primarily responsible for this conflict, it should bear the burden of providing compensation for the loss of life and for the costs of rebuilding the destroyed areas.

IN REGARD TO CSU STANISLAUS AND THE DEDICATION OF THE UNIVERSITY'S PROFESSIONAL SCHOOL BUILDING

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. CONDIT. Mr. Speaker, I rise today to pay tribute to California State University, Stanislaus on the occasion of the dedication of the University's Professional Schools Building.

CSU Stanislaus, located in my district in California's great Central Valley, has seen a very impressive 63 percent growth in student population during the past two decades and this new Professional Schools Building reflects a new milestone in the university's strong commitment to obtaining the highest level of student academic achievement.

This magnificent new building represents the core values of a learning-centered environment—not only for undergraduate students—but for the university's credential programs and the professional and applied programs.

I am very proud to report to my colleagues that standing on the brink of a new millennium, this new facility is designed with an eye on the 21st Century with an advanced technological infrastructure which supports on-site and interactive distance learning programs.

A copy of this message of congratulations is being enclosed in a time capsule at the University to be removed during the University's centennial anniversary in the year 2060. It is my sincerest hope, that at that time CSU Stanislaus will have traveled far down the path of academic excellence and made its mark of distinction along the avenue of Universities.

Mr. Speaker, I am proud to be among the alumni of this university and can say that it holds a special place in my heart. I ask that my colleagues rise and join me in offering congratulations to Dr. Marvalene Hughes, president of California State University, Stanislaus, and in extending my best wishes to future generations of those who will hear this message.

IN RECOGNITION OF THE MARCH—COMING TOGETHER TO CONQUER CANCER

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. BILIRAKIS. Mr. Speaker, this weekend, hundreds of thousands of Americans will participate in The March—a rally to raise public awareness in support of the fight to end cancer. A high-profile gathering led by Gen. Norman Schwarzkopf, Vice President AL GORE, and others will be held on the National Mall, and similar events are planned in communities around the country. This week is also "Prostate Cancer Awareness Week," and October is "National Breast Cancer Awareness Month."

Cancer causes one of every four deaths in the United States. Tragically, about 1.2 million new cancer cases will be diagnosed in 1998, according to the Centers for Disease Control and Prevention (CDC). CDC estimates that half a million people will lose their lives to cancer this year—more than 1,500 people a day. Despite these sobering statistics, however, there is reason for renewed hope in the "War on Cancer."

A recent report by CDC, the American Cancer Society and the National Cancer Institute showed cancer incidence and death rates for all cancers combined actually declined between 1990 and 1995—reversing an almost 20-year trend of increasing cancer cases and deaths in the United States. The report recognized, however, that "the declines in cancer incidence and deaths have not been seen for all Americans and that our collective efforts must be directed at reaching populations with a disproportionate cancer burden."

While we seek to give hope to cancer patients and their loved ones, we must not let optimism breed complacency. Instead, events like The March should heighten our determination to win the war.

As Chairman of the Health and Environment Subcommittee, I believe the federal government can and should do more to support ongoing research efforts. Specifically, I support an increased financial commitment to biomedical research, which is necessary to find a cure for cancer.

To that end, I have endorsed a proposal to double federal funding for the National Institutes for Health over the next five years. I have also authored legislation to provide additional funding for NIH research efforts. The bill, H.R. 3563, the Biomedical Research Assistance Voluntary Option (BRAVO) Act, would allow taxpayers to designate a portion of their federal income tax refund to support biomedical research through the National Institutes of Health.

Last year, Congress approved $40 million in funding for prostate cancer research within the Department of Defense. I was pleased to support this measure when it was considered by the House of Representatives. I also supported a recent effort to increase funding by joining Representatives SHERROD BROWN, BILL GOODLING and a bipartisan coalition of my colleagues in requesting $60 million for this important program in the Fiscal Year 1999 appropriations measure.

In March, my Subcommittee held a hearing on the process for setting research priorities at the National Institutes of Health. Following the hearing, I wrote to NIH Director Harold Varmus to urge increased attention to prostate cancer and breast cancer research.

In July, my Subcommittee held a hearing to shed light on the many recent developments in cancer-related research. This forum provided an opportunity to gain knowledge from the experiences of a distinguished group of cancer researchers, all of whom are recognized as leading experts in their field of practice.

Earlier this month, I was proud to secure approval by the House of Representatives of H.R. 4382, legislation to reauthorize the Mammography Quality Standards Act. This important law was enacted in 1992 to improve the quality of breast cancer screening exams by establishing national standards for mammography facilities. Without question, it has been an overwhelming success.

Screening mammography is currently the most effective technique for early detection of breast cancer. This procedure can identify small tumors and breast abnormalities up to two years before they can be detected by touch. More than 90 percent of these early stage cancers can be cured, according to the Food and Drug Administration.

The use of screening mammography provides a ray of hope in the fight against breast cancer. Early detection of breast cancer through accurate and reliable mammograms can spare women from undergoing radical surgery—and often save their lives. Enactment of H.R. 4382 will help reduce the threat of breast cancer by providing women the tools they need to detect this terrible disease in its early stages.

In closing, Mr. Speaker, I want to commend all of the volunteers who have worked as tireless advocates of cancer research. Events like The March remind us all of the terrible toll cancer extracts each year in our nation. For the hundreds of thousands of patients, families, caregivers and friends whose lives have been touched by cancer, we should renew and strengthen our commitment to ending this terrible disease.

SHARON DARLING IS AWARDED THIS YEAR'S ALBERT SCHWEITZER PRIZE FOR HUMANITARIANISM

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. NORTHUP. Mr. Speaker, I rise today to honor a Louisville-resident who is dedicated to breaking the cycle of illiteracy.

Sharon Darling is being awarded this year's Albert Schweitzer Prize for Humanitarianism, joining the ranks of former President Jimmy Carter, former Surgeon General C. Everett Koop and Marian Wright Edelman, president of the Children's Defense Fund. This award, administered by John Hopkins University, recognizes "exemplary contributions to humanity and the environment."

Truly, the work of Sharon Darling has been felt not only by the Louisville community, but throughout our nation. As the founder of the National Center for Family Literacy (NCFL), Sharon has pioneered a program that combines early childhood education, adult literacy education, parent support and structured interaction between parents and their children.

Sharon is a perfect recipient for this year's award because of her dedication to breaking the grasp of poverty by teaching families the skills so necessary to succeed in our society. Without the ability to read, individuals are restricted in their ability to get ahead in our world. Illiteracy is a cycle because parents' inability to read is reflected in the ability of their children to succeed in the classroom.

The fact is a child's success in school is linked to the education of the parents and the ability of the parents to earn a living. What the National Center of Family Literacy has learned is that to approach literacy through the family is the surest way to increase education levels of adults and children because this approach expands the skills of both and draws on the power of the family to affect its own future.

In an era where individuals are moving from welfare rolls into the workforce, Sharon Darling and the NCFL have worked in Louisville and throughout the country to free families from the trap of poverty and ignorance.

I am thrilled Sharon Darling is being awarded the Albert Schweitzer Prize for Humanitarianism and am honored to recognize her today for her commitment to a truly noble goal. Literacy is a key to success, and Sharon is using that key to give families nationwide the chance for a brighter future.

IN RECOGNITION OF JUDGE MAXINE DARST

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to recognize the accomplishments of a great American and long time constituent—Judge Evelyn Maxine Valentine Darst. Presiding as the Kaufman County Judge for her fourth consecutive term, Judge Darst continues her life long service to the preservation of our great legal system.

Born in Edgewood, Texas, Judge Darst moved to Terrell at an early age, where she has remained all her life. Intrigued by the law and dedicated to helping others, Judge Darst entered law school and received her B.S. from East Texas State University. She was admitted to practice law in Texas in 1976 and practiced in Terrell with her husband until 1983. Judge Darst became an attorney in Kaufman County and was also the first female to practice law in Kaufman. In 1983, Maxine achieved another first—when she became the first female Kaufman County Judge.

As Kaufman County Judge, Maxine has led the county to many improvements, including—a new Kaufman County Law Enforcement Center, a Kaufman County Emergency Children's Shelter, a Kaufman County Library, the hiring of a chief juvenile probation officer and a newly formed Public Works Department. Not only has Judge Darst greatly influenced County government, but she also has devoted her time and talents to such civic activities as the Kaufman County Child Welfare Board, Kaufman County Historical Commission Board, the Terrell Social Science Club, the Girl Scout Little House Board, the Terrell March of Dimes and the KauCedar Charities.

Ever dedicated to her professional career and civic duties, Maxine also managed to remain a devoted wife and mother. Maxine Darst's life and achievements stand as an example for us all. Through hard work, dedication and desire Judge Evelyn Maxine Valentine Darst has shown us all that we can accomplish whatever goals we want to achieve.

Mr. Speaker, this January, 1999, Judge Darst will retire from her seat as Kaufman County Judge. As we adjourn today, let us do so in honor of and respect for this great American—Judge Evelyn Maxine Valentine Darst.

A TRIBUTE TO FOODLINK FOR TULARE COUNTY, INC

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. DOOLEY of California. Mr. Speaker, I rise today to commend Foodlink for Tulare County which is proudly celebrating its 20th anniversary on September 24, 1998.

Foodlink, which was originally called Food Resources, was founded in the mid-1970's by a dedicated group of individuals who were very concerned about the growing hunger problem in the Tulare County, and equally concerned about food going to waste in this rich agricultural area. At the time, hunger in Tulare County was worse than the national average. Food Resources (Foodlink) worked with area farmers who were more than willing to donate agricultural surplus, culled vegetables, day-old bread, unlabeled canned goods, and other usable items to Foodlink to be distributed among the different foodbanks in Tulare County.

After 20 years of growth, Foodlink is currently providing 5 million pounds of food to 82,000 hungry people through a network of nonprofit emergency pantries, soup kitchens, shelters, and youth programs.

Foodlink would not exist without the many volunteers and donors who have dedicated their time and resources. On September 24, 1998 in Visalia, California Foodlink, will present awards to Kraft Foods as outstanding Food Donor and St. Vincent de Paul in Porterville as outstanding Food Agency. With such partners as these, Foodlink has been able to provide much needed assistance to many families in Tulare County.

Unfortunately, the problem of hunger still exists in Tulare County. But, with contained support of the local community food donations from the USDA and others, Foodlink will continue their mission of ending hunger. I believe our community is lucky to have an organization like Foodlink to help those in need.

Mr. Speaker and my colleagues, please join me in wishing Foodlink a Happy Anniversary and a special thank you for all their hard work to end hunger in Tulare County.

COMMENDING PRESIDENT LEE TENG-HUI OF TAIWAN

HON. ROBERT SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. SMITH of Oregon. Mr. Speaker, I hereby submit the attached statement for the CONGRESSIONAL RECORD regarding Taiwanese President Lee Teng-hui's leadership in seeking a peaceful solution to the Taiwan/China reunification issue.

PRESIDENT LEE TENG-HUI SEEKS DIALOGUE WITH MAINLAND CHINA

As The Republic of China on Taiwan gets ready to celebrate their forthcoming National Day, President Lee Teng-hui has urged his mainland China counterparts to consider seriously proposals for a meeting between top leaders, cooperation on assistance to Southeast Asian countries, cooperation in agriculture, an offshore transshipment center, assistance on the reform of state enterprises, and cultural exchanges.

So far, the Chinese communists have been lukewarm towards President Lee's many gestures of goodwill. The Chinese communists insist on the undemocratic "one country, two systems" arrangement as the way to solve the reunification issue.

President Lee has made it very clear that the people on Taiwan cannot accept such an arrangement. The Republic of China has 87 years of history as a constitutional sovereign country and it can't turn itself into a local government.

We hope that both Taiwan and the Chinese mainland will find a peaceful solution to the reunification issue. In the meantime as we better our relations with the Chinese mainland, we should further strengthen our ties to Taiwan. After all, Taiwan has been our ally since its founding 87 years ago.

PERSONAL EXPLANATION

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HUTCHINSON. Mr. Speaker, I was unavoidably detained for the vote on the Mink Amendment to H.R. 3248 (Roll No. 450). Had I been present, I would have voted against this amendment.

IN RECOGNITION OF JOHN R. BRIGGS

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to pay my respects to a loving family man and dedicated civic servant, Mr. "Big" John R. Briggs, Jr., who passed away in Terrell, Texas, on June 10, 1998.

Big John was born in Rockwall, Texas, on June 14, 1918. At an early age, John began to work with his father at Briggs Oil Company and established Briggs Wrecker Service in 1933, a business he continued until his retirement. In 1953, Big John married the former Marion Howie, with whom he raised a son and two daughters.

Big John became a lifelong resident of Terrell when he began work for the Texas Highway Department surveying new roads in the southern part of Kaufman County. During World War II, John and his father helped construct the British Flying Training School that was built at the local airport. There John remained as Supervisor of Civilian Operations non-military personnel through the duration of the War.

Tirelessly committed to the community, Big John not only served as a member of the Terrell Volunteer Fire Department for over 38 years, but was even named fire chief by his peers. When he retired from the fire department Big John was elected mayor of Terrell, serving four terms from 1981 to 1988. According to his family, Big John was eternally dedicated to the City of Terrell, making every decision with the best interest of the people of Terrell at heart. With great vision, Big John helped lay the foundation in the 1980s for the extensive industrial growth that benefits Terrell today.

Mr. Speaker, Big John Briggs was loved and respected by most everyone who knew him and he will be greatly missed by family and friends. As we adjourn today, let us do so in honor of and respect for this great American—the late John R. Briggs.

HONORING AGAPE CHRISTIAN FELLOWSHIP FAMILY WORSHIP CENTER'S 10TH ANNIVERSARY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor Agape Christian Fellowship Family Worship Center's 10th Anniversary in Brooklyn, New York.

Agape Christian Fellowship is more than a place of worship. It strives to take care of the spiritual, educational, support, and social needs of the family as a whole. From a small acorn a mighty oak tree shall grow, with its roots planted deep and its presence strong. This metaphor only begins to describe The Agape Christian Fellowship Family Worship Center.

The numerous ministries, evangelical and missionary outreaches strive to constantly increase in number and spirit the Family of the Savior. The Elders and Ministers Alliance celebrates and supports those called to serve and those who desire to be a vehicle for God. The Nehemiah Ministry for children encourages the positive support and rearing of children in the way of righteousness. The Evangelism and Missionary Department serve to meet the needs of the lost and preach salvation and hope in Christ. These are but a few of the many examples of Agape's diligence to spread the word of God.

The Educational Division, Music Ministry, and Daughters of Esther are integral parts of Agape's desire to support members and nonmembers to have a complete life in the Lord. The Educational Division celebrates those in schools at all levels and encourages them to stay steadfast in their faith. The Daughters of Esther minister to young women to construct their lives according to biblical principles.

Mr. Speaker, with the accomplishments highlighted and the numerous others I could not, I ask you to join me in saluting the Agape Christian Fellowship Family Worship Center on their 10th Anniversary.

A TRIBUTE TO LOU NANNE ON HIS ELECTION TO THE U.S. HOCKEY HALL OF FAME

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to one of the greatest figures in the history of hockey in Minnesota, the birthplace of this great sport in America.

Hockey is an instrumental part of the culture of our wonderful state. Minnesotans often boast about our 10,000 lakes, but we have 10 times as many ice rinks. And Lou Nanne is one of the founding fathers of hockey in Minnesota as well as our nation.

Mr. Speaker, Lou Nanne of Edina, Minnesota, located in the Third Congressional District, was elected to the U.S. Hockey Hall of Fame on Wednesday, September 23rd, a truly fitting tribute to "Sweet Lou from The Soo," a reference to his native Sault Ste. Marie, Michigan.

Just like his patented rushes from one end of the rink to the other, Lou Nanne is known from coast to coast for the key role he played in making hockey the major sport it is in America today. In 1989, Lou received the prestigious Lester Patrick Award for his outstanding service to hockey in the United States.

Mr. Speaker, there is no level of hockey—amateur, college, Olympic, international and pro—in America which has not been touched by Lou Nanne's great playing talent, coaching expertise, distinctive management style, enthusiasm, articulate salesmanship and inspirational involvement.

Whether it is attending a pee wee hockey game at a cold, neighborhood rink somewhere in a distant corner of our state, speaking to a high school boosters group, helping to raise money for a paralyzed young player, competing at the highest level of the sport both here and around the world, or managing a professional team, Lou Nanne has done it all in promoting the sport he loves so dearly.

Mr. Speaker, Lou came to prominence as a player for the University of Minnesota, my alma mater. Lou played for the Gophers from 1959 to 1963 and was named an All-American his senior year.

Lou Nanne served as captain of the 1968 U.S. Olympic team, as well as general manager of Team USA for four years.

Lou was the hometown favorite when he played for the Minnesota North Stars of the National Hockey League, starring with the team from its inception and remaining one of the team's stalwarts for more than a decade of thrills, from 1967 to 1978. He was coach of the North Stars in 1978, general manager for the ensuing decade and president from 1988 to 1990.

We Minnesotans just call him Sweet Lou because of his smooth stick handling skills and low-key, friendly personality. I'm also proud to call Lou Nanne my good friend of many years.

Mr. Speaker, all Minnesotans are extremely proud of Lou Nanne on his election to the U.S. Hockey Hall of Fame. We wish Lou and Francine and their wonderful family the very best in the years to come.

TRIBUTE TO MAMIE HUGHES

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. McCARTHY of Missouri. Mr. Speaker, I am honored to rise today to pay tribute to Ms. Mamie Hughes, an inspirational civic leader and civil rights activist in my district. For her dedicated, steadfast commitment to public service and quality leadership throughout the years, Hughes is being recognized As Woman of the Year by the Central Exchange, an organization established in 1980 as a networking resource for women. Ms. Hughes is the first African-American in Kansas City to receive this coveted award.

Ms. Hughes graduated from Fisk University in Nashville, TN, with a Bachelor of Arts degree, and began her public service as an elementary school teacher in Arcola, MS. She continued her career as a teacher in the Kansas City, Missouri School District.

In 1962, as a mother of five children, Ms. Hughes volunteered for several Kansas City civil rights organizations. She represented the 4th district in the Jackson County Legislature for 6 years following a 1972 election, and eventually chaired its Health and Welfare Committee. Following a 1976 re-election, Ms. Hughes was chosen by her peers for the honorable position of Vice-Chair of the Legislature, and 2 years later she was appointed by President Carter to be Regional Director for ACTION, a Federal Volunteer Service Agency, where she oversaw more than 20,000 volunteers in four states.

In 1981, Ms. Hughes' focus shifted slightly from regional to local concerns when she accepted an offer by the Black Economic Union of Greater Kansas City to serve as a Community Planner. A year later, as President and Chief Executive Officer of the Black Economic Union, Ms. Hughes became a driving force behind the rejuvenation of the Historic Jazz District at 18th and Vine as she promoted the area as a cultural center and worked with local officials to get the project designated as an Historic District. We owe thanks to Ms. Hughes for the successful tourist attraction including the Negro League Baseball Museum and Jazz Museum, and the growing business and residential development that 18th and Vine are today.

Ms. Hughes currently is employed by the City of Kansas City, Missouri, as an ombudsman for the Bruce R. Watkins Drive, an important thoroughfare that is being constructed to connect the communities of south Kansas City with downtown. When the development of the Bruce R. Watkins Drive led to public concern about citizens' property rights. Ms. Hughes stepped up as champion for citizens within the area, to counsel them about their rights as residents. She also coordinates activities of the Missouri Department of Transportation with Kansas City's Housing and Urban Development, Public Works, and Parks, Recreation, and Boulevards Departments.

As a founding and charter member of the Central Exchange, a lifetime member of the National Association for the Advancement of Colored People, board member of the Kansas City Habitat for Humanity, and an advisory board member of the Women's Foundation, Ms. Hughes has received many awards. Her honors include the Public Service Award from the African American Episcopal Church Missionary Society, Career Woman of the Year from the Jones Store Company, and Eleanor Roosevelt Award for her Exemplary Leadership for Women from the Greater Kansas City Commission on the Status of Women.

My friendship with Ms. Hughes is special. She is an inspirational figure in our community and offers the woman of Kansas City and the region a strong role model. As an original member of the Woman's Public Service Network, she is very active in the organization which is a network on key issues of concern to women in our community, especially in helping women succeed in the political process.

Ms. Hughes has the respect, admiration, and trust of citizens in our area and region. She is unique, and truly deserves to be Woman of the Year. Mr. Speaker, please join me in thanking her for her efforts on behalf of others, and congratulating her for her dedication to making the world a better place for all of us.

BALTIMORE REGIONAL CITIZENS AGAINST LAWSUIT ABUSE

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. EHRLICH. Mr. Speaker, the week of September 20–26, 1998, has been recognized in my home state of Maryland as "Lawsuit Abuse Awareness Week." Baltimore Regional Citizens Against Lawsuit Abuse (BRCALA) has worked tirelessly over the last three years to educate Marylanders about the higher costs for consumer products, medical expenses, taxes, and lost business expansion and product development associated with lawsuit abuse. Almost everyone agrees that America has become an overly litigious society.

BRCALA is a non-profit, non-partisan, grassroots, legal watchdog organization. Its efforts include running educational media announcements, posting billboards and signs, and speaking to local groups throughout the Baltimore area in order to raise public awareness of lawsuit abuse.

When frivolous lawsuits are filed, we all pay, and we all lose, BRCALA's mission to curb lawsuit abuse is an example of Marylanders devoting energy and efforts toward solving problems which cost our state jobs, profits, and opportunities. Its public awareness campaign reaches out to thousands of my constituents as well as thousands of other citizens throughout the Baltimore metropolitan region.

Legal reform of any kind is not a simple issue. The legal system must function properly to provide justice to every American. Accordingly, when lawsuits and the courts can be used recklessly at the consequence of imposing excessive costs to other parties—from individuals to nonprofit agencies to businesses—the system should be reviewed and reformed if possible.

While BRCALA has thousands of supporters throughout the state of Maryland, I would like to take this opportunity to recognize particular individuals who have given countless hours to advance its mission. They are Mary Felica Kniep, Executive Director for BRCALA; Vicki L. Almond, chairwoman; Joseph Brown, Jr.; Stanley Dill; Dr. William Howard; Gary O. Prince; and the Honorable Joseph Sachs—each directors and supporters dedicated to BRCALA.

Mr. Speaker, I would like to commend all of the individuals who are involved with Baltimore Regional Citizens Against Lawsuit Abuse for their wholehearted dedication to this important endeavor.

TRIBUTE TO SANDRA S. MORGAN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. DIXON. Mr. Speaker, I am pleased to recognize Ms. Sandra B. Morgan who on October 14, 1998, will retire after a distinguished 31 year career with the City of Los Angeles government. On October 2, 1998, Sandy, as she is affectionately known, will be honored at an appreciation dinner at the Proud Bird Restaurant in Los Angeles. In honor of her exemplary service to the City of Los Angeles government, I am pleased to have the opportunity today to publicly commend her.

A native Angeleno, Sandy was born to Hiawatha and Lula Garrett on October 2, 1948. She attended public schools in Los Angeles, graduating from Manual Arts High School in 1966. After attending Los Angeles City Junior College, she began her career with the City of Los Angeles government working for the Department of Traffic as a clerk stenographer. From 1967 to 1985, she held various clerical positions of increasing responsibility, rising to become an executive secretary to the vice president of the Board of Public Works in April 1985. Later that same year, she became a personnel analyst, serving as a management advocate for the City of Los Angeles Department of Public Works. As part of her duties, Sandy developed and implemented employee training modules for the Department of Transportation Office of Parking Management.

When not fulfilling her responsibilities as a city employee, Sandy can be found managing her real estate company, Morgan's Real Estate, which operates in the states of California and Nevada. She is also a notary public. Married to Leslie H. Morgan, a retired real estate officer for the City of Los Angeles, she has three stepsons, Fredrick, Gerry, and Vincent. Sandra and Leslie also are the proud grandparents of Fredrick and Darnell.

Mr. Speaker, I am delighted on behalf of the citizens of the 32nd Congressional District of California to have this occasion to thank Sandra S. "Sandy" Morgan for her many years of dedicated and committed services to the citizens of Los Angeles. As she prepares to set course on yet another chapter of her life, which I understand will begin with the Morgan family's move to Las Vegas, Nevada, I ask that you join me in extending our best wishes to her for a future that is filled with much happiness, good health, and abundant prosperity.

A TRIBUTE TO WWII VETERAN WILLIAM HAYWARD REED

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. HALL of Texas. Mr. Speaker, I rise today to pay tribute to all WWII Veterans by reading a poem that I had the pleasure of hearing while back in my District. One of my constituents, Millie Jean Purgerson, wrote this poem in dedication to her uncle, William Hayward Reed, and his service to this great nation during WWII.

Millie Jean Purgerson, is a 12-year dedicated Dallas Independent School District teacher with a Master's degree in Education. An active member of the Northeast Texas Writer's Group, Millie Jean is also a freelance writer. Five years ago Millie Jean began researching her uncle's death and military service with no more information than that listed on his 1948 tombstone.

Millie Jean's mother's brother, William Hayward Reed, was in the 79th Division, 314th Regiment, 3rd Battalion when killed in action in Rhowiller, France, in a battle known as the Little Bulge. He was only 19 years old at the time of his death. So, Millie Jean felt it her duty to convey her uncle's story to all Americans. This poem, a moving story, applies to tens of thousands of our young men and women who lost their lives so early in life while serving their country in a war a world away from home. As we adjourn today, let us do so in honor of and respect for this Great American—William Hayward Reed. Mr. Speaker, if I may, "Hayward—A Tribute" by Millie Jean Purgerson:

Hayward, a farm boy in the heyday of his youth.
Up before the sun rose to light the aging wood heater.
The wind blew through the cracks in the walls.
The black tar paper stretched to keep out the cold draft.
Oh, the aroma of Mama's country ham frying in the skillet.
Biscuits baking in the cook stove and coffee steaming in the blue granite pot.
Fluffy, country-fresh scrambled eggs with rich red-eye gravy.
Home-preserved muscadine jelly and fresh churned creamy butter.
Hayward had not yet really tasted the adventures of life.
The farm work was hard and demanding.
There had been no time for girls or cars,
Country fairs, Sunday afternoon rides, or church socials.
Then the call came from Uncle Sam's draft.
"We need you! It is your time to serve your country!"
He said good-bye to his loved ones and friends.
He hugged and kissed his mama for the last time.
A lump grew in his throat and tears welled in his eyes.
He tried to explain to his faithful old hound
That he would be away for a while.
Little did he know that he would never return.
The train ride to boot camp seemed like an endless journey.
The cropped haircut, strange clothes, fast moving orders and expectations.
Bunking with boys who were forced to become men by a war they had not created.
Anticipating the adventure, yet lonesome for the warmth and smells of home.

Drills and marches, training for a fight beyond their imagination.
Then the final order.
Be ready to board the train for New York by morning.
The destination yet unknown to the men. France!
Off in the distance the shoreline of a strange new land.
Boats, tanks, movement, strategy.
Orders, gun and tanks exploding.
The noise, the confusion, the panic of the moment.
Heavy boots, wool socks, sore, aching, blistered feet.
The same clothes worn day after day, lost their sophisticated military appeal.
He dug his own bed, a cold, damp fox hole.
When rain filled his haven, he used his helmet to dip it dry.
Penetrating deeper into the war-ravaged countryside.
The destruction his eyes beheld ripped at his gut, making him heave in horror.
Senseless slaughter of innocent people, young children, old women,
Made his heart weep, his eyes fill, and his body tremble.
A land once so beautiful, now lay smothered in total ruin.
A people rich in their culture without a home.
All they ever knew and loved
Crumbled at the mercy of the enemy.
Marching into Rohrwiller, physically exhausted, emotionally drained.
No time for thoughts of tomorrow, every movement on constant guard.
Covering his buddies advancing to the front.
The chill of the darkness like a blanket spread over the city.
Then came the barrage like a blast from hell
From the water factory's many windows!
Mowing down the soldiers like hail in a rainstorm,
Until the new fallen snow reeked with the smell of blood.
Their cries of pain and agony filled the night air
As one by one their breathing stopped.
Hayward lay mortally wounded.
In his dying breath, he whispered his final word, "Mother."
He will never see the brilliant sun rise over the tall pine trees in the pasture.
He will never celebrate another Christmas.
He will never know the joy of holding his firstborn child.
He will never hear his mother call his name, again.

COMMENDING THE HONORABLE FRANCIS T. WASIELEWSKI, AND HIS SERVICE TO THE POLISH COMMUNITY

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to commend the Honorable Francis T. Wasielewski, a circuit court judge, husband, father, and dedicated servant to the Polish community in the greater Milwaukee area.

Mr. Wasielewski's roots in this community are deep. Judge Wasielewski's father, Thad, ably represented the 4th Congressional district, a district I am now honored to serve. Father and son served as past presidents of the Milwaukee Society, a fraternal Polish-American organization. Fran Wasielewski grew up in Milwaukee, attended Marquette High School and graduated from Marquette University with a degree in mathematics.

After a year of piano study at Indiana University, he followed his father's path in law, enrolling at the University of Wisconsin in Madison. After graduating Fran practiced law with his father for several years before joining the staff of the Milwaukee City Attorney where he worked in ordinance prosecution, public works construction, eminent domain and general real estate. This experience afforded him the opportunity to appear several times before the Wisconsin Supreme Court.

In 1975, he returned to private practice until he was appointed in 1983 to the circuit court by Governor Anthony Earl.

Fran Wasielewski has been active in a number of civic, arts, and professional organizations and is also active in his church, serving as a member of the Parish Council at St. John's Cathedral. He and his wife, Mary, have two adult children, Ann and Justin.

Mr. Speaker, it is with pride and pleasure that I commend Mr. Fran Wasielewski, who will be honored October 10 as Polish American of the Year at the annual Pulaski Day Banquet, presented by the Milwaukee Society.

H.R. 4619

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MINK of Hawaii. Mr. Speaker, today I have introduced a bill H.R. 4619 to modify requirements under the Immigrant Investor Pilot Program to permit an alien who joins a limited partnership after its original creation to qualify with respect to the establishment of a new commercial enterprise and thus, qualify for a visa under such program.

This legislation is needed due to a ruling of the Immigration Administrative Appeals Office. The court held in Matter of Izumii that if an alien does not establish that they played a participatory role in the establishment of the commercial enterprise, then that alien is not considered a investor under the provisions of the Immigration and Nationality Act. In other words, if an investor joins a project after a limited partnership is formed, as is true in most cases, then the investor does not qualify for a visa under this program.

This has come as a shock to the business community. Never before has the act been interpreted in this manner. This interpretation ignores the reality and normal business practice involved in creating such a partnership. The limited partnership or other entity formed is normally created first and efforts are then made to attract other investors. Documents must first be reviewed and a "due diligence" study completed before any investor will commit substantial capital. It usually takes several months from the time when the investor learns about an investment program before they can sign the contract. It is very unrealistic to require an investor to participate in the formation of the business entity in order to qualify.

To overcome this difficulty, my bill allows the investor to invest after the initial creation of the partnership, but limits this exemption to areas where a regional center has been designated.

These regional centers as referred to in PL 102–395 Section 610, have an active role in the approval of these visas to protect against fraud. These regional centers promote economic growth, including increased export sales, improved regional activity, job creation, and increase domestic capital investment.

I am hopeful that during the conference negotiations of FY99 Commerce, Justice, State and Judiciary appropriations, this important amendment will be considered as a matter of fairness.

OPPOSITION TO THE PROVISION IN THE DEFENSE AUTHORIZATION BILL RELATED TO SATELLITE CONTROLS UNDER THE U.S. MUNITIONS LIST

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. ROHRABACHER. Mr. Speaker, this afternoon, I voted NO on the Fiscal Year 1999 Defense Authorization Bill for a number of reasons, the most pressing is the policy included in the bill under Section 1513, that concerns American satellite and rocket cooperation with communist China.

After months of personal investigations, as Chairman of the House Science Subcommittee on Space and Aeronautics, I disclosed on the House floor evidence indicating that some U.S. aerospace companies had helped China upgrade its rocket system. In a cooperative effort to launch American satellites, technology and knowledge has been transferred that improved China's ability to land a nuclear weapon in the United States, including those with multiple warheads.

Since making this charge on the floor of the House, a Select Committee has been appointed to thoroughly investigate the issue. Under Congressman CHRIS COX's leadership, that committee is now underway. From what I understand, it has verified much of what I originally charged. This legislation, Section 1513, however, is letting those who betrayed America off the hook by giving them six months to complete their projects and to apply for new export licenses during that period—until March 1999—that would be excluded from national security control under the United States Munitions List.

Do we hold U.S. security that lightly that we are willing to give one of the most ruthless communist regimes on this planet the technology to further develop weapons systems that could incinerate our country?

IN CELEBRATION OF THE THIRTY YEARS OF MINISTRY OF THE CENTER OF HOPE COMMUNITY CHURCH AND DR. ERNESTINE CLEVELAND REEMS, PASTOR AND FOUNDER

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. LEE. Mr. Speaker, I rise to join in the commemoration of the 30th Year Celebration of the Center of Hope Community Church in the East Oakland community and the Bay area. This event will be held the week of September 27 to October 3, 1998.

Under the leadership of Dr. Ernestine Cleveland Reems Pastor and Founder, the Centers of Hope have made rehabilitation and restoration of their neighborhood the center of their pastoral mission. While many concentrate on the deterioration of human lives, Center of Hope is a "Beacon of Hope" focusing on fostering urban renewal and reform. Its accomplishments, over the last 30 years in community development, are successful testaments to community parthership with Oakland's civic and corporate leadership to build a better Oakland.

The success it has achieved in its various programs has led to an 85% reduction in crime in the area. The Church founded the Hope School of Excellence, a preschool to 8th grade curricula in 1978, and many of the School's graduates have gone on to Morehouse, Howard, Spellman and the University of California. In 1985, the Food and Clothing Bank was organized to serve hot, nourishing meals and distribute clothing to the East Oakland community on a weekly basis. Single parents and/or low income households are the targets of Project REDY (Reems Enrichment Development for Youth) established in 1986, which provides development and enrichment for their children.

The Center of Hope Community Church has provided housing to the most vulnerable members of the community. E.E. Cleveland Manor, erected in 1990, is a 54-unit housing complex for senior and disabled residents. Opened in 1992, the Matilda Cleveland Transitional Housing Program is a full service housing facility for homeless single women and their children. E.C. Reems Gardens is a 150-unit affordable housing complex finished in 1998. Alvingroom Court was renamed E.C. Reems Courts in honor of its Pastor and Founder, Dr. Ernestine Cleveland Reems.

Dr. Reems was born to Elmer Elijah and Matilda Cleveland in Oklamulgee, Oklahoma and, at the age of nine, the family moved to Richmond, California. She attended Richmond High School and Patton Bible College in Oakland. Dr. Reems, faith and education to the ministry were forged when she contracted tuberculosis at age thirteen and determined that the call of God to preach the Gospel was her life's salvation.

She received her spiritual foundation in the World of God through her father, Bishop E.E. Cleveland, a national evangelist. Dr. Reems with her brother, Elmer Cleveland Jr., traveled to every major city in this country. Pastor Ernestine Reems has set the pace for women in the ministry when she founded the Center of Hope with four members in 1968. Today, the membership exceeds 1,500. In 1973, the United States Army sent for Pastor Reems and her crusade to minister to the soldiers in West Germany for which she was honored as a Five-Star General. However, greater satisfaction came from teaching and preaching the gospel which won many soldiers to Christ.

Accolades have been bestowed upon Dr. Reems: Outstanding Service in Religion, Top 100 Black Business & Professional Women in America, Outstanding Community Service Award, State of California Legislature Women of the Year Award, Christian Image Lifetime Achievement Award, to name a few. Her highest honor was conferred upon her on February 14, 1998 as a Doctor of Divinity.

Dr. Ernestine C. Reems, as a pastor and teacher continues, to be a full-time Evangelist with the support of her husband, Paul Reems and their two sons, Brandon and Brian Ernest Reems. New heights of achievements are in the horizon for Pastor Reems and the Center of Hope Community Church and I wish them another 30 years of successful ministry.

CELEBRATING THE 27TH ANNIVERSARY OF THE ASSOCIATION FOR THE ADVANCEMENT OF MEXICAN AMERICANS

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. GREEN. Mr. Speaker, on October 1, the Association for the Advancement of Mexican Americans will be celebrating their achievements over the past 27 years. I would like to express my sincere appreciation to AAMA for its leadership and dedication to our community and would like to extend my congratulations.

Founded in 1970 in Houston, Texas, AAMA is the largest Hispanic nonprofit service provider in Texas. This community organization was founded to advance the needs of Hispanic families that are coping and struggling to beat back the grip of poverty, poor health and family planning, and low educational attainment. Today, AAMA provides services in Houston and across South Texas.

Mr. Speaker, I would like to briefly discuss some of these services.

The George I. Sanchez Charter High School was founded in 1973 to provide at-risk Hispanic youth with an alternative educational environment. Today, the school is the largest Texas charter school, serving 389 low-income, at-risk students. The class of 1997 graduated 95 students, with one-third advancing into higher education. I was proud to host Secretary of Education Richard Riley on his visit to see one of the most successful charter schools in the nation.

The AAMA Adelante Family Education Program provides English-as-a-second language classes, GED classes, citizenship training classes, and native literacy classes to immigrants and other adults who are working toward an education that will improve their marketability in the U.S. workforce.

In addition to these education services, AAMA also operates many social service programs, including three gang intervention programs, two HIV and AIDS counseling programs and several drug and alcohol abuse programs throughout Texas. With these programs in place, it is easy to see why AAMA is the largest social service provider in Texas.

AAMA is also involved in community development. The AAMA Community Development Corporation is dedicated to the revitalization of Houston's inner-city through the development of affordable and decent housing. The AAMA Community Development Corporation recently completed and leased a new 84-unit affordable living center in Houston's East End. No other development had occurred in this area in over 30 years.

AAMA is fortunate to have leaders like Gilbert Moreno, President and CEO, as well as Board Members Karen Becerra, Anthony Magdaleno, Maria Garza, Fernando Tovar, David Corpus, Carmen Orta, Raymond T. Garcia, Daniel Gonzalez, Taylor Margis-Noriega, David Medina, Jacob Monty, Olga Ordonez, Lisa Ottman, Eduardo Pellon, Rudy Ramos, Rogelio R. Santos, and Antonio Villanueva. Without their dedication and commitment, we would not be celebrating twenty-seven productive years. Congratulations to everyone associated with AAMA and best wishes for continued success.

TRIBUTE TO MRS. ELEANOR DOYLE ON HER RETIREMENT

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. VELÁZQUEZ. Mr. Speaker, I rise today to pay tribute to Mrs. Eleanor Doyle, Senior Clerk at St. John's University's Graduate School of Arts and Sciences, upon her retirement.

Mrs. Doyle has dedicated her twenty-nine year career to the service of the St. John's University community. Her great care and attention to the needs of the University's student body have earned her a special place in the hearts of all those who have met her. Her excellent work, pleasant demeanor, and good sense of humor will surely be missed in the department.

Mr. Speaker, I ask my colleagues to rise with me today and honor Eleanor for all of her hard work and dedication.

SPECIAL OLYMPICS

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mrs. MORELLA. Mr. Speaker, I rise today to pay tribute to Special Olympics Incorporated and to the extraordinary vision of its founder, Eunice Kennedy Shriver on the occasion of this wonderful organization's 30th anniversary. Begun as a day camp program in the city of Rockville, Maryland, which I am proud to represent, today, Special Olympic athletes compete throughout the United States and in 150 countries around the world.

"Let me win. But if I cannot win, let me be brave in the attempt." This is the Special Olympics Oath. Since its inception, the Special Olympics have allowed athletes with special needs to train and compete year-round in a variety of Olympic-type sports. Individuals with mental retardation have the opportunity to develop physical fitness, demonstrate courage, experience joy and participate in a sharing of gifts, skills and friendship with their families, other Special Olympics athletes and the community.

The Special Olympics of Maryland is holding its third annual Athlete Congress, composed entirely of Special Olympics athletes from Maryland. Montgomery County is represented by Tony Gorczyca and Carla Shipp. Kelli Smith is also an alternate delegate from Montgomery County.

The unofficial theme of the congress is "Look how far our athletes have come in 30 years." One example of how far the Special Olympics has come is that they can now govern themselves through the Athlete Congress. The third annual Congress will be attended by people from all over the world. This year's Congress will look at expanding the Athlete Congress to include the representatives from all 50 states and 150 foreign countries.

Mr. Speaker, I congratulate Special Olympics Incorporated for 30 years of dedicated service to our community. It is a proud moment for me to pay tribute to Eunice Kennedy Shriver, whose vision and commitment created the Special Olympics, and to the winning combination of staff, volunteers, and athletes of the Special Olympics who have devoted their time and energies to searching for the true potential in every person.

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Ms. SANCHEZ. Mr. Speaker, on Wednesday, September 23, I was unavoidably detained on official business and missed the following roll call votes: No. 445 and No. 456.

Mr. Speaker, on Roll Call vote No. 455, had I been present I would have voted yea.

Mr. Speaker, on Roll Call vote No. 456, had I been present I would have voted yea.

THE COURT HOUSE IN SPOKANE, WA, IN HONOR OF SPEAKER THOMAS FOLEY

HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. McDERMOTT. Mr. Speaker—today, I introduce legislation to rename the Court House in Spokane, Washington to "The Thomas S. Foley United States Court House" in honor of former Speaker Thomas Foley.

Speaker Foley has dedicated his life to public service, including almost thirty years serving in this body. He served the fifth district of

Washington and rose to become the first Speaker from Washington State.

In addition to his long and distinguished congressional service, Speaker Foley has effectively served the public in other capacities. He began his career as the Deputy Prosecuting Attorney from Spokane County, and then moved to become the Assistant State Attorney General of Washington. Before winning his first congressional election in 1965, he served as Special Counsel to the Committee on Interior and Insular Affairs in the United States Senate.

After leaving Congress, Speaker Foley has continued to serve the public in one of the nation's most distinguished Foreign Service posts as American Ambassador to Tokyo. There he has played a crucial role in representing American interests in the world's second largest economy.

Naming the Court House in Spokane after Speaker Foley would be an appropriate way to thank him for the years of honorable public service he has dedicated to the State of Washington and the nation. Mr. Speaker, I urge quick passage of this bill that gives Tom Foley the honor that he so justly deserves.

TRIBUTE TO MURIEL HUMPHREY BROWN

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. OBERSTAR. Mr. Speaker, I rise today to pay tribute to Muriel Humphrey Brown, the first woman from the State of Minnesota to serve in the U.S. Senate. On Sunday, Muriel died at the age of 86 in Minnesota.

Born Muriel Fay Buck in 1912 in Huron, South Dakota, she overcame her natural shyness to play a vital role in one of the most revered political families in American history. Muriel met Hubert H. Humphrey, Jr. in 1934 when he was working in the family drugstore and she was a bookkeeper. They married two years later.

Muriel, whom Hubert always affectionately called "Bucky," was the very essence of calm, grace and warmth in the intensity with which Hubert pursued elective office and public policy issues. She was constantly at his side in his public life, even while performing the equally challenging task of seeing to the day-to-day nurturing of their four children. Muriel was the ever-present picture of grace and radiance while Hubert served as Mayor of Minneapolis in 1945, U.S. Senator from Minnesota from 1949–64 and from 1971–78, and Vice President of the United States from 1965–69, and during his campaign for the Presidency of the United States in 1968.

When Hubert Humphrey lost his courageous battle with cancer in 1978, Governor Rudy Perpich wisely and thoughtfully appointed Muriel to fulfill her husband's term in the U.S. Senate. She was the only woman in the U.S. Senate at the time, and only the twelfth woman ever to serve in the Senate. "It's the most challenging thing I've ever done in my whole life," she said later. Muriel chose not to seek election in the fall of 1978.

While Hubert was constantly in the spotlight, those who followed his career knew that Muriel was his lifelong partner and source of inner-strength, and that they made an enviable team. Muriel took up many of the causes championed by her husband: social programs and labor issues were particularly important to her. She brought together people with diverse and often contentious positions through her dedication, hard work, and diplomacy. Together, Muriel and Hubert made America a better place in which to live, work and raise a family.

Recently, I heard a story that former President Jimmy Carter told about Muriel that epitomizes her inherent sense of fairness and decency.

> In 1964, when he [Hubert] became the vice-Presidential candidate, in Georgia, it wasn't a very popular thing to be for the Johnson-Humphrey slate. . . . In that campaign, Hubert and Muriel came down to south Georgia to Moultrie for a Democratic rally. And because of my mother's loyalty, she was given the honor of picking up Muriel at the airport. And Rosalynn and my mother and Muriel and my sister Gloria went down to Moultrie to attend the rally. Senator Humphrey made a speech, and they had a women's reception for Muriel. And they were riding around that south Georgia town getting ready for the reception. Everybody in town was very excited. And as Muriel approached the site, she said, "Are any black women invited to the reception?"
>
> For a long time no one spoke, and finally my sister said, "I don't know." She knew quite well that they weren't. And Muriel said, "I'm not going in." So, they stopped the car, and my sister Gloria went inside to check and let the hostess know that Muriel was not coming to the reception. But in a few minutes, Gloria came back and said, "Mrs. Humphrey, it's okay." So, she went in and, sure enough, there were several black ladies there at the reception. And Muriel never knew until now that the maids just took off their aprons for the occasion. But that was the first integrated reception in south Georgia, Muriel, and you are responsible for it. (Former President Jimmy Carter at a Washington, D.C. fundraiser in December 1977 to benefit the Hubert Humphrey Institute located at the University of Minnesota.)

A year after Hubert Humphrey died, Muriel married Max Brown, a lifelong Republican whom she met when the two were sixth-graders in South Dakota. She and Max enjoyed many years of well-deserved retirement together out of the storm of public policy controversies, and tended to the personal joys of their very close, warm family circle.

Hubert H. Humphrey III, known affectionately as "Skip," continued the family tradition of public service, winning election to the Minnesota State Senate, and then as Minnesota's Attorney General. When he won the Democratic-Farmer-Labor Party nomination for governor in the Minnesota primary election earlier this month, Muriel was at Skip's side. "Hubert would have been proud," she said after her son's victory.

I offer my heartfelt sympathy to Muriel's husband, her sons Bob, Douglas, and Skip, and her daughter Nancy Solomonson, for their loss. I hope, in their grief, they know that their wife and mother made a profound difference to the State of Minnesota and to a grateful nation. Her love of family, warmth in outreach to others, and tireless teaching by example of the very best in family values will be her everlasting legacy to future generations. It is a privilege to offer my colleagues this brief, but deserved tribute to Muriel Humphrey Brown, who gave so much of herself to enrich the lives of others.

TRIBUTE TO BARBARA LANE, MILWAUKEE'S POLKA QUEEN

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to Milwaukee's Polka Queen, Barbara Lane, on her 35th anniversary as a polka artist, musician and band leader. Ms. Lane will be honored by her many fans and admirers from throughout the United States with a series of performances and other polka-related events Saturday October 10 and Sunday October 11 held at Milwaukee's south side unofficial polka headquarters, the Blue Canary.

Barbara Lane was crowned Milwaukee's Polka Queen in 1972. She has kept that title every since. Barbara's greatest claim to fame has been her ability to break the gender barrier of the male-dominated polka fraternity. She became the first female polka band leader to perform to a nationwide audience. Her band, known as Barbara and the Karousels, regularly performs throughout the United States from Maryland to Arizona to Las Vegas and has also entertained fans in Europe. No other female-led polka band has performed to such a worldwide audience.

Undoubtedly, a highlight of Barbara Lane's career was her 1997 performance at the Presidential Inaugural parade, Washington, D.C. Her band was the first ever polka band to participate in an inaugural. Over 33 million people watched the performance on worldwide television. While preparing for the Inaugural, Barbara wrote a tribute tune "The White House Polka," which brought her additional nationwide recognition and accolades.

Barbara's other accomplishments include induction into the Cleveland Hall of Fame in 1992 and the much sought-after European-American Heritage Music Award in 1993. She is currently a nominee for the Wisconsin Polka Hall of Fame Lifetime Achievement Award for 1998 and the 1998 Band of the Year Award.

Best wishes, Barbara, as you are honored the weekend of October 10th. keep up the excellent work of entertaining the young and young at heart in Milwaukee, Wisconsin, the Nation and the world.

SENATE—*Friday, September 25, 1998*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

All-powerful Lord, You have the secret of victorious living. In Your indwelling, impelling power within us, You make the difference between a great and a grim day. We all are alarmed by the number of days spent in self-propelled effort, simply because we didn't begin the day by opening the door of our hearts to You.

We come to You in this new day. We have learned that yesterday's experience of fellowship with You or guidance from You will not be sufficient for today's challenges. You seek entrance into every facet of our lives and our work. The latch is always on the inside. Daily, we have a choice to open the door or leave it shut in Your face.

You have work to do here in the Senate, and You plan to do it through the Senators. Come in, Lord; You are welcome! Reign supreme in this Chamber and in our hearts. In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, the distinguished Senator from Alaska, is recognized.

SCHEDULE

Mr. STEVENS. Mr. President, this morning the Senate will immediately resume consideration of the FAA reauthorization bill. It is my understanding that the time for making remarks will follow the vote on the bill. So there will occur a vote on this bill immediately. Following that vote, the Senate will hear remarks concerning the distinguished Senator from Kentucky and, following that, any legislative or executive items cleared for action, including the Internet tax bill if an agreement can be reached today.

As a reminder to all Members, a cloture motion was filed yesterday on the so-called vacancies bill. Therefore, Members have until 1 p.m. today to file first-degree amendments. The cloture vote has been scheduled to occur at 5:30 p.m. on Monday, September 28.

I thank the Senate and call for the regular order.

WENDELL H. FORD NATIONAL AIR TRANSPORTATION SYSTEM IMPROVEMENT ACT OF 1998

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, the Senate will now resume consideration of H.R. 4057, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4057) to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, there will now be 20 minutes for debate, equally divided between the majority and minority leaders, prior to the vote on passage.

SECTION 606

Mr. INHOFE. Mr. President, I would like to point out to the Chairman that Section 606 contains a provision that appears to grant priority status to a single carrier at Chicago O'Hare for the return of slots previously withdrawn for international service. If it is the intention of this provision to give one carrier at O'Hare preference in slot allocation, the Senate conferees must act in conference to remove this provision.

This provision appears to hand over roughly 35 slots that the dominant carrier at Chicago previously sought to obtain from the Federal Aviation Administration (FAA) but was twice denied.

This provision would advantage a single carrier, which knew of the priority of slot withdrawal and should have planned its hub operations to take into account the effects. It strengthens a single carrier's position at O'Hare, a situation which the Congress should not legislate.

As this legislation goes to conference, the Senate is relying on the conferees to ensure Congress is evenhanded in these matters.

Mr. MCCAIN. I understand the Senator's concerns, which others have raised as well. I appreciate the Senator from Oklahoma expressing these views.

DEATH ON THE HIGH SEAS ACT

Mr. WYDEN. I would like to engage in a colloquy with the gentleman from Arizona, the distinguished Chairman of the Commerce Committee, concerning provisions included in the FAA reauthorization bill to reform the Death on the High Seas Act.

Mr. MCCAIN. I would be happy to engage the gentleman from Oregon in a colloquy.

Mr. WYDEN. I thank the Chairman. As the Chairman knows, one of my constituents, John Sleavin, lost his brother and nephew and niece under tragic circumstances when their pleasure boat was run down on the high seas by a Korean freighter. The accident was especially tragic because after the collision there was no attempt by the Korean freighter to rescue the family or even to notify the authorities about the collision. Mr. Chairman, you were very gracious to me in allowing my constituent to testify before the Commerce Committee on the need to reform the Death on the High Seas Act (DOHSA) to provide just compensation for victims like my constituent. I believe he provided compelling testimony on the need for reforming DOHSA for maritime accidents. The FAA reauthorization bill reforms DOHSA but only for aviation accidents. I would like to ask the Chairman whether he will commit to work with me to reform DOHSA comprehensively so the reforms cover both aviation and maritime accidents.

Mr. MCCAIN. Yes, I am committed to work with the Senator from Oregon and other Members who have an interest in this issue to explore this issue further and to work to reform DOHSA to appropriately provide victims of maritime accidents the same rights to recover for loss of their loved ones as are provided to victims of aviation accidents.

(At the request of Mr. MCCAIN, the following statement was ordered to be printed in the RECORD.)

PERMIMETER RULE EXEMPTIONS

● Mrs. BOXER. Mr. President, the distinguished senior Senator from California, Senator FEINSTEIN, and I would like to ask the Chairman of the Committee on Commerce, Science and Transportation a question concerning the perimeter rule exemptions that are contained in S. 2279, the Wendell H. Ford National Air Transportation System Improvement Act.

Mr. MCCAIN. I will be delighted to respond to questions from the Senators from California.

Mrs. BOXER. We thank you. We first want to thank the members of the Commerce Committee for working so diligently to produce a comprehensive FAA reauthorization bill, and for giving us the opportunity to address a provision in this bill which affects the people of our state and many of the other western states.

Mrs. FEINSTEIN. The FAA reauthorization bill will provide important and necessary funding to our nation's aviation system. It is crucial that we work to pass this legislation before the end of this session. But, there is one provision in this bill that we must resolve before we can go forward. The exemptions to the Ronald Reagan Washington National Airport Perimeter Rule has come to our attention as a section of this bill which opens the door to an array of concerns. The change in the Perimeter Rule will allow for six new daily round trip flights between Reagan National Airport and airports beyond the 1,250-mile perimeter.

We have some questions as to who will be served if these exemptions are enacted by Congress. We would like to see the highest level of service provided to the most number of passengers. Do you believe that this Perimeter Rule exemption would prevent airlines from competing to provide the greatest amount of service to the most number of passengers?

Mr. MCCAIN. This provision included by the committee is intended to implement a process that will provide numerous domestic cities, including small and medium-sized committees, with improved service. However, the provision allows for competition for routes to larger communities.

Mrs. BOXER. I ask the distinguished chairman to yield to a further question.

Mr. MCCAIN. I will be happy to yield.

Mrs. BOXER. Specifically, would carriers be prevented from competing for routes from National Airport to Los Angeles or San Jose or other California airports under this bill?

Mr. MCCAIN. No. As long as carriers can demonstrate that their routes provide domestic network benefits and increase competition in multiple markets, they may compete for these nonstop routes, including select routes to California airports.•

Ms. SNOWE. Mr. President, I rise to express my support for the Wendell H. Ford National Air Transportation Improvement Act of 1998. As a member of the Commerce Aviation Subcommittee, it has been my privilege to work with Senator FORD on this and other bills to improve the quality and safety of air transportation in this country, and I believe it is a fitting tribute that we name this bill in his honor.

I appreciate the assistance I received from the Senator from Kentucky and from my good friend, the Chairman, Senator MCCAIN, in adding three amendments to this bill which I believe will help improve safety, quality and access.

I will vote for this bill because on the whole, it will benefit our airports and air travelers. But I do want to make it clear that I do not support sections 606 and 607. These sections will be detrimental to commercial air service to Maine and the other markets within the perimeter rule. While I will not be offering an amendment to strike these two sections, I would encourage the conferees to seriously consider the detrimental effects these sections will have on air service.

Section 606 will negatively alter the perimeter rule at Ronald Reagan Washington National Airport in a way that jeopardizes air service to Maine. It is my opinion that expanding the number of slots would clearly result in more negatives than positives.

Due to the current Federal Aviation Administration guidelines on the distance required between aircraft, adding flights at National airport will require air traffic controllers to chose between staying on schedule or sacrificing safety.

If more flights are added through the creation of these new slots in Section 606, the controller will have to place these flights more closely together in order to prevent delays in arrivals and departures. By decreasing the spacing of the flights in and out of Reagan National, it will create an unsafe situation by subjecting the flights to the jet wash, or turbulence, of flights in front of them. Such exposure to the jet wash, especially at take-off creates a terrible safety situation. One which will jeopardize lives of the traveling public.

I am also concerned about the way that section 606 distributes the new slots are distributed. Specifically, the section gives priority consideration to air carriers who have already had slots withdrawn from them. This will result in the majority of new slots to go to one dominate carrier and further increase already overpriced business airfares. Further, this language will overturn a March 1998, Department of Transportation decision concerning the distribution of slots.

I would also like to note my opposition to section 607, which modifies the perimeter rule. It is well established that the perimeter rule maintains a delicate balance between National Airport and Dulles International Airport. Under the perimeter rule, Dulles has flourished as an international gateway, and National has provided regional service to states such as Maine.

I believe that in the long run, violating the perimeter rule will hurt travelers from Maine. Eroding the perimeter rule will bring long-haul flights to National—short haul flights, in turn, will be rerouted to Dulles or eliminated altogether. Ironically, violating the perimeter rule would also hurt those underserved communities the legislation is designed to assist. Modifying the perimeter rule could encourage airlines at National to substitute long-haul flights for existing service to smaller communities within the perimeter.

I believe that the amendment offered by the Senator from Virginia, Mr. ROBB, which I have cosponsored, will mitigate some of the potential impact of modifying the perimeter rule by making it incumbent on the Secretary of Transportation to ensure that these changes will not reduce travel options for communities served by small and medium sized airports within the perimeter and not result in meaningful increases in travel delays.

I also would want to note the Dorgan-Snowe amendment that was adopted and to thank the Chairman and Ranking member for their helping in working through the language. The Dorgan-Snowe amendment would facilitate air service to under-served communities and encourage airline competition through non-discriminatory interconnection requirements by permitting the Secretary of Transportation to require major carriers to enter into agreements with new entrant air carriers which serve rural or underserved markets.

This amendment will give the Secretary of Transportation the authority to require an air carrier that serves an essential airport facility, such as a major hub, and has an exclusive—almost monopolistic—agreement with another airline which serves an underserved market to enter into a joint fare or interline agreement with a new air carrier, trying to enter the underserved market so that the people living in the rural or underserved area will have a competitive alternative and not be beholden to one airline.

This would allow a new airline to fly from a rural or underserved market to a hub airport which is dominated by a major carrier and permit the traveler to continue to another market on the megacarrier without having to purchase a second ticket or worrying if their bags will be transferred to the megacarrier.

I want to make it perfectly clear. States which are primarily rural or have a large number of underserved markets will benefit from this amendment. Opponents of this amendment argue that this is re-regulation. Nothing is further from the truth. Senator DORGAN and I are establishing a mechanism which will allow new entrant carriers to be able to compete with the mega air carriers. Only if the Secretary believes that underserved markets will benefit and that competition will result, will an interline agreement be sanctioned.

It is interesting to note that when the commercial air carrier industry was deregulated, there were 19 domestic trunk-line and local service carriers. Of those 19, only 5 (American, Continental, Delta, Northwest, and United) airlines are still in existence. At the time of deregulation, eight of the 15 airlines controlled 80% of the market share. Today, the seven largest carriers control more than 90% of the market.

Some say that this is positive result of deregulation, claiming that deregulation was designed to promote a "survival of the fittest" type industry and promote profitability. Unfortunately, deregulation has actually hurt the vast majority of communities in the United

States and the passengers who travel from small and medium sized markets. According to a Government Accounting Office report, the full benefits of deregulation have yet to be realized because of problems with entering the markets dominated by a major airline.

As a result of deregulation, consumers are actually paying far more for air travel. In fact, a doubling of an airline's market share on a particular route translates into a price increase of almost nine percent. Today, as a result of the lack of competition at small and medium sized markets, it is cheaper to fly from Washington, D.C. to Mexico City on an unrestricted ticket than it is to fly from Washington to Portland, Maine.

Our amendment would require carriers who enter into interline and joint fare agreements with other carriers, like those which have already been proposed and implemented on a limited basis by the megacarriers, to provide these agreements on a non-discriminatory basis to carriers seeking to provide service between an underserved market and a large hub airport in which one carrier has market dominance.

Open access like that proposed in this amendment is nothing new. In fact Congress, just two and one-half years ago, approved legislation with similar requirements. When Congress de-regulated the telecommunications industry, the fundamental element to promote competition in that legislation was the requirement that the incumbent carriers would be required, by law, to allow their competitors to interconnect into their network.

In a situation analogous to the telecommunications market, in order to develop competition in the local market, we must impose, by law, the requirement that the dominant megacarriers, allow its competitors to interconnect into their networks. By adopting this amendment, new entrant carriers will be allowed to interconnect into the flight network of a major carrier which dominates a hub airport. In light of what has been required of other industries under the goal of promoting competition, this amendment makes sense if one wants to see a competitive airline industry.

The only way to allow for competition in this environment is to impose conditions on the major carriers to cooperate with their competitors. Interline and joint fares are necessary to ensure that the dominant carriers will not kill potential competitors.

Through the adoption of this amendment, much like the principle underlying the local competition in the telecommunications industry, we will be able to provide more choices, lower costs, and better service to the majority of markets across the country.

PERMANENT BAN ON ROCKY MOUNTAIN NATIONAL PARK COMMERCIAL TOUR OVERFLIGHTS

Mr. CAMPBELL. Mr. President, as I cast my vote in favor of final passage of the Federal Aviation Administration's Reauthorization bill, S.2279, I am pleased to bring attention to one special amendment to this bill.

The amendment which my colleague Senator ALLARD and I offered will make the FAA's temporary ban on commercial tour overflights permanent. I have been working toward permanently banning commercial tour overflights over Rocky Mountain National Park for many years now, and am pleased to see this provision pass the Senate.

As I cast my vote today, Coloradans will be one big step closer to being assured that they will be able to enjoy the scenic beauty of Rocky Mountain National Park without the noisy disturbances of commercial tour overflights.

At this time I want to thank Senator MCCAIN, who as the Chairman of the Commerce Committee, played a critical role in getting this amendment successfully included in the FAA bill.

Mr. INHOFE. Mr. President, section 606 subparagraph (6) of S. 2279 will have the unintended consequences of limiting competition at Chicago's O'Hare airport. I have spoke at length with Senators LOTT, MCCAIN, and FORD regarding my concerns with this provision and understand that it may be possible to correct this problem in conference. I hope that is the case.

This provision will allow those carriers who have lost landing/takeoff slots to foreign air carriers at Chicago's O'Hare to get them back. On the surface this seems very fair; however, it will in fact unfairly favor the largest slot holder at O'Hare at the expense of other competitors and new entrants. Because the dominant carrier at O'Hare has lost the most slots, it stands to gain the most. The result will be less competition rather than more at O'Hare.

Mr. President, by way of further explanation on this issue, I would like to submit for the RECORD a letter Senator NICKLES and I sent to Senators LOTT, DASCHLE, MCCAIN, HOLLINGS, SHELBY, and LAUTENBERG describing our concerns and asking for their assistance in correcting the problem.

Knowing that the managers of the bill have worked very hard to increase competition, I am certain they share my concerns regarding market domination at O'Hare. In my discussions with Senator LOTT, he has assured me that he has no position on section 606 and would not object to this section being removed in conference.

I ask unanimous consent that the letter be printed in the RECORD.

UNITED STATES SENATE,
Washington, DC, September 23, 1998.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.
Hon. TOM DASCHLE,
Minority Leader, U.S. Senate,
Washington, DC.
Hon. JOHN MCCAIN,
Chairman, Senate Commerce, Science, and Transportation Committee, U.S. Senate, Washington, DC.
Hon. ERNEST F. HOLLINGS,
Ranking Member, Senate Commerce, Science, and Transportation Committee, U.S. Senate, Washington, DC.
Hon. RICHARD C. SHELBY,
Chairman, Subcommittee on Transportation, Senate Appropriations Committee, U.S. Senate, Washington, DC.
Hon. FRANK R. LAUTENBERG,
Minority Member, Subcommittee on Transportation, Senate Appropriations Committee, U.S. Senate, Washington, DC.

DEAR SENATORS: We are writing to express our strong opposition to a proposal that would increase major airline dominance at a key hub airport while at the same time reversing a Federal Aviation Administration (FAA) decision and undercutting our international obligations. Specifically, a provision in Section 606 of FAA Reauthorization (S. 2279) would hand over roughly 35 slots at Chicago's O'Hare International Airport to its largest slot holder, United Airlines, while restricting access at that hub to its competitors and new entrants. It is our understanding that this special interest provision is being adviced for inclusion in other pieces of "must-pass" legislation. Such special interest legislation benefiting one airline will no doubt lead to less competition and higher airfares. We urge you to foster greater airline competition by deleting this special interest provision from S. 2279 and preventing it from being attached to other legislation.

Late last year, United petitioned FAA on just this issue and was rejected soundly. United sought priority for any future slot exemptions claiming they would replace the 35 slots withdrawn under FAA regulations and used by foreign carriers in order to meet our bilateral commitments. In a March 1998 order, FAA found that the public interest would be best served by continuing to meet our aviation bilateral agreement commitments to international air transportation using the slots withdrawn from United and American Airlines at O'Hare, while using the slot exemptions to increase competition at that key airport. The priority by which slots were to be withdrawn was well known. United chose not to invest in better priority slots to protect its schedule and slot holdings. In rejecting United's request, FAA found:

"Since 1993 the FAA withdraws, on average, 31 air carrier slots from United, which is approximately four percent of United's domestic slot base. These slots are withdrawn based on a priority numbering system that was established by random lottery in 1986. Slots having the lowest numbers are most vulnerable to withdrawal, regardless of the slot holder. As articulated in our previous denial to United concerning this issue, United made its selection or acquisition of slots with vulnerable withdrawal priority and planned its hub operations fully knowing the effects of the rule's operations might have upon them . . . United knew, or should have known, that these slots were vulnerable in case of withdrawal."

We applaud the Commerce Committee's efforts to fashion a bill that promotes greater airline competition aimed at producing lower airfares and improved service in all communities. Accordingly, we respectfully urge your support for striking this provision of section 606, the effect of which is directly opposite the intent of S. 2279 and other pro-competitive aviation legislation.

Sincerely,

JIM INHOFE,
DON NICKLES.

Mr. BYRD. Mr. President, I support H.R. 4057, the Federal Aviation Administration (FAA) Reauthorization Act and I commend my colleagues on the bipartisan and expeditious manner in which this important legislation was adopted by the Senate. This bill will reauthorize the programs of the FAA for two years, including the Airport Improvement Program (AIP), which is due to expire on September 30. The purpose of the AIP is to provide grants to fund the capital needs of the nation's commercial airports and general aviation facilities. Without this important FAA reauthorization legislation to continue the contract authority for the AIP, the FAA would not be able to distribute airport grants that are vitally important to not only the State which I am honored to represent, West Virginia, but also the entire nation.

A major focus of H.R. 4057 is promoting competition and quality air service which, Mr. President, the State of West Virginia needs desperately. Since the deregulation of the airlines, West Virginia travelers have suffered from increased airfares and greatly reduced service. Consequently, the inefficiencies in the present air transportation system and the high costs have denied air passengers and air freight shippers in West Virginia reasonable access to the national and international air transportation system.

Mother Nature has blessed the State of West Virginia with a beautiful but most unforgiving terrain. Steeply undulating mountains and deep gorges are punctuated by sweetly serene valleys and hollows, and West Virginia is kind to those who need to travel through the State by automobile. Yet, despite the rigorous terrain of the State, most people have to drive great distances even to catch an airplane for what is usually the first of several stops en route to their final destination. In eastern West Virginia, residents travel to either Dulles or Reagan National Airports in Virginia; in the northern reaches, residents drive to Pennsylvania or Ohio; and in the southern portion of the State, they may have to drive to North Carolina to get to a major hub. Not only is the limited availability of flights and destinations a problem for air travel originating within West Virginia, but so is the exorbitant cost of air transportation to and from the State. For example, a round trip air ticket from Reagan National Airport to Yeager Airport in Charleston can cost almost $700. That is almost $700 to travel under 400 miles—and when you are done, you are only as far away as Washington, D.C. Leaving from Washington, $700 can take you to Europe and back! This does not make sense to most hardworking West Virginians, and it discourages other travelers from visiting to experience West Virginia's many wonders for themselves.

With the advent of the 21st Century just around the corner, the West Virginia air travelers and businesses that rely on air freight will welcome this legislation. West Virginia's expected economic expansion in the 21st century will depend on its ability to compete not only in the national economy, but also in the ever-growing global economy. To successfully compete, quality, affordable, and efficient air transportation is needed to successfully round out West Virginia's increasingly modern infrastructure of highways, railways, and waterways.

Mr. President, this bill, H.R. 4057, contains other necessary language to help West Virginia progress into the new millennium. Major provisions of this bill are not only the AIP program, but also the Small Communities Air Service Development Program, and slot exemptions for nonstop regional jet service.

The Small Communities Air Service Development Program will be a four-year, $30 million, small communities grant program. Executed through the Department of Transportation, this program will encourage commercial air service to small communities all over the United States, including those in West Virginia. By providing matching funds of up to 25 percent, a consortia of local communities in West Virginia is expected to compete for the grants of $500,000 per year available per community.

It was Thomas Edison who said, "Restlessness and discontent are the necessities of progress." Mr. President, this captures the way that I feel about additional slot exemptions for nonstop regional jet service at Ronald Reagan National Airport. I share the concern expressed by the distinguished Senators from the State of Maryland and the Commonwealth of Virginia regarding increased noise pollution in the localities surrounding Reagan National Airport. On the other hand, twelve additional slots to increase traffic between Washington and smaller, non-hub airports increases the likelihood of additional airline traffic to underserved areas like West Virginia. Improved air travel to and from States like West Virginia will be critical to my State's remaining competitive in the future and accessible in the present.

Mr. STEVENS. Mr. President, I yield back the time.

Mr. REID. Time is yielded back by this side.

The PRESIDING OFFICER. All time is yielded back.

Mr. STEVENS. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. STEVENS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall the bill, H.R. 4057, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri (Mr. ASHCROFT) and the Senator from Idaho (Mr. KEMPTHORNE) are necessarily absent.

Mr. FORD. I announce that the Senator from California (Mrs. BOXER), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Illinois (Ms. MOSELEY-BRAUN), and the Senator from Minnesota (Mr. WELLSTONE) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. WELLSTONE) would vote "aye."

The result was announced—yeas 92, nays 1, as follows:

[Rollcall Vote No. 288 Leg.]

YEAS—92

Abraham
Akaka
Allard
Baucus
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Enzi
Faircloth
Feingold
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—1

Robb

NOT VOTING—7

Ashcroft
Boxer
Glenn
Hollings
Kempthorne
Moseley-Braun
Wellstone

The bill (H.R. 4057), as amended, was passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 4057) entitled "An Act to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes.", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF SECTIONS.

(a) SHORT TITLE.—This Act may be cited as the "Wendell H. Ford National Air Transportation System Improvement Act of 1998".

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:

Sec. 1. Short title; table of sections.
Sec. 2. Amendments to title 49, United States Code.

TITLE I—AUTHORIZATIONS

Sec. 101. Federal Aviation Administration operations.
Sec. 102. Air navigation facilities and equipment.
Sec. 103. Airport planning and development and noise compatibility planning and programs.
Sec. 104. Reprogramming notification requirement.
Sec. 105. Airport security program.
Sec. 106. Contract tower programs
Sec. 107. Automated surface observation system stations.

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

Sec. 201. Removal of the cap on discretionary fund.
Sec. 202. Innovative use of airport grant funds.
Sec. 203. Matching share.
Sec. 204. Increase in apportionment for noise compatibility planning and programs.
Sec. 205. Technical amendments.
Sec. 206. Repeal of period of applicability.
Sec. 207. Report on efforts to implement capacity enhancements.
Sec. 208. Prioritization of discretionary projects.
Sec. 209. Public notice before grant assurance requirement waived.
Sec. 210. Definition of public aircraft.
Sec. 211. Terminal development costs.
Sec. 212. Airfield pavement conditions.
Sec. 213. Discretionary grants.

TITLE III—AMENDMENTS TO AVIATION LAW

Sec. 301. Severable services contracts for periods crossing fiscal years.
Sec. 302. Foreign carriers eligible for waiver under Airport Noise and Capacity Act.
Sec. 303. Government and industry consortia.
Sec. 304. Implementation of Article 83 Bis of the Chicago Convention.
Sec. 305. Foreign aviation services authority.
Sec. 306. Flexibility to perform criminal history record checks; technical amendments to Pilot Records Improvement Act.
Sec. 307. Aviation insurance program amendments.
Sec. 308. Technical corrections to civil penalty provisions.
Sec. 309. Criminal penalty for pilots operating in air transportation without an airman's certificate.
Sec. 310. Nondiscriminatory interline interconnection requirements.

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

Sec. 401. Restatement of 49 U.S.C. 106(g).
Sec. 402. Restatement of 49 U.S.C. 44909.

TITLE V—MISCELLANEOUS

Sec. 501. Oversight of FAA response to year 2000 problem.
Sec. 502. Cargo collision avoidance systems deadline.
Sec. 503. Runway safety areas; precision approach path indicators.
Sec. 504. Airplane emergency locators.
Sec. 505. Counterfeit aircraft parts.
Sec. 506. FAA may fine unruly passengers.
Sec. 507. Higher standards for handicapped access.
Sec. 508. Conveyances of United States Government land.
Sec. 509. Flight operations quality assurance rules.
Sec. 510. Wide area augmentation system.
Sec. 511. Regulation of Alaska air guides.
Sec. 512. Application of FAA regulations.
Sec. 513. Human factors program.
Sec. 514. Independent validation of FAA costs and allocations.
Sec. 515. Whistleblower protection for FAA employees.
Sec. 516. Report on modernization of oceanic ATC system.
Sec. 517. Report on air transportation oversight system.
Sec. 518. Recycling of EIS.
Sec. 519. Protection of employees providing air safety information.
Sec. 520. Improvements to air navigation facilities.
Sec. 521. Denial of airport access to certain air carriers.
Sec. 522. Tourism.
Sec. 523. Equivalency of FAA and EU safety standards.
Sec. 524. Sense of the Senate on property taxes on public-use airports.
Sec. 525. Federal Aviation Administration Personnel Management System.
Sec. 526. Aircraft and aviation component repair and maintenance advisory panel.
Sec. 527. Report on enhanced domestic airline competition.
Sec. 528. Aircraft situational display data.
Sec. 529. To express the sense of the Senate concerning a bilateral agreement between the United States and the United Kingdom regarding Charlotte-London route.
Sec. 530. To express the sense of the Senate concerning a bilateral agreement between the United States and the United Kingdom regarding Cleveland-London route.
Sec. 531. Allocation of Trust Fund funding.
Sec. 532. Taos Pueblo and Blue Lakes Wilderness Area demonstration project.
Sec. 533. Airline marketing disclosure.
Sec. 534. Certain air traffice control towers.
Sec. 535. Compensation under the Death on the High Seas Act.

TITLE VI—AVIATION COMPETITION PROMOTION

Sec. 601. Purpose.
Sec. 602. Establishment of small community aviation development program.
Sec. 603. Community-carrier air service program.
Sec. 604. Authorization of appropriations.
Sec. 605. Marketing practices.
Sec. 606. Slot exemptions for nonstop regional jet service.
Sec. 607. Exemptions to perimeter rule at Ronald Reagan Washington National Airport.
Sec. 608. Additional slot exemptions at Chicago O'Hare International Airport.
Sec. 609. Consumer notification of e-ticket expiration dates.
Sec. 610. Joint venture agreements.
Sec. 611. Regional air service incentive options.
Sec. 612. GAO study of air transportation needs.

TITLE VII—NATIONAL PARK OVERFLIGHTS

Sec. 701. Findings.
Sec. 702. Air tour management plans for national parks.
Sec. 703. Advisory group.
Sec. 704. Overflight fee report.
Sec. 705. Prohibition of commercial air tours over the Rocky Mountain National Park.

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

Sec. 801. Short title.
Sec. 802. Findings.
Sec. 803. Establishment.
Sec. 804. Membership.
Sec. 805. Duties.
Sec. 806. Powers.
Sec. 807. Staff and support services.
Sec. 808. Contributions.
Sec. 809. Exclusive right to name, logos, emblems, seals, and marks.
Sec. 810. Reports.
Sec. 811. Audit of financial transactions.
Sec. 812. Advisory board.
Sec. 813. Definitions.
Sec. 814. Termination.
Sec. 815. Authorization of appropriations.

TITLE IX—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

Sec. 901. Extension of expenditure authority.

SEC. 2. AMENDMENTS TO TITLE 49, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—AUTHORIZATIONS

SEC. 101. FEDERAL AVIATION ADMINISTRATION OPERATIONS.

(a) IN GENERAL.—Section 106(k) is amended to read as follows:

"(k) AUTHORIZATION OF APPROPRIATIONS FOR OPERATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Secretary of Transportation for operations of the Administration $5,631,000,000 for fiscal year 1999 and $5,784,000,000 for fiscal year 2000. Of the amounts authorized to be appropriated for fiscal year 1999, not more than $9,100,000 shall be used to support air safety efforts through payment of United States membership obligations, to be paid as soon as practicable.

"(2) AUTHORIZED EXPENDITURES.—Of the amounts appropriated under paragraph (1) $450,000 may be used for wildlife hazard mitigation measures and management of the wildlife strike database of the Federal Aviation Administration.

"(3) UNIVERSITY CONSORTIUM.—There are authorized to be appropriated not more than $9,100,000 for the 3 fiscal year period beginning with fiscal year 1999 to support a university consortium established to provide an air safety and security management certificate program, working cooperatively with the Federal Aviation Administration and United States air carriers. Funds authorized under this paragraph—

"(A) may not be used for the construction of a building or other facility; and

"(B) shall be awarded on the basis of open competition.".

(b) COORDINATION.—The authority granted the Secretary under section 41717 of title 49, United States Code, does not affect the Secretary's authority under any other provision of law.

SEC. 102. AIR NAVIGATION FACILITIES AND EQUIPMENT.

(a) IN GENERAL.—Section 48101(a) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) for fiscal year 1999—

"(A) $222,800,000 for engineering, development, test, and evaluation: en route programs;

"(B) $74,700,000 for engineering, development, test, and evaluation: terminal programs;

"(C) $108,000,000 for engineering, development, test, and evaluation: landing and navigational aids;

"(D) $17,790,000 for engineering, development, test, and evaluation: research, test, and evaluation equipment and facilities programs;

"(E) $391,358,300 for air traffic control facilities and equipment: en route programs;

"(F) $492,315,500 for air traffic control facilities and equipment: terminal programs;

"(G) $38,764,400 for air traffic control facilities and equipment: flight services programs;

"(H) $50,500,000 for air traffic control facilities and equipment: other ATC facilities programs;

"(I) $162,400,000 for non-ATC facilities and equipment programs;

"(J) $14,500,000 for training and equipment facilities programs;

"(K) $280,800,000 for mission support programs;

"(L) $235,210,000 for personnel and related expenses; and

"(2) $2,189,000,000 for fiscal year 2000.".

(b) Continuation of ILS Inventory Program.—Section 44502(a)(4)(B) is amended—

(1) by striking "fiscal years 1995 and 1996" and inserting "fiscal years 1999 and 2000"; and

(2) by striking "acquisition," and inserting "acquisition under new or existing contracts,".

(c) Life-Cycle Cost Estimates.—The Administrator of the Federal Aviation Administration shall establish life-cycle cost estimates for any air traffic control modernization project the total life-cycle costs of which equal or exceed $50,000,000.

SEC. 103. AIRPORT PLANNING AND DEVELOPMENT AND NOISE COMPATIBILITY PLANNING AND PROGRAMS.

(a) Extension and Authorization.—Section 48103 is amended by—

(1) striking "September 30, 1996," and inserting "September 30, 1998,"; and

(2) striking "$2,280,000,000 for fiscal years ending before October 1, 1997, and $4,627,000,000 for fiscal years ending before October 1, 1998." and inserting "$2,410,000,000 for fiscal years ending before October 1, 1999 and $4,885,000,000 for fiscal years ending before October 1, 2000.".

(b) Project Grant Authority.—Section 47104(c) is amended by striking "1998," and inserting "2002,".

SEC. 104. REPROGRAMMING NOTIFICATION REQUIREMENT.

Before reprogramming any amounts appropriated under section 106(k), 48101(a), or 48103 of title 49, United States Code, for which notification of the Committees on Appropriations of the Senate and the House of Representatives is required, the Secretary of Transportation shall submit a written explanation of the proposed reprogramming to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

SEC. 105. AIRPORT SECURITY PROGRAM.

(a) In General.—Chapter 471 (as amended by section 202(a) of this Act) is amended by adding at the end thereof the following new section:

"§47136. Airport security program

"(a) General Authority.—To improve security at public airports in the United States, the Secretary of Transportation shall carry out not less than 1 project to test and evaluate innovative airport security systems and related technology.

"(b) Priority.—In carrying out this section, the Secretary shall give the highest priority to a request from an eligible sponsor for a grant to undertake a project that—

"(1) evaluates and tests the benefits of innovative airport security systems or related technology, including explosives detection systems, for the purpose of improving airport and aircraft physical security and access control; and

"(2) provides testing and evaluation of airport security systems and technology in an operational, test bed environment.

"(c) Matching Share.—Notwithstanding section 47109, the United States Government's share of allowable project costs for a project under this section is 100 percent.

"(d) Terms and Conditions.—The Secretary may establish such terms and conditions as the Secretary determines appropriate for carrying out a project under this section, including terms and conditions relating to the form and content of a proposal for a project, project assurances, and schedule of payments.

"(e) Eligible Sponsor Defined.—In this section, the term 'eligible sponsor' means a nonprofit corporation composed of a consortium of public and private persons, including a sponsor of a primary airport, with the necessary engineering and technical expertise to successfully conduct the testing and evaluation of airport and aircraft related security systems.

"(f) Authorization of Appropriations.—Of the amounts made available to the Secretary under section 47115 in a fiscal year, the Secretary shall make available not less than $5,000,000 for the purpose of carrying out this section.".

(b) Conforming Amendment.—The chapter analysis for such chapter (as amended by section 202(b) of this Act) is amended by inserting after the item relating to section 47135 the following:

"47136. Airport security program.".

SEC. 106. CONTRACT TOWER PROGRAM.

There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out the Federal Contract Tower Program under title 49, United States Code.

SEC. 107. AUTOMATED SURFACE OBSERVATION SYSTEM STATIONS.

The Administrator of the Federal Aviation Administration shall not terminate human weather observers for Automated Surface Observation System stations until—

(1) the Secretary of Transportation determines that the System provides consistent reporting of changing meteorological conditions and notifies the Congress in writing of that determination; and

(2) 60 days have passed since the report was submitted to the Congress.

TITLE II—AIRPORT IMPROVEMENT PROGRAM AMENDMENTS

SEC. 201. REMOVAL OF THE CAP ON DISCRETIONARY FUND.

Section 47115(g) is amended by striking paragraph (4).

SEC. 202. INNOVATIVE USE OF AIRPORT GRANT FUNDS.

(a) Codification and Improvement of 1996 Program.—Subchapter I of chapter 471 is amended by adding at the end thereof the following:

"§47135. Innovative financing techniques

"(a) In General.—The Secretary of Transportation is authorized to carry out a demonstration program under which the Secretary may approve applications under this subchapter for not more than 20 projects for which grants received under the subchapter may be used to implement innovative financing techniques.

"(b) Purpose.—The purpose of the demonstration program shall be to provide information on the use of innovative financing techniques for airport development projects.

"(c) Limitation—In no case shall the implementation of an innovative financing technique under this section be used in a manner giving rise to a direct or indirect guarantee of any airport debt instrument by the United States Government.

"(d) Innovative Financing Technique Defined.—In this section, the term 'innovative financing technique' includes methods of financing projects that the Secretary determines may be beneficial to airport development, including—

"(1) payment of interest;

"(2) commercial bond insurance and other credit enhancement associated with airport bonds for eligible airport development; and

"(3) flexible non-Federal matching requirements.".

(b) Conforming Amendment.—The chapter analysis for chapter 471 is amended by inserting after the item relating to section 47134 the following:

"47135. Innovative financing techniques.".

SEC. 203. MATCHING SHARE.

Section 47109(a)(2) is amended by inserting "not more than" before "90 percent".

SEC. 204. INCREASE IN APPORTIONMENT FOR NOISE COMPATIBILITY PLANNING AND PROGRAMS.

Section 47117(e)(1)(A) is amended by striking "31" each time it appears and substituting "35".

SEC. 205. TECHNICAL AMENDMENTS.

(a) Use of Apportionments for Alaska, Puerto Rico, and Hawaii.—Section 47114(d)(3) is amended to read as follows:

"(3) An amount apportioned under paragraph (2) of this subsection for airports in Alaska, Hawaii, or Puerto Rico may be made available by the Secretary for any public airport in those respective jurisdictions.".

(b) Supplemental Apportionment for Alaska.—Section 47114(e) is amended—

(1) by striking "Alternative" in the subsection caption and inserting "Supplemental";

(2) in paragraph (1) by—

(A) striking "Instead of apportioning amounts for airports in Alaska under" and inserting "Notwithstanding"; and

(B) striking "those airports" and inserting "airports in Alaska"; and

(3) striking paragraph (3) and inserting the following:

"(3) An amount apportioned under this subsection may be used for any public airport in Alaska.".

(c) Repeal of Apportionment Limitation on Commercial Service Airports in Alaska.—Section 47117 is amended by striking subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(d) Discretionary Fund Definition.—

(1) Section 47115 is amended—

(A) by striking "25" in subsection (a) and inserting "12.5"; and

(B) by striking the second sentence in subsection (b).

(2) Section 47116 is amended—

(A) by striking "75" in subsection (a) and inserting "87.5";

(B) by redesignating paragraphs (1) and (2) in subsection (b) as subparagraphs (A) and (B), respectively, and inserting before subparagraph (A), as so redesignated, the following:

"(1) one-seventh for grants for projects at small hub airports (as defined in section 41731 of this title); and

"(2) the remaining amounts based on the following:".

(e) Continuation of Project Funding.—Section 47108 is amended by adding at the end thereof the following:

"(e) Change in Airport Status.—If the status of a primary airport changes to a nonprimary airport at a time when a development project under a multiyear agreement under subsection (a) is not yet completed, the project shall remain eligible for funding from discretionary funds under section 47115 of this title at the funding level and under the terms provided by the agreement, subject to the availability of funds.".

(f) Grant Eligibility for Private Reliever Airports.—Section 47102(17)(B) is amended by—

(1) striking "or" at the end of clause (i) and redesignating clause (ii) as clause (iii); and

(2) inserting after clause (i) the following:

"(ii) a privately-owned airport that, as a reliever airport, received Federal aid for airport development prior to October 9, 1996, but only if the Administrator issues revised administrative guidance after July 1, 1998, for the designation of reliever airports; or".

(g) Reliever Airports Not Eligible for Letters of Intent.—Section 47110(e)(1) is amended by striking "or reliever".

(h) Passenger Facility Fee Waiver for Certain Class of Carriers.—Section 40117(e)(2) is amended—

(1) by striking "and" after the semicolon in subparagraph (B);

(2) by striking "payment." in subparagraph (C) and inserting "payment; and"; and

(3) by adding at the end thereof the following:

"(D) in Alaska aboard an aircraft having a seating capacity of less than 20 passengers.".

(i) Passenger Facility Fee Waiver for Certain Class of Carriers or for Service to Airports in Isolated Communities.—Section 40117(i) is amended—

(1) by striking "and" at the end of paragraph (1);

(2) by striking "transportation." in paragraph (2)(D) and inserting "transportation; and"; and

(3) by adding at the end thereof the following:

"(3) may permit a public agency to request that collection of a passenger facility fee be waived for—

"(A) passengers enplaned by any class of air carrier or foreign air carrier if the number of passengers enplaned by the carriers in the class constitutes not more than one percent of the total number of passengers enplaned annually at the airport at which the fee is imposed; or

"(B) passengers enplaned on a flight to an airport—

"(i) that has fewer than 2,500 passenger boardings each year and receives scheduled passenger service; or

"(ii) in a community which has a population of less than 10,000 and is not connected by a land highway or vehicular way to the land-connected National Highway System within a State.".

(j) Use of the Word "gift" and Priority for Airports in Surplus Property Disposal.—

(1) Section 47151 is amended—

(A) by striking "give" in subsection (a) and inserting "convey to";

(B) by striking "gift" in subsection (a)(2) and inserting "conveyance";

(C) by striking "giving" in subsection (b) and inserting "conveying";

(D) by striking "gift" in subsection (b) and inserting "conveyance"; and

(E) by adding at the end thereof the following:

"(d) Priority for Public Airports.—Except for requests from another Federal agency, a department, agency, or instrumentality of the Executive Branch of the United States Government shall give priority to a request by a public agency (as defined in section 47102 of this title) for surplus property described in subsection (a) of this section for use at a public airport.".

(2) Section 47152 is amended—

(A) by striking "**gifts**" in the section caption and inserting "**conveyances**"; and

(B) by striking "gift" in the first sentence and inserting "conveyance".

(3) The chapter analysis for chapter 471 is amended by striking the item relating to section 47152 and inserting the following:

"47152. Terms of conveyances.".

(4) Section 47153(a) is amended—

(A) by striking "gift" in paragraph (1) and inserting "conveyance";

(B) by striking "given" in paragraph (1)(A) and inserting "conveyed"; and

(C) by striking "gift" in paragraph (1)(B) and inserting "conveyance".

(k) Apportionment for Cargo Only Airports.—Section 47114(c)(2)(A) is amended by striking "2.5 percent" and inserting "3 percent".

(l) Flexibility in Pavement Design Standards.—Section 47114(d) is amended by adding at the end thereof the following:

"(4) The Secretary may permit the use of State highway specifications for airfield pavement construction using funds made available under this subsection at nonprimary airports with runways of 5,000 feet or shorter serving aircraft that do not exceed 60,000 pounds gross weight, if the Secretary determines that—

"(A) safety will not be negatively affected; and

"(B) the life of the pavement will not be shorter than it would be if constructed using Administration standards.

An airport may not seek funds under this subchapter for runway rehabilitation or reconstruction of any such airfield pavement constructed using State highway specifications for a period of 10 years after construction is completed.".

SEC. 206. REPEAL OF PERIOD OF APPLICABILITY.

Section 125 of the Federal Aviation Reauthorization Act of 1996 (49 U.S.C. 47114 note) is repealed.

SEC. 207. REPORT ON EFFORTS TO IMPLEMENT CAPACITY ENHANCEMENTS.

Within 9 months after the date of enactment of this Act, the Secretary of Transportation shall report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives on efforts by the Federal Aviation Administration to implement capacity enhancements and improvements, such as precision runway monitoring systems, and the time frame for implementation of such enhancements and improvements.

SEC. 208. PRIORITIZATION OF DISCRETIONARY PROJECTS.

Section 47120 is amended by—

(1) inserting "(a) In General.—" before "In"; and

(2) adding at the end thereof the following:

"(b) Discretionary Funding To Be Used for Higher Priority Projects.—The Administrator of the Federal Aviation Administration shall discourage airport sponsors and airports from using entitlement funds for lower priority projects by giving lower priority to discretionary projects submitted by airport sponsors and airports that have used entitlement funds for projects that have a lower priority than the projects for which discretionary funds are being requested.".

SEC. 209. PUBLIC NOTICE BEFORE GRANT ASSURANCE REQUIREMENT WAIVED.

(a) In General.—Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may not waive any assurance required under section 47107 of title 49, United States Code, that requires property to be used for aeronautical purposes unless the Secretary provides notice to the public not less than 30 days before issuing any such waiver. Nothing in this section shall be construed to authorize the Secretary to issue a waiver of any assurance required under that section.

(b) Effective Date.—This section applies to any request filed on or after the date of enactment of this Act.

SEC. 210. DEFINITION OF PUBLIC AIRCRAFT.

Section 40102(a)(37)(B)(ii) is amended—

(1) by striking "or" at the end of subclause (I);

(2) by striking the "States." in subclause (II) and inserting "States; or"; and

(3) by adding at the end thereof the following:

"(III) transporting persons aboard the aircraft if the aircraft is operated for the purpose of prisoner transport.".

SEC. 211. TERMINAL DEVELOPMENT COSTS.

Section 40117 is amended by adding at the end thereof the following:

"(j) Shell of Terminal Building.—In order to enable additional air service by an air carrier with less than 50 percent of the scheduled passenger traffic at an airport, the Secretary may consider the shell of a terminal building (including heating, ventilation, and air conditioning) and aircraft fueling facilities adjacent to an airport terminal building to be an eligible airport-related project under subsection (a)(3)(E).".

SEC. 212. AIRFIELD PAVEMENT CONDITIONS.

(a) Evaluation of Options.—The Administrator of the Federal Aviation Administration shall evaluate options for improving the quality of information available to the Administration on airfield pavement conditions for airports that are part of the national air transportation system, including—

(1) improving the existing runway condition information contained in the Airport Safety Data Program by reviewing and revising rating criteria and providing increased training for inspectors;

(2) requiring such airports to submit pavement condition index information as part of their airport master plan or as support in applications for airport improvement grants; and

(3) requiring all such airports to submit pavement condition index information on a regular basis and using this information to create a pavement condition database that could be used in evaluating the cost-effectiveness of project applications and forecasting anticipated pavement needs.

(b) Report to Congress.—The Administrator shall transmit a report, containing an evaluation of such options, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 12 months after the date of enactment of this Act.

SEC. 213. DISCRETIONARY GRANTS.

Notwithstanding any limitation on the amount of funds that may be expended for grants for noise abatement, if any funds made available under section 48103 of title 49, United States Code, remain available at the end of the fiscal year for which those funds were made available, and are not allocated under section 47115 of that title, or under any other provision relating to the awarding of discretionary grants from unobligated funds made available under section 48103 of that title, the Secretary of Transportation may use those funds to make discretionary grants for noise abatement activities.

TITLE III—AMENDMENTS TO AVIATION LAW

SEC. 301. SEVERABLE SERVICES CONTRACTS FOR PERIODS CROSSING FISCAL YEARS.

(a) Chapter 401 is amended by adding at the end thereof the following:

"§ 40125. Severable services contracts for periods crossing fiscal years

"(a) In General.—The Administrator of the Federal Aviation Administration may enter into a contract for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.

"(b) Obligation of Funds.—Funds made available for a fiscal year may be obligated for *the total amount of a contract entered into under the authority of subsection (a) of this section.".*

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 401 is amended by adding at the end thereof the following:

"40125. Severable services contracts for periods crossing fiscal years.".

SEC. 302. FOREIGN CARRIERS ELIGIBLE FOR WAIVER UNDER AIRPORT NOISE AND CAPACITY ACT.

The first sentence of section 47528(b)(1) is amended by inserting "or foreign air carrier" after "air carrier" the first place it appears and after "carrier" the first place it appears.

SEC. 303. GOVERNMENT AND INDUSTRY CONSORTIA.

Section 44903 is amended by adding at the end thereof the following:

"(f) GOVERNMENT AND INDUSTRY CONSORTIA.—The Administrator may establish at airports such consortia of government and aviation industry representatives as the Administrator may designate to provide advice on matters related to aviation security and safety. Such consortia shall not be considered federal advisory committees for purposes of the Federal Advisory Committee Act (5 U.S.C. App.).".

SEC. 304. IMPLEMENTATION OF ARTICLE 83 BIS OF THE CHICAGO CONVENTION.

Section 44701 is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

"(e) BILATERAL EXCHANGES OF SAFETY OVERSIGHT RESPONSIBILITIES.—

"(1) Notwithstanding the provisions of this chapter, and pursuant to Article 83 bis of the Convention on International Civil Aviation, the Administrator may, by a bilateral agreement with the aeronautical authorities of another country, exchange with that country all or part of their respective functions and duties with respect to aircraft described in subparagraphs (A) and (B), under the following articles of the Convention:

"(A) Article 12 (Rules of the Air).

"(B) Article 31 (Certificates of Airworthiness).

"(C) Article 32a (Licenses of Personnel).

"(2) The agreement under paragraph (1) may apply to—

"(A) aircraft registered in the United States operated pursuant to an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business, or, if it has no such place of business, its permanent residence, in another country; or

"(B) aircraft registered in a foreign country operated under an agreement for the lease, charter, or interchange of the aircraft or any similar arrangement by an operator that has its principal place of business, or, if it has no such place of business, its permanent residence, in the United States.

"(3) The Administrator relinquishes responsibility with respect to the functions and duties transferred by the Administrator as specified in the bilateral agreement, under the Articles listed in paragraph (1) of this subsection for United States-registered aircraft transferred abroad as described in subparagraph (A) of that paragraph, and accepts responsibility with respect to the functions and duties under those Articles for aircraft registered abroad that are transferred to the United States as described in subparagraph (B) of that paragraph.

"(4) The Administrator may, in the agreement under paragraph (1), predicate the transfer of these functions and duties on any conditions the Administrator deems necessary and prudent.".

SEC. 305. FOREIGN AVIATION SERVICES AUTHORITY.

Section 45301 is amended by striking "government." in subsection (a)(2) and inserting "government or to any entity obtaining services outside the United States.".

SEC. 306. FLEXIBILITY TO PERFORM CRIMINAL HISTORY RECORD CHECKS; TECHNICAL AMENDMENTS TO PILOT RECORDS IMPROVEMENT ACT.

Section 44936 is amended—

(1) by striking "subparagraph (C))" in subsection (a)(1)(B) and inserting "subparagraph (C), or in the case of passenger, baggage, or property screening at airports, the Administrator decides it is necessary to ensure air transportation security)";

(2) by striking "individual" in subsection (f)(1)(B)(ii) and inserting "individual's performance as a pilot"; and

(3) by inserting "or from a foreign government or entity that employed the individual," in subsection (f)(14)(B) after "exists,".

SEC. 307. AVIATION INSURANCE PROGRAM AMENDMENTS.

(a) REIMBURSEMENT OF INSURED PARTY'S SUBROGEE.—Subsection (a) of 44309 is amended—

(1) by striking the subsection caption and the first sentence, and inserting the following:

"(a) LOSSES.—

"(1) A person may bring a civil action in a district court of the United States or in the United States Court of Federal Claims against the United States Government when—

"(A) a loss insured under this chapter is in dispute; or

"(B)(i) the person is subrogated to the rights against the United States Government of a party insured under this chapter (other than under subsection 44305(b) of this title), under a contract between the person and such insured party; and

"(ii) the person has paid to such insured party, with the approval of the Secretary of Transportation, an amount for a physical damage loss that the Secretary of Transportation has determined is a loss covered under insurance issued under this chapter (other than insurance issued under subsection 44305(b) of this title)."; and

(2) by resetting the remainder of the subsection as a new paragraph and inserting "(2)" before "A civil action".

(b) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 is amended by striking "1998." and inserting "2003.".

SEC. 308. TECHNICAL CORRECTIONS TO CIVIL PENALTY PROVISIONS.

Section 46301 is amended—

(1) by striking "46302, 46303, or" in subsection (a)(1)(A);

(2) by striking "individual" the first time it appears in subsection (d)(7)(A) and inserting "person"; and

(3) by inserting "or the Administrator" in subsection (g) after "Secretary".

SEC. 309. CRIMINAL PENALTY FOR PILOTS OPERATING IN AIR TRANSPORTATION WITHOUT AN AIRMAN'S CERTIFICATE.

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"§ 46317. Criminal penalty for pilots operating in air transportation without an airman's certificate

"(a) APPLICATION.—This section applies only to aircraft used to provide air transportation.

"(b) GENERAL CRIMINAL PENALTY.—An individual shall be fined under title 18, imprisoned for not more than 3 years, or both, if that individual—

"(1) knowingly and willfully serves or attempts to serve in any capacity as an airman without an airman's certificate authorizing the individual to serve in that capacity; or

"(2) knowingly and willfully employs for service or uses in any capacity as an airman an individual who does not have an airman's certificate authorizing the individual to serve in that capacity.

"(c) CONTROLLED SUBSTANCE CRIMINAL PENALTY.—(1) In this subsection, the term 'controlled substance' has the same meaning given that term in section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802).

"(2) An individual violating subsection (b) shall be fined under title 18, imprisoned for not more than 5 years, or both, if the violation is related to transporting a controlled substance by aircraft or aiding or facilitating a controlled substance violation and that transporting, aiding, or facilitating—

"(A) is punishable by death or imprisonment of more than 1 year under a Federal or State law; or

"(B) is related to an act punishable by death or imprisonment for more than 1 year under a Federal or State law related to a controlled substance (except a law related to simple possession (as that term is used in section 46306(c)) of a controlled substance).

"(3) A term of imprisonment imposed under paragraph (2) shall be served in addition to, and not concurrently with, any other term of imprisonment imposed on the individual subject to the imprisonment.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 463 of title 49, United States Code, is amended by adding at the end the following:

"46317. Criminal penalty for pilots operating in air transportation without an airman's certificate.".

SEC. 310. NONDISCRIMINATORY INTERLINE INTERCONNECTION REQUIREMENTS.

(a) IN GENERAL.—Subchapter I of chapter 417 of title 49, United States Code, is amended by adding at the end thereof the following:

"§ 41716. Interline agreements for domestic transportation

"(a) NONDISCRIMINATORY REQUIREMENTS.—If a major air carrier that provides air service to an essential airport facility has any agreement involving ticketing, baggage and ground handling, and terminal and gate access with another carrier, it shall provide the same services to any requesting air carrier that offers service to a community selected for participation in the program under section 41743 under similar terms and conditions and on a nondiscriminatory basis within 30 days after receiving the request, as long as the requesting air carrier meets such safety, service, financial, and maintenance requirements, if any, as the Secretary may by regulation establish consistent with public convenience and necessity. The Secretary must review any proposed agreement to determine if the requesting carrier meets operational requirements consistent with the rules, procedures, and policies of the major carrier. This agreement may be terminated by either party in the event of failure to meet the standards and conditions outlined in the agreement.".

"(b) DEFINITIONS.—In this section the term 'essential airport facility' means a large hub airport (as defined in section 41731(a)(3)) in the contiguous 48 States in which one carrier has more than 50 percent of such airport's total annual enplanements.".

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by inserting after the item relating to section 41715 the following:

"41716. Interline agreements for domestic transportation.".

TITLE IV—TITLE 49 TECHNICAL CORRECTIONS

SEC. 401. RESTATEMENT OF 49 U.S.C. 106(g).

(a) IN GENERAL.—Section 106(g) is amended by striking "40113(a), (c), and (d), 40114(a), 40119, 44501(a) and (c), 44502(a)(1), (b) and (c), 44504, 44505, 44507, 44508, 44511–44513, 44701–44716, 44718(c), 44721(a), 44901, 44902, 44903(a)–(c) and (e), 44906, 44912, 44935–44937, and 44938(a) and (b), chapter 451, sections 45302–45304," and inserting "40113(a), (c)–(e), 40114(a), and 40119, and chapter 445 (except sections 44501(b), 44502(a)(2)–(4), 44503, 44506, 44509, 44510, 44514, and 44515), chapter 447 (except sections 44717, 44718(a) and (b), 44719, 44720, 44721(b), 44722, and 44723), chapter 449 (except sections 44903(d), 44904, 44905, 44907–44911, 44913, 44915, and 44931–44934), chapter 451, chapter 453, sections".

(b) TECHNICAL CORRECTION.—The amendment made by this section may not be construed as making a substantive change in the language replaced.

SEC. 402. RESTATEMENT OF 49 U.S.C. 44909.

Section 44909(a)(2) is amended by striking "shall" and inserting "should".

TITLE V—MISCELLANEOUS

SEC. 501. OVERSIGHT OF FAA RESPONSE TO YEAR 2000 PROBLEM.

The Administrator of the Federal Aviation Administration shall report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure every 3 months, in oral or written form, on electronic data processing problems associated with the year 2000 within the Administration.

SEC. 502. CARGO COLLISION AVOIDANCE SYSTEMS DEADLINE.

(a) IN GENERAL.—The Administrator of the Federal Aviation Administration shall require by regulation that, not later than December 31, 2002, collision avoidance equipment be installed on each cargo aircraft with a payload capacity of 15,000 kilograms or more.

(b) EXTENSION.—The Administrator may extend the deadline imposed by subsection (a) for not more than 2 years if the Administrator finds that the extension is needed to promote—

(1) a safe and orderly transition to the operation of a fleet of cargo aircraft equipped with collision avoidance equipment; or

(2) other safety or public interest objectives.

(c) COLLISION AVOIDANCE EQUIPMENT.—For purposes of this section, the term "collision avoidance equipment" means TCAS II equipment (as defined by the Administrator), or any other similar system approved by the Administration for collision avoidance purposes.

SEC. 503. RUNWAY SAFETY AREAS; PRECISION APPROACH PATH INDICATORS.

Within 6 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall solicit comments on the need for—

(1) the improvement of runway safety areas; and

(2) the installation of precision approach path indicators.

SEC. 504. AIRPLANE EMERGENCY LOCATORS.

(a) REQUIREMENT.—Section 44712(b) is amended to read as follows:

"(b) NONAPPLICATION.—Subsection (a) does not apply to aircraft when used in—

"(1) scheduled flights by scheduled air carriers holding certificates issued by the Secretary of Transportation under subpart II of this part;

"(2) training operations conducted entirely within a 50-mile radius of the airport from which the training operations begin;

"(3) flight operations related to the design and testing, manufacture, preparation, and delivery of aircraft;

"(4) showing compliance with regulations, exhibition, or air racing; or

"(5) the aerial application of a substance for an agricultural purpose.".

(b) COMPLIANCE.—Section 44712 is amended by redesignating subsection (c) as subsection (d), and by inserting after subsection (b) the following:

"(c) COMPLIANCE.—An aircraft is deemed to meet the requirement of subsection (a) if it is equipped with an emergency locator transmitter that transmits on the 121.5/243 megahertz frequency or the 406 megahertz frequency, or with other equipment approved by the Secretary for meeting the requirement of subsection (a).".

(c) EFFECTIVE DATE; REGULATIONS.—

(1) REGULATIONS.—The Secretary of Transportation shall promulgate regulations under section 44712(b) of title 49, United States Code, as amended by this section not later than January 1, 2002.

(2) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

SEC. 505. COUNTERFEIT AIRCRAFT PARTS.

(a) DENIAL; REVOCATION; AMENDMENT OF CERTIFICATE.—

(1) IN GENERAL.—Chapter 447 is amended by adding at the end thereof the following:

"§44725. Denial and revocation of certificate for counterfeit parts violations

"(a) DENIAL OF CERTIFICATE.—

"(1) IN GENERAL.—Except as provided in paragraph (2) of this subsection and subsection (e)(2) of this section, the Administrator may not issue a certificate under this chapter to any person—

"(A) convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

"(B) subject to a controlling or ownership interest of an individual convicted of such a violation.

"(2) EXCEPTION.—Notwithstanding paragraph (1), the Administrator may issue a certificate under this chapter to a person described in paragraph (1) if issuance of the certificate will facilitate law enforcement efforts.

"(b) REVOCATION OF CERTIFICATE.—

"(1) IN GENERAL.—Except as provided in subsections (f) and (g) of this section, the Administrator shall issue an order revoking a certificate issued under this chapter if the Administrator finds that the holder of the certificate, or an individual who has a controlling or ownership interest in the holder—

"(A) was convicted of a violation of a law of the United States or of a State relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material; or

"(B) knowingly carried out or facilitated an activity punishable under such a law.

"(2) NO AUTHORITY TO REVIEW VIOLATION.—In carrying out paragraph (1) of this subsection, the Administrator may not review whether a person violated such a law.

"(c) NOTICE REQUIREMENT.—Before the Administrator revokes a certificate under subsection (b), the Administrator shall—

"(1) advise the holder of the certificate of the reason for the revocation; and

"(2) provide the holder of the certificate an opportunity to be heard on why the certificate should not be revoked.

"(d) APPEAL.—The provisions of section 44710(d) apply to the appeal of a revocation order under subsection (b). For the purpose of applying that section to such an appeal, 'person' shall be substituted for 'individual' each place it appears.

"(e) AQUITTAL OR REVERSAL.—

"(1) IN GENERAL.—The Administrator may not revoke, and the Board may not affirm a revocation of, a certificate under subsection (b)(1)(B) of this section if the holder of the certificate, or the individual, is acquitted of all charges related to the violation.

"(2) REISSUANCE.—The Administrator may reissue a certificate revoked under subsection (b) of this section to the former holder if—

"(A) the former holder otherwise satisfies the requirements of this chapter for the certificate;

"(B) the former holder, or individual, is acquitted of all charges related to the violation on which the revocation was based; or

"(C) the conviction of the former holder, or individual, of the violation on which the revocation was based is reversed.

"(f) WAIVER.—The Administrator may waive revocation of a certificate under subsection (b) of this section if—

"(1) a law enforcement official of the United States Government, or of a State (with respect to violations of State law), requests a waiver; or

"(2) the waiver will facilitate law enforcement efforts.

"(g) AMENDMENT OF CERTIFICATE.—If the holder of a certificate issued under this chapter is other than an individual and the Administrator finds that—

"(1) an individual who had a controlling or ownership interest in the holder committed a violation of a law for the violation of which a certificate may be revoked under this section, or knowingly carried out or facilitated an activity punishable under such a law; and

"(2) the holder satisfies the requirements for the certificate without regard to that individual,

then the Administrator may amend the certificate to impose a limitation that the certificate will not be valid if that individual has a controlling or ownership interest in the holder. A decision by the Administrator under this subsection is not reviewable by the Board.".

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 447 is amended by adding at the end thereof the following:

"44725. Denial and revocation of certificate for counterfeit parts violations".

(b) PROHIBITION ON EMPLOYMENT.—Section 44711 is amended by adding at the end thereof the following:

"(c) PROHIBITION ON EMPLOYMENT OF CONVICTED COUNTERFEIT PART DEALERS.—No person subject to this chapter may employ anyone to perform a function related to the procurement, sale, production, or repair of a part or material, or the installation of a part into a civil aircraft, who has been convicted of a violation of any Federal or State law relating to the installation, production, repair, or sale of a counterfeit or falsely-represented aviation part or material.".

SEC. 506. FAA MAY FINE UNRULY PASSENGERS.

(a) IN GENERAL.—Chapter 463 is amended by redesignating section 46316 as section 46317, and by inserting after section 46315 the following:

"§46316. Interference with cabin or flight crew

"(a) IN GENERAL.—An individual who interferes with the duties or responsibilities of the flight crew or cabin crew of a civil aircraft, or who poses an imminent threat to the safety of the aircraft or other individuals on the aircraft, is liable to the United States Government for a civil penalty of not more than $10,000, which shall be paid to the Federal Aviation Administration and deposited in the account established by section 45303(c).

"(b) COMPROMISE AND SETOFF.—

"(1) The Secretary of Transportation or the Administrator may compromise the amount of a civil penalty imposed under subsection (a).

"(2) The Government may deduct the amount of a civil penalty imposed or compromised under this section from amounts it owes the individual liable for the penalty.".

(b) Conforming Change.—The chapter analysis for chapter 463 is amended by striking the item relating to section 46316 and inserting after the item relating to section 46315 the following:

"46316. Interference with cabin or flight crew.
"46317. General criminal penalty when specific penalty not provided.".

SEC. 507. HIGHER STANDARDS FOR HANDICAPPED ACCESS.

(a) Establishment of Higher International Standards.—The Secretary of Transportation shall work with appropriate international organizations and the aviation authorities of other nations to bring about their establishment of higher standards for accommodating handicapped passengers in air transportation, particularly with respect to foreign air carriers that code-share with domestic air carriers.

(b) Increased Civil Penalties.—Section 46301(a) is amended by—

(1) inserting "41705," after "41704," in paragraph (1)(A); and

(2) adding at the end thereof the following:

"(7) Unless an air carrier that violates section 41705 with respect to an individual provides that individual a credit or voucher for the purchase of a ticket on that air carrier or any affiliated air carrier in an amount (determined by the Secretary) of—

"(A) not less than $500 and not more than $2,500 for the first violation; or

"(B) not less than $2,500 and not more than $5,000 for any subsequent violation, then that air carrier is liable to the United States Government for a civil penalty, determined by the Secretary, of not more than 100 percent of the amount of the credit or voucher so determined. For purposes of this paragraph, each act of discrimination prohibited by section 41705 constitutes a separate violation of that section.".

SEC. 508. CONVEYANCES OF UNITED STATES GOVERNMENT LAND.

(a) In General.—Section 47125(a) is amended to read as follows:

"(a) Conveyances to Public Agencies.—

"(1) Request for conveyance.—Except as provided in subsection (b) of this section, the Secretary of Transportation—

"(A) shall request the head of the department, agency, or instrumentality of the United States Government owning or controlling land or airspace to convey a property interest in the land or airspace to the public agency sponsoring the project or owning or controlling the airport when necessary to carry out a project under this subchapter at a public airport, to operate a public airport, or for the future development of an airport under the national plan of integrated airport systems; and

"(B) may request the head of such a department, agency, or instrumentality to convey a property interest in the land or airspace to such a public agency for a use that will complement, facilitate, or augment airport development, including the development of additional revenue from both aviation and nonaviation sources.

"(2) Response to request for certain conveyances.—Within 4 months after receiving a request from the Secretary under paragraph (1), the head of the department, agency, or instrumentality shall—

"(A) decide whether the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

"(B) notify the Secretary of the decision; and

"(C) make the requested conveyance if—

"(i) the requested conveyance is consistent with the needs of the department, agency, or instrumentality;

"(ii) the Attorney General approves the conveyance; and

"(iii) the conveyance can be made without cost to the United States Government.

"(3) Reversion.—Except as provided in subsection (b), a conveyance under this subsection may only be made on the condition that the property interest conveyed reverts to the Government, at the option of the Secretary, to the extent it is not developed for an airport purpose or used consistently with the conveyance.".

(b) Release of Certain Conditions.—Section 47125 is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting the following after subsection (a):

"(b) Release of Certain Conditions.—The Secretary may grant a release from any term, condition, reservation, or restriction contained in any conveyance executed under this section, section 16 of the Federal Airport Act, section 23 of the Airport and Airway Development Act of 1970, or section 516 of the Airport and Airway Improvement Act of 1982, to facilitate the development of additional revenue from aeronautical and nonaeronautical sources if the Secretary—

"(1) determines that the property is no longer needed for aeronautical purposes;

"(2) determines that the property will be used solely to generate revenue for the public airport;

"(3) provides preliminary notice to the head of the department, agency, or instrumentality that conveyed the property interest at least 30 days before executing the release;

"(4) provides notice to the public of the requested release;

"(5) includes in the release a written justification for the release of the property; and

"(6) determines that release of the property will advance civil aviation in the United States.".

(c) Effective Date.—Section 47125(b) of title 49, United States Code, as added by subsection (b) of this section, applies to property interests conveyed before, on, or after the date of enactment of this Act.

(d) Iditarod Area School District.—Notwithstanding any other provision of law (including section 47125 of title 49, United States Code, as amended by this section), the Administrator of the Federal Aviation Administration, or the Administrator of the General Services Administration, may convey to the Iditarod Area School District without reimbursement all right, title, and interest in 12 acres of property at Lake Minchumina, Alaska, identified by the Administrator of the Federal Aviation Administration, including the structures known as housing units 100 through 105 and as utility building 301.

SEC. 509. FLIGHT OPERATIONS QUALITY ASSURANCE RULES.

Not later than 90 days after the date of enactment of this Act, the Administrator shall issue a notice of proposed rulemaking to develop procedures to protect air carriers and their employees from civil enforcement action under the program known as Flight Operations Quality Assurance. Not later than 1 year after the last day of the period for public comment provided for in the notice of proposed rulemaking, the Administrator shall issue a final rule establishing those procedures.

SEC. 510. WIDE AREA AUGMENTATION SYSTEM.

(a) Plan.—The Administrator shall identify or develop a plan to implement WAAS to provide navigation and landing approach capabilities for civilian use and make a determination as to whether a backup system is necessary. Until the Administrator determines that WAAS is the sole means of navigation, the Administration shall continue to develop and maintain a backup system.

(b) Report.—Within 6 months after the date of enactment of this Act, the Administrator shall—

(1) report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure, on the plan developed under subsection (a);

(2) submit a timetable for implementing WAAS; and

(3) make a determination as to whether WAAS will ultimately become a primary or sole means of navigation and landing approach capabilities.

(c) WAAS Defined.—For purposes of this section, the term "WAAS" means wide area augmentation system.

(d) Funding Authorization.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out this section.

SEC. 511. REGULATION OF ALASKA AIR GUIDES.

The Administrator shall reissue the notice to operators originally published in the Federal Register on January 2, 1998, which advised Alaska guide pilots of the applicability of part 135 of title 14, Code of Federal Regulations, to guide pilot operations. In reissuing the notice, the Administrator shall provide for not less than 60 days of public comment on the Federal Aviation Administration action. If, notwithstanding the public comments, the Administrator decides to proceed with the action, the Administrator shall publish in the Federal Register a notice justifying the Administrator's decision and providing at least 90 days for compliance.

SEC. 512. APPLICATION OF FAA REGULATIONS.

Section 40113 is amended by adding at the end thereof the following:

"(f) Application of Certain Regulations to Alaska.—In amending title 14, Code of Federal Regulations, in a manner affecting intrastate aviation in Alaska, the Administrator of the Federal Aviation Administration shall consider the extent to which Alaska is not served by transportation modes other than aviation, and shall establish such regulatory distinctions as the Administrator considers appropriate.".

SEC. 513. HUMAN FACTORS PROGRAM.

(a) In General.—Chapter 445 is amended by adding at the end thereof the following:

"§44516. Human factors program

"(a) Oversight Committee.—The Administrator of the Federal Aviation Administration shall establish an advanced qualification program oversight committee to advise the Administrator on the development and execution of Advanced Qualification Programs for air carriers under this section, and to encourage their adoption and implementation.

"(b) Human Factors Training.—

"(1) Air traffic controllers.—The Administrator shall—

"(A) address the problems and concerns raised by the National Research Council in its report 'The Future of Air Traffic Control' on air traffic control automation; and

"(B) respond to the recommendations made by the National Research Council.

"(2) Pilots and flight crews.—The Administrator shall work with the aviation industry to develop specific training curricula, within 12 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, to address critical safety problems, including problems of pilots—

"(A) in recovering from loss of control of the aircraft, including handling unusual attitudes and mechanical malfunctions;

"(B) in deviating from standard operating procedures, including inappropriate responses to emergencies and hazardous weather;

"(C) in awareness of altitude and location relative to terrain to prevent controlled flight into terrain; and

"(D) in landing and approaches, including nonprecision approaches and go-around procedures.

"(c) Accident Investigations.—The Administrator, working with the National Transportation Safety Board and representatives of the aviation industry, shall establish a process to assess human factors training as part of accident and incident investigations.

"(d) TEST PROGRAM.—The Administrator shall establish a test program in cooperation with United States air carriers to use model Jeppesen approach plates or other similar tools to improve nonprecision landing approaches for aircraft.

"(e) ADVANCED QUALIFICATION PROGRAM DEFINED.—For purposes of this section, the term 'advanced qualification program' means an alternative method for qualifying, training, certifying, and ensuring the competency of flight crews and other commercial aviation operations personnel subject to the training and evaluation requirements of Parts 121 and 135 of title 14, Code of Federal Regulations.".

(b) AUTOMATION AND ASSOCIATED TRAINING.—The Administrator shall complete the Administration's updating of training practices for automation and associated training requirements within 12 months after the date of enactment of this Act.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 445 is amended by adding at the end thereof the following:

"44516. Human factors program.".

SEC. 514. INDEPENDENT VALIDATION OF FAA COSTS AND ALLOCATIONS.

(a) INDEPENDENT ASSESSMENT.—

(1) INITIATION.—Not later than 90 days after the date of enactment of this Act, the Inspector General of the Department of Transportation shall initiate the analyses described in paragraph (2). In conducting the analyses, the Inspector General shall ensure that the analyses are carried out by 1 or more entities that are independent of the Federal Aviation Administration. The Inspector General may use the staff and resources of the Inspector General or may contract with independent entities to conduct the analyses.

(2) ASSESSMENT OF ADEQUACY AND ACCURACY OF FAA COST DATA AND ATTRIBUTIONS.—To ensure that the method for capturing and distributing the overall costs of the Federal Aviation Administration is appropriate and reasonable, the Inspector General shall conduct an assessment that includes the following:

(A)(i) Validation of Federal Aviation Administration cost input data, including an audit of the reliability of Federal Aviation Administration source documents and the integrity and reliability of the Federal Aviation Administration's data collection process.

(ii) An assessment of the reliability of the Federal Aviation Administration's system for tracking assets.

(iii) An assessment of the reasonableness of the Federal Aviation Administration's bases for establishing asset values and depreciation rates.

(iv) An assessment of the Federal Aviation Administration's system of internal controls for ensuring the consistency and reliability of reported data to begin immediately after full operational capability of the cost accounting system.

(B) A review and validation of the Federal Aviation Administration's definition of the services to which the Federal Aviation Administration ultimately attributes its costs, and the methods used to identify direct costs associated with the services.

(C) An assessment and validation of the general cost pools used by the Federal Aviation Administration, including the rationale for and reliability of the bases on which the Federal Aviation Administration proposes to allocate costs of services to users and the integrity of the cost pools as well as any other factors considered important by the Inspector General. Appropriate statistical tests shall be performed to assess relationships between costs in the various cost pools and activities and services to which the costs are attributed by the Federal Aviation Administration.

(b) DEADLINE.—The independent analyses described in this section shall be completed no later than 270 days after the contracts are awarded to the outside independent contractors. The Inspector General shall submit a final report combining the analyses done by its staff with those of the outside independent contractors to the Secretary of Transportation, the Administrator, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Transportation and Infrastructure of the House of Representatives. The final report shall be submitted by the Inspector General not later than 300 days after the award of contracts.

(c) FUNDING.—There are authorized to be appropriated such sums as may be necessary for the cost of the contracted audit services authorized by this section.

SEC. 515. WHISTLEBLOWER PROTECTION FOR FAA EMPLOYEES.

Section 347(b)(1) of Public Law 104–50 (49 U.S.C. 106, note) is amended by striking "protection;" and inserting "protection, including the provisions for investigations and enforcement as provided in chapter 12 of title 5, United States Code;".

SEC. 516. REPORT ON MODERNIZATION OF OCEANIC ATC SYSTEM.

The Administrator of the Federal Aviation Administration shall report to the Congress on plans to modernize the oceanic air traffic control system, including a budget for the program, a determination of the requirements for modernization, and, if necessary, a proposal to fund the program.

SEC. 517. REPORT ON AIR TRANSPORTATION OVERSIGHT SYSTEM.

Beginning in 1999, the Administrator of the Federal Aviation Administration shall report biannually to the Congress on the air transportation oversight system program announced by the Administration on May 13, 1998, in detail on the training of inspectors, the number of inspectors using the system, air carriers subject to the system, and the budget for the system.

SEC. 518. RECYCLING OF EIS.

Notwithstanding any other provision of law to the contrary, the Secretary of Transportation may authorize the use, in whole or in part, of a completed environmental assessment or environmental impact study for a new airport construction project on the air operations area, that is substantially similar in nature to one previously constructed pursuant to the completed environmental assessment or environmental impact study in order to avoid unnecessary duplication of expense and effort, and any such authorized use shall meet all requirements of Federal law for the completion of such an assessment or study.

SEC. 519. PROTECTION OF EMPLOYEES PROVIDING AIR SAFETY INFORMATION.

(a) GENERAL RULE.—Chapter 421 of title 49, United States Code, is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"§42121. Protection of employees providing air safety information

"(a) DISCRIMINATION AGAINST AIRLINE EMPLOYEES.—No air carrier or contractor or subcontractor of an air carrier may discharge an employee of the air carrier or the contractor or subcontractor of an air carrier or otherwise discriminate against any such employee with respect to compensation, terms, conditions, or privileges of employment because the employee (or any person acting pursuant to a request of the employee)—

"(1) provided, caused to be provided, or is about to provide or cause to be provided to the Federal Government information relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(2) has filed, caused to be filed, or is about to file or cause to be filed a proceeding relating to any violation or alleged violation of any order, regulation, or standard of the Federal Aviation Administration or any other provision of Federal law relating to air carrier safety under this subtitle or any other law of the United States;

"(3) testified or will testify in such a proceeding; or

"(4) assisted or participated or is about to assist or participate in such a proceeding.

"(b) DEPARTMENT OF LABOR COMPLAINT PROCEDURE.—

"(1) FILING AND NOTIFICATION.—

"(A) IN GENERAL.—In accordance with this paragraph, a person may file (or have a person file on behalf of that person) a complaint with the Secretary of Labor if that person believes that an air carrier or contractor or subcontractor of an air carrier discharged or otherwise discriminated against that person in violation of subsection (a).

"(B) REQUIREMENTS FOR FILING COMPLAINTS.—A complaint referred to in subparagraph (A) may be filed not later than 90 days after an alleged violation occurs. The complaint shall state the alleged violation.

"(C) NOTIFICATION.—Upon receipt of a complaint submitted under subparagraph (A), the Secretary of Labor shall notify the air carrier, contractor, or subcontractor named in the complaint and the Administrator of the Federal Aviation Administration of the—

"(i) filing of the complaint;

"(ii) allegations contained in the complaint;

"(iii) substance of evidence supporting the complaint; and

"(iv) opportunities that are afforded to the air carrier, contractor, or subcontractor under paragraph (2).

"(2) INVESTIGATION; PRELIMINARY ORDER.—

"(A) IN GENERAL.—

"(i) INVESTIGATION.—Not later than 60 days after receipt of a complaint filed under paragraph (1) and after affording the person named in the complaint an opportunity to submit to the Secretary of Labor a written response to the complaint and an opportunity to meet with a representative of the Secretary to present statements from witnesses, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify in writing the complainant and the person alleged to have committed a violation of subsection (a) of the Secretary's findings.

"(ii) ORDER.—Except as provided in subparagraph (B), if the Secretary of Labor concludes that there is reasonable cause to believe that a violation of subsection (a) has occurred, the Secretary shall accompany the findings referred to in clause (i) with a preliminary order providing the relief prescribed under paragraph (3)(B).

"(iii) OBJECTIONS.—Not later than 30 days after the date of notification of findings under this paragraph, the person alleged to have committed the violation or the complainant may file objections to the findings or preliminary order and request a hearing on the record.

"(iv) EFFECT OF FILING.—The filing of objections under clause (iii) shall not operate to stay any reinstatement remedy contained in the preliminary order.

"(v) HEARINGS.—Hearings conducted pursuant to a request made under clause (iii) shall be conducted expeditiously. If a hearing is not requested during the 30-day period prescribed in clause (iii), the preliminary order shall be deemed a final order that is not subject to judicial review.

"(B) REQUIREMENTS.—

"(i) REQUIRED SHOWING BY COMPLAINANT.—The Secretary of Labor shall dismiss a complaint filed under this subsection and shall not conduct an investigation otherwise required under subparagraph (A) unless the complainant makes a prima facie showing that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(ii) SHOWING BY EMPLOYER.—Notwithstanding a finding by the Secretary that the complainant has made the showing required under clause (i), no investigation otherwise required under subparagraph (A) shall be conducted if the employer demonstrates, by clear and convincing evidence, that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(iii) CRITERIA FOR DETERMINATION BY SECRETARY.—The Secretary may determine that a violation of subsection (a) has occurred only if the complainant demonstrates that any behavior described in paragraphs (1) through (4) of subsection (a) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(iv) PROHIBITION.—Relief may not be ordered under subparagraph (A) if the employer demonstrates by clear and convincing evidence that the employer would have taken the same unfavorable personnel action in the absence of that behavior.

"(3) FINAL ORDER.—

"(A) DEADLINE FOR ISSUANCE; SETTLEMENT AGREEMENTS.—

"(i) IN GENERAL.—Not later than 120 days after conclusion of a hearing under paragraph (2), the Secretary of Labor shall issue a final order that—

"(I) provides relief in accordance with this paragraph; or

"(II) denies the complaint.

"(ii) SETTLEMENT AGREEMENT.—At any time before issuance of a final order under this paragraph, a proceeding under this subsection may be terminated on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the air carrier, contractor, or subcontractor alleged to have committed the violation.

"(B) REMEDY.—If, in response to a complaint filed under paragraph (1), the Secretary of Labor determines that a violation of subsection (a) has occurred, the Secretary of Labor shall order the air carrier, contractor, or subcontractor that the Secretary of Labor determines to have committed the violation to—

"(i) take action to abate the violation;

"(ii) reinstate the complainant to the former position of the complainant and ensure the payment of compensation (including back pay) and the restoration of terms, conditions, and privileges associated with the employment; and

"(iii) provide compensatory damages to the complainant.

"(C) COSTS OF COMPLAINT.—If the Secretary of Labor issues a final order that provides for relief in accordance with this paragraph, the Secretary of Labor, at the request of the complainant, shall assess against the air carrier, contractor, or subcontractor named in the order an amount equal to the aggregate amount of all costs and expenses (including attorney and expert witness fees) reasonably incurred by the complainant (as determined by the Secretary of Labor) for, or in connection with, the bringing of the complaint that resulted in the issuance of the order.

"(4) REVIEW.—

"(A) APPEAL TO COURT OF APPEALS.—

"(i) IN GENERAL.—Not later than 60 days after a final order is issued under paragraph (3), a person adversely affected or aggrieved by that order may obtain review of the order in the United States court of appeals for the circuit in which the violation allegedly occurred or the circuit in which the complainant resided on the date of that violation.

"(ii) REQUIREMENTS FOR JUDICIAL REVIEW.—A review conducted under this paragraph shall be conducted in accordance with chapter 7 of title 5. The commencement of proceedings under this subparagraph shall not, unless ordered by the court, operate as a stay of the order that is the subject of the review.

"(B) LIMITATION ON COLLATERAL ATTACK.—An order referred to in subparagraph (A) shall not be subject to judicial review in any criminal or other civil proceeding.

"(5) ENFORCEMENT OF ORDER BY SECRETARY OF LABOR.—

"(A) IN GENERAL.—If an air carrier, contractor, or subcontractor named in an order issued under paragraph (3) fails to comply with the order, the Secretary of Labor may file a civil action in the United States district court for the district in which the violation occurred to enforce that order.

"(B) RELIEF.—In any action brought under this paragraph, the district court shall have jurisdiction to grant any appropriate form of relief, including injunctive relief and compensatory damages.

"(6) ENFORCEMENT OF ORDER BY PARTIES.—

"(A) COMMENCEMENT OF ACTION.—A person on whose behalf an order is issued under paragraph (3) may commence a civil action against the air carrier, contractor, or subcontractor named in the order to require compliance with the order. The appropriate United States district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce the order.

"(B) ATTORNEY FEES.—In issuing any final order under this paragraph, the court may award costs of litigation (including reasonable attorney and expert witness fees) to any party if the court determines that the awarding of those costs is appropriate.

"(c) MANDAMUS.—Any nondiscretionary duty imposed by this section shall be enforceable in a mandamus proceeding brought under section 1361 of title 28.

"(d) NONAPPLICABILITY TO DELIBERATE VIOLATIONS.—Subsection (a) shall not apply with respect to an employee of an air carrier, or contractor or subcontractor of an air carrier who, acting without direction from the air carrier (or an agent, contractor, or subcontractor of the air carrier), deliberately causes a violation of any requirement relating to air carrier safety under this subtitle or any other law of the United States.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 421 of title 49, United States Code, is amended by adding at the end the following:

"SUBCHAPTER III—WHISTLEBLOWER PROTECTION PROGRAM

"42121. Protection of employees providing air safety information.".

(c) CIVIL PENALTY.—Section 46301(a)(1)(A) of title 49, United States Code, is amended by striking "subchapter II of chapter 421," and inserting "subchapter II or III of chapter 421,".

SEC. 520. IMPROVEMENTS TO AIR NAVIGATION FACILITIES.

Section 44502(a) is amended by adding at the end thereof the following:

"(5) The Administrator may improve real property leased for air navigation facilities without regard to the costs of the improvements in relation to the cost of the lease if—

"(A) the improvements primarily benefit the government;

"(B) are essential for mission accomplishment; and

"(C) the government's interest in the improvements is protected.".

SEC. 521. DENIAL OF AIRPORT ACCESS TO CERTAIN AIR CARRIERS.

Section 47107 is amended by adding at the end thereof the following:

"(q) DENIAL OF ACCESS.—

"(1) EFFECT OF DENIAL.—If an owner or operator of an airport described in paragraph (2) denies access to an air carrier described in paragraph (3), that denial shall not be considered to be unreasonable or unjust discrimination or a violation of this section.

"(2) AIRPORTS TO WHICH SUBSECTION APPLIES.—An airport is described in this paragraph if it—

"(A) is designated as a reliever airport by the Administrator of the Federal Aviation Administration;

"(B) does not have an operating certificate issued under part 139 of title 14, Code of Federal Regulations (or any subsequent similar regulations); and

"(C) is located within a 35-mile radius of an airport that has—

"(i) at least 0.05 percent of the total annual boardings in the United States; and

"(ii) current gate capacity to handle the demands of a public charter operation.

"(3) AIR CARRIERS DESCRIBED.—An air carrier is described in this paragraph if it conducts operations as a public charter under part 380 of title 14, Code of Federal Regulations (or any subsequent similar regulations) with aircraft that is designed to carry more than 9 passengers per flight.

"(4) DEFINITIONS.—In this subsection:

"(A) AIR CARRIER; AIR TRANSPORTATION; AIRCRAFT; AIRPORT.—The terms 'air carrier', 'air transportation', 'aircraft', and 'airport' have the meanings given those terms in section 40102 of this title.

"(B) PUBLIC CHARTER.—The term 'public charter' means charter air transportation for which the general public is provided in advance a schedule containing the departure location, departure time, and arrival location of the flights.".

SEC. 522. TOURISM.

(a) FINDINGS.—Congress finds that—

(1) through an effective public-private partnership, Federal, State, and local governments and the travel and tourism industry can successfully market the United States as the premiere international tourist destination in the world;

(2) in 1997, the travel and tourism industry made a substantial contribution to the health of the Nation's economy, as follows:

(A) The industry is one of the Nation's largest employers, directly employing 7,000,000 Americans, throughout every region of the country, heavily concentrated among small businesses, and indirectly employing an additional 9,200,000 Americans, for a total of 16,200,000 jobs.

(B) The industry ranks as the first, second, or third largest employer in 32 States and the District of Columbia, generating a total tourism-related annual payroll of $127,900,000,000.

(C) The industry has become the Nation's third-largest retail sales industry, generating a total of $489,000,000,000 in total expenditures.

(D) The industry generated $71,700,000,000 in tax revenues for Federal, State, and local governments;

(3) the more than $98,000,000,000 spent by foreign visitors in the United States in 1997 generated a trade services surplus of more than $26,000,000,000;

(4) the private sector, States, and cities currently spend more than $1,000,000,000 annually to promote particular destinations within the United States to international visitors;

(5) because other nations are spending hundreds of millions of dollars annually to promote the visits of international tourists to their countries, the United States will miss a major marketing opportunity if it fails to aggressively compete for an increased share of international tourism expenditures as they continue to increase over the next decade;

(6) a well-funded, well-coordinated international marketing effort—combined with additional public and private sector efforts—would help small and large businesses, as well as State and local governments, share in the anticipated phenomenal growth of the international travel and tourism market in the 21st century;

(7) by making permanent the successful visa waiver pilot program, Congress can facilitate the increased flow of international visitors to the United States;

(8) Congress can increase the opportunities for attracting international visitors and enhancing their stay in the United States by—

(A) improving international signage at airports, seaports, land border crossings, highways, and bus, train, and other public transit stations in the United States;

(B) increasing the availability of multilingual tourist information; and

(C) creating a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency;

(9) by establishing a satellite system of accounting for travel and tourism, the Secretary of Commerce could provide Congress and the President with objective, thorough data that would help policymakers more accurately gauge the size and scope of the domestic travel and tourism industry and its significant impact on the health of the Nation's economy; and

(10) having established the United States National Tourism Organization under the United States National Tourism Organization Act of 1996 (22 U.S.C. 2141 et seq.) to increase the United States share of the international tourism market by developing a national travel and tourism strategy, Congress should support a long-term marketing effort and other important regulatory reform initiatives to promote increased travel to the United States for the benefit of every sector of the economy.

(b) PURPOSES.—The purposes of this section are to provide international visitor initiatives and an international marketing program to enable the United States travel and tourism industry and every level of government to benefit from a successful effort to make the United States the premiere travel destination in the world.

(c) INTERNATIONAL VISITOR ASSISTANCE TASK FORCE.—

(1) ESTABLISHMENT.—Not later than 9 months after the date of enactment of this Act, the Secretary of Commerce shall establish an Intergovernmental Task Force for International Visitor Assistance (hereafter in this subsection referred to as the "Task Force").

(2) DUTIES.—The Task Force shall examine—

(A) signage at facilities in the United States, including airports, seaports, land border crossings, highways, and bus, train, and other public transit stations, and shall identify existing inadequacies and suggest solutions for such inadequacies, such as the adoption of uniform standards on international signage for use throughout the United States in order to facilitate international visitors' travel in the United States;

(B) the availability of multilingual travel and tourism information and means of disseminating, at no or minimal cost to the Government, of such information; and

(C) facilitating the establishment of a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide assistance to international tourists coping with an emergency.

(3) MEMBERSHIP.—The Task Force shall be composed of the following members:

(A) The Secretary of Commerce.

(B) The Secretary of State.

(C) The Secretary of Transportation.

(D) The Chair of the Board of Directors of the United States National Tourism Organization.

(E) Such other representatives of other Federal agencies and private-sector entities as may be determined to be appropriate to the mission of the Task Force by the Chairman.

(4) CHAIRMAN.—The Secretary of Commerce shall be Chairman of the Task Force. The Task Force shall meet at least twice each year. Each member of the Task Force shall furnish necessary assistance to the Task Force.

(5) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Chairman of the Task Force shall submit to the President and to Congress a report on the results of the review, including proposed amendments to existing laws or regulations as may be appropriate to implement such recommendations.

(d) TRAVEL AND TOURISM INDUSTRY SATELLITE SYSTEM OF ACCOUNTING.—

(1) IN GENERAL.—The Secretary of Commerce shall complete, as soon as may be practicable, a satellite system of accounting for the travel and tourism industry.

(2) FUNDING.—To the extent any costs or expenditures are incurred under this subsection, they shall be covered to the extent funds are available to the Department of Commerce for such purpose.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION.—Subject to paragraph (2), there are authorized to be appropriated such sums as may be necessary for the purpose of funding international promotional activities by the United States National Tourism Organization to help brand, position, and promote the United States as the premiere travel and tourism destination in the world.

(2) RESTRICTIONS ON USE OF FUNDS.—None of the funds appropriated under paragraph (1) may be used for purposes other than marketing, research, outreach, or any other activity designed to promote the United States as the premiere travel and tourism destination in the world, except that the general and administrative expenses of operating the United States National Tourism Organization shall be borne by the private sector through such means as the Board of Directors of the Organization shall determine.

(3) REPORT TO CONGRESS.—Not later than March 30 of each year in which funds are made available under subsection (a), the Secretary shall submit to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a detailed report setting forth—

(A) the manner in which appropriated funds were expended;

(B) changes in the United States market share of international tourism in general and as measured against specific countries and regions;

(C) an analysis of the impact of international tourism on the United States economy, including, as specifically as practicable, an analysis of the impact of expenditures made pursuant to this section;

(D) an analysis of the impact of international tourism on the United States trade balance and, as specifically as practicable, an analysis of the impact on the trade balance of expenditures made pursuant to this section; and

(E) an analysis of other relevant economic impacts as a result of expenditures made pursuant to this section.

SEC. 523. EQUIVALENCY OF FAA AND EU SAFETY STANDARDS.

The Administrator of the Federal Aviation Administration shall determine whether the Administration's safety regulations are equivalent to the safety standards set forth in European Union Directive 89/336EEC. If the Administrator determines that the standards are equivalent, the Administrator shall work with the Secretary of Commerce to gain acceptance of that determination pursuant to the Mutual Recognition Agreement between the United States and the European Union of May 18, 1998, in order to ensure that aviation products approved by the Administration are acceptable under that Directive.

SEC. 524. SENSE OF THE SENATE ON PROPERTY TAXES ON PUBLIC-USE AIRPORTS.

It is the sense of the Senate that—

(1) property taxes on public-use airports should be assessed fairly and equitably, regardless of the location of the owner of the airport; and

(2) the property tax recently assessed on the City of The Dalles, Oregon, as the owner and operator of the Columbia Gorge Regional/The Dalles Municipal Airport, located in the State of Washington, should be repealed.

SEC. 525. FEDERAL AVIATION ADMINISTRATION PERSONNEL MANAGEMENT SYSTEM.

(a) APPLICABILITY OF MERIT SYSTEMS PROTECTION BOARD PROVISIONS.—Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon and "and"; and

(3) by adding at the end thereof the following:

"(8) sections 1204, 1211–1218, 1221, and 7701–7703, relating to the Merit Systems Protection Board.".

(b) APPEALS TO MERIT SYSTEMS PROTECTION BOARD.—Section 347(c) of the Department of Transportation and Related Agencies Appropriations Act, 1996 is amended to read as follows:

"(c) APPEALS TO MERIT SYSTEMS PROTECTION BOARD.—Under the new personnel management system developed and implemented under subsection (a), an employee of the Federal Aviation Administration may submit an appeal to the Merit Systems Protection Board and may seek judicial review of any resulting final orders or decisions of the Board from any action that was appealable to the Board under any law, rule, or regulation as of March 31, 1996.".

SEC 526. AIRCRAFT AND AVIATION COMPONENT REPAIR AND MAINTENANCE ADVISORY PANEL.

(a) ESTABLISHMENT OF PANEL.—The Administrator of the Federal Aviation Administration—

(1) shall establish an Aircraft Repair and Maintenance Advisory Panel to review issues related to the use and oversight of aircraft and aviation component repair and maintenance facilities located within, or outside of, the United States; and

(2) may seek the advice of the panel on any issue related to methods to improve the safety of domestic or foreign contract aircraft and aviation component repair facilities.

(b) MEMBERSHIP.—The panel shall consist of—

(1) 8 members, appointed by the Administrator as follows:

(A) 3 representatives of labor organizations representing aviation mechanics;

(B) 1 representative of cargo air carriers;

(C) 1 representative of passenger air carriers;

(D) 1 representative of aircraft and aviation component repair stations;

(E) 1 representative of aircraft manufacturers; and

(F) 1 representative of the aviation industry not described in the preceding subparagraphs;

(2) 1 representative from the Department of Transportation, designated by the Secretary of Transportation;

(3) 1 representative from the Department of State, designated by the Secretary of State; and

(4) 1 representative from the Federal Aviation Administration, designated by the Administrator.

(c) RESPONSIBILITIES.—The panel shall—

(1) determine how much aircraft and aviation component repair work and what type of aircraft and aviation component repair work is being performed by aircraft and aviation component repair stations located within, and outside of, the United States to better understand and analyze methods to improve the safety and oversight of such facilities; and

(2) provide advice and counsel to the Administrator with respect to aircraft and aviation component repair work performed by those stations, staffing needs, and any safety issues associated with that work.

(d) FAA TO REQUEST INFORMATION FROM FOREIGN AIRCRAFT REPAIR STATIONS.—

(1) COLLECTION OF INFORMATION.—The Administrator shall by regulation request aircraft and aviation component repair stations located outside the United States to submit such information as the Administrator may require in order to assess safety issues and enforcement actions with respect to the work performed at those stations on aircraft used by United States air carriers.

(2) DRUG AND ALCOHOL TESTING INFORMATION.—Included in the information the Administrator requests under paragraph (1) shall be information on the existence and administration of employee drug and alcohol testing programs in place at such stations, if applicable.

(3) DESCRIPTION OF WORK DONE.—Included in the information the Administrator requests under paragraph (1) shall be information on the amount and type of aircraft and aviation component repair work performed at those stations on aircraft registered in the United States.

(e) FAA TO REQUEST INFORMATION ABOUT DOMESTIC AIRCRAFT REPAIR STATIONS.—If the Administrator determines that information on the volume of the use of domestic aircraft and aviation component repair stations is needed in order to better utilize Federal Aviation Administration resources, the Administrator may—

(1) require United States air carriers to submit the information described in subsection (d) with respect to their use of contract and noncontract aircraft and aviation component repair facilities located in the United States; and

(2) obtain information from such stations about work performed for foreign air carriers.

(f) FAA TO MAKE INFORMATION AVAILABLE TO PUBLIC.—The Administrator shall make any information received under subsection (d) or (e) available to the public.

(g) TERMINATION.—The panel established under subsection (a) shall terminate on the earlier of—

(1) the date that is 2 years after the date of enactment of this Act; or

(2) December 31, 2000.

(h) ANNUAL REPORT TO CONGRESS.—The Administrator shall report annually to the Congress on the number and location of air agency certificates that were revoked, suspended, or not renewed during the preceding year.

(i) DEFINITIONS.—Any term used in this section that is defined in subtitle VII of title 49, United States Code, has the meaning given that term in that subtitle.

SEC. 527. REPORT ON ENHANCED DOMESTIC AIRLINE COMPETITION.

(a) FINDINGS.—The Congress makes the following findings:

(1) There has been a reduction in the level of competition in the domestic airline business brought about by mergers, consolidations, and proposed domestic alliances.

(2) Foreign citizens and foreign air carriers may be willing to invest in existing or start-up airlines if they are permitted to acquire a larger equity share of a United States airline.

(b) STUDY.—The Secretary of Transportation, after consulting the appropriate Federal agencies, shall study and report to the Congress not later than December 31, 1998, on the desirability and implications of—

(1) decreasing the foreign ownership provision in section 40102(a)(15) of title 49, United States Code, to 51 percent from 75 percent; and

(2) changing the definition of air carrier in section 40102(a)(2) of such title by substituting "a company whose principal place of business is in the United States" for "a citizen of the United States".

SEC. 528. AIRCRAFT SITUATIONAL DISPLAY DATA.

(a) IN GENERAL.—A memorandum of agreement between the Administrator of the Federal Aviation Administration and any person directly that obtains aircraft situational display data from the Administration shall require that—

(1) the person demonstrate to the satisfaction of the Administrator that such person is capable of selectively blocking the display of any aircraft-situation-display-to-industry derived data related to any identified aircraft registration number; and

(2) the person agree to block selectively the aircraft registration numbers of any aircraft owner or operator upon the Administration's request.

(b) EXISTING MEMORANDA TO BE CONFORMED.—The Administrator shall conform any memoranda of agreement, in effect on the date of enactment of this Act, between the Administration and a person under which that person obtains such data to incorporate the requirements of subsection (a) within 30 days after that date.

SEC. 529. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM REGARDING CHARLOTTE-LONDON ROUTE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) BERMUDA II AGREEMENT.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(3) CHARLOTTE-LONDON (GATWICK) ROUTE.—The term "Charlotte-London (Gatwick) route" means the route between Charlotte, North Carolina, and the Gatwick Airport in London, England.

(4) FOREIGN AIR CARRIER.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(5) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Charlotte-London (Gatwick) route;

(2) the Secretary awarded the Charlotte-London (Gatwick) route to US Airways on September 12, 1997, and on May 7, 1998, US Airways announced plans to launch nonstop service in competition with the monopoly held by British Airways on the route and to provide convenient single-carrier one-stop service to the United Kingdom from dozens of cities in North Carolina and South Carolina and the surrounding region;

(3) US Airways was forced to cancel service for the Charlotte-London (Gatwick) route for the summer of 1998 and the following winter because the Government of the United Kingdom refused to provide commercially viable access to Gatwick Airport;

(4) British Airways continues to operate monopoly service on the Charlotte-London (Gatwick) route and recently upgraded the aircraft for that route to B–777 aircraft;

(5) British Airways had been awarded an additional monopoly route between London England and Denver, Colorado, resulting in a total of 10 monopoly routes operated by British Airways between the United Kingdom and points in the United States;

(6) monopoly service results in higher fares to passengers; and

(7) US Airways is prepared, and officials of the air carrier are eager, to initiate competitive air service on the Charlotte-London (Gatwick) route as soon as the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Charlotte-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom.

SEC. 530. TO EXPRESS THE SENSE OF THE SENATE CONCERNING A BILATERAL AGREEMENT BETWEEN THE UNITED STATES AND THE UNITED KINGDOM REGARDING CLEVELAND-LONDON ROUTE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIRCRAFT.—The term "aircraft" has the meaning given that term in section 40102 of title 49, United States Code.

(3) AIR TRANSPORTATION.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(4) BERMUDA II AGREEMENT.—The term "Bermuda II Agreement" means the Agreement Between the United States of America and United Kingdom of Great Britain and Northern Ireland Concerning Air Services, signed at Bermuda on July 23, 1977 (TIAS 8641).

(5) CLEVELAND-LONDON (GATWICK) ROUTE.—The term "Cleveland-London (Gatwick) route" means the route between Cleveland, Ohio, and the Gatwick Airport in London, England.

(6) FOREIGN AIR CARRIER.—The term "foreign air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(7) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(8) SLOT.—The term "slot" means a reservation for an instrument flight rule takeoff or landing by an air carrier of an aircraft in air transportation.

(b) FINDINGS.—Congress finds that—

(1) under the Bermuda II Agreement, the United States has a right to designate an air carrier of the United States to serve the Cleveland-London (Gatwick) route;

(2)(A) on December 3, 1996, the Secretary awarded the Cleveland-London (Gatwick) route to Continental Airlines;

(B) on June 15, 1998, Continental Airlines announced plans to launch nonstop service on that route on February 19, 1999, and to provide single-carrier one-stop service between London, England (from Gatwick Airport) and dozens of cities in Ohio and the surrounding region; and

(C) on August 4, 1998, the Secretary tentatively renewed the authority of Continental Airlines to carry out the nonstop service referred to in subparagraph (B) and selected Cleveland, Ohio, as a new gateway under the Bermuda II Agreement;

(3) unless the Government of the United Kingdom provides Continental Airlines commercially viable access to Gatwick Airport, Continental Airlines will not be able to initiate service on the Cleveland-London (Gatwick) route; and

(4) Continental Airlines is prepared to initiate competitive air service on the Cleveland-London (Gatwick) route when the Government of the United Kingdom provides commercially viable access to the Gatwick Airport.

(c) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) act vigorously to ensure the enforcement of the rights of the United States under the Bermuda II Agreement;

(2) intensify efforts to obtain the necessary assurances from the Government of the United Kingdom to allow an air carrier of the United States to operate commercially viable, competitive service for the Cleveland-London (Gatwick) route; and

(3) ensure that the rights of the Government of the United States and citizens and air carriers of the United States are enforced under the Bermuda II Agreement before seeking to renegotiate a broader bilateral agreement to establish additional rights for air carriers of the United States and foreign air carriers of the United Kingdom, including the right to commercially viable competitive slots at Gatwick Airport and Heathrow Airport in London, England, for air carriers of the United States.

SEC. 531. ALLOCATION OF TRUST FUND FUNDING.

(a) DEFINITIONS.—In this section:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term "Airport and Airway Trust Fund" means the trust fund established under section 9502 of the Internal Revenue Code of 1986.

(2) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(3) STATE.—The term "State" means each of the States, the District of Columbia, and the Commonwealth of Puerto Rico.

(4) STATE DOLLAR CONTRIBUTION TO THE AIRPORT AND AIRWAY TRUST FUND.—The term "State dollar contribution to the Airport and Airway Trust Fund", with respect to a State and fiscal year, means the amount of funds equal to the amounts transferred to the Airport and Airway Trust Fund under section 9502 of the Internal Revenue Code of 1986 that are equivalent to the taxes described in section 9502(b) of the Internal Revenue Code of 1986 that are collected in that State.

(b) REPORTING.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, and annually thereafter, the Secretary of the Treasury shall report to the Secretary the amount equal to the amount of taxes collected in each State during the preceding fiscal year that were transferred to the Airport and Airway Trust Fund.

(2) REPORT BY SECRETARY.—Not later than 90 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to Congress a report that provides, for each State, for the preceding fiscal year—

(A) the State dollar contribution to the Airport and Airway Trust Fund; and

(B) the amount of funds (from funds made available under section 48103 of title 49, United States Code) that were made available to the State (including any political subdivision thereof) under chapter 471 of title 49, United States Code.

SEC. 532. TAOS PUEBLO AND BLUE LAKES WILDERNESS AREA DEMONSTRATION PROJECT.

Within 18 months after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall work with the Taos Pueblo to study the feasibility of conducting a demonstration project to require all aircraft that fly over Taos Pueblo and the Blue Lake Wilderness Area of Taos Pueblo, New Mexico, to maintain a mandatory minimum altitude of at least 5,000 feet above ground level.

SEC. 533. AIRLINE MARKETING DISCLOSURE.

(a) DEFINITIONS.—In this section:

(1) AIR CARRIER.—The term "air carrier" has the meaning given that term in section 40102 of title 49, United States Code.

(2) AIR TRANSPORTATION.—The term "air transportation" has the meaning given that term in section 40102 of title 49, United States Code.

(b) FINAL REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary of Transportation shall promulgate final regulations to provide for improved oral and written disclosure to each consumer of air transportation concerning the corporate name of the air carrier that provides the air transportation purchased by that consumer. In issuing the regulations issued under this subsection, the Secretary shall take into account the proposed regulations issued by the Secretary on January 17, 1995, published at page 3359, volume 60, Federal Register.

SEC. 534. CERTAIN AIR TRAFFIC CONTROL TOWERS.

Notwithstanding any other provision of law, regulation, intergovernmental circular advisories or other process, or any judicial proceeding or ruling to the contrary, the Federal Aviation Administration shall use such funds as necessary to contract for the operation of air traffic control towers, located in Salisbury, Maryland; Bozeman, Montana; and Boca Raton, Florida: Provided, That the Federal Aviation Administration has made a prior determination of eligibility for such towers to be included in the contract tower program.

SEC. 535. COMPENSATION UNDER THE DEATH ON THE HIGH SEAS ACT.

(a) IN GENERAL.—Section 2 of the Death on the High Seas Act (46 U.S.C. App. 762) is amended by—

(1) inserting "(a) IN GENERAL.—" before "The recovery"; and

(2) adding at the end thereof the following:

"(b) COMMERCIAL AVIATION.—

"(1) IN GENERAL.—If the death was caused during commercial aviation, additional compensation for nonpecuniary damages for wrongful death of a decedent is recoverable in a total amount, for all beneficiaries of that decedent, that shall not exceed the greater of the pecuniary loss sustained or a sum total of $750,000 from all defendants for all claims. Punitive damages are not recoverable.

"(2) INFLATION ADJUSTMENT.—The $750,000 amount shall be adjusted, beginning in calendar year 2000 by the increase, if any, in the Consumer Price Index for all urban consumers for the prior year over the Consumer Price Index for all urban consumers for the calendar year 1998.

"(3) NONPECUNIARY DAMAGES.—For purposes of this subsection, the term 'nonpecuniary damages' means damages for loss of care, comfort, and companionship.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to any death caused during commercial aviation occurring after July 16, 1996.

TITLE VI—AVIATION COMPETITION PROMOTION

SEC. 601. PURPOSE.

The purpose of this title is to facilitate, through a 4-year pilot program, incentives and projects that will help up to 40 communities or consortia of communities to improve their access to the essential airport facilities of the national air transportation system through public-private partnerships and to identify and establish ways to overcome the unique policy, economic, geographic, and marketplace factors that may inhibit the availability of quality, affordable air service to small communities.

SEC. 602. ESTABLISHMENT OF SMALL COMMUNITY AVIATION DEVELOPMENT PROGRAM.

Section 102 is amended by adding at the end thereof the following:

"(g) SMALL COMMUNITY AIR SERVICE DEVELOPMENT PROGRAM.—

"(1) ESTABLISHMENT.—The Secretary shall establish a 4-year pilot aviation development program to be administered by a program director designated by the Secretary.

"(2) FUNCTIONS.—The program director shall—

"(A) function as a facilitator between small communities and air carriers;

"(B) carry out section 41743 of this title;

"(C) carry out the airline service restoration program under sections 41744, 41745, and 41746 of this title;

"(D) ensure that the Bureau of Transportation Statistics collects data on passenger information to assess the service needs of small communities;

"(E) work with and coordinate efforts with other Federal, State, and local agencies to increase the viability of service to small communities and the creation of aviation development zones; and

"(F) provide policy recommendations to the Secretary and the Congress that will ensure that small communities have access to quality, affordable air transportation services.

"(3) REPORTS.—The program director shall provide an annual report to the Secretary and the Congress beginning in 1999 that—

"(A) analyzes the availability of air transportation services in small communities, including, but not limited to, an assessment of the air fares charged for air transportation services in small communities compared to air fares charged for air transportation services in larger metropolitan areas and an assessment of the levels of service, measured by types of aircraft used, the availability of seats, and scheduling of flights, provided to small communities;

"(B) identifies the policy, economic, geographic and marketplace factors that inhibit the availability of quality, affordable air transportation services to small communities; and

"(C) provides policy recommendations to address the policy, economic, geographic, and marketplace factors inhibiting the availability of quality, affordable air transportation services to small communities.".

SEC. 603. COMMUNITY-CARRIER AIR SERVICE PROGRAM.

(a) IN GENERAL.—Subchapter II of chapter 417 is amended by adding at the end thereof the following:

"§41743. Air service program for small communities

"(a) COMMUNITIES PROGRAM.—Under advisory guidelines prescribed by the Secretary of Transportation, a small community or a consortia of small communities or a State may develop an assessment of its air service requirements, in such form as the program director designated by the Secretary under section 102(g) *may require, and submit the assessment and service proposal to the program director.*

"(b) Selection of Participants.—In selecting community programs for participation in the communities program under subsection (a), the program director shall apply criteria, including geographical diversity and the presentation of unique circumstances, that will demonstrate the feasibility of the program. For purposes of this subsection, the application of geographical diversity criteria means criteria that—

"(1) will promote the development of a national air transportation system; and

"(2) will involve the participation of communities in all regions of the country.

"(c) Carriers Program.—The program director shall invite part 121 air carriers and regional/commuter carriers (as such terms are defined in section 41715(d) of this title) to offer service proposals in response to, or in conjunction with, community aircraft service assessments submitted to the office under subsection (a). A service proposal under this paragraph shall include—

"(1) an assessment of potential daily passenger traffic, revenues, and costs necessary for the carrier to offer the service;

"(2) a forecast of the minimum percentage of that traffic the carrier would require the community to garner in order for the carrier to start up and maintain the service; and

"(3) the costs and benefits of providing jet service by regional or other jet aircraft.

"(d) Program Support Function.—The program director shall work with small communities and air carriers, taking into account their proposals and needs, to facilitate the initiation of service. The program director—

"(1) may work with communities to develop innovative means and incentives for the initiation of service;

"(2) may obligate funds appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 to carry out this section;

"(3) shall continue to work with both the carriers and the communities to develop a combination of community incentives and carrier service levels that—

"(A) are acceptable to communities and carriers; and

"(B) do not conflict with other Federal or State programs to facilitate air transportation to the communities;

"(4) designate an airport in the program as an Air Service Development Zone and work with the community on means to attract business to the area surrounding the airport, to develop land use options for the area, and provide data, working with the Department of Commerce and other agencies;

"(5) take such other action under this chapter as may be appropriate.

"(e) Limitations.—

"(1) Community support.—The program director may not provide financial assistance under subsection (c)(2) to any community unless the program director determines that—

"(A) a public-private partnership exists at the community level to carry out the community's proposal;

"(B) the community will make a substantial financial contribution that is appropriate for that community's resources, but of not less than 25 percent of the cost of the project in any event;

"(C) the community has established an open process for soliciting air service proposals; and

"(D) the community will accord similar benefits to air carriers that are similarly situated.

"(2) Amount.—The program director may not obligate more than $30,000,000 of the amounts appropriated under 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 over the 4 years of the program.

"(3) Number of participants.—The program established under subsection (a) shall not involve more than 40 communities or consortia of communities.

"(f) Report.—The program director shall report through the Secretary to the Congress annually on the progress made under this section during the preceding year in expanding commercial aviation service to smaller communities.

"§41744. Pilot program project authority

"(a) In General.—The program director designated by the Secretary of Transportation under section 102(g)(1) shall establish a 4-year pilot program—

"(1) to assist communities and States with inadequate access to the national transportation system to improve their access to that system; and

"(2) to facilitate better air service link-ups to support the improved access.

"(b) Project Authority.—Under the pilot program established pursuant to subsection (a), the program director may—

"(1) out of amounts appropriated under section 604 of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, provide financial assistance by way of grants to small communities or consortia of small communities under section 41743 of up to $500,000 per year; and

"(2) take such other action as may be appropriate.

"(c) Other Action.—Under the pilot program established pursuant to subsection (a), the program director may facilitate service by—

"(1) working with airports and air carriers to ensure that appropriate facilities are made available at essential airports;

"(2) collecting data on air carrier service to small communities; and

"(3) providing policy recommendations to the Secretary to stimulate air service and competition to small communities.

"(d) Additional Action.—Under the pilot program established pursuant to subsection (a), the Secretary shall work with air carriers providing service to participating communities and major air carriers serving large hub airports (as defined in section 41731(a)(3)) to facilitate joint fare arrangements consistent with normal industry practice.

"§41745. Assistance to communities for service

"(a) In General.—Financial assistance provided under section 41743 during any fiscal year as part of the pilot program established under section 41744(a) shall be implemented for not more than—

"(1) 4 communities within any State at any given time; and

"(2) 40 communities in the entire program at any time.

For purposes of this subsection, a consortium of communities shall be treated as a single community.

"(b) Eligibility.—In order to participate in a pilot project under this subchapter, a State, community, or group of communities shall apply to the Secretary in such form and at such time, and shall supply such information, as the Secretary may require, and shall demonstrate to the satisfaction of the Secretary that—

"(1) the applicant has an identifiable need for access, or improved access, to the national air transportation system that would benefit the public;

"(2) the pilot project will provide material benefits to a broad section of the travelling public, businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited;

"(3) the pilot project will not impede competition; and

"(4) the applicant has established, or will establish, public-private partnerships in connection with the pilot project to facilitate service to the public.

"(c) Coordination with Other Provisions of Subchapter.—The Secretary shall carry out the 4-year pilot program authorized by this subchapter in such a manner as to complement action taken under the other provisions of this subchapter. To the extent the Secretary determines to be appropriate, the Secretary may adopt criteria for implementation of the 4-year pilot program that are the same as, or similar to, the criteria developed under the preceding sections of this subchapter for determining which airports are eligible under those sections. The Secretary shall also, to the extent possible, provide incentives where no direct, viable, and feasible alternative service exists, taking into account geographical diversity and appropriate market definitions.

"(d) Maximization of Participation.—The Secretary shall structure the program established pursuant to section 41744(a) in a way designed to—

"(1) permit the participation of the maximum feasible number of communities and States over a 4-year period by limiting the number of years of participation or otherwise; and

"(2) obtain the greatest possible leverage from the financial resources available to the Secretary and the applicant by—

"(A) progressively decreasing, on a project-by-project basis, any Federal financial incentives provided under this chapter over the 4-year period; and

"(B) terminating as early as feasible Federal financial incentives for any project determined by the Secretary after its implementation to be—

"(i) viable without further support under this subchapter; or

"(ii) failing to meet the purposes of this chapter or criteria established by the Secretary under the pilot program.

"(e) Success Bonus.—If Federal financial incentives to a community are terminated under subsection (d)(2)(B) because of the success of the program in that community, then that community may receive a one-time incentive grant to ensure the continued success of that program.

"(f) Program to Terminate in 4 Years.—No new financial assistance may be provided under this subchapter for any fiscal year beginning more than 4 years after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"§41746. Additional authority

"In carrying out this chapter, the Secretary—

"(1) may provide assistance to States and communities in the design and application phase of any project under this chapter, and oversee the implementation of any such project;

"(2) may assist States and communities in putting together projects under this chapter to utilize private sector resources, other Federal resources, or a combination of public and private resources;

"(3) may accord priority to service by jet aircraft;

"(4) take such action as may be necessary to ensure that financial resources, facilities, and administrative arrangements made under this chapter are used to carry out the purposes of title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; and

"(5) shall work with the Federal Aviation Administration on airport and air traffic control needs of communities in the program.

"§41747. Air traffic control services pilot program

"(a) In General.—To further facilitate the use of, and improve the safety at, small airports,

the Administrator of the Federal Aviation Administration shall establish a pilot program to contract for Level I air traffic control services at 20 facilities not eligible for participation in the Federal Contract Tower Program.

"(b) PROGRAM COMPONENTS.—In carrying out the pilot program established under subsection (a), the Administrator may—

"(1) utilize current, actual, site-specific data, forecast estimates, or airport system plan data provided by a facility owner or operator;

"(2) take into consideration unique aviation safety, weather, strategic national interest, disaster relief, medical and other emergency management relief services, status of regional airline service, and related factors at the facility;

"(3) approve for participation any facility willing to fund a pro rata share of the operating costs used by the Federal Aviation Administration to calculate, and, as necessary, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program; and

"(4) approve for participation no more than 3 facilities willing to fund a pro rata share of construction costs for an air traffic control tower so as to achieve, at a minimum, a 1:1 benefit-to-cost ratio, as required for eligibility under the Federal Contract Tower Program, and for each of such facilities the Federal share of construction costs does not exceed $1,000,000.

"(c) REPORT.—One year before the pilot program established under subsection (a) terminates, the Administrator shall report to the Congress on the effectiveness of the program, with particular emphasis on the safety and economic benefits provided to program participants and the national air transportation system.".

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 is amended by inserting after the item relating to section 41742 the following:

"41743. Air service program for small communities.
"41744. Pilot program project authority.
"41745. Assistance to communities for service.
"41746. Additional authority.
"41747. Air traffic control services pilot program.".

(c) WAIVER OF LOCAL CONTRIBUTION.—Section 41736(b) is amended by inserting after paragraph (4) the following:

"Paragraph (4) does not apply to any community approved for service under this section during the period beginning October 1, 1991, and ending December 31, 1997.".

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to carry out section 41747 of title 49, United States Code.

SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

To carry out sections 41743 through 41746 of title 49, United States Code, for the 4 fiscal-year period beginning with fiscal year 1999—

(1) there are authorized to be appropriated to the Secretary of Transportation not more than $10,000,000; and

(2) not more than $20,000,000 shall be made available, if available, to the Secretary for obligation and expenditure out of the account established under section 45303(a) of title 49, United States Code.

To the extent that amounts are not available in such account, there are authorized to be appropriated such sums as may be necessary to provide the amount authorized to be obligated under paragraph (2) to carry out those sections for that 4 fiscal-year period.

SEC. 605. MARKETING PRACTICES.

Section 41712 is amended by—

(1) inserting "(a) IN GENERAL.—" before "On"; and

(2) adding at the end thereof the following:

"(b) MARKETING PRACTICES THAT ADVERSELY AFFECT SERVICE TO SMALL OR MEDIUM COMMUNITIES.—Within 180 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, the Secretary shall review the marketing practices of air carriers that may inhibit the availability of quality, affordable air transportation services to small and medium-sized communities, including—

"(1) marketing arrangements between airlines and travel agents;

"(2) code-sharing partnerships;

"(3) computer reservation system displays;

"(4) gate arrangements at airports;

"(5) exclusive dealing arrangments; and

"(6) any other marketing practice that may have the same effect.

"(c) REGULATIONS.—If the Secretary finds, after conducting the review required by subsection (b), that marketing practices inhibit the availability of such service to such communities, then, after public notice and an opportunity for comment, the Secretary shall promulgate regulations that address the problem.".

SEC. 606. SLOT EXEMPTIONS FOR NONSTOP REGIONAL JET SERVICE.

(a) IN GENERAL.—Subchapter I of chapter 417 is amended by—

(1) redesignating section 41715 as 41716; and

(2) inserting after section 41714 the following:

"§41715. Slot exemptions for nonstop regional jet service.

"(a) IN GENERAL.—Within 90 days after receiving an application for an exemption to provide nonstop regional jet air service between—

"(1) an airport with fewer than 2,000,000 annual enplanements; and

"(2) a high density airport subject to the exemption authority under section 41714(a),

the Secretary of Transportation shall grant or deny the exemption in accordance with established principles of safety and the promotion of competition.

"(b) EXISTING SLOTS TAKEN INTO ACCOUNT.—In deciding to grant or deny an exemption under subsection (a), the Secretary may take into consideration the slots and slot exemptions already used by the applicant.

"(c) CONDITIONS.—The Secretary may grant an exemption to an air carrier under subsection (a)—

"(1) for a period of not less than 12 months;

"(2) for a minimum of 2 daily roundtrip flights; and

"(3) for a maximum of 3 daily roundtrip flights.

"(d) CHANGE OF NONHUB, SMALL HUB, OR MEDIUM HUB AIRPORT; JET AIRCRAFT.—The Secretary may, upon application made by an air carrier operating under an exemption granted under subsection (a)—

"(1) authorize the air carrier or an affiliated air carrier to upgrade service under the exemption to a larger jet aircraft; or

"(2) authorize an air carrier operating under such an exemption to change the nonhub airport or small hub airport for which the exemption was granted to provide the same service to a different airport that is smaller than a large hub airport (as defined in section 47134(d)(2)) if—

"(A) the air carrier has been operating under the exemption for a period of not less than 12 months; and

"(B) the air carrier can demonstrate unmitigatable losses.

"(e) FOREFEITURE FOR MISUSE.—Any exemption granted under subsection (a) shall be terminated immediately by the Secretary if the air carrier to which it was granted uses the slot for any purpose other than the purpose for which it was granted or in violation of the conditions under which it was granted.

"(f) RESTORATION OF AIR SERVICE.—To the extent that—

"(1) slots were withdrawn from an air carrier under section 41714(b);

"(2) the withdrawal of slots under that section resulted in a net loss of slots; and

"(3) the net loss of slots and slot exemptions resulting from the withdrawal had an adverse effect on service to nonhub airports and in other domestic markets,

the Secretary shall give priority consideration to the request of any air carrier from which slots were withdrawn under that section for an equivalent number of slots at the airport where the slots were withdrawn. No priority consideration shall be given under this subsection to an air carrier described in paragraph (1) when the net loss of slots and slot exemptions is eliminated.

"(g) PRIORITY TO NEW ENTRANTS AND LIMITED INCUMBENT CARRIERS.—

"(1) IN GENERAL.—In granting slot exemptions under this section the Secretary shall give priority consideration to an application from an air carrier that, as of July 1, 1998, operated or held fewer than 20 slots or slot exemptions at the high density airport for which it filed an exemption application.

"(2) LIMITATION.—No priority may be given under paragraph (1) to an air carrier that, at the time of application, operates or holds 20 or more slots and slot exemptions at the airport for which the exemption application is filed.

"(3) AFFILIATED CARRIERS.—The Secretary shall treat all commuter air carriers that have cooperative agreements, including code-share agreements, with other air carriers equally for determining eligibility for exemptions under this section regardless of the form of the corporate relationship between the commuter air carrier and the other air carrier.

"(h) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(i) REGIONAL JET DEFINED.—In this section, the term 'regional jet' means a passenger, turbofan-powered aircraft carrying not fewer than 30 and not more than 50 passengers.".

(b) CONFORMING AMENDMENTS.—

(1) Section 40102 is amended by inserting after paragraph (28) the following:

"(28A) LIMITED INCUMBENT AIR CARRIER.—The term 'limited incumbent air carrier' has the meaning given that term in subpart S of part 93 of title 14, Code of Federal Regulations, except that '20' shall be substituted for '12' in sections 93.213(a)(5), 93.223(c)(3), and 93.226(h) as such sections were in effect on August 1, 1998.".

(2) The chapter analysis for chapter 417 is amended by striking the item relating to section 41716 and inserting the following:

"41715. Slot exemptions for nonstop regional jet service.
"41716. Air service termination notice.".

SEC. 607. EXEMPTIONS TO PERIMETER RULE AT RONALD REAGAN WASHINGTON NATIONAL AIRPORT.

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 606, is amended by—

(1) redesignating section 41716 as 41717; and

(2) inserting after section 41715 the following:

"§41716. Special Rules for Ronald Reagan Washington National Airport

"(a) BEYOND-PERIMETER EXEMPTIONS.—The Secretary shall by order grant exemptions from the application of sections 49104(a)(5), 49109, 49111(e), and 41714 of this title to air carriers to operate limited frequencies and aircraft on select routes between Ronald Reagan Washington National Airport and domestic hub airports of such carriers and exemptions from the requirements of subparts K and S of part 93, Code of

Federal Regulations, if the Secretary finds that the exemptions will—

"(1) provide air transportation service with domestic network benefits in areas beyond the perimeter described in that section;

"(2) increase competition in multiple markets;

"(3) not reduce travel options for communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code; and

"(4) not result in meaningfully increased travel delays.

"(b) WITHIN-PERIMETER EXEMPTIONS.—The Secretary shall by order grant exemptions from the requirements of sections 49104(a)(5), 49111(e), and 41714 of this title and subparts K and S of part 93 of title 14, Code of Federal Regulations, to commuter air carriers for service to airports with fewer than 2,000,000 annual enplanements within the perimeter established for civil aircraft operations at Ronald Reagan Washington National Airport under section 49109. The Secretary shall develop criteria for distributing slot exemptions for flights within the perimeter to such airports under this paragraph in a manner consistent with the promotion of air transportation.

"(c) LIMITATIONS.—

"(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(2) GENERAL EXEMPTIONS.—The exemptions granted under subsections (a) and (b) may not increase the number of operations at Ronald Reagan Washington National Airport in any 1-hour period during the hours between 7:00 a.m. and 9:59 p.m. by more than 2 operations.".

"(3) ADDITIONAL EXEMPTIONS.—The Secretary shall grant exemptions under subsections (a) and (b) that—

"(A) will result in 12 additional daily air carrier slot exemptions at such airport for long-haul service beyond the perimeter;

"(B) will result in 12 additional daily commuter slot exemptions at such airport; and

"(C) will not result in additional daily commuter slot exemptions for service to any within-the-perimeter airport that is not smaller than a large hub airport (as defined in section 47134(d)(2)).

"(4) ASSESSMENT OF SAFETY, NOISE AND ENVIRONMENTAL IMPACTS.—The Secretary shall assess the impact of granting exemptions, including the impacts of the additional slots and flights at Ronald Reagan Washington National Airport provided under subsections (a) and (b) on safety, noise levels and the environment within 90 days of the date of the enactment of this Act. The environmental assessment shall be carried out in accordance with parts 1500–1508 of title 40, Code of Federal Regulations. Such environmental assessment shall include a public meeting.

"(5) APPLICABILITY WITH EXEMPTION 5133.—Nothing in this section affects Exemption No. 5133, as from time-to-time amended and extended.".

(b) OVERRIDE OF MWAA RESTRICTION.—Section 49104(a)(5) is amended by adding at the end thereof the following:

"(D) Subparagraph (C) does not apply to any increase in the number of instrument flight rule takeoffs and landings necessary to implement exemptions granted by the Secretary under section 41716.".

(c) MWAA NOISE-RELATED GRANT ASSURANCES.—

(1) IN GENERAL.—In addition to any condition for approval of an airport development project that is the subject of a grant application submitted to the Secretary of Transportation under chapter 471 of title 49, United States Code, by the Metropolitan Washington Airports Authority, the Authority shall be required to submit a written assurance that, for each such grant made to the Authority for fiscal year 1999 or any subsequent fiscal year—

(A) the Authority will make available for that fiscal year funds for noise compatibility planning and programs that are eligible to receive funding under chapter 471 of title 49, United States Code, in an amount not less than 10 percent of the aggregate annual amount of financial assistance provided to the Authority by the Secretary as grants under chapter 471 of title 49, United States Code; and

(B) the Authority will not divert funds from a high priority safety project in order to make funds available for noise compatibility planning and programs.

(2) WAIVER.—The Secretary of Transportation may waive the requirements of paragraph (1) for any fiscal year for which the Secretary determines that the Metropolitan Washington Airports Authority is in full compliance with applicable airport noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(3) SUNSET.—This subsection shall cease to be in effect 5 years after the date of enactment of this Act, if on that date the Secretary of Transportation certifies that the Metropolitan Washington Airports Authority has achieved full compliance with applicable noise compatibility planning and program requirements under part 150 of title 14, Code of Federal Regulations.

(d) NOISE COMPATIBILITY PLANNING AND PROGRAMS.—Section 47117(e) is amended by adding at the end the following:

"(3) The Secretary shall give priority in making grants under paragraph (1)(A) to applications for airport noise compatibility planning and programs at and around airports where operations increase under title VI of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the amendments made by that title.".

(e) CONFORMING AMENDMENTS.—

(1) Section 49111 is amended by striking subsection (e).

(2) The chapter analysis for chapter 417, as amended by section 606(b) of this Act, is amended by striking the item relating to section 41716 and inserting the following:

"41716. Special Rules for Ronald Reagan Washington National Airport.
"41717. Air service termination notice.".

(f) REPORT.—Within 1 year after the date of enactment of this Act, and biannually thereafter, the Secretary shall certify to the United States Senate Committee on Commerce, Science, and Transportation, the United States House of Representatives Committee on Transportation and Infrastructure, the Governments of Maryland, Virginia, and West Virginia and the metropolitan planning organization for Washington D.C. that noise standards, air traffic congestion, airport-related vehicular congestion, safety standards, and adequate air service to communities served by small hub airports and medium hub airports within the perimeter described in section 49109 of title 49, United States Code, have been maintained at appropriate levels.

SEC. 608. ADDITIONAL SLOT EXEMPTIONS AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

(a) IN GENERAL.—Chapter 417, as amended by section 607, is amended by—

(1) redesignating section 41717 as 41718; and

(2) inserting after section 41716 the following:

"§41717. Special Rules for Chicago O'Hare International Airport

"(a) IN GENERAL.—The Secretary of Transportation shall grant 30 slot exemptions over a 3-year period beginning on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998 at Chicago O'Hare International Airport.

"(b) EQUIPMENT AND SERVICE REQUIREMENTS.—

"(1) STAGE 3 AIRCRAFT REQUIRED.—An exemption may not be granted under this section with respect to any aircraft that is not a Stage 3 aircraft (as defined by the Secretary).

"(2) SERVICE PROVIDED.—Of the exemptions granted under subsection (a)—

"(A) 18 shall be used only for service to underserved markets, of which no fewer than 6 shall be designated as commuter slot exemptions; and

"(B) 12 shall be air carrier slot exemptions.

"(c) PROCEDURAL REQUIREMENTS.—Before granting exemptions under subsection (a), the Secretary shall—

"(1) conduct an environmental review, taking noise into account, and determine that the granting of the exemptions will not cause a significant increase in noise;

"(2) determine whether capacity is available and can be used safely and, if the Secretary so determines then so certify;

"(3) give 30 days notice to the public through publication in the Federal Register of the Secretary's intent to grant the exemptions; and

"(4) consult with appropriate officers of the State and local government on any related noise and environmental issues.

"(d) UNDERSERVED MARKET DEFINED.—In this section, the term 'service to underserved markets' means passenger air transportation service to an airport that is a nonhub airport or a small hub airport (as defined in paragraphs (4) and (5), respectively, of section 41731(a)).".

(b) STUDIES.—

(1) 3-YEAR REPORT.—The Secretary shall study and submit a report 3 years after the first exemption granted under section 41717(a) of title 49, United States Code, is first used on the impact of the additional slots on the safety, environment, noise, access to underserved markets, and competition at Chicago O'Hare International Airport.

(2) DOT STUDY IN 2000.—The Secretary of Transportation shall study community noise levels in the areas surrounding the 4 high-density airports after the 100 percent Stage 3 fleet requirements are in place, and compare those levels with the levels in such areas before 1991.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417, as amended by section 607(b) of this Act, is amended by striking the item relating to section 41717 and inserting the following:

"41717. Special Rules for Chicago O'Hare International Airport.
"41718. Air service termination notice.".

SEC. 609. CONSUMER NOTIFICATION OF E-TICKET EXPIRATION DATES.

Section 41712, as amended by section 605 of this Act, is amended by adding at the end thereof the following:

"(d) E-TICKET EXPIRATION NOTICE.—It shall be an unfair or deceptive practice under subsection (a) for any air carrier utilizing electronically transmitted tickets to fail to notify the purchaser of such a ticket of its expiration date, if any.".

SEC. 610. JOINT VENTURE AGREEMENTS.

(a) IN GENERAL.—Subchapter I of chapter 417, as amended by section 608, is amended by adding at the end the following:

"§41719. Joint venture agreements

"(a) DEFINITIONS.—In this section—

"(1) JOINT VENTURE AGREEMENT.—The term 'joint venture agreement' means an agreement entered into by a major air carrier on or after January 1, 1998, with regard to (A) code-sharing, blocked-space arrangements, long-term wet leases (as defined in section 207.1 of title 14, Code of Federal Regulations) of a substantial number (as defined by the Secretary by regulation) of aircraft, or frequent flyer programs, or

(B) any other cooperative working arrangement (as defined by the Secretary by regulation) between 2 or more major air carriers that affects more than 15 percent of the total number of available seat miles offered by the major air carriers.

"(2) MAJOR AIR CARRIER.—The term 'major air carrier' means a passenger air carrier that is certificated under chapter 411 of this title and included in Carrier Group III under criteria contained in section 04 of part 241 of title 14, Code of Federal Regulations.

"(b) SUBMISSION OF JOINT VENTURE AGREEMENT.—At least 30 days before a joint venture agreement may take effect, each of the major air carriers that entered into the agreement shall submit to the Secretary—

"(1) a complete copy of the joint venture agreement and all related agreements; and

"(2) other information and documentary material that the Secretary may require by regulation.

"(c) EXTENSION OF WAITING PERIOD.—

"(1) IN GENERAL.—The Secretary may extend the 30-day period referred to in subsection (b) until—

"(A) in the case of a joint venture agreement with regard to code-sharing, the 150th day following the last day of such period; and

"(B) in the case of any other joint venture agreement, the 60th day following the last day of such period.

"(2) PUBLICATION OF REASONS FOR EXTENSION.—If the Secretary extends the 30-day period referred to in subsection (b), the Secretary shall publish in the Federal Register the reasons of the Secretary for making the extension.

"(d) TERMINATION OF WAITING PERIOD.—At any time after the date of submission of a joint venture agreement under subsection (b), the Secretary may terminate the waiting periods referred to in subsections (b) and (c) with respect to the agreement.

"(e) REGULATIONS.—The effectiveness of a joint venture agreement may not be delayed due to any failure of the Secretary to issue regulations to carry out this subsection.

"(f) MEMORANDUM TO PREVENT DUPLICATIVE REVIEWS.—Promptly after the date of enactment of this section, the Secretary shall consult with the Assistant Attorney General of the Antitrust Division of the Department of Justice in order to establish, through a written memorandum of understanding, preclearance procedures to prevent unnecessary duplication of effort by the Secretary and the Assistant Attorney General under this section and the United States antitrust laws, respectively.

"(g) PRIOR AGREEMENTS.—With respect to a joint venture agreement entered into before the date of enactment of this section as to which the Secretary finds that—

"(1) the parties have submitted the agreement to the Secretary before such date of enactment; and

"(2) the parties have submitted any information on the agreement requested by the Secretary,

the waiting period described in paragraphs (2) and (3) shall begin on the date, as determined by the Secretary, on which all such information was submitted and end on the last day to which the period could be extended under this section.

"(h) LIMITATION ON STATUTORY CONSTRUCTION.—The authority granted to the Secretary under this subsection shall not in any way limit the authority of the Attorney General to enforce the antitrust laws as defined in the first section of the Clayton Act (15 U.S.C. 12).".

(b) CONFORMING AMENDMENT.—The analysis for subchapter I of such chapter is amended by adding at the end the following:

"41716. Joint venture agreements.".

SEC. 611. REGIONAL AIR SERVICE INCENTIVE OPTIONS.

(a) PURPOSE.—The purpose of this section is to provide the Congress with an analysis of means to improve service by jet aircraft to underserved markets by authorizing a review of different programs of Federal financial assistance, including loan guarantees like those that would have been provided for by section 2 of S. 1353, 105th Congress, as introduced, to commuter air carriers that would purchase regional jet aircraft for use in serving those markets.

(b) STUDY.—The Secretary of Transportation shall study the efficacy of a program of Federal loan guarantees for the purchase of regional jets by commuter air carriers. The Secretary shall include in the study a review of options for funding, including alternatives to Federal funding. In the study, the Secretary shall analyze—

(1) the need for such a program;

(2) its potential benefit to small communities;

(3) the trade implications of such a program;

(4) market implications of such a program for the sale of regional jets;

(5) the types of markets that would benefit the most from such a program;

(6) the competititve implications of such a program; and

(7) the cost of such a program.

(c) REPORT.—The Secretary shall submit a report of the results of the study to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure not later than 24 months after the date of enactment of this Act.

SEC. 612. GAO STUDY OF AIR TRANSPORTATION NEEDS.

The General Accounting Office shall conduct a study of the current state of the national airport network and its ability to meet the air transportation needs of the United States over the next 15 years. The study shall include airports located in remote communities and reliever airports. In assessing the effectiveness of the system the Comptroller General may consider airport runway length of 5,500 feet or the equivalent altitude-adjusted length, air traffic control facilities, and navigational aids.

TITLE VII—NATIONAL PARKS OVERFLIGHTS

SEC. 701. FINDINGS.

The Congress finds that—

(1) the Federal Aviation Administration has sole authority to control airspace over the United States;

(2) the Federal Aviation Administration has the authority to preserve, protect, and enhance the environment by minimizing, mitigating, or preventing the adverse effects of aircraft overflights on the public and tribal lands;

(3) the National Park Service has the responsibility of conserving the scenery and natural and historic objects and wildlife in national parks and of providing for the enjoyment of the national parks in ways that leave the national parks unimpaired for future generations;

(4) the protection of tribal lands from aircraft overflights is consistent with protecting the public health and welfare and is essential to the maintenance of the natural and cultural resources of Indian tribes;

(5) the National Parks Overflights Working Group, composed of general aviation, air tour, environmental, and Native American representatives, recommended that the Congress enact legislation based on its consensus work product; and

(6) this title reflects the recommendations made by that Group.

SEC. 702. AIR TOUR MANAGEMENT PLANS FOR NATIONAL PARKS.

(a) IN GENERAL.—Chapter 401, as amended by section 301 of this Act, is amended by adding at the end the following:

"§40126. Overflights of national parks

"(a) IN GENERAL.—

"(1) GENERAL REQUIREMENTS.—A commercial air tour operator may not conduct commercial air tour operations over a national park or tribal lands except—

"(A) in accordance with this section;

"(B) in accordance with conditions and limitations prescribed for that operator by the Administrator; and

"(C) in accordance with any effective air tour management plan for that park or those tribal lands.

"(2) APPLICATION FOR OPERATING AUTHORITY.—

"(A) APPLICATION REQUIRED.—Before commencing commercial air tour operations over a national park or tribal lands, a commercial air tour operator shall apply to the Administrator for authority to conduct the operations over that park or those tribal lands.

"(B) COMPETITIVE BIDDING FOR LIMITED CAPACITY PARKS.—Whenever a commercial air tour management plan limits the number of commercial air tour flights over a national park area during a specified time frame, the Administrator, in cooperation with the Director, shall authorize commercial air tour operators to provide such service. The authorization shall specify such terms and conditions as the Administrator and the Director find necessary for management of commercial air tour operations over the national park. The Administrator, in cooperation with the Director, shall develop an open competitive process for evaluating proposals from persons interested in providing commercial air tour services over the national park. In making a selection from among various proposals submitted, the Administrator, in cooperation with the Director, shall consider relevant factors, including—

"(i) the safety record of the company or pilots;

"(ii) any quiet aircraft technology proposed for use;

"(iii) the experience in commercial air tour operations over other national parks or scenic areas;

"(iv) the financial capability of the company;

"(v) any training programs for pilots; and

"(vi) responsiveness to any criteria developed by the National Park Service or the affected national park.

"(C) NUMBER OF OPERATIONS AUTHORIZED.—In determining the number of authorizations to issue to provide commercial air tour service over a national park, the Administrator, in cooperation with the Director, shall take into consideration the provisions of the air tour management plan, the number of existing commercial air tour operators and current level of service and equipment provided by any such companies, and the financial viability of each commercial air tour operation.

"(D) COOPERATION WITH NPS.—Before granting an application under this paragraph, the Administrator shall, in cooperation with the Director, develop an air tour management plan in accordance with subsection (b) and implement such plan.

"(E) TIME LIMIT ON RESPONSE TO ATMP APPLICATIONS.—The Administrator shall act on any such application and issue a decision on the application not later than 24 months after it is received or amended.

"(3) EXCEPTION.—Notwithstanding paragraph (1), commercial air tour operators may conduct commercial air tour operations over a national park under part 91 of the Federal Aviation Regulations (14 CFR 91.1 et seq.) if—

"(A) such activity is permitted under part 119 (14 CFR 119.1(e)(2));

"(B) the operator secures a letter of agreement from the Administrator and the national park superintendent for that national park describing

the conditions under which the flight operations will be conducted; and

"(C) the total number of operations under this exception is limited to not more than 5 flights in any 30-day period over a particular park.

"(4) SPECIAL RULE FOR SAFETY REQUIREMENTS.—Notwithstanding subsection (c), an existing commercial air tour operator shall, not later than 90 days after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998, apply for operating authority under part 119, 121, or 135 of the Federal Aviation Regulations (14 CFR Pt. 119, 121, or 135). A new entrant commercial air tour operator shall apply for such authority before conducting commercial air tour operations over a national park or tribal lands.

"(b) AIR TOUR MANAGEMENT PLANS.—

"(1) ESTABLISHMENT OF ATMPS.—

"(A) IN GENERAL.—The Administrator shall, in cooperation with the Director, establish an air tour management plan for any national park or tribal land for which such a plan is not already in effect whenever a person applies for authority to operate a commercial air tour over the park. The development of the air tour management plan is to be a cooperative undertaking between the Federal Aviation Administration and the National Park Service. The air tour management plan shall be developed by means of a public process, and the agencies shall develop information and analysis that explains the conclusions that the agencies make in the application of the respective criteria. Such explanations shall be included in the Record of Decision and may be subject to judicial review.

"(B) OBJECTIVE.—The objective of any air tour management plan shall be to develop acceptable and effective measures to mitigate or prevent the significant adverse impacts, if any, of commercial air tours upon the natural and cultural resources and visitor experiences and tribal lands.

"(2) ENVIRONMENTAL DETERMINATION.—In establishing an air tour management plan under this subsection, the Administrator and the Director shall each sign the environmental decision document required by section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332) which may include a finding of no significant impact, an environmental assessment, or an environmental impact statement, and the Record of Decision for the air tour management plan.

"(3) CONTENTS.—An air tour management plan for a national park—

"(A) may prohibit commercial air tour operations in whole or in part;

"(B) may establish conditions for the conduct of commercial air tour operations, including commercial air tour routes, maximum or minimum altitudes, time-of-day restrictions, restrictions for particular events, maximum number of flights per unit of time, intrusions on privacy on tribal lands, and mitigation of noise, visual, or other impacts;

"(C) shall apply to all commercial air tours within ½ mile outside the boundary of a national park;

"(D) shall include incentives (such as preferred commercial air tour routes and altitudes, relief from caps and curfews) for the adoption of quiet aircraft technology by commercial air tour operators conducting commercial air tour operations at the park;

"(E) shall provide for the initial allocation of opportunities to conduct commercial air tours if the plan includes a limitation on the number of commercial air tour flights for any time period; and

"(F) shall justify and document the need for measures taken pursuant to subparagraphs (A) through (E).

"(4) PROCEDURE.—In establishing a commercial air tour management plan for a national park, the Administrator and the Director shall—

"(A) initiate at least one public meeting with interested parties to develop a commercial air tour management plan for the park;

"(B) publish the proposed plan in the Federal Register for notice and comment and make copies of the proposed plan available to the public;

"(C) comply with the regulations set forth in sections 1501.3 and 1501.5 through 1501.8 of title 40, Code of Federal Regulations (for purposes of complying with those regulations, the Federal Aviation Administration is the lead agency and the National Park Service is a cooperating agency); and

"(D) solicit the participation of any Indian tribe whose tribal lands are, or may be, overflown by aircraft involved in commercial air tour operations over a national park or tribal lands, as a cooperating agency under the regulations referred to in paragraph (4)(C).

"(5) AMENDMENTS.—Any amendment of an air tour management plan shall be published in the Federal Register for notice and comment. A request for amendment of an air tour management plan shall be made in such form and manner as the Administrator may prescribe.

"(c) INTERIM OPERATING AUTHORITY.—

"(1) IN GENERAL.—Upon application for operating authority, the Administrator shall grant interim operating authority under this paragraph to a commercial air tour operator for a national park or tribal lands for which the operator is an existing commercial air tour operator.

"(2) REQUIREMENTS AND LIMITATIONS.—Interim operating authority granted under this subsection—

"(A) shall provide annual authorization only for the greater of—

"(i) the number of flights used by the operator to provide such tours within the 12-month period prior to the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998; or

"(ii) the average number of flights per 12-month period used by the operator to provide such tours within the 36-month period prior to such date of enactment, and, for seasonal operations, the number of flights so used during the season or seasons covered by that 12-month period;

"(B) may not provide for an increase in the number of operations conducted during any time period by the commercial air tour operator to which it is granted unless the increase is agreed to by the Administrator and the Director;

"(C) shall be published in the Federal Register to provide notice and opportunity for comment;

"(D) may be revoked by the Administrator for cause;

"(E) shall terminate 180 days after the date on which an air tour management plan is established for that park or those tribal lands; and

"(F) shall—

"(i) promote protection of national park resources, visitor experiences, and tribal lands;

"(ii) promote safe operations of the commercial air tour;

"(iii) promote the adoption of quiet technology, as appropriate; and

"(iv) allow for modifications of the operation based on experience if the modification improves protection of national park resources and values and of tribal lands.

"(3) NEW ENTRANT AIR TOUR OPERATORS.—

"(A) IN GENERAL.—The Administrator, in cooperation with the Director, may grant interim operating authority under this paragraph to an air tour operator for a national park for which that operator is a new entrant air tour operator if the Administrator determines the authority is necessary to ensure competition in the provision of commercial air tours over that national park or those tribal lands.

"(B) SAFETY LIMITATION.—The Administrator may not grant interim operating authority under subparagraph (A) if the Administrator determines that it would create a safety problem at that park or on tribal lands, or the Director determines that it would create a noise problem at that park or on tribal lands.

"(C) ATMP LIMITATION.—The Administrator may grant interim operating authority under subparagraph (A) of this paragraph only if the air tour management plan for the park or tribal lands to which the application relates has not been developed within 24 months after the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"(d) DEFINITIONS.—In this section, the following definitions apply:

"(1) COMMERCIAL AIR TOUR.—The term 'commercial air tour' means any flight conducted for compensation or hire in a powered aircraft where a purpose of the flight is sightseeing. If the operator of a flight asserts that the flight is not a commercial air tour, factors that can be considered by the Administrator in making a determination of whether the flight is a commercial air tour, include, but are not limited to—

"(A) whether there was a holding out to the public of willingness to conduct a sightseeing flight for compensation or hire;

"(B) whether a narrative was provided that referred to areas or points of interest on the surface;

"(C) the area of operation;

"(D) the frequency of flights;

"(E) the route of flight;

"(F) the inclusion of sightseeing flights as part of any travel arrangement package; or

"(G) whether the flight or flights in question would or would not have been canceled based on poor visibility of the surface.

"(2) COMMERCIAL AIR TOUR OPERATOR.—The term 'commercial air tour operator' means any person who conducts a commercial air tour.

"(3) EXISTING COMMERCIAL AIR TOUR OPERATOR.—The term 'existing commercial air tour operator' means a commercial air tour operator that was actively engaged in the business of providing commercial air tours over a national park at any time during the 12-month period ending on the date of enactment of the Wendell H. Ford National Air Transportation System Improvement Act of 1998.

"(4) NEW ENTRANT COMMERCIAL AIR TOUR OPERATOR.—The term 'new entrant commercial air tour operator' means a commercial air tour operator that—

"(A) applies for operating authority as a commercial air tour operator for a national park; and

"(B) has not engaged in the business of providing commercial air tours over that national park or those tribal lands in the 12-month period preceding the application.

"(5) COMMERCIAL AIR TOUR OPERATIONS.—The term 'commercial air tour operations' means commercial air tour flight operations conducted—

"(A) over a national park or within ½ mile outside the boundary of any national park;

"(B) below a minimum altitude, determined by the Administrator in cooperation with the Director, above ground level (except solely for purposes of takeoff or landing, or necessary for safe operation of an aircraft as determined under the rules and regulations of the Federal Aviation Administration requiring the pilot-in-command to take action to ensure the safe operation of the aircraft); and

"(C) less than 1 mile laterally from any geographic feature within the park (unless more than ½ mile outside the boundary).

"(6) NATIONAL PARK.—The term 'national park' means any unit of the National Park System.

"(7) TRIBAL LANDS.—The term 'tribal lands' means 'Indian country', as defined by section

1151 of title 18, United States Code, that is within or abutting a national park.

"(8) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Federal Aviation Administration.

"(9) DIRECTOR.—The term 'Director' means the Director of the National Park Service.".

(b) EXEMPTIONS.—

(1) GRAND CANYON.—Section 40126 of title 49, United States Code, as added by subsection (a), does not apply to—

(A) the Grand Canyon National Park; or

(B) Indian country within or abutting the Grand Canyon National Park.

(2) ALASKA.—The provisions of this title and section 40126 of title 49, United States Code, as added by subsection (a), do not apply to any land or waters located in Alaska.

(3) COMPLIANCE WITH OTHER REGULATIONS.—For purposes of section 40126 of title 49, United States Code—

(A) regulations issued by the Secretary of Transportation and the Administrator of the Federal Aviation Administration under section 3 of Public Law 100–91 (16 U.S.C. 1a–1, note); and

(B) commercial air tour operations carried out in compliance with the requirements of those regulations,

shall be deemed to meet the requirements of such section 40126.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 401 is amended by adding at the end thereof the following:

"40126. Overflights of national parks.".

SEC. 703. ADVISORY GROUP.

(a) ESTABLISHMENT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Federal Aviation Administration and the Director of the National Park Service shall jointly establish an advisory group to provide continuing advice and counsel with respect to the operation of commercial air tours over and near national parks.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory group shall be composed of—

(A) a balanced group of—

(i) representatives of general aviation;

(ii) representatives of commercial air tour operators;

(iii) representatives of environmental concerns; and

(iv) representatives of Indian tribes;

(B) a representative of the Federal Aviation Administration; and

(C) a representative of the National Park Service.

(2) EX-OFFICIO MEMBERS.—The Administrator and the Director shall serve as ex-officio members.

(3) CHAIRPERSON.—The representative of the Federal Aviation Administration and the representative of the National Park Service shall serve alternating 1-year terms as chairman of the advisory group, with the representative of the Federal Aviation Administration serving initially until the end of the calendar year following the year in which the advisory group is first appointed.

(c) DUTIES.—The advisory group shall provide advice, information, and recommendations to the Administrator and the Director—

(1) on the implementation of this title;

(2) on the designation of appropriate and feasible quiet aircraft technology standards for quiet aircraft technologies under development for commercial purposes, which will receive preferential treatment in a given air tour management plan;

(3) on other measures that might be taken to accommodate the interests of visitors to national parks; and

(4) on such other national park or tribal lands-related safety, environmental, and air touring issues as the Administrator and the Director may request.

(d) COMPENSATION; SUPPORT; FACA.—

(1) COMPENSATION AND TRAVEL.—Members of the advisory group who are not officers or employees of the United States, while attending conferences or meetings of the group or otherwise engaged in its business, or while serving away from their homes or regular places of business, each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(2) ADMINISTRATIVE SUPPORT.—The Federal Aviation Administration and the National Park Service shall jointly furnish to the advisory group clerical and other assistance.

(3) NONAPPLICATION OF FACA.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the advisory group.

(e) REPORT.—The Administrator and the Director shall jointly report to the Congress within 24 months after the date of enactment of this Act on the success of this title in providing incentives for quiet aircraft technology.

SEC. 704. OVERFLIGHT FEE REPORT.

Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall transmit to Congress a report on the effects proposed overflight fees are likely to have on the commercial air tour industry. The report shall include, but shall not be limited to—

(1) the viability of a tax credit for the commercial air tour operators equal to the amount of the proposed fee charged by the National Park Service; and

(2) the financial effects proposed offsets are likely to have on Federal Aviation Administration budgets and appropriations.

SEC. 705. PROHIBITION OF COMMERCIAL AIR TOURS OVER THE ROCKY MOUNTAIN NATIONAL PARK.

Effective beginning on the date of enactment of this Act, no commercial air tour may be operated in the airspace over the Rocky Mountain National Park notwithstanding any other provision of this Act or section 40126 of title 49, United States Code, as added by this Act.

TITLE VIII—CENTENNIAL OF FLIGHT COMMEMORATION

SEC. 801. SHORT TITLE.

This title may be cited as the "Centennial of Flight Commemoration Act".

SEC. 802. FINDINGS.

Congress finds that—

(1) December 17, 2003, is the 100th anniversary of the first successful manned, free, controlled, and sustained flight by a power-driven, heavier-than-air machine;

(2) the first flight by Orville and Wilbur Wright represents the fulfillment of the age-old dream of flying;

(3) the airplane has dramatically changed the course of transportation, commerce, communication, and warfare throughout the world;

(4) the achievement by the Wright brothers stands as a triumph of American ingenuity, inventiveness, and diligence in developing new technologies, and remains an inspiration for all Americans;

(5) it is appropriate to remember and renew the legacy of the Wright brothers at a time when the values of creativity and daring represented by the Wright brothers are critical to the future of the Nation; and

(6) as the Nation approaches the 100th anniversary of powered flight, it is appropriate to celebrate and commemorate the centennial year through local, national, and international observances and activities.

SEC. 803. ESTABLISHMENT.

There is established a commission to be known as the Centennial of Flight Commission.

SEC. 804. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—The Commission shall be composed of 6 members, as follows:

(1) The Director of the National Air and Space Museum of the Smithsonian Institution or his designee.

(2) The Administrator of the National Aeronautics and Space Administration or his designee.

(3) The chairman of the First Flight Centennial Foundation of North Carolina, or his designee.

(4) The chairman of the 2003 Committee of Ohio, or his designee.

(5) As chosen by the Commission, the president or head of a United States aeronautical society, foundation, or organization of national stature or prominence who will be a person from a State other than Ohio or North Carolina.

(6) The Administrator of the Federal Aviation Administration, or his designee.

(b) VACANCIES.—Any vacancy in the Commission shall be filled in the same manner in which the original designation was made.

(c) COMPENSATION.—

(1) PROHIBITION OF PAY.—Except as provided in paragraph (2), members of the Commission shall serve without pay or compensation.

(2) TRAVEL EXPENSES.—The Commission may adopt a policy, only by unanimous vote, for members of the Commission and related advisory panels to receive travel expenses, including per diem in lieu of subsistence. The policy may not exceed the levels established under sections 5702 and 5703 of title 5, United States Code. Members who are Federal employees shall not receive travel expenses if otherwise reimbursed by the Federal Government.

(d) QUORUM.—Three members of the Commission shall constitute a quorum.

(e) CHAIRPERSON.—The Commission shall select a Chairperson of the Commission from the members designated under subsection (a) (1), (2), or (5). The Chairperson may not vote on matters before the Commission except in the case of a tie vote. The Chairperson may be removed by a vote of a majority of the Commission's members.

(f) ORGANIZATION.—No later than 90 days after the date of enactment of this Act, the Commission shall meet and select a Chairperson, Vice Chairperson, and Executive Director.

SEC. 805. DUTIES.

(a) IN GENERAL.—The Commission shall—

(1) represent the United States and take a leadership role with other nations in recognizing the importance of aviation history in general and the centennial of powered flight in particular, and promote participation by the United States in such activities;

(2) encourage and promote national and international participation and sponsorships in commemoration of the centennial of powered flight by persons and entities such as—

(A) aerospace manufacturing companies;

(B) aerospace-related military organizations;

(C) workers employed in aerospace-related industries;

(D) commercial aviation companies;

(E) general aviation owners and pilots;

(F) aerospace researchers, instructors, and enthusiasts;

(G) elementary, secondary, and higher educational institutions;

(H) civil, patriotic, educational, sporting, arts, cultural, and historical organizations and technical societies;

(I) aerospace-related museums; and

(J) State and local governments;

(3) plan and develop, in coordination with the First Flight Centennial Commission, the First Flight Centennial Foundation of North Carolina, and the 2003 Committee of Ohio, programs and activities that are appropriate to commemorate the 100th anniversary of powered flight;

(4) maintain, publish, and distribute a calendar or register of national and international programs and projects concerning, and provide a central clearinghouse for, information and coordination regarding, dates, events, and places of historical and commemorative significance regarding aviation history in general and the centennial of powered flight in particular;

(5) provide national coordination for celebration dates to take place throughout the United States during the centennial year;

(6) assist in conducting educational, civic, and commemorative activities relating to the centennial of powered flight throughout the United States, especially activities that occur in the States of North Carolina and Ohio and that highlight the activities of the Wright brothers in such States; and

(7) encourage the publication of popular and scholarly works related to the history of aviation or the anniversary of the centennial of powered flight.

(b) NONDUPLICATION OF ACTIVITIES.—The Commission shall attempt to plan and conduct its activities in such a manner that activities conducted pursuant to this title enhance, but do not duplicate, traditional and established activities of Ohio's 2003 Committee, North Carolina's First Flight Centennial Commission, the First Flight Centennial Foundation, or any other organization of national stature or prominence.

SEC. 806. POWERS.

(a) ADVISORY COMMITTEES AND TASK FORCES.—

(1) IN GENERAL.—The Commission may appoint any advisory committee or task force from among the membership of the Advisory Board in section 812.

(2) FEDERAL COOPERATION.—To ensure the overall success of the Commission's efforts, the Commission may call upon various Federal departments and agencies to assist in and give support to the programs of the Commission. The head of the Federal department or agency, where appropriate, shall furnish the information or assistance requested by the Commission, unless prohibited by law.

(3) PROHIBITION OF PAY OTHER THAN TRAVEL EXPENSES.—Members of an advisory committee or task force authorized under paragraph (1) shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(c)(2).

(b) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action that the Commission is authorized to take under this title.

(c) AUTHORITY TO PROCURE AND TO MAKE LEGAL AGREEMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision in this title, only the Commission may procure supplies, services, and property, and make or enter into leases and other legal agreements in order to carry out this title.

(2) RESTRICTION.—

(A) IN GENERAL.—A contract, lease, or other legal agreement made or entered into by the Commission may not extend beyond the date of the termination of the Commission.

(B) FEDERAL SUPPORT.—The Commission shall obtain property, equipment, and office space from the General Services Administration or the Smithsonian Institution, unless other office space, property, or equipment is less costly.

(3) SUPPLIES AND PROPERTY POSSESSED BY COMMISSION AT TERMINATION.—Any supplies and property, except historically significant items, that are acquired by the Commission under this title and remain in the possession of the Commission on the date of the termination of the Commission shall become the property of the General Services Administration upon the date of termination.

(d) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as any other Federal agency.

SEC. 807. STAFF AND SUPPORT SERVICES.

(a) EXECUTIVE DIRECTOR.—There shall be an Executive Director appointed by the Commission and chosen from among detailees from the agencies and organizations represented on the Commission. The Executive Director may be paid at a rate not to exceed the maximum rate of basic pay payable for the Senior Executive Service.

(b) STAFF.—The Commission may appoint and fix the pay of any additional personnel that it considers appropriate, except that an individual appointed under this subsection may not receive pay in excess of the maximum rate of basic pay payable for GS–14 of the General Schedule.

(c) INAPPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates, except as provided under subsections (a) and (b) of this section.

(d) MERIT SYSTEM PRINCIPLES.—The appointment of the Executive Director or any personnel of the Commission under subsection (a) or (b) shall be made consistent with the merit system principles under section 2301 of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon request by the Chairperson of the Commission, the head of any Federal department or agency may detail, on either a nonreimbursable or reimbursable basis, any of the personnel of the department or agency to the Commission to assist the Commission to carry out its duties under this title.

(f) ADMINISTRATIVE SUPPORT SERVICES.—

(1) REIMBURSABLE SERVICES.—The Secretary of the Smithsonian Institution may provide to the Commission on a reimbursable basis any administrative support services that are necessary to enable the Commission to carry out this title.

(2) NONREIMBURSABLE SERVICES.—The Secretary may provide administrative support services to the Commission on a nonreimbursable basis when, in the opinion of the Secretary, the value of such services is insignificant or not practical to determine.

(g) COOPERATIVE AGREEMENTS.—The Commission may enter into cooperative agreements with other Federal agencies, State and local governments, and private interests and organizations that will contribute to public awareness of and interest in the centennial of powered flight and toward furthering the goals and purposes of this title.

(h) PROGRAM SUPPORT.—The Commission may receive program support from the nonprofit sector.

SEC. 808. CONTRIBUTIONS.

(a) DONATIONS.—The Commission may accept donations of personal services and historic materials relating to the implementation of its responsibilities under the provisions of this title.

(b) VOLUNTEER SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Commission may accept and use voluntary and uncompensated services as the Commission determines necessary.

(c) REMAINING FUNDS.—Any funds (including funds received from licensing royalties) remaining with the Commission on the date of the termination of the Commission may be used to ensure proper disposition, as specified in the final report required under section 810(b), of historically significant property which was donated to or acquired by the Commission. Any funds remaining after such disposition shall be transferred to the Secretary of the Treasury for deposit into the general fund of the Treasury of the United States.

SEC. 809. EXCLUSIVE RIGHT TO NAME, LOGOS, EMBLEMS, SEALS, AND MARKS.

(a) IN GENERAL.—The Commission may devise any logo, emblem, seal, or descriptive or designating mark that is required to carry out its duties or that it determines is appropriate for use in connection with the commemoration of the centennial of powered flight.

(b) LICENSING.—The Commission shall have the sole and exclusive right to use, or to allow or refuse the use of, the name "Centennial of Flight Commission" on any logo, emblem, seal, or descriptive or designating mark that the Commission lawfully adopts.

(c) EFFECT ON OTHER RIGHTS.—No provision of this section may be construed to conflict or interfere with established or vested rights.

(d) USE OF FUNDS.—Funds from licensing royalties received pursuant to this section shall be used by the Commission to carry out the duties of the Commission specified by this title.

(e) LICENSING RIGHTS.—All exclusive licensing rights, unless otherwise specified, shall revert to the Air and Space Museum of the Smithsonian Institution upon termination of the Commission.

SEC. 810. REPORTS.

(a) ANNUAL REPORT.—In each fiscal year in which the Commission is in existence, the Commission shall prepare and submit to Congress a report describing the activities of the Commission during the fiscal year. Each annual report shall also include—

(1) recommendations regarding appropriate activities to commemorate the centennial of powered flight, including—

(A) the production, publication, and distribution of books, pamphlets, films, and other educational materials;

(B) bibliographical and documentary projects and publications;

(C) conferences, convocations, lectures, seminars, and other similar programs;

(D) the development of exhibits for libraries, museums, and other appropriate institutions;

(E) ceremonies and celebrations commemorating specific events that relate to the history of aviation;

(F) programs focusing on the history of aviation and its benefits to the United States and humankind; and

(G) competitions, commissions, and awards regarding historical, scholarly, artistic, literary, musical, and other works, programs, and projects related to the centennial of powered flight;

(2) recommendations to appropriate agencies or advisory bodies regarding the issuance of commemorative coins, medals, and stamps by the United States relating to aviation or the centennial of powered flight;

(3) recommendations for any legislation or administrative action that the Commission determines to be appropriate regarding the commemoration of the centennial of powered flight;

(4) an accounting of funds received and expended by the Commission in the fiscal year that the report concerns, including a detailed description of the source and amount of any funds donated to the Commission in the fiscal year; and

(5) an accounting of any cooperative agreements and contract agreements entered into by the Commission.

(b) FINAL REPORT.—Not later than June 30, 2004, the Commission shall submit to the President and Congress a final report. The final report shall contain—

(1) a summary of the activities of the Commission;

(2) a final accounting of funds received and expended by the Commission;

(3) any findings and conclusions of the Commission; and

(4) specific recommendations concerning the final disposition of any historically significant items acquired by the Commission, including items donated to the Commission under section 808(a)(1).

SEC. 811. AUDIT OF FINANCIAL TRANSACTIONS.

(a) IN GENERAL.—

(1) AUDIT.—The Comptroller General of the United States shall audit on an annual basis the financial transactions of the Commission, including financial transactions involving donated funds, in accordance with generally accepted auditing standards.

(2) ACCESS.—In conducting an audit under this section, the Comptroller General—

(A) shall have access to all books, accounts, financial records, reports, files, and other papers, items, or property in use by the Commission, as necessary to facilitate the audit; and

(B) shall be afforded full facilities for verifying the financial transactions of the Commission, including access to any financial records or securities held for the Commission by depositories, fiscal agents, or custodians.

(b) FINAL REPORT.—Not later than September 30, 2004, the Comptroller General of the United States shall submit to the President and to Congress a report detailing the results of any audit of the financial transactions of the Commission conducted by the Comptroller General.

SEC. 812. ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a First Flight Centennial Federal Advisory Board.

(b) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Board shall be composed of 19 members as follows:

(A) The Secretary of the Interior, or the designee of the Secretary.

(B) The Librarian of Congress, or the designee of the Librarian.

(C) The Secretary of the Air Force, or the designee of the Secretary.

(D) The Secretary of the Navy, or the designee of the Secretary.

(E) The Secretary of Transportation, or the designee of the Secretary.

(F) Six citizens of the United States, appointed by the President, who—

(i) are not officers or employees of any government (except membership on the Board shall not be construed to apply to the limitation under this clause); and

(ii) shall be selected based on their experience in the fields of aerospace history, science, or education, or their ability to represent the entities enumerated under section 805(a)(2).

(G) Four citizens of the United States, appointed by the majority leader of the Senate in consultation with the minority leader of the Senate.

(H) Four citizens of the United States, appointed by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives. Of the individuals appointed under this subparagraph—

(i) one shall be selected from among individuals recommended by the representative whose district encompasses the Wright Brothers National Memorial; and

(ii) one shall be selected from among individuals recommended by the representatives whose districts encompass any part of the Dayton Aviation Heritage National Historical Park.

(c) VACANCIES.—Any vacancy in the Advisory Board shall be filled in the same manner in which the original designation was made.

(d) MEETINGS.—Seven members of the Advisory Board shall constitute a quorum for a meeting. All meetings shall be open to the public.

(e) CHAIRPERSON.—The President shall designate 1 member appointed under subsection (b)(1)(F) as chairperson of the Advisory Board.

(f) MAILS.—The Advisory Board may use the United States mails in the same manner and under the same conditions as a Federal agency.

(g) DUTIES.—The Advisory Board shall advise the Commission on matters related to this title.

(h) PROHIBITION OF COMPENSATION OTHER THAN TRAVEL EXPENSES.—Members of the Advisory Board shall not receive pay, but may receive travel expenses pursuant to the policy adopted by the Commission under section 804(e).

(i) TERMINATION.—The Advisory Board shall terminate upon the termination of the Commission.

SEC. 813. DEFINITIONS.

In this title:

(1) ADVISORY BOARD.—The term "Advisory Board" means the Centennial of Flight Federal Advisory Board.

(2) CENTENNIAL OF POWERED FLIGHT.—The term "centennial of powered flight" means the anniversary year, from December 2002 to December 2003, commemorating the 100-year history of aviation beginning with the First Flight and highlighting the achievements of the Wright brothers in developing the technologies which have led to the development of aviation as it is known today.

(3) COMMISSION.—The term "Commission" means the Centennial of Flight Commission.

(4) DESIGNEE.—The term "designee" means a person from the respective entity of each entity represented on the Commission or Advisory Board.

(5) FIRST FLIGHT.—The term "First Flight" means the first four successful manned, free, controlled, and sustained flights by a power-driven, heavier-than-air machine, which were accomplished by Orville and Wilbur Wright of Dayton, Ohio on December 17, 1903, at Kitty Hawk, North Carolina.

SEC. 814. TERMINATION.

The Commission shall terminate not later than 60 days after the submission of the final report required by section 810(b) and shall transfer all documents and material to the National Archives or other appropriate Federal entity.

SEC. 815. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title—

(1) $250,000 for fiscal year 1999;

(2) $600,000 for fiscal year 2000;

(3) $750,000 for fiscal year 2001;

(4) $900,000 for fiscal year 2002;

(5) $900,000 for fiscal year 2003; and

(6) $600,000 for fiscal year 2004.

TITLE IX—EXTENSION OF AIRPORT AND AIRWAY TRUST FUND EXPENDITURE AUTHORITY

SEC. 901. EXTENSION OF EXPENDITURE AUTHORITY.

(a) IN GENERAL.—Paragraph (1) of section 9502(d) of the Internal Revenue Code of 1986 (relating to expenditures from Airport and Airway Trust Fund) is amended—

(1) by striking "October 1, 1998" and inserting "October 1, 2000"; and

(2) by inserting before the semicolon at the end of subparagraph (A) the following "or the Wendell H. Ford National Air Transportation System Improvement Act of 1998".

(b) LIMITATION ON EXPENDITURE AUTHORITY.—Section 9502 of such Code is amended by adding at the end the following new subsection:

"(f) LIMITATION ON TRANSFERS TO TRUST FUND.—

"(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or credited to the Airport and Airway Trust Fund on and after the date of any expenditure from the Airport and Airway Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act; and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.

"(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2000, in accordance with the provisions of this section.".

Mr. McCAIN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House, and the Chair appoints the following conferees on the part of the Senate.

The PRESIDING OFFICER (Mr. HAGEL) appointed Mr. McCAIN, Mr. STEVENS, Mr. GORTON, Mr. HOLLINGS, and Mr. FORD conferees on the part of the Senate.

Mr. McCAIN. Mr. President, Senator ASHCROFT is necessarily absent. For the record, if he had been here today, he would have voted in favor of the Wendell Ford National Air Transportation System Improvement Act.

Mr. STEVENS. Mr. President, this is the Wendell Ford National Air Transportation System Improvement Act, as Chairman McCAIN just pointed out.

I see my good friend from Kentucky is here. I think that this is an act that should be named after the Senator from Kentucky because of his long service on the Commerce Committee and particularly on the Aviation Subcommittee.

Our Nation has come through a very interesting period during the time that WENDELL FORD has been Senator from Kentucky—a total revolution in aviation and a concentration on safety and improvement of our airway system.

WENDELL FORD has been a leader in that effort. This bill signifies the totality of what he has done for the aviation community.

I come to the floor today, because, as I believe most Members of the Senate know, Alaska is completely dependent upon air transportation.

Over 70 percent of our communities can only be reached by air year-round. We believe in the safety of that system.

I have been pleased to have the honor to be able to work with the Senator from Kentucky on a whole series of matters dealing with operations, with safety, and with the maintenance of the airways system, and in particularly with the development of air transportation facilities on the ground.

As you go throughout this country and go to these major new terminals, you should think of WENDELL FORD, because he has led us, through the period when he was chairman of the Aviation Subcommittee, and during the period when he has been ranking member of that subcommittee, to an understanding of what is necessary to keep the lead that we have as a nation in aviation.

I come to the floor to thank my good friend for all he as done for us and for the Nation, but particularly to thank him on behalf of all of us in Alaska who rely so much on this system that he has improved and made more safe.

Thank you, Mr. President.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, it is difficult for me to respond because it is somewhat melancholy, as this is my last effort at developing an aviation package, to have such kind remarks come from my learned friend who also has worked tirelessly in an attempt to make the aviation industry safer, more accessible, helping it expand, and giving it the opportunity to grow.

He comes from a unique State. He sits down with you and explains the problem. It isn't "I am TED STEVENS, vote with me." He sits down and explains the problem and what is needed to improve the problems of his fine State. It is very difficult for anyone to not help once they understand what Alaska has.

We have a great mix in this country. You go all the way from the cold in the north in the 49th State to the south where it is hot, and to Hawaii, the 50th State. We have a great mix. The people who represent those States are great.

My friend from Alaska is really and truly my friend. One of the things I will miss around here is my association with him. He has helped me on more than one occasion to do some things maybe that he would rather not do. But I found, as my dad taught me, that you pay your debts whether you sign the paper or shake a man's hand. TED STEVENS' word is his bond. And I respect him for that. I respect what he does as a Member of this institution.

I will feel comfortable when I leave here that Senator STEVENS is head of appropriations. He is still on the Commerce Committee. And when the new aviation bill comes forth, he will be sure that those things that we fought for so long will be improved.

I thank my friend very, very much.

Mr. STEVENS. I thank the Senator, Mr. President.

Mr. FORD. Mr. President, I thank my colleagues for all their hard work in putting this bill together. It was a tough task. But we have been able to work out just about every issue that was of concern to Members on both sides of the aisle.

The FAA in the future years must be able to have the funding that it needs to modernize. The new Administrator has a very difficult job. She has been working with the industry and with Congress to move forward on many tough issues.

Some have described the modernization of the air traffic control system like this: It is sort of like needing to rebuild your entire house, but you have to live there at the same time.

Modernization is a critical issue. We included in this bill a section on tourism, and because of its importance to each of us and without an aviation system that can grow, tourism will also be affected. In leaving, let me mention a few areas of concern.

In the next year the FAA and the aviation community, airports, airlines, manufacturers, and our international partners, all must address the year 2000 computer problem. The FAA must also move forward on the STARS and WASS programs. Think about that. We need to yank out all of the controller workstations across the country and put in new computers. All of us have had new systems put in our offices, and we know it is a mess. The FAA has to do it while planes are still flying and people's lives are at stake. We may fault the FAA at times for not moving as quickly as we want, but keep in mind how tough the task is.

With respect to the Wide Area Augmentation System, the industry is beginning to equip its fleet to be able to take advantage of a satellite-based tracking system. The FAA, Congress and the industry have got to move forward with this new program. We have committed hundreds of millions of dollars to this effort, and we cannot turn back now.

The Administrator knows all this, but this body has to give her the resources to do the job. Next year, you will debate and argue over how to fund the FAA. It is a critical matter. We know that traffic will increase by 35 percent over the next several years. We know that our airports need to be expanded. Gridlock cannot occur because the FAA does not have the ability to meet the industry's needs.

I also want to mention the small communities program in this bill. There are many segments of the country that have not received all the benefits of deregulation. We are going to try to help those areas, but not by merely giving them money. The communities will need to work hard to develop their markets and work with carriers to provide the needed service.

I thank the chairman, Senator McCAIN. I know that he will continue to fight for FAA's needs next year. I also hope that we can quickly conclude the conference on this bill. There are a few tough issues that will need to be decided by the Members, and I hope that we can come to closure soon.

Mr. President, in this life in the Senate, you come across some very, very fine people, and those are the ones who make this place run and are not recognized. We get all the publicity, good or bad. We have to face the voters, good or bad. But the staff who support us, the staff who support the committee, the staff who support us on the floor, they are the ones who need to have the accolades. They work hard—all night, they work 24 hours, around the clock—and we never seem to thank them as we should. I know my life in the Senate would have been made a lot tougher, and I probably would not have succeeded had it not been for staff.

You find a lot of excellent staff, on both sides now. Don't think I am just talking about one side of the aisle. Ann—I hope I pronounce her last name right—Choiniere. Getting close? This is the first time I have worked with her, and I found out how tough she can be but how thorough and fair she is representing the chairman; she has done an excellent job. Mike Reynolds and others on Senator McCAIN's side have all done well. Senator GORTON's staff. He was fairly bright and smart when he brought Brett Hale from Kentucky on his staff. He is one of the people around here who definitely understands Kentucky Wildcat basketball, and we can talk together about that on occasion. And Jeanne Bumpus on Senator GORTON's staff; Jim Drewry and Carl Bentzel, Dave Regan and others on my side.

But there is one you have to depend on, one who is the leader, one who comes and sits down and we work through the problems and then get the challenge to go and get it settled and come back and see where we are and keep you informed and keep you moving. Sam Whitehorn is that kind of fellow, and I am going to miss him. He and I have become good friends. I don't look at him as a staff person. I look at him as a member of the family, because he is. He is dedicated, and wants to get the job done. And sometimes he has to do maybe what he didn't exactly like to do, but I made the decision. Sam has been a good soldier through the whole thing, and I am grateful to him.

Mr. President, as we end this part of the aviation bill, I again thank my colleagues, and I look forward to being down in Kentucky to see some of this work I have done, to watch it grow there, because we need as much help as any other State. I am grateful for the opportunity I have had, and I thank the chairman again. Some people think he is tough and rough and that sort of thing, but he really has a soft spot. Now, if you can find that soft spot, you can get along with him. Sometimes it is difficult to find it. But you see him laughing. That is the kind of association we have had. I look forward to working with him to complete this bill, working in conference, so that when we leave here sometime mid-October we can leave knowing we have done the best we could, that we have tried to be responsible to the people we represent in this great country of ours.

Mr. President, I yield the floor.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I join Senator FORD in thanking the staff for their contributions: John Raidt, Ann Choiniere, Michael Reynolds, Lloyd Ator, Scott Verstandig, Brad Sabala, and Bill Winter on the Commerce Committee staff; Ivan Schlager, Sam Whitehorn, Jim Drewry, and Becky Kojm with Senator HOLLINGS' staff; Brett Hale and Jeanne Bumpus with Senator GORTON; and David Regan with Senator FORD. Charles Chambers and Tom Zoeller, who are no longer Senate staffers, made efforts in making this legislation happen. Also, Mr. President, because of the scope associated with this bill, we have negotiated with literally every Senator and their staff members on various provisions of this bill, and I thank all of them, also.

But obviously, Mr. President, I wish to express again my deep and profound appreciation to the Senator from Kentucky for his efforts on this legislation and many, many other aviation bills that have moved through the Senate during my time here. I think it is a very small token that the bill before us is named for him. He deserves that recognition and much, much more.

Mr. President, Senator FORD has been a Member of the U.S. Senate for 24 years. That is a long time, even in the history of the U.S. Senate. I have had the privilege of working with him for 12. When I first came to the Commerce Committee 12 years ago, I spent a lot of time with Senator FORD then and in the intervening years, especially on aviation issues, because he is regarded, perhaps, as the most knowledgeable Member of the U.S. Senate on those issues.

Senator FORD is also known—as I think, perhaps, I may be to some extent—as a person who fights fiercely for the principles that he believes in, for what he believes is right as God gave him the right to see it. And he also is a strong advocate for his party. I noted, while looking at his biography this morning—I was scanning it—not only is he a former Governor, but for 6 years he was the chairman of the Democratic Senatorial Campaign Committee. I know that there are many times when he and his colleagues yearn for those golden days of yesteryear.

Mr. FORD. No, we lost then.

Mr. McCAIN. Did you? But Senator FORD has obviously served his party with distinction as well. Around this place you have the opportunity of working with your colleagues on a variety of issues, but I do not believe that I have observed anyone as effective, as single-minded, and as dedicated as the Senator from Kentucky. Yes, we have had fierce differences of opinion which have always been resolved at the end of the day with a smile and a handshake. I have learned from those encounters. I believe one of the great learning experiences of my life was in 1990 when Senator FORD was responsible for a massive restructuring of the aviation system in America. The impact of that will be felt well into the next century. I watched him guide that legislation through all the rocks and shoals of the process around here, and it emerged as a landmark piece of legislation.

I am proud to have learned from him. I am proud to have worked with him and to be associated with him on a broad variety of various areas. Most of all, I will be pleased many years from now to be able to call him my friend. So I thank him. I look forward to observing that same fierce determination as we do battle with the folks on the other side, to try to maintain this legislation intact as it has been reported out through the Senate.

As has often been observed, the Senator from Kentucky is not dying, he is just leaving the Senate.

Mr. FORD. Thanks.

Mr. McCAIN. We will, for many, many years in the future, work with the Senator from Kentucky and maintain our close relationships with him. I know I speak for every Member on my side of the aisle when I say that.

Mr. President, I yield the floor.

Mr. FORD. Thank you, JOHN. I appreciate it very much.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me add my words of admiration for the work done by Senator FORD. He has been an important part of the Senate for many years and has done some very important things for his country and the Senate will miss very much the service that he has offered. He is in the leadership, has been for many years on the Democratic side of the aisle. But he is fiercely independent. He is smart. He is tough, and he has all the qualities that you look for in a good legislator. He will, in my judgment, for many, many years be remembered as one of the really outstanding legislators in this body, and I feel very fortunate to have been able to serve with him. I just wanted to add those words to the words offered by the Senator from Arizona.

Mr. LOTT. Mr. President, I rise to recognize the importance of today's passage of the Federal Aviation Administration Reauthorization bill. Today is a great day for rural America's air passengers. This legislation, now known as the Wendell H. Ford National Air Transportation System Improvement Act of 1998, will bring much needed air service to underserved communities throughout the Nation. It will grant billions of dollars in Federal funds to our Nation's small airports for upgrades, through the Airport Improvements Program (AIP).

Additionally, Senator McCAIN, chairman of the Committee on Commerce, Science, and Transportation, is to be commended for his superb leadership on this complex and contentious measure. Together with Senator FORD, their joint efforts moved this bill through the committee and to the Senate floor in such a manner that the amendment process went smoothly.

It is only fitting that this must-pass legislation be named after such a worthy Senator. WENDELL FORD has spent nearly 24 years as a Member of this body. For the last 10 years, I have enjoyed working with Senator FORD on a variety of issues within the jurisdiction of the Senate Commerce Committee. Through his leadership on this legislation, Senator FORD has proven himself as a champion of rural aviation issues. The Senate will certainly miss his guidance and insight. Likewise, the Senate will miss his wry, biting humor.

Rural Americans are the biggest winners with the passage of the Ford Act. Citizens of underserved communities will no longer have to travel hundreds of miles and several hours to board a plane. This legislation gives incentives to domestic air carriers and its affiliates to reach out to these people and serve them conveniently near their homes. Many Americans will be able to travel a reasonable distance to gain access to our Nation's skies and, from there, anywhere they wish to go.

Mr. President, I also applaud the hard work of Senator BILL FRIST of Tennessee. He added provisions to the Ford Act to expand small community air service. His dedicated efforts ensured that underserved cities like Knoxville, Chattanooga, and Bristol/Johnson City are now in a position to receive additional or expanded air service.

The major policy changes in the Ford Act led to hard fought but honest disagreements. I have enormous respect for the efforts of Senators JOHN WARNER, JIM INHOFE, and KAY BAILEY HUTCHISON as they diligently advocated for their constituents and their respective States. This honest debate is what makes it exciting to serve in the United States Senate. I was very pleased by the efforts of Senators SLADE GORTON and ARLEN SPECTER to address a very sensitive issue, while resolving it in a true Senate fashion—a consensus which will prove to be beneficial to both sides of the debate.

Throughout the last 12 months, my home State of Mississippi has received Federal support from the AIP to make needed physical improvements. A portion of these funds went to the Bobby L. Chain Municipal Airport in Hattiesburg to rehabilitate their existing runway pavement and lights. Other funds were allocated to the Jackson International Airport to construct a new taxiway and apron. These enhancements are needed. And this bill will ensure that the AIP will continue uninterrupted. AIP's reauthorization within the Ford Act will allow Mississippi to continue to receive funds for essential enhancements for the upcoming year. I look forward to working with the airport authorities in my home State to make sure that the right improvements are made at the right airports. This is about safety and about economic growth.

No legislative initiation is ever possible without the dedicated efforts of staff, and I want to take a moment to identify those who worked hard to prepare the Ford Act for consideration by the full Senate.

From the Senate Committee on Commerce, Science, and Transportation: Mark Buse; Ann Choiniere; Jim Drewry; Becky Kojm; John Raidt; Mike Reynolds; Ivan Schlager; Scott Verstandig; and Sam Whitehorn.

The following staff also participated on behalf of their Senators: David Broome; Steve Browning; Jeanne Bumpus; Nat Grubbs; Brett Hale; Katrina Hardin; Dan Renberg; Pam Sellars; Ellen Stein; Ben Thompson; and Clay Williams.

Mr. President, these individuals worked very hard on the Wendell H. Ford National Air Transportation System Improvement Act of 1998 and the Senate owes them a debt of gratitude for their dedicated service to this legislation.

Mr. President, our Nation's small communities are a step closer to receiving long-sought air service. Also, America's smaller, yet important air strips and airports will be enhanced. This is good for all Americans.

MORNING BUSINESS

Mr. McCAIN. Mr. President, for the information of Members, we are still working on a unanimous consent agreement on the Internet Tax Freedom Act between now and 10:30.

I now ask unanimous consent that there be a period for the transaction of routine morning business until 10:30, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—S. 442

Mr. McCAIN. Mr. President, I ask unanimous consent it be in order for the majority leader, after notification of the Democratic leader, to turn to S. 442, the Internet tax bill and immediately after the reporting by the clerk, the Commerce Committee amendment be agreed to, and immediately following that action, the Finance Committee substitute be agreed to and considered original text for the purpose of further amendments.

I also ask unanimous consent that, during the Senate's consideration of S. 442 or the House companion bill, that only relevant amendments be in order.

Finally, I ask that the Senate proceed to the bill at this time.

The PRESIDING OFFICER (Mr. GORTON). Is there objection?

Mr. GRAHAM. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Arizona.

Mr. McCAIN. I heard the objection from the Senator from Florida. I deeply regret that.

The Senator from Florida, as I understand it, is insisting on a specific result in this legislation. We never do that. The Senator from Florida knows that. We don't insist on a specific result.

We would be more than happy to listen to the amendment of the Senator from Florida. We would be glad to debate it. Perhaps I could even support it. But, frankly, what the Senator from Florida is doing right here—the other 99 Senators are in agreement—by objecting to us moving forward to the bill that is vital to the future of the economy of this Nation, I think the Senator from Florida takes on a very large responsibility.

I want to tell the Senator from Florida I am going to file cloture right now and we are going to have a vote. And I also want to tell the Senator from Florida that because of that, we will delay, again, consideration of this very important bill. We will move forward. I do not understand why the Senator from Florida, after having a commitment of mine, that of the Senator from Oregon and everybody else, to give the kind of consideration that he deserves, and ample debate, unlimited debate on his amendment and a willingness to work with him—because the Senator from Florida knows that there is a Senator on this side who cannot agree to the language of the amendment that he is insisting on. That is what debate is all about.

We just finished a bill, an omnibus aviation bill, where everybody sat down together. The Senator from Oregon was very unhappy with one of the results, as were a number of other Senators, including this one. But we worked the process.

So I again urge the Senator from Florida to withdraw his objection, especially when faced with the inevitability that this cloture motion is going to be agreed to, probably 99 to 1.

Mr. President, I ask, again, unanimous consent that the Senate proceed to the bill at this time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. I object.

INTERNET TAX FREEDOM ACT—MOTION TO PROCEED

CLOTURE MOTION

Mr. McCAIN. Mr. President, I still have the floor.

In light of the objection, I now move to proceed to the consideration of S. 442 and I send a cloture motion to the desk. I announce this cloture vote would occur on Tuesday of next week.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

> We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 509, S. 442, the Internet legislation:
>
> Trent Lott, John McCain, Dan Coats, Chuck Hagel, Larry Craig, Christopher Bond, Wayne Allard, Paul Coverdell, Tim Hutchinson, Jim Inhofe, Mike DeWine, Dirk Kempthorne, Strom Thurmond, Jeff Sessions, Conrad Burns, and Robert F. Bennett.

Mr. McCAIN. I now ask the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Is there objection to the motion to waive the mandatory quorum? Without objection, it is so ordered.

The Senator from Arizona.

Mr. McCAIN. Mr. President, let me just point out the President of the United States is in Silicon Valley today and the people in Silicon Valley were under the impression that we were going to move forward with this bill and resolve it next week. I hope that is duly noted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I am very hopeful that the Senate will not have to get into this cloture matter with respect to the Internet tax bill. The Senator from Florida is one of the Senators that I most respect in this body. I find myself agreeing with him on just about everything that comes before the Senate. As he knows, we have, over many, many months, tried to address the host of legitimate concerns that the States have. We have a number of Governors—the Senator from Florida having served as Governor, as have others here—who know a tremendous amount about this. I have tried to make clear, as the principal sponsor of this legislation, all we are seeking is technological neutrality with respect to the Internet. The Internet would be treated like everything else—nothing favorable, nothing discriminatory.

Because many of the Nation's Governors are concerned about other issues, particularly the question of out-of-State sales, this legislation, S. 442, has become a magnet for a variety of other issues.

The sponsors, Senator McCain and I, especially have, in my view, done somersaults now to make sure there was a fair evaluation of all the important issues with respect to out-of-State sales. Let me say, in doing that, there have been a number of other Senators—Senator Gregg and Senator Lieberman—who I think have been very fair in an effort to try to get to a compromise on this matter. As the Senator from Florida knows, just a few minutes ago Senator McCain and I were willing to make additional changes in the managers' amendment to ensure that there would be a fair study of both the Internet and commercial activities, which is the precise language that the Governors have sought.

I don't think there is anything else that Senator McCain, I, or others can offer at this point to ensure that a fair and objective set of studies and analyses go on by the commission.

I hope that if there continues to be opposition to this legislation, that those who oppose the legislation simply say that they are opposed and not, in effect, produce a situation which I think is going to turn what ought to be a bipartisan and thoughtful fight into what will be a very bloody battle.

I see my friend from North Dakota here. The Senator from North Dakota has had strong views on this, and over many, many months we have been negotiating on it. He did not come to the floor today to object as a result of that work, nor did Senator Bumpers.

I am hopeful that particularly Senators on the Democratic side are not going to force what I think will be a very unfortunate and bloody fight with respect to a bill that has undergone more than 30 separate and important changes since it was originally introduced to accommodate the concerns of the States and localities. Those folks were very, very opposed when this discussion started. They raised legitimate issues. We have sought to deal with them. I am hopeful we will be able to go to a motion to proceed early next week and not have a bitter fight as I think we have over cloture.

Let me conclude by way of saying that I and my staff are prepared to continue to work around the clock with the Senator from Florida and others who may have questions about how this legislation will affect the States, but let us go forward in an effort to try to resolve this and not just get to a solution with respect to one section and then say, "Well, I have another one that we have to deal with," which, regrettably, has been the case. I have enormous respect for the Senator from Florida and I think one of the more unpleasant tasks is to have an argument with him. I hope this can be resolved.

Mr. President, I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I appreciate those kinds words from my good friend from Oregon. I share the hope that we can arrive at a reasoned resolution of this matter.

I will briefly state why I think this is such an important piece of legislation. First is fundamental fairness. We have a situation now in which remote commerce—that is, commerce that is not conducted through the traditional retail sales outlet—is effectively exempted from State sales taxes. The same sweater that one would buy at the local department store, subject to local and State sales taxes, is exempt from those taxes, for practical purposes, if it is purchased by a remote sale, either the traditional postal sales or by the newer electronic commerce.

The U.S. Supreme Court has ruled that that degree of unfairness as to taxability of the form of sales is a decision which has been made by the Congress. It is, as Harvey Cox once observed, not to decide is to decide. Our decision not to authorize the States to impose a tax on the seller using a remote sales method has resulted in the inability of the States to impose that tax.

Therefore, as we are looking at the issue of Internet sales, those of us who are concerned about this unfairness in the marketplace where our local merchants are required to collect the sales tax and, therefore, are subject to the competitive disadvantage of their remote sales brethren who are not—that this commission should study that issue. That is one of the concerns that those of us who have been negotiating on this matter want to see achieved.

But there is really a larger issue at stake here, Mr. President. Many of our States, including my own, are very heavily dependent upon the sales tax as the means for financing their basic responsibilities, and the most basic responsibility of State government is education. In my State, some 35 to 40 percent of its tax collections, which are predominantly sales tax, are used to finance education.

What is happening is that as the new forms of commerce, particularly electronic commerce, become more attractive and more available and more familiar, they are gathering a larger and larger share of all retail sales in the United States. If we adopt the policy that they should not be subject to tax, as we have adopted the policy by inaction that postal long distance sales should not be subject to tax, we are going to substantially erode the ability of State government to carry out its most fundamental responsibility, which is to educate the next generation of Americans.

That is the fundamental issue which I think is at stake here. The idea of having a short pause so that we can arrive at a rational way to deal with all of these issues is appealing. I think the idea of this bill, as reported by the Finance Committee, to have a 2-year pause in any discriminatory taxation relative to Internet sales or charges to have access to the Internet, and during that period to have a commission that would look at all of this interrelated set of issues, is a proposition that I can support.

I just want to be personally satisfied that, in fact, that is going to be the result and that the result will not be a skewed study that will exclude some of the most important aspects of this and which, by saying that we are going to treat Internet commerce the same way as we do other remote commerce, answers the question before it is asked, because we know how other forms of remote commerce are dealt with; i.e., they are exempt from State sales taxes. If we say the Internet shall be treated in an equivalent manner, we have preordained how it is going to be treated; i.e., exempt from State sales taxes, and we have further preordained that the States' fiscal capacity to carry out their important functions, particularly education, will be eroded.

Mr. President, that is why I have had this degree of disagreement with some of my best friends and colleagues in this Chamber, the Senator from Oregon and the Senator from Arizona. I don't believe that we are that far apart in terms of finding the set of words and phrases that will carry out our joint intention, and I hope that between now and Tuesday we can achieve that goal and be able to have a consideration. I recognize that once this bill is up, there will be policy differences among the different parties. The National Governors' Association feels very strongly about this legislation as it impacts the ability of the States to meet their responsibilities, and those views deserve to get a proper airing.

I also recognize that the House has already passed a companion bill to this but which is somewhat different from the bill that is before the Senate. So there will be a conference committee. There will be further reforms on this matter.

My concerns are fairness in the marketplace and the ability of the States to be able to carry out their responsibilities, especially the responsibility which I think the American people feel is the principal national challenge today, which is to properly educate the next generation of Americans so that they will be able to compete in a world of electronic commerce.

Mr. President, I appreciate the opportunity to have made those clarifying remarks and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

THREE ITEMS OF CONCERN ON THE SENATE'S AGENDA

Mr. DORGAN. Mr. President, I want to make some comments on three items that are left on the Senate's agenda that I am very concerned about. The Senate is going to continue, for apparently 2 additional weeks, and try to adjourn for the year and finish the 105th Congress on October 9th or October 10th. In the 2 short weeks that remain, I am told that we will consider H.R. 10, the financial modernization bill, fast-track trade authority for new trade treaties, and a substantial tax cut.

I want to describe how easy it is, with a small amount of time left, to make big mistakes. I am mindful there will be much disagreement about these three items. And I am also mindful back in my hometown one of the older fellas who was the wise sage said, "It's hard to tell the difference between the open minded and the empty headed. They dress alike."

Let me describe these three issues and tell you what I think is empty headed about the attempt to try to pass these three pieces of legislation in the final 2 weeks of a legislative session.

FINANCIAL MODERNIZATION

First, H.R. 10, the Financial Services Act of 1998. H.R. 10 is a huge piece of legislation that deals with the financial institutions of this country and the methods by which they are involved in various kinds of activities.

We have had some experience in this country with the mixing of different kinds of enterprises—banks whose deposits are insured to $100,000, by the American taxpayer I might say; banks, those who are speculating in real estate, those who are involved in securities activities, those who are selling insurance; those kinds of financial activities.

We have had some experience in this country putting a number of those together in one institution and then seeing, through speculation, one part of the institution weakening and eroding the other part of the institution that caused massive bank failures in our country. The result was in the 1930s and this country said let's not forget what happened here. Let's not allow this to happen again, and let's create certain circumstances that would prevent us from merging banking enterprises whose very existence depends on the perception of safety and soundness—not unsafety and soundness, but on whether people perceive the institution to be safe and sound. Their very existence depends on that.

Let's not threaten again the banking institutions by fusing together financial conglomerates that merge banks with the more speculative enterprises of securities and insurance, or even commerce.

The American public has in this century paid a heavy price for the mistakes in those areas and put together walls in the form of legislation to prevent it from happening again. H.R. 10 is an attempt to bring the walls down. It says, "Let's create a kind of financial fruit salad here. Let's decide we can merge all of these again. We can put all of these together and we can build firewalls, and you'll never feel the heat in between and it will never threaten bank institutions and the American taxpayer will not be put at risk."

I guarantee you this, that if this Congress passes in the final hours, H.R.10, financial modernization legislation, it will result almost immediately in exacerbating the orgy of mergers that now exists in this country with big banks, and an orgy of mergers that will not only include banks, but will continue to include, at a greater pace, banks with the other kinds of financial enterprises I just described.

And 20 years or 30 years from now they will look back at this Congress and this period and say, "How on Earth could they have thought that that made sense? How could they have possibly thought that was in the public interest? How could they have forgotten the lessons that they learned in the 1920s and 1930s that resulted in the legislation that had protected us?"

I know that there are some big interests around this town who want this bill to pass. There is a great deal of lobbying on its behalf. But I feel so strongly that to do this in the final 2 weeks of a legislative session would have such enormous consequences and pose such substantial risks for our country that I am going to resist with all of my effort the motion to proceed and in every other way to see if we cannot slow this train down on behalf of the American citizens.

I know it sounds attractive. I know some say, "This is creating a new financial blueprint for our institutions for the future, allowing them to compete at home and abroad. It's now a global economy." What it is is forgetting the lessons of the past. It will be a replay, in some ways, of the Garn-St Germain bill of the early 1980s in which they unhitched the S&Ls and said, It is OK. You go broker deposits. You load up with risky junk bonds. You can become Roman candles. Take a small S&L and turn it into a giant S&L with broker deposits, and you can do a whole range of other things, and it is fine—and the American taxpayer got stuck with a nearly $500 billion bailout for that fiasco.

If this bill passes, there will be massive, massive mergers once again. And they have already been going on at an unprecedented and unhealthy pace in the banking industry and other related financial industries. So that is one big mistake I hope this Congress will avoid in the remaining days of this session. And to the extent I have the energy to be able to help them avoid it, I intend to try to do that.

FAST TRACK

Second is fast track. I know that also has a lot of support, fast-track trade authority. Just the very words "fast track" connote lack of preparation. Fast track, fast food—you just go down the line on what "fast" precedes, and it describes well "fast track."

Fast track means you create a trade agreement negotiated in secret, behind locked doors someplace, probably in most cases overseas, and bring it to Congress and say to Congress, "You weren't there when we negotiated this trade agreement, but you have no right to offer amendments to it."

The last three trade agreements under fast track have been incompetent. I voted against all three. In each case we have, as a result of it, had higher and higher trade deficits—Canada, Mexico, GATT—record trade deficits. This country is choking on trade deficits. I think to bring fast track to the floor of the House and the Senate in the final 2 weeks is regrettable.

I will, again, to the extent I have any capability of slowing this down, there will be nothing fast about it. If I can create a legislative bog through which they cannot pull this fast track, I guarantee you I will object to every circumstance that allows anybody to short-circuit any amount of time to try to get fast track through this Congress. It is not in this country's interest to continue that kind of trade policy.

A TAX CUT AND THE SOCIAL SECURITY TRUST FUNDS

The third item is an $80 billion tax cut paid for with Social Security trust funds. Some say, "Well, that's not the way it's paid for." Show me the money. Where do you get the money? You get the money for a big tax cut by taking Social Security trust funds that are in a fund that is preceded by the word "trust." Taking those trust funds and saying these now represent the resources by which we can offer a tax cut is not the way to do this country's business.

When we have that debate—and I expect we will next week or the week after—it will be an aggressive debate because some of us are fiercely determined never to let that happen. I recall when we had the constitutional amendment to balance the budget on the floor of the Senate, I voted against it. In fact, it lost by one vote. Had some folks pretty upset with that vote. I said, "It's not that I don't want to balance the budget, I do." I helped play a role in balancing or nearly balancing this country's budget, not by writing something in the Constitution, but by doing the kinds of things you need to do on a day-to-day basis, to do things on taxing and spending that really does balance the budget. But to write into the Constitution a proviso that says, "Let's balance the budget by describing all revenue coming in as operating revenue" is to mistreat the Social Security trust funds once again. And to actually write it in the Constitution of the United States, that does not make any sense to me.

It does not make any sense to me in the final 2 weeks of a legislative session coming up to an election for anybody to say we are going to package up $80 billion in tax cuts so we can say to the American people we are offering tax cuts, when in fact the money by which they offer these tax cuts is to take the money out of the Social Security trust funds and make them available for tax cuts.

Those moneys are not available. Those moneys were collected from paychecks in this country. The paychecks are a result of the work of the American people, and they are told "We're going to take some money from that paycheck to put into a trust fund because it is needed when you retire to make Social Security viable."

Then somebody comes along and says we are changing the words "trust fund"; we will just drop "trust." Maybe we should amend that to the extent they want to bring $80 billion in tax cuts to the floor, paid for by Social Security trust funds. Perhaps we ought to require them to take the "trust" out of the trust fund name. That will, in my judgment, certainly abridge the trust that is supposed to exist with those trust funds.

Those are three big mistakes in a very short time. The potential, in a small amount of time, to make big mistakes is very substantial: H.R. 10, fast track, and tax cuts.

I have a lot of things I want to get done, others have a lot of things they want to do, and in most cases we work closely together and have good relationships, but on large public policy issues like this it seems to me we ought to be very careful. I feel very strongly about all three of these areas. All three, in my judgment, would be a mistake.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, here we are, Friday at 11 o'clock. Most Americans are out working the fifth day of the week, and the Senate is in a quorum call while we have important business to attend to. None is more important, I think, than the consideration of the Patients' Bill of Rights. I took time yesterday on the floor of the Senate when we had a long quorum call, asking why we weren't debating the Patients' Bill of Rights, as I did the day before. And here we are midmorning on a Friday—a workday for most Americans—just going through the motions before recessing, with a cloture vote scheduled late Monday afternoon.

We could debate this issue all day today, could debate the issue all day on Monday, and we could have some resolution to the kinds of protections that we are talking about in the Patients' Bill of Rights. We have written these protections into legislation and we have described these protections on the floor. We have challenged our friends on the other side, the Republican leadership, to permit us an opportunity to debate and vote on the kind of protections that are outlined in the legislation introduced by Senator DASCHLE.

However, we have been denied the opportunity to bring up this legislation, and to debate these various protections. Instead, we have continued in the Senate to move forward on other pieces of legislation which, as important as they are, don't measure up to what I think most families are concerned with—and that is ensuring the protection of the health of themselves, their children, and their parents.

Endorsements of various groups and individuals are important in some instances, less so in other instances. But I daresay that in this particular instance virtually all of the leaders in the health debate—certainly the doctors, nurses, and patient coalitions—have endorsed our proposal. We have been asking the Republican leadership for the names of the organizations that endorse their program. And we are still waiting to hear from the other side which medical professional groups have endorsed or supported the Republicans in this debate. I do not think there are any leading groups that support their plan, while virtually all support our legislation. Still, we are denied the opportunity to debate these issues.

Now, yesterday Senator GRAMM took the floor for an extended period of time to attack our plan. He said that the Republican solution was a new kind of insurance policy called medical savings accounts. The fact is that our bill takes medical decisionmaking out of the hands of the insurance company accountants and puts it back where it belongs, with the patients and the doctors. The Republican program is a sham and it gives the appearance of reform without the reality.

I was struck by the fact that my friend, Senator GRAMM, accuses the American people of wanting something for nothing, of wanting a "free lunch." I object to this characterization of the patients who want protections from the health insurance company abuses. That is what we are basically talking about. What is at the heart of the legislation that we support is ensuring that medical professionals—doctors, nurses, and the trained medical professionals—make medical decisions. Those who are opposed want to maintain the status quo. They want to permit, in too many instances, insurance company accountants to make medical decisions.

Now, a number of HMOs work well. Managed care in its best form can be good for patients. There are even a number of HMOs that support our particular proposal. And portions of our legislation are drawn from standards adopted voluntarily by some plans. But the problem is the bad apples that reach their medical decisions not on the basis of what is necessary from a medical point of view, but what is necessary from a bottom line point of view or the profit point of view of the HMO. That is the fundamental, basic issue. That is it.

The good HMOs are complying with the kinds of protections that we have here. But a great many of other HMOs are not. We want to make sure that the patients are going to get what they pay for and what they are entitled to, and that their medical decisions are made by medical personnel and not accountants for insurance companies.

Now, that fact is not understood by the Senator from Texas. What he has basically done in his presentation yesterday is accuse the American people of wanting something for nothing—I use his words: "a free lunch." Those are the words the Senator used. Mr. President, I object to the characterization of patients who want protection from health insurance company abuse as patients who want a free lunch.

I don't think a cancer patient who needs access to a specialist or a cancer treatment center wants a free lunch. I don't think that a family with a child experiencing seizures is asking for a free lunch when they want to rush their child to the nearest emergency room, and their HMO, in an emergency, requires instead that they go all the way across town to another emergency room. That type of response can risk the life and the health of that particular child. I don't think those parents who are saying, "Why can't I take my child to the nearest emergency room?" are asking for a free lunch. I don't think a woman whose doctors say she needs to stay in the hospital after a mastectomy, even though her insurance company wants to send her home in pain, with tubes still dangling from her body, is asking for a free lunch.

All of these examples I am using are examples we have presented to the U.S. Senate day in and day out over the period of the past many months. All of those particular situations are addressed in our Patients' Bill of Rights.

I would have hoped that the Senator from Texas at least would have urged the Republican leadership to permit us to debate this and let the Senate resolve these particular issues. That is where we would have the opportunity to make our respective presentations and call the roll on these matters, as to whether these requests amount to "free lunches." Let him make his presentation, and those of us who are strong supporters of the Patients' Bill of Rights can respond and make a presentation to the Senate. Then let the Senate make a decision as to whether those individuals are trying to have a free lunch.

I don't think a doctor who is penalized for telling patients about the best available treatment is asking for a free lunch. In too many HMOs, when doctors make that kind of judgment and tell that patient they ought to have a treatment that is not on the plan's list, is that they are effectively fired, or they are not rehired at the end of the year. The insurance companies and Republicans can say this isn't a gag rule. But the fact that they are not hired back when they are dismissed is effectively a gag rule. That is what is happening in too many circumstances. I don't think that the patient who is getting the best advice from that doctor, at the risk of that doctor's employment, is asking for a free lunch.

I don't think an individual suffering from terrible mental illness, like schizophrenia or clinical depression, who wants effective pharmaceutical products to treat the illness rather than the older, ineffective, but cheaper medication that happened to be on the plan listing, is asking for a free lunch. That is happening in America today and will continue today and tomorrow, and it will continue day after day in the future unless we address that issue here.

This isn't just my opinion or the opinion of our cosponsors. We have the strong support of the leaders of the medical organizations, doctors, psychiatrists, psychologists, social workers, nurses, and others who know firsthand that the various HMOs are doing these things. We have heard from countless patients who have been told, "You can't get the good kind of medications that are necessary to meet your particular health care needs until you use these other ones and demonstrate to us, not just once, but twice, that they just don't work." This puts a patient's health at risk. That is happening today. Look right here on the chart, Mr. President—"access to the doctor prescribed drugs." But the Senator from Texas says, well, that particular patient is just looking for a free lunch. These Americans don't want something for nothing, and it is insulting of the Senator from Texas to suggest that they do. They have faithfully paid their premiums and they deserve quality care.

These companies don't mind going out and representing that they have a whole range of different quality programs to get individuals into their HMO. But, too often, insurance companies then deny the individuals the kind of health quality protections they need when they get ill. That is what is happening.

That is where there is bureaucracy; the bureaucracy is in that HMO that refuses to give the best in terms of health care to the patient. All we are requiring is that they just give the patient what they paid for, what HMO represented in terms of quality health care. They are not doing it. They are not doing it in the ways listed on this chart, Mr. President.

These are not just made up categories of care; these have been recommended by the President's nonpartisan commission, and by Congress for the Medicare program. These are recommendations that have come from State insurance commissioners. These are recommendations that have been made by the health plans themselves. They are the ones who made these recommendations. We didn't just pull this out of the blue.

These are protections that those who know the condition of what is happening in America have recommended to us. That is what this debate ought to be about.

Mr. President, the American consumer has faithfully paid for their premiums. They deserve quality care. The characterization of it by the Senator from Texas is typical of the attitude that the Republican leadership has taken toward this issue. They want to allow insurance companies to continue to put the profits first and patients last—all driven by the bottom line.

You can solve these issues and problems by having the decisions affecting the quality made by the doctors. There is not a great mystery about what the solution is.

But no. We do not hear that from the opponents. They want to allow the insurance companies to continue to put the profits first. That is why they have offered a sham bill. That is why they won't allow the Senate to have a chance to debate and vote on this issue. That is why they are trying to change the subject to medical savings accounts. They don't want to debate this issue. They refuse to debate this issue. They want to debate another issue and divert attention away from the real issues in this discussion.

They do not want to talk about clinical trials and their importance for women with breast cancer. They do not want to talk about the ability to have the pediatric specialist for children with dread diseases. They don't want to debate those issues. They don't want to debate the question about giving the family the right to be able to go to the nearest emergency room rather than across town. They don't want to debate that issue. Which of these do they not want to debate? We challenge the Republican leadership to tell us.

But day after day we go on with the charade of trying to get cloture to prohibit any kind of amendments and any kind of debate on these issues—day after day, issue after issue. That is wrong. It is absolutely categorically wrong.

We are committed to trying to have this kind of debate and discussion on, as Senator DASCHLE has said on many occasions, a reasonable way to proceed. But, quite frankly, we see day in and day out the Republican leadership attempting to do to the U.S. Senate what many of these HMOs are doing to their patients—gagging their doctors so they can't give them the right kind of health advice. The Republican leadership is gagging the Senate by saying: We will only permit you to bring this up if we have one vote—one vote—and do it now with no debate.

Why aren t we debating this on Friday at 11 o'clock this morning, or this afternoon, or on Monday when millions of Americans are going back to work? Why aren't we debating these issues? Why aren't we, Mr. President? It is silence on the other side. It is silence on the other side. They are trying to gag us from debating these issues. They are trying to protect the profits of those HMOs that refuse to provide the right kind of treatment by refusing us the opportunity to address these issues. They are basically protecting those various special interests and denying to virtually every major consumer group, and every major medical professional group their voice here in the Senate on these points. They refuse to let us even debate these issues. And the American people understand it.

The American people want Congress to pass strong and effective legislation to end the abuses of HMOs, managed care plans, and health insurance companies. They want us to pass the Patients' Bill of Rights, which was introduced by Senator DASCHLE and Senate Democrats, to provide the needed and long overdue antidote to these festering and growing abuses.

Our goal is to protect the patients and to see that insurance plans provide the quality plan they promise but, too often, fail to deliver. Our bill has been on the Senate calendar since March. An earlier version of the legislation was introduced more than a year and a half ago, but the Senate has taken no action because the Republican leadership has been compounding the HMO abuses by abusing the rules of the Senate to block meaningful reform. This record of abuse should be unacceptable to the Senate. It is certainly unacceptable to the American people.

We held a forum Wednesday in which a letter was released from 36 groups representing patients, families, psychiatrists, psychologists, social workers, and others concerned about quality health care for people with mental illness. As I discussed in a floor statement yesterday, these groups begged the Senate to act to pass a patients' bill of rights, because with every day that passes, patients and their families suffer needlessly because of abuses by managed care plans.

The stories they told were tragic—they involved suicide, spousal abuse, anxiety attacks inflicted on a Vietnam veteran, successful courses of treatment cruelly interrupted—all because insurance companies are putting the bottom line first and their obligations to patients last.

This forum was just the most recent one in which we have heard patients and doctors and nurses pleading with the Republican leadership to act on real managed care reform. In my statement yesterday, I reported on an earlier forum in which we heard from Dr. Charlotte Yeh, an emergency room doctor representing the American College of Emergency Physicians. Dr. Yeh described tragic cases in which patients had been denied the care they needed because of managed care penny-pinching.

On behalf of the college, she endorsed our legislation, and she denounced the Republican leadership alternative as worse than inadequate. Only with a full and fair floor debate can we pass real protection for patients who need emergency care or who should be allowed to go to the nearest emergency room when the symptoms of serious illness strike.

On July 24, we heard from cancer patients and their doctors who explained how critical the provision of the Patients' Bill of Rights was in assuring patients access to quality clinical trials. These trial are often the only hope for patients with incurable cancer or other diseases where conventional treatments are ineffective. They are the best hope for learning to cure these dread diseases. Insurance used to routinely pay the doctor and hospital costs associated with clinical trials—but managed care plans are refusing to allow their patients to participate or to pay these costs.

We understand. When patients are in a clinical trial there isn't a significant increase in terms of the costs to the HMO. It is just the routine doctor costs and hospital costs that they would pay anyway. The trial itself pays for the kinds of additional attention and prescription drugs that are given to these patients. But the insurance companies won't even cover the minimal payments.

Our bill requires them to respond to this need—but the Republican bill does not, and the Senate leadership does not want a debate on this issue.

Fourteen leading organizations of cancer patients, representing the eight million Americans surviving with cancer and the 1.5 million Americans who will be newly diagnosed with cancer this year, have spoken out strongly on the need for this amendment. These are organizations that patients and physicians alike look to for guidance on cancer issues. They include the National Coalition for Cancer Survivorship, Cancer Care, Incorporated, the Candlelighters Childhood Cancer Foundation, the Susan G. Komen Breast Cancer Foundation, the National Alliance of Breast Cancer Organizations, the North American Brain Tumor Coalition, US TOO International, the Y-ME National Breast Cancer Society, the American Society of Clinical Oncology, the Alliance for Lung Cancer Advocacy, Support and Education, the Friends of Cancer Research, the Leukemia Society of America, and the Oncology Nursing Society—all groups that speak out for patients who have cancer. They have made their recommendations. They support our legislation. But we are being refused and denied the opportunity to even debate it.

Here is what the combined cancer groups say about this:

> Clinical trials represent the standard of care for cancer patients. Patient care in clinical trials is no more important than standard therapy. Cancer will strike roughly one in three Americans during their lifetimes. Even those who escape the diagnosis will have friends and family touched by the disease. Any patient rights or quality care legislation will be a shallow promise for people with cancer if it does not include provisions ensuring access to clinical trials.

That is what we are talking about—clinical trials for individuals who have cancer. Why can't we debate that on the floor of the U.S. Senate on a Friday at noontime? Why can't we call the roll for those who believe, as the cancer organizations do, that clinical trials are a critical aspect of treatment, and that most Americans believe when they sign those HMO contracts that they are going to get the best in terms of American health care? And they do with a better HMO. But there are too many that are denying that care. Too many that are risking their lives because they are being denied the opportunity for clinical trials that may offer new hope and opportunity of survival for an individual member of a family. That is unbelievable. But that is happening—denial. Too often the insurance companies offer a shallow promise. But our program ensures these protections. The Republican plan does not.

Mr. President, we see that not one, not a single group that is concerned about the survival of cancer has supported the Republican program. But virtually every major cancer group supports our legislation and believes it is essential to protect American families.

Why can't we debate that on the floor of the U.S. Senate? What is it about? Hard-working Americans—more than 160 million working Americans who are going to work today on Friday at noontime.

Why aren't we debating that in the Senate? Why aren't we debating it at 2 o'clock or 5 o'clock or on this coming Monday morning or afternoon? We are prepared to debate these issues. But, no, the Republican leadership refuses to debate them. We are effectively seeing the manipulation of the Senate rules in such a way as to deny the opportunity for full consideration of something that is of core concern and importance to every American family, and that is the quality of their health care.

So, Mr. President, I just want to again reiterate my strong support for our Democratic leader, Senator DASCHLE, who has indicated that we are going to still, even in the final days of this session, continue to pursue this. There are those who say, well, we haven't got enough time. But our Republican friends must think we do have enough time because they are continuing to resist our efforts. They must assume we do have enough time. It is amazing how quickly this body can act when we want to act on important pieces of legislation, and we do have time. So, Mr. President, we will continue to press these issues forward.

I see other of my friends and colleagues in this Chamber. I will continue to address this issue at another time, but it is important to note that we have seen one more week go by and a denial of the request of our Democratic leader to at least have a reasonable period of time to debate these issues and resolve them in a way that would respond to the central concerns of every major medical professional group and society in our country. I am not aware of a single medical society or patient group that supports the Republican plan—not one. We have been waiting to hear one. They can't come up with one. In contrast, more than 180 groups support our particular proposal.

Now, we may not have it all right, and we are interested in discussing adjustments that we may have to make. But 187 groups in our country, representing the cancer societies, the medical professionals, the nurses, the patient groups, working families, and others effectively support our proposal.

Every major children's health organization in our society has endorsed this proposal because they know how important this is for children. Every major breast cancer group in our society that cares about women and understands the enormous possibilities of breakthroughs in terms of the new modern miracle drugs supports our proposal. Every major group that represents persons with disabilities in our country—individuals who are challenged mentally and physically every single day—supports our proposal. And still, because of the manipulation of the Senate rules, we are denied a full debate and discussion and ultimate resolution as to what this body would say to families of this country on such a matter. It is wrong, and we are going to continue to press our case.

I yield the floor.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. KENNEDY. I am glad to yield.

Mr. BYRD. Mr. President, the distinguished Senator from Massachusetts can always be counted upon to stand up for the things in which he believes. He is constantly supporting legislation that is calculated and dedicated to bring better health care to the American people. I support his Patients' Bill of Rights. "Constancy, thou art the jewel." He is always constant in this efforts.

I have been hearing some ads on the radio, and these ads are talking about the "Kennedy Bill of Rights." I don't recall their ever telling us what is wrong with it. They may have been doing it; I have missed that. But I continually see these ads on the television: "Write your Congressman, write your Senator, write your representative, and urge them to defeat the Kennedy Bill of Rights, the health care bill of rights."

Tell me, has the Senator seen those ads, and what are we talking about?

Mr. KENNEDY. Mr. President, it is very interesting. I have seen those ads, but I believe they are going to be pulled very soon because what has happened, according to the most recent study by Bob Blendon at Harvard and the Kaiser Family Foundation, is that support for our bill has gone up, quite in conflict with the intentions of those who sponsored the ads that have been critical of the Patients' Bill of Rights. And so now the insurance companies and corporations that oppose the Patients' Bill of Rights are reviewing their television strategy because their campaign has had the reverse effect. They are sort of going back to the drawing board.

But quite clearly, as the Senator implies, their ads certainly were not a fair representation of the legislation that we have introduced. As I mentioned, virtually every one of these proposals in our bill has either been suggested by the President's commission—which was bipartisan and reported its recommendations unanimously—as important for all patients, or included in Medicare at the present time and used in protecting our seniors, or have been embraced by the state insurance commissioners—which are the 50 commissioners around this country, Republicans and Democrats—or adopted voluntarily by the HMOs themselves through their trade association.

This legislation reflects the best judgment of those groups that know this issue best. That is why we have a sense of confidence in this legislation. It has the strong support of those professionals who treat families and understand the kinds of protections that are necessary to give the best of health care to American families.

Mr. BYRD. Mr. President, I thank the Senator for enlightening this Senator in response to the question I asked. I again commend him for his unceasing effort in behalf of this legislation, the Patients' Bill of Rights.

Mr. KENNEDY. I thank the Senator.

MORNING BUSINESS

Mr. MURKOWSKI. Mr. President, on behalf of the leadership, I ask unanimous consent that there be a period for the transaction of morning business until 12:30 with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION CORRECTION—S. 442

Mr. MURKOWSKI. Mr. President, on behalf of the leader, I ask unanimous consent that the name of Senator BURNS be added to the cloture motion in place of the Senator from Wyoming, Mr. ENZI, whose name was inadvertently added to the motion in error.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CANCER AWARENESS

Mr. MURKOWSKI. Mr. President, I rise to address two matters that are of importance to me. The first is the issue of national cancer awareness.

Mr. President, for the next 3 days, hundreds of thousands of cancer survivors, families, care givers, and friends, whose lives have been affected by cancer will join together in this city for an event called "The March: Coming Together to Conquer Cancer."

Yesterday, other Members of this body and I had an opportunity to place a large star on our respective States to represent special persons in our lives who have been touched by cancer.

I had the pleasure and honor on behalf of my wife, Nancy, to place a star on my State of Alaska for the late Judge Lester Gore, my wife's father. He was a remarkable pioneer in our State. In 1912, Judge Gore moved to Juneau after graduating from law school and established an impressive record as a young deputy district attorney. He was recognized in that effort in 1932 by President Hoover's appointment to serve as a Federal judge for the Territory of Alaska, serving the first judicial district in Nome.

In serving as a Federal judge in the far reaches of western Alaska in the aftermath of the gold rush, Judge Gore traveled from village to village hearing various cases and judging on the merits. He used every mode of transportation from dog team to the former cutter *Bear*, bringing justice to rural Alaska. He was instrumental in both creating legal precedent and shaping the legal history of our State. Later in his career he worked as an attorney in Ketchikan, and died in 1965 of cancer. He had many accomplishments but none more important to me than fathering a daughter, Nancy, who later was good enough to accept my proposal of marriage.

In addition, I was pleased in my own personal case to recognize my mother, who died of cancer, leukemia, in Alaska in 1956, having spent her entire career in the area of education. She was the longest standing sixth grade teacher in Ketchikan, Alaska.

To move on, for more than 20 years now, my wife, Nancy, has worked with Alaskan women to encourage the establishment of a breast cancer center starting in Fairbanks, Alaska. She and a group of women initiated the Breast Cancer Detection Center for the purpose of offering free mammograms to women in the remote areas of Alaska, regardless of their ability to pay. I am proud to say that the center now serves about 2,500 women a year and provided screenings to more than 25,000 Alaska women in 81 villages throughout the State.

To help fund these efforts of the Fairbanks center, each year my wife has sponsored a fishing tournament to raise money for the operation of the facility and to purchase units. Interestingly enough, over the last 5 years they have raised over $1 million in this effort. They now operate a permanent facility in Fairbanks, as well as a mobile mammogram unit that travels the highways of Alaska providing free breast cancer examinations for the women along the highway system. It looks like a big armored car. More recently, they have purchased a smaller unit called Molly. Molly is designed to go in aircraft to fly out to the villages that are not connected by any road, and by river barge down the rivers of the interior.

So I commend those who are responsible for this effort in my State, a group of women who have taken it upon themselves to do something about this disease, this killer disease which affects all of us. It is anticipated that 40 percent of us will get some form of cancer during our lifetimes. We have had a figure of about 1.5 million Americans being diagnosed this year.

Mr. President, I ask my colleagues to join with me in taking part in the activities here in Washington, D.C., with The march, thereby demonstrating our commitment to end cancer forever.

NORTH KOREA MISSILE TEST

Mr. MURKOWSKI. Mr. President, I would like to address one more issue, with the agreement of my colleagues. I see a number of them on the floor—Senator BYRD—so I will try to be very brief. But I want to talk a little bit about our national security interests and what is occurring in North Korea. It does not just affect my State of Alaska, although this recent three-stage rocket did generate a little interest in my State because on August 31, 1998, the North Koreans fired a rocket which we now believe is a three-stage rocket carrying a satellite over the sovereign territory of Japan and it evidently came down very close to my home State of Alaska.

Although initial reports indicated that this was a two-stage rocket with a range of approximately 1,200 miles, now there is acknowledgment in the U.S. intelligence community that it was likely a three-stage rocket carrying a satellite. The third stage malfunctioned, consequently the satellite was not launched. But the point is that it has been identified that, indeed, the North Koreans have the rocket capability to carry some type of armament to the shores of the United States.

The Asian press reported that the rocket traveled 3,700 miles, or 6,000 kilometers, and landed in the ocean near Alaska. On September 17, the U.S. Department of Defense spokesman Kenneth Bacon responded to this report by saying:

> The only way to track this is by radar tapes and there's considerable disagreement among experts on how to interpret this.

Let's think about what this really means. The only way we have to track this is by radar tapes; in other words, after the fact. But intelligence sources have been quoted as acknowledging that a three-stage rocket could have a range three times that of the two-stage Taepo Dong I rocket. Particularly concerned about this latest missile test, a number of us have recognized that there seems to be a breakdown on whether the administration was either caught off guard by the sophistication of the North Korean technology, or was reluctant to share this information with lawmakers.

I am reminded of President Clinton's comments last year, when he said "[t]he possibility of a long-range missile attack on U.S. soil by a rogue state is more than a decade away."

That does not appear to be the case—as a consequence of the occurrence in August, the last day of August, relative to the North Korean missile which did land within shouting distance of my State of Alaska.

This would ignore the testimony in 1994 by John Deutch, then-Deputy Secretary of Defense:

> If North Koreans field the Taepo Dong 2 missile, Guam, Alaska and parts of Hawaii would potentially be at risk.

It appears the North Koreans have gone beyond even what Mr. Deutch envisioned by launching a three-stage rocket carrying a satellite.

There is truly an immediate need for missile defense, Mr. President. MIT professor Daniel Fine has an interesting take on why we need immediate action on a National Missile Defense System which protects all of the United States, including Hawaii, Alaska and our territories. He conclusion is that:

> If the $32 billion infrastructure [associated with oil production in my State] in Prudhoe Bay—which produces 1.6 million barrels of oil . . . is subjected to a credible missile threat . . . then the cost to the American economy of a missile threat as economic blackmail would reach $4 billion—$6 billion in the first ten days.

Well Mr. President, I for one do not think it is far fetched to think of Prudhoe Bay as a potential target. After all, it accounts for approximately 20 percent of the total domestic production of crude oil in the United States. While I have not reviewed how the professor reaches the $4 to 6 billion figure, I think it should serve as a wake-up call to those who continue to oppose a National Missile Defense System. It is not just Alaskans, Hawaiians and those in Guam who should be concerned about the launch. Monday's test was the first of a multistage missile. According to experts, the ability to build rockets in stages opens the doors to intercontinental missiles that would have virtually unlimited range and which would carry payloads capable of nuclear, chemical or biological weapons. Such missiles, and the threat of them, certainly puts U.S. citizens at risk as a consequence of any attack coming from North Korea or any other area with a missile that carries weapons of mass destruction.

I think we have to reflect a little bit on the North Koreans. Some would dismiss the threat from North Korea because that country is on the verge of an economic collapse. But I remind my colleagues that North Korea has a history.

Mr. President, we have seen in the past, irrational actions by the North Koreans. You recall this is a country that in 1950 launched an invasion on South Korea, resulting in the deaths of 3 million of her countrymen and 54,000 American troops.

Recall the detonation of a bomb in Rangoon killing 16 South Korean officials; a country whose agents blew up a Korean Airlines flight killing 115 passengers and crew; and a country whose military hacked U.S. personnel to death in the DMZ.

I think we have to recognize there is still a great deal of uncertainty relative to the objectives of North Korea.

Furthermore, as we look at the crisis on the Korean peninsula, the United States has given over $250 million in combined food aid and support for KEDO. The North Koreans have received 1.3 million metric tons of heavy fuel oil.

While the United States has provided humanitarian assistance from time to time, as well as technical assistance, we have also promised large contributions to the $5 billion light water reactor program and also have given food and aid and contributed over $50 million to KEDO.

What have the North Koreans done in return for this assistance? They launched a missile in August. Intelligence photos show work on vast underground construction complexes.

In July of 1998, GAO reported that North Korea has taken actions to hinder work of international inspectors sent to monitor North Korea's nuclear program.

It goes on and on.

As a consequence, I think it is fair to say the administration has treated each of these incidents as if North Korea is merely an innocent child throwing a harmless tantrum, not a terrorist nation home to the world's fourth largest army, just miles away from the 37,000 American troops.

Incident after incident is dismissed by this administration as "not intentional" or not "serious" enough to derail U.S. assistance under the Agreed Framework.

The administration called latest missile launch "a matter of deep concern to the U.S. because of its destabilizing impact in Northeast Asia and beyond," but reiterated its commitment to provide funds under the Agreed Framework.

The administration refuses to say that newly disclosed evidence of underground facility would violate the 1994 accord because "concrete has not been poured."

When a sub full of North Korean commandos landed in South Korea, the administration asked both sides to "show restraint"—as if South Korea was in the wrong.

The administration responded to violations of the Military Armistice Agreement by asking that the issue not be "blown out of proportion."

Issuing polite reprimands from the State Department, while the Administration continues to seek increased funds for activities that benefit North Korea, only encourages bad behavior.

Mr. President, enough is enough. Congress should block further funding for KEDO until the President can certify that North Korea's nuclear program is, indeed, frozen and not simply an ongoing clandestine operation. The United States is a global power with vested interests both politically and commercially all over the world. We simply cannot allow policy to be determined by those who practice missile blackmail.

Mr. President, I yield the floor, and wish the President a good day and a good weekend.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent to proceed as in morning business for 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. A reservation of the right to object is heard.

Mr. BYRD. Mr. President, I will not object. I have been waiting here and am very happy to wait longer. I understood the Chair wanted to be recognized for 2 or 3 minutes, also.

The PRESIDING OFFICER. The Chair did, but it has gotten too late and he has abandoned that desire.

Mr. GRAMM. Is the Senator from West Virginia waiting to speak? I will be glad to withhold and let him speak and then I will speak.

Mr. BYRD. Mr. President, the Senator is very kind and considerate. I was waiting to speak, but the Senator from Texas may have to go farther, a greater distance than I would have to go if I were going to West Virginia today. I ask unanimous consent that I may be recognized at the completion of the remarks by the distinguished Senator from Texas, Mr. GRAMM.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I am delighted to listen to what the distinguished Senator from Texas has to say.

Mr. GRAMM. Mr. President, let me reiterate, in fact, when the Senator from Alaska finished his speech, Senator BYRD and I were having a conversation. I had thought as I left my office that he had spoken. I assumed that he was simply here listening to the Senator from Alaska.

Again, I reiterate, if the Senator from West Virginia had come over to speak, he was on the floor before I was, and I believe he should be recognized.

Mr. BYRD. No, no, Mr. President, I hope he will not be under the burden of thinking that I have a feeling about this. I am perfectly agreeable to wait a little longer, just so I can get in line immediately after the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. GRAMM. Mr. President, this reminds me of the time when I was on the elevator for the first time with Senator THURMOND, and Senator THURMOND insisted that I get off the elevator before he did. I determined when I was on the elevator with Senator THURMOND again that I would not get off the elevator before Senator THURMOND did. But I was wrong. I stood there for almost 2 minutes insisting that Senator THURMOND get off the elevator before I did. In the end, Senator THURMOND had more patience. I got off the elevator first.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. GRAMM. I will be happy to.

Mr. BYRD. I like to try to live according to the Scriptures, which say that the first should be last and the last should be first. I thank the Senator.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Texas.

HEALTH CARE

Mr. GRAMM. Mr. President, our dear colleague from Massachusetts came over today and responded to a speech I gave yesterday. As he always does—and I think it is one of the things we admire about him—he spoke with great passion because I think he clearly is one of our Members who cares deeply about these issues. Whether he is right or whether he is wrong, I think we all respect that in one of our fellow Members.

What I would like to try to do is to briefly respond and make the key points that I made yesterday, given that so much reference has been made to the speech of yesterday, and try to make all these points in such a way as to deviate from my background as a former schoolteacher and be brief so that Senator BYRD can give his speech and we can both go home for the weekend.

Yesterday, I made the point, which I am continually struck by, that 5 years ago in the Senate, we were debating a proposal to have the Government take over and run the health care system. A substantial majority of the Members of the Senate at the beginning of that debate, following the lead of Senator KENNEDY and President Clinton, had decided that the problem we had in American health care was access; that 40 million Americans didn't have health insurance and that a price we should be willing to pay to solve that access problem was to deny people the freedom to choose their health care provider and force every American into a health care purchasing cooperative or health care purchasing collective which would be one giant HMO run by the Government.

I have on this desk—and I want to be careful because one of these bills fell on my foot over there and I want to be sure all of them don't fall—but I have here those bills from 5 years ago. Each one of these bills denied the American people freedom to choose their health care provider, forced them into a Government-run collective in order to deal with the problem of access.

Each one of these bills, this massive pile of bills—Kennedy I, Kennedy II; Moynihan I, Moynihan II; Mitchell I, Mitchell II, Mitchell III and Mitchell IV—each of these bills was about denying Americans the freedom to choose their doctor, choose their health care, choose their hospital, and we had a big debate about it 5 years ago. The argument from the sponsors of these bills was that the denial of this freedom was a small price to pay in order to guarantee access to health care.

I had an alternative then. It was a very modest bill. Here is a copy. I want people to see what freedom looks like. It is simple.

It was a small bill, as these kind of bills go. Basically, what it did was deal with the access problem by helping people who didn't have health insurance to get it without denying freedom to everybody else. It established risk pools at the State level where we would help people with preexisting conditions get health insurance.

But the point is, the same people who are saying today that we should be willing to drive up costs and deny access to people in the name of guaranteeing freedom are the same people who 5 years ago said, "Let's deny freedom in the name of access." Now, 5 years later, after we debated the original Kennedy-Clinton bill—and I am very proud to have played a small role in seeing that effort defeated—5 years later, now we have the same people saying, "The problem is not access—don't worry that by driving up costs millions of Americans might lose their health coverage—the problem now is HMOs."

Five years ago, the same people were saying, "HMOs are so wonderful that we ought to have one HMO run by the Government, and it will be great for everybody." Now they say HMOs are evil and what we have to do is, we have to regulate HMOs.

What I would like to do is simply explain why the new approach is not the approach that I believe we should follow. Let me first define the real problem with HMOs, then what I believe the solution is. And then I want to say a little bit about the bill, and I will be finished.

Fifteen years ago, almost every American had a low deductible health policy funded by either Medicaid, Medicare, or by themselves and their employer through private health insurance. These were health insurance policies where the person who bought health care, using this coverage, paid relatively little of the cost.

Fifteen years ago, the average American who went to the hospital was responsible personally for paying only about 5 percent of the bill. And this was a wonderful system. It produced the greatest quality health care the world has ever known. It created wonderful new technology, but it had one terrible problem, and that is, we could not afford it. And it is easy to see why we could not afford it.

If you can imagine—imagine you had grocery insurance that, when you went to the grocery store, paid 95 percent of the cost of the food you put in your basket. If we had grocery insurance like we have health insurance, when we went to the grocery store, we would end up eating differently, and so would our dog. The grocery stores we know today would be totally different. You would have 20 or 30 times as many people working at the grocery store. You would have all kinds of precooked foods. You would have all kinds of specialty items. And grocery costs would be exploding. We would all be cussing the cost of grocery insurance.

So it is not surprising that our old fee-for-service medical system, with low deductible insurance where the patient did not care about controlling costs, the physician did not care about controlling costs, and so nobody controlled costs—it is not surprising that that system did not work.

The Government talked about it for 15 years, but we never did anything about it. There are a lot of things we could have done. We could have let people have tax deductibility to buy their own health insurance, so that if I did not like the health insurance provided by my employer, I could take the employers contribution and with some of my own money, on a tax-deductible basis, choose and buy my own health insurance. We did not do that, have not done it to this day. There are other things we could have done, but we did not do them either.

The private sector started to respond to the problem, and the net result is that we now have over 100 million people who are in HMOs.

HMOs have advantages and disadvantages like anything else in life, with any choice you make. If you buy a Cadillac, the advantage is, you have a good car; the disadvantage is, it costs a lot of money. If you buy a Chevrolet, the advantage is that it does not cost as much as a Cadillac, but generally it is not as good or as fancy. And we should not be surprised that in life, even with the Government, we face these kinds of tradeoffs.

We have over 100 million people in HMOs. The advantage of HMOs is that they are more efficient, they do control costs, they have brought the medical price index down from twice the Consumer Price Index—twice the growth as goods in general—down to the same growth as goods in general.

Fifteen years ago, we would not have believed that it was possible, but it has happened. But there is a disadvantage. And the disadvantage is, when you enter into a contract with an HMO, you are bound by the terms of the contract. It describes what they will cover and what they will not do, and the HMO exercises some control over the amount of health care you consume and from whom you consume it. And everyone knows that when they enter into these contracts.

This creates a problem, which Senator KENNEDY and others have put their finger on, and which is a real problem. The problem is that you have, in these HMOs, gatekeepers whose job it is to try to see that you get good enough health care to meet your needs, so that next year you renew with the HMO, but they also attempt to prevent the consumption of health care that you do not need because such usage drives up costs. The problem is, they are deciding—not you.

So I have likened the problem to, you go to the doctor, you go into the examining room, and instead of being alone with your doctor, you have—not literally—but figuratively, you have a gatekeeper in the examining room with you. And you want him out. You want to be in the examining room with your doctor. You do not want somebody there, who is not a doctor, second-guessing your doctor. That is the problem. On that point, Senator KENNEDY and I are in agreement.

The question is, How do you fix it? How do you get a Cadillac at Chevrolet prices? Well, nobody has, throughout 5,000 years of recorded history, figured out how to do that. Maybe we will. But if we do, we will be the first. But the point I made yesterday was that in reality the solution that is being proposed in the Kennedy bill can be depicted as I've done here, using a Greek invention, the stethoscope.

The problem basically is that here you are with your heart right on the other side of this stethoscope, and what you want is, you want your doctor's ears at the other end trying to be sure that your heart is working right and fixing it if it is not. Senator KENNEDY's complaint is that in a very real sense the HMO has this gatekeeper who is listening in on the stethoscope. You would like to get him out of the examining room.

But in an incredible paradox, the bill that Senator KENNEDY presents not only does not get the HMO gatekeeper out of the examining room but it brings two other people in. It lets the Government hire a bureaucrat, who comes in and he gets his ears to the stethoscope so that he can regulate your HMO and your doctor, and then, under the Kennedy bill, you can also hire a lawyer who can come and listen so that he can join the bureaucrat in listening to your heart with your doctor and with the HMO so that he can sue the HMO and sue the doctor.

The point I made yesterday was that, people are already unhappy about having the HMO gatekeeper in the examining room with them. And we are certainly not going to make them happier by bringing in a Government bureaucrat, who we choose, and by letting them hire a lawyer.

What they want, literally and figuratively, is to be alone with their doctor in their examining room. What they want is a system where their doctor is using this stethoscope; their heart is at this end and their doctor's ears are at this end, and nobody else is involved. That is the ideal that people want.

Now, how can we get it? I believe the best way to get it is to make a dramatic change in the system. Therefore, I and others have proposed what we call medical savings accounts. Here in essence is how it works: Say I currently have a Blue Cross/Blue Shield policy, standard deduction, and it costs about $4,000 a year. It has very low deductibles. If that policy had a $3,000 high deductible, I could buy it for about $2,000. What the bill that I have introduced with Senator NICKLES and others would do is give people the choice. It doesn't make anybody do it. Nobody is forced under our bill to do anything. They can stay in the HMO they are in if they are happy. We set out reasonable things to do to try to deal with the problems that Senator KENNEDY and others have raised, without driving up costs and forcing young working couples out of the health care market and out of their HMO because they can't afford it.

In addition to that, we do something more important; that is, we give people the right to choose a medical savings account. Here is how it would work: I am a young man and I am married to a young woman. We have two little children and we are both working hard and we both have modest incomes. It lets my employer join with me in buying the high deductible policy I've described, with a $3,000 deductible. Then we would take the $2,000 we saved—we bought the high deductible policy for roughly $2,000; we were paying $4,000 for Blue Cross/Blue Shield—and we put the $2,000 into a medical savings account out of which I can pay deductibles. At the end of the year, if I don't spend the money on medicine, I get to keep it. I can use it to get braces for my children or I can get tutors for them or save it and send them to Texas A&M, the University of West Virginia, or the University of Alabama, or wherever they want to go.

Now, that is how this system is different because 90 percent of American families don't spend $3,000 on medicine. If I go to the doctor and he says, "PHIL, you have a headache. I think it is just a headache. Take two aspirin. If it doesn't go away, come back in 2 days and we will give you a brain scan which costs $1,000, or we can give you the brain scan right now." Currently, I might ask, well, does my insurance cover the brain scan? If it does, it is interesting, you get to look at it, I may say let's do the brain scan right now. But if I would get to keep that money for my children, and I am a truck driver, my wife is a waitress, I will say, you know, Doc, I will take those two aspirin. If it doesn't go away I will come back.

One of the benefits of the medical savings account is that it provides incentives to be cost conscious. But that is not the most important thing. The most important element is it allows me freedom to choose.

I showed this chart yesterday and I will show it several times in this debate because it is so important to me and I think to the people I represent. I and my staff did a little experiment. We took one column of doctors on one page selected at random from the Yellow Pages. We called up every one of these doctors and we took the most popular, most-participated-in HMO in our region, which is Kaiser HMO. We took the largest participating PPO, preferred provider option, which is Blue Cross/Blue Shield preferred provider. Then we called everybody on this list and said, "Do you take Kaiser HMO?" In other words, we called William D. Goldman, pediatric and adolescent medicine, and we said, "Do you take Kaiser HMO? Do you take Blue Cross, PPO?"

When we did this, 10 of the physicians listed on page 1017, in the left-hand column, took Kaiser payments. If I were a member of Kaiser, I could have gone to 10 of these physicians. If I were a member of Blue Cross/Blue Shield preferred provider, 17 of them would have taken me.

But if I had a medical savings account, and even though the current law doesn't really permit a full-blown system to work, there are several options. One is Golden Rule Insurance in Indiana. They give you the option of a medical savings account checking account. Out of that checking account you pay your deductibles, and above that level they pay for the costs. We have other MSAs that use Mellon Bank with MasterCard. This is your medical savings account. It keeps the record for you as to what you are spending the money on. And then American Health Value Medical Savings Account uses Visa.

Let's just assume that you have a baby and your baby has a fever of 104 and you want to go see William D. Goldman who is in pediatrics and adolescent medicine. You call him. If you are with Kaiser—he may be one of the 10 people on this list that takes it, but he may not be; if you are with Blue Cross PPO you call up, he may be one of the 17, he may not be; but if you have a medical savings account, which I want people to be allowed to choose, you call up and you don't say do you participate in Kaiser HMO? You don't say do you participate in Blue Cross PPO? You simply say, Do you take a check? Or, Do you take MasterCard? Or, Do you take Visa?

The point being, every single person who is a physician on page 1017 in column 1 of the Yellow Pages takes a check, MasterCard and Visa. If my baby is sick I don't have to go to some gatekeeper to get to see a specialist. All I do is take my Visa and go. I make the decision. The medical savings account sets me free. It makes me the decision maker. It gives me the freedom to choose. I believe that is a better way.

Finally, we have had a lot of discussion about trying to get started on this debate. We have 10 days left in the session. We have a lot of things left to do in this session. We have passed to completion, I think, only one appropriations bill which has been signed into law. We know at some point we have to deal with all of those legislative problems. We don't know how they will all work out. It will take lots of time and lots of long nights.

Senator KENNEDY and others have a proposal that they believe is the answer to our health care system. Senator NICKLES, I and others have a proposal that we think should be part of the health care system. Granted, the normal procedure of the Senate would be to bring a bill to the floor, have unlimited debate, and unlimited amendments. We could do that, but I think everybody here knows with 10 days left we will not pass a bill if we do that.

So a proposal has been made to let Senator KENNEDY and others write their bill however they want to write it, make whatever changes they want to make in it, and we will agree to set a time to vote on it—as the Presiding Officer knows, and as many people who follow our debate know, we often operate under what is known as unanimous consent where we agree to a more truncated procedure.

What I have proposed is the following: Let those who have an idea write their bill exactly as they want it written. In the case of Senator KENNEDY, I don't want to change his bill before we vote on it. What often happens in that process is we get something that nobody wants and that doesn't work. The proposal I have made is that we enter into unanimous consent that Senator KENNEDY and others can present their proposal and we will vote on it, up or down, without amendment, however they write it. Then Senator NICKLES, I, and others will present our proposal. If their proposal gets 51 votes, then it will be adopted by the Senate. If our proposal gets 51 votes, it will be adopted by the Senate.

Now, it is true that that is not the normal way we do business. But with 10 days left, if we really want to pass a health care bill, that is the option we are down to. I believe we have written a good bill. I am proud of our bill. I know Senator KENNEDY is proud of his bill, and I am sure he feels at least as passionately about his as I do about mine. But the point is, we are never going to get to choose his bill or choose the bill I and others have worked on, unless we work out some kind of accommodation, because we only have 10 days left in the session.

So we are down to having to make a decision. Do we want to take this into the election and campaign on it and then come back, which is perfectly legitimate? I am not criticizing anybody for wanting to do that. But if we do, then I think we would continue the standoff and then this would be an election year issue and we would decide next year. On the other hand, if we actually want to pass a bill this year—and the House has passed a bill—the only way I can see that we can do it is with an agreement where we simply present the bills and let the Senate vote up or down on the bills. I don't have any desire to amend Senator KENNEDY's bill. I want him to have his best shot, and then we would have ours.

I thank the Senator from West Virginia for withholding and allowing me to speak.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Senator from Texas for a very interesting statement concerning the health bills. I admire the Senator from Texas. I admire his ability. He is one of the most articulate Members that I have ever seen in my 40 years in the Senate. He has one of the best brains, I would say, of any of those that I have seen on both sides of the aisle in those 40 years. I think Darwin's theory of natural selection would not explain how this kind of a brain developed. I take my hat off to people like Senator GRAMM for the extremely high intelligence that is obviously there.

THE UNITED STATES IS A REPUBLIC

Mr. BYRD. Mr. President, Americans, commonly speaking, refer to our form of government as a "democracy." I often talk with our Senate pages—both Republican and Democratic pages. I tell them the story, "Acres of Diamonds," that Russell Conwell, one of the early chautauqua speakers, said he had given 5,000 times. I tell them the story that Tolstoy wrote, "How Much Land Does a Man Need." I tell them various other stories, and I always try to help them to learn some things about the Senate, about our Constitution, and about our form of government. Recently, I said to the Senate pages, "Now, is this a democracy? What form of government is ours?" And I talk with them about the same things that I am going to say here with reference to a democracy versus a Republic.

Again, Americans, commonly speaking, refer to our form of government as a "democracy." One reason for this is because politicians of all political parties generally refer to our government as a democracy. Politicians generally do that. Glib references are constantly being made anent our democracy. But our form of government, strictly speaking, is not a democracy. It may more properly be called a representative democracy, but, strictly speaking, ours is a Republic. "We pledge allegiance to the flag of the United States of America and to the Republic for which it stands"—not to the democracy for which it stands.

Incidentally, I was a Member of the other body when the House passed the law on June 7, 1954, inserting the words "under God" into the Pledge of Allegiance. Exactly 1 year from that day, on June 7, 1955, we passed a law requiring the words "In God We Trust" to appear on our currency and coins. There are the words on the wall in this Senate Chamber just below the clock, "In God We Trust." We passed that law in the House on June 7, 1955. I will always be proud that I was a Member of the House of Representatives when we passed those two pieces of legislation.

So we pledge allegiance "to the flag of the United States of America and to the Republic"—not to the democracy, but to the Republic—"for which it stands." We operate by Democratic processes. Ours is a Democratic society—I have no quarrel with that—but we do not live in a pure democracy. This is a Republic. We ought to get it straight. High rhetorical phrases referring to our form of government as a democracy constitute somewhat idle talk, and we politicians especially ought to know better.

I sent over to the Library and got a civics textbook by R.O. Hughes, vintage 1927. I studied civics in 1927. That was the year Lindbergh flew across the Atlantic and Jack Dempsey fought Gene Tunney to regain the heavyweight title, but he didn't regain it. That was the year when Babe Ruth, the Sultan of Swat, hit his 60th home run. So this civics textbook was vintage 1927, and it was right on the mark. Here is what it said: "We call the United States a federal republic." The textbook also defined a republic as "a government in which the sovereign power is in the hands of the people, but is exercised through officials whom they elect." Now, there it is. The textbook also defined a democracy: "A democracy is a government in which all power is exercised directly by the people. It is next to impossible for this to be done except in small communities, but the spirit of democracy prevails in many republics and some monarchies."

That 1927 civics textbook had it right. In my hometown of Sophia, WV, 1,182 souls—as of the last census—could very well operate as a pure democracy.

All of the people could gather together, and they could pass laws; that would not be difficult at all—like the early city-states of Greece.

The 1927 civics textbook also defined a "monarchy" as well as an "oligarchy" and an "aristocracy."

Curious as to what a modern textbook on civics would have to say on this subject, I picked up a book, copyright 1990 by Prentice-Hall, Inc., and found no reference—none—to republics and monarchies. Instead, the book referred only to dictatorships and democracies. The 1990 civics textbook states that one way to describe government "is by saying whether it is a dictatorship or a democracy." The book defined a democracy as follows: "Democracies are quite different from dictatorships. In a democracy the final authority rests with the people. Those who govern do so by permission of the people. Government is run, in other words, with the people's consent. The United States of America is an example of a democracy."

That is really inaccurate, "The United States of America is an example of a democracy." It is not.

Let me quote what I would consider to be the ultimate authority. This definition does not square with Madison's definition. If Senators want an argument about this, don't argue with me, argue with Madison. This definition does not square with Madison's definition, yet this is what students who study from this 1990 civics textbook are being taught.

The same textbook goes on to state: "Democracies may be either direct or indirect. A direct democracy is one in which the people themselves, usually in a group meeting, make decisions about what the government will do. Direct democracies do not work very well in large communities. It is almost impossible to get all the people together in one place."

That is what the book says.

Then the book proceeds. It says: "An indirect democracy is one in which a few people are elected to represent everyone else in the community. For this reason, indirect democracies are also called representative democracies."

It is kind of a convoluted way of getting around to saying the right thing, referring to a representative democracy.

Continuing to quote from the book: "These representatives are held responsible by the people for the day-to-day operation of the government. If the people are unhappy with the performance of their representatives, they may vote them out of office during the next election."

What a profound statement. That is the civics textbook of 1990. Until I opened up that textbook, I had never heard, I have to say, of "direct" democracies and "indirect" democracies. So now, my Pledge of Allegiance would have to be stated as follows: "I pledge allegiance to the flag of the United States of America and to the indirect democracy for which it stands," and so forth.

Are you confused?

James Madison, one of the principal framers of the Constitution, alluded to "the confounding of a republic with a democracy" in the Federalist #14, written on November 30, 1787. He proceeds to delineate a true distinction between these forms: ". . . in a democracy, the people meet and exercise the government in person; in a republic they assemble and administer it by their representatives and agents. A democracy consequently will be confined to a small spot. A republic may be extended over a large region."

Madison was confronting the critics of the Constitution, some of whom sought, by the artifice of confusing the terms democracy and republic, to maintain that a republic could never be established except among a small number of people, living within a small territory. As Madison so ably pointed out, this observation was applicable to a democracy only.

Madison describes the territorial limitations of democracies such as the "turbulent democracies of ancient Greece," saying: ". . . the natural limit of a democracy is that distance from the central point, which would just permit the most remote citizens to assemble as often as their public functions demand; and will include no greater number than can join in those functions; . . ." He proceeds to say that the natural limit of a republic "is that distance from the center, which will barely allow the representatives of the people to meet as often as may be necessary for the administration of public affairs."

Madison argues that the territorial limits of the United States do not exceed the limit within which a republic can operate and effectively administer the affairs of the people. Again, in the Federalist #10, where Madison discusses the sources and causes and dangers of faction, he defines a "pure" democracy as being "a society, consisting of a small number of citizens, who assemble and administer the government in person."

Let me say that again.

Madison defines a "pure" democracy as being "a society, consisting of a small number of citizens, who assemble and administer the government in person." And Madison indicates that such a form of government "can admit of no cure for the mischiefs of faction."

Listen to this—Madison again—stating that, "democracies have ever been spectacles of turbulence and contention," Madison proceeds to add that they "have ever been found incompatible with personal security, or the rights of property." He adds: "Theoretic politicians, who have patronized this species of government, have erroneously supposed, that by reducing mankind to a perfect equality in their political rights, they would, at the same time, be perfectly equalized and assimilated in their possessions, their opinions, and their passions."

It is quite different with a republic, however. Listen to Madison as he extols this form as a better approach to dealing with faction: "A republic, by which I mean a government in which the scheme of representation takes place, opens a different prospect, and promises the cure for which we are seeking. Let us examine the points in which it varies from pure democracy, and we shall comprehend both the nature of the cure, and the efficacy which it must derive from the union."

Again, Madison clearly distinguishes between a democracy and a republic: "The two great points of difference between a democracy and a republic are, first, the delegation of the government, in the latter, "—meaning in the republic—" to a small number of citizens elected by the rest; secondly, the greater number of citizens, and greater sphere of country, over which the latter "—meaning the republic—" may be extended."

Madison in the Federalist #10 then examines whether the public voice pronounced by the representatives of the people will be more consonant to the public good in a small rather than in a large republic, and he comes down in favor of a more extensive republic as being "most favorable to the election of proper guardians of the public weal." Madison clearly decides in favor of the larger territory. But let's let him speak for himself: "The greater number of citizens and extent of territory which may be brought within the compass of republican, than of democratic government" is a "circumstance principally which renders factious combinations less to be dreaded in the former "—the republic—" than in the latter."

In summation, Madison said, "Hence it clearly appears, that the same advantage, which a republic has over a democracy, in controlling the effects of faction"—George Washington, we will remember, warned us about faction in his farewell address. Madison said, "Hence it clearly appears, that the same advantage, which a republic has over a democracy, in controlling the effects of faction, is enjoyed by a large over a small republic—is enjoyed by the Union over the States composing it."

Hamilton, in Madison's notes on the Constitutional Convention, referred to the "amazing violence and turbulence of the democratic spirit." Madison himself, in his notes, referred to the dangers of a "leveling spirit," when he said: "No agrarian attempts have yet been made in this country, but symptoms, of a leveling spirit, as we have understood, have sufficiently appeared in a certain quarter to give notice of the future danger. How is this danger to be guarded against on republican principles?"

Madison was probably referring to the Shays' Rebellion which had occurred just the year before the convention, in 1786, when he spoke of the symptoms of a "leveling spirit."

Madison was espousing the establishment of a Senate as "a body in the government sufficiently respectable for its wisdom and virtue, to aid on such emergencies, the preponderance of justice by throwing its weight into that scale."

Madison went on to observe "That as it was more than probable we were now digesting a plan which in its operations would decide forever the fate of republican government—talking about the constitution—we ought not only to provide every guard to liberty that its preservation could require, but be equally careful to supply the defects which our own experience had particularly pointed out."

What a wise, wise man, Madison. What wise men who gathered there in Philadelphia during those hot summer days between May 25, 1787 and September 17 of that year and hammered out the Constitution of the United States. What a document!

In the discussions concerning the mode of selection of members of the first branch of the national legislature, Mr. Sherman opposed election by the people.

We hear a lot about this "democracy" of ours. Many of the framers were concerned about democracy. Some of them didn't want any part of it. They didn't want a democracy.

Mr. Sherman opposed election by the people, insisting that it ought to be by the State legislatures. According to Madison's notes, Mr. Sherman expressed himself accordingly: "The people, he said, immediately should have as little to do as may be about the Government. They want information and are constantly liable to be misled."

Roger Sherman, a delegate from Connecticut, was joined in this feeling by Elbridge Gerry of Massachusetts who, as Madison explained, averred: "The evils we experience flow from the excess of democracy. . . . He . . . had been taught by experience the danger of the leveling [sic] spirit."

George Mason of Virginia favored the election of the larger branch by the people. According to Madison, Mason "admitted that we had been too Democratic but was afraid we should incautiously run into the opposite extreme." They didn't want to go to the extreme on either edge.

Governor Edmund Randolph of Virginia, who had offered the resolves, around which the debates would swirl throughout the Convention. These are Madison notes from which I am quoting Governor Edmund Randolph of Virginia who had presented the resolves on the 29th day of May, 1787. It is so easy for me to remember that day because the 29th day of May is my wedding anniversary. It happens to be my wife's wedding anniversary also, naturally, May 29. We have seen 61 anniversaries already in our lifetime. And so here is the quote of Governor Randolph.

He "observed that the general object was to provide a cure for the evils under which the United States labored; that in tracing these evils to their origin, every man had found it in the turbulence and follies of democracy." He was of the opinion, therefore, that a check "was to be sought for against this tendency of our government," and he believed that a Senate—a Senate would achieve this end.

In speaking of the Senate of Maryland, and the length of Senatorial terms in that State, Hamilton said: "They suppose seven years a sufficient period to give the Senate an adequate firmness, from not duly considering the amazing violence and turbulence of the democratic spirit. When a great object of government is pursued, which seizes the popular passions, they spread like wildfire, and become irresistible." This was Hamilton speaking, referring to the Senate of Maryland.

It is evident from Madison's notes on the Convention that a pure democracy, as a form of government, did not appeal to the delegates at the Convention, and that a fear of the "leveling spirit" of democracy was prevalent at the time and leading members of the Convention were aware of this concern.

Therefore, as Alexis de Tocqueville stated in "Democracy in America," "the Americans have a democratic state of society", we should be more careful than to allude to our form of government as a "democracy." If we want to say it's a representative democracy, that is one thing. But it is not a "democracy". To do so is to use our language loosely. And we all use our language loosely from time to time. I do. But I never refer to this government as a "democracy." I prefer to stick to the strict definition as explained by Madison and refer to ours as a republic—which I proudly do.

The framers were wise men. As Butler of South Carolina said "We must follow the example of Solon, who gave the Athenians not the best government he could devise, but the best [government that] they would receive."

Our Founding Fathers gave us a Republic. As DALE BUMPERS reminded me a moment ago—a few minutes ago, when a lady approached Benjamin Franklin at the conclusion of the convention's proceedings on September 17, 1987, she said, "Dr. Franklin, what form of government have you given us?"

Franklin didn't answer saying, "A democracy, Madam." His answer was, "A republic, Madam, if you can keep it."

Our Founding Fathers gave us a Republic, and we public officials, politicians and other molders of opinion should formulate our spoken and written language accordingly.

Mr. President, I thank the Chair and I thank Senators for their courtesy in listening. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, I have enjoyed being here and listening to the senior Senator of West Virginia on a subject about which I have had some opinions and to which I have given some thought, and I would like to engage with him at another time about these issues. But I would just share with him and with the Senate this personal experience.

When I lived in California, I discovered that many governmental reformers had put into place in California, initiative, referendum, and recall. This was the cry of political reformers, I think, in the 1920s, and it was supposed to be a demonstration of how forward-looking you were if you were in favor of initiative, referendum and recall. I voted against every single initiative that came in California, whether I agreed with it or not, for precisely the reasons that the Senator from West Virginia has given us. Because, I said, the people should not be legislating directly in the ballot box. We have a republic to do that. The Constitution guarantees every State a republican form of government. And I felt that California was going down the road, away from that constitutional requirement.

I have discovered, since I left California, that whenever the politicians there have a problem now that they find too difficult for them to deal with in the State assembly, they simply say: Well, let's put it on the ballot. And you have legislation going on the ballot that should be fought out in the legislative process of a republic.

Another problem that you have in California, I would say to the Senator from West Virginia, if it passes in an initiative, it becomes part of the State constitution and therefore cannot be amended. And we have seen examples of legislation that could not get through the State assembly being put on the ballot by factions—to use Madison's term; today we would call them special interests—and therefore being embedded in the California State Constitution so that a future legislature cannot repair the mischief that is created by this attempt at pure democracy.

So we have a laboratory here in our own Union of States that demonstrates the wisdom of Madison and his counterparts in creating the Constitution. As I say, I am proud to say that when I lived in California, as a citizen, as a matter of constitutional conscience, I voted against every single initiative, even those with which I agreed, because I wanted to preserve the concept of a representative republic that is the foundation of our liberties.

I thank the Senator from West Virginia for this most scholarly presentation. I am grateful that I had the opportunity to be here to hear it.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his observations. I am grateful for his presence at this time and grateful for the perceptions that he has expressed to us based on his experiences in living in the great State of California.

I thank him. I think he is a scholar, a real scholar of our form of government and interested in keeping this republic as Benjamin Franklin so wisely admonished the lady. I thank him very much.

Mr. BENNETT. I thank the Senator for his kind words.

FEDERAL VACANCIES REFORM ACT OF 1998—PERMISSION TO FILE AMENDMENTS

Mr. BENNETT. Mr. President, I ask unanimous consent that Members have until 1 p.m. today to file first-degree amendments to the vacancies bill, notwithstanding the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, September 24, 1998, the federal debt stood at $5,523,268,372,227.36 (Five trillion, five hundred twenty-three billion, two hundred sixty-eight million, three hundred seventy-two thousand, two hundred twenty-seven dollars and thirty-six cents).

One year ago, September 24, 1997, the federal debt stood at $5,384,225,000,000 (Five trillion, three hundred eighty-four billion, two hundred twenty-five million).

Five years ago, September 24, 1993, the federal debt stood at $4,381,848,000,000 (Four trillion, three hundred eighty-one billion, eight hundred forty-eight million).

Twenty-five years ago, September 24, 1973, the federal debt stood at $459,783,000,000 (Four hundred fifty-nine billion, seven hundred eighty-three million) which reflects a debt increase of more than $5 trillion—$5,063,485,372,227.36 (Five trillion, sixty-three billion, four hundred eighty-five million, three hundred seventy-two thousand, two hundred twenty-seven dollars and thirty-six cents) during the past 25 years.

WE NEED TO RATIFY THE COMPREHENSIVE TEST BAN TREATY NOW

Mr. KENNEDY. Mr. President, yesterday marked the 35th Anniversary of the Senate's ratification of the Limited Test Ban Treaty in 1963. Unfortunately, we still have not achieved the larger goal of ratifying the Comprehensive Test Ban Treaty. In fact, the Treaty has languished in the Senate Foreign Relations Committee for a year with no debate, no action, and no results.

As President KENNEDY said about the Limited Test Ban Treaty in 1963, "The conclusion of such a treaty * * * would check the spiraling arms race in one of its most dangerous areas. It would place the nuclear powers in a position to deal more effectively with one of the greatest hazards which man faces in 1963, the further spread of nuclear arms." Thirty-five years later, those words are truer than ever.

Nuclear proliferation is one of the most serious national security threats we face. Earlier this year, the nuclear tests in India and Pakistan reminded us that we must do all we can to ratify the Comprehensive Test Ban Treaty as soon as possible.

On Wednesday, at the United Nations, Prime Minister Nawaz Sharif of Pakistan announced his intent to sign the test ban treaty within the next year. The Prime Minister linked this decision to the lifting of sanctions imposed in the wake of last May's nuclear tests. Yesterday, India's Prime Minister Vajpayee followed suit and announced to the U.N. General Assembly that his nation would also sign the Treaty within the year.

If both Pakistan and India sign the Comprehensive Test Ban Treaty, only North Korea will remain outside the worldwide group of nations in continuing to develop their nuclear program. Prompt U.S. ratification of the Treaty would not only demonstrate our support for Pakistan and India, but also encourage North Korea to join the world and reject nuclear testing.

The recent tests by India and Pakistan are ominous proof that the greatest threat to humanity is still the danger of nuclear war. The CTBT would give the United States access to a vast worldwide network of nuclear monitoring stations. These additional stations would blanket the globe with sensors that can detect radiation, feel the ground shake from a nuclear test, or hear the sounds emanating underwater from a nuclear explosion. This network is possible only through the cooperative efforts of the CTBT, and it will clearly strengthen our national security.

We face a unique opportunity in the Senate, an opportunity to help the world pull back from the nuclear brink and end nuclear testing once and for all. Other nations look to the United States for international leadership. President Clinton has done his part, in signing the Treaty and submitting it to the Senate for ratification, as the Constitution requires. Now the Senate should do its part, and ratify the Comprehensive Test Ban Treaty.

Treaty ratification is the single most important step we can take today to reduce the dangers of nuclear war.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Labor and Human Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:46 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2281) to amend title 17, United States Code, to implement the World Intellectual Property Organizational Copyright Treaty and Performances and Phonograms Treaty, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. HYDE, Mr. COBLE, Mr. GOODLATTE, Mr. CONYERS, and Mr. BERMAN.

From the Committee on Commerce, for consideration of the House bill and Senate amendment, and modifications committed to conference: Mr. BLILEY, Mr. TAUZIN, and Mr. DINGELL.

At 12:17 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3736. An act to amend the Immigration and Nationality Act to make changes relating to H-1B nonimmigrants.

The message also announced that the House insists upon its amendment to the bill (S. 2206) to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes, disagreed to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House: Mr. GOODLING, Mr. CASTLE, Mr. SOUDER, Mr. CLAY, and Mr. MARTINEZ.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7159. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, notice of a payment to Rewards Program Participant 98–21; to the Committee on Foreign Relations.

EC–7160. A communication from the Acting Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Anticounterfeiting Consumer Protection Act: Disposition of Merchandise Bearing Counterfeit American Trademarks; Civil Penalties" (T.D. 98–75) received on September 22, 1998; to the Committee on Finance.

EC–7161. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, notice of a cost comparison of Precision Measurement Equipment Laboratories Air Force-wide; to the Committee on Armed Services.

EC–7162. A communication from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled :"Migratory Bird Hunting Regulations on Certain Federal Indian Reservations and Ceded Lands for the 1998–99 Late Season" (RIN1018–AE93) received on September 24, 1998; to the Committee on Indian Affairs.

EC–7163. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, notice of an allotment of funds made under the Low-Income Home Energy Assistance Act to the State of Alaska; to the Committee on Labor and Human Resources.

EC–7164. A communication from the General Counsel of the National Science Foundation, transmitting, pursuant to law, the report of a rule entitled "Conservation of Antarctic Animals and Plants" (RIN3145–AA34) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7165. A communication from the Director of the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of two rules entitled "Indiana Regulatory Program" (Docket IN–131–FOR) and "Ohio Regulatory Program" (Docket OH–218–FOR) received on September 24, 1998; to the Committee on Energy and Natural Resources.

EC–7166. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation M, Consumer Leasing" (Docket R–1004) received on September 24, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7167. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation DD, Truth in Savings" (Docket R–1003) received on September 24, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7168. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation E, Electronic Fund Transfers" (Docket R–1007) received on September 24, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7169. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Encryption Items" (RIN0694–AB80) received on September 24, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7170. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Financial Assurance Requirements for Decommissioning Nuclear Power Reactors" (RIN3150–AF41) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7171. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Migratory Bird Hunting; Final Frameworks for Late-Season Migratory Bird Hunting Regulations" (RIN1018–AE93) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7172. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Migratory Bird Hunting; Late-Seasons and Bag and Possession Limits for Certain Migratory Game Birds" (RIN1018–AE93) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7173. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District" (FRL6161–8) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7174. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Land Disposal Restrictions; Treatment Standards for Spent Potliners from Primary Aluminum Reduction (K088)" (FRL6168–7) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7175. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Massachusetts: Final Authorization of State Hazardous Waste Management Program Revision" (FRL6167–9) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7176. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "National Priorities List for Uncontrolled Hazardous Waste Sites" (FRL6169–3) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7177. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Virginia; Final Approval of Underground Storage Tank Program" (FRL6167–7) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7178. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding pesticide tolerance exemptions (FRL6032–4) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7179. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Fluroxypyr; Pesticide Tolerance" (FRL6033–4) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7180. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Mepiquat Chloride; Pesticide Tolerances for Emergency Exemptions" (FRL6032–6) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7181. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Regulation of Fuels and Fuel Additives: Modification of the Covered Areas Provision for Reformulated Gasoline" (FRL6169–5) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7182. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Tebufenozide; Pesticide Tolerances for Emergency Exemptions" (FRL6033–3) received on September 24, 1998; to the Committee on Environment and Public Works.

EC–7183. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the report of a rule entitled "Update of Existing and Addition of New Filing and Service Fees" (Docket 98–09) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7184. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Hazardous Materials Regulations; Editorial Corrections and Clarifications" (Docket RSPA–98–4404) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7185. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Drawbridge Operation Regulation; Lafourche Bayou, LA" (Docket 08–98–062) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7186. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments" (Docket 1998–4442) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7187. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; CFM International CFM56–7B and –7B/2 Series Turbofan Engines" (Docket 98–ANE–55–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7188. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 747 Series Airplanes" (Docket 98–NM–257–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7189. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airspace Designations; Incorporation By Reference" (Docket 29334) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7190. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Employment History, Verification and Criminal History Records Check" (Docket 28859) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7191. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airspace and Flight Operations Requirements for the Kodak Albuquerque International Balloon Fiesta; Albuquerque, NM" (Docket 29279) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7192. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Modification of the Gulf of Mexico Low Offshore Airspace Area" (Docket 97–ASW–23) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7193. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Revision of Class D Airspace; San Diego-Gillespie Field, CA" (Docket 98–AWP–21) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7194. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; British Aerospace (Jetstream) Model 4101 Airplanes" (Docket 98–NM–152–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7195. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes" (Docket 97–NM–310–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7196. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes" (Docket 98–NM–63–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7197. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Aerospatiale Model ATR42 Series Airplanes" (Docket 98–NM–44–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7198. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Fokker Model F.28 Mark 1000, 2000, 3000, and 4000 Series Airplanes" (Docket 98–NM–28–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7199. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes" (Docket 98–NM–15–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7200. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; McDonnell Douglass Model DC–9–80 Series Airplanes" (Docket 96–NM–270–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7201. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Bombardier Model DHC–8–100, –200, and –300 Series Airplanes" (Docket 98–NM–14–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7202. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A300, A310, and A300–600 Series Airplanes" (Docket 97–NM–307–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7203. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Boeing Model 747–100 Series Airplanes" (Docket 98–NM–256–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7204. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A320–111, –211, and –231 Series Airplanes" (Docket 98–NM–20–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7205. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Dornier Model 328–100 Series Airplanes" (Docket 98–NM–96–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7206. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A321 Series Airplanes" (Docket 98–NM–246–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7207. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Bombardier Model DHC–8–102, –103, –106, –201, 202, –301, –311, and –315 Series Airplanes" (Docket 98–NM–172–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7208. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Saab Model SAAB 340B Series Airplanes" (Docket 98–NM–176–AD) received on

September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7209. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A300 Series Airplanes" (Docket 98–NM–206–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7210. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Dornier Model 328–100 Series Airplanes" (Docket 98–NM–162–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7211. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes" (Docket 98–NM–61–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7212. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; British Aerospace (Jetstream) Model 4101 Airplanes" (Docket 97–NM–339–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7213. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; McDonnell Douglas Model DC–9–10, –20, –30, –40, and –50 Series Airplanes and C–9 [Military) Airplanes" (Docket 96–NM–244–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7214. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A300 Series Airplanes" (Docket 98–NM–169–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7215. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Rolls-Royce, plc RB211 Trent 800 Series Turbofan Engines" (Docket 98–ANE–33–AD) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 3412. A bill to amend and make technical corrections in title III of the Small Business Investment Act (Rept. No. 105–347).

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute:

H.R. 3853. A bill to promote drug-free workplace programs (Rept. No. 105–348).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

H.R. 2402. A bill to make technical and clarifying amendments to improve management of water-related facilities in the Western United States.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 2411. A bill to provide for a land exchange involving the Cape Cod National Seashore and to extend the authority for the Cape Cod National Seashore Advisory Commission.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

H.R. 2623. A bill to designate the United States Post Office located at 16250 Highway 603 in Kiln, Mississippi, as the "Ray J. Favre Post Office Building."

H.R. 2798. A bill to redesignate the building of the United States Postal Service located at 2419 West Monroe Street, in Chicago, Illinois, as the "Nancy B. Jefferson Post Office Building."

H.R. 2799. A bill to redesignate the building of the United States Postal Service located at 324 South Laramie Street, in Chicago, Illinois, as the "Reverend Milton R. Brunson Post Office Building."

H.R. 3630. A bill to redesignate the facility of the United States Postal Service located at 9719 Candelaria Road NE. in Albuquerque, New Mexico, as the "Steven Schiff Post Office."

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 3687. A bill to authorize prepayment of amounts due under a water reclamation project contract for the Canadian River Project, Texas.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

H.R. 3808. A bill to designate the United States Post Office located at 47526 Clipper Drive in Plymouth, Michigan, as the "Carl D. Pursell Post Office."

H.R. 3810. A bill to designate the United States Post Office located at 202 Center Street in Garwood, New Jersey, as the "James T. Leonard, Sr. Post Office."

H.R. 3939. A bill to designate the United States Postal Service building located at 658 63rd Street, Philadelphia, Pennsylvania, as the "Edgar C. Campbell, Sr., Post Office Building."

H.R. 3999. A bill to designate the United States Postal Service building located at 5209 Greene Street, Philadelphia, Pennsylvania, as the "David P. Richardson, Jr., Post Office Building."

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

H.R. 4079. A bill to authorize the construction of temperature control devices at Folsom Dam in California.

H.R. 4166. A bill to amend the Idaho Admission Act regarding the sale or lease of school land.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 736. A bill to convey certain real property within the Carlsbad Project in New Mexico to the Carlsbad Irrigation District.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 744. A bill to authorize the construction of the Fall River Water Users District Rural Water System and authorize financial assistance to the Fall River Water Users District, a non-profit corporation, in the planning and construction of the water supply system, and for other purposes.

S. 777. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for planning and construction of the water supply system, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 991. A bill to make technical corrections to the Omnibus Parks and Public Lands Management Act of 1996, and for other purposes.

S. 1175. A bill to reauthorize the Delaware Water Gap National Recreation Area Citizen Advisory Commission for 10 additional years.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

S. 1641. A bill to direct the Secretary of the Interior to study alternatives for establishing a national historic trail to commemorate and interpret the history of women's rights in the United States.

S. 1960. A bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield, as previously authorized by law, by purchase or exchange as well as by donation.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2041. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project for the reclamation and reuse of water, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2086. A bill to revise the boundaries of the George Washington Birthplace National Monument.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 2117. A bill to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., a nonprofit corporation, in the planning and construction of the water supply system, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2133. A bill to designate former United States Route 66 as "America's Main Street" and authorize the Secretary of the Interior to provide assistance.

S. 2136. A bill to provide for the exchange of certain land in the State of Washington.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2140. A bill to amend the Reclamation Projects Authorization and Adjustment Act of 1992 to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2142. A bill to authorize the Secretary of the Interior to convey the facilities of the Pine River Project, to allow jurisdictional transfer of lands between the Department of Agriculture, Forest Service, and the Department of the Interior, Bureau of Reclamation, and the Bureau of Indian Affairs, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2239. A bill to revise the boundary of Fort Matanzas Monument and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 2240. A bill to establish the Adams National Historical Park in the Commonwealth of Massachusetts, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2241. A bill to provide for the acquisition of lands formerly occupied by the Franklin D. Roosevelt family at Hyde Park, New York, and for other purposes.

S. 2246. A bill to amend the Act which established the Frederick Law Olmsted National Historic Site, in the Commonwealth of Massachusetts, by modifying the boundary and for other purposes.

S. 2247. A bill to permit the payment of medical expenses incurred by the U.S. Park Police in the performance of duty to be made directly by the National Park Service, and for other purposes.

S. 2248. A bill to allow for waiver and indemnification in mutual law enforcement agreements between the National Park Service and a state or political subdivision, when required by state law, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments:

S. 2257. A bill to reauthorize the National Historic Preservation Act.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2284. A bill to establish the Minuteman Missle National Historic Site in the State of South Dakota, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2285. A bill to establish a commission, in honor of the 150th Anniversary of the Seneca Falls Convention, to further protect sites of importance in the historic efforts to secure equal rights for women.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2297. A bill to provide for the distribution of certain publications in units of the National Park System under a sales agreement between the Secretary of the Interior and a private contractor.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2309. A bill to authorize the Secretary of the Interior to enter into an agreement for the construction and operation of the Gateway Visitor Center at Independence National Historical Park.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 2310. A bill to designate the United States Post Office located at 297 Larkfield Road in East Northport, New York, as the "Jerome Anthony Ambro, Jr. Post Office Building."

S. 2370. A bill to designate the facility of the United States Postal Service located at Tall Timbers Village Square, United States Highway 19 South, in Thomasville, Georgia, as the "Lieutenant Henry O. Flipper Station."

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2401. A bill to authorize the addition of the Paoli Battlefield site in Malvern, Pennsylvania, to Valley Forge National Historical Park.

By Mr. THOMPSON, from the Committee on Governmental Affairs, without amendment:

S. 2404. A bill to establish designations for United States Postal Service buildings located in Coconut Grove, Opa Locka, Carol City, and Miami, Florida.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment:

S. 2468. A bill to designate the Biscayne National Park visitor center as the Dante Fascell Visitor Center at Biscayne National Park.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2500. A bill to protect the sanctity of contracts and leases entered into by surface patent holders with respect to coalbed methane gas.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MOYNIHAN (for himself, Mr. BURNS, Mr. BAUCUS, and Mr. D'AMATO):

S. 2520. A bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOYNIHAN (for himself, Mr. BURNS, Mr. BAUCUS, and Mr. D'AMATO):

S. 2520. A bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees; to the Committee on Finance.

TAX EXEMPTION OF REWARDS

• Mr. MOYNIHAN. Mr. President, three years ago, a quiet, law-abiding American family found itself suddenly and unavoidably caught up in the story of one of the most notorious criminal manhunts of the last quarter century in the United States. At this time, my constituents David R. Kaczynski and his wife Linda E. Patrik were confronted with a terrible dilemma. Published news reports led them to suspect they knew the identity of the "Unabomber," the elusive criminal whose letter bombs had killed three people and injured several others over a 17-year period.

Upon reading the Unabomber's "manifesto" published in the New York Times and Washington Post in September of 1995, Mr. Kaczynski and Ms. Patrik, residents of Schenectady, New York, came to the awful realization that the Unabomber might be David's brother, Theodore J. Kaczynski, whose letters they believed closely resembled the Unabomber's "manifesto." David Kaczynski, a social worker, and Ms. Patrik, a professor of philosophy at Union College, understandably feared that disclosure of their suspicions might ultimately lead to the execution of David's brother for the crime of murder. Even so—and as painful as it was for them—they considered it their duty to notify the Federal Bureau of Investigation, which they did.

Soon thereafter, Theodore Kaczynski was arrested in a small cabin in Montana, bringing to an end the Unabomber's long reign of violence. In January 1998, Theodore Kaczynski entered a plea agreement with federal prosecutors resulting in his sentence of life in prison without parole.

Earlier this year, David Kaczynski and Linda Patrik received a $1 million reward from the FBI for the information they supplied. And it was characteristic of these fine citizens that they immediately pledged, after taxes and attorneys' fees, to pay every cent of the reward to the Unabomber's victims and their families.

For over two years, David Kaczynski, his family, and his attorney spent countless hours involved in efforts associated with the investigation, capture, and trial of Theodore Kaczynski. Now they are attempting to do the right and noble thing by pledging the reward money to help those injured by a deeply troubled member of their family. It would be ironic and I believe unjust if the federal government were to diminish this selfless act by taxing the Kaczynskis or those to whom they have agreed to pay the reward monies. Therefore we are introducing a bill today to increase the amount available to the Unabomber's victims and their families by exempting from federal taxation all amounts donated to the victims, as well as attorney's fees incurred in the matter.

Mr. President, surely this is the least we can do to express our gratitude to David Kaczynski and Linda Patrik, and our sorrow and condolences to the victims and their families. I hope all Senators will support this simple but much-needed measure.•

ADDITIONAL COSPONSORS

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Nebraska

(Mr. HAGEL) was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2180

At the request of Mr. LOTT, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2288

At the request of Mr. WARNER, the names of the Senator from Rhode Island (Mr. REED), the Senator from Nevada (Mr. REID), the Senator from Kansas (Mr. ROBERTS), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2288, a bill to provide for the reform and continuing legislative oversight of the production, procurement, dissemination, and permanent public access of the Government's publications, and for other purposes.

S. 2295

At the request of Mr. MCCAIN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

S. 2432

At the request of Mr. JEFFORDS, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 2432, a bill to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Indiana (Mr. COATS), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

AMENDMENTS SUBMITTED

FEDERAL VACANCIES REFORM ACT OF 1998

LEVIN AMENDMENT NO. 3648

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill (S. 2176) to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the "Vacancies Act") to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes; as follows:

On page 13, insert between lines 17 and 18 the following:

§ 3349d. Notification of intent to nominate during certain recesses or adjournments

"The submission to the Senate, during a recess or adjournment of the Senate in excess of 15 days, of a written notification by the President of the President's intention to submit a nomination after the recess or adjournment shall be considered a nomination for purposes of sections 3345 through 3349c if—

"(1) such notification contains the name of the proposed nominee and the position for which the person is nominated; and

"(2) the President submits the nomination of such nominee within 3 days after the end of such recess or adjournment.".

KEMPTHORNE AMENDMENT NO. 3649

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to the bill, S. 2176, supra; as follows:

At the appropriate place in the bill, insert the following:

TITLE ____—ENDANGERED SPECIES RECOVERY

SEC. ____01. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Endangered Species Recovery Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

Sec. ____01. Short title; table of contents.
Sec. ____02. Listing and delisting species.
Sec. ____03. Enhanced recovery planning.
Sec. ____04. Interagency consultation and cooperation.
Sec. ____05. Conservation plans.
Sec. ____06. Enforcement.
Sec. ____07. Education and technical assistance.
Sec. ____08. Authorization of appropriations.
Sec. ____09. Other amendments.

(c) REFERENCES TO ENDANGERED SPECIES ACT OF 1973.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or provision of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

SEC. ____02. LISTING AND DELISTING SPECIES.

(a) BEST SCIENTIFIC AND COMMERCIAL DATA AVAILABLE.—Section 3 (16 U.S.C. 1532) is amended—

(1) by striking the section heading and inserting the following:

"DEFINITIONS AND GENERAL PROVISIONS";

(2) by striking "For the purposes of this Act—" and inserting the following:

"(a) DEFINITIONS.—In this Act:"; and

(3) by adding at the end the following:

"(b) GENERAL PROVISIONS.—

"(1) BEST SCIENTIFIC AND COMMERCIAL DATA AVAILABLE.—Where this Act requires the Secretary to use the best scientific and commercial data available, the Secretary, when evaluating comparable data, shall give greater weight to scientific or commercial data that is empirical or has been field-tested or peer-reviewed.".

(b) CONFORMING AMENDMENT.—The table of contents in the first section (16 U.S.C. prec. 1531) is amended by striking the item relating to section 3 and inserting the following:

"Sec. 3. Definitions and general provisions.".

(c) LISTING AND DELISTING.—

(1) FACTORS CONSIDERED FOR LISTING.—Section 4(a)(1) (16 U.S.C. 1533(a)(1)) is amended—

(A) in subparagraph (C), by inserting "introduced species, competition," before "disease or predation"; and

(B) in subparagraph (D), by inserting "Federal, State, and local government and international" before "regulatory mechanisms".

(2) CRITICAL HABITAT.—Section 4(a) (16 U.S.C. 1533(a)) is amended by striking paragraph (3).

(3) DELISTING.—Section 4(b)(2) (16 U.S.C. 1533(b)(2)) is amended to read as follows:

"(2) DELISTING.—The Secretary shall, in accordance with section 5 and on a determination that the goals of the recovery plan for a species have been met, initiate the procedures for determining, in accordance with subsection (a)(1), whether to remove the species from a list published under subsection (c)."

(4) RESPONSE TO PETITIONS.—

(A) IN GENERAL.—Section 4(b)(3) (16 U.S.C. 1533(b)(3)) is amended to read as follows:

"(3) RESPONSE TO PETITIONS.—

"(A) ACTION MAY BE WARRANTED.—

"(i) IN GENERAL.—To the maximum extent practicable, not later than 90 days after receiving the petition of an interested person under section 553(e) of title 5, United States Code, to—

"(I) add a species to;

"(II) remove a species from; or

"(III) change the status of a species from a previous determination with respect to;

either of the lists published under subsection (c), the Secretary shall make a finding as to whether the petition presents substantial scientific or commercial information indicating that the petitioned action may be warranted. If a petition is found to present such information, the Secretary shall promptly commence a review of the status of the species concerned. The Secretary shall promptly publish each finding made under this subparagraph in the Federal Register.

"(ii) MINIMUM DOCUMENTATION.—A finding that the petition presents the information described in clause (i) shall not be made unless the petition provides—

"(I) documentation that the fish, wildlife, or plant that is the subject of the petition is a species;

"(II) a description of the available data on the historical and current range and distribution of the species;

"(III) an appraisal of the available data on the status and trends of populations of the species;

"(IV) an appraisal of the available data on the threats to the species; and

"(V) an identification of the information contained or referred to in the petition that has been peer-reviewed or field-tested.

"(iii) NOTIFICATION TO THE STATES.—

"(I) PETITIONED ACTIONS.—If the petition is found to present the information described in clause (i), the Secretary shall notify and provide a copy of the petition to the State agency in each State in which the species is believed to occur and solicit the assessment of the agency, to be submitted to the Secretary not later than 90 days after the notification, as to whether the petitioned action is warranted.

"(II) OTHER ACTIONS.—If the Secretary has not received a petition for a species and the Secretary is considering proposing to list such species as either threatened or endangered under subsection (a), the Secretary shall notify the State agency in each State in which the species is believed to occur and solicit the assessment of the agency, to be submitted to the Secretary not later than 90 days after the notification, as to whether the listing would be in accordance with subsection (a).

"(III) CONSIDERATION OF STATE ASSESSMENTS.—Prior to publication of a determination that a petitioned action is warranted or the issuance of a proposed regulation, the Secretary shall consider any State assessments submitted within the comment period established by subclause (I) or (II).

"(B) PETITION TO CHANGE STATUS OR DELIST.—A petition may be submitted to the Secretary under subparagraph (A) to change the status of a species or to remove a species from either of the lists published under subsection (c) in accordance with subsection (a)(1), if—

"(i) the current listing is no longer appropriate because of a change in the factors identified under subsection (a)(1); or

"(ii) with respect to a petition to remove a species from either of the lists—

"(I) new data or a reinterpretation of prior data indicate that removal is appropriate;

"(II) the species is extinct; or

"(III) the recovery goals established for the species in a recovery plan approved under section 5(h) have been achieved.

"(C) DETERMINATION.—Not later than one year after receiving a petition that is found under subparagraph (A)(i) to present substantial information indicating that the petitioned action may be warranted, the Secretary shall make one of the following findings:

"(i) NOT WARRANTED.—The petitioned action is not warranted, in which case the Secretary shall promptly publish the finding in the Federal Register.

"(ii) WARRANTED.—The petitioned action is warranted, in which case the Secretary shall promptly publish in the Federal Register a general notice and the complete text of a proposed regulation to implement the action in accordance with paragraph (5).

"(iii) WARRANTED BUT PRECLUDED.—The petitioned action is warranted, but—

"(I) the immediate proposal and timely promulgation of a final regulation implementing the petitioned action in accordance with paragraphs (5) and (6) is precluded by pending proposals to determine whether any species is an endangered species or a threatened species; and

"(II) expeditious progress is being made to add qualified species to either of the lists published under subsection (c) and to remove from the lists species for which the protections of this Act are no longer necessary;

in which case the Secretary shall promptly publish the finding in the Federal Register, together with a description and evaluation of the reasons and data on which the finding is based.

"(D) SUBSEQUENT DETERMINATION.—A petition with respect to which a finding is made under subparagraph (C)(iii) shall be treated as a petition that is resubmitted to the Secretary under subparagraph (A) on the date of the finding and that presents substantial scientific or commercial information that the petitioned action may be warranted.

"(E) JUDICIAL REVIEW.—Any negative finding described in subparagraph (A)(i) and any finding described in clause (i) or (iii) of subparagraph (C) shall be subject to judicial review.

"(F) MONITORING AND EMERGENCY LISTING.—The Secretary shall implement a system to monitor effectively the status of each species with respect to which a finding is made under subparagraph (C)(iii) and shall make prompt use of the authority under paragraph (7) to prevent a significant risk to the well-being of the species.".

(B) CONFORMING AMENDMENT.—Section 6(d)(1) (16 U.S.C. 1535(d)(1)) is amended in the first sentence by striking "subparagraph (C)" and inserting "subparagraph (F)".

(5) PROPOSED REGULATIONS.—Section 4(b)(5) (16 U.S.C. 1533(b)(5)) is amended—

(A) by striking "(5) With respect to any regulation" and inserting the following:

"(5) PROPOSED REGULATIONS AND REVIEW.—With respect to any regulation";

(B) by striking "a determination, designation, or revision" and inserting "a determination or change in status";

(C) by striking "(a)(1) or (3)," and inserting "(a)(1),";

(D) by striking "in the Federal Register," and inserting "in the Federal Register as provided by paragraph (8),"; and

(E) by striking subparagraph (E) and inserting the following:

"(E) at the request of any person not later than 45 days after the date of publication of general notice, promptly hold at least one public hearing in each State that would be affected by the proposed regulation (including at least one hearing in an affected rural area, if any) except that the Secretary shall not be required to hold more than five hearings under this subparagraph.".

(6) FINAL REGULATIONS.—

(A) SCHEDULE.—Section 4(b)(6) (16 U.S.C. 1533(b)(6)) is amended by striking "(6)(A)" and all that follows through the end of subparagraph (A) and inserting the following:

"(6) FINAL REGULATIONS.—

"(A) IN GENERAL.—Within the one-year period beginning on the date on which general notice is published in accordance with paragraph (5)(A)(i) regarding a proposed regulation, the Secretary shall publish in the Federal Register—

"(i) a final regulation to implement the determination;

"(ii) notice that the one-year period is being extended under subparagraph (B)(i); or

"(iii) notice that the proposed regulation is being withdrawn under subparagraph (B)(ii), together with the finding on which the withdrawal is based.".

(B) CONFORMING AMENDMENTS.—Section 4(b)(6) (16 U.S.C. 1533(b)(6)) is amended—

(i) in subparagraph (B)(i), by striking "or revision";

(ii) in subparagraph (B)(iii), by striking "or revision concerned, a finding that the revision should not be made,"; and

(iii) by striking subparagraph (C).

(7) PUBLICATION OF DATA AND INFORMATION.—Section 4(b)(8) (16 U.S.C. 1533(b)(8)) is amended—

(A) by striking "a summary by the Secretary of the data" and inserting "a summary by the Secretary of the best scientific and commercial data available";

(B) by striking "is based and shall" and inserting "is based, shall"; and

(C) by striking "regulation; and if such regulation designates or revises critical habitat, such summary shall, to the maximum extent practicable, also include a brief description and evaluation of those activities (whether public or private) which, in the opinion of the Secretary, if undertaken may adversely modify such habitat, or may be affected by such designation." and inserting "regulation, and shall provide, to the degree that it is relevant and available, information regarding the status of the affected species, including current population, population trends, current habitat, food sources, predators, breeding habits, captive breeding efforts, governmental and nongovernmental conservation efforts, or other pertinent information.".

(8) SOUND SCIENCE.—Section 4(b) (16 U.S.C. 1533(b)) is amended by adding at the end the following:

"(9) ADDITIONAL DATA.—

"(A) IN GENERAL.—The Secretary shall identify and publish in the Federal Register with the notice of a proposed regulation pursuant to paragraph (5)(A)(i) a description of additional scientific and commercial data that would assist in the preparation of a recovery plan and—

"(i) invite any person to submit the data to the Secretary; and

"(ii) describe the steps that the Secretary plans to take for acquiring additional data.

"(B) RECOVERY PLANNING.—Data identified and obtained under subparagraph (A) shall be considered by the recovery team and the Secretary in the preparation of the recovery plan in accordance with section 5.

"(C) NO DELAY AUTHORIZED.—Nothing in this paragraph waives or extends any deadline for publishing a final rule to implement a determination (except for the extension provided in paragraph (6)(B)(i)) or any deadline under section 5.

"(10) INDEPENDENT SCIENTIFIC REVIEW.—

"(A) IN GENERAL.—In the case of a regulation proposed by the Secretary to implement a determination under subsection (a)(1) that any species is an endangered species or a threatened species or that any species currently listed as an endangered species or a threatened species should be removed from any list published pursuant to subsection (c), the Secretary shall provide for independent scientific peer review by—

"(i) selecting independent referees pursuant to subparagraph (B);

"(ii) providing the referees with all studies, reports, comments, and other documents submitted for the record on the proposed regulation within the public comment period on the proposed regulation, except that, if the comment period is longer than 60 days, the studies, reports, comments, or other documents submitted for the record on the proposed regulation during the comment period after the 60th day shall be provided to the referees on request; and

"(iii) requesting the referees to conduct the review, considering the studies, reports, comments, and other documents provided under clause (ii), and any other relevant information, and make recommendations to the Secretary in accordance with this paragraph not later than 150 days after the general notice is published pursuant to paragraph (5)(A)(i).

"(B) Selection of referees.—For each independent scientific review to be conducted pursuant to subparagraph (A), the Secretary shall select three independent referees from a list provided by the National Academy of Sciences, who—

"(i) through publication of peer-reviewed scientific literature or other means, have demonstrated scientific expertise on the species or a similar species or other scientific expertise relevant to the decision of the Secretary under subsection (a);

"(ii) do not have, or represent any person with, a conflict of interest with respect to the determination that is the subject of the review; and

"(iii) are not participants in a petition to list, change the status of, or remove the species under paragraph (3)(A)(i), the assessment of a State for the species under paragraph (3)(A)(iii), or the proposed or final determination of the Secretary.

"(C) Final determination.—The Secretary shall take one of the actions under paragraph (6)(A) not later than one year after the date of publication of the general notice of the proposed determination. If the referees have made recommendations in accordance with subparagraph (A)(iii), the Secretary shall evaluate and consider the information that results from the independent scientific review and include in the final determination—

"(i) a summary of the results of the independent scientific review; and

"(ii) in a case in which the recommendation of a majority of the referees who conducted the independent scientific review under subparagraph (A) is not followed, an explanation as to why the recommendation was not followed.

"(D) Federal advisory committee act.—The selection and activities of referees selected pursuant to this Act shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.). The Secretary shall make available to the public, on request, the studies, reports, comments, and other documents provided to the independent referees under subparagraph (A)(ii).".

(9) Lists.—Section 4(c)(1) (16 U.S.C. 1533(c)(1)) is amended—

(A) in the second sentence, by inserting "designated" before "critical habitat"; and

(B) in the third sentence, by striking "determinations, designations, and revisions" and inserting "determinations".

(10) Protective regulation.—Section 4(d) (16 U.S.C. 1533(d)) is amended—

(A) by striking "Whenever any species is listed" and inserting the following:

"(1) In general.—Whenever any species is listed"; and

(B) by adding at the end the following:

"(2) New listings.—With respect to each species listed as a threatened species after the date of enactment of this paragraph, regulations applicable under paragraph (1) to the species shall be specific to that species by the date on which the Secretary is required to approve a recovery plan for the species pursuant to section 5(c) and may be subsequently revised.".

(11) Recovery plans.—Section 4 (16 U.S.C. 1533) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

(12) State conservation agreements.—Section 4 (16 U.S.C. 1533) (as amended by paragraph (11)) is amended by adding at the end the following:

"(i) State Conservation Agreements.—The Secretary may enter into a conservation agreement with one or more States for a species that has been proposed for listing, is a candidate species, or is likely to become a candidate species in the near future within the State. The Secretary may approve an agreement if, after notice and opportunity for public comment, the Secretary finds that—

"(1) for species covered by the agreement, the actions taken under the agreement, if undertaken by all States within the range of the species, would produce a conservation benefit that would be likely to eliminate the need to list the species as threatened or endangered under this section for the duration of the agreement;

"(2) the actions taken under the agreement will not adversely affect an endangered species or a threatened species;

"(3) the agreement contains such other measures as the Secretary may require as being necessary or appropriate for the purposes of the agreement;

"(4) the State will ensure adequate funding and enforcement to implement the agreement; and

"(5) the agreement includes such monitoring and reporting requirements as the Secretary considers necessary for determining whether the terms and conditions of the agreement are being complied with.".

(13) Conforming amendment.—Section 4(g) (as redesignated by paragraph (11)) is amended in paragraph (4) by striking "subsection (f) of this section" and inserting "section 5".

(d) Public Availability of Data.—Section 3(b) (as amended by subsection (a)) is amended by adding at the end the following:

"(2) Freedom of information act exemption.—The Secretary, and the head of any other Federal agency on the recommendation of the Secretary, may withhold or limit the availability of data requested to be released pursuant to section 552 of title 5, United States Code, if the data describe or identify the location of an endangered species, a threatened species, or a species that has been proposed to be listed as threatened or endangered, and release of the data would be likely to result in an increased taking of the species, except that data shall not be withheld pursuant to this paragraph in response to a request regarding the presence of those species on private land by the owner of that land.".

SEC. ___03. ENHANCED RECOVERY PLANNING.

(a) Redesignation.—Section 5 (16 U.S.C. 1534) is redesignated as section 5A.

(b) Recovery Plans.—The Act is amended by inserting before section 5A (as redesignated by subsection (a)) the following:

"RECOVERY PLANS

"Sec. 5. (a) In General.—The Secretary, in cooperation with the States, and on the basis of the best scientific and commercial data available, shall develop and implement plans (referred to in this Act as 'recovery plans') for the conservation and recovery of endangered species and threatened species that are indigenous to the United States or in waters with respect to which the United States exercises sovereign rights or jurisdiction, in accordance with the requirements and schedules described in this section, unless the Secretary finds, after notice and opportunity for public comment, that a plan will not promote the conservation of the species or because an existing plan or strategy to conserve the species already serves as the functional equivalent to a recovery plan. The Secretary may authorize a State agency to develop recovery plans pursuant to subsection (m).

"(b) Priorities.—

"(1) Criteria.—To the maximum extent practicable, the Secretary, in developing recovery plans, shall give priority, without regard to taxonomic classification, to recovery plans that—

"(A) address significant and immediate threats to the survival of an endangered species or a threatened species, have the greatest likelihood of achieving recovery of the endangered species or the threatened species, and will benefit species that are more taxonomically distinct;

"(B) address multiple species including (i) endangered species, (ii) threatened species, or (iii) species that the Secretary has identified as candidates or proposed for listing under section 4 and that are dependent on the same habitat as the endangered species or threatened species covered by the plan;

"(C) reduce conflicts with construction, development projects, jobs, private property, or other economic activities; and

"(D) reduce conflicts with military training and operations.

"(2) Priority system.—To carry out subsection (c) of this section and section 3(e) of the Endangered Species Recovery Act of 1997 in the most efficient and effective manner practicable, the Secretary shall develop and implement a priority ranking system for the preparation of recovery plans based on all of the factors described in subparagraphs (A) through (D) of paragraph (1).

"(c) Schedule.—For each species determined to be an endangered species or a threatened species after the date of enactment of this subsection for which the Secretary is required to develop a recovery plan under subsection (a), the Secretary shall publish—

"(1) not later than 18 months after the date of the publication under section 4 of the final regulation containing the listing determination, a draft recovery plan; and

"(2) not later than 30 months after the date of publication under section 4 of the final regulation containing the listing determination, a final recovery plan.

"(d) Appointment and Role of Recovery Team.—

"(1) In general.—Not later than 60 days after the date of the publication under section 4 of the final regulation containing the listing determination for a species, the Secretary, in cooperation with the affected States, shall either appoint a recovery team to develop a recovery plan for the species or publish a notice pursuant to paragraph (3) that a recovery team shall not be appointed. Recovery teams shall include the Secretary and at least one representative from the State agency of each of the affected States choosing to participate and be broadly representative of the constituencies with an interest in the species and its recovery and in the economic or social impacts of recovery including representatives of Federal agencies, tribal governments, local governments, academic institutions, private individuals and organizations, and commercial enterprises. The recovery team members shall be selected for their knowledge of the species or for their expertise in the elements of the recovery plan or its implementation.

"(2) DUTIES OF THE RECOVERY TEAM.—Each recovery team shall prepare and submit to the Secretary the draft recovery plan that shall include recovery measures recommended by the team and alternatives, if any, to meet the recovery goal under subsection (e)(1). The recovery team may also be called on by the Secretary to assist in the implementation, review, and revision of recovery plans. The recovery team shall also advise the Secretary concerning the designation of critical habitat, if any.

"(3) EXCEPTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), the Secretary may, after notice and opportunity for public comment, establish criteria to identify species for which the appointment of a recovery team would not be required under this subsection, taking into account the availability of resources for recovery planning, the extent and complexity of the expected recovery activities, and the degree of scientific uncertainty associated with the threats to the species.

"(B) STATE OPTION.—If the Secretary elects not to appoint a recovery team, the Secretary shall provide notice to each affected State and shall provide the affected States the opportunity to appoint a recovery team and develop a recovery plan, in accordance with subsection (m).

"(C) SECRETARIAL DUTY.—If a recovery team is not appointed, the Secretary shall perform all duties of the recovery team required by this section.

"(4) TRAVEL EXPENSES.—The Secretary is authorized to provide travel expenses (including per diem in lieu of subsistence at the same level as authorized by section 5703 of title 5, United States Code) to recovery team members.

"(5) FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the selection or activities of a recovery team appointed pursuant to this subsection or subsection (m).

"(e) CONTENTS OF RECOVERY PLANS.—Each recovery plan shall contain:

"(1) BIOLOGICAL RECOVERY GOAL.—

"(A) IN GENERAL.—Not later than 180 days after the appointment of a recovery team under this section, those members of the recovery team with relevant scientific expertise shall establish and submit to the Secretary a recommended biological recovery goal to conserve and recover the species that, when met, would result in the determination, in accordance with section 4, that the species be removed from the list. The goal shall be based solely on the best scientific and commercial data available. The recovery goal shall be expressed as objective and measurable biological criteria. When the goal is met, the Secretary shall initiate the procedures for determining whether, in accordance with section 4(a)(1), to remove the species from the list.

"(B) PEER REVIEW.—The recovery team shall promptly obtain independent scientific review of the recommended biological recovery goal.

"(2) RECOVERY MEASURES.—The recovery plan shall incorporate recovery measures that will meet the recovery goal.

"(A) MEASURES.—The recovery measures may incorporate general and site-specific measures for the conservation and recovery of the species such as—

"(i) actions to protect and restore habitat;

"(ii) research;

"(iii) establishment of refugia, captive breeding, and releases of experimental populations;

"(iv) actions that may be taken by Federal agencies, including actions that use, to the maximum extent practicable, Federal lands; and

"(v) opportunities to cooperate with State and local governments and other persons to recover species, including through the development and implementation of conservation plans under section 10.

"(B) DRAFT RECOVERY PLANS.—

"(i) IN GENERAL.—In developing a draft recovery plan, the recovery team or, if there is no recovery team, the Secretary, shall consider alternative measures and recommend measures to meet the recovery goal and the benchmarks. The recovery measures shall achieve an appropriate balance among the following factors—

"(I) the effectiveness of the measures in meeting the recovery goal;

"(II) the period of time in which the recovery goal is likely to be achieved, provided that the time period within which the recovery goal is to be achieved will not pose a significant risk to recovery of the species; and

"(III) the social and economic impacts (both quantitative and qualitative) of the measures and the distribution of the impacts across regions and industries.

"(ii) DESCRIPTION OF ALTERNATIVES.—The draft plan shall include a description of any alternative recovery measures considered, but not included in the recommended measures, and an explanation of how any such measures considered were assessed and the reasons for their selection or rejection.

"(iii) DESCRIPTION OF ECONOMIC EFFECTS.—If the recommended recovery measures identified in clause (i) would impose significant costs on a municipality, county, region, or industry, the recovery team shall prepare a description of the overall economic effects on the public and private sectors including, as appropriate, effects on employment, public revenues, and value of property as a result of the implementation of the recovery plan.

"(3) BENCHMARKS.—The recovery plan shall include objective, measurable benchmarks expected to be achieved over the course of the recovery plan to determine whether progress is being made toward the recovery goal. To the extent possible, current and historical population estimates, along with other relevant factors, should be considered in determining whether progress is being made toward meeting the recovery goal.

"(4) FEDERAL AGENCIES.—Each recovery plan for an endangered species or a threatened species shall identify Federal agencies that authorize, fund, or carry out actions that are likely to have a significant impact on recovery of the species.

"(f) PUBLIC NOTICE AND COMMENT.—

"(1) IN GENERAL.—If the Secretary makes a preliminary determination that the draft recovery plan meets the requirements of this section, the Secretary shall publish in the Federal Register and a newspaper of general circulation in each affected State a notice of availability and a summary of, and a request for public comment on, the draft recovery plan including a description of the economic effects prepared under subsection (e)(2)(B)(iii) and the recommendations of the independent referees on the recovery goal.

"(2) HEARINGS.—At the request of any person, the Secretary shall hold at least one public hearing on each draft recovery plan in each State to which the plan would apply (including at least one hearing in an affected rural area, if any), except that the Secretary may not be required to hold more than five hearings under this paragraph.

"(g) PROCUREMENT AUTHORITY.—In developing and implementing recovery plans, the Secretary may procure the services of appropriate public and private agencies and institutions and other qualified persons.

"(h) REVIEW AND SELECTION BY THE SECRETARY.—

"(1) REVIEW AND APPROVAL.—The Secretary shall review each plan submitted by a recovery team, including a recovery team appointed by a State pursuant to the authority of subsection (m), to determine whether the plan was developed in accordance with the requirements of this section. If the Secretary determines that the plan does not satisfy such requirements, the Secretary shall notify the recovery team and give the team an opportunity to address the concerns of the Secretary and resubmit a plan that satisfies the requirements of this section. After notice and opportunity for public comment on the recommendations of the recovery team, the Secretary shall adopt a final recovery plan that is consistent with the requirements of this section.

"(2) SELECTION OF RECOVERY MEASURES.—In each final plan the Secretary shall select recovery measures that meet the recovery goal and the benchmarks. The recovery measures shall achieve an appropriate balance among the factors described in subclauses (I) through (III) of subsection (e)(2)(B)(i).

"(3) MEASURES RECOMMENDED BY RECOVERY TEAM.—If the Secretary selects measures other than the measures recommended by the recovery team, the Secretary shall publish with the final plan an explanation of why the measures recommended by the recovery team were not selected for the final recovery plan.

"(4) PUBLICATION OF NOTICE ON FINAL PLANS.—The Secretary shall publish in the Federal Register a notice of availability, and a summary, of the final recovery plan, and include in the final recovery plan a response to significant comments that the Secretary received on the draft recovery plan.

"(i) REVIEW.—

"(1) EXISTING PLANS.—Not later than five years after date of enactment of this subsection, the Secretary shall review recovery plans published prior to such date.

"(2) SUBSEQUENT PLANS.—The Secretary shall review each recovery plan first approved or revised under this section after the date of enactment of this subsection, not later than ten years after the date of approval or revision of the plan and every ten years thereafter.

"(j) REVISION OF RECOVERY PLANS.—Notwithstanding any other provision of this section, the Secretary shall revise a recovery plan if the Secretary finds that substantial new information, which may include failure to meet the benchmarks included in the plan, based on the best scientific and commercial data available, indicates that the recovery goal contained in the recovery plan will not achieve the conservation and recovery of the endangered species or threatened species covered by the plan. The Secretary shall convene a recovery team to develop the revisions required by this subsection, unless the Secretary has established an exception for the species pursuant to subsection (d)(3).

"(k) EXISTING PLANS.—Nothing in this section shall require the modification of—

"(1) a recovery plan approved;

"(2) a recovery plan on which public notice and comment has been initiated; or

"(3) a draft recovery plan on which significant progress has been made;

prior to the date of enactment of this subsection until the recovery plan is revised by the Secretary in accordance with this section.

"(l) IMPLEMENTATION OF RECOVERY PLANS.—

"(1) IMPLEMENTATION AGREEMENTS.—The Secretary is authorized to enter into agreements with Federal agencies, affected States, Indian tribes, local governments, private landowners, and organizations to implement specified conservation measures identified by an approved recovery plan that promote the recovery of the species with respect to land or water owned by, or within the jurisdiction of, each such party. The Secretary may enter into such agreements, if the Secretary, after notice and opportunity for public comment, determines that—

"(A) each non-Federal party to the agreement has the legal authority and capability to carry out the agreement;

"(B) the agreement will be reviewed and revised as necessary on a regular basis (which shall be not less often than every five years) by the parties to the agreement to ensure that it meets the requirements of this section; and

"(C) the agreement establishes a mechanism for the Secretary to monitor and evaluate implementation of the agreement.

"(2) DUTY OF FEDERAL AGENCIES.—Each Federal agency identified under subsection (e)(4) shall enter into an implementation agreement with the Secretary not later than two years after the date on which the Secretary approves the recovery plan for the species. For purposes of satisfying this section, the substantive provisions of the agreement shall be within the sole discretion of the Secretary and the head of the Federal agency entering into the agreement.

"(3) OTHER REQUIREMENTS.—

"(A) AGENCY ACTIONS.—Any action authorized, funded, or carried out by a Federal agency that is specified in a recovery plan implementation agreement between the Federal agency and the Secretary to promote the recovery of the species and for which the agreement provides sufficient information on the nature, scope, and duration of the action to determine the effect of the action on any endangered species, threatened species, or critical habitat shall not be subject to the requirements of section 7(a)(2) for that species, if the action is to be carried out during the term of the agreement and the Federal agency is in compliance with the agreement.

"(B) COMPREHENSIVE AGREEMENTS.—If a non-Federal person proposes to include in an implementation agreement a site-specific action that the Secretary determines meets the requirements of subparagraph (A) and that action would require authorization or funding by one or more Federal agencies, the agencies authorizing or funding the action shall participate in the development of the agreement and shall identify, at that time, all measures for the species that would be required under this Act as a condition of the authorization or funding.

"(4) FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—In cooperation with the States and subject to the availability of appropriations under section 15(f), the Secretary may provide a grant of up to $25,000 to a private landowner to assist the landowner in carrying out a recovery plan implementation agreement under this subsection.

"(B) PROHIBITION ON ASSISTANCE FOR REQUIRED ACTIVITIES.—Financial assistance provided under this paragraph may be used to fund only those activities in an implementation agreement to implement specified conservation measures identified in a recovery plan that are not required by this Act, a permit issued under this Act, or any other Federal law.

"(C) OTHER PAYMENTS.—A grant provided to an individual private landowner under this paragraph shall be in addition to, and not affect, the total amount of payments the landowner is otherwise eligible to receive under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), the wetlands reserve program established under subchapter C of that chapter (16 U.S.C. 3837 et seq.), or the Wildlife Habitat Incentives Program established under section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a).

"(m) STATE AUTHORITY FOR RECOVERY PLANNING.—

"(1) IN GENERAL.—At the request of the Governor of a State, or the Governors of several States in cooperation, the Secretary may authorize the respective State agency to develop the recovery plan for an endangered species or a threatened species in accordance with the requirements and schedules of subsections (c), (d)(1), (d)(2), and (e) and this subsection if the Secretary finds that—

"(A) the State or States have entered into a cooperative agreement with the Secretary pursuant to section 6(c); and

"(B) the State agency has submitted a statement to the Secretary demonstrating adequate authority and capability to carry out the requirements and schedules of subsections (c), (d)(1), (d)(2), and (e) and this subsection.

"(2) STANDARDS AND GUIDELINES.—The Secretary, in cooperation with the States, shall publish standards and guidelines for the development of recovery plans by a State agency under this subsection, including standards and guidelines for interstate cooperation and for the grant and withdrawal of authorization by the Secretary under this subsection.

"(3) DUTIES OF RECOVERY TEAM.—The recovery team shall prepare a draft recovery plan in accordance with this section and shall transmit the draft plan to the Secretary through the State agency authorized to develop the recovery plan.

"(4) REVIEW OF DRAFT PLANS.—Prior to publication of a notice of availability of a draft recovery plan, the Secretary shall review each draft recovery plan developed pursuant to this subsection to determine whether the plan meets the requirements of this section. If the Secretary determines that the plan does not meet such requirements, the Secretary shall notify the State agency and, in cooperation with the State agency, develop a recovery plan in accordance with this section.

"(5) REVIEW AND APPROVAL OF FINAL PLANS.—On receipt of a draft recovery plan transmitted by a State agency, the Secretary shall review and approve the plan in accordance with subsection (h).

"(6) WITHDRAWAL OF AUTHORITY.—

"(A) IN GENERAL.—The Secretary may withdraw the authority from a State that has been authorized to develop a recovery plan pursuant to this subsection if the actions of the State agency are not in accordance with the substantive and procedural requirements of subsections (c), (d)(1), (d)(2), and (e) and this subsection. The Secretary shall give the State agency an opportunity to correct any deficiencies identified by the Secretary and shall withdraw the authority from the State unless the State agency within 60 days has corrected the deficiencies identified by the Secretary. On withdrawal of State authority pursuant to this subsection, the Secretary shall have an additional 18 months to publish a draft recovery plan and an additional 12 months to publish a final recovery plan under subsection 5(c).

"(B) PETITIONS TO WITHDRAW.—Any person may submit a petition requesting the Secretary to withdraw the authority from a State on the basis that the actions of the State agency are not in accordance with the substantive and procedural requirements described in subparagraph (A). If the Secretary has not acted on the petition pursuant to subparagraph (A) within 90 days, the petition shall be deemed to be denied and the denial shall be a final agency action for the purposes of judicial review.

"(7) DEFINITION OF STATE AGENCY.—For purposes of this subsection, the term 'State agency' means—

"(A) a State agency (as defined in section 3) of each State entering into a cooperative request under paragraph (1); and

"(B) for fish and wildlife, including related spawning grounds and habitat, on the Columbia River and its tributaries, the Pacific Northwest Electric Power and Conservation Planning Council established under the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. 839 et seq.).

"(n) CRITICAL HABITAT DESIGNATION.—

"(1) RECOMMENDATION OF THE RECOVERY TEAM.—Not later than nine months after the date of publication under section 4 of a final regulation containing a listing determination for a species, the recovery team appointed for the species shall provide the Secretary with a description of any habitat of the species that is recommended for designation as critical habitat pursuant to this subsection and any recommendations for special management considerations or protection that are specific to the habitat.

"(2) DESIGNATION BY THE SECRETARY.—The Secretary, to the maximum extent prudent and determinable, shall by regulation designate any habitat that is considered to be critical habitat of an endangered species or a threatened species that is indigenous to the United States or waters with respect to which the United States exercises sovereign rights or jurisdiction.

"(A) DESIGNATION.—

"(i) PROPOSAL.—Not later than 18 months after the date on which a final listing determination is made under section 4 for a species, the Secretary, after consultation and in cooperation with the recovery team, shall publish in the Federal Register a proposed regulation designating critical habitat for the species.

"(ii) PROMULGATION.—The Secretary shall, after consultation and in cooperation with the recovery team, publish a final regulation designating critical habitat for a species not later than 30 months after the date on which a final listing determination is made under section 4 for the species.

"(B) OTHER DESIGNATIONS.—If a recovery plan is not developed under this section for an endangered species or a threatened species, the Secretary shall publish a final critical habitat determination for the endangered species or threatened species not later than three years after making a determination that the species is an endangered species or a threatened species.

"(C) ADDITIONAL AUTHORITY.—The Secretary may publish a regulation designating critical habitat for an endangered species or a threatened species concurrently with the final regulation implementing the determination that the species is endangered or threatened if the Secretary determines that designation of such habitat at the time of listing is essential to avoid the imminent extinction of the species.

"(3) Factors to be considered.—The designation of critical habitat shall be made on the basis of the best scientific and commercial data available and after taking into consideration the economic impact, impacts to military training and operations, and any other relevant impact, of specifying any particular area as critical habitat. The Secretary shall describe the economic impacts and other relevant impacts that are to be considered under this subsection in the publication of any proposed regulation designating critical habitat.

"(4) Exclusions.—The Secretary may exclude any area from critical habitat for a species if the Secretary determines that the benefits of the exclusion outweigh the benefits of designating the area as part of the critical habitat, unless the Secretary determines that the failure to designate the area as critical habitat will result in the extinction of the species.

"(5) Revisions.—The Secretary may, from time-to-time and as appropriate, revise a designation. Each area designated as critical habitat before the date of enactment of this subsection shall continue to be considered so designated, until the designation is revised in accordance with this subsection.

"(6) Petitions.—

"(A) Determination that revision may be warranted.—To the maximum extent practicable, not later than 90 days after receiving the petition of an interested person under section 553(e) of title 5, United States Code, to revise a critical habitat designation, the Secretary shall make a finding as to whether the petition presents substantial scientific or commercial information indicating that the revision may be warranted. The Secretary shall promptly publish the finding in the Federal Register.

"(B) Notice of proposed action.—Not later than one year after receiving a petition that is found under subparagraph (A) to present substantial information indicating that the requested revision may be warranted, the Secretary shall determine how to proceed with the requested revision, and shall promptly publish notice of the intention in the Federal Register.

"(7) Proposed and final regulations.—Any regulation to designate critical habitat or implement a requested revision shall be proposed and promulgated in accordance with paragraphs (4), (5), and (6) of section 4(b) in the same manner as a regulation to implement a determination with respect to listing a species.

"(o) Reports.—The Secretary shall report every two years to the Committee on Environment and Public Works of the Senate and the Committee on Resources of the House of Representatives on the status of efforts to develop and implement recovery plans for all species listed pursuant to section 4 and on the status of all species for which the plans have been developed.".

(c) Citizen Suits.—Section 11(g)(1)(C) (16 U.S.C. 1540(g)(1)(C)) is amended by inserting "or section 5" after "section 4".

(d) Conforming Amendments for Recovery Planning.—

(1) Section 6(d)(1) (16 U.S.C. 1535(d)(1)) is amended in the first sentence by striking "section 4(g)" and inserting "section 4(f)".

(2) Section 10(f)(5) (16 U.S.C. 1539(f)(5)) is amended by striking the last sentence.

(3) Section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*-9) is amended in the undesignated paragraph relating to the National Wildlife Refuge System by striking "section 5(a)" and inserting "section 5A(a)".

(4) Section 5(b) of Public Law 103-64 (16 U.S.C. 460iii-4(b)) is amended by striking "section 5(b) of the Endangered Species Act of 1973 (16 U.S.C. 1534(b))" and inserting "section 5A(b) of the Endangered Species Act of 1973".

(5) Section 104(c)(4)(A)(ii)(I) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1347(c)(4)(A)(ii)(I)) is amended by striking "section 4(f)" and inserting "section 5".

(6) Section 115(b)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383(b)(2)) is amended by striking "section 4(f) of the Endangered Species Act of 1973 (16 U.S.C. 1533(f))" and inserting "section 5 of the Endangered Species Act of 1973".

(7) Section 118(f)(11) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1387(f)(11)) is amended by striking "section 4" and inserting "section 5".

(8) The table of contents in the first section (16 U.S.C. prec. 1531) is amended—

(A) by striking the item relating to section 5 and inserting the following:

"Sec. 5. Recovery plans.
"Sec. 5A. Land acquisition.";

and

(B) by adding at the end the following:

"Sec. 18. Annual cost analysis by the Fish and Wildlife Service.".

(e) Plans for Previously Listed Species.—In the case of species included in the list published under section 4(c) before the date of enactment of this Act, and for which no recovery plan was developed before that date, the Secretary of the Interior or the Secretary of Commerce, as appropriate, shall develop a final recovery plan in accordance with the requirements of section 5 (including the priorities of section 5(b)) of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) (as amended by this section) for not less than one-half of the species not later than 36 months after the date of enactment of this Act and for all species not later than 60 months after such date.

SEC. 04. INTERAGENCY CONSULTATION AND COOPERATION.

(a) Reasonable and Prudent Alternatives.—

(1) Definition.—Subsection (a) of section 3 (16 U.S.C. 1532) (as amended by section 02(a)(2)) is amended by inserting the following after the paragraph defining the term "plant" and redesignating the subsequent paragraphs accordingly:

"(15) Reasonable and prudent alternatives.—The term 'reasonable and prudent alternatives' means alternative actions identified during consultation that can be implemented in a manner consistent with the intended purpose of the action, that can be implemented consistent with the scope of the legal authority and jurisdiction of the Federal agency, that are economically and technologically feasible, and that the Secretary believes would avoid the likelihood of jeopardizing the continued existence of listed species or resulting in the destruction or adverse modification of critical habitat.".

(2) Conforming amendment.—Section 7(n) (16 U.S.C. 1536(n)) is amended in the first sentence by striking ", as defined by section 3(13) of this Act,".

(b) Inventory of Species on Federal Lands.—Section 7(a)(1) (16 U.S.C. 1536(a)(1)) is amended—

(1) by striking "Consultations.—(1) The" and inserting:"Consultations.—

"(1) In general.—

"(A) Other programs.—The"; and

(2) by adding at the end the following:

"(B) Inventory of species on federal lands.—The head of each Federal agency that is responsible for the management of land and water—

"(i) shall, to the maximum extent practicable, by not later than December 31, 2003, prepare and provide to the Secretary an inventory of the presence or occurrence of endangered species, threatened species, species that have been proposed for listing, and species that the Secretary has identified as candidates for listing under section 4, that are located on land or water owned or under the control of the agency; and

"(ii) shall, at least once every ten years thereafter, update the inventory required by clause (i) including newly listed species, species proposed for listing, and candidate species.".

(c) Consultation.—Section 7(a)(3) (16 U.S.C. 1536(a)(3)) is amended to read as follows:

"(3) Consultation.—

"(A) Notification of actions.—Prior to commencing any action, each Federal agency shall notify the Secretary if the agency determines that the action may affect an endangered species or a threatened species, or critical habitat.

"(B) Agency determination.—

"(i) In general.—Each Federal agency shall consult with the Secretary as required by paragraph (2) on each action for which notification is required under subparagraph (A) unless—

"(I) the Federal agency makes a determination based on the opinion of a qualified biologist that the action is not likely to adversely affect an endangered species, a threatened species, or critical habitat;

"(II) the Federal agency notifies the Secretary that it has determined that the action is not likely to adversely affect any listed species or critical habitat and provides the Secretary, along with the notice, a copy of the information on which the agency based the determination; and

"(III) the Secretary does not object in writing to the agency's determination within 60 days after the date such notice is received.

"(ii) Public access to information.—The Secretary shall maintain a list of notices received from Federal agencies under clause (i)(II) and shall make available to the public the list and, on request (subject to the exemptions specified in section 552(b) of title 5, United States Code), the information received by the Secretary on which the agency based its determination.

"(iii) Actions excluded.—The Secretary may by regulation identify categories of actions with respect to specific endangered species or threatened species that the Secretary determines are likely to have an adverse effect on the species or its critical habitat and, for which, the procedures of clause (i) shall not apply.

"(iv) Basis for objection.—The Secretary shall object to a determination made by a Federal agency pursuant to clause (i), if—

"(I) the Secretary determines that the action may have an adverse effect on an endangered species, a threatened species or critical habitat;

"(II) the Secretary finds that there is insufficient information in the documentation accompanying the determination to evaluate the impact of the proposed action on endangered species, threatened species, or critical habitat; or

"(III) the Secretary finds that, because of the nature of the action and its potential impact on an endangered species, a threatened species, or critical habitat, review cannot be completed in 60 days.

"(v) REPORTS.—The Secretary shall report to the Congress not less often than biennially with respect to the implementation of this subparagraph including in the report information on the circumstances that resulted in the Secretary making any objection to a determination made by a Federal agency under clause (i) and the availability of resources to carry out this section.

"(C) CONSULTATION AT REQUEST OF APPLICANT.—Subject to such guidelines as the Secretary may establish, a Federal agency shall consult with the Secretary on any prospective agency action at the request of, and in cooperation with, the prospective permit or license applicant if the applicant has reason to believe that an endangered species or a threatened species may be present in the area affected by the applicant's project and that implementation of the action will likely affect the species.".

(d) GAO REPORT.—The Comptroller General of the United States shall report to the Committee on Environment and Public Works of the Senate and to the Committee on Resources of the House of Representatives not later than three years after the date of enactment of this Act, and two years thereafter, on the cost of formal consultation to Federal agencies and other persons carrying out actions subject to the requirements of section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536), including the costs of reasonable and prudent measures imposed.

(e) NEW LISTINGS.—Section 7(a) (16 U.S.C. 1536(a)) is amended by adding at the end the following:

"(5) EFFECT OF LISTING ON EXISTING PLANS.—

"(A) DEFINITION OF ACTION.—For the purposes of paragraph (2) and this paragraph, the term 'action' includes land use plans under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and land and resource management plans under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.), as amended by the National Forest Management Act of 1976 (16 U.S.C. 1600 (note)).

"(B) REINITIATION OF CONSULTATION.—Whenever a determination to list a species as an endangered species or a threatened species or designation of critical habitat requires reinitiation of consultation under paragraph (2) on an already approved action as defined under subparagraph (A), the consultation shall commence promptly, but not later than 90 days after the date of the determination or designation, and shall be completed not later than one year after the date on which the consultation is commenced.

"(C) SITE-SPECIFIC ACTIONS DURING CONSULTATION.—Notwithstanding subsection (d), the Federal agency implementing the land use plan or land and resource management plan under subparagraph (B) may authorize, fund, or carry out a site-specific ongoing or previously scheduled action within the scope of the plan on the lands prior to completing consultation on the plan under subparagraph (B) pursuant to the consultation procedures of this section and related regulations, if—

"(i) no consultation on the action is required; or

"(ii) consultation on the action is required, the Secretary issues a biological opinion and the action satisfies the requirements of this section.".

(f) IMPROVED FEDERAL AGENCY COORDINATION.—Section 7(a) (16 U.S.C. 1536(a)) (as amended by subsection (e)) is amended by adding at the end the following:

"(6) CONSOLIDATION OF CONSULTATION AND CONFERENCING.—

"(A) CONSULTATION WITH A SINGLE AGENCY.—Consultation and conferencing under this subsection between the Secretary and a Federal agency may, with the approval of the Secretary, encompass a number of related or similar actions by the agency to be carried out within a particular geographic area.

"(B) CONSULTATION WITH SEVERAL AGENCIES.—The Secretary may consolidate requests for consultation or conferencing from various Federal agencies the proposed actions of which may affect the same endangered species, threatened species, or species that have been proposed for listing under section 4, within a particular geographic area.".

(g) USE OF INFORMATION PROVIDED BY STATES.—Section 7(b)(1) (16 U.S.C. 1536(b)(1)) is amended by adding at the end the following:

"(C) USE OF STATE INFORMATION.—In conducting a consultation under subsection (a)(2), the Secretary shall actively solicit and consider information from the State agency in each affected State.".

(h) OPPORTUNITY TO PARTICIPATE IN CONSULTATIONS.—Section 7(b)(1) (16 U.S.C. 1536(b)(1)) (as amended by subsection (g)) is amended by adding at the end the following:

"(D) OPPORTUNITY TO PARTICIPATE IN CONSULTATIONS.—

"(i) IN GENERAL.—In conducting a consultation under subsection (a)(2), the Secretary shall provide any person who has sought authorization or funding from a Federal agency for an action that is the subject of the consultation, the opportunity to—

"(I) prior to the development of a draft biological opinion, submit and discuss with the Secretary and the Federal agency information relevant to the effect of the proposed action on the species and the availability of reasonable and prudent alternatives (if a jeopardy opinion is to be issued) that the Federal agency and the person can take to avoid violation of subsection (a)(2);

"(II) receive information, on request, subject to the exemptions specified in section 552(b) of title 5, United States Code, on the status of the species, threats to the species, and conservation measures, used by the Secretary to develop the draft biological opinion and the final biological opinion, including the associated incidental taking statements; and

"(III) receive a copy of the draft biological opinion from the Federal agency and, prior to issuance of the final biological opinion, submit comments on the draft biological opinion and discuss with the Secretary and the Federal agency the basis for any finding in the draft biological opinion.

"(ii) EXPLANATION.—If reasonable and prudent alternatives are proposed by a person under clause (i) and the Secretary does not include the alternatives in the final biological opinion, the Secretary shall explain to the person why those alternatives were not included in the opinion.

"(iii) PUBLIC ACCESS TO INFORMATION.—Comments and other information submitted to, or received from, any person (pursuant to clause (i)) who seeks authorization or funding for an action shall be maintained in a file for that action by the Secretary and shall be made available to the public (subject to the exemptions specified in section 552(b) of title 5, United States Code).".

(i) INCIDENTAL TAKING STANDARDS FOR FEDERAL AGENCIES.—Section 7(b)(4) (16 U.S.C. 1536(b)(4)) is amended—

(1) in clause (ii), by inserting "and mitigate" after "to minimize"; and

(2) by adding at the end the following: "For purposes of this subsection, reasonable and prudent measures shall be related both in nature and extent to the effect of the proposed activity that is the subject of the consultation.".

(j) EMERGENCY CONSULTATIONS.—Section 7 (16 U.S.C. 1536) is amended by adding the following:

"(q) EMERGENCY CONSULTATIONS.—In response to a natural disaster or other emergency, consultation under subsection (a)(2) may be deferred by a Federal agency for the emergency repair of a natural gas pipeline, hazardous liquid pipeline, or electrical transmission facility, if the repair is necessary to address an imminent threat to human lives or an imminent and significant threat to the environment. Consultation shall be initiated as soon as practicable after the threat to human lives or the environment has abated.".

(k) REVISION OF REGULATIONS.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Commerce shall promulgate modifications to part 402 of title 50, Code of Federal Regulations, to implement this section and the amendments made by this section.

SEC. ___05. CONSERVATION PLANS.

(a) PERMIT FOR TAKING ON THE HIGH SEAS.—Section 10(a)(1)(B) (16 U.S.C. 1539(a)(1)(B)) is amended by striking "section 9(a)(1)(B)" and inserting "subparagraph (B) or (C) of section 9(a)(1)".

(b) MONITORING.—Section 10(a)(2)(B) (16 U.S.C. 1539(a)(2)(B)) is amended in the last sentence by striking "reporting" and inserting "monitoring and reporting".

(c) OTHER PLANS.—Section 10(a) (16 U.S.C. 1539(a)) is amended by striking paragraph (2)(C) and inserting the following:

"(3) MULTIPLE SPECIES CONSERVATION PLANS.—

"(A) IN GENERAL.—In addition to one or more listed species, a conservation plan developed under paragraph (2) may, at the request of the applicant, include species proposed for listing under section 4(c), candidate species, or other species found on lands or waters owned or within the jurisdiction of the applicant covered by the plan.

"(B) APPROVAL CRITERIA.—The Secretary shall approve an application for a permit under paragraph (1)(B) that includes species other than species listed as endangered species or threatened species if, after notice and opportunity for public comment, the Secretary finds that the permit application and the related conservation plan satisfy the criteria of subparagraphs (A) and (B) of paragraph (2) with respect to listed species, and that the permit application and the related conservation plan with respect to other species satisfy the following requirements—

"(i) the impact on non-listed species included in the plan will be incidental;

"(ii) the applicant will, to the maximum extent practicable, minimize and mitigate such impacts;

"(iii) the actions taken by the applicant with respect to species proposed for listing or candidates for listing included in the plan, if undertaken by all similarly situated persons within the range of such species, are likely to eliminate the need to list the species as an endangered species or a threatened species for the duration of the agreement as a result of the activities conducted by those persons;

“(iv) the actions taken by the applicant with respect to other non-listed species included in the plan, if undertaken by all similarly situated persons within the range of such species, would not be likely to contribute to a determination to list the species as an endangered species or a threatened species for the duration of the agreement; and

“(v) the criteria of subparagraphs (A)(iv), (B)(iii), and (B)(v) of paragraph (2);

and the Secretary has received such other assurances as the Secretary may require that the plan will be implemented. The permit shall contain such terms and conditions as the Secretary deems necessary or appropriate to carry out the purposes of this paragraph, including such monitoring and reporting requirements as the Secretary deems necessary for determining whether the terms and conditions are being complied with. The Secretary shall not include as a term or condition of a plan or a permit under this paragraph any provisions for a species proposed for listing under section 4(c), candidate species, or other species not listed under section 4(c) unless the applicant voluntarily includes that species in the plan or application for a permit.

“(C) TECHNICAL ASSISTANCE AND GUIDANCE.—To the maximum extent practicable, the Secretary and the heads of other Federal agencies, in cooperation with the States, are authorized and encouraged to provide technical assistance or guidance to States and property owners to develop conservation plans. Technical assistance and guidance provided under this subparagraph may include providing scientific and other information regarding the species included in a conservation plan, assistance in preparing the conservation plan, and information regarding alternative means to comply with this Act, including the availability of conservation plans for low effect activities.

“(D) DEADLINES.—A conservation plan developed under this paragraph shall be reviewed and approved or disapproved by the Secretary not later than one year after the date of submission, or within such other period of time as is mutually agreeable to the Secretary and the applicant.

“(E) STATE AND LOCAL LAW.—

“(i) OTHER SPECIES.—Nothing in this paragraph shall limit the authority of a State or local government with respect to fish, wildlife, or plants that have not been listed as an endangered species or a threatened species under section 4.

“(ii) COMPLIANCE.—An action by the Secretary, the Attorney General, or a person under section 11(g) to ensure compliance with a multiple species conservation plan and permit under this paragraph may be brought only against a permittee or the Secretary.

“(F) EFFECTIVE DATE OF PERMIT FOR NON-LISTED SPECIES.—In the case of any species not listed as an endangered species or a threatened species, but covered by an approved multiple species conservation plan, the permit issued under paragraph (1)(B) shall take effect without further action by the Secretary at the time the species is listed pursuant to section 4(c), and to the extent that the taking is otherwise prohibited by subparagraph (B) or (C) of section 9(a)(1).

“(4) LOW EFFECT ACTIVITIES.—

“(A) IN GENERAL.—Notwithstanding paragraph (2)(A), the Secretary may issue a permit for a low effect activity authorizing any taking referred to in paragraph (1)(B), if the Secretary determines that the activity will have no more than a negligible effect, both individually and cumulatively, on the species, any taking associated with the activity will be incidental, and the taking will not appreciably reduce the likelihood of the survival and recovery of the species in the wild. The permit shall require, to the extent appropriate, actions to be taken by the permittee to offset the effects of the activity on the species.

“(B) APPLICATIONS.—The Secretary shall minimize the costs of permitting to the applicant by developing, in cooperation with the States, model permit applications that will constitute conservation plans for low effect activities.

“(C) PUBLIC COMMENT; EFFECTIVE DATE.—On receipt of a permit application for an activity that meets the requirements of subparagraph (A), the Secretary shall provide notice in a newspaper of general circulation in the area of the activity not later than 30 days after receipt and provide an opportunity for comment on the permit. If the Secretary does not receive significant adverse comment by the date that is 30 days after the notice is published, the permit shall take effect without further action by the Secretary 60 days after the notice is published.

“(5) NO SURPRISES.—

“(A) IN GENERAL.—Each conservation plan developed under this subsection shall include a no surprises provision, as described in this paragraph.

“(B) NO SURPRISES.—A person who has entered into, and is in compliance with, a conservation plan under this subsection may not be required to undertake any additional mitigation measures for species covered by such plan if such measures would require the payment of additional money, or the adoption of additional use, development, or management restrictions on any land, waters, or water-related rights that would otherwise be available under the terms of the plan without the consent of the permittee. The Secretary and the applicant, by the terms of the conservation plan, shall identify—

“(i) other modifications to the plan; or

“(ii) other additional measures;

if any, that the Secretary may require under extraordinary circumstances.

“(6) PERMIT REVOCATION.—After notice and an opportunity for correction, as appropriate, the Secretary shall revoke a permit issued under this subsection if the Secretary finds that the permittee is not complying with the terms and conditions of the permit or the conservation plan.”.

(d) CANDIDATE CONSERVATION AGREEMENTS.—

(1) PERMITS.—Section 10(a)(1) (16 U.S.C. 1539(a)(1)) is amended—

(A) by striking “or” at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(C) by adding at the end the following:

“(C) any taking incidental to, and not the purpose of, the carrying out of an otherwise lawful activity pursuant to a candidate conservation agreement entered into under subsection (k).”.

(2) AGREEMENTS.—Section 10 (16 U.S.C. 1539) is amended by adding at the end the following:

“(k) CANDIDATE CONSERVATION AGREEMENTS.—

“(1) IN GENERAL.—At the request of any non-Federal person, the Secretary may enter into a candidate conservation agreement with the person for a species that has been proposed for listing under section 4(c)(1), is a candidate species, or is likely to become a candidate species in the near future on property owned or under the jurisdiction of the person requesting such an agreement.

“(2) REVIEW BY THE SECRETARY.—

“(A) SUBMISSION TO THE SECRETARY.—A non-Federal person may submit a candidate conservation agreement developed under paragraph (1) to the Secretary for review at any time prior to the listing described in section 4(c)(1) of a species that is the subject of the agreement.

“(B) CRITERIA FOR APPROVAL.—The Secretary may approve an agreement and issue a permit under subsection (a)(1)(C) for the agreement if, after notice and opportunity for public comment, the Secretary finds that—

“(i) for species proposed for listing, candidates for listing, or species that are likely to become a candidate species in the near future, that are included in the agreement, the actions taken under the agreement, if undertaken by all similarly situated persons, would produce a conservation benefit that would be likely to eliminate the need to list the species under section 4(c) as a result of the activities of those persons during the duration of the agreement;

“(ii) the actions taken under the agreement will not adversely affect an endangered species or a threatened species;

“(iii) the agreement contains such other measures that the Secretary may require as being necessary or appropriate for the purposes of the agreement;

“(iv) the person will ensure adequate funding to implement the agreement; and

“(v) the agreement includes such monitoring and reporting requirements as the Secretary deems necessary for determining whether the terms and conditions of the agreement are being complied with.

“(3) EFFECTIVE DATE OF PERMIT.—A permit issued under subsection (a)(1)(C) shall take effect at the time the species is listed pursuant to section 4(c), if the permittee is in full compliance with the terms and conditions of the agreement.

“(4) ASSURANCES.—A person who has entered into a candidate conservation agreement under this subsection, and is in compliance with the agreement, may not be required to undertake any additional measures for species covered by such agreement if the measures would require the payment of additional money, or the adoption of additional use, development, or management restrictions on any land, waters, or water-related rights that would otherwise be available under the terms of the agreement without the consent of the person entering into the agreement. The Secretary and the person entering into a candidate conservation agreement, by the terms of the agreement, shall identify—

“(A) other modifications to the agreement; or

“(B) other additional measures;

if any, that the Secretary may require under extraordinary circumstances.”.

(e) PUBLIC NOTICE.—Section 10(c) (16 U.S.C. 1539(c)) is amended—

(1) by striking “thirty” each place that it appears and inserting “60”; and

(2) by inserting before the final sentence the following: “The Secretary may, with approval of the applicant, provide an opportunity, as early as practicable, for public participation in the development of a multiple species conservation plan and permit application. If a multiple species conservation plan and permit application have been developed without an opportunity for public participation, the Secretary shall extend the

public comment period for an additional 30 days for interested parties to submit written data, views, or arguments on the plan and application.".

(f) SAFE HARBOR AGREEMENTS.—Section 10 (16 U.S.C. 1539) (as amended by subsection (d)(2)) is amended by adding at the end the following:

"(l) SAFE HARBOR AGREEMENTS.—

"(1) AGREEMENTS.—

"(A) IN GENERAL.—The Secretary may enter into agreements with non-Federal persons to benefit the conservation of endangered species or threatened species by creating, restoring, or improving habitat or by maintaining currently unoccupied habitat for endangered species or threatened species. Under an agreement, the Secretary shall permit the person to take endangered species or threatened species included under the agreement on lands or waters that are subject to the agreement if the taking is incidental to, and not the purpose of, carrying out of an otherwise lawful activity, except that the Secretary may not permit through an agreement any incidental taking below the baseline requirement specified pursuant to subparagraph (B).

"(B) BASELINE.—For each agreement under this subsection, the Secretary shall establish a baseline requirement that is mutually agreed on by the applicant and the Secretary at the time of the agreement that will, at a minimum, maintain existing conditions for the species covered by the agreement on lands and waters that are subject to the agreement. The baseline may be expressed in terms of the abundance or distribution of endangered or threatened species, quantity or quality of habitat, or such other indicators as appropriate.

"(2) STANDARDS AND GUIDELINES.—The Secretary shall issue standards and guidelines for the development and approval of safe harbor agreements in accordance with this subsection.

"(3) FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—In cooperation with the States and subject to the availability of appropriations under section 15(d), the Secretary may provide a grant of up to $10,000 to any individual private landowner to assist the landowner in carrying out a safe harbor agreement under this subsection.

"(B) PROHIBITION ON ASSISTANCE FOR REQUIRED ACTIVITIES.—Financial assistance provided under this paragraph may be used to fund only those activities identified in a safe harbor agreement to benefit the conservation of threatened species or endangered species that are not required by this Act, a permit issued under this Act, or any other Federal law.

"(C) OTHER PAYMENTS.—A grant provided to an individual private landowner under this paragraph shall be in addition to, and not affect, the total amount of payments that the landowner is otherwise eligible to receive under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), the wetlands reserve program established under subchapter C of that chapter (16 U.S.C. 3837 et seq.), or the Wildlife Habitat Incentives Program established under section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a).".

(g) HABITAT RESERVE AGREEMENTS.—Section 10 (16 U.S.C. 1539) (as amended by subsection (f)) is amended by adding at the end the following:

"(m) HABITAT RESERVE AGREEMENTS.—

"(1) PROGRAM.—The Secretary shall establish a habitat reserve program to be implemented through contracts or easements of a mutually agreed on duration to assist non-Federal property owners to preserve and manage suitable habitat for endangered species and threatened species.

"(2) AGREEMENTS.—The Secretary may enter into a habitat reserve agreement with a non-Federal property owner to protect, manage, or enhance suitable habitat on private property for the benefit of endangered species or threatened species. Under an agreement, the Secretary shall make payments in an agreed on amount to the property owner for carrying out the terms of the habitat reserve agreement, if the activities undertaken pursuant to the agreement are not otherwise required by this Act.

"(3) STANDARDS AND GUIDELINES.—The Secretary shall issue standards and guidelines for the development and approval of habitat reserve agreements in accordance with this subsection. Agreements shall, at a minimum, specify the management measures, if any, that the property owner will implement for the benefit of endangered species or threatened species, the conditions under which the property may be used, the nature and schedule for any payments agreed on by the parties to the agreement, and the duration of the agreement.

"(4) PAYMENTS.—Any payment received by a property owner under a habitat reserve agreement shall be in addition to and shall not affect the total amount of payments that the property owner is otherwise entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of the Interior $27,500,000 and the Secretary of Commerce $13,333,333 for each of fiscal years 1998 through 2003 to assist non-Federal property owners to carry out the terms of habitat reserve programs under this subsection.".

(h) HABITAT CONSERVATION PLANNING LOAN PROGRAM.—Section 10(a) (16 U.S.C. 1539(a)) (as amended by subsection (c)) is amended by adding at the end the following:

"(7) HABITAT CONSERVATION PLANNING LOAN PROGRAM.—

"(A) ESTABLISHMENT.—There is established a 'Habitat Conservation Planning Loan Program' (referred to in this paragraph as the 'Program') under which the Secretary may make no-interest loans to assist in the development of a conservation plan under this section.

"(B) ELIGIBILITY.—Any State, county, municipality, or other political subdivision of a State shall be eligible to receive a loan under the Program.

"(C) LOAN LIMITS.—The amount of any loan may not exceed the total financial contribution of the other parties participating in the development of the plan.

"(D) CRITERIA.—In determining whether to make a loan, the Secretary shall consider—

"(i) the number of species covered by the plan;

"(ii) the extent to which there is a commitment to participate in the planning process from a diversity of interests (including local governmental, business, environmental, and landowner interests);

"(iii) the likely benefits of the plan; and

"(iv) such other factors as the Secretary considers appropriate.

"(E) TERM OF THE LOAN.—

"(i) IN GENERAL.—Except as provided in clause (ii), a loan made under this paragraph shall be for a term of ten years.

"(ii) ADVANCED REPAYMENTS.—If no conservation plan is developed within three years after the date of the loan, the loan shall be for a term of four years. If no permit is issued under paragraph (1)(B) with respect to the conservation plan within four years after the date of the loan, the loan shall be for a term of five years.".

(i) EFFECT ON PERMITS AND PROPOSED PLANS.—No amendment made by this section requires the modification of—

(1) a permit issued under section 10 of the Endangered Species Act of 1973 (16 U.S.C. 1539); or

(2) a conservation plan submitted for approval pursuant to such section;

prior to the date of enactment of this Act.

(j) RULEMAKING.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Commerce shall, after consultation with the States and notice and opportunity for public comment, publish final regulations implementing the provisions of section 10(a) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)), as amended by this section.

(k) NAS REPORT.—Not later than two years after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Commerce shall enter into appropriate arrangements with the National Academy of Sciences to conduct a review of and prepare a report on the development and implementation of conservation plans under section 10(a) of the Endangered Species Act of 1973 (16 U.S.C. 1539(a)). The report shall assess the extent to which those plans comply with the requirements of that Act, the role of multiple species conservation plans in preventing the need to list species covered by those plans, and the relationship of conservation plans for listed species to implementation of recovery plans. The report shall be transmitted to the Congress not later than five years after the date of enactment of this Act.

(l) SCIENTIFIC PERMITS.—Section 10(d) (16 U.S.C. 1539(d)) is amended—

(1) by striking "POLICY.—The" and inserting "POLICY.—

"(1) IN GENERAL.—The"; and

(2) by adding at the end the following:

"(2) SCIENTIFIC PERMITS.—In granting permits for scientific purposes or to enhance the propagation or survival of an endangered species or a threatened species listed under section 4(c), the Secretary may authorize a single transaction, a series of transactions, or a number of activities over a specific period of time. In issuing or modifying such a permit, the Secretary shall take into consideration the expertise and facilities of the permit applicant and, consistent with the conservation of the affected species, maximize the efficiency of the permitting process.".

(m) HABITAT CONSERVATION INSURANCE PROGRAM.—Section 10 (16 U.S.C. 1539) (as amended by subsection (g)) is amended by adding at the end the following:

"(n) HABITAT CONSERVATION INSURANCE PROGRAM.—

"(1) ESTABLISHMENT.—There is established a Habitat Conservation Insurance Program.

"(2) USE.—The Program shall be used to pay the cost of additional mitigation measures not otherwise required under an existing conservation plan under subsection (a) or a candidate conservation agreement under subsection (k) to minimize or mitigate adverse effects to a species covered by the plan or agreement, to the extent that the adverse effects were not anticipated and addressed at the time the plan or agreement was approved by the Secretary.

"(3) GRANTS.—In carrying out the Program, the Secretary may make grants to any person who is a party to a conservation plan under subsection (a) or a candidate conservation agreement under subsection (k).".

SEC. 06. ENFORCEMENT.

(a) ENFORCEMENT FOR INCIDENTAL TAKING.—Section 11 (16 U.S.C. 1540) is amended by adding after subsection (g) the following new subsection and redesignating the subsequent subsection accordingly:

"(h) INCIDENTAL TAKING.—In any action under subsection (a), (b), or (e)(6) against any person for an alleged taking incidental to the carrying out of an otherwise lawful activity, the Secretary or the Attorney General must establish, using pertinent evidence based on scientifically valid principles, that the acts of such person have caused, or will cause, the taking, of—

"(1) an endangered species; or

"(2) a threatened species the taking of which is prohibited pursuant to a regulation issued under section 4(d).".

(b) CITIZEN SUIT FOR INCIDENTAL TAKING.—Section 11(g) (16 U.S.C. 1540(g)) is amended by adding the following new paragraph after paragraph (2) and redesignating the subsequent paragraphs accordingly:

"(3) INCIDENTAL TAKING.—In any action under this subsection against any person for an alleged taking incidental to the carrying out of an otherwise lawful activity, the person commencing the action must establish, using pertinent evidence based on scientifically valid principles, that the acts of the person alleged to be in violation of section 9(a)(1) have caused, or will cause, the taking, of—

"(A) an endangered species; or

"(B) a threatened species the taking of which is prohibited pursuant to a regulation issued under section 4(d).".

SEC. 07. EDUCATION AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.—Section 13 is amended to read as follows:

"PRIVATE PROPERTY OWNERS EDUCATION AND TECHNICAL ASSISTANCE PROGRAM

"SEC. 13. (a) IN GENERAL.—In cooperation with the States and other Federal agencies, the Secretary shall develop and implement a private property owners education and technical assistance program to—

"(1) inform the public about this Act;

"(2) respond to requests for technical assistance from the private property owners interested in conserving species listed or proposed for listing under section 4(c)(1) and candidate species on the property of the property owners; and

"(3) recognize exemplary efforts to conserve species on private land.

"(b) ELEMENTS OF THE PROGRAM.—Under the program, the Secretary shall—

"(1) publish educational materials and conduct workshops for private property owners and other members of the public on the role of this Act in conserving endangered species and threatened species, the principal mechanisms of this Act for achieving species recovery, and potential sources of technical and financial assistance;

"(2) assist field offices in providing timely advice to property owners on how to comply with this Act;

"(3) provide technical assistance to State and local governments and private property owners interested in developing and implementing recovery plan implementation agreements, conservation plans, and safe harbor agreements;

"(4) serve as a focal point for questions, requests, and suggestions from property owners and local governments concerning policies and actions of the Secretary in the implementation of this Act;

"(5) provide training for Federal personnel responsible for implementing this Act on concerns of private property owners, to avoid unnecessary conflicts, and improving implementation of this Act on private property; and

"(6) nominate for national recognition by the Secretary property owners that are exemplary managers of land for the benefit of species listed or proposed for listing under section 4(c)(1) or candidate species.".

(b) CONFORMING AMENDMENT.—The table of contents in the first section (16 U.S.C. prec. 1531) is amended by striking the item related to section 13 and inserting the following:

"Sec. 13. Private property owners education and technical assistance program.".

(c) EFFECT ON PRIOR AMENDMENTS.—Nothing in this section or the amendments made by this section affects the amendments made by section 13 of the Endangered Species Act of 1973 (87 Stat. 902), as in effect on the day before the date of enactment of this Act.

SEC. 08. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 15(a) (16 U.S.C. 1542(a)) is amended—

(1) in paragraph (1), by striking "and $41,500,000 for fiscal year 1992" and inserting "$41,500,000 for fiscal year 1992, $90,000,000 for fiscal year 1998, $120,000,000 for fiscal year 1999, $140,000,000 for fiscal year 2000, $160,000,000 for fiscal year 2001, $165,000,000 for fiscal year 2002, and $165,000,000 for fiscal year 2003";

(2) in paragraph (2)—

(A) by striking "and $6,750,000" and inserting "$6,750,000"; and

(B) by inserting after "and 1992" the following: ", $35,000,000 for fiscal year 1998, $50,000,000 for fiscal year 1999, $60,000,000 for fiscal year 2000, $65,000,000 for fiscal year 2001, $65,000,000 for fiscal year 2002, and $70,000,000 for fiscal year 2003"; and

(3) in paragraph (3)—

(A) by striking "and $2,600,000" and inserting $2,600,000"; and

(B) by inserting ", and $4,000,000 for each of fiscal years 1998 through 2003" after "and 1992".

(b) EXEMPTIONS FROM ACT.—Section 15(b) (16 U.S.C. 1542(b)) is amended by inserting "and $625,000 for each of fiscal years 1998 through 2003" after "and 1992".

(c) CONVENTION IMPLEMENTATION.—Section 15(c) (16 U.S.C. 1542(c)) is amended—

(1) by striking "and $500,000" and inserting "$500,000,"; and

(2) by inserting "and $1,000,000 for each fiscal year 1998 through 2003" after "and 1992,".

(d) ADDITIONAL AUTHORIZATIONS.—Section 15 (16 U.S.C. 1542) is amended by adding at the end the following:

"(d) FINANCIAL ASSISTANCE FOR SAFE HARBOR AGREEMENTS.—There are authorized to be appropriated to the Secretary of the Interior $10,000,000 and the Secretary of Commerce $5,000,000 for each of fiscal years 1998 through 2003 to carry out section 10(l).

"(e) HABITAT CONSERVATION PLANNING LOAN PROGRAM.—There is authorized to be appropriated $3,000,000 for each fiscal year for the cost of loans under the Habitat Conservation Planning Loan Program established by section 10(a)(7) to assist in the development of conservation plans.

"(f) FINANCIAL ASSISTANCE FOR RECOVERY PLAN IMPLEMENTATION.—There are authorized to be appropriated to the Secretary of the Interior $30,000,000 and the Secretary of Commerce $15,000,000 for each of the fiscal years 1998 through 2003 to carry out section 5(l)(4).

"(g) HABITAT CONSERVATION INSURANCE PROGRAM.—

"(1) IN GENERAL.—Of the amounts appropriated for a fiscal year under subsections (d) and (f) and section 10(m)(5), five percent shall be available for the Habitat Conservation Insurance Program established under section 10(n).

"(2) LIMITATION.—If, at the end of any fiscal year, the balance allocated for the Habitat Conservation Insurance Program exceeds $15,000,000, paragraph (1) shall not apply during the subsequent fiscal year.

"(h) AVAILABILITY.—Amounts made available under this section shall remain available until expended.

"(i) LIMITATION ON USE OF FUNDS.—Of the funds made available to carry out section 5 for any fiscal year, not less than $32,000,000 shall be available to the Secretary of the Interior and not less than $13,500,000 to the Secretary of Commerce to implement actions to recover listed species. Of the funds made available to the Secretary of the Interior and the Secretary of Commerce in each fiscal year to list species, the Secretary of the Interior and the Secretary of Commerce shall use not less than ten percent of those funds in each fiscal year for delisting species. If any of the funds made available by the previous sentence are not needed in that fiscal year for delisting eligible species, those funds shall be available for listing.

"(j) ACCOUNTING AND STRATEGIC MANAGEMENT PLAN.—Not later than November 30, 1998, the Secretary of the Interior and the Secretary of Commerce shall each submit to the Committee on Environment and Public Works of the Senate and the Committee on Resources of the House of Representatives—

"(1) an accounting for fiscal year 1998 of funds expended by the Department of the Interior and the Department of Commerce, respectively, to carry out the Department's functions and responsibilities under this Act; and

"(2) a management plan describing the projected future uses by the respective Department of authorized funds for fiscal years 1999 through 2003.".

(e) ASSISTANCE TO STATES FOR CONSERVATION ACTIVITIES.—Section 6(i) (16 U.S.C. 1535(i)) is amended by adding at the end the following:

"(3) ASSISTANCE TO STATES FOR CONSERVATION ACTIVITIES.—There are authorized to be appropriated to the Secretary such sums as are necessary for each of fiscal years 1998 through 2003 to provide financial assistance to State agencies to carry out conservation activities under other sections of this Act, including the provision of technical assistance for the development and implementation of recovery plans.".

SEC. 09. OTHER AMENDMENTS.

(a) DEFINITIONS.—

(1) CANDIDATE SPECIES.—Subsection (a) of section 3 (16 U.S.C. 1532) (as amended by section 02(a)(2)) is amended by redesignating paragraphs (2) through (10) as paragraphs (3) through (11), respectively, and inserting the following after paragraph (1):

"(2) CANDIDATE SPECIES.—The term 'candidate species' means a species for which the Secretary has on file sufficient information on biological vulnerability and threats to support a proposal to list the species as an endangered species or a threatened species, but for which listing is precluded because of pending proposals to list species that are of a higher priority. This paragraph shall not apply to any species defined as a candidate species by the Secretary of Commerce prior to the date of enactment of this sentence.".

(2) IN COOPERATION WITH THE STATES.—Subsection (a) of section 3 (16 U.S.C. 1532) (as amended by sections ___02(a)(2) and ___04(a)(1) and this subsection) is amended by inserting the following after the paragraph defining the term "import" and redesignating the subsequent paragraphs accordingly:

"(12) IN COOPERATION WITH THE STATES.—The term 'in cooperation with the States' means a process under which—

"(A) the State agency in each of the affected States, or the representative of the State agency, is given an opportunity to participate in a meaningful and timely manner in the development of the standards, guidelines, and regulations to implement the applicable provisions of this Act; and

"(B) the Secretary carefully considers all substantive concerns raised by the State agency, or the representative of the State agency, and, to the maximum extent practicable consistent with this Act, incorporates their suggestions and recommendations, while retaining final decision making authority.".

(3) RURAL AREA.—Subsection (a) of section 3 (16 U.S.C. 1532) (as amended by sections ___02(a)(2) and ___04(a)(1) and this subsection) is amended by inserting the following after the paragraph defining the term "reasonable and prudent alternatives" and redesignating the subsequent paragraphs accordingly:

"(17) RURAL AREA.—The term 'rural area' means a county or unincorporated area that has no city or town that has a population of more than 10,000 inhabitants.".

(4) COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—Subsection (a)(20) of section 3 (16 U.S.C. 1532) (as amended by sections ___02(a)(2) and ___04(a)(1) and this subsection) is amended by striking "Trust Territories of the Pacific Islands" and inserting "Commonwealth of the Northern Mariana Islands".

(5) TERRITORIAL SEA.—Subsection (a) of section 3 (16 U.S.C. 1532) (as amended by sections ___02(a)(2) and ___04(a)(1) and this subsection) is amended by inserting the following after the paragraph defining the term "take" and redesignating the subsequent paragraphs accordingly:

"(23) TERRITORIAL SEA.—The term 'territorial sea' means the 12-nautical-mile maritime zone set forth in Presidential Proclamation 5928, dated December 27, 1988.".

(b) FINDINGS, PURPOSES, AND POLICY.—

(1) COMMERCIAL VALUE.—Section 2(a)(3) (16 U.S.C. 1531(a)(3)) is amended by inserting "commercial," after "recreational,".

(2) AGENCY COORDINATION.—Section 2(c) (16 U.S.C. 1531(c)) is amended by adding at the end the following:

"(3) AGENCY COORDINATION.—Federal agencies are encouraged to coordinate and collaborate to further the conservation of endangered species and threatened species.".

(c) NO TAKING AGREEMENTS.—Section 9 (16 U.S.C. 1538) is amended by adding at the end the following:

"(h) NO TAKING AGREEMENTS.—The Secretary and a non-Federal property owner may, at the request of the property owner, enter into an agreement identifying activities of the property owner that, based on a determination of the Secretary, will not result in a violation of the prohibitions of paragraphs (1)(B), (1)(C), and (2)(B) of subsection (a). The Secretary shall respond to a request for an agreement submitted by a property owner within 90 days after receipt. Nothing in this subsection prevents the Secretary, the Attorney General, or any other person from commencing an enforcement action under section 11.".

(d) CONFORMING AMENDMENTS.—

(1) SECTION HEADING.—The section heading of section 10 (16 U.S.C. 1539) is amended to read as follows:

"CONSERVATION MEASURES AND EXCEPTIONS".

(2) TABLE OF CONTENTS.—The table of contents in the first section (16 U.S.C. prec. 1531) is amended with respect to the item relating to section 10 to read as follows:

"Sec. 10. Conservation measures and exceptions.".

ROCKEFELLER AMENDMENTS NOS. 3650–3651

(Ordered to lie on the table.)

Mr. ROCKEFELLER submitted two amendments intended to be proposed by him to the bill, S. 2176, supra; as follows:

AMENDMENT NO. 3650

On page 2, line 15, after "resigns," add the following: "whose term expires," and

On page 3, after line 4, add:

"(3) notwithstanding paragraph (1), an officer who is nominated by the President for reappointment for an additional term to the same office without a break in service, may continue to serve in that office subject to the time limitations in Section 3346, until such time as the Senate has acted to confirm or reject the nomination, notwithstanding adjournment sine die."

AMENDMENT NO. 3651

On page 2, line 15, after "resigns," add the following "whose term expires," and

On page 3, after line 4, add:

"(3) notwithstanding paragraph (1), an officer who is nominated by the President for reappointment for an additional term to the same office without a break in service, may continue to serve in that office subject to the time limitations in Section 3346, until such time as the Senate has acted to confirm or reject the nomination, notwithstanding adjournment sine die."

DASCHLE AMENDMENT NO. 3652

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill, S. 2176, supra; as follows:

On page 4, add after line 24 the following:

"(d)(1) If the President certifies that the vacant position involves critical duties pertaining to national security, criminal law enforcement, public health and safety, or stability of financial markets, the acting officer may serve an additional 150 days after the date of the certification, or until such later time as provided under this section.

"(2) The President shall submit the certification under paragraph (1) to each House of Congress.

THOMPSON AMENDMENT NO. 3653

(Ordered to lie on the table.)

Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill, S. 2176, supra; as follows:

On page 2, line 18, insert "to the office" after "first assistant".

On page 2, line 20, insert "until the inability stops" after "capacity".

On page 3, line 3, insert "until the inability stops" after "capacity".

On page 3, line 5, strike "3346(a)(2)" and insert "3345(a)(1)".

On page 3, line 5, insert "(1)" after "(b)".

On page 3, strike lines 8 through 14 and insert the following:

"(A) during the 365-day period preceding the date of the death, resignation, or beginning of inability to serve, such person did not serve in the position of first assistant to the office of such officer or served in the position of first assistant to the office of such officer for less than 90 days; and

On page 3, line 15, strike "(3)" and insert "(B)".

On page 3, strike lines 18 through 20 and insert the following:

"(2) Paragraph (1) shall not apply to any person if—

"(A) such person is serving as the first assistant to the office of an officer described under subsection (a);

"(B) the office of such first assistant is an office for which appointment is required to be made by the President, by and with the advice and consent of the Senate; and

"(C) the Senate has approved the appointment of such person to such office.

On page 4, line 12, strike "in the case of a rejection or withdrawal".

On page 5, line 1, strike "Application" and insert "Exclusivity".

On page 5, line 2, strike "applicable to" and insert "the exclusive means for temporarily authorizing an acting official to perform the functions and duties of ".

On page 5, strike lines 8 through 10.

On page 5, line 17, strike "(2)" and insert "(1)".

On page 5, lines 17, 18, and 19, strike "in effect on the date of enactment of the Federal Vacancies Reform Act of 1998".

On page 6, line 4, strike "(3)" and insert "(2)".

On page 6, line 11, insert "statutorily vested in that agency head" after "duties".

On page 7, line 8, strike all beginning with the comma through line 15 and insert a period.

On page 7, strike lines 16 through 23 and insert the following:

"(b) Unless an officer or employee is performing the functions and duties in accordance with sections 3345, 3346, and 3347, if an officer of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) whose appointment to office is required to be made by the President, by and with the consent of the Senate, dies, resigns, or is otherwise unable to perform the functions and duties of the office—

"(1) the office shall remain vacant; and

On page 7, line 24, strike "(B)" and insert "(2)".

On page 8, line 4, strike the comma and insert a period.

On page 8, strike line 5 through line 11 on page 9.

On page 9, line 14, strike "first" and insert "second".

On page 9, strike line 17 through line 2 on page 10 and insert the following:

"(d)(1) An action taken by any person who is not acting under section 3345, 3346, or 3347, or as provided by subsection (b), of any function or duty of a vacant office to which this section and sections 3346, 3347, 3349, 3349a, 3349b, and 3349c apply shall have no force or effect.

On page 10, line 5, strike "(d)" and insert "(e)".

On page 10, line 9, strike "or".

On page 10, line 12, strike the period and insert a semicolon.

On page 10, insert between lines 12 and 13 the following:

"(4) any Chief Financial Officer appointed by the President, by and with the advice and consent of the Senate; or

"(5) an office of an Executive agency (including the Executive Office of the President, and other than the General Accounting Office) if a statutory provision expressly prohibits the head of the Executive agency from performing the functions and duties of such office.

On page 10, line 19, insert "in an office to which this section and sections 3346, 3347, 3348, 3349a, 3349b, and 3349c apply" after "vacancy".

On page 11, line 11, insert "or section 3349a" after "3346".

On page 12, line 21, beginning with "relating" strike all through line 24.

On page 12, line 25, strike "sections" and insert "'Sections".

On page 13, line 15, strike "or" after the semicolon.

On page 13, line 17, strike all after "Commission" and insert a semicolon and "or".

On page 13, insert between lines 17 and 18 the following:

"(3) any judge appointed by the President, by and with the advice and consent of the Senate, to a court constituted under article I of the United States Constitution.".

On page 14, before line 1, strike the item relating to section 3347 and insert the following:

"3347. Exclusivity.

GLENN AMENDMENTS NOS. 3654–3656

(Ordered to lie on the table.)

Mr. DASCHLE (for Mr. GLENN) submitted three amendments intended to be proposed by him to the bill, S. 2176, supra; as follows:

AMENDMENT NO. 3654

On page 4, insert after line 24 the following:

"(d)(1) Notwithstanding any provision of this section, the President may extend any time limitation under this section by no more than 90 days if the President submits a written certification to Congress, on or before the last day of the period subject to such time limitation, that such extension is necessary and in the national interest based on national security, public health and safety, natural disaster, or economic emergency.

"(2) The President may exercise no more than 1 extension under paragraph (1) with respect to any vacancy.

AMENDMENT NO. 3655

On page 3, line 14, strike "180" and insert "45".

AMENDMENT NO. 3656

On page 3, strike line 4 and insert the following:

section 3346; or

"(3) notwithstanding paragraph (1), the President (and only the President) may direct an officer or employee of such Executive agency to perform the functions and duties of the office temporarily in an acting capacity, subject to the time limitations of section 3346, if—

"(A) during the 365-day period preceding the date of death, resignation, or beginning of inability to serve of the applicable officer, the officer or employee served in a position in such agency for not less than 180 days; and

"(B) the rate of pay for the position described under subparagraph (A) is equal to or greater than the minimum rate of pay payable for a position at GS-15 of the General Schedule.

DURBIN AMENDMENTS NOS. 3657–3659

(Ordered to lie on the table.)

Mr. DURBIN submitted three amendments intended to be proposed by him to the bill, S. 2176, supra; as follows:

AMENDMENT NO. 3657

On page 3, line 24, strike "150" and insert "210".

AMENDMENT NO. 3658

On page 13, insert between lines 17 and 18 the following:

"§ 3349d. Nominations reported to Senate

"Any nomination submitted to the Senate that is pending before a committee of the Senate for more than 150 calendar days, shall on the day following such 150th calendar day be discharged from such committee, placed on the Senate executive calendar, and be deemed as reported favorably by such committee.".

AMENDMENT NO. 3659

On page 13, insert between lines 17 and 18 the following:

"§ 3349d. Consideration of nomination in Senate

"(a) Any nomination remaining on the Senate executive calendar for 150 calendar days shall be considered for a vote by the Senate in executive session within the next 5 calendar days following such 150th day in which the Senate is in session.

"(b) The Senate may waive subsection (a) by unanimous consent.".

CHAFEE (AND MOYNIHAN) AMENDMENT NO. 3660

(Ordered to lie on the table.)

Mr. CHAFEE (for himself and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, S. 2176, supra; as follows:

At the appropriate place in the bill insert the following new section:

SEC. ___. CASH REIMBURSEMENT TO FEDERAL EMPLOYEES FOR PARKING SPACES.

Section 7905(b)(2) of title 5, United States Code, is amended—

(1) in subparagraph (B) by striking "and" after the semicolon;

(2) in subparagraph (C) by striking the period and inserting a semicolon and "and"; and

(3) by adding at the end the following:

"(D) taxable cash reimbursement to an employee for the value of an employee parking space.".

LEAHY AMENDMENTS NOS. 3661–3664

(Ordered to lie on the table.)

Mr. LEAHY submitted four amendments intended to be proposed by him to the bill, S. 2176, supra; as follows:

AMENDMENT NO. 3661

At the appropriate place, insert the following:

SEC. ___. RESPONSIBILITY OF THE SENATE DURING A JUDICIAL EMERGENCY.

Section 46 of title 28, United States Code, is amended by adding at the end the following:

"(e) ACTION BY SENATE REQUIRED.—The Senate shall not recess during a session for more than 9 days without first voting on a judicial nomination in any case in which—

"(1) the nomination to fill the judiciary vacancy in the affected circuit or district court has been pending before the Senate for a period of 60 days or longer; and

"(2) a judicial emergency is declared by the Administrative Office of the United States Courts.".

AMENDMENT NO. 3662

At the appropriate place, insert the following:

SEC. ___. BILL LAN LEE NOMINATION.

(a) DISCHARGE.—The Bill Lan Lee nomination as Assistant Attorney General for the Civil Rights Division is discharged from the Committee on the Judiciary.

(b) POINT OF ORDER.— It shall not be in order in the Senate to vote on the adjournment of the 105th Congress unless the Senate has voted on Bill Lan Lee nomination as Assistant Attorney General for the Civil Rights Division.

AMENDMENT NO. 3663

At the appropriate place, insert the following:

SEC. ___. RESPONSIBILITY OF THE SENATE DURING A JUDICIAL EMERGENCY.

Section 46 of title 28, United States Code, is amended by adding at the end the following:

"(e) ACTION BY SENATE REQUIRED.—The Senate shall not recess during a session for more than 9 days without first voting on a judicial nomination in any case in which—

"(1) the nomination to fill the judiciary vacancy in the affected circuit court has been pending before the Senate for a period of 60 days or longer; and

"(2) a judicial emergency is declared pursuant to subsection (b) due to vacancies on the affected circuit court.".

AMENDMENT NO. 3664

At the appropriate place, insert the following:

SEC. ___. CIRCUIT JUDGES FOR THE CIRCUIT COURT OF APPEALS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional circuit judge for the first circuit court of appeals;

(2) 2 additional circuit judges for the second circuit court of appeals;

(3) 1 additional circuit judge for the fifth circuit court of appeals;

(4) 2 additional circuit judges for the sixth circuit court of appeals; and

(5) 6 additional circuit judges for the ninth circuit court of appeals.

(b) TEMPORARY JUDGESHIPS.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 2 additional circuit judges for the sixth circuit court of appeals; and

(2) 3 additional circuit judges for the ninth circuit court of appeals.

The first vacancy in the office of circuit judge in each of the circuits named in this section, occurring 7 years or more after the confirmation date of the judge named to fill a temporary judgeship created by this subsection, shall not be filled.

(c) TABLES.—In order that the table contained in section 44 of title 28, United States Code, will, with respect to each judicial circuit, reflect the changes in the total number of permanent circuit judgeships authorized as a result of subsection (a) of this section, such table is amended to read as follows:

"Circuits	Number of Judges
District of Columbia	12
First	7
Second	15
Third	14
Fourth	15
Fifth	18
Sixth	18
Seventh	11
Eighth	11
Ninth	34
Tenth	12
Eleventh	12
Federal	12.".

SEC. ___. DISTRICT JUDGES FOR THE DISTRICT COURTS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional district judge for the middle district of Alabama;

(2) 2 additional district judges for the district of Arizona;

(3) 1 additional district judge for the eastern district of California;

(4) 2 additional district judges for the southern district of California;

(5) 1 additional district judge for the district of Colorado;

(6) 3 additional district judges for the middle district of Florida;

(7) 2 additional district judges for the southern district of Florida;

(8) 2 additional district judges for the district of Nevada;

(9) 1 additional district judge for the district of New Mexico;

(10) 3 additional district judges for the eastern district of New York;

(11) 2 additional district judges for the western district of North Carolina;

(12) 1 additional district judge for the district of Oregon;

(13) 1 additional district judge for the northern district of Texas;

(14) 1 additional district judge for the southern district of Texas; and

(15) 1 additional district judge for the eastern district of Virginia.

(b) TEMPORARY JUDGESHIPS.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional district judge for the eastern district of California;

(2) 1 additional district judge for the district of Colorado;

(3) 1 additional district judge for the middle district of Florida;

(4) 1 additional district judge for the southern district of Indiana;

(5) 1 additional district judge for the eastern district of Kentucky;

(6) 1 additional district judge for the middle district of Louisiana;

(7) 1 additional district judge for the district of New Mexico;

(8) 1 additional district judge for the northern district of New York;

(9) 1 additional district judge for the western district of New York;

(10) 1 additional district judge for the district of South Carolina;

(11) 1 additional district judge for the eastern district of Tennessee; and

(12) 1 additional district judge for the western district of Washington.

The first vacancy in the office of district judge in each of the judicial districts named in this subsection, occurring 7 years or more after the confirmation date of the judge named to fill a temporary judgeship created by this subsection, shall not be filled.

(c) TABLES.—In order that the table contained in section 133 of title 28, United States Code, will, with respect to each judicial district, reflect the changes in the total number of permanent district judgeships authorized as a result of subsection (a) of this section, such table is amended to read as follows:

"Districts	Judges
Alabama:	
Northern	7
Middle	4
Southern	3
Alaska	3
Arizona	10
Arkansas:	
Eastern	5
Western	3
California:	
Northern	14
Eastern	7
Central	27
Southern	10
Colorado	8
Connecticut	8
Delaware	4
District of Columbia	15
Florida:	
Northern	4
Middle	14
Southern	18
Georgia:	
Northern	11
Middle	4
Southern	3
Hawaii	3
Idaho	2
Illinois:	
Northern	22
Central	3
Southern	3
Indiana:	
Northern	5
Southern	5
Iowa:	
Northern	2
Southern	3
Kansas	5
Kentucky:	
Eastern	4
Western	4
Eastern and Western	1
Louisiana:	
Eastern	13
Middle	2
Western	7
Maine	3
Maryland	10
Massachusetts	13
Michigan:	
Eastern	15
Western	4
Minnesota	7
Mississippi:	
Northern	3
Southern	6
Missouri:	
Eastern	6
Western	5
Eastern and Western	2
Montana	3
Nebraska	3
Nevada	6
New Hampshire	3
New Jersey	17
New Mexico	6
New York:	
Northern	4
Southern	28
Eastern	18
Western	4
North Carolina:	
Eastern	4
Middle	4
Western	5
North Dakota	2
Ohio:	
Northern	11
Southern	8
Oklahoma:	
Northern	3
Eastern	1
Western	6
Northern, Eastern, and Western	1
Oregon	7
Pennsylvania:	
Eastern	22
Middle	6
Western	10
Puerto Rico	7
Rhode Island	3
South Carolina	9
South Dakota	3
Tennessee:	
Eastern	5
Middle	4
Western	5
Texas:	
Northern	13
Southern	19
Eastern	7
Western	10
Utah	5
Vermont	2
Virginia:	
Eastern	10
Western	4
Washington:	
Eastern	4
Western	7
West Virginia:	
Northern	3
Southern	5
Wisconsin:	
Eastern	4
Western	2
Wyoming	3.".

SEC. ___. ARTICLE III STATUS FOR THE JUDGESHIP AUTHORIZED FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

(a) COMPOSITION OF NINTH CIRCUIT.—Section 41 of title 28, United States Code, is amended in the matter relating to the ninth circuit by inserting ", Northern Mariana Islands" after "Hawaii".

(b) ESTABLISHMENT OF JUDICIAL DISTRICT.—

(1) IN GENERAL.—Chapter 5 of title 28, United States Code, is amended by inserting after section 114 the following new section:

"§ 114A. Northern Mariana Islands

"The Northern Mariana Islands constitute 1 judicial district. Court shall be held at Saipan.".

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 28, United States Code, is amended by inserting after the item relating to section 114 the following:

"114A. Northern Mariana Islands.".

(c) DISTRICT JUDGE.—Section 133(a) of title 28, United States Code, is amended by inserting after the item relating to North Dakota the following:

"Northern Mariana Islands .... 1".

(d) BANKRUPTCY JUDGE.—Section 152(a) of title 28, United States Code, is amended—

(1) in paragraph (2) by inserting after the item relating to North Dakota the following:

"Northern Mariana Islands .... 0";
and

(2) in paragraph (4) in the first sentence by inserting "and the Commonwealth of the

Northern Mariana Islands" after "territories".

(e) Assignment of Judges.—

(1) In general.—Chapter 13 of title 28, United States Code, is amended by adding after section 297 the following:

"§298. Assignment to the United States District Court for the Northern Mariana Islands

"In addition to the judges authorized to be designated by sections 291 and 292, the Chief Judge of the United States Court of Appeals for the Ninth Circuit may assign judges of courts of record of the Northern Mariana Islands or Guam, including a judge of the District Court of Guam who is appointed by the President or a recalled senior judge of the District Court of Guam, to serve temporarily as a judge in the United States District Court for the Northern Mariana Islands whenever such an assignment is necessary for the proper dispatch of the business of the court. Such designated judges shall have the powers of a magistrate judge under section 636.".

(2) Technical and conforming amendment.—The table of sections for chapter 13 of title 28, United States Code, is amended by adding after the item relating to section 297 the following:

"298. Assignment to the United States District Court for the Northern Mariana Islands.".

(f) Judicial Conferences of Circuits.—Section 333 of title 28, United States Code, is amended in the third sentence of the first undesignated paragraph by striking "the District Court of the Virgin Islands, and the District Court of the Northern Mariana Islands" and inserting "and the District Court of the Virgin Islands".

(g) Judge in Territories and Possessions.—Section 373 of title 28, United States Code, is amended—

(1) in subsection (a) by striking "the District Court of the Northern Mariana Islands,"; and

(2) in subsection (e) by striking "the District Court of the Northern Mariana Islands,".

(h) Annuities for Survivors of Certain Judicial Officials of the United States.—Section 376(a) of title 28, United States Code, is amended—

(1) in paragraph (1)(B) by striking ", the District Court of the Northern Mariana Islands,"; and

(2) in paragraph (2)(B) by striking ", the District Court of the Northern Mariana Islands,".

(i) Savings Provisions.—The amendments made by subsections (a) through (h) of this section shall not affect the rights of any judge who may have retired before the effective date of this section. Service as a judge of the District Court of the Northern Mariana Islands shall be included in computing under sections 371, 372, 373, and 376 of title 28, United States Code, the aggregate years of judicial service of any person who is in office as a district judge for the District of the Northern Mariana Islands on the effective date of this section. The term of office of any such judge shall terminate upon a vacancy in the office by expiration of the term or otherwise. Upon such termination, the President shall appoint, by and with the advice and consent of the Senate, a judge for the district who shall hold office during good behavior.

(j) United States Attorney.—Section 541 of title 28, United States Code, is amended—

(1) in subsection (a) by inserting before the period the following: ", except that any United States attorney appointed for the Northern Mariana Islands may at the same time serve as United States attorney in another judicial district"; and

(2) by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following:

"(c) If the President appoints a United States attorney for the Northern Mariana Islands who at that time is serving in the same capacity in another district, the appointment shall, without prejudice to a subsequent appointment, be for the unexpired term of such United States attorney.".

(k) United States Marshals Service.—Section 561(d) of title 28, United States Code, is amended by adding after the second sentence the following: "If the President appoints a marshal for the Northern Mariana Islands who at that time is serving in the same capacity in another district, the appointment shall, without prejudice to a subsequent appointment, be for the unexpired term of such marshal.".

(l) United States Magistrates.—Section 631(b)(1) of title 28, United States Code, is amended by inserting "the Commonwealth of the Northern Mariana Islands," after "Puerto Rico,".

(m) Interlocutory Decisions.—Section 1292(d)(4)(A) of title 28, United States Code, is amended by striking ", the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands," and inserting ", or the District Court of the Virgin Islands,".

(n) Jurisdiction of the United States Court of Appeals for the Federal Circuit.—Section 1295(a) of title 28, United States Code, is amended—

(1) in paragraph (1) by striking ", the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands," and inserting ", or the District Court of the Virgin Islands,"; and

(2) in paragraph (2) by striking ", the District Court of the Virgin Islands, or the District Court for the Northern Mariana Islands," and inserting ", or the District Court of the Virgin Islands,".

(o) Diversity Jurisdiction.—Section 1332(d) of title 28, United States Code, is amended by striking ", and the Commonwealth of Puerto Rico" and inserting ", the Commonwealth of Puerto Rico, and the Commonwealth of the Northern Mariana Islands".

(p) Civil Commitment and Rehabilitation of Narcotics Addicts.—Section 2901(e) of title 28, United States Code, is amended by striking "or the Commonwealth of Puerto Rico," and inserting "the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands,".

(q) Northern Mariana Islands Judicial Provisions.—The Act of November 8, 1977 (Public Law 95–157; 91 Stat. 1265) is amended—

(1) in section 4(a) (48 U.S.C. 1824(a))—

(A) by striking "(a)";

(B) by striking all beginning with ", unless those cases are reviewable in the District Court for the Northern Mariana Islands" through the period and inserting a period; and

(C) by striking subsection (b); and

(2) by striking—

(A) the first section (48 U.S.C. 1821);

(B) section 2 (48 U.S.C. 1822);

(C) section 3 (48 U.S.C. 1823);

(D) section 5 (48 U.S.C. 1825); and

(E) section 6 (48 U.S.C. 1826).

(r) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to provide appropriate space and facilities for the judicial positions created by this section.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. BENNETT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Friday, September 25, 1998, at 10 a.m. in closed session, to receive a briefing on the worldwide threat and status of U.S. military forces and potential operational requirements.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BENNETT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, September 25, 1998, at 9:30 a.m. to hold two hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BENNETT. Mr. President, I ask unanimous consent on behalf of the Permanent Subcommittee on Investigations of the Governmental Affairs Committee to meet on Friday, September 25, 1998, at 9:30 a.m. for a hearing on the topic of "Improving the Safety of Food Imports."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

RECOGNITION OF DR. MADAN M. BHASIN

• Mr. ROCKEFELLER. Mr. President, I rise today to recognize and congratulate Dr. Madan Bhasin for being awarded the 1999 Industrial Chemistry Award by the American Chemical Society. This honor is annually bestowed to recognize outstanding contributions to industrial chemistry that have resulted in the commercialization of an economically significant new product or process. I am always proud when West Virginians are recognized for their outstanding contributions to society. However, this is an especially nice case since Dr. Bhasin's work also demonstrates how great ideas can improve a company's profit margin and save resources at the same time.

Dr. Bhasin received his B.Sc. from the University of Delhi and his Ph.D. from the University of Notre Dame in 1958 and has been with Union Carbide since 1963. During his 35 year career at the Union Carbide Technical Center in South Charleston, West Virginia, he has devoted his efforts to researching and applying catalysts to create new production methods and help improve existing industrial processes. His invention and implementation of nine generations of ethylene epoxidation catalysts led to his recognition by the American Chemical Society. The catalysts that Dr. Bhasin invented allow for the more efficient conversion of ethylene epoxidation to ethylene oxide and ethylene glycol, which are components in products such as polyester and anti-freeze. Billions of pounds of ethylene epoxidation are used each year so increasing the conversion efficiency has allowed Union Carbide to remain one of the world leaders in this market as well as save energy and reduce byproducts. This is obviously a win for Union Carbide, the environment and the state of West Virginia.

Again I would like to take this opportunity to publically recognize and congratulate Dr. Bhasin for this great accolade and wish him continued success in his future endeavors.•

WIRELESS COMMUNICATIONS AND PUBLIC SAFETY ACT OF 1998

• Mr. BURNS. Mr. President, I am here today to talk about some good news for a change. I want to talk about the Wireless Communications and Public Safety Act of 1998 that Senator McCAIN is introducing, and I am cosponsoring. The purpose of this legislation is to link some of the amazing innovations in wireless technology to 9–1–1 and emergency response professionals.

All kinds of technologies exist today that can greatly reduce response time to emergencies and help victims get the right kind of medical attention quickly. But right now these technologies are not connected in ways that we can use them for emergencies. That's why this effort to upgrade our 9–1–1 systems across the nation is to so important and necessary.

The National Highway Traffic Safety Administration has conducted studies showing that crash-to-care time for fatal accidents is about a half hour in urban areas. In rural areas, which covers most of my home state of Montana, that crash-to-care time almost doubles. On average, it takes just shy of an hour to get emergency attention to crash victims in rural areas. Almost half of the serious crash victims who do not receive care in that first hour die at the scene of the accident. That's a scary statistic. But it doesn't have to continue that way.

Drew Dawson, who is the Director of the Montana Emergency Medical Services Bureau and president of the National Association of State Emergency Medical Services Directors, strongly supports this legislation. He tells me that the bill will help bring better wireless 9–1–1 coverage to Montana and will enhance our statewide Trauma Care System. Mr. Dawson believes this legislation will help him and his emergency folks do their job better, which means it will help them save more lives than they already do.

Montana unfortunately has a high motor vehicle crash death rate. Part of this bill promotes research on something called Automatic Crash Notification technology or ACN as Mr. Dawson and the trauma and emergency professionals call it. ACN technology takes the sensors in cars, such as airbag sensors and speed sensors, and links them to a wireless phone and a location device. When an ACN-equipped car in a remote area of Montana crashes, the car automatically dials 9–1–1. Not only does the car dial 9–1–1 but it transmits data telling the emergency operator where exactly the crash victim is and the likelihood of the victim's injuries. This ACN system also opens up a voice channel enabling the emergency operator to speak to the crash victim.

ACN technology comes into effect only seconds after the crash. It can be rigged so that the emergency operator gets the crash information as well as the nearest trauma center. ACN would eliminate many drawn out search and rescues that usually have to take place.

In these crash situations, time is of the essence. The emergency medical professionals refer to the first hour after a crash as the "Golden Hour." They say if they can get to victims in that first hour, then they have a good chance of limiting the severity of the injuries. Once the clock ticks over an hour, the chances of medical miracles lessen more and more. Reducing response time means the difference between life and death.

I have to say a word about all of the good work that folks like Drew Dawson in Montana and other emergency professionals do all over the country. The United States has the most skilled and dedicated group of medical and emergency professionals in the world. We just need to give them better tools. There is technology out there that can help these professionals and that can help all of us citizens, if, God forbid, we ever find ourselves in an emergency situation needing this kind of help. The Wireless Communications and Public Safety Act of 1998 will help all of us and will make our emergency services even better than they are today.

Mr. President, I hope all of my colleagues will join me and help pass this important legislation.•

RECOGNIZING THE CITIZENS AGAINST LAWSUIT ABUSE (CALA)

• Mr. ROCKEFELLER. Mr. President, I wish to recognize today the efforts of a group of West Virginia citizens who have joined together to address an important issue affecting our state and the nation. These individuals, who have formed Citizens Against Lawsuit Abuse (CALA), are working to educate the public about how excesses in our civil justice system can be harmful.

CALA volunteer spokespersons are speaking out about how lawsuit abuse means people pay through higher prices for consumer products, higher medical expenses, higher taxes and lost business expansion and product development. I should note that my own concerns relate to abuse of the system which comes in the form of frivolous suits and inappropriate delays—not legitimate use of our tort system.

CALA reports that recent studies of liability costs have found that our State has a high lawsuit and liability cost relative to our economic output measured as gross state product. As another example of the effect of lawsuit abuse, CALA's own survey of all West Virginia municipalities last year found an estimated annual lawsuit-related cost for our municipal taxpayers to be more than $9 million. Nationally, it has been estimated that the costs of our civil justice system averages $1200 per person per year.

Legal reform of any kind is not a simple issue. The legal system is essential to provide justice to every American. But that does not mean that the status quo is perfect. When lawsuits and the courts can be used in excess or result in imposing costs without reason on the other parties, from individuals to not-for-profit agencies to businesses, the system should be reviewed and reformed if possible.

I often have spoken about the problems of our product liability system. We see the terrible consequences of our country's confusing patchwork, slow, and often unfair system of product liability rules that need to be properly and fairly reformed.

The leaders of West Virginia's CALA movement should be commended here today. Volunteers such as Robert Mauk of Huntington; Jim Thomas, Sid Davis and Mac McJunkin of Charleston; Cuz Blake of Bridgeport; Phyllis Garner of Clarksburg; Rick Pruitte of Fairmont; and Sam Chico of Morgantown are all working hard to ensure that our State has a strong, fair and effective civil justice system that will serve all West Virginians and grow our economy and job base. These people give their time to speak to community groups, organize educational activities and distribute materials to help us all be conscious of lawsuit costs and excesses of the system.

Citizens Against Lawsuit Abuse groups have declared September 21 through 26 to be "Lawsuit Abuse Awareness Week" in West Virginia. I want to commend these citizens for their dedication and commitment and to acknowledge this week as time of public awareness on the serious issues associated with lawsuit abuse.•

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate immediately proceed to Executive session to consider the following nominations on the Executive Calendar: Nos. 824 through 850, and all nominations on the Secretary's desk in the Air Force, Army, Marine Corps and Navy. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF DEFENSE

James M. Bodner, of Virginia, to be Deputy Under Secretary of Defense for Policy.

Stephen W. Preston, of the District of Columbia, to be General Counsel of the Department of the Navy.

Herbert Lee Buchanan III, of Virginia, to be an Assistant Secretary of the Navy.

Jeh Charles Johnson, of New York, to be General Counsel of the Department of the Air Force.

Richard Danzig, of the District of Columbia, to be Secretary of the Navy.

AIR FORCE

The following named Reserve officer for appointment as Chief of the Air Force Reserve under title 10, U.S.C., section 8038:

To be Chief of the Air Force Reserve, United States Air Force

Maj. Gen. James E. Sherrard, III, 6641

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Robert W. Chedister, 3487

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Charles R. Heflebower, 8234

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Thomas R. Case, 2013

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

To be brigadier general

Col. Richard J. Hart, 0821

The following named officer for appointment as The Judge Advocate General of the United States Air Force and for appointment to the grade indicated under title 10, U.S.C., section 8037:

To be major general

Brig. Gen. William A. Moornan, 5251

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Lt. Gen. Montgomery C. Meigs, 3239

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. William M. Steele, 0433

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. John Costello, 9581

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Ronald E. Adams, 5264

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Randolph W. House, 7507

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. David S. Weisman, 2064

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel J. Petrosky, 1004

The following named officer for appointment in the Reserve of the Army to the grade indicated under title 10, U.S.C., section 12203:

To be rear admiral (lower half)

Capt. James S. Allan, 7214
Capt. Maurice B. Hill, Jr., 6455
Capt. Duret S. Smith, 6254
Capt. James M. Walley, Jr., 5129
Capt. Jerry D. West, 5130

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be admiral

Vice Adm. Dennis C. Blair, 1618

The following named officers for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 6624:

To be rear admiral (lower half)

Capt. David Architzel, 0741
Capt. Jose L. Betancourt, 0044
Capt. Annette E. Brown, 7474
Capt. Brian M. Calhoun, 7720
Capt. Kevin J. Cosgriff, 3968
Capt. Lewis W. Crenshaw, Jr., 4960
Capt. Joseph E. Enright, 8942
Capt. Terrance T. Etnyre, 8044
Capt. Mark P. Fitzgerald, 2694
Capt. Johnathan W. Greenert, 8869
Capt. Charles H. Griffiths, Jr., 0725
Capt. Stephen C. Heilman, 2302
Capt. Curtis A. Kemp, 5881
Capt. Anthony W. Lenderich, 9020
Capt. Walter B. Massenburg, 4394
Capt. Michael G. Mathis, 4091
Capt. James K. Moran, 5752
Capt. Charles L. Munns, 9043
Capt. Richard B. Porterfield, 3989
Capt. Isaac E. Richardson III, 4443
Capt. James A. Robb, 4692
Capt. Paul S. Schultz, 8203
Capt. Joseph A. Sestaak, Jr., 0962
Capt. David M. Stone, 6735
Capt. Steven J. Tomaszeski, 3394
Capt. John W. Townes III, 0177
Capt. Thomas E. Zelibor, 6272

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Vernon E. Clark, 8489

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Jeffrey C. Mabry, and ending Neal A. Thagard, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

Air Force nominations beginning Hart Jacobsen, and ending Henry S. Jordan, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

Air Force nominations beginning Charles C. Armstead, and ending Scott A. Zuerlein, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

Air Force nomination of Larry V. Zettwoch, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

Army nominations beginning *David W. Acuff, and ending *Michael E. Yarman, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

Army nominations beginning David W. Brooks, and ending Shelby R. Pearcy, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

Army nomination of James G. Harris, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

Army nomination of Carl W. Huff, which was received by the Senate and appeared in the Congressional Record of September 3, 1998.

Army nominations beginning Robert D. Alston, and ending Earl R. Woods, Jr., which nominations were received by the Senate and appeared in the Congressional Record of September 3, 1998.

Marine Corps nomination of Edward R. Cawthon, which was received by the Senate and appeared in the Congressional Record of September 2, 1998.

Navy nominations beginning Ann E.B. Adcook, and ending Thomas J. Yurik, which nominations were received by the Senate and appeared in the Congressional Record of July 22, 1998.

Navy nominations beginning David W. Adams, and ending John R. Anderson, which nominations were received by the Senate and appeared in the Congressional Record of July 30, 1998.

Navy nominations beginning Thomas A. Buterbaugh, and ending Dermot P. Cashman, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

Navy nominations beginning Dean A. Barsalaeu, and ending James N. Rosenthal, which nominations were received by the Senate and appeared in the Congressional Record of September 2, 1998.

Navy nominations beginning John M. Adams, and ending Maureen J. Zeller, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

Navy nominations beginning Christopher L. Abbott, and ending Kevin S. Zumbar, which nominations were received by the Senate and appeared in the Congressional Record of September 10, 1998.

Navy nominations beginning Daniel Avenancio, and ending Carl B. Weicksel, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

Navy nominations beginning Karla M. Abreuolson, ending Glen A. Zurlo, which nominations were received by the Senate and appeared in the Congressional Record of September 11, 1998.

Navy nominations beginning Leanne K. Aaby, and ending Michael J. Zucchero, which nominations were received by the Senate and appeared in the Congressional Record of September 14, 1998.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

FEDERAL MEAT AND POULTRY EMPLOYEES PAY ACT OF 1998

Mr. BENNETT. I ask unanimous consent the Agriculture Committee be discharged from further consideration of S. 2511 and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (S. 2511) to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees.

The Senate proceeded to consider the bill.

Mr. BENNETT. I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill was read the third time and passed, as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Meat and Poultry Employees Pay Act of 1998".

SEC. 2. OVERTIME AND HOLIDAY PAY.

(a) IN GENERAL.—The Secretary of Agriculture may—

(1) pay employees of the Department of Agriculture employed in an establishment subject to the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) or the Poultry Products Inspection Act (21 U.S.C. 451 et seq.) for all overtime and holiday work performed at the establishment at rates determined by the Secretary, subject to applicable law relating to minimum wages and maximum hours; and

(2) accept from the establishment reimbursement for any sums paid by the Secretary for the overtime and holiday work, at rates determined under paragraph (1).

(b) AVAILABILITY.—Sums received by the Secretary under this section shall remain available until expended without further appropriation and without fiscal year limitation, to carry out this section.

SEC. 3. CONFORMING AMENDMENTS.

(a) Section 25 of the Poultry Products Inspection Act (21 U.S.C. 468) is amended by striking "except that the cost" and all that follows and inserting "except the cost of overtime and holiday pay paid pursuant to the Federal Meat and Poultry Employees Pay Act of 1998.".

(b) The Act of June 5, 1948 (21 U.S.C. 695), is amended by striking "overtime" and all that follows and inserting "overtime and holiday pay paid pursuant to the Federal Meat and Poultry Employees Pay Act of 1998.".

(c) The matter under the heading "BUREAU OF ANIMAL INDUSTRY" of the Act of July 24, 1919, is amended by striking the next to the last paragraph (7 U.S.C. 394).

(d) Section 5549 of title 5, United States Code is amended by striking paragraph (1) and inserting the following:

"(1) The Federal Meat and Poultry Employees Pay Act of 1998;".

MAMMOGRAPHY QUALITY STANDARDS REAUTHORIZATION ACT OF 1998

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 580, H.R. 4382.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 4382) to amend the Public Health Service Act to revise and extend the program for mammography quality standards.

The Senate proceeded to consider the bill.

Mr. BENNETT. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4382) was considered read the third time and passed.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany H.R. 4112, the legislative branch appropriations bill.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4112), have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 22, 1998.)

Mr. BENNETT. Mr. President, I ask unanimous consent that the conference report be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the conference report be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The conference report was agreed to.

Mr. BENNETT. Mr. President, I must comment as chairman of the legislative branch subcommittee of the Appropriations Committee, I am particularly pleased with the action the Senate has just taken. I am proud of the work we did in conference, and I feel that Members of the Senate, as well as the House, will find the appropriate amount of support allocated for their activities in this conference report.

ORDERS FOR MONDAY, SEPTEMBER 28, 1998

Mr. BENNETT. Mr. President, I now ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 noon on Monday, September 28. I further ask unanimous consent that when the Senate reconvenes on Monday, immediately following the prayer, the Journal of proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired and that the time for the two leaders be reserved. I further ask that the Senate then begin a period for the transaction of morning business until 2 p.m., with Senators permitted to speak for up to 5 minutes each, with the following exceptions:

Senator ROTH in control of the time until 12:40; Senator DORGAN, or his designee, for 40 minutes thereafter.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

PROGRAM

Mr. BENNETT. Mr. President, for the information of all Senators, on Monday, there will be a period for morning business from 12 noon until 2. Following morning business, the motion to proceed to the Internet tax bill will be the pending business. Members are encouraged to come to the floor to discuss the important issue of Internet tax. At 3:30 p.m., under a previous order, the Senate will resume consideration of the so-called Vacancies Act for debate only until 5:30 p.m. Following that debate, at 5:30 p.m., the Senate will proceed to a cloture vote on the vacancies bill. Following that vote, the Senate may consider any other legislative or executive items cleared for action.

Members are reminded that second-degree amendments to the vacancy bill must be filed by 4:30 p.m. on Monday. And as a further reminder, a cloture motion was filed today on the motion to proceed to the Internet tax bill. That vote will occur on Tuesday morning at a time to be determined by the two leaders.

ORDER FOR ADJOURNMENT

Mr. BENNETT. Mr. President, if there is no further business to come before the Senate, following the remarks of Senator LEAHY, who is expected on the floor momentarily, I ask unanimous consent that the Senate stand in adjournment under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JUVENILE JUSTICE BILL

Mr. LEAHY. Mr. President, first, I alert my colleagues that I will speak a very short time. I am going to talk about a UC that I would have proposed but will not propose today but will explain why.

Earlier this month, the Republican majority came to the floor, unfortunately without prior warning, to propound a unanimous consent request for consideration of the Hatch-Sessions juvenile justice bill, S. 10. I see the distinguished Senator from Alabama here on the floor now. The UC was proposed late on Thursday afternoon. Unfortunately, it was after Senators had been informed there would be no more votes. In fact, I had already left for home in Vermont. We were unaware that they might want to proceed to S. 10 on Thursday.

My concern is that there had been a year of inaction on the bill. I had tried to propose some additional changes to the bill, which was voted on by the Judiciary Committee in July 1997, but I was unable to get any response from the other side of the aisle in the Judiciary Committee on that. There was also no attempt to get a response from this side of the aisle on the proposed UC.

I mention this because the failure of this Congress to take up and pass responsible juvenile crime legislation does not rest with the Democrats. And it is not going to be cured by any kind of a procedural floor gimmick.

Over the past year, I have spoken on the floor of the Senate and at hearings on several occasions about my concerns with the legislation. At the same time, I have expressed my willingness to work with the chairman of the full committee in a bipartisan manner to improve the juvenile crime bill.

I am not alone in my criticisms and in wanting to see changes in the bill. It has been criticized by virtually every major newspaper in the United States. It has been criticized by national leaders ranging from Chief Justice Rehnquist to Marian Wright Edelman, President of the Children's Defense Fund. The National District Attorneys Association, and other law enforcement agencies have also written me with their concerns about this bill.

I have also heard from numerous State and local officials across the United States, including the National Governors' Association, the Council of State Governments, the U.S. Conference of Mayors, the National Association of Counties, and the National Conference of State Legislatures. All of them have expressed concerns about the restrictions this bill would place on their ability to combat and prevent juvenile crime effectively.

In short, S. 10, as reported by the Judiciary Committee, is a bill laden with problems—in fact, so many that at last count the bill had lost nearly a quarter of the Republicans who signed on as cosponsors since its introduction.

The unanimous consent request that was proposed by the other side of the aisle, I believe, was patently unfair. It would have limited debate of juvenile justice and other crime matters. It would have permitted the Republicans to offer a substitute to their own bill but not allowed Democrats the same opportunity. The only additional amendments in order under their plan would be five on each side.

We just received from the chairman of the Judiciary Committee the day before yesterday, September 23, the latest version of S. 10 which contains over 100 different changes, but the Republicans want to limit us to 5 amendments. That is not a bipartisan effort to improve this bill.

While I appreciate that we are short of time in this Congress, and I understand why the Republican leadership would like to limit the number of amendments the Democrats may offer, of course, the decision to bring the bill up at the end of the Congress is that of the majority. I have no problem with that.

But we have worked diligently to pare down the amendments that the Democrats plan to offer to S. 10 from 64 to the 25 substantive amendments which I would have put in a proposed UC. Keep in mind what I said, also, that just a couple days ago we were handed the latest version from the other side with over 100 changes. We are talking about cutting Democratic amendments from 64 to 25 substantive ones that address the substantial criticisms leveled at this bill. I want to assure that Senate consideration of this legislation is fair, full, and productive. I do not appreciate, frankly, what appears to be almost a procedural ambush to move this bill forward in a way that allows consideration of all changes from the other side but very few from this side.

So, Mr. President, I am not going to make a unanimous consent request, but I ask to put this into the RECORD—not as a unanimous consent request. I ask unanimous consent to have printed in the RECORD what I would recommend should be a unanimous consent request to be asked by the leadership entitled "Juvenile Justice."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JUVENILE JUSTICE

I ask unanimous consent that it be in order for the majority leader, after consultation with the democratic leader to proceed to Calendar No. 210, S. 10, The Violent and Repeat Juvenile Offender Act and it be considered under the following limitations:

That the only amendments in order be a substitute amendment offered by Senators Hatch and Sessions, a substitute amendment offered by the minority leader or his designee and the following listed amendments, and that if either substitute is agreed to that the substitute continue to be amendable in two degrees:

Leahy—judicial review procedures in certain juveniles cases; preservation of state presumption for prosecution of most juveniles; access to juvenile records; separation standard for juveniles in custody; crime victims assistance.

Kennedy—gun control measure; Hate Crimes Prevention Act; reauthorization of the Juvenile Justice and Delinquency Prevention Act.

Biden—prevention program for after-school activities; increase funding for prosecutor/courts grant program; modify requirements to qualify for funding from $150 million grant program; gun ban for dangerous teens; preserve the sovereign rights of native Americans by continuing the tribal "OPT-IN"; extension crime law trust fund.

Kohl—reauthorize title V programs; restoration of the jail removal mandate.

Feingold—improve school safety; allow funds to be used to identify early warning signs of potential juvenile offenders.

Durbin—relevant.

Bingaman—Truancy Prevention and Juvenile Crime Reduction Act; to strike provisions relating to tobacco and alcohol.

Lautenberg—jump mentoring bill, S. 1461.

Wellstone—juvenile mental health protections.

Murray—restorative/community justice.

That there may be a managers package of amendments to be cleared by both the majority and minority manager; and

I finally ask consent that following the disposition of any or all amendments the bill read a third time, the Judiciary Committee be discharged from further consideration of H.R. 1818 and the Senate proceed to its consideration; all after the enacting clause be stricken and the text of S. 10, as amended be inserted in lieu thereof, the bill be read a third time and the Senate proceed to a vote on passage of the bill. I further ask that following the vote the Senate insist on its amendment, request a conference with the House and the Chair be authorized to appoint conferees on the part of the Senate.

Mr. SESSIONS. There was a unanimous consent——

Mr. LEAHY. No, no. I tell my friend from Alabama, this is what I would propose. I already stated that. And I have informed the floor staff on the Republican side that I would not make the unanimous consent request to this proposal at this time. Anyone who has known me for 24 years here knows I would never do this. I would not propose a unanimous consent request on a day when everybody has taken off already to the various airports or home. But I am putting into the RECORD, so that Senators can read it on Monday, what would have been my proposal if we were able to make it. I would not seek to ambush the other side. I have not done that in 24 years, and I am not about to start now.

Mr. SESSIONS. Thank you.

Mr. LEAHY. Thank you, Mr. President.

I yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

The Chair advises the Senator, because of the previous order, he will have to seek unanimous consent to speak at this point.

Mr. SESSIONS. I ask unanimous consent, Mr. President, notwithstanding the previous order for adjournment, I be permitted to speak, and the Senate then adjourn under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. I really appreciate Senator LEAHY and his leadership as ranking member on the Judiciary Committee. I would suggest, with regard to juvenile justice, that we have not had a year of inaction, as the Senator said. There were 100 changes proposed, and most of those in an apparently futile attempt to gain the support of Democratic Members who have been using procedural tactics to block the consideration of that bill.

The bill came out of the Judiciary Committee on a 12-6 vote, and with bipartisan support. Since that time, we have sought to gain additional support from the Democratic side. I have been a prosecutor for almost 20 years. I believe in this bill. It is not a political bill. It is a bill that provides resources and support and strength right to the local juvenile courts throughout America. It is in those courts where the real progress is being made in fighting juvenile crime.

I see the Presiding Officer, the Senator from Ohio. A few months ago we had the opportunity to meet in Ohio with a juvenile judge, Judge Grossman, who allowed us to witness a model program in action. In this program the judges have the resources and the capacity to confront youngsters when they are first arrested for juvenile crimes, and the judges also have the option to do something effective to confront those children and to change them from the road of destruction on which they are too often headed. A community may have alternative schools. It may have boot camps. It may have intensive probation supervision. In Ohio, Judge Grossman has a truancy program with trials conducted in the schoolroom with the Judge present. These are the kind of programs that can actually deter juvenile crime in America.

That is the heart and soul of this juvenile justice bill. I hope somehow, some way we can get a vote on it this time. It has been frustrating that we have not been able to do that yet. The National Juvenile Judges Association, the Fraternal Order of Police, the Boy's and Girl's Club, and organization after organization have supported this piece of legislation. I don't think there is any group more interested and more professionally concerned than the National Juvenile Judges Association. They have spent a good bit of time analyzing it, and they support it. This bill certainly represents a very important step forward.

I thank this body and I thank the Presiding Officer for his leadership on juvenile crime and juvenile justice. It is a matter close to my heart. The Presiding Officer is a former prosecutor who has given intensive leadership to that issue.

The legislation we have today is a product of bipartisan compromise and a lot of hard work. I think it is an excellent bill and it will be a tragedy, indeed, if for partisan reasons we are not able to bring it forward.

The House has acted on good legislation. If we can get our legislation passed, even in these last few days—I know the time is short—if we can get ours passed and go to conference and work together one more time, we could pass a bill that the people of this country would be proud of and would, in fact, allow us to intervene in the lives of kids who are going wrong and get them on the right track. Sometimes that takes tough intervention. Sometimes they need to go to a boot camp or detention facility or alternative school. We need to help encourage States to do that. Mr. President, I thank the occupant of the Chair for his time and his leadership on this matter.

TENNESSEE VALLEY AUTHORITY

Mr. SESSIONS. Mr. President, I was taken aback this morning after reading statements made by Vice President GORE that appeared in an article detailing the decision made by the Energy and Water Appropriations conference committee to eliminate Federal funding for the Tennessee Valley Administration's non-power programs. Funding for these TVA programs has been going on since TVA's inception. It has been pared down very much, year after year after year, until it has reached an amount that really can fund only the maintenance of the waterway, the dams, the flow of water, and reservoirs contained therein.

The conference committee has determined and has decided that funding for these programs will be eliminated. I am extremely disappointed in that. I want to say a few things about this decision and how it came about, but first I want to comment on what the Vice President said in today's AP story. According to published accounts, Vice President GORE said he was deeply disappointed in these program reductions. Then he said, "The conference committee's action in zeroing out TVA is completely misguided, unjustified, unfair, and it seriously undermines TVA's important role in enhancing the Tennessee Valley."

That is what the Vice President said, "* * * completely misguided, unjustified, unfair, and it seriously undermines TVA's important role in * * * the Tennessee Valley."

I agree that the decision to eliminate this funding is unfair because for the first time the ratepayer, the Tennessee Valley power payers, will be asked to keep up a waterway, even though every other waterway in America is kept up by taxpayers, through either the Corps of Engineers or other agencies. This is a major change and I think it was an unwise decision.

Mr. President, just 2 years ago this administration took action that directly led to this result. There has been debate for some time as to whether or not we ought to fund the Tennessee Valley Authority in this way. Two years ago this President and this Vice President, working through the Office of Management and Budget, which is a part of this administration, submitted a budget to this Congress that zeroed out nonpower funding for the Tennessee Valley Authority. The last time I checked, the Vice President was a part of this administration.

Now, those of us who opposed the Administration's decision are in trouble. There was a debate about reducing TVA's funding. People took different sides on it. The chairman of the Tennessee Valley Authority is a personal friend of the Vice President. The Vice President helped the current TVA chairman get his appointment and the Vice President consults with him regularly. Initially, the TVA chairman said he thought the Administration's funding reductions were a good idea and he supported the Clinton Administration's position. We asked him to reconsider. Chairman Crowell held hearings and studied the issue and came back and said he didn't think the Administration's position was a good idea after all; he changed his mind.

What I am saying, Mr. President, is that we are "living in spin" in this city. It offends me. It is a matter of basic integrity. I am just a former prosecutor from Alabama. I haven't been in this body 2 years. Maybe you are supposed to become immune to these things. I am not immune to it yet. When the Vice President says, "It is completely misguided, unjustified, unfair," and yet 2 years ago he submitted a budget to do the very thing he is now criticizing, it strikes me as somewhat unusual and unfair and unjustified for him to say that.

The reason this funding failed and the reason the conference committee succeeded over my objection and over the objection of Senators THOMPSON, FRIST, SHELBY and others involved in the Tennessee Valley, was because of the impetus given to this effort by this administration when, along with their chairman of TVA, they supported proposed funding reductions 2 years ago. Once the Administration supported it and said it was a good idea—and were joined in this belief by the TVA leadership itself—it was almost impossible to change the decisionmaking momentum. I am disappointed. I remember that a little over a year ago we held a TVA caucus meeting with the chairman of the Tennessee Valley Authority, Mr. Craven Crowell. During this meeting Mr. Crowell met with Members of the House of Representatives and with Senators who live in the area and who care about the Tennessee Valley. This meeting gave us the opportunity to come together and share information and discuss issues of importance regarding how to make TVA work better. I asked if he had discussed with the President of the United States, President Clinton, the zeroing out of funding for TVA's nonpower resources, and Mr. Crowell said yes. I said, "Have you talked with the Office of Management and Budget?" and Mr. Crowell replied, "Yes, I spend a lot of time with them." Then I asked, knowing that the Vice President is from Tennessee and had previously been involved in TVA, "Did you talk with the Vice President about it," and Mr. Crowell said the Vice President "knew about it."

So, now we have it. More spin in the Capitol. The President and Vice President personally engaged in recommending the zeroing out of this budget item 2 years ago and now they are coming forward to attack those who carried out what they recommended. In fact, the budget the President submitted has zero dollars for nonpower in the Tennessee Valley.

Whatever happens with this issue and what we will do about it, I don't know. I continue to adhere to the belief that it is unfair to ask the people who live there to fund the waterway maintenance and upkeep—that is what we are talking about—when no other place in the country does it that way. The taxpayers, through the Corps of Engineers or other agencies, do that throughout the country.

It shocks my conscience and doesn't enhance my respect for the credibility, integrity, and the honesty of the Vice President to have him make the kind of comments I quoted earlier. In truth, had the President and Vice President not supported reducing this funding 2 years ago, it would not be passing now. I think most people who keep up with the details of this situation know what I am saying is true.

ADJOURNMENT UNTIL MONDAY, SEPTEMBER 28, 1998

The PRESIDING OFFICER. Under the previous order, the Senate now stands in adjournment until 12 noon, Monday, September 28.

Thereupon, the Senate, at 1:28 p.m., adjourned until Monday, September 28, 1998, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 25, 1998:

NATIONAL SCIENCE FOUNDATION

GEORGE M. LANGFORD, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004, VICE CHARLES EDWARD HESS, TERM EXPIRED.

JOSEPH A. MILLER, JR. OF DELAWARE, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004, VICE JOHN HOPCROFT, TERM EXPIRED.

MAXINE L. SAVITZ, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004, VICE FRANK H.T. RHODES, TERM EXPIRED.

LUIS SEQUERIA, OF WISCONSIN, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004, VICE IAN M. ROSS, TERM EXPIRED.

CHANG-LIN TIEN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004, VICE RICHARD NEIL ZARE, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 25, 1998:

DEPARTMENT OF DEFENSE

JAMES M. BODNER, OF VIRGINIA, TO BE DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY.

STEPHEN W. PRESTON, OF THE DISTRICT OF COLUMBIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE NAVY.

HERBERT LEE BUCHANAN III, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

JEH CHARLES JOHNSON, OF NEW YORK, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE AIR FORCE.

RICHARD DANZIG, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF THE NAVY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED RESERVE OFFICER FOR APPOINTMENT AS CHIEF OF THE AIR FORCE RESERVE UNDER TITLE 10, U.S.C., SECTION 8038:

To be chief of the air force reserve, united states air force

MAJ. GEN. JAMES E. SHERRARD, III, 6641.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. ROBERT W. CHEDISTER, 3487.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. CHARLES R. HEFLEBOWER, 8234.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. THOMAS R. CASE, 2013.

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. RICHARD J. HART, 0821.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE JUDGE ADVOCATE GENERAL OF THE UNITED STATES AIR FORCE AND FOR APPOINTMENT TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 8037:

To be major general

BRIG. GEN. WILLIAM A. MOORMAN, 5251.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

LT. GEN. MONTGOMERY C. MEIGS, 3239.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. WILLIAM M. STEELE, 0433.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN COSTELLO, 9581.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RONALD E. ADAMS, 5264.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. RANDOLPH W. HOUSE, 7507.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

to be lieutenant general

MAJ. GEN. DAVID S. WEISMAN, 2064.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. DANIEL J. PETROSKY, 1004.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. DARREL W. MCDANIEL, 4512.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be general

GEN. ERIC K. SHINSEKI, 3256.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. MICHAEL J. BYRON, 1295.

IN THE NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) KEITH W. LIPPERT, 1581.
REAR ADM. (LH) PAUL O. SODERBERG, 9559.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

CAPT. MARK R. FEICHTINGER, 3808.
CAPT. JOHN A. JACKSON, 3255.
CAPT. SAM H. KUPRESIN, 8757.
CAPT. JOHN P. MCLAUGHLIN, 4645.
CAPT. JAMES B. PLEHAL, 5145.
CAPT. MARKE R. SHELLEY, 9994.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVAL RESERVE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be rear admiral (lower half)

CAPT. JAMES S. ALLAN, 7214.
CAPT. MAURICE B. HILL, JR., 6455.
CAPT. DURET S. SMITH, 6254.
CAPT. JAMES M. WALLEY, JR., 5129.
CAPT. JERRY D. WEST, 5130.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be admiral

VICE ADM. DENNIS C. BLAIR, 1618.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral (lower half)

CAPT. DAVID ARCHITZEL, 0741.
CAPT. JOSE L. BETANCOURT, 0044.
CAPT. ANNETTE E. BROWN, 7474.
CAPT. BRIAN M. CALHOUN, 7720.
CAPT. KEVIN J. COSGRIFF, 3968.
CAPT. LEWIS W. CRENSHAW, JR., 4960.
CAPT. JOSEPH E. ENRIGHT, 8942.
CAPT. TERRANCE T. ETNYRE, 8044.
CAPT. MARK P. FITZGERALD, 2694.
CAPT. JONATHAN W. GREENERT, 8869.
CAPT. CHARLES H. GRIFFITHS, JR., 0725.
CAPT. STEPHEN C. HEILMAN, 2302.
CAPT. CURTIS A. KEMP, 5881.
CAPT. ANTHONY W. LENDERICH, 9020.
CAPT. WALTER B. MASSENBURG, 4394.
CAPT. MICHAEL G. MATHIS, 4091.
CAPT. JAMES K. MORAN, 5752.
CAPT. CHARLES L. MUNNS, 9043.
CAPT. RICHARD B. PORTERFIELD, 3989.
CAPT. ISSAC E. RICHARDSON III, 4443.
CAPT. JAMES A. ROBB, 4692.
CAPT. PAUL S. SCHULTZ, 8203.
CAPT. JOSEPH A. SESTAAK, JR., 0962.
CAPT. DAVID M. STONE, 6735.
CAPT. STEVEN J. TOMASZESKI, 3394.
CAPT. JOHN W. TOWNES III, 0177.
CAPT. THOMAS E. ZELIBOR, 6272.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. VERNON E. CLARK, 8489.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING JEFFREY C. MABRY, AND ENDING NEAL A. THAGARD, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 30, 1998.

AIR FORCE NOMINATIONS BEGINNING HART JACOBSEN, AND ENDING HENRY S. JORDAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 2, 1998.

AIR FORCE NOMINATIONS BEGINNING CHARLES C. ARMSTEAD, AND ENDING SCOTT A. ZUERLEIN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 2, 1998.

AIR FORCE NOMINATION OF LARRY V. ZETTWOCH, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 3, 1998.

IN THE ARMY

ARMY NOMINATIONS BEGINNING *DAVID W. ACUFF, AND ENDING *MICHAEL E. YARMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 22, 1998.

ARMY NOMINATIONS BEGINNING DAVID W. BROOKS, AND ENDING SHELBY R. PEARCY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 30, 1998.

ARMY NOMINATION OF JAMES G. HARRIS, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 2, 1998.

ARMY NOMINATION OF CARL W. HUFF, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 3, 1998.

ARMY NOMINATIONS BEGINNING ROBERT D. ALSTON, AND ENDING EARL R. WOODS, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 3, 1998.

IN THE MARINE CORPS

MARINE CORPS NOMINATION OF EDWARD R. CAWTHON, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 2, 1998.

IN THE NAVY

NAVY NOMINATIONS BEGINNING ANN E.B. ADCOOK, AND ENDING THOMAS J. YURIK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 22, 1998.

NAVY NOMINATIONS BEGINNING DAVID W. ADAMS, AND ENDING JOHN R. ANDERSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 30, 1998.

NAVY NOMINATIONS BEGINNING THOMAS A. BUTERBAUGH, AND ENDING DERMOT P. CASHMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 2, 1998.

NAVY NOMINATIONS BEGINNING DEAN A. BARSALEAU, AND ENDING JAMES N. ROSENTHAL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 2, 1998.

NAVY NOMINATIONS BEGINNING JOHN M. ADAMS, AND ENDING MAUREEN J. ZELLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 10, 1998.

NAVY NOMINATIONS BEGINNING CHRISTOPHER L. ABBOTT, AND ENDING KEVIN S. ZUMBAR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 10, 1998.

NAVY NOMINATIONS BEGINNING DANIEL AVENANCIO, AND ENDING CARL B. WEICKSEL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 11, 1998.

NAVY NOMINATIONS BEGINNING KARLA M. ABREUOLSON, AND ENDING GLEN A. ZURLO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 11, 1998.

NAVY NOMINATIONS BEGINNING LEANNE K. AABY, AND ENDING MICHAEL J. ZUCCHERO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 14, 1998.

HOUSE OF REPRESENTATIVES—*Friday, September 25, 1998*

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. MILLER of Florida).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 25, 1998.

I hereby designate the Honorable DAN MILLER to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Reverend Douglas Tanner, Faith & Politics Institute, Washington, D.C., offered the following prayer:

Let us pray. Almighty God, we come before You this morning conscious of a change in the seasons. We still see around us signs of a dry summer. Trees have suffered, and some have died. Others, with deeper roots, have reached well below the surface, found water, and grown even in the drought-like conditions, like President Nelson Mandela in his prison cell. We marvel at the ways You redeem Your creation.

We know, O God, that we could experience the coming season in this institution as one of spiritual drought, with little rain falling to nurture mutual respect and appreciation for each other across ideological and party lines. We could see streams of wisdom and statesmanship disappear into a desert of superficial and self-righteous postures.

Save us, we pray, from such a season. But if we must fully enter it, deepen the roots in our souls. Nourish our awareness, Lord, of truth, beauty, compassion, and understanding, that in even such a season, we may grow toward Your light. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New York (Mr. SCHUMER) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHUMER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3506. An act to award a congressional gold medal to Gerald R. and Betty Ford.

CONFERENCE REPORT ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999

Mr. YOUNG of Florida submitted the following conference report and statement on the bill (H.R. 4103) making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–746)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103) "making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, for military functions administered by the Department of Defense, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $20,841,687,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $16,570,754,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $6,263,387,000.

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,211,987,000.

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 10211, 10302, and 3038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,167,052,000.

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Department of Defense Military Retirement Fund; $1,426,663,000.

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 10211 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $406,616,000.

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 10211, 10305, and 8038 of title 10, United States Code, or while serving on active duty under section 12301(d) of title 10, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $852,324,000.

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 10211, 10302, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,489,987,000.

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 10211, 10305, or 12402 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 12301(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 12310(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 16131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,377,109,000.

TITLE II

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $11,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $17,185,623,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: Provided, That of the funds appropriated in this paragraph, not less than $355,000,000 shall be made available only for conventional ammunition care and maintenance.

OPERATION AND MAINTENANCE, NAVY

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $5,360,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $21,872,399,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $2,578,718,000.

OPERATION AND MAINTENANCE, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $7,968,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $19,021,045,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $10,914,076,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $29,000,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes: Provided, That of the funds appropriated under this heading, $10,000,000 shall be made available only for use in federally owned educational facilities located on military installations for the purpose of transferring title of such facilities to the local educational facilities.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,202,622,000.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $957,239,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $117,893,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,747,696,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,678,015,000: Provided, That not later than March 15, 1999, the Director of the Army National Guard shall provide a report to the congressional defense committees identifying the allocation, by installation and activity, of all base operations funds appropriated under this heading.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things, hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $3,106,933,000.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses directly relating to Overseas Contingency Operations by United States military forces; $439,400,000, to remain available until expended: Provided, That the Secretary of Defense may transfer these funds only to operation and maintenance accounts within this title, and to working capital funds: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: Provided further, That the transfer authority provided in this paragraph is in addition to any other transfer authority contained elsewhere in this Act.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $7,324,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, ARMY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $370,640,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Army, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation: Provided further, That not more than twenty-five per centum of funds provided under this heading may be obligated for environmental remediation by the Corps of Engineers under total environmental remediation contracts.

ENVIRONMENTAL RESTORATION, NAVY

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Navy, $274,600,000, to remain available until transferred: Provided, That the Secretary of the Navy shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Navy, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Navy, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, AIR FORCE

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Air Force, $372,100,000, to remain available until transferred: Provided, That the Secretary of the Air Force shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of the Air Force, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Air Force, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense, $26,091,000, to remain available until transferred: Provided, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes, transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

(INCLUDING TRANSFER OF FUNDS)

For the Department of the Army, $225,000,000, to remain available until transferred: Provided, That the Secretary of the Army shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris at sites formerly used by the Department of Defense, transfer the funds made available by this appropriation to other appropriations made available to the Department of the Army, to be merged with and to be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For expenses relating to the Overseas Humanitarian, Disaster, and Civic Aid programs of the Department of Defense (consisting of the programs provided under sections 401, 402, 404, 2547, and 2551 of title 10, United States Code); $50,000,000, to remain available until September 30, 2000.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $440,400,000, to remain available until September 30, 2001: Provided, That of the amounts provided under this heading, $35,000,000 shall be available only to support the dismantling and disposal of nuclear submarines and submarine reactor components in the Russian Far East.

QUALITY OF LIFE ENHANCEMENTS, DEFENSE

For expenses, not otherwise provided for, resulting from unfunded shortfalls in the repair and maintenance of real property of the Department of Defense (including military housing and barracks); $455,000,000, for the maintenance of real property of the Department of Defense (including minor construction and major maintenance and repair), which shall remain available for obligation until September 30, 2000, as follows:

Army, $137,000,000;
Navy, $121,000,000;
Marine Corps, $27,000,000;
Air Force, $108,000,000;
Army Reserve, $26,000,000;
Navy Reserve, $12,400,000;
Marine Corps Reserve, $7,600,000;
Air Force Reserve, $6,000,000; and
Air National Guard, $10,000,000.

PENTAGON RENOVATION TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, resulting from the Department of Defense renovation of the Pentagon Reservation; $279,820,000 shall be derived by transfer from the Operation and Maintenance accounts in this Act, for the renovation of the Pentagon Reservation, which shall remain available for obligation until September 30, 2000, as follows:

Army, $96,000,000;
Navy, $32,087,000;
Marine Corps, $9,513,000;
Air Force, $52,200,000; and
Defense-Wide, $90,020,000.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,388,268,000, to remain available for obligation until September 30, 2001.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,226,335,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,548,340,000, to remain available for obligation until September 30, 2001.

PROCUREMENT OF AMMUNITION, ARMY

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and *contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,065,955,000, to remain available for obligation until September 30, 2001.*

Other Procurement, Army

For construction, procurement, production, and modification of vehicles, including tactical, support, and non-tracked combat vehicles; the purchase of not to exceed 37 passenger motor vehicles for replacement only; and the purchase of 54 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $230,000 per vehicle; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $3,339,486,000, to remain available for obligation until September 30, 2001.

Aircraft Procurement, Navy

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $7,541,709,000, to remain available for obligation until September 30, 2001.

Weapons Procurement, Navy

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,211,419,000, to remain available for obligation until September 30, 2001.

Procurement of Ammunition, Navy and Marine Corps

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $484,203,000, to remain available for obligation until September 30, 2001.

Shipbuilding and Conversion, Navy

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

NSSN, $1,498,165,000;

NSSN (AP), $504,736,000;

CVN–77 (AP), $124,515,000;

CVN Refuelings (AP), $274,980,000;

DDG–51 destroyer program, $2,667,078,000;

DDG–51 destroyer program (AP), $7,396,000;

LPD–17 amphibious transport dock ship, $638,780,000;

LHD–8 (AP), $45,000,000;

Oceanographic ship program, $60,341,000;

LCAC landing craft air cushion program, $16,000,000; and

For craft, outfitting, post delivery, conversions, and first destination transportation, $198,761,000;

In all: $6,035,752,000, to remain available for obligation until September 30, 2003: Provided, That additional obligations may be incurred after September 30, 2003, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: Provided further, That none of the funds provided under this heading for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: Provided further, That none of the funds provided under this heading shall be used for the construction of any naval vessel in foreign shipyards.

Other Procurement, Navy

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 246 passenger motor vehicles for replacement only; and the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $225,000 per vehicle; lease of passenger motor vehicles; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $4,072,662,000 to remain available for obligation until September 30, 2001.

Procurement, Marine Corps

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 37 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; $874,216,000, to remain available for obligation until September 30, 2001.

Aircraft Procurement, Air Force

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $8,095,507,000, to remain available for obligation until September 30, 2001.

Missile Procurement, Air Force

For construction, procurement, and modification of missiles, spacecraft, rockets, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $2,069,827,000, to remain available for obligation until September 30, 2001.

Procurement of Ammunition, Air Force

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854 of title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $379,425,000, to remain available for obligation until September 30, 2001.

Other Procurement, Air Force

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 267 passenger motor vehicles for replacement only; the purchase of one vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $240,000 per vehicle; lease of passenger motor vehicles; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,960,483,000, to remain available for obligation until September 30, 2001.

Procurement, Defense-Wide

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not *otherwise provided for; the purchase of not to exceed 346 passenger motor vehicles for replacement only; the purchase of 4 vehicles required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $165,000 per vehicle; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $1,944,833,000, to remain available for obligation until September 30, 2001.*

NATIONAL GUARD AND RESERVE EQUIPMENT

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $352,000,000, to remain available for obligation until September 30, 2001: Provided, That the Chiefs of the Reserve and National Guard components shall, not later than 30 days after the enactment of this Act, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $5,031,788,000, to remain available for obligation until September 30, 2000: Provided, That of the funds made available under this heading, $15,000,000 shall be available only to commence in fiscal year 1999 a live fire, side-by-side operational test and evaluation of the air-to-air Starstreak and air-to-air Stinger missiles fired from the AH–64D Apache helicopter: Provided further, That in conjunction with the development of a test plan, the Secretary of the Army shall certify the following, in writing, to the congressional defense committees:

(1) Engagement tests can be safely conducted with both Starstreak and Stinger missiles from the AH–64D helicopter at air speeds consistent with the normal operating limits of that aircraft;

(2) The Starstreak missiles utilized in the test will be provided at no cost to the United States Government;

(3) None of the $15,000,000 provided will be used to develop modifications to the Starstreak or the Stinger missiles; and

(4) Both the Starstreak and Stinger missiles can be fired from the AH–64D aircraft consistent with the survivability of the aircraft and missile performance standards contained in the Army's Air-to-Air Missile Capability Need Statement approved by the Department of the Army in January 1997.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $8,636,649,000, to remain available for obligation until September 30, 2000: Provided, That funds appropriated in this paragraph which are available for the V–22 may be used to meet unique requirements of the Special Operation Forces: Provided further, That notwithstanding 10 U.S.C. 2366, none of the funds made available under this heading may be used to conduct system-level live-fire shock tests on the SSN–21 class of submarines unless the Commander-in-Chief of the United States Atlantic Command certifies in writing to the congressional defense committees that such testing must be conducted to meet operational requirements for those submarines.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment; $13,758,811,000, to remain available for obligation until September 30, 2000.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment; $9,036,551,000, to remain available for obligation until September 30, 2000: Provided, That not less than $310,446,000 of the funds made available under this heading shall be made available only for the Sea-Based Wide Area Defense (Navy Upper-Tier) program: Provided further, That funding for the Sea-Based Wide Area Defense (Navy Upper-Tier) program in this or any other Act shall be used for research, development and deployment including, but not limited to, continuing ongoing risk reduction activities, initiating system engineering for an initial Block I capability, and deployment at the earliest feasible time following Aegis Lightweight Exoatmospheric Projectile (LEAP) intercept flight tests.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $258,606,000, to remain available for obligation until September 30, 2000.

OPERATIONAL TEST AND EVALUATION, DEFENSE

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $34,245,000, to remain available for obligation until September 30, 2000.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

DEFENSE WORKING CAPITAL FUNDS

For the Defense Working Capital Funds; $94,500,000.

NATIONAL DEFENSE SEALIFT FUND

(INCLUDING TRANSFER OF FUNDS)

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744); $708,366,000, to remain available until expended: Provided, That none of the funds provided in this paragraph shall be used to award a new contract that provides for the acquisition of any of the following major components unless such components are manufactured in the United States: auxiliary equipment, including pumps, for all shipboard services; propulsion system components (that is; engines, reduction gears, and propellers); shipboard cranes; and spreaders for shipboard cranes: Provided further, That the exercise of an option in a contract awarded through the obligation of previously appropriated funds shall not be considered to be the award of a new contract: Provided further, That notwithstanding any other provision of law, of the funds available under this heading, $28,800,000 shall be transferred to "Alteration of Bridges": Provided further, That the Secretary of the military department responsible for such procurement may waive the restrictions in the first proviso on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $10,149,872,000, of which $9,727,985,000 shall be for Operation and maintenance, of which not to exceed two per centum shall remain available until September 30, 2000, of which $402,387,000, to remain available for obligation until September 30, 2001, shall be for Procurement, and of which $19,500,000, to remain available for obligation until September 30, 2000, shall be for Research, development, test and evaluation: Provided, That of the amounts made available under this heading for Operation and maintenance, not less than $25,000,000 shall be only for breast cancer treatment and access to care.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile; $780,150,000, of which $491,700,000 shall be for Operation and maintenance, $115,670,000 shall be for Procurement to remain available until September 30, 2001, and $172,780,000 shall be for Research, development, test and evaluation to remain available until September 30, 2000: Provided, That of the funds available under this heading, $1,000,000 shall be available until expended each year only for a Johnston Atoll off-island leave program: Provided further, That the Secretaries concerned shall, pursuant to uniform regulations, prescribe travel and transportation allowances for travel by participants in the off-island leave program.

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $735,582,000: Provided, That the funds appropriated under this heading shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: Provided further, That the transfer *authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.*

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $132,064,000, of which $130,764,000 shall be for Operation and maintenance, of which not to exceed $500,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $1,300,000, to remain available until September 30, 2001, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $201,500,000.

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Intelligence Community Management Account; $129,123,000, of which $30,290,000 for the Advanced Research and Development Committee shall remain available until September 30, 2000: Provided, That of the funds appropriated under this heading, $27,000,000 shall be transferred to the Department of Justice for the National Drug Intelligence Center to support the Department of Defense's counter-drug intelligence responsibilities, and of the said amount, $1,500,000 for Procurement shall remain available until September 30, 2001, and $3,000,000 for Research, development, test and evaluation shall remain available until September 30, 2000.

PAYMENT TO KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION FUND

For payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund, as authorized by law; $25,000,000, to remain available until expended.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $3,000,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: Provided, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: Provided further, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: Provided further, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: Provided, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $1,650,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: Provided further, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: Provided further, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: Provided, That transfers may be made between such funds: Provided further, That transfers may be made between working capital funds and the "Foreign Currency Fluctuations, Defense" appropriation and the "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the congressional defense committees.

SEC. 8008. None of the funds provided in this Act shall be available to initiate: (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000; or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the congressional defense committees have been notified at least 30 days in advance of the proposed contract award: Provided, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: Provided further, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: Provided further, That no multiyear procurement contract can be terminated without 10-day prior notification to the congressional defense committees: Provided further, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

E–2C aircraft;

Longbow Hellfire missile; and

Medium Tactical Vehicle Replacement (MTVR).

SEC. 8009. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: Provided, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99–239: Provided further, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8010. (a) During fiscal year 1999, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(b) The fiscal year 2000 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2000 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 2000.

(c) Nothing in this section shall be construed to apply to military (civilian) technicians.

SEC. 8011. Notwithstanding any other provision of law, none of the funds made available by *this Act shall be used by the Department of Defense to exceed, outside the 50 United States, its territories, and the District of Columbia, 125,000 civilian workyears: Provided, That workyears shall be applied as defined in the Federal Personnel Manual: Provided further, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.*

SEC. 8012. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8013. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 3015(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: Provided, That in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: Provided further, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: Provided, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: Provided further, That this subsection applies only to active components of the Army.

SEC. 8014. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That this section and subsections (a), (b), and (c) of 10 U.S.C. 2461 shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 per centum Native American ownership.

(TRANSFER OF FUNDS)

SEC. 8015. Funds appropriated in title III of this Act for the Department of Defense Pilot Mentor-Protege Program may be transferred to any other appropriation contained in this Act solely for the purpose of implementing a Mentor-Protege Program developmental assistance agreement pursuant to section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2301 note), as amended, under the authority of this provision or any other transfer authority contained in this Act.

SEC. 8016. None of the funds in this Act may be available for the purchase by the Department of Defense (and its departments and agencies) of welded shipboard anchor and mooring chain 4 inches in diameter and under unless the anchor and mooring chain are manufactured in the United States from components which are substantially manufactured in the United States: Provided, That for the purpose of this section manufactured will include cutting, heat treating, quality control, testing of chain and welding (including the forging and shot blasting process): Provided further, That for the purpose of this section substantially all of the components of anchor and mooring chain shall be considered to be produced or manufactured in the United States if the aggregate cost of the components produced or manufactured in the United States exceeds the aggregate cost of the components produced or manufactured outside the United States: Provided further, That when adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis, the Secretary of the service responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8017. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: Provided, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8018. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8019. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by executive agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: Provided, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: Provided further, That the Department of Defense's budget submission for fiscal year 2000 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: Provided further, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: Provided further, That each such executive agreement with a NATO member host nation shall be reported to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate 30 days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8020. None of the funds available to the Department of Defense may be used to demilitarize or dispose of M–1 Carbines, M–1 Garand rifles, M–14 rifles, .22 caliber rifles, .30 caliber rifles, or M–1911 pistols.

SEC. 8021. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 per centum of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8022. No more than $500,000 of the funds appropriated or made available in this Act shall be used during a single fiscal year for any single relocation of an organization, unit, activity or function of the Department of Defense into or within the National Capital Region: Provided, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the congressional defense committees that such a relocation is required in the best interest of the Government.

SEC. 8023. A member of a reserve component whose unit or whose residence is located in a State which is not contiguous with another State is authorized to travel in a space required status on aircraft of the Armed Forces between home and place of inactive duty training, or place of duty in lieu of unit training assembly, when there is no road or railroad transportation (or combination of road and railroad transportation between those locations): Provided, That a member traveling in that status on a military aircraft pursuant to the authority provided in this section is not authorized to receive travel, transportation, or per diem allowances in connection with that travel.

SEC. 8024. (a) In addition to the funds provided elsewhere in this Act, $8,000,000 is appropriated only for incentive payments authorized by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544): Provided, That contractors participating in the test program established by section 854 of Public Law 101–189 (15 U.S.C. 637 note) shall be eligible for the program established by section 504 of the Indian Financing Act of 1974 (25 U.S.C. 1544).

(b) Section 8024 of the Department of Defense Appropriations Act (Public Law 105–56) is amended by striking out "That these payments" and all that follows through "Provided further,".

SEC. 8025. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5, United States Code, or an individual employed *by the government of the District of Columbia, permanent or temporary indefinite, who—*

(1) is a member of a Reserve component of the Armed Forces, as described in section 10101 of title 10, United States Code, or the National Guard, as described in section 101 of title 32, United States Code;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under sections 331, 332, 333, or 12406 of title 10, or other provision of law, as applicable; or

(B) full-time military service for his or her State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave:

Provided, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5, United States Code.

SEC. 8026. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of 24 months after initiation of such study with respect to a single function activity or 48 months after initiation of such study for a multi-function activity.

SEC. 8027. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8028. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8029. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8030. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8031. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8032. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $350,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: Provided, That upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriations or fund which incurred such obligations.

SEC. 8033. Of the funds made available in this Act, not less than $28,300,000 shall be available for the Civil Air Patrol Corporation, of which $23,497,000 shall be available for Civil Air Patrol Corporation operation and maintenance to support readiness activities which includes $3,800,000 for the Civil Air Patrol counterdrug program: Provided, That funds identified for "Civil Air Patrol" under this section are intended for and shall be for the exclusive use of the Civil Air Patrol Corporation and not for the Air Force or any unit thereof.

SEC. 8034. (a) None of the funds appropriated in this Act are available to establish a new Department of Defense (department) federally funded research and development center (FFRDC), either as a new entity, or as a separate entity administrated by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other non-profit entities.

(b) LIMITATION ON COMPENSATION—FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER (FFRDC).—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, except when acting in a technical advisory capacity, may be compensated for his or her services as a member of such entity, or as a paid consultant by more than one FFRDC in a fiscal year: Provided, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the department from any source during fiscal year 1999 may be used by a defense FFRDC, through a fee or other payment mechanism, for construction of new buildings, for payment of cost sharing for projects funded by government grants, for absorption of contract overruns, or for certain charitable contributions, not to include employee participation in community service and/or development.

(d) Notwithstanding any other provision of law, of the funds available to the department during fiscal year 1999, not more than 6,206 staff years of technical effort (staff years) may be funded for defense FFRDCs: Provided, That of the specific amount referred to previously in this subsection, not more than 1,105 staff years may be funded for the defense studies and analysis FFRDCs.

(e) Within 60 days after enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report presenting the specific amounts of staff years of technical effort to be allocated by the department for each defense FFRDC during fiscal year 1999: Provided, That, after the submission of the report required by this subsection, the department may not reallocate more than five per centum of an FFRDC's staff years among other defense FFRDCs until 30 days after a detailed justification for any such reallocation is submitted to the congressional defense committees.

(f) The Secretary of Defense shall, with the submission of the department's fiscal year 2000 budget request, submit a report presenting the specific amounts of staff years of technical effort to be allocated for each defense FFRDC during that fiscal year.

(g) Notwithstanding any other provision of law, the Secretary of Defense shall control the total number of staff years to be performed by defense FFRDCs during fiscal year 1999 so as to reduce the total amounts appropriated in titles II, III, and IV of this Act by $62,000,000: Provided, That the total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $62,000,000 to reflect savings from the use of defense FFRDCs by the department.

(h) Notwithstanding any other provision of law, none of the reductions for advisory and assistance services contained in this Act shall be applied to defense FFRDCs.

SEC. 8035. None of the funds appropriated or made available in this Act shall be used to procure carbon, alloy or armor steel plate for use in any Government-owned facility or property under the control of the Department of Defense which were not melted and rolled in the United States or Canada: Provided, That these procurement restrictions shall apply to any and all Federal Supply Class 9515, American Society of Testing and Materials (ASTM) or American Iron and Steel Institute (AISI) specifications of carbon, alloy or armor steel plate: Provided further, That the Secretary of the military department responsible for the procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes: Provided further, That these restrictions shall not apply to contracts which are in being as of the date of enactment of this Act.

SEC. 8036. For the purposes of this Act, the term "congressional defense committees" means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the Subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8037. During the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: Provided, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: Provided further, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8038. (a)(1) If the Secretary of Defense, after consultation with the United States Trade Representative, determines that a foreign country which is party to an agreement described in paragraph (2) has violated the terms of the agreement by discriminating against certain types of products produced in the United States that are covered by the agreement, the Secretary of Defense shall rescind the Secretary's blanket waiver of the Buy American Act with respect to such types of products produced in that foreign country.

(2) An agreement referred to in paragraph (1) is any reciprocal defense procurement memorandum of understanding, between the United States and a foreign country pursuant to which the Secretary of Defense has prospectively waived the Buy American Act for certain products in that country.

(b) The Secretary of Defense shall submit to Congress a report on the amount of Department of Defense purchases from foreign entities in fiscal year 1999. Such report shall separately indicate the dollar value of items for which the Buy American Act was waived pursuant to any agreement described in subsection (a)(2), the Trade Agreement Act of 1979 (19 U.S.C. 2501 et seq.), or any international agreement to which the United States is a party.

(c) For purposes of this section, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8039. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8040. Amounts deposited during the current fiscal year to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2)(A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8041. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: Provided, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: Provided further, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8042. The President shall include with each budget for a fiscal year submitted to the Congress under section 1105 of title 31, United States Code, materials that shall identify clearly and separately the amounts requested in the budget for appropriation for that fiscal year for salaries and expenses related to administrative activities of the Department of Defense, the military departments, and the Defense Agencies.

SEC. 8043. Notwithstanding any other provision of law, funds available for "Drug Interdiction and Counter-Drug Activities, Defense" may be obligated for the Young Marines program.

SEC. 8044. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act: Provided, That none of the funds made available for expenditure under this section may be transferred or obligated until thirty days after the Secretary of Defense submits a report which details the balance available in the Overseas Military Facility Investment Recovery Account, all projected income into the account during fiscal years 1999 and 2000, and the specific expenditures to be made using funds transferred from this account during fiscal year 1999.

SEC. 8045. Of the funds appropriated or otherwise made available by this Act, not more than $119,200,000 shall be available for payment of the operating costs of NATO Headquarters: Provided, That the Secretary of Defense may waive this section for Department of Defense support provided to NATO forces in and around the former Yugoslavia.

SEC. 8046. During the current fiscal year, appropriations which are available to the Department of Defense for operation and maintenance may be used to purchase items having an investment item unit cost of not more than $100,000.

SEC. 8047. (a) During the current fiscal year, none of the appropriations or funds available to the Department of Defense Working Capital Funds shall be used for the purchase of an investment item for the purpose of acquiring a new inventory item for sale or anticipated sale during the current fiscal year or a subsequent fiscal year to customers of the Department of Defense Working Capital Funds if such an item would not have been chargeable to the Department of Defense Business Operations Fund during fiscal year 1994 and if the purchase of such an investment item would be chargeable during the current fiscal year to appropriations made to the Department of Defense for procurement.

(b) The fiscal year 2000 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 2000 Department of Defense budget shall be prepared and submitted to the Congress on the basis that any equipment which was classified as an end item and funded in a procurement appropriation contained in this Act shall be budgeted for in a proposed fiscal year 2000 procurement appropriation and not in the supply management business area or any other area or category of the Department of Defense Working Capital Funds.

SEC. 8048. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 2000: Provided, That funds appropriated, transferred, or otherwise credited to the Central Intelligence Agency Central Services Working Capital Fund during this or any prior or subsequent fiscal year shall remain available until expended.

SEC. 8049. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8050. Of the funds appropriated by the Department of Defense under the heading "Operation and Maintenance, Defense-Wide", not less than $8,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation and cost to complete estimates for mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8051. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986, and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8052. None of the funds appropriated in this Act may be used to fill the commander's position at any military medical facility with a health care professional unless the prospective candidate can demonstrate professional administrative skills.

SEC. 8053. (a) None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

(b) If the Secretary of Defense determines that a person has been convicted of intentionally affixing a label bearing a "Made in America" inscription to any product sold in or shipped to the United States that is not made in America, the Secretary shall determine, in accordance with section 2410f of title 10, United States Code, whether the person should be debarred from contracting with the Department of Defense.

(c) In the case of any equipment or products purchased with appropriations provided under this Act, it is the sense of the Congress that any entity of the Department of Defense, in expending the appropriation, purchase only American-made equipment and products, provided that American-made equipment and products are cost-competitive, quality-competitive, and available in a timely fashion.

SEC. 8054. None of the funds appropriated by this Act shall be available for a contract for studies, analysis, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work;

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source; or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support:

Provided, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8055. (a) Except as provided in subsections (b) and (c), none of the funds made available by this Act may be used—

(1) to establish a field operating agency; or

(2) to pay the basic pay of a member of the Armed Forces or civilian employee of the department who is transferred or reassigned from a headquarters activity if the member or employee's place of duty remains at the location of that headquarters.

(b) The Secretary of Defense or Secretary of a military department may waive the limitations

in subsection (a), on a case-by-case basis, if the Secretary determines, and certifies to the Committees on Appropriations of the House of Representatives and Senate that the granting of the waiver will reduce the personnel requirements or the financial requirements of the department.

(c) This section does not apply to field operating agencies funded within the National Foreign Intelligence Program.

SEC. 8056. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1999 until the enactment of the Intelligence Authorization Act for Fiscal Year 1999.

SEC. 8057. Notwithstanding section 303 of Public Law 96–487 or any other provision of law, the Secretary of the Navy is authorized to lease real and personal property at Naval Air Facility, Adak, Alaska, pursuant to 10 U.S.C. 2667(f), for commercial, industrial or other purposes: Provided, That notwithstanding any other provision of law, the Secretary of the Navy may remove hazardous materials from facilities, buildings, and structures at Adak, Alaska, and may demolish or otherwise dispose of such facilities, buildings, and structures.

(RESCISSIONS)

SEC. 8058. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded as of the date of enactment of this Act from the following accounts and programs in the specified amounts:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/2001":

TRIDENT ballistic missile submarine program, $3,062,696;

SSN–688 attack submarine program, $8,146,796;

CG–47 cruiser program, $4,000,000;

LSD–41 cargo variant ship program, $256,141;

LHD–1 amphibious assault ship program, $505,938;

For craft, outfitting, and post delivery, $3,459,756;

Under the heading, "Shipbuilding and Conversion, Navy, 1989/2000":

TRIDENT ballistic missile submarine program, $2,750,679;

SSN–688 attack submarine program, $5,663,109;

AO conversion program, $881,619;

T-AGOS surveillance ship program, $1,989,383;

T-AO fleet oiler program, $3,451,287;

MHC coastal mine hunter program, $150,000;

For craft, outfitting, and post delivery, $2,521,413;

Under the heading, "Shipbuilding and Conversion, Navy, 1990/2002":

TRIDENT ballistic missile submarine program, $6,746,000;

LSD–41 cargo variant ship program, $8,701,615;

Aircraft carrier service life extension program, $890,209;

For craft, outfitting, and post delivery, $2,636,339;

Under the heading, "Shipbuilding and Conversion, Navy, 1991/2001":

Service craft program, $143,740;

LCAC landing craft air cushion program, $126,698;

For craft, outfitting, and post delivery, $1,549,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1992/2001":

For craft, outfitting, and post delivery, $3,307,524;

Under the heading, "Shipbuilding and Conversion, Navy, 1993/2002":

For craft, outfitting, and post delivery, $4,540,746.

"Missile Procurement, Air Force, 1997/1999", $8,000,000;

"Research, Development, Test and Evaluation, Defense-Wide, 1997/1998", $67,000,000;

"Missile Procurement, Army, 1998/2000", $12,800,000;

"Procurement of Weapons and Tracked Combat Vehicles, Army, 1998/2000"; $6,700,000;

"Other Procurement, Army, 1998/2000", $24,000,000;

"Weapons Procurement, Navy, 1998/2000", $2,000,000;

"Procurement of Ammunition, Navy and Marine Corps, 1998/2000", $12,560,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2002":

CVN refuelings, $35,000,000;

"Other Procurement, Navy, 1998/2000", $28,500,000;

"Aircraft Procurement, Air Force, 1998/2000", $8,934,000;

"Missile Procurement, Air Force, 1998/2000", $4,200,000;

"Procurement of Ammunition, Air Force, 1998/2000", $14,106,000;

"Other Procurement, Air Force, 1998/2000", $3,508,000;

"Research, Development, Test and Evaluation, Navy, 1998/1999", $20,500,000;

"Research, Development, Test and Evaluation, Air Force, 1998/1999", $17,620,000;

"National Defense Sealift Fund, Public Law 104–208", $65,000,000; and

"National Defense Sealift Fund, Public Law 104–61", $20,000,000.

SEC. 8059. None of the funds available in this Act may be used to reduce the authorized positions for military (civilian) technicians of the Army National Guard, the Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military (civilian) technicians, unless such reductions are a direct result of a reduction in military force structure.

SEC. 8060. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to the Democratic People's Republic of North Korea unless specifically appropriated for that purpose.

SEC. 8061. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: Provided, That during the performance of such duty, the members of the National Guard shall be under State command and control: Provided further, That such duty shall be treated as full-time National Guard duty for purposes of sections 12602(a)(2) and (b)(2) of title 10, United States Code.

SEC. 8062. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) aggregate: Provided, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8063. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1998 level: Provided, That the Service Surgeons General may waive this section by certifying to the congressional defense committees that the beneficiary population is declining in some catchment areas and civilian strength reductions may be consistent with responsible resource stewardship and capitation-based budgeting.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8064. None of the funds appropriated in this Act may be transferred to or obligated from the Pentagon Reservation Maintenance Revolving Fund, unless the Secretary of Defense certifies that the total cost for the planning, design, construction and installation of equipment for the renovation of the Pentagon Reservation will not exceed $1,118,000,000.

SEC. 8065. (a) None of the funds available to the Department of Defense for any fiscal year for drug interdiction or counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(b) None of the funds available to the Central Intelligence Agency for any fiscal year for drug interdiction and counter-drug activities may be transferred to any other department or agency of the United States except as specifically provided in an appropriations law.

(TRANSFER OF FUNDS)

SEC. 8066. Appropriations available in this Act under the heading "Operation and Maintenance, Defense-Wide" for increasing energy and water efficiency in Federal buildings may, during their period of availability, be transferred to other appropriations or funds of the Department of Defense for projects related to increasing energy and water efficiency, to be merged with and to be available for the same general purposes, and for the same time period, as the appropriation or fund to which transferred.

SEC. 8067. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin: Provided, That the Secretary of the military department responsible for such procurement may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate, that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes.

SEC. 8068. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa: Provided, That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8069. None of the funds in this Act may be used to purchase any supercomputer which is not manufactured in the United States, unless the Secretary of Defense certifies to the congressional defense committees that such an acquisition must be made in order to acquire capability for national security purposes that is not available from United States manufacturers.

SEC. 8070. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8071. Notwithstanding any other provision of law, each contract awarded by the Department of Defense during the current fiscal year for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate *of unemployment as determined by the Secretary of Labor, shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: Provided, That the Secretary of Defense may waive the requirements of this section, on a case-by-case basis, in the interest of national security.*

SEC. 8072. During the current fiscal year, the Army shall use the former George Air Force Base as the airhead for the National Training Center at Fort Irwin: Provided, That none of the funds in this Act shall be obligated or expended to transport Army personnel into Edwards Air Force Base for training rotations at the National Training Center.

SEC. 8073. (a) The Secretary of Defense shall submit, on a quarterly basis, a report to the congressional defense committees, the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate setting forth all costs (including incremental costs) incurred by the Department of Defense during the preceding quarter in implementing or supporting resolutions of the United Nations Security Council, including any such resolution calling for international sanctions, international peacekeeping operations, and humanitarian missions undertaken by the Department of Defense. The quarterly report shall include an aggregate of all such Department of Defense costs by operation or mission.

(b) The Secretary of Defense shall detail in the quarterly reports all efforts made to seek credit against past United Nations expenditures and all efforts made to seek compensation from the United Nations for costs incurred by the Department of Defense in implementing and supporting United Nations activities.

SEC. 8074. (a) LIMITATION ON TRANSFER OF DEFENSE ARTICLES AND SERVICES.—Notwithstanding any other provision of law, none of the funds available to the Department of Defense for the current fiscal year may be obligated or expended to transfer to another nation or an international organization any defense articles or services (other than intelligence services) for use in the activities described in subsection (b) unless the congressional defense committees, the Committee on International Relations of the House of Representatives, and the Committee on Foreign Relations of the Senate are notified 15 days in advance of such transfer.

(b) COVERED ACTIVITIES.—This section applies to—

(1) any international peacekeeping or peace-enforcement operation under the authority of chapter VI or chapter VII of the United Nations Charter under the authority of a United Nations Security Council resolution; and

(2) any other international peacekeeping, peace-enforcement, or humanitarian assistance operation.

(c) REQUIRED NOTICE.—A notice under subsection (a) shall include the following:

(1) A description of the equipment, supplies, or services to be transferred.

(2) A statement of the value of the equipment, supplies, or services to be transferred.

(3) In the case of a proposed transfer of equipment or supplies—

(A) a statement of whether the inventory requirements of all elements of the Armed Forces (including the reserve components) for the type of equipment or supplies to be transferred have been met; and

(B) a statement of whether the items proposed to be transferred will have to be replaced and, if so, how the President proposes to provide funds for such replacement.

SEC. 8075. To the extent authorized by subchapter VI of chapter 148 of title 10, United States Code, the Secretary of Defense shall issue loan guarantees in support of United States defense exports not otherwise provided for: Provided, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15,000,000,000: Provided further, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: Provided further, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services and Foreign Relations of the Senate and the Committees on Appropriations, National Security and International Relations in the House of Representatives on the implementation of this program: Provided further, That amounts charged for administrative fees and deposited to the special account provided for under section 2540c(d) of title 10, shall be available for paying the costs of administrative expenses of the Department of Defense that are attributable to the loan guarantee program under subchapter VI of chapter 148 of title 10.

SEC. 8076. None of the funds available to the Department of Defense shall be obligated or expended to make a financial contribution to the United Nations for the cost of an United Nations peacekeeping activity (whether pursuant to assessment or a voluntary contribution) or for payment of any United States arrearage to the United Nations.

SEC. 8077. None of the funds available to the Department of Defense under this Act shall be obligated or expended to pay a contractor under a contract with the Department of Defense for costs of any amount paid by the contractor to an employee when—

(1) such costs are for a bonus or otherwise in excess of the normal salary paid by the contractor to the employee; and

(2) such bonus is part of restructuring costs associated with a business combination.

SEC. 8078. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions or agents to the Johnston Atoll for the purpose of storing or demilitarizing such munitions or agents.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition or agent of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8079. None of the funds provided in title II of this Act for "Former Soviet Union Threat Reduction" may be obligated or expended to finance housing for any individual who was a member of the military forces of the Soviet Union or for any individual who is or was a member of the military forces of the Russian Federation.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8080. During the current fiscal year, no more than $10,000,000 of appropriations made in this Act under the heading "Operation and Maintenance, Defense-Wide" may be transferred to appropriations available for the pay of military personnel, to be merged with, and to be available for the same time period as the appropriations to which transferred, to be used in support of such personnel in connection with support and services for eligible organizations and activities outside the Department of Defense pursuant to section 2012 of title 10, United States Code.

SEC. 8081. For purposes of section 1553(b) of title 31, United States Code, any subdivision of appropriations made in this Act under the heading "Shipbuilding and Conversion, Navy" shall be considered to be for the same purpose as any subdivision under the heading "Shipbuilding and Conversion, Navy" appropriations in any prior year, and the 1 percent limitation shall apply to the total amount of the appropriation.

SEC. 8082. During the current fiscal year, in the case of an appropriation account of the Department of Defense for which the period of availability for obligation has expired or which has closed under the provisions of section 1552 of title 31, United States Code, and which has a negative unliquidated or unexpended balance, an obligation or an adjustment of an obligation may be charged to any current appropriation account for the same purpose as the expired or closed account if—

(1) the obligation would have been properly chargeable (except as to amount) to the expired or closed account before the end of the period of availability or closing of that account;

(2) the obligation is not otherwise properly chargeable to any current appropriation account of the Department of Defense; and

(3) in the case of an expired account, the obligation is not chargeable to a current appropriation of the Department of Defense under the provisions of section 1405(b)(8) of the National Defense Authorization Act for Fiscal Year 1991, Public Law 101–510, as amended (31 U.S.C. 1551 note): Provided, That in the case of an expired account, if subsequent review or investigation discloses that there was not in fact a negative unliquidated or unexpended balance in the account, any charge to a current account under the authority of this section shall be reversed and recorded against the expired account: Provided further, That the total amount charged to a current appropriation under this section may not exceed an amount equal to 1 percent of the total appropriation for that account.

(TRANSFER OF FUNDS)

SEC. 8083. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: Provided, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: Provided further, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/2001":

Trident ballistic missile submarine program, $2,674,000;

SSN–688 attack submarine program, $32,232,000;

CG–47 cruiser program, $10,886,000;

Carrier replacement program, $40,360,000;

LHD–1 amphibious assault ship program, $3,001,000;

LSD–41 cargo variant ship program, $790,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2001":

Carrier replacement program, $89,943,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/2000":

Trident ballistic missile submarine program, $3,028,000;

LHD–1 amphibious assault ship program, $2,153,000;

MHC coastal minehunter program, $1,298,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2000":

Carrier replacement program, $6,479,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/2002":

Trident ballistic missile submarine program, $10,796,000;

SSN–688 attack submarine program, $1,000,000;

DDG–51 destroyer program, $5,066,000;

LCAC landing craft, air cushioned program, $509,000;

MCM mine countermeasures ship program, $1,200,000;

AOE combat support ship program, $1,674,000;

AO(J) jumboized oiler program, $1,899,000;

Oceanographic research program, $394,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2002":

Carrier replacement program, $22,538,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/2001":

DDG–51 destroyer program, $1,500,000;

LHD–1 amphibious assault ship program, $7,500,000;

LSD–41 cargo variant ship program, $1,227,000;

LCAC landing craft, air cushioned program, $392,000;

MHC coastal minehunter program, $2,400,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/2001":

SSN–21 attack submarine program, $13,019,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/2001":

Prior year escalation, $52,934,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/2001":

SSN–21 attack submarine program, $16,967,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1994/2001":

MCS(C) mine warfare command and control ship program, $5,729,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2001":

DDG–51 destroyer program, $24,261,000;

Carrier replacement program, $5,977,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1993/2002":

AOE combat support ship program, $7,753,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2002":

DDG–51 destroyer program, $7,753,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

SSN–21 attack submarine program, $26,526,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1995/2000":

DDG–51 destroyer program, $368,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1996/2000":

DDG–51 destroyer program, $2,756,000;

LHD–1 amphibious assault ship program, $21,850,000;

Fast Patrol craft program, $345,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1997/2000":

AGOR SWATH oceanographic research program, $1,207,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2002":

DDG–51(AP) destroyer program, $9,009,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1998/2002":

DDG–51 destroyer program, $9,009,000.

SEC. 8084. The Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees by February 1, 1999 a detailed report identifying, by amount and by separate budget activity, activity group, subactivity group, line item, program element, program, project, subproject, and activity, any activity for which the fiscal year 2000 budget request was reduced because Congress appropriated funds above the President's budget request for that specific activity for fiscal year 1999.

SEC. 8085. Funds appropriated in title II of this Act for supervision and administration costs for facilities maintenance and repair, minor construction, or design projects may be obligated at the time the reimbursable order is accepted by the performing activity: Provided, That for the purpose of this section, supervision and administration costs includes all in-house Government cost.

SEC. 8086. The Secretary of Defense may waive reimbursement of the cost of conferences, seminars, courses of instruction, or similar educational activities of the Asia-Pacific Center for Security Studies for military officers and civilian officials of foreign nations if the Secretary determines that attendance by such personnel, without reimbursement, is in the national security interest of the United States: Provided, That costs for which reimbursement is waived pursuant to this subsection shall be paid from appropriations available for the Asia-Pacific Center.

SEC. 8087. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis.

(b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8088. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: Provided, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: Provided further, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source.

SEC. 8089. During the current fiscal year, the amounts which are necessary for the operation and maintenance of the Fisher Houses administered by the Departments of the Army, the Navy, and the Air Force are hereby appropriated, to be derived from amounts which are available in the applicable Fisher House trust fund established under 10 U.S.C. 2221 for the Fisher Houses of each such department.

SEC. 8090. During the current fiscal year, refunds attributable to the use of the Government travel card by military personnel and civilian employees of the Department of Defense and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance accounts of the Department of Defense which are current when the refunds are received.

SEC. 8091. During the current fiscal year, not more than a total of $60,000,000 in withdrawal credits may be made by the Marine Corps Supply Management activity group of the Navy Working Capital Fund, Department of Defense Working Capital Funds, to the credit of current applicable appropriations of a Department of Defense activity in connection with the acquisition of critical low density repairables that are capitalized into the Navy Working Capital Fund.

SEC. 8092. Notwithstanding 31 U.S.C. 3902, during the current fiscal year interest penalties may be paid by the Department of Defense from funds financing the operation of the military department or defense agency with which the invoice or contract payment is associated.

SEC. 8093. At the time the President submits his budget for fiscal year 2000 and any fiscal year thereafter, the Department of Defense shall transmit to the congressional defense committees a budget justification document for the active and reserve Military Personnel accounts, to be known as the "M–1", which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for military personnel in any budget request, or amended budget request, for that fiscal year.

SEC. 8094. None of the funds appropriated in title IV of this Act may be used to procure end-items for delivery to military forces for operational training, operational use or inventory requirements: Provided, That this restriction does not apply to end-items used in development, prototyping, and test activities preceding and leading to acceptance for operational use: Provided further, That this restriction does not apply to programs funded within the National Foreign Intelligence Program: Provided further, That the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that it is in the national security interest to do so.

SEC. 8095. The budget of the President for fiscal year 2000 submitted to Congress pursuant to section 1105 of title 31, United States Code, and each annual budget request thereafter, shall include budget activity groups (known as "subactivities") in all appropriations accounts provided in this Act, as may be necessary, to separately identify all costs incurred by the Department of Defense to support the North Atlantic Treaty Organization and all Partnership For Peace programs and initiatives. The budget justification materials submitted to Congress in support of the budget of the Department of Defense for fiscal year 2000, and subsequent fiscal years, shall provide complete, detailed estimates for all such costs.

SEC. 8096. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with a contractor that is subject to the reporting requirement set forth in subsection (d) of section 4212 of title 38, United States Code, but has not submitted the most recent report required by such subsection for 1998 or a subsequent year.

SEC. 8097. None of the funds made available in this Act may be used to approve or license the sale of the F–22 advanced tactical fighter to any foreign government.

SEC. 8098. None of the funds appropriated or otherwise made available by this Act may be made available for the United States Man and the Biosphere Program, or related projects.

SEC. 8099. (a) The Secretary of Defense may, on a case-by-case basis, waive with respect to a foreign country each limitation on the procurement of defense items from foreign sources provided in law if the Secretary determines that the application of the limitation with respect to that country would invalidate cooperative programs entered into between the Department of Defense and the foreign country, or would invalidate reciprocal trade agreements for the procurement of *defense items entered into under section 2531 of title 10, United States Code, and the country does not discriminate against the same or similar defense items produced in the United States for that country.*

(b) Subsection (a) applies with respect to—

(1) contracts and subcontracts entered into on or after the date of the enactment of this Act; and

(2) options for the procurement of items that are exercised after such date under contracts that are entered into before such date if the option prices are adjusted for any reason other than the application of a waiver granted under subsection (a).

(c) Subsection (a) does not apply to a limitation regarding construction of public vessels, ball and roller bearings, food, and clothing or textile materials as defined by section 11 (chapters 50–65) of the Harmonized Tariff Schedule and products classified under headings 4010, 4202, 4203, 6401 through 6406, 6505, 7019, 7218 through 7229, 7304.41 through 7304.49, 7306.40, 7502 through 7508, 8105, 8108, 8109, 8211, 8215, and 9404.

SEC. 8100. Notwithstanding 31 U.S.C. 1552(a), of the funds provided in Department of Defense Appropriations Acts, not more than the specified amounts from the following accounts shall remain available for the payment of satellite on-orbit incentive fees until the fees are paid:

"Missile Procurement, Air Force, 1995/1997", $20,978,000; and

"Missile Procurement, Air Force, 1996/1998", $16,782,400.

SEC. 8101. None of the funds in this Act may be used by the National Imagery and Mapping Agency for mapping, charting, and geodesy activities unless contracts for such services are awarded in accordance with the qualifications based selection process in 40 U.S.C. 541 et seq. and 10 U.S.C. 2855: Provided, That such agency may continue to fund existing contracts for such services for not more than 180 days from the date of enactment of this Act: Provided further, That an exception shall be provided for such services that are critical to national security after a written notification has been submitted by the Deputy Secretary of Defense to the Committees on Appropriations of the House of Representatives and the Senate.

SEC. 8102. Funds made available to the Civil Air Patrol in this Act under the heading "Drug Interdiction and Counter-Drug Activities, Defense" may be used for the Civil Air Patrol Corporation's counterdrug program, including its demand reduction program involving youth programs, as well as operational and training drug reconnaissance missions for federal, state and local government agencies; for administrative costs, including the hiring of Civil Air Patrol Corporation employees; for travel and per diem expenses of Civil Air Patrol Corporation personnel in support of those missions; and for equipment needed for mission support or performance: Provided, That of these funds, $300,000 shall be made available to establish and operate a distance learning program: Provided further, That the Department of the Air Force should waive reimbursement from the Federal, State and local government agencies for the use of these funds.

SEC. 8103. During fiscal year 1999, advance billing for services provided or work performed by the Working Capital Fund activities of the Department of the Air Force in excess of $100,000,000 is prohibited.

SEC. 8104. The Secretary of Defense shall undertake a review of all distributed learning education and training programs in the Department of Defense and shall issue a plan to implement a department-wide, standardized, cost-effective Advanced Distributed Learning framework to achieve the goals of commonality, interoperability, and reuse: Provided, That the Secretary shall report to Congress on the results of this review and present a detailed implementation and budget plan no later than July 30, 1999.

SEC. 8105. Notwithstanding any other provision in this Act, the total amount appropriated in title II is hereby reduced by $70,000,000 to reflect savings resulting from consolidations and personnel reductions as mandated in the Defense Reform Initiative.

SEC. 8106. The Secretary of Defense shall submit to the congressional defense committees an in-depth analysis comparing the cost of any proposed establishment or expansion of depot facilities by the Reserve Components to the cost of performing the same work at existing depot facilities or by the private sector: Provided, That for purposes of this section, the term "depot level maintenance" does not include General Support Level maintenance activities, Intermediate Level maintenance activities, or lower echelon maintenance activities.

SEC. 8107. Notwithstanding any other provision of law, the TRICARE managed care support contracts in effect, or in final stages of acquisition as of September 30, 1998, may be extended for two years: Provided, That any such extension may only take place if the Secretary of Defense determines that it is in the best interest of the government: Provided further, That any contract extension shall be based on the price in the final best and final offer for the last year of the existing contract as adjusted for inflation and other factors mutually agreed to by the contractor and the government: Provided further, That notwithstanding any other provision of law, all future TRICARE managed care support contracts replacing contracts in effect, or in the final stages of acquisition as of September 30, 1998, may include a base contract period for transition and up to seven one-year option periods.

SEC. 8108. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $400,600,000 to reflect savings from revised economic assumptions, to be distributed as follows:

"Operation and Maintenance, Army", $24,000,000;

"Operation and Maintenance, Navy", $32,000,000;

"Operation and Maintenance, Marine Corps", $4,000,000;

"Operation and Maintenance, Air Force", $31,000,000;

"Operation and Maintenance, Defense-Wide", $17,600,000;

"Operation and Maintenance, Army Reserve", $2,000,000;

"Operation and Maintenance, Navy Reserve", $2,000,000;

"Operation and Maintenance, Air Force Reserve", $2,000,000;

"Operation and Maintenance, Army National Guard", $4,000,000;

"Operation and Maintenance, Air National Guard", $4,000,000;

"Drug Interdiction and Counter-Drug Activities, Defense", $2,000,000;

"Environmental Restoration, Army", $1,000,000;

"Environmental Restoration, Navy", $1,000,000;

"Environmental Restoration, Air Force", $1,000,000;

"Environmental Restoration, Defense-Wide", $1,000,000;

"Defense Health Program", $36,000,000;

"Aircraft Procurement, Army", $4,000,000;

"Missile Procurement, Army", $4,000,000;

"Procurement of Weapons and Tracked Combat Vehicles, Army", $4,000,000;

"Procurement of Ammunition, Army", $3,000,000;

"Other Procurement, Army", $9,000,000;

"Aircraft Procurement, Navy", $22,000,000;

"Weapons Procurement, Navy", $4,000,000;

"Procurement of Ammunition, Navy and Marine Corps", $1,000,000;

"Shipbuilding and Conversion, Navy", $18,000,000;

"Other Procurement, Navy", $12,000,000;

"Procurement, Marine Corps", $2,000,000;

"Aircraft Procurement, Air Force", $23,000,000;

"Missile Procurement, Air Force", $7,000,000;

"Procurement of Ammunition, Air Force", $1,000,000;

"Other Procurement, Air Force", $17,500,000;

"Procurement, Defense-Wide", $5,800,000;

"Chemical Agents and Munitions Destruction, Army", $3,000,000;

"Research, Development, Test and Evaluation, Army", $10,000,000;

"Research, Development, Test and Evaluation, Navy", $20,000,000;

"Research, Development, Test and Evaluation, Air Force", $39,000,000; and

"Research, Development, Test and Evaluation, Defense-Wide", $26,700,000:

Provided, That these reductions shall be applied proportionally to each budget activity, activity group and subactivity group and each program, project, and activity within each appropriation account.

SEC. 8109. (a) DISPOSAL OF CERTAIN MATERIALS IN NATIONAL DEFENSE STOCKPILE.—Subject to subsection (c), the President shall dispose of materials contained in the National Defense Stockpile and specified in the table in subsection (b) so as to result in receipts to the United States in the amount of $100,000,000 by the end of fiscal year 1999.

(b) DISPOSAL QUANTITIES.—The total quantities of materials authorized for disposal by the President under subsection (a) may not exceed the amounts set forth in the following table:

Authorized Stockpile Disposals

Material for disposal	***Quantity***
Beryllium Metal	*20 short tons*
Chromium Ferroalloy	*25,000 short tons*
Columbium Carbide Powder	*21,372 pounds of contained Columbium*
Diamond, Stones	*600,000 carats*
Platinum	*100,000 troy ounces*
Platinum—Palladium	*150,000 troy ounces*
Tantalum Carbide Powder	*22,688 pounds of contained Tantalum*
Tantalum Metal Ingots	*25,000 pounds of contained Tantalum*
Tantalum Metal Powder	*25,000 pounds of contained Tantalum*

(c) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of materials under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of the materials proposed for disposal; or

(2) avoidable loss to the United States.

(d) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of materials authorized for disposal under subsection (a) shall be deposited into the general fund of the Treasury.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—(1) The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding the materials specified in such subsection.

(2) The disposal authority provided in subsection (a) is referred to in section 3303 of the National Defense Authorization Act for Fiscal Year 1999, and the quantities of the materials specified in the table in subsection (b) are included in the quantities specified in the table in subsection (b) of such section 3303.

(f) DEFINITION.—In this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

SEC. 8110. (a) TRANSFERS OF VESSELS BY GRANT.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) as follows:

(1) To the Government of Argentina, the NEWPORT class tank landing ship NEWPORT (LST 1179).

(2) To the Government of Greece—

(A) the KNOX class frigate HEPBURN (FF 1055); and

(B) the ADAMS class guided missile destroyers STRAUSS (DDG 16), SEMMS (DDG 18), and WADDELL (DDG 24).

(3) To the Government of Portugal, the STALWART class ocean surveillance ship ASSURANCE (T-AGOS 5).

(4) To the Government of Turkey, the KNOX class frigates PAUL (FF 1080), MILLER (FF 1091), and W.S. SIMMS (FF 1059).

(b) TRANSFERS OF VESSELS BY SALE.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a sales basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761) as follows:

(1) To the Government of Brazil, the NEWPORT class tank landing ships CAYUGA (LST 1186) and PEORIA (LST 1183).

(2) To the Government of Chile—

(A) the NEWPORT class tank landing ship SAN BERNARDINO (LST 1189); and

(B) the auxiliary repair dry dock WATERFORD (ARD 5).

(3) To the Government of Greece—

(A) the OAK RIDGE class medium dry dock ALAMAGORDO (ARDM 2); and

(B) the KNOX class frigates VREELAND (FF 1068) and TRIPPE (FF 1075).

(4) To the Government of Mexico—

(A) the auxiliary repair dock SAN ONOFRE (ARD 30); and

(B) the KNOX class frigate PHARRIS (FF 1094).

(5) To the Government of the Philippines, the STALWART class ocean surveillance ship TRIUMPH (T-AGOS 4).

(6) To the Government of Spain, the NEWPORT class tank landing ships HARLAN COUNTY (LST 1196) and BARNSTABLE COUNTY (LST 1197).

(7) To the Taipai Economic and Cultural Representative Office in the United States (the Taiwan instrumentality that is designated pursuant to section 10(a) of the Taiwan Relations Act)—

(A) the KNOX class frigates PEARY (FF 1073), JOSEPH HEWES (FF 1078), COOK (FF 1083), BREWTON (FF 1086), KIRK (FF 1987), and BARBEY (FF 1088);

(B) the NEWPORT class tank landing ships MANITOWOC (LST 1180) and SUMTER (LST 1181);

(C) the floating dry dock COMPETENT (AFDM 6); and

(D) the ANCHORAGE class dock landing ship PENSACOLA (LSD 38).

(8) To the Government of Turkey—

(A) the OLIVER HAZARD PERRY class guided missile frigates MAHLON S. TISDALE (FFG 27), REID (FFG 30), and DUNCAN (FFG 10); and

(B) the KNOX class frigates REASONER (FF 1063), FANNING (FF 1076), BOWEN (FF 1079), MCCANDLESS (FF 1084), DONALD BEARY (FF 1085), AINSWORTH (FF 1090), THOMAS C. HART (FF 1092), and CAPODANNO (FF 1093).

(9) To the Government of Venezuela, the medium auxiliary floating dry dock bearing hull number AFDM 2.

(c) TRANSFERS OF VESSELS ON A COMBINED LEASE-SALE BASIS.—The Secretary of the Navy is authorized to transfer vessels to foreign countries on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796, 2761) and in accordance with subsection (d) as follows:

(1) To the Government of Brazil, the CIMARRON class oiler MERRIMACK (AO 179).

(2) To the Government of Greece, the KIDD class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996).

(d) CONDITIONS RELATING TO COMBINED LEASE-SALE TRANSFERS.—A transfer of a vessel on a combined lease-sale basis authorized by subsection (c) shall be made in accordance with the following requirements:

(1) The Secretary may initially transfer the vessel by lease, with lease payments suspended for the term of the lease, if the country entering into the lease for the vessel simultaneously enters into a foreign military sales agreement for the transfer of title to the vessel.

(2) The Secretary may not deliver to the purchasing country title to the vessel until the purchase price of the vessel under such a foreign military sales agreement is paid in full.

(3) Upon payment of the purchase price in full under such a sales agreement and delivery of title to the recipient country, the Secretary shall terminate the lease.

(4) If the purchasing country fails to make full payment of the purchase price in accordance with the sales agreement by the date required under the sales agreement—

(A) the sales agreement shall be immediately terminated;

(B) the suspension of lease payments under the lease shall be vacated; and

(C) the United States shall be entitled to retain all funds received on or before the date of the termination under the sales agreement, up to the amount of the lease payments due and payable under the lease and all other costs required by the lease to be paid to that date.

(5) If a sales agreement is terminated pursuant to paragraph (4), the United States shall not be required to pay any interest to the recipient country on any amount paid to the United States by the recipient country under the sales agreement and not retained by the United States under the lease.

(e) FUNDING FOR CERTAIN COSTS OF TRANSFERS.—There is established in the Treasury of the United States a special account to be known as the Defense Vessels Transfer Program Account. There is hereby appropriated into that account such sums as may be necessary for the costs (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of the lease-sale transfers authorized by subsection (c). Funds in that account are available only for the purpose of covering those costs.

(f) NOTIFICATION OF CONGRESS.—Not later than 30 days after the date of the enactment of this Act, the Secretary of the Navy shall submit to Congress, for each naval vessel that is to be transferred under this section before January 1, 1999, the notifications required under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) and section 525 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1998 (Public Law 105–118; 111 Stat. 2413).

(g) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(h) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)) in the case of a transfer authorized to be made on a grant basis under subsection (a)).

(i) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(j) EXPIRATION OF AUTHORITY.—The authority to transfer a vessel under this section shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 8111. None of the funds in this Act may be used to compensate an employee of the Department of Defense who initiates a new start program without notification to the Office of the Secretary of Defense and the congressional defense committees, as required by Department of Defense financial management regulations.

SEC. 8112. None of the funds made available by this Act shall be used by the Army to reduce civilian personnel workforce levels at United States Army, Pacific (USARPAC) bases and at Major Range and Test Facility Bases (MRTFBs) in the United States in fiscal year 1999 below levels assumed in this Act unless the Secretary of the Army notifies the Congressional defense committees not less than 30 days prior to implementation of any civilian personnel workforce reductions.

(INCLUDING TRANSFER OF FUNDS)

SEC. 8113. Of the funds made available under title II of this Act, the following amounts shall be transferred to the Defense Working Capital Funds for the purpose of funding operations of the Defense Commissary Agency:

"Operation and Maintenance, Army", $338,400,000;

"Operation and Maintenance, Navy", $255,000,000;

"Operation and Maintenance, Marine Corps", $86,600,000; and

"Operation and Maintenance, Air Force", $302,071,000:

Provided, That the transfer authority provided in this section is in addition to any other transfer authority contained elsewhere in this Act.

SEC. 8114. Of the amounts made available in title II of this Act under the heading "Operation and Maintenance, Navy", $20,000,000 is available only for emergency and extraordinary expenses associated with the accident involving a United States Marine Corps A-6 aircraft on February 3, 1998, near Cavalese, Italy: Provided, That these funds shall remain available until expended: Provided further, That notwithstanding any other provision of law, the funds made available by this section may be available for payments to persons, communities, or other *entities in Italy for reimbursement for property damages resulting from the accident involving a United States Marine Corps A-6 aircraft on February 3, 1998, near Cavalese, Italy: Provided further, That notwithstanding any other provision of law, funds made available under this section may be used to rebuild or replace the funicular system in Cavalese destroyed on February 3, 1998 by that aircraft: Provided further, That any amount paid to any individual or entity from the amount appropriated under this section shall be credited against any amount subsequently determined to be payable to that individual or entity under chapter 163 of title 10, United States Code, section 127 of that title, or any other authority provided by law for administrative settlement of claims against the United States with respect to damages arising from the accident described in this section: Provided further, That payment of an amount under this section shall not be considered to constitute a statement of legal liability on the part of the United States or otherwise to prejudge any judicial proceeding or investigation arising from the accident described in this section: Provided further, That no part of any payment authorized by this section shall be paid to or received by agents or attorneys for services rendered in connection with obtaining such payment, any contract to the contrary notwithstanding.*

SEC. 8115. (a) None of the funds appropriated or otherwise made available under this Act may be obligated or expended for any additional deployment of forces of the Armed Forces of the United States to Yugoslavia, Albania, or Macedonia unless and until the President, after consultation with the Speaker of the House of Representatives, the Majority Leader of the Senate, the Minority Leader of the House of Representatives, and the Minority Leader of the Senate, transmits to Congress a report on the deployment that includes the following:

(1) The President's certification that the presence of those forces in each country to which the forces are to be deployed is necessary in the national security interests of the United States.

(2) The reasons why the deployment is in the national security interests of the United States.

(3) The number of United States military personnel to be deployed to each country.

(4) The mission and objectives of forces to be deployed.

(5) The expected schedule for accomplishing the objectives of the deployment.

(6) The exit strategy for United States forces engaged in the deployment.

(7) The costs associated with the deployment and the funding sources for paying those costs.

(8) The anticipated effects of the deployment on the morale, retention, and effectiveness of United States forces.

(b) Subsection (a) does not apply to a deployment of forces—

(1) in accordance with United Nations Security Council Resolution 795; or

(2) under circumstances determined by the President to be an emergency necessitating immediate deployment of the forces.

(c) Nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of United States citizens.

SEC. 8116. (a) ENSURING YEAR 2000 COMPLIANCE OF INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.—None of the funds appropriated or otherwise made available by this Act may (except as provided in subsection (b)) be obligated or expended on the development or modernization of any information technology or national security system of the Department of Defense in use by the Department of Defense (whether or not the system is a mission critical system) if the date-related data processing capability of that system does not meet certification level 1a, 1b, or 2 (as prescribed in the April 1997 publication of the Department of Defense entitled "Year 2000 Management Plan").

(b) EXCEPTION FOR CERTAIN INFORMATION TECHNOLOGY AND NATIONAL SECURITY SYSTEMS.—The limitation in subsection (a) does not apply to an obligation or expenditure for an information technology or national security system that is reported to the Office of the Secretary of Defense by October 1, 1998, in accordance with the preparation instructions for the May 1998 Department of Defense quarterly report on the status of year 2000 compliance, if—

(1) the obligation or expenditure is directly related to ensuring that the reported system achieves year 2000 compliance;

(2) the system is being developed and fielded to replace, before January 1, 2000, a noncompliant system or a system to be terminated in accordance with the May 1998 Department of Defense quarterly report on the status of year 2000 compliance; or

(3) the obligation or expenditure is required for a particular change that is specifically required by law or that is specifically directed by the Secretary of Defense.

(c) UNALLOCATED REDUCTIONS OF FUNDS NOT TO APPLY TO MISSION CRITICAL SYSTEMS.—Funds appropriated or otherwise made available by this Act for mission critical systems are not subject to any unallocated reduction of funds made by or otherwise applicable to funds appropriated or otherwise made available by this Act.

(d) CURRENT SERVICES OPERATIONS NOT AFFECTED.—Subsection (a) does not prohibit the obligation or expenditure of funds for current services operations of information technology and national security systems.

(e) WAIVER AUTHORITY.—The Secretary of Defense may waive subsection (a) on a case-by-case basis with respect to an information technology or national security system if the Secretary provides the congressional defense committees with written notice of the waiver, including the reasons for the waiver and a timeline for the testing and certification of the system as year 2000 compliant.

(f) REQUIRED REPORT.—(1) Not later than December 1, 1998, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) an executable strategy to be used throughout the Department of Defense to test information technology and national security systems for year 2000 compliance (to include functional capability tests and military exercises);

(B) the plans of the Department of Defense for ensuring that adequate resources (such as testing facilities, tools, and personnel) are available to ensure that all mission critical systems achieve year 2000 compliance; and

(C) the criteria and process to be used to certify a system as year 2000 compliant.

(2) The report shall also include—

(A) an updated list of all mission critical systems; and

(B) guidelines for developing contingency plans for the functioning of each information technology or national security system in the event of a year 2000 problem in any such system.

(g) CAPABILITY CONTINGENCY PLANS.—Not later than December 30, 1998, the Secretary of Defense shall have in place contingency plans to ensure continuity of operations for every critical mission or function of the Department of Defense that is dependent on an information technology or national security system.

(h) INSPECTOR GENERAL EVALUATION.—The Inspector General of the Department of Defense shall selectively audit information technology and national security systems certified as year 2000 compliant to evaluate the ability of systems to successfully operate during the actual year 2000, including the ability of the systems to access and transmit information from point of origin to point of termination.

(i) DEFINITIONS.—For purposes of this section:

(1) The term "information technology" has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term "national security system" has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term "development or modernization" has the meaning given that term in paragraph E of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R), but does not include any matter covered by subparagraph 3 of that paragraph.

(4) The term "current services" has the meaning given that term in paragraph C of section 180203 of the Department of Defense Financial Management Regulation (DOD 7000.14–R).

(5) The term "mission critical system" means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 8117. (a) EVALUATION OF YEAR 2000 COMPLIANCE AS PART OF TRAINING EXERCISES PROGRAMS.—Not later than December 15, 1998, the Secretary of Defense shall submit to Congress a plan for the execution of a simulated year 2000 as part of military exercises described in subsection (c) in order to evaluate, in an operational environment, the extent to which information technology and national security systems involved in those exercises will successfully operate during the actual year 2000, including the ability of those systems to access and transmit information from point of origin to point of termination.

(b) EVALUATION OF COMPLIANCE IN SELECTED EXERCISES.—In conducting the military exercises described in subsection (c), the Secretary of Defense shall ensure that—

(1) at least 25 of those exercises (referred to in this section as "year 2000 simulation exercises") are conducted so as to include a simulated year 2000 in accordance with the plan submitted under subsection (a);

(2) at least two of those exercises are conducted by the commander of each unified or specified combatant command; and

(3) all mission critical systems that are expected to be used if the Armed Forces are involved in a conflict in a major theater of war are tested in at least two exercises.

(c) COVERED MILITARY EXERCISES.—A military exercise referred to in this section is a military exercise conducted by the Department of Defense, during the period beginning on January 1, 1999, and ending on September 30, 1999—

(1) under the training exercises program known as the "CJCS Exercise Program";

(2) at the Naval Strike and Air Warfare Center, the Army National Training Center, or the Air Force Air Warfare Center; or

(3) as part of Naval Carrier Group fleet training or Marine Corps Expeditionary Unit training.

(d) ALTERNATIVE TESTING METHOD.—In the case of an information technology or national security system for which a simulated year 2000 test as part of a military exercise described in subsection (c) is not feasible or presents undue risk, the Secretary of Defense shall test the system using a functional end-to-end test or through a Defense Major Range and Test Facility Base. The Secretary shall include the plans for these tests in the plan required by subsection (a). Tests under this subsection are in addition to the 25 tests required by subsection (b).

(e) AUTHORITY FOR EXCLUSION OF SYSTEMS NOT CAPABLE OF PERFORMING RELIABLY IN YEAR 2000 SIMULATION.—(1) In carrying out a year 2000 simulation exercise, the Secretary of

Defense may exclude a particular information technology or national security system from the year 2000 simulation phase of the exercise if the Secretary determines that the system would be incapable of performing reliably during the year 2000 simulation phase of the exercise. In such a case, the system excluded shall be replaced in accordance with the year 2000 contingency plan for the system.

(2) If the Secretary of Defense excludes an information technology or national security system from the year 2000 simulation phase of an exercise as provided in paragraph (1), the Secretary shall notify Congress of that exclusion not later than two weeks before commencing that exercise. The notice shall include a list of each information technology or national security system excluded from the exercise, a description of how the exercise will use the year 2000 contingency plan for each such system, and a description of the effect that continued year 2000 noncompliance of each such system would have on military readiness.

(3) An information technology or national security system with cryptological applications that is not capable of having its internal clock adjusted forward to a simulated later time is exempt from the year 2000 simulation phase of an exercise under this section.

(f) COMPTROLLER GENERAL REVIEW.—Not later than January 30, 1999, the Comptroller General shall review the report and plan submitted under subsection (a) and submit to Congress a briefing evaluating the methodology to be used under the plan to simulate the year 2000 and describing the potential information that will be collected as a result of implementation of the plan, the adequacy of the planned tests, and the impact that the plan will have on military readiness.

(g) DEFINITIONS.—For the purposes of this section:

(1) The term "information technology" has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(2) The term "national security system" has the meaning given that term in section 5142 of such Act (40 U.S.C. 1452).

(3) The term "mission critical system" means an information technology or national security system that is designated as mission critical in the May 1998 Department of Defense quarterly report on the status of year 2000 compliance.

SEC. 8118. During the current fiscal year and hereafter, no funds appropriated or otherwise available to the Department of Defense may be used to award a contract to, extend a contract with, or approve the award of a subcontract to any person who within the preceding 15 years has been convicted under section 704 of title 18, United States Code, of the unlawful manufacture or sale of the Congressional Medal of Honor.

SEC. 8119. (a) The Secretary of Defense shall submit to the Committees on Appropriations of the Senate and the House of Representatives a report on food stamp assistance for members of the Armed Forces. The Secretary shall submit the report at the same time that the Secretary submits to Congress, in support of the fiscal year 2001 budget, the materials that relate to the funding provided in that budget for the Department of Defense.

(b) The report shall include the following:

(1) The number of members of the Armed Forces and dependents of members of the Armed Forces who are eligible for food stamps.

(2) The number of members of the Armed Forces and dependents of members of the Armed Forces who received food stamps in fiscal year 1998.

(3) A proposal for using, as a means for eliminating or reducing significantly the need of such personnel for food stamps, the authority under section 2828 of title 10, United States Code, to lease housing facilities for enlisted members of the Armed Forces and their families when Government quarters are not available for such personnel.

(4) A proposal for increased locality adjustments through the basic allowance for housing and other methods as a means for eliminating or reducing significantly the need of such personnel for food stamps.

(5) Other potential alternative actions (including any recommended legislation) for eliminating or reducing significantly the need of such personnel for food stamps.

(6) A discussion of the potential for each alternative action referred to in paragraph (3) or (4) to result in the elimination or a significant reduction in the need of such personnel for food stamps.

(c) Each potential alternative action included in the report under paragraph (3) or (4) of subsection (b) shall meet the following requirements:

(1) Apply only to persons referred to in paragraph (1) of such subsection.

(2) Be limited in cost to the lowest amount feasible to achieve the objectives.

(d) In this section:

(1) The term "fiscal year 2001 budget" means the budget for fiscal year 2001 that the President submits to Congress under section 1105(a) of title 31, United States Code.

(2) The term "food stamps" means assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

SEC. 8120. None of the funds appropriated or otherwise made available by this Act in Titles III and IV may be used to enter into or renew a contract with any company owned, or partially owned, by the People's Republic of China or the People's Liberation Army of the People's Republic of China.

SEC. 8121. (a) Chapter 157 of title 10, United States Code, is amended by inserting after section 2641 the following:

"§2641a. Transportation of American Samoa veterans on Department of Defense aircraft for certain medical care in Hawaii

"(a) TRANSPORTATION AUTHORIZED.—The Secretary of Defense may provide transportation on Department of Defense aircraft for the purpose of transporting any veteran specified in subsection (b) between American Samoa and the State of Hawaii if such transportation is required in order to provide hospital care to such veteran as described in that subsection.

"(b) VETERANS ELIGIBLE FOR TRANSPORT.—A veteran eligible for transport under subsection (a) is any veteran who—

"(1) resides in and is located in American Samoa; and

"(2) as determined by an official of the Department of Veterans Affairs designated for that purpose by the Secretary of Veterans Affairs, must be transported to the State of Hawaii in order to receive hospital care to which such veteran is entitled under chapter 17 of title 38 in facilities of such Department in the State of Hawaii.

"(c) ADMINISTRATION.—(1) Transportation may be provided to veterans under this section only on a space-available basis.

"(2) A charge may not be imposed on a veteran for transportation provided to the veteran under this section.

"(d) DEFINITIONS.—In this section:

"(1) The term 'veteran' has the meaning given that term in section 101(2) of title 38.

"(2) The term 'hospital care' has the meaning given that term in section 1701(5) of title 38.".

(b) The table of sections at the beginning of chapter 157 of such title is amended by inserting after the item relating to section 2641 the following new item:

"2641a. Transportation of American Samoa veterans on Department of Defense aircraft for certain medical care in Hawaii.".

SEC. 8122. ADDITIONAL FUNDING FOR KOREAN WAR VETERANS MEMORIAL. Section 3 of Public Law 99–572 (40 U.S.C. 1003 note) is amended by adding at the end the following:

"(c) ADDITIONAL FUNDING.—

"(1) IN GENERAL.—In addition to amounts made available under subsections (a) and (b), the Secretary of the Army may expend, from any funds available to the Secretary on the date of enactment of this paragraph, $2,000,000 for repair of the memorial.

"(2) DISPOSITION OF FUNDS RECEIVED FROM CLAIMS.—Any funds received by the Secretary of the Army as a result of any claim against a contractor in connection with construction of the memorial shall be deposited in the general fund of the Treasury.".

SEC. 8123. Of the funds available under title VI for "Chemical Agents and Munitions Destruction, Army" for research and development, $18,000,000 shall be made available for the program manager for the Assembled Chemical Weapons Assessment (under section 8065 of the Department of Defense Appropriations Act, 1997) for demonstrations of technologies under the Assembled Chemical Weapons Assessment, for planning and preparation to proceed from demonstration of an alternative technology immediately into the development of a pilot-scale facility for the technology, and for the design, construction, and operation of a pilot facility for the technology.

SEC. 8124. The Secretary of the Navy may carry out a competitively awarded vessel scrapping pilot program during fiscal years 1999 and 2000 using funds made available in this Act under the heading "Operation and Maintenance, Navy": Provided, That the Secretary of the Navy shall define the program scope sufficient to gather data on the cost of scrapping Government vessels and to demonstrate cost effective technologies and techniques to scrap such vessels in a manner that is protective of worker safety and health and the environment.

SEC. 8125. From within the funds provided under the heading "Operation and Maintenance, Army", up to $500,000 shall be available for paying subcontractors and suppliers for work performed at Fort Wainwright, Alaska, in 1994, under Army services contract number DACA85–93–C–0065. Subcontractors and suppliers are to be paid interest calculated in accordance with the Contract Dispute Act of 1978, 41 U.S.C. 601–613.

SEC. 8126. (a) The Secretary of the Army and the Secretary of the Air Force may each enter into one or more multiyear leases of nontactical firefighting equipment, nontactical crash rescue equipment, or nontactical snow removal equipment. The period of a lease entered into under this section shall be for any period not in excess of 10 years. Any such lease shall provide that performance under the lease during the second and subsequent years of the contract is contingent upon the appropriation of funds and shall provide for a cancellation payment to be made to the lessor if such appropriations are not made.

(b) Lease payments made under subsection (a) shall be made from amounts provided in this or future appropriations Acts.

(c) This section is effective for all fiscal years beginning after September 30, 1998.

SEC. 8127. From within funds available for the Department of Defense under title VI of this Act for "Chemical Agents and Munitions Destruction, Army", or the unobligated balances of funds available for "Chemical Agents and Munitions Destruction, Defense", under any other

Act making appropriations for military functions administered by the Department of Defense for any fiscal year, the Secretary of Defense may use not more than $25,000,000 for the Assembled Chemical Weapons Assessment to complete the demonstration of alternatives to baseline incineration for the destruction of chemical agents and munitions and to carry out the pilot program under section 8065 of the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208; 110 Stat. 3009–101; 50 U.S.C. 1521 note). The amount specified in the preceding sentence is in addition to any other amount that is made available under title VI of this Act to complete the demonstration of the alternatives and to carry out the pilot program: Provided, That none of these funds shall be taken from any ongoing operational chemical munitions destruction programs.

SEC. 8128. (a) FINDINGS.—The Congress finds that—

(1) child experts estimate that as many as 250,000 children under the age of 18 are currently serving in armed forces or armed groups in more than 30 countries around the world;

(2) contemporary armed conflict has caused the deaths of 2,000,000 minors in the last decade alone, and has left an estimated 6,000,000 children seriously injured or permanently disabled;

(3) children are uniquely vulnerable to military recruitment because of their emotional and physical immaturity, are easily manipulated, and can be drawn into violence that they are too young to resist or understand;

(4) children are most likely to become child soldiers if they are poor, separated from their families, displaced from their homes, living in a combat zone, or have limited access to education;

(5) orphans and refugees are particularly vulnerable to recruitment;

(6) one of the most egregious examples of the use of child soldiers is the abduction of some 10,000 children, some as young as 8 years of age, by the Lord's Resistance Army (in this section referred to as the "LRA") in northern Uganda;

(7) the Department of State's Country Reports on Human Rights Practices for 1997 reports that in Uganda the LRA kills, maims, and rapes large numbers of civilians, and forces abducted children into "virtual slavery as guards, concubines, and soldiers";

(8) children abducted by the LRA are forced to raid and loot villages, fight in the front line of battle against the Ugandan army and the Sudan People's Liberation Army (SPLA), serve as sexual slaves to rebel commanders, and participate in the killing of other children who try to escape;

(9) former LRA child captives report witnessing Sudanese government soldiers delivering food supplies, vehicles, ammunition, and arms to LRA base camps in government-controlled southern Sudan;

(10) children who manage to escape from LRA captivity have little access to trauma care and rehabilitation programs, and many find their families displaced, unlocatable, dead, or fearful of having their children return home;

(11) Graca Machel, the former United Nations expert on the impact of armed conflict on children, identified the immediate demobilization of all child soldiers as an urgent priority, and recommended the establishment through an optional protocol to the Convention on the Rights of the Child of 18 as the minimum age for recruitment and participation in armed forces; and

(12) the International Committee of the Red Cross, the United Nations Children's Fund (UNICEF), the United Nations High Commission on Refugees, and the United Nations High Commissioner on Human Rights, as well as many nongovernmental organizations, also support the establishment of 18 as the minimum age for military recruitment and participation in armed conflict.

(b) IN GENERAL.—The Congress hereby—

(1) deplores the global use of child soldiers and supports their immediate demobilization;

(2) condemns the abduction of Ugandan children by the LRA;

(3) calls on the Government of Sudan to use its influence with the LRA to secure the release of abducted children and to halt further abductions; and

(4) encourages the United States delegation not to block the drafting of an optional protocol to the Convention on the Rights of the Child that would establish 18 as the minimum age for participation in armed conflict.

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President and the Secretary of State should—

(1) support efforts to end the abduction of children by the LRA, secure their release, and facilitate their rehabilitation and reintegration into society;

(2) not block efforts to establish 18 as the minimum age for participation in conflict through an optional protocol to the Convention on the Rights of the Child; and

(3) provide greater support to United Nations agencies and nongovernmental organizations working for the rehabilitation and reintegration of former child soldiers into society.

SEC. 8129. Notwithstanding any other provision of law, the Secretary of Defense shall obligate the funds provided for Counterterror Technical Support in the Department of Defense Appropriations Act, 1998 (under title IV of Public Law 105–56) for the projects and in the amounts provided for in House Report 105–265 of the House of Representatives, One Hundred Fifth Congress, First Session: Provided, That the funds available for the Pulsed Fast Neutron Analysis Project should be executed through cooperation with the Office of National Drug Control Policy.

SEC. 8130. TRAINING AND OTHER PROGRAMS. (a) PROHIBITION.—None of the funds made available by this Act may be used to support any training program involving a unit of the security forces of a foreign country if the Secretary of Defense has received credible information from the Department of State that a member of such unit has committed a gross violation of human rights, unless all necessary corrective steps have been taken.

(b) MONITORING.—Not more than 90 days after enactment of this Act, the Secretary of Defense, in consultation with the Secretary of State, shall establish procedures to ensure that prior to a decision to conduct any training program referred to in subsection (a), full consideration is given to all information available to the Department of State relating to human rights violations by foreign security forces.

(c) WAIVER.—The Secretary of Defense, after consultation with the Secretary of State, may waive the prohibition in subsection (a) if he determines that such waiver is required by extraordinary circumstances.

(d) REPORT.—Not more than 15 days after the exercise of any waiver under subsection (c), the Secretary of Defense shall submit a report to the congressional defense committees describing the extraordinary circumstances, the purpose and duration of the training program, the United States forces and the foreign security forces involved in the training program, and the information relating to human rights violations that necessitates the waiver.

SEC. 8131. Notwithstanding any other provision of law, and notwithstanding the provisions of section 509(b) of title 32, United States Code, of the funds made available for Civil Military Programs to the Department of Defense in this Act, not less than $62,394,000 shall be made available for the National Guard ChalleNGe Program.

SEC. 8132. (a) Notwithstanding any other provision of law, the Secretary of the Air Force may convey, without consideration, to Indian tribes located in the State of Montana relocatable military housing units located at Malmstrom Air Force Base, Montana, that are excess to the needs of the Air Force.

(b) PROCESSING OF REQUESTS.—(1) The Secretary of the Air Force shall convey military housing units under subsection (a) in accordance with the requests for such units that are submitted to the Secretary by the Operation Walking Shield Program on behalf of Indian tribes located in the State of Montana.

(2) The Operation Walking Shield Program shall resolve any conflicts among requests of Indian tribes for housing units under subsection (a) before submitting such requests to the Secretary of the Air Force under paragraph (1).

(c) INDIAN TRIBE DEFINED.—In this section, the term "Indian tribe" means any recognized Indian tribe included on the current list published by the Secretary of the Interior under section 104 of the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103–454; 108 Stat. 4792; 25 U.S.C. 479a–1).

SEC. 8133. (a) The Secretary of Defense, in coordination with the Secretary of Health and Human Services, may carry out a program to distribute surplus dental equipment of the Department of Defense, at no cost to the Department of Defense, to Indian health service facilities and to federally-qualified health centers (within the meaning of section 1905(l)(2)(B) of the Social Security Act (42 U.S.C. 1396d(l)(2)(B))).

(b) Not later than March 15, 1999, the Secretary of Defense shall submit to Congress a report on the program, including the actions taken under the program.

SEC. 8134. The total amount appropriated in Title III of this Act is hereby reduced by $142,100,000.

SEC. 8135. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $193,600,000 to reflect savings from favorable foreign currency fluctuations, to be distributed as follows:

"Military Personnel, Army", $5,300,000;

"Military Personnel, Navy", $12,000,000;

"Military Personnel, Marine Corps", $4,200,000;

"Military Personnel, Air Force", $8,100,000;

"Operation and Maintenance, Army", $111,500,000;

"Operation and Maintenance, Navy", $11,500,000;

"Operation and Maintenance, Marine Corps", $3,300,000;

"Operation and Maintenance, Air Force", $26,200,000; and

"Operation and Maintenance, Defense-Wide", $11,500,000.

SEC. 8136. Notwithstanding any other provision in this Act, the total amount appropriated in this Act is hereby reduced by $502,000,000 to reflect savings from reductions in the price of bulk fuel, to be distributed as follows:

"Operation and Maintenance, Army", $36,000,000;

"Operation and Maintenance, Navy", $167,000,000;

"Operation and Maintenance, Marine Corps", $8,000,000;

"Operation and Maintenance, Air Force", $176,000,000;

"Operation and Maintenance, Defense-Wide", $67,000,000;

"Operation and Maintenance, Army Reserve", $1,400,000;

"Operation and Maintenance, Navy Reserve", $8,200,000;

"Operation and Maintenance, Air Force Reserve", $11,700,000;

"Operation and Maintenance, Army National Guard", $3,500,000; and

"Operation and Maintenance, Air National Guard", $23,200,000.

SEC. 8137. GLOBAL POSITIONING SYSTEM FREQUENCY SPECTRUM.—In order to guard against disruption of Global Positioning System services that are vital to the national security and economic interests of the United States, the Secretary of Defense shall submit to the congressional defense committees a report setting forth a national strategy to (a) protect the integrity of the Global Positioning System frequency spectrum against interference and disruption, (b) achieve full and effective use by GPS of radio frequency spectrum currently allocated by the International Telecommunications Union for transmission of satellite navigation signals, and (c) provide for any additional allocation of spectrum necessary for GPS evolution. Such report shall be submitted to the congressional defense committees within 120 days of enactment of this Act.

SEC. 8138. The Secretary of Defense shall submit a report to Congress concurrent with submission of the fiscal year 2000 President's budget regarding past military deployment rates and future deployment rate goals. Such report shall contain a listing of the monthly overseas deployment rates for military personnel of each service covering each fiscal year beginning with fiscal year 1989, the location and size of each deployment, a description of the methodology used to determine the deployment rates for each service, and a discussion of the maximum yearly deployment rates for each service that can be sustained on a continuous basis in non-emergency situations over the next five years given the resources and personnel end strengths contained in the Future Years Defense Plan.

SEC. 8139. (a) CONVEYANCE REQUIRED.—The Secretary of the Air Force shall convey, without consideration, to the Town of Newington, New Hampshire, all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 1.3 acres located at former Pease Air Force Base, New Hampshire, and known as the site of the old Stone School.

(b) INAPPLICABILITY OF CERTAIN DISPOSAL AUTHORITIES.—The Secretary shall make the conveyance required by subsection (a) without regard to the provisions of section 204(b) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 8140. (a) The Secretary of the Navy may lease to the University of Central Florida (in this section referred to as the "University"), or a representative or agent of the University designated by the University, such portion of the property known as the Naval Air Warfare Center, Training Systems Division, Orlando, Florida, as the Secretary considers appropriate as a location for the establishment of a center for research in the fields of law enforcement, public safety, civil defense, and national defense.

(b) Notwithstanding any other provision of law, the term of the lease under subsection (a) may not exceed 50 years.

(c) As consideration for the lease under subsection (a), the University shall—

(1) undertake and incur the cost of the planning, design, and construction required to establish the center referred to in that subsection; and

(2) during the term of the lease, provide the Secretary such space in the center for activities of the Navy as the Secretary and the University jointly consider appropriate.

(d) The Secretary may require such additional terms and conditions in connection with the lease authorized by subsection (a) as the Secretary considers appropriate to protect the interest of the United States.

SEC. 8141. (a) The Secretary of the Air Force may enter into an agreement to lease from the City of Phoenix, Arizona, the parcel of real property described in subsection (b), together with improvements on the property, in consideration of annual rent not in excess of one dollar.

(b) The real property referred to in subsection (a) is a parcel, known as Auxiliary Field 3, that is located approximately 12 miles north of Luke Air Force Base, Arizona, in section 4 of township 3 north, range 1 west of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, is bounded on the north by Bell Road, on the east by Litchfield Road, on the south by Greenway Road, and on the west by agricultural land, and is composed of approximately 638 acres, more or less, the same property that was formerly an Air Force training and emergency field developed during World War II.

(c) The Secretary may require such additional terms and conditions in connection with the lease under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8142. Notwithstanding any other provision of law, the Secretary of Defense may retain all or a portion of the family housing at Fort Buchanan, Puerto Rico, as the Secretary deems necessary to meet military family housing needs arising out of the relocation of elements of the U.S. Army South to Fort Buchanan.

SEC. 8143. (a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the City of Seattle, Washington (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 11.82 acres, the location of the Magnolia housing area, Seattle, Washington, less such areas as the Secretary determines are required to support continued Navy family housing requirements.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to the fair market value (as determined by the Secretary) of the portion of the real property to be conveyed under subsection (a) that was not donated to the United States by the City. The portion of the real property to be conveyed under subsection (a) that was donated to the United States by the City will be returned to the City at no cost.

(c) CONDITION.—The conveyance authorized by subsection (a) shall be subject to the condition that the City accept the real property in its condition at the time of conveyance.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed for monetary consideration; as well as the acreage of the portion to be returned to the City at no cost as described in subsection (b), shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) USE OF FUNDS.—(1) The Secretary shall use any amounts paid to the Secretary under subsection (b) for Navy family housing purposes in the Puget Sound region. (2) If amounts referred to in paragraph (1) remain unexpended after the use for Navy family housing purposes referred to in that paragraph, the Secretary shall deposit such unexpended amounts in the account established under section 204(h) of the Federal Property and Administrative Services Act (40 U.S.C. 485(h)).

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8144. (a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the city of Reading, Pennsylvania, hereafter referred to as the "City" or to another entity designated by the City, all right and title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 1.8 acres at the Army Reserve Center located at 1800 North 12th Street in Reading, Pennsylvania, for redevelopment purposes.

(b) CONSIDERATION.—The conveyance authorized under subsection (a) shall be subject to the condition that the City—

(1) Will pay fair market value for the property, if the property is to be conveyed to or used by a business enterprise.

(2) Will obtain the property without consideration if the property is to be used by a state or local governmental agency.

(c) ADMINISTRATIVE EXPENSES.—In connection with the conveyance under subsection (a), the Secretary may accept amounts provided by the city or other persons to cover administrative expenses incurred by the Secretary in entering into the transaction. Amounts collected under this subsection (b) for administrative expenses shall be credited to the appropriation, fund, or account from which the expenses were paid. Amounts so credited shall be merged with funds in such appropriation, fund or account and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 8145. Notwithstanding any other provision of law, using funds previously appropriated into the Department of Defense Base Closure Account 1990 established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991 (Public Law 101-510), the Secretary of the Air Force shall obligate up to $7,646,000 for demolition and related environmental restoration of 31 buildings, possessing asbestos and lead-based paint, at the former Norton Air Force Base, California.

SEC. 8146. LIQUIDITY OF WORKING-CAPITAL FUNDS. (a) INCREASED CASH BALANCES.—The Secretary of Defense shall administer the working-capital funds of the Department of Defense during fiscal year 1999 so as to ensure that the total amount of the cash balances in such funds on September 30, 1999, exceeds the total amount of the cash balances in such funds on September 30, 1998, by $1,300,000,000.

(b) ACTIONS REGARDING UNBUDGETED LOSSES.—The Under Secretary of Defense (Comptroller) shall take such actions regarding unbudgeted losses for the working-capital funds as may be necessary in order to ensure that such

unbudgeted losses do not preclude the Secretary of Defense from achieving the increase in cash balances in working-capital funds required under subsection (a).

(c) WAIVER.—The Secretary of Defense may waive the requirements of this section upon certifying to Congress, in writing, that the waiver is necessary to meet requirements associated with—

(A) a contingency operation (as defined in section 101(a)(13) of title 10, United States Code); or

(B) an operation of the Armed Forces that commenced before October 1, 1998, and continues during fiscal year 1999.

(2) The waiver authority under paragraph (1) may not be delegated to any official other than the Deputy Secretary of Defense.

(3) The waiver authority under paragraph (1) does not apply to the limitation in subsection (d) or the limitation in section 2208(l)(3) of title 10, United States Code (as added by subsection (e)).

(d) PERMANENT LIMITATION ON ADVANCE BILLINGS.—(1) Section 2208(l) of title 10, United States Code, is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph (3):

"(3) The total amount of the advance billings rendered or imposed for all working-capital funds of the Department of Defense in a fiscal year may not exceed $1,000,000,000.".

(2) Section 2208(l)(3) of such title, as added by paragraph (1), applies to fiscal years after fiscal year 1999.

(e) SEMIANNUAL REPORT.—(1) The Under Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives—

(A) not later than May 1, 1999, a report on the administration of this section for the six-month period ending on March 31, 1999; and

(B) not later than November 1, 1999, a report on the administration of this section for the six-month period ending on September 30, 1999.

(2) Each report shall include, for the period covered by the report, the following:

(A) The profit and loss status of each working-capital fund activity.

(B) The actions taken by the Secretary of each military department to use assessments of surcharges to correct for unbudgeted losses.

SEC. 8147. The Secretary of Defense shall establish, through a revised Defense Integrated Military Human Resources System (DIMHRS), a defense reform initiative enterprise pilot program for military manpower and personnel information: Provided, That this pilot program should include all functions and systems currently included in DIMHRS and shall be expanded to include all appropriate systems within the enterprise of personnel, manpower, training, and compensation: Provided further, That in establishing a revised DIMHRS enterprise program for manpower and personnel information superiority the functions of this program shall include, but not be limited to: (1) an analysis and determination of the number and kinds of information systems necessary to support manpower and personnel within the Department of Defense; and (2) the establishment of programs to develop and implement information systems in support of manpower and personnel to include an enterprise level strategic approach, performance and results based management, business process improvement and other non-material solutions, the use of commercial or government off-the-shelf technology, the use of modular contracting as defined by Public Law 104–106, and the integration and consolidation of existing manpower and personnel information systems: Provided further, That the Secretary of Defense shall re-instate fulfillment standards designated as ADS–97–03–GD, dated January, 1997: Provided further, That the requirements of this section should be implemented not later than six months after the date of enactment of this Act.

SEC. 8148. (a) The Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff and the military service chiefs, shall conduct a comprehensive reassessment of existing military compensation, benefits, and related programs. The Secretary shall consider the effectiveness of these programs in providing an adequate standard of living and family support for service members and dependents, the current and projected effects of these programs on recruiting and retention of service members, and improvements which could be gained by potential changes in these programs.

(b) In conducting this assessment, the Secretary's analysis shall consider, but not be limited to, the following areas:

(1) Military pay and benefits, to include special pay and targeted bonus programs;

(2) The military retirement system, including an assessment of the effects of the significant changes made to the retirement system in 1986;

(3) Health care programs; and

(4) Housing, family support, and morale, welfare and recreation programs.

(c) The Secretary shall consider the cumulative and complementary ability of these programs, and the effects of potential modifications to these programs, in terms of their ability to contribute to the attainment of existing and future manpower requirements of the military services, as well as the provision of a fair and equitable quality of life for service members and their dependents.

(d) The Secretary shall provide an initial report on these issues to the congressional defense committees within 60 days of the enactment of this Act.

(e) Concurrent with submission of the fiscal year 2000 budget, the Secretary shall provide a comprehensive assessment of these issues, and proposed changes in existing programs should he determine they are warranted, to the Congress.

This Act may be cited as the "Department of Defense Appropriations Act, 1999".

And the Senate agree to the same.

BILL YOUNG,
JOE MCDADE,
JERRY LEWIS,
JOE SKEEN,
DAVID L. HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
ERNEST J. ISTOOK, Jr.,
RANDY "DUKE" CUNNINGHAM,
BOB LIVINGSTON,
JOHN P. MURTHA,
NORMAN D. DICKS,
W.G. (BILL) HEFNER,
MARTIN OLAV SABO,
JULIAN C. DIXON,
PETER J. VISCLOSKY,
Managers on the Part of the House.

TED STEVENS,
THAD COCHRAN,
PETE V. DOMENICI,
CHRISTOPHER S. BOND,
MITCH MCCONNELL,
RICHARD C. SHELBY,
JUDD GREGG,
KAY BAILEY HUTCHISON,
DANIEL K. INOUYE,
FRITZ HOLLINGS,
ROBERT BYRD,
PATRICK J. LEAHY,
DALE BUMPERS,
FRANK R. LAUTENBERG,
TOM HARKIN,
BYRON L. DORGAN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103), making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Department of Defense Appropriations Act, 1999, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 105–591 and Senate Report 105–200 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1999, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P–1 and R–1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits his budget for fiscal year 2000, the conferees direct the Department of Defense to transmit to the congressional defense committees budget justification documents to be known as the "M–1" and "O–1" which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 2000.

SPECIAL INTEREST ITEMS

Items for which the conferees have specifically provided funds through a conference agreement or through adoption of original House or Senate recommendations in Research, Development, Test, and Evaluation or Procurement appropriations are Congressional special interest items for the purpose of the Base for Reprogramming (DD Form 1414). These items are identified in the respective committee or conference reports using the phrases "only for" or "only to" or are specifically identified in the tables. Each item will be carried on the DD form 1414 in the amount agreed to by the conferees. The Department of Defense shall consult with the congressional defense committees before issuing the DD form 1414 so there is common agreement on items of special interest. In no case will the Department of Defense transfer funds from special interest items through the below threshold reprogramming process. In addition, the term program in Section 8111 includes any subprogram, modification, project, or subproject not previously justified and appropriated in a given appropriation account by the Congress through the normal budget process.

TITLE I—MILITARY PERSONNEL

The conferees agree to the following amounts for the Military Personnel accounts as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Active personnel:				
Army	21,002,051	20,908,851	20,822,051	20,841,687
Navy	16,613,053	16,560,253	16,532,153	16,570,754
Marine Corps	6,272,089	6,241,189	6,253,189	6,263,387
Air Force	17,311,683	17,201,583	17,205,660	17,211,987
Reserve personnel:				
Army	2,152,075	2,171,675	2,152,075	2,167,052
Navy	1,387,379	1,427,979	1,387,379	1,426,663
Marine Corps	401,888	403,513	401,888	406,616
Air Force	856,176	850,576	856,176	852,324
National Guard personnel:				
Army	3,404,595	3,413,195	3,499,595	3,489,987
Air Force	1,376,097	1,372,997	1,376,097	1,377,109
Total, Military Personnel	70,777,086	70,551,811	70,486,263	70,607,566

PAY RAISE INCREASE

The conferees recommend an increase of $202,455,000 to active and Guard and Reserve personnel accounts to provide for a 3.6 percent military pay raise, an increase of a half percent over the budget request of 3.1 percent.

FORCE STRUCTURE CHANGES

The conferees recommend a total of $106,200,000 in the Military Personnel and Operation and Maintenance accounts for restoration of force structure that was reduced in the budget request, as follow:

[Dollars in thousands]

	Milpers	O&M	Proc.	Total
Air Force B–52 aircraft	3,600	40,100	10,300	54,000
Army Reserve AGR's	15,000			15,000
Navy Reserve P–3 aircraft	2,600	7,600		10,200
Army National Guard civilian technicians		27,000		27,000

PERSONNEL UNDEREXECUTION SAVINGS

The conferees recommend a total reduction of $220,800,000 for active and reserve military personnel accounts due to lower than projected end strengths, and differences in the actual grade mix of officers and enlisted recommended in the budget request. The General Accounting Office estimates that the active duty components will have approximately 15,000 fewer personnel on board beginning in fiscal year 1999, and the Reserve components approximately 3,700 personnel. As a result, the fiscal year 1999 requirements are overstated.

REPLACEMENT MEDALS AND DECORATIONS

The conferees encourage the Secretary of Defense to take all actions necessary to eliminate the backlog of requests of former service members for replacement medals and decorations.

BACKLOG OF UNPAID RETIRED PAY

The conferees direct the Secretary of Defense to take all actions necessary to eliminate any backlog of unpaid retired pay for former service members, to include those retired from the Guard and Reserve. Not later than ninety days after enactment of this Act, the Secretary of Defense shall submit a report on the backlog of unpaid retired pay. The report shall include the actions taken to eliminate any backlog; the extent of any remaining backlog; and a description of any additional actions required to ensure that retired pay is paid in a timely manner.

ACTIVE END STRENGTH

[Fiscal year 1999]

	Budget	Conference	Conference vs. Budget
Army	480,000	480,000	
Navy	372,696	372,696	
Marine Corps	172,200	172,200	
Air Force	370,882	370,984	+102
Total, Active Personnel	1,395,778	1,395,880	+102

MILITARY PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, ARMY:				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER BASIC PAY	3,439,898	3,439,898	3,439,898	3,439,898
RETIRED PAY ACCRUAL	1,038,849	1,038,849	1,038,849	1,038,849
BASIC ALLOWANCE FOR HOUSING	561,424	561,424	561,424	561,424
BASIC ALLOWANCE FOR SUBSISTENCE	147,905	147,905	147,905	147,905
INCENTIVE PAYS	64,469	64,469	64,469	64,469
SPECIAL PAYS	190,936	190,936	190,936	190,936
ALLOWANCES	102,643	102,643	102,643	102,643
SEPARATION PAY	142,731	142,731	142,731	142,731
SOCIAL SECURITY TAX	298,713	298,713	298,713	298,713
TOTAL, BUDGET ACTIVITY 1	5,987,568	5,987,568	5,987,568	5,987,568
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL BASIC PAY	7,437,252	7,437,252	7,437,252	7,437,252
RETIRED PAY ACCRUAL	2,246,050	2,246,050	2,246,050	2,246,050
BASIC ALLOWANCE FOR HOUSING	1,171,828	1,171,828	1,171,828	1,171,828
INCENTIVE PAYS	68,068	68,068	68,068	68,068
SPECIAL PAYS	165,166	175,166	165,166	165,166
ALLOWANCES	513,801	513,801	513,801	513,801
SEPARATION PAY	325,993	325,993	325,993	325,993

[In thousands of dollars]

	Budget	House	Senate	Conference
SOCIAL SECURITY TAX	635,065	635,065	635,065	635,065
TOTAL, BUDGET ACTIVITY 2	12,563,223	12,573,223	12,563,223	12,563,223
ACTIVITY 3: PAY AND ALLOWANCES OF CADETS ACADEMY CADETS	39,084	39,084	39,084	39,084
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL BASIC ALLOWANCE FOR SUBSISTENCE	774,529	774,529	774,529	774,529
SUBSISTENCE-IN-KIND	366,887	366,887	366,887	366,887
TOTAL, BUDGET ACTIVITY 4	1,141,416	1,141,416	1,141,416	1,141,416
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL ACCESSION TRAVEL	115,723	115,723	115,723	115,723
TRAINING TRAVEL	49,249	49,249	49,249	49,249
OPERATIONAL TRAVEL	143,258	143,258	143,258	143,258
ROTATIONAL TRAVEL	575,172	575,172	575,172	575,172
SEPARATION TRAVEL	161,505	161,505	161,505	161,505
TRAVEL OF ORGANIZED UNITS	16,731	16,731	16,731	16,731
NON-TEMPORARY STORAGE	25,271	25,271	25,271	25,271
TEMPORARY LODGING EXPENSE	11,638	11,638	11,638	11,638
TOTAL, BUDGET ACTIVITY 5	1,098,547	1,098,547	1,098,547	1,098,547
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS APPREHENSION OF MILITARY DESERTERS	780	780	780	780
INTEREST ON UNIFORMED SERVICES SAVINGS	534	534	534	534
DEATH GRATUITIES	1,962	1,962	1,962	1,962
UNEMPLOYMENT BENEFITS	116,010	116,010	116,010	116,010
SURVIVOR BENEFITS	7,740	7,740	7,740	7,740
EDUCATION BENEFITS	76,807	76,807	76,807	76,807
ADOPTION EXPENSES	380	380	380	380
ADVANCE MILITARY PAY	161,000			
TOTAL, BUDGET ACTIVITY 6	365,213	204,213	204,213	204,213
LESS REIMBURSABLES	−193,000	−193,000	−193,000	−193,000
FOREIGN CURRENCY FLUCTUATION		−5,500	−7,000	
PERSONNEL UNDEREXECUTION		−10,700	−12,000	−60,000
MILITARY PAY SHORTFALL		74,000		
PAY RAISE INCREASE				60,636
TOTAL, MILITARY PERSONNEL, ARMY	21,002,051	20,908,851	20,822,051	20,841,687

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
2620 Advance Military Pay	−161,000
Undistributed:	
Personnel Underexecution	−60,000
Pay Raise Increase	60,636

MILITARY PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, NAVY:				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER—BASIC PAY	2,419,133	2,419,133	2,419,133	2,419,133
RETIRED PAY ACCRUAL	730,578	730,578	730,578	730,578
BASIC ALLOWANCE FOR HOUSING	516,471	516,471	516,471	516,471
BASIC ALLOWANCE FOR SUBSTITUTE	102,537	102,537	102,537	102,537
INCENTIVE PAYS	113,365	113,365	113,365	113,365
SPECIAL PAYS	214,711	214,711	214,711	214,711
ALLOWANCES	73,643	73,643	73,643	73,643
SEPARATION PAY	71,505	71,505	71,505	71,505
SOCIAL SECURITY TAX	205,083	205,083	205,083	205,083
TOTAL, BUDGET ACTIVITY 1	4,447,026	4,447,026	4,447,026	4,447,026
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL—BASIC PAY	5,975,635	5,975,635	5,975,635	5,975,635
RETIRED PAY ACCRUAL	1,802,223	1,802,223	1,802,223	1,802,223
BASIC ALLOWANCE FOR HOUSING	1,320,566	1,320,566	1,320,566	1,320,566
INCENTIVE PAYS	88,091	88,091	88,091	88,091
SPECIAL PAYS	487,881	497,281	487,881	487,881
ALLOWANCE	435,031	435,031	435,031	435,031
SEPARATION PAY	175,754	175,754	175,754	175,754
SOCIAL SECURITY TAX	516,201	516,201	516,201	516,201
TOTAL, BUDGET ACTIVITY 2	10,801,382	10,810,782	10,801,382	10,801,382
ACTIVITY 3: PAY AND ALLOWANCES OF MIDSHIPMEN	35,947	35,947	35,947	35,947
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL—BASIC ALLOWANCE FOR SUBSISTENCE	514,384	514,384	514,384	514,384
SUBSISTENCE-IN-KIND	281,190	281,190	281,190	281,190
TOTAL, BUDGET ACTIVITY 4	795,574	795,574	795,574	795,574
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL—ACCESSION TRAVEL	45,760	45,760	45,760	45,760
TRAINING TRAVEL	59,548	59,548	59,548	59,548
OPERATONAL TRAVEL	150,000	150,000	150,000	150,000
ROTATIONAL TRAVEL	223,494	223,494	223,494	223,494
SEPARATION TRAVEL	108,796	108,796	108,796	108,796
TRAVEL OF ORGANIZED UNITS	16,840	16,840	16,840	16,840
NON-TEMPORARY STORAGE	13,910	13,910	13,910	13,910
TEMPORARY LODGING EXPENSE	5,751	5,751	5,751	5,751
OTHER	4,638	4,638	4,638	4,638
TOTAL, BUDGET ACTIVITY 5	628,737	628,737	628,737	628,737
ACTIVITY 6. OTHER MILITARY PERSONNEL COSTS—APPREHENSION OF MILITARY DESERTERS	826	826	826	826
INTEREST ON UNIFORMED SERVICES SAVINGS	40	40	40	40
DEATH GRATUITIES	1,806	1,806	1,806	1,806
UNEMPLOYMENT BENEFITS	62,922	62,922	62,922	62,922
SURVIVOR BENEFITS	3,540	3,540	3,540	3,540
EDUCATION BENEFITS	19,888	33,788	19,888	19,888

[In thousands of dollars]

	Budget	House	Senate	Conference
ADOPTION EXPENSES	272	272	272	272
ADVANCE MILITARY PAY	69,000			
TOTAL, BUDGET ACTIVITY 6	158,294	103,194	89,294	89,294
LESS REIMBURSABLES	−253,907	−253,907	−253,907	−253,907
FOREIGN CURRENCY FLUCTUATION		−9,100	−5,300	
PERSONNEL UNDEREXECUTION		−8,000	−6,600	−25,000
ACTIVE DUTY SPECIAL WORK		10,000		5,000
PAY RAISE INCREASE				46,701
TOTAL, MILITARY PERSONNEL, NAVY	16,613,053	16,560,253	16,532,153	16,570,754

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
5450 Advance Military Pay	−69,000
Undistributed:	
Personnel Underexecution	−25,000
Active Duty Special Work	5,000
Pay Raise Increase	46,701

MILITARY PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

(In thousands of dollars)

	Budget	House	Senate	Conference
MILITARY PERSONNEL, MARINE CORPS				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER;				
BASIC PAY	780,978	780,978	780,978	780,978
RETIRED PAY ACCRUAL	235,855	235,855	235,855	235,855
BASIC ALLOWANCE FOR HOUSING	132,455	132,455	132,455	132,455
BASIC ALLOWANCE FOR SUBSISTENCE	33,795	33,795	33,795	33,795
INCENTIVE PAYS	39,657	39,657	39,657	39,657
SPECIAL PAYS	938	938	938	938
ALLOWANCES	18,583	18,583	18,583	18,583
SEPARATION PAY	15,288	15,288	15,288	15,288
SOCIAL SECURITY TAX	65,947	65,947	65,947	65,947
TOTAL, BUDGET ACTIVITY 1	1,323,496	1,323,496	1,323,496	1,323,496
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL:				
BASIC PAY	2,638,628	2,638,628	2,638,628	2,638,628
RETIRED PAY ACCRUAL	794,902	794,902	794,902	794,902
BASIC ALLOWANCE FOR HOUSING	401,062	401,062	401,062	401,062
INCENTIVE PAYS	8,376	8,376	13,376	8,376
SPECIAL PAY	56,918	59,918	56,918	56,918
ALLOWANCES	148,132	148,132	148,132	148,132
SEPARATION PAY	62,104	62,104	62,104	62,104
SOCIAL SECURITY TAX	224,831	224,831	224,831	224,831
TOTAL, BUDGET ACTIVITY 2	4,334,953	4,337,953	4,339,953	4,334,953
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL:				
BASIC ALLOWANCE FOR SUBSISTENCE	228,436	228,436	228,436	228,436
SUBSISTENCE-IN-KIND	134,007	134,007	134,007	134,007
TOTAL, BUDGET ACTIVITY 4	362,443	362,443	362,443	362,443
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL:				
ACCESSION TRAVEL	30,096	30,096	30,096	30,096
TRAINING TRAVEL	5,071	5,071	5,071	5,071
OPERATIONAL TRAVEL	52,995	52,995	52,995	52,995
ROTATIONAL TRAVEL	87,581	87,581	87,581	87,581
SEPARATION TRAVEL	42,012	42,014	42,014	42,014
TRAVEL OF ORGANIZED UNITS	771	771	771	771
NON-TEMPORARY STORAGE	4,726	4,726	4,726	4,726
TEMPORARY LODGING EXPENSE	2,802	2,802	2,802	2,802
OTHER	1,698	1,698	1,698	1,698
TOTAL, BUDGET ACTIVITY 5	227,754	227,754	227,754	227,754
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
APPREHENSION OF MILITARY DESERTERS	927	927	927	927
INTEREST ON UNIFORMED SERVICES SAVINGS	16	16	16	16
DEATH GRATUITIES	990	990	990	990
UNEMPLOYMENT BENEFITS	27,846	27,846	27,846	27,846
SURVIVOR BENEFITS	1,614	1,614	1,614	1,614
EDUCATION BENEFITS	6,039	11,939	11,039	6,039
ADOPTION EXPENSES	47	47	47	47
ADVANCE MILITARY PAY	18,000			
TOTAL, BUDGET ACTIVITY 6	55,479	43,379	42,479	37,479
LESS REIMBURSABLES	−32,036	−32,036	−32,036	−32,036
FOREIGN CURRENCY FLUCTUATION		−3,200	−2,000	
PERSONNEL UNDEREXECUTION		−18,600	−8,900	−9,000
PAY RAISE INCREASE				18,598
TOTAL, MILITARY PERSONNEL, MARINE CORPS	6,272,089	6,241,189	6,253,189	6,263,387

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
Advance Military Pay	−18,000
Undistributed:	
Personnel Underexecution	−9,300
Pay Raise Increase	18,598

MILITARY PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
MILITARY PERSONNEL, AIR FORCE				
ACTIVITY 1: PAY AND ALLOWANCES OF OFFICER				
BASIC PAY	3,346,985	3,346,985	3,346,985	3,346,985
RETIRED PAY ACCRUAL	1,010,789	1,010,789	1,010,789	1,010,789
BASIC ALLOWANCE FOR HOUSING	579,333	579,333	579,333	579,333
BASIC ALLOWANCE FOR SUBSISTENCE	136,285	136,285	136,285	136,285
INCENTIVE PAYS	208,497	208,497	208,497	208,497
SPECIAL PAYS	188,576	188,576	188,576	188,576
ALLOWANCES	92,782	92,782	92,782	92,782
SEPARATION PAY	108,876	108,876	108,876	108,876
SOCIAL SECURITY TAX	289,575	289,575	289,575	289,575
TOTAL, BUDGET ACTIVITY 1	5,961,698	5,961,698	5,961,698	5,961,698
ACTIVITY 2: PAY AND ALLOWANCES OF ENLISTED PERSONNEL				
BASIC PAY	5,851,982	5,851,982	5,851,982	5,851,982
RETIRED PAY ACCRUAL	1,767,299	1,767,299	1,767,299	1,767,299
BASIC ALLOWANCE FOR HOUSING	1,008,454	1,008,454	1,008,454	1,008,454
INCENTIVE PAYS	25,744	25,744	25,744	25,744
SPECIAL PAYS	80,528	80,528	80,528	80,528
ALLOWANCES	415,835	415,835	415,835	415,835
SEPARATION PAY	66,262	66,262	66,262	66,262
SOCIAL SECURITY TAX	508,263	508,263	508,263	508,263
TOTAL, BUDGET ACTIVITY 2	9,724,367	9,724,367	9,724,367	9,724,367
ACTIVITY 3: PAY AND ALLOWANCES OF CADETS				
ACADEMY CADETS	36,021	36,021	36,021	36,021
ACTIVITY 4: SUBSISTENCE OF ENLISTED PERSONNEL				
BASIC ALLOWANCE FOR SUBSISTENCE	683,108	683,108	683,108	683,108
SUBSISTENCE-IN-KIND	111,954	111,954	111,954	111,954
TOTAL, BUDGET ACTIVITY 4	795,062	795,062	795,062	795,062
ACTIVITY 5: PERMANENT CHANGE OF STATION TRAVEL				
ACCESSION TRAVEL	54,193	54,193	54,193	54,193
TRAINING TRAVEL	56,225	56,225	56,225	56,225
OPERATIONAL TRAVEL	149,492	149,492	149,492	149,492
ROTATIONAL TRAVEL	443,964	443,964	443,964	443,964
SEPARATION TRAVEL	96,955	96,955	96,955	96,955
TRAVEL OF ORGANIZED UNITS	27,455	27,455	27,455	27,455
NON-TEMPORARY STORAGE	22,714	22,714	22,714	22,714
TEMPORARY LODGING EXPENSE	38,417	38,417	38,417	38,417
OTHER	2,531	2,531	2,531	2,531
TOTAL, BUDGET ACTIVITY 5	891,946	891,946	891,946	891,946
ACTIVITY 6: OTHER MILITARY PERSONNEL COSTS				
APPREHENSION OF MILITARY DESERTERS	100	100	100	100
INTEREST ON UNIFORMED SERVICES SAVINGS	575	575	575	575
DEATH GRATUITIES	1,470	1,470	1,470	1,470
UNEMPLOYED BENEFITS	41,623	37,623	41,623	37,623
SURVIVOR BENEFITS	4,442	4,442	4,442	4,442
EDUCATION BENEFITS	5,193	5,193	5,193	5,193
ADOPTION EXPENSES	800	800	800	800
ADVANCE MILITARY PAY	53,000			
OTHER	550	550	550	550
TOTAL, BUDGET ACTIVITY 6	107,753	50,753	54,753	50,753
LESS REIMBURSABLES	−205,164	−205,164	−205,164	−205,164
FOREIGN CURRENCY FLUCTUATION		−3,100	−3,623	
PERSONNEL UNDEREXECUTION		−50,000	−53,000	−97,000
B–52 FORCE STRUCTURE			3,600	3,600
PAY RAISE INCREASE				50,704
TOTAL, MILITARY PERSONNEL, AIR FORCE	17,311,683	17,201,583	17,205,660	17,211,987

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 6: Other Military Personnel Costs:	
Unemployment Benefits	−4,000
Advance Military Pay	−53,000
Undistributed:	
Personnel Underexecution	−97,000
B–52 Force Structure	3,600
Pay Raise Increase	50,704

NATIONAL GUARD AND RESERVE FORCES

The conferees agree to provide $9,719,751,000 in Reserve personnel appropriations, $9,810,398,000 in Operation and maintenance appropriations and $352,000,000 in National Guard and Reserve Equipment appropriation. These funds support a Selected Reserve strength of 877,290 as shown below.

RESERVE END STRENGTH

[Fiscal year 1998]

	Budget	Conference	Conference vs. Budget
Select Reserve:			
Army Reserve	208,000	208,000	
Navy Reserve	90,843	91,039	+196
Marine Corps Reserve	40,018	40,018	
Air Force Reserve	74,242	74,242	
Army National Guard	357,000	357,000	
Air National Guard	106,991	106,991	
Total	877,094	877,290	+196

AGR/TARS:

[Fiscal year 1998]

	Budget	Conference	Conference vs. Budget
Army Reserve	11,804	12,804	+1,000
Navy Reserve	15,590	15,618	+28
Marine Corps Reserve	2,362	2,362	
Air Force Reserve	991	991	
Army National Guard	21,763	21,763	
Air National Guard	10,930	10,930	
Total	64,440	64,468	+1,028
Technicians:			
Army Reserve	6,474	6,474	
Air Force Reserve	9,761	9,761	
Army National Guard	23,815	24,761	+946
Air National Guard	22,750	22,750	
Total	62,800	63,746	+946

RESERVE PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, ARMY:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	869,736	869,736	869,736	869,736
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	26,345	26,345	26,345	26,345
PAY GROUP F TRAINING (RECRUITS)	140,498	140,498	140,498	140,498

[In thousands of dollars]

	Budget	House	Senate	Conference
PAY GROUP P TRAINING (PIPELINE RECRUITS)	8,024	8,024	8,024	8,024
TOTAL, BUDGET ACTIVITY 1	1,044,603	1,044,603	1,044,603	1,044,603
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	7,330	7,330	7,330	7,330
SCHOOL TRAINING	92,702	92,702	92,702	92,702
SPECIAL TRAINING	101,455	101,455	101,455	101,455
ADMINISTRATION AND SUPPORT	795,108	795,108	795,108	795,108
EDUCATION BENEFITS	20,996	20,996	20,996	20,996
ROTC—SENIOR, JUNIOR SCHOLARSHIP	57,547	57,547	57,547	57,547
HEALTH PROFESSION SCHOLARSHIP PROGRAM	21,554	21,554	21,554	21,554
OTHER PROGRAMS	10,780	10,780	10,780	10,780
TOTAL, BUDGET ACTIVITY 2	1,107,472	1,107,472	1,107,472	1,107,472
PERSONNEL UNDEREXECUTION	....	−5,400	....	−5,400
FULL TIME SUPPORT/AGR'S	....	25,000	....	15,000
PAY RAISE INCREASE	....	....	....	5,377
TOTAL RESERVE PERSONNEL, ARMY	2,152,075	2,717,675	2,152,075	2,167,052

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−5,400
Full-time Support/AGR's	15,000
Pay Raise Increase	5,377

RESERVE PERSONNEL, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, NAVY:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	551,421	551,421	551,421	551,421
TOTAL, BUDGET ACTIVITY 1	551,421	551,421	551,421	551,421
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	3,028	3,028	3,028	3,028
SCHOOL TRAINING	6,091	6,091	6,091	6,091
SPECIAL TRAINING	21,741	21,741	21,741	21,741
ADMINISTRATION AND SUPPORT	757,567	757,567	757,567	757,567
EDUCATION BENEFITS	3,983	3,983	3,983	3,983
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	21,175	21,175	21,175	21,175
HEALTH PROFESSION SCHOLARSHIP PROGRAM	18,892	18,892	18,892	18,892
OTHER PROGRAMS	3,481	3,481	3,481	3,481
TOTAL BUDGET ACTIVITY 2	835,958	835,958	835,958	835,958
PERSONNEL UNDEREXECUTION	....	−5,000	....	−5,000
CONTRIBUTORY SUPPORT TO CINCS	....	10,000	....	5,000
ANNUAL TRAINING	....	33,000	....	33,000
P-3 SQUADRONS	....	2,600	....	2,600
PAY RAISE INCREASE	....	....	....	3,684
TOTAL, RESERVE PERSONNEL, NAVY	1,387,379	1,427,979	1,387,379	1,426,663

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexection	−5,000
Contributory Support to CINCs	5,000
Annual Training	33,000
P-3 Squadrons	2,600
Pay Raise Increase	3,684

RESERVE PERSONNEL, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, MARINE CORPS:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING:				
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	142,438	142,438	142,438	142,438
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	14,951	14,951	14,951	14,951
PAY GROUP F TRAINING (RECRUITS)	57,276	57,276	57,276	57,276
PAY GROUP P TRAINING (PIPELINE RECRUITS)	286	286	286	286
TOTAL, BUDGET ACTIVITY 1	214,951	214,951	214,951	214,951
ACTIVITY 2: OTHER TRAINING AND SUPPORT:				
MOBILIZATION TRAINING	1,933	1,933	1,933	1,933
SCHOOL TRAINING	8,736	8,736	8,736	8,736
SPECIAL TRAINING	23,417	23,417	23,417	23,417
ADMINISTRATION AND SUPPORT	126,402	126,402	126,402	126,402
EDUCATION BENEFITS	14,240	14,240	14,240	14,240
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	3,184	3,184	3,184	3,184
OTHER PROGRAMS	9,025	9,025	9,025	9,025
TOTAL, BUDGET ACTIVITY 2	186,937	186,937	186,937	186,937
PERSONNEL UNDEREXECUTION	....	−2,000	....	....
INCREASED USE OF GUARD AND RESERVE	....	3,400	....	3,400
JROTC	....	225	....	225
PAY RAISE INCREASE	....	....	....	1,103
TOTAL, RESERVE PERSONNEL, MARINE CORPS	401,888	403,513	401,888	406,616

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Increased Use of Guard and Reserve	3,400
JROTC Program	225
Pay Raise Increase	1,103

RESERVE PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESERVE PERSONNEL, AIR FORCE:				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	419,362	419,362	419,362	419,362
PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY)	78,998	78,998	78,998	78,998
PAY GROUP F TRAINING (RECRUITS)	4,452	4,452	4,452	4,452
TOTAL, BUDGET ACTIVITY 1	502,812	502,812	502,812	502,812
ACTIVITY 2: OTHER TRAINING AND SUPPORT MOBILIZATION TRAINING	2,779	2,779	2,779	2,779
SCHOOL TRAINING	62,254	62,254	62,254	62,254
SPECIAL TRAINING	143,526	143,526	143,526	143,526
ADMINISTRATION AND SUPPORT	85,601	85,601	85,601	85,601
ROTC—SENIOR, JUNIOR, SCHOLARSHIP	34,922	34,922	34,922	34,922
HEALTH PROFESSION SCHOLARSHIP	24,282	24,282	24,282	24,282
TOTAL, BUDGET ACTIVITY 2	353,364	353,364	353,364	353,364
PERSONNEL UNDEREXECUTION		−5,600		−6,000
PAY RAISE INCREASE				2,148
TOTAL, RESERVE PERSONNEL, AIR FORCE	856,176	850,576	856,176	852,324

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−6,000
Pay Raise Increase	2,148

NATIONAL GUARD PERSONNEL, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
NATIONAL GUARD PERSONNEL, ARMY				
ACTIVITY 1: UNIT AND INDIVIDUAL TRAINING PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	1,650,385	1,650,385	1,650,385	1,650,385
PAY GROUP F TRAINING (RECRUITS)	154,688	154,688	154,688	154,688
PAY GROUP P TRAINING (PIPELINE RECRUITS)	12,867	12,867	12,867	12,867
TOTAL, BUDGET ACTIVITY 1	1,817,940	1,817,940	1,817,940	1,817,940
ACTIVITY 2: OTHER TRAINING AND SUPPORT SCHOOL TRAINING	81,189	126,189	167,189	146,189
SPECIAL TRAINING	28,845	58,845	28,845	49,845
ADMINISTRATION AND SUPPORT	1,433,393	1,433,393	1,442,393	1,433,393
EDUCATION BENEFITS	43,228	43,228	43,228	43,228
TOTAL, BUDGET ACTIVITY 2	1,586,655	1,661,655	1,681,655	1,672,655
PERSONNEL UNDEREXECUTION		−66,400		−10,000
PAY RAISE INCREASE				9,392
TOTAL, NATIONAL GUARD PERSONNEL, ARMY	3,404,595	3,413,195	3,499,595	3,489,987

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 2: Other Training and Support:	
School Training	65,000
Special Training	21,000
Undistributed:	
Personnel Underexecution	−10,000
Pay Raise Increase	9,392

NATIONAL GUARD PERSONNEL, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
National Guard Personnel, Air Force:				
Activity 1: Unit and Individual Training:.				
Pay Group A Training (15 Days & Drills 24/48)	590,972	590,972	590,972	590,972
Pay Group F Training (Recruits)	22,395	22,395	22,395	22,395
Pay Group P Training (Pipeline Recruits)	1,064	1,064	1,064	1,064
Total, Budget Activity 1	614,431	614,431	614,431	614,431
Activity 2: Other Training and Support School Training	95,105	95,105	95,105	95,105
Special Training	60,780	60,780	60,780	60,780
Administration and Support	598,634	598,634	598,634	598,634
Education Benefits	7,147	7,147	7,147	7,147
Total, Budget Activity 2	761,666	761,666	761,666	761,666
Personnel Underexecution		−3,100		−3,100
Pay Raise Increase				4,112
Total, National Guard Personnel, Air Force	1,376,097	1,372,997	1,376,097	1,377,109

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Undistributed:	
Personnel Underexecution	−3,100
Pay Raise Increase	4,112

AIR NATIONAL GUARD ENGINEERS

The conferees direct the Secretary of the Air Force to report no later than March 1, 1999, on how Air National Guard and Air Force Reserve civil engineering personnel are utilized in the war plans. The report should have the concurrence or view of the Chief of the National Guard Bureau and the Chief of the Air Force Reserve.

TITLE II—OPERATION AND MAINTENANCE

A summary of the conference agreement on the items addressed by either the House or Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RECAPITULATION				
O & M, ARMY	17,223,063	16,936,503	17,212,463	17,185,623
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−130,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−96,000)	(−96,000)
O & M, NAVY	21,877,202	21,638,999	21,813,315	21,872,399
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−48,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−32,087)	(−32,087)
O & M, MARINE CORPS	2,523,703	2,585,118	2,576,190	2,578,718
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−36,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−9,513)	(−9,513)
O & M, AIR FORCE	19,127,004	19,024,233	19,064,941	19,021,045
TRANSFER—STOCKPILE	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENT			(−50,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−52,200)	(−52,200)
O & M, DEFENSEWIDE	10,750,601	10,804,542	10,259,231	10,914,076
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND				(−90,020)
O & M, ARMY RESERVE	1,202,622	1,201,222	1,202,622	1,202,622
O & M, NAVY RESERVE	928,639	949,039	928,639	957,239
O & M, MARINE CORPS RESERVE	114,593	119,093	114,593	117,893
O & M, AIR FORCE RESERVE	1,744,696	1,735,996	1,744,696	1,747,696
O & M, ARMY NATIONAL GUARD	2,436,815	2,570,315	2,661,815	2,678,015
O & M, AIR NATIONAL GUARD	3,093,933	3,075,233	3,113,933	3,106,933
OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND	746,900	746,900	746,900	439,400
PENTAGON RENOVATION TRANSFER FUND			279,820	
TRANSFER				(279,820)
UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES	7,324	7,324	7,324	7,324
ENVIRONMENTAL RESTORATION, ARMY	377,640	342,640	370,640	370,640
ENVIRONMENTAL RESTORATION, NAVY	281,600	281,600	274,600	274,600
ENVIRONMENTAL RESTORATION, AIR FORCE	379,100	379,100	372,100	372,100
ENVIRONMENTAL RESTORATION, DEFENSE-WIDE	26,091	26,091	23,091	26,091
ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES	195,000	195,000	225,000	225,000
OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID	63,311	56,111	50,000	50,000
FORMER SOVIET UNION THREAT REDUCTION	442,400	417,400	440,400	440,400
CONTINGENCY OPERATIONS MWR FUND			50,000	
QUALITY OF LIFE ENHANCEMENTS, DEFENSE		850,000		455,000
TRANSFER			(264,000)	
GRAND TOTAL, O & M	83,542,237	83,942,459	83,532,313	84,042,814
TRANSFERS	(150,000)	(150,000)	(−129,820)	(150,000)
TOTAL FUNDS AVAILABLE, O & M	83,692,237	84,092,459	83,402,493	84,192,814

MILITARY READINESS

The conferees agree with the concerns delineated in Section 8160 of the Senate-passed fiscal year 1999 Defense Appropriations bill, and the concerns expressed in the report accompanying the House-passed fiscal year 1999 defense Appropriations bill with regards to the indications of declining readiness within the Military Services.

Accordingly, the conferees direct the Secretary of Defense to submit a report to the congressional defense committees not later than June 1, 1999, on the readiness of the Armed Forces of the United States. The Secretary shall include in the report detailed information on each of the following issues: (1) An assessment of current force structure and its sufficiency to execute the National Security Strategy; (2) A service-by-service outline of the force structure expected to be committed to a major regional contingency as envisioned in the National Security Strategy; (3) A comparison of the force structure outlined in item (2) with the service-by-service order of battle in Desert Shield/Desert Storm as a representative recent major regional conflict; (4) An assessment of the force structure and projected defense appropriations increases necessary to execute the National Security Strategy of the United States assuming current projected ground force levels assigned to the peacekeeping mission in Bosnia are unchanged; (5) A discussion of the United States ground, naval and air force levels in Bosnia that can be sustained without impacting the ability of the Armed Forces to execute the National Security Strategy assuming no increase in force structure or defense appropriations during the period in which forces are assigned to Bosnia; and (6) A complete assessment of recent trends in the Measured readiness of United States forces with a focus on current manning shortfalls, recent declines in aviation mission capable rates, and below standard levels of ground forces training.

OPERATION AND MAINTENANCE REPROGRAMMINGS

The conferees agree that proposed transfers of funds between O–1 budget activities in excess of $15,000,000 are subject to normal, prior approval reprogramming procedures. In addition, due to continuing concerns about force readiness and the diversion of Operation and Maintenance funds, the conferees agree that the Department should provide written notification to the congressional defense committees for the cumulative value of any and all transfers in excess of $15,000,000 from the following budget activities and subactivity group categories:

Operation and Maintenance, Army

Land Forces: Divisions, Corps combat forces, Corps support forces, Echelon above corps forces, Land forces operations support; Land Forces Readiness: Land forces depot maintenance; Logistics operations: Ammunition management.

Operation and Maintenance, Navy

Air Operations: Mission and other flight operations, Fleet air training, Aircraft depot maintenance; Ship Operations: Mission and other ship operations, Ship operational support and training, Intermediate maintenance, Ship depot maintenance.

Operation and Maintenance, Marine Corps

Expeditionary Forces: Operational forces, depot maintenance.

Operation and Maintenance, Air Force

Air Operations: Primary combat forces, Primary combat weapons, Air operations training, Depot maintenance; Mobility Operations: Airlift operations, Depot maintenance, Payments to the transportation business area; Basic Skills and Advanced Training: Depot maintenance; Logistics Operations: Depot maintenance.

Further, the Department should follow prior approval reprogramming procedures for transfers in excess of $15,000,000 out of the following budget subactivities.

Operation and Maintenance

Depot maintenance

Operation and Maintenance, Navy:

Aircraft depot maintenance,
Ship depot maintenance

Operation and Maintenance, Marine Corps:

Depot maintenance

Operation and Maintenance, Air Force:

Air Operations, Depot maintenance,
Mobility Operations, Depot maintenance,
Basic Skills and Advanced Training, Depot maintenance, and
Logistics Operations, Depot maintenance.

OPERATION AND MAINTENANCE BUDGET EXECUTION DATA

The conferees support the position expressed in the House report accompanying the Defense Appropriations bill for fiscal year 1999 requiring the Department of Defense to provide the congressional defense committees with quarterly budget execution data. Such data should be provided not later than forty-five days past the close of each quarter of the fiscal year, and should be provided for each O-1 budget activity, activity group, and subactivity for each of the active, defense-wide, reserve and national guard components. For each O-1 budget activity, activity group and subactivity, these reports should include: the budget request and actual obligations; the DoD distribution of unallocated congressional adjustments to the budget request; all adjustments made by DoD during the process of rebaselining the O&M accounts; all adjustments resulting from below threshold reprogrammings; and all adjustments resulting from prior approval reprogramming requests.

In addition, the conferees require that the Department of Defense provide semiannual written notifications to the congressional defense committees which summarize Operation and Maintenance budget execution to include the effect of rebaselining procedures, other below threshold reprogrammings, and prior approval reprogrammings. The conferees further direct that the Department of Defense provide the House and Senate Committees on Appropriations written notification 30 days prior to executing procedures to rebaseline the Operation and Maintenance accounts.

PENTAGON RENOVATION TRANSFER FUND

The conferees agree to Senate language which establishes the Pentagon Renovation Transfer Fund, totaling $279,820,000 by transfer from the active component and Defense-Wide Operation and Maintenance accounts.

DOD OUTSOURCING AND PRIVATIZATION INITIATIVES

The conferees are aware of large scale efforts by DoD to privatize many of its support and infrastructure functions in order to reduce costs and free up resources for readiness and modernization. For example, the Defense Reform Initiative projected that DoD could save $6 billion from competing 150,000 civilian positions over the next five years. However, the conferees harbor significant concerns about DoD's privatization strategy, primarily due to the risk of building unrealistic savings estimates into the budget request. Specifically, these concerns include: 1) uncertainty as to the criteria used to select activities or functions as candidates for outsourcing; 2) the apparent lack of any method to validate savings assumed in DoD budget estimates; and, 3) the lack of any systems or methods to assess the impact of outsourcing on the readiness or combat power of DoD forces. Accordingly, the conferees direct that the Secretary of Defense submit a report, not later than March 31, 1999, which provides a detailed assessment of the results of DoD's privatization strategy to date. The report shall specify those functions or activities selected for outsourcing, and the criteria used select these functions or activities. The report shall also detail the net savings achieved by outsourcing in fiscal years 1996–1998. This element of the report shall also include estimates of the number of contractor workyears compared to the number of civilian workyears required to perform functions which have been privatized.

LIGHTWEIGHT MAINTENANCE ENCLOSURES

The conferees direct that $5,000,000 of the funds made available in Operation and Maintenance, Marine Corps be used only for the acquisition of lightweight maintenance enclosures.

COMPETITIVE BANKING PROCEDURES

It is the conferees' intent that the provision of banking services provided by any bank or credit union on military installations and at facilities in the United States shall include the broad range of services including at least all of the following: the receipt of money for deposit, check or draft cashing services, the origination of loans or other extensions of credit, the issuance of promissory notes, and the provision of electronic banking and automated teller machines. The conferees direct the Department of Defense to submit a report to the Committees on Appropriations by February 1, 1999, on the DoD and services policies and procedures for provision of banking services on the basis of full and open competition.

REPORT ON SECURITY IN THE TAIWAN STRAIT

On or before February 1, 1999, the Department of Defense shall provide to Congress a report, in both classified and unclassified form, detailing the security situation in the Taiwan Strait. Such report shall include an analysis of the military forces facing Taiwan from the People's Republic of China, evaluating recent additions to the offensive military capabilities of the People's Republic of China. It should also assess new challenges to the deterrent forces of the Republic of China on Taiwan, consistent with the commitments made by the United States in the Taiwan Relations Act, Public Law 96–8.

OPERATION AND MAINTENANCE, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY				
BUDGET ACTIVITY 1: OPERATING FORCES:				
LAND FORCES:				
DIVISIONS	1,091,232	1,152,432	1,098,732	1,172,932
CORPS COMBAT FORCES	299,739	299,739	299,739	299,739
CORPS SUPPORT FORCES	316,361	316,361	316,361	316,361
ECHELON ABOVE CORPS FORCES	434,579	434,579	434,579	434,579
LAND FORCES OPERATIONS SUPPORT	824,557	824,557	824,557	824,557
LAND FORCES READINESS:				
FORCE READINESS OPERATIONS SUPPORT	973,814	973,814	974,814	974,814
LAND FORCES SYSTEMS READINESS	375,038	375,038	375,038	375,038
LAND FORCES DEPOT MAINTENANCE	570,723	620,723	570,723	590,723
LAND FORCES READINESS SUPPORT:				
BASE SUPPORT	2,332,231	2,549,179	2,332,231	2,334,231
MAINTENANCE OF REAL PROPERTY	641,651	641,651	641,651	641,651
MANAGEMENT AND OPERATIONAL HEADQUARTERS	110,538	110,538	110,538	110,538
UNIFIED COMMANDS	71,990	71,990	71,990	71,990
MISCELLANEOUS ACTIVITIES	63,478	63,478	63,478	63,478
TOTAL, BUDGET ACTIVITY 1	8,105,931	8,434,079	8,114,431	8,210,631
BUDGET ACTIVITY 2: MOBILIZATION:				
MOBILITY OPERATIONS:				
STRATEGIC MOBILIZATION	314,541	314,541	314,541	314,541
ARMY PREPOSITIONED STOCKS	165,349	165,349	165,349	165,349
INDUSTRIAL PREPAREDNESS	78,645	58,845	78,645	58,845
MAINTENANCE OF REAL PROPERTY	66,100	66,100	66,100	66,100
TOTAL, BUDGET ACTIVITY 2	624,635	604,835	624,635	604,835
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
OFFICER ACQUISITION	63,580	63,580	62,180	62,180
RECRUIT TRAINING	14,264	14,264	14,264	14,264
ONE STATION UNIT TRAINING	14,909	14,909	14,909	14,909
RESERVE OFFICER TRAINING CORPS (ROTC)	130,270	130,270	131,270	131,270
BASE SUPPORT (ACADEMY ONLY)	72,999	78,631	72,999	72,999
MAINTENANCE OF REAL PROPERTY (ACADEMY ONLY)	42,979	42,979	42,979	42,979
BASIC SKILL/ADVANCE TRAINING:				
SPECIALIZED SKILL TRAINING	215,964	215,964	215,964	215,964
FLIGHT TRAINING	226,501	226,501	226,501	226,501
PROFESSIONAL DEVELOPMENT EDUCATION	192,720	88,920	185,020	77,020
TRAINING SUPPORT	488,799	488,799	488,799	488,799
BASE SUPPORT (OTHER TRAINING)	782,265	842,622	782,265	782,265
MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	258,927	258,927	258,927	258,927
RECRUITING/OTHER TRAINING:				
RECRUITING AND ADVERTISING	234,154	234,154	234,154	234,154
EXAMINING	71,593	71,593	71,593	71,593
OFF-DUTY AND VOLUNTARY EDUCATION	100,203	101,203	100,203	100,203
CIVILIAN EDUCATION AND TRAINING	73,517	73,517	73,517	73,517
JUNIOR ROTC	73,423	73,423	73,423	73,423
BASE SUPPORT (RECRUITING LEASES)	178,496	178,496	178,496	178,496

[In thousands of dollars]

	Budget	House	Senate	Conference
TOTAL, BUDGET ACTIVITY 3	3,235,563	3,198,752	3,227,463	3,119,463
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SECURITY PROGRAMS:				
SECURITY PROGRAMS	404,340	404,340	404,340	404,340
LOGISTICS OPERATIONS:				
SERVICEWIDE TRANSPORTATION	398,473	398,473	398,473	398,473
CENTRAL SUPPLY ACTIVITIES	370,824	370,824	370,824	370,824
LOGISTIC SUPPORT ACTIVITIES	336,403	342,403	336,403	342,403
AMMUNITION MANAGEMENT	400,299	400,299	400,299	400,299
SERVICEWIDE SUPPORT:				
ADMINISTRATION	304,679	305,679	305,679	306,679
SERVICEWIDE COMMUNICATIONS	606,379	566,379	606,379	606,379
MANPOWER MANAGEMENT	142,081	142,081	142,081	142,081
OTHER PERSONNEL SUPPORT	150,483	150,483	150,483	150,483
OTHER SERVICE SUPPORT	618,384	618,384	525,384	621,384
ARMY CLAIMS ACTIVITIES	118,886	118,886	118,886	118,886
REAL ESTATE MANAGEMENT	68,815	68,815	68,815	68,815
BASE SUPPORT	700,689	754,752	700,689	708,689
COMMISSARY OPERATIONS	338,400	338,400	338,400	338,400
MAINTENANCE OF REAL PROPERTY	82,578	82,578	88,078	88,078
SUPPORT OF OTHER NATIONS:				
INTERNATIONAL MILITARY HEADQUARTERS	227,377	227,377	227,377	227,377
MISC SUPPORT OF OTHER NATIONS	37,844	34,144	37,844	34,314
TOTAL, BUDGET ACTIVITY 4	5,306,934	5,324,297	5,220,434	5,327,904
CLASSIFIED PROGRAMS UNDISTRIBUTED		4,500	−2,200	3,750
CIVILIAN PERSONNEL UNDERSTRENGTH		−164,000	−120,000	−62,700
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	−50,000	−50,000	−50,000	−50,000
FOREIGN CURRENCY FLUCTUATION		−139,700	−81,300	
BASE SUPPORT			185,000	204,000
TDY EXPENSES		−31,600		−31,600
MEMORIAL EVENTS		400		400
HEADQUARTERS AND ADMIN ACTIVITIES		−38,500		
RENTS		−7,000		−7,000
COMMUNICATIONS PURCHASES		−4,400		−4,400
FUEL REPRICING		−22,300	−36,000	
CONTRACT AND ADVISORY SERVICES		−40,200		
MISC EQUIPMENT		−20,000		−15,000
CRIMINAL INVESTIGATORS COMPUTERS & TRAINING EFFICIENCY		−18,000		−18,000
ADP LEGACY SYSTEM EFFICIENCIES		−96,660		−96,660
REAL PROPERTY MAINTENANCE			130,000	
CONSEQUENCE MANAGEMENT		2,000		
TOTAL, OPERATION AND MAINTENANCE, ARMY	17,223,063	16,936,503	17,212,463	17,185,623
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−130,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−96,000)	(−96,000)
TOTAL FUNDING AVAILABLE	(17,273,063)	(16,986,503)	(17,036,463)	(17,139,623)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Readiness Training-National Training Center (NTC)	60,200
Soldier life support systems	18,000
Cold weather boots; 2ID	2,000
Parachute maintenance and repair	1,000
Ultra lightweight camouflage net system	500
Fort Chaffee Training Center	1,000
Depot Maintenance	20,000
Ft Irwin, George AFB	2,000
Budget Activity 2: Mobilization:	
Industrial Preparedness	−19,800
Budget Activity 3: Training and Recruiting:	
Service academic; foreign students	−1,400
Air Battle Captain Program	1,000
Foreign military students; Fort Leavenworth	800
National Defense University consolidation	−8,500
Defense Acquisition University	−108,000
Budget Activity 4: Administration and Servicewide Activities:	
Super computing Work	6,000
Advanced local emergency response team	1,000
Lewis & Clark	1,000
Army conservation and ecosystem management	3,000
UC-35A Basing and Sustainment	8,000
Rock Island bridge repairs	5,500
Program increase	170
Misc Support to Other Nations	−3,700
Undistributed:	
Classified Programs Undistributed	3,750
Civilian Personnel Underexecution	−62,700
Base support shortfalls	204,000
Temporary Duty Travel	−31,600
Memorial Events	400
Rents	−7,000
Communications Purchases	−4,400
Miscellaneous Equipment	−15,000
Criminal Investigators Computers & Training	−18,000
ADP Legacy System efficiencies	−96,660

DOMESTIC PREPAREDNESS SUSTAINMENT TRAINING

The conferees direct that of the funds provided in Operation and Maintenance, Army, $1,500,000 be used only to commence establishment of a Domestic Preparedness Sustainment Training Center at Pine Bluff Arsenal, as recommended in Senate Report 105–200.

ARMY ARSENALS

The conferees are concerned about the effect of DoD's outsourcing and privatization initiatives in certain critical defense functions. Accordingly, the conferees direct that the Army provide 90 days prior notice to the congressional defense committees before awarding any new contracts pursuant to A-76 related studies at Pine Bluff Arsenal, Pine Bluff, Arkansas; Rock Island Arsenal, Rock Island, Illinois; or Watervliet Arsenal, Watervliet, New York.

ROTARY WING AIRCRAFT SUSTAINMENT PROJECT

The conferees direct that $3,500,000 shall be used for the rotary wing aircraft sustainment project at the Corpus Christi Army Depot, from within the funds provided in Operation and Maintenance, Army.

ARMY INSTITUTE FOR PROFESSIONAL DEVELOPMENT

The conferees agree that of the funds provided for Operation and Maintenance, Army, $1,000,000 should be used only for the Army Institute for Professional Development.

OPERATION AND MAINTENANCE, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, NAVY				
4300 BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
MISSION AND OTHER FLIGHT OPERATIONS	2,089,630	2,134,630	2,142,130	2,098,630
FLEET AIR TRAINING	751,533	751,533	751,533	751,533
INTERMEDIATE MAINTENANCE	46,925	46,925	46,925	46,925
AIR OPERATIONS AND SAFETY SUPPORT	88,459	88,459	88,459	88,459
AIRCRAFT DEPOT MAINTENANCE	735,731	810,731	735,731	735,731
AIRCRAFT DEPOT OPERATIONS SUPPORT	20,249	20,249	20,249	20,249
BASE SUPPORT	772,678	772,678	772,678	772,678
MAINTENANCE OF REAL PROPERTY	283,600	283,600	283,600	283,600
SHIP OPERATIONS:				
MISSION AND OTHER SHIP OPERATIONS	1,987,873	1,987,873	1,987,873	1,987,873
SHIP OPERATIONAL SUPPORT AND TRAINING	541,069	541,069	541,069	541,069
INTERMEDIATE MAINTENANCE	388,408	388,408	388,408	388,408
SHIP DEPOT MAINTENANCE	1,947,424	2,037,424	1,977,424	1,977,424
SHIP DEPOT OPERATIONS SUPPORT	1,147,209	1,147,209	1,147,209	1,147,209
BASE SUPPORT	832,789	832,789	832,789	832,789
MAINTENANCE OF REAL PROPERTY	248,601	248,601	248,601	248,601
COMBAT OPERATIONS/SUPPORT:				
COMBAT COMMUNICATIONS	234,450	234,450	234,450	234,450
ELECTRONIC WARFARE	7,734	7,734	7,734	7,734
SPACE SYSTEMS AND SURVEILLANCE	138,271	138,271	138,271	138,271
WARFARE TACTICS	134,014	134,014	140,014	140,014
OPERATIONAL METEOROLOGY AND OCEANOGRAPY	228,159	228,159	242,659	242,659
COMBAT SUPPORT FORCES	444,072	444,072	444,072	444,072
EQUIPMENT MAINTENANCE	170,937	171,937	170,937	171,937
DEPOT OPERATIONS SUPPORT	694	694	694	694
BASE SUPPORT	312,259	312,259	312,259	312,259
MAINTENANCE OF REAL PROPERTY	52,603	52,603	52,603	52,603
WEAPONS SUPPORT:				
CRUISE MISSILE	121,192	116,292	121,192	116,292
FLEET BALLISTIC MISSILE	812,041	812,041	812,041	812,041
IN-SERVICE WEAPONS SYSTEMS SUPPORT	61,598	61,598	61,598	61,598
WEAPONS MAINTENANCE	389,469	394,469	419,469	419,469
BASE SUPPORT	119,868	119,868	119,868	119,868
MAINTENANCE OF REAL PROPERTY	31,675	31,675	31,675	31,675
WORKING CAPITAL FUND SUPPORT:				
NWCF SUPPORT	43,300	43,300	43,300	43,300
TOTAL, BUDGET ACTIVITY 1	15,184,514	15,395,614	15,317,514	15,270,114
BUDGET ACTIVITY 2: MOBILIZATION:				
READY RESERVE AND PREPOSITIONING FORCES:				
SHIP PREPOSITIONING AND SURGE	428,775	428,775	434,775	432,775
ACTIVATIONS/INACTIVATIONS:				
AIRCRAFT ACTIVATIONS/INACTIVATIONS	651	651	8,151	8,151
SHIP ACTIVATIONS/INACTIVATIONS	511,976	511,976	511,976	511,976
MOBILIZATION PREPAREDNESS:				
FLEET HOSPITAL PROGRAM	23,496	23,496	23,496	23,496
INDUSTRY READINESS	16,166	14,466	16,166	14,466
COAST GUARD SUPPORT	17,229	17,229	17,229	17,229
TOTAL, BUDGET ACTIVITY 2	998,293	996,593	1,011,793	1,008,093
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
OFFICER ACQUISITION	75,643	75,643	74,243	74,243
RECRUIT TRAINING	4,556	4,556	4,556	4,556
RESERVE OFFICERS TRAINING CORPS (ROTC)	69,087	69,087	69,087	69,087
BASE SUPPORT	57,036	57,036	57,036	57,036
MAINTENANCE OF REAL PROPERTY	81,371	81,371	81,371	81,371
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILL TRAINING	237,916	237,916	237,916	237,916
FLIGHT TRAINING	315,874	315,874	315,874	315,874
PROFESSIONAL DEVELOPMENT EDUCATION	71,780	71,780	73,280	73,280
TRAINING SUPPORT	138,319	145,319	138,319	145,319
BASE SUPPORT	331,607	331,607	331,607	331,607
MAINTENANCE OF REAL PROPERTY	92,400	92,400	92,400	92,400
RECRUITING, AND OTHER TRAINING AND EDUCATION:				
RECRUITING AND ADVERTISING	130,415	151,215	130,415	130,415
OFF-DUTY AND VOLUNTARY EDUCATION	74,669	74,669	74,669	74,669
CIVILIAN EDUCATION AND TRAINING	37,425	37,425	37,425	37,425
JUNIOR ROTC	22,830	22,830	22,830	22,830
BASE SUPPOORT	451	451	451	451
MAINTENANCE OF REAL PROPERTY	61	61	61	61
TOTAL, BUDGET ACTIVITY 3	1,741,440	1,769,240	1,743,540	1,748,540
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE SUPPORT:				
ADMINISTRATION	565,193	565,193	565,193	565,193
EXTERNAL RELATIONS	21,456	21,456	21,456	21,456
CIVILIAN MANPOWER AND PERSON MANAGEMENT	140,247	103,847	140,247	122,247
MILITARY MANPOWER AND PERSON MANAGEMENT	125,125	125,125	125,125	125,125
OTHER PERSONNEL SUPPORT	201,014	201,014	201,014	201,014
SERVICEWIDE COMMUNICATIONS	244,766	244,766	244,766	244,766
BASE SUPPORT	228,046	228,046	228,046	228,046
MAINTENANCE OF REAL PROPERTY	44,827	44,827	44,827	44,827
COMMISSARY OPERATIONS	255,000	255,000	255,000	255,000
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT:				
SERVICEWIDE TRANSPORTATION	144,245	144,245	144,245	144,245
PLANNING, ENGINEERING AND DESIGN	262,615	262,615	262,615	262,615
ACQUISITION AND PROGRAM MANAGEMENT	473,159	475,659	473,159	475,649
AIR SYSTEMS SUPPORT	280,437	280,437	280,437	280,437
HULL, MECHANICAL AND ELECTRICAL SUPPORT	55,467	55,467	55,467	55,467
COMBAT/WEAPONS SYSTEMS	41,700	41,700	41,700	41,700
SPACE AND ELECTRONIC WARFARE SYSTEMS	72,178	72,178	72,178	72,178
BASE SUPPORT	219,826	220,176	219,826	220,176
MAINTENANCE OF REAL PROPERTY	40,722	40,722	55,722	55,722
SECURITY PROGRAMS:				
SECURITY PROGRAMS	568,257	568,257	568,257	568,257
BASE SUPPORT	8,814	8,814	8,814	8,814
MAINTENANCE OF REAL PROPERTY	1,426	1,426	1,426	1,426
SUPPORT OF OTHER NATIONS:				
INTERNATIONAL HEADQUARTERS AND AGENCIES	8,435	8,435	8,435	8,435
TOTAL, BUDGET ACTIVITY 4	4,002,955	3,969,405	3,987,868	4,003,805

[In thousands of dollars]

	Budget	House	Senate	Conference
CLASSIFIED PROGRAMS UNDISTRIBUTED		17,367	500	17,867
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	–50,000	–50,000	–50,000	–50,000
FOREIGN CURRENCY FLUCTUATION		–15,900	–7,900	
CIVILIAN PERSONNEL UNDERSTRENGTH		–95,000	–106,000	–14,300
BASE SUPPORT			35,000	39,000
REAL PROPERTY MAINTENANCE			48,000	
TDY EXPENSES		–22,900		–22,900
HEADQUARTERS AND ADMIN ACTIVITIES		–37,000		
EXCESS CARRY OVER (NCCOSC)		–52,000		–26,000
FUEL REPRICING		–108,700	–167,000	
FEDERAL EXCISE/STATE TAXES FOR FUELS		–3,000		–3,000
CONTRACT AND ADVISORY SERVICES		–31,000		
MISC EQUIPMENT		–15,000		–15,000
ADP LEGACY SYSTEMS EFFICIENCIES		–87,820		–87,820
NAVY ENVIRONMENTAL LEADERSHIP PROGRAM		4,000		3,000
EXECUTIVE EDUCATION DEMONSTRATION PRJECT		1,000		1,000
TOTAL, OPERATION AND MAINTENANCE, NAVY	21,877,202	21,638,999	21,813,315	21,872,399
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(–48,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(–32,087)	(–32,087)
TOTAL FUNDING AVAILABLE	(21,927,202)	(21,688,999)	(21,783,228)	(21,890,312)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
ALQ–165 maintenance and repair	9,000
Ship depot maintenance	16,000
Shipyard Apprentice Program	14,000
PMRF	6,000
National Oceanography Partnering Program	7,500
Navy Meteorology and Oceanography Command	7,000
Reverse Osmosis Desalinators	1,000
Tactical Tomahawk	–4,900
Tomahawk recertification	15,000
Mk–45 overhaul line	10,000
CIWS overhaul	5,000
Budget Activity 2: Mobilization:	
6350 Dredging support inactive Reserve fleet	4,000
6450 Ship disposal initiative	7,500
6650 Industrial Preparedness	–1,700
Budget Activity 3: Training and Recruiting:	
Service academies; foreign students	–1,400
Experimental MBA Program	1,500
Interactive Distance Learning Courses-Electricity & Electronics	4,000
CNET	3,000
Budget Activity 4: Administration and Servicewide Activities:	
Pesonnel Management program growth	–18,000
NISE-East	1,000
ATIS	2,500
Removal of Docks at Sound Lab	350
Adak facilities remediation and disposal	15,000
Undistributed:	
9360 Classified Programs Undistributed	17,867
9390 Civilian Personnel Underexecution	–14,300
9395 Base support shortfalls	39,000
9430 Temporary Duty Travel	–22,900
9470 Excess Carryover (NCCOSC)	–26,000
9490 Federal Excise/State Sales Tax for fuels	–3,000
9510 Miscellaneous Equipment	–15,000
9520 ADP Legacy System efficiencies	–87,820
9540 Navy Environmental Leadership Program (East Coast)	3,000
9590 Executive Education Demonstration Project	1,000

SHIP DISPOSAL INITIATIVE

The conferees concur with the Senate allocation of $7,500,000 for a ship disposal initiative. This program is not related to Section 8124 of this Act regarding ship scrapping.

NAS LEMOORE QUALITY OF LIFE PROJECTS

The conferees agree that the Navy must place priority on constructing and upgrading quality of life facilities at Naval Air Station Lemoore. The lack of adequate support facilities at this location is having an adverse impact on F/A–18 pilot retention rates. The conferees direct the Secretary of the Navy to review the five-year plan for quality of life projects at this location and take appropriate actions to add new projects to the plan and to accelerate implementation of all quality of life projects at this location.

OPERATION AND MAINTENANCE, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, MARINE CORPS				
BUDGET ACTIVITY 1: OPERATING FORCES:				
EXPEDITIONARY FORCES:				
OPERATIONAL FORCES	375,531	400,531	389,831	389,831
FIELD LOGISTICS	221,693	221,693	221,693	221,693
DEPOT MAINTENANCE	78,713	99,413	78,713	99,413
BASE SUPPORT	692,716	701,539	692,716	692,716
MAINTENANCE OF REAL PROPERTY	292,216	292,216	292,216	292,216
USMC PREPOSITIONING:				
MARITIME PREPOSITIONING	81,325	81,325	81,325	81,325
NORWAY PREPOSITIONING	4,328	4,328	4,328	4,328
TOTAL, BUDGET ACTIVITY 1	1,746,522	1,801,045	1,760,822	1,781,522
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
ACCESSION TRAINING:				
RECRUIT TRAINING	10,202	10,202	10,202	10,202
OFFICER ACQUISITION	289	289	289	289
BASE SUPPORT	53,526	54,208	53,526	53,526
MAINTENANCE OF REAL PROPERTY	17,292	17,292	17,292	17,292
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILLS TRAINING	28,269	28,269	28,269	28,269
FLIGHT TRAINING	161	161	161	161
PROFESSIONAL DEVELOPMENT EDUCATION	6,478	6,478	6,478	6,478
TRAINING SUPPORT	81,338	81,338	88,338	87,338
BASE SUPPORT	55,771	56,481	55,771	55,771
MAINTENANCE OF REAL PROPERTY	24,009	24,009	24,009	24,009
RECRUITING AND OTHER TRAINING EDUCATION:				
RECRUITING AND ADVERTISING	80,798	92,798	80,798	80,798
OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	15,016	15,016

[In thousands of dollars]

	Budget	House	Senate	Conference
JUNIOR ROTC	9,201	10,616	9,201	10,616
BASE SUPPORT	8,496	8,496	8,496	8,496
MAINTENANCE OF REAL PROPERTY	2,440	2,440	2,440	2,440
TOTAL, BUDGET ACTIVITY 3	393,286	408,093	400,286	400,701
RECRUITING AND OTHER TRAINING EDUCATION:				
RECRUITING AND ADVERTISING	80,798	92,798	80,798	80,798
OFF-DUTY AND VOLUNTARY EDUCATION	15,016	15,016	15,016	15,016
JUNIOR ROTC	9,201	10,616	9,201	10,616
BASE SUPPORT	8,496	8,496	8,496	8,496
MAINTENANCE OF REAL PROPERTY	2,440	2,440	2,440	2,440
TOTAL, BUDGET ACTIVITY 3	393,286	408,093	400,286	400,701
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE SUPPORT:				
SPECIAL SUPPORT	224,668	224,668	215,155	224,668
SERVICEWIDE TRANSPORTATION	29,630	29,630	29,630	29,630
ADMINISTRATION	26,509	26,509	26,509	26,509
BASE SUPPORT	14,557	14,742	14,557	14,557
MAINTENANCE OF REAL PROPERTY	1,931	1,931	1,931	1,931
COMMISSARY OPERATIONS	86,600	86,600	86,600	86,600
TOTAL, BUDGET ACTIVITY 4	383,895	384,080	374,382	383,895
FOREIGN CURRENCY FLUCTUATION		−2,700	−2,300	
FUEL PRICING DIFFERENTIAL			−8,000	
REAL PROPERTY MAINTENANCE			36,000	
BASE SUPPORT			15,000	18,000
TDY EXPENSES		−400		−400
MISC. EQUIPMENT		−5,000		−5,000
TOTAL, OPERATION AND MAINTENANCE, MARINE CORPS	2,523,703	2,585,118	2,576.190	2,578.71
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			(−36,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−9,513)	(−9,153)
TOTAL FUNDING AVAILABLE	(2,523,703)	(2,585,118)	(2,530,677)	(2,569,205)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Initial Issue Gear	12,600
NBC defense equipment	1,700
Depot Maintenance	20,700
Budget Activity 3: Training and Recruiting:	
Distance learning	6,000
Marine Corps Junior ROTC	1,415
Undistributed:	
Base support shortfalls	18,000
Temporary Duty Travel	−400
Miscellaneous Equipment	−5,000

MARINE CORPS DEPOT MAINTENANCE

The conferees are concerned about the substantial reduction in the Marine Corps depot maintenance budget from fiscal year 1998 to 1999 and the impact that this will have on the backlog of Marine Corps equipment. The conferees are also concerned that the budgeted depot maintenance program may have caused the Marine Corps to prematurely consider initiating reductions-in-force among its civilian personnel at the Marine Corps Logistics Base at Barstow. Accordingly, the conferees agree to increase funding for the Marine Corps depot maintenance program by $20,700,000 above the budget request to address this shortfall, and hereby direct the Marine Corps to include adequate funding in future budget submissions.

OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[in thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR FORCE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
PRIMARY COMBAT FORCES	2,311,299	2,427,799	2,461,399	2,355,399
PRIMARY COMBAT WEAPONS	236,147	236,147	234,347	234,347
COMBAT ENHANCEMENT FORCES	196,036	196,036	196,036	196,036
AIR OPERATIONS TRAINING	562,839	563,839	567,939	567,939
DEPOT MAINTENANCE	958,706	958,706	958,706	958,706
COMBAT COMMUNICATIONS	1,022,087	1,068,366	1,022,087	1,035,387
BASE SUPPORT	1,538,126	1,620,152	1,538,126	1,538,126
MAINTENANCE OF REAL PROPERTY	575,656	575,656	575,656	575,656
COMBAT RELATED OPERATIONS:				
GLOBAL C3I AND EARLY WARNING	669,379	669,379	669,379	669,379
NAVIGATION/WEATHER SUPPORT	118,337	118,337	118,337	118,337
OTHER COMBAT OPS SUPPORT PROGRAMS	221,593	222,821	221,593	222,821
JCS EXERCISES	30,521	30,521	30,521	30,521
MANAGEMENT/OPERATIONAL HEADQUARTERS	117,540	117,540	117,540	117,540
TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES	227,980	227,980	227,980	227,980
SPACE OPERATIONS:				
LAUNCH FACILITIES	221,046	221,046	216,046	216,046
LAUNCH VEHICLES	102,064	102,064	102,064	102,064
SPACE CONTROL SYSTEMS	246,940	246,940	257,940	253,940
SATELLITE SYSTEMS	36,152	36,152	36,152	36,152
OTHER SPACE OPERATIONS	85,292	85,292	90,292	90,292
BASE SUPPORT	309,406	325,906	309,406	309,406
MAINTENANCE OF REAL PROPERTY	122,525	122,525	122,525	122,525
TOTAL, BUDGET ACTIVITY 1	9,909,671	10,172,204	10,074,071	9,978,599
BUDGET ACTIVITY 2: MOBILIZATION:				
MOBILITY OPERATIONS:				
AIRLIFT OPERATIONS	1,326,774	1,383,774	1,326,774	1,326,774
AIRLIFT OPERATIONS C3I	21,676	21,676	21,676	21,676
MOBILIZATION PREPAREDNESS	134,807	111,107	136,607	121,107
DEPIT MAINTENANCE	316,485	330,815	316,485	316,485
PAYMENTS TO TRANSPORTATION BUSINESS AREA	470,000	470,000	470,000	470,000
BASE SUPPORT	390,876	411,721	390,876	390,876

[in thousands of dollars]

	Budget	House	Senate	Conference
MAINTENANCE OF REAL PROPERTY	148,331	148,331	148,331	148,331
TOTAL, BUDGET ACTIVITY 2	2,808,949	2,877,424	2,810,749	2,795,249
ACCESSION TRAINING: BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
OFFICER ACQUISITION	57,679	57,679	56,279	56,279
RECRUIT TRAINING	4,360	4,360	4,360	4,360
RESERVE OFFICER TRAINING CORPS (ROTC)	46,522	46,522	46,522	46,522
BASE SUPPORT (ACADEMIES ONLY)	58,828	61,965	58,828	58,828
MAINTENANCE OF REAL PROPERTY (ACADEMIES ONLY)	37,655	37,655	37,655	37,655
BASIC SKILLS AND ADVANCED TRAINING:				
SPECIALIZED SKILL TRAINING	215,477	218,477	215,477	218,477
FLIGHT TRAINING	406,940	406,940	406,940	406,940
PROFESSIONAL DEVELOPMENT EDUCATION	90,709	90,709	90,709	90,709
TRAINING SUPPORT	65,742	65,742	65,742	65,742
DEPOT MAINTENANCE	12,186	12,186	12,186	12,186
BASE SUPPORT (OTHER TRAINING)	370,961	370,961	370,961	370,961
MAINTENANCE OF REAL PROPERTY (OTHER TRAINING)	102,238	102,238	102,238	102,238
RECRUITING, AND OTHER TRAINING AND EDUCATION:				
RECRUITING AND ADVERTISING	54,775	54,775	54,775	54,775
EXAMINING	2,668	2,668	2,668	2,668
OFF DUTY AND VOLUNTARY EDUCATION	84,122	84,122	84,122	84,122
CIVILIAN EDUCATION AND TRAINING	61,124	61,124	61,124	61,124
JUNIOR ROTC	26,557	26,557	26,557	26,557
TOTAL, BUDGET ACTIVITY 3	1,698,543	1,725,015	1,697,143	1,700,143
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
LOGISTICS OPERATIONS:				
LOGISTICS OPERATIONS	706,893	706,893	706,893	706,893
TECHNICAL SUPPORT ACTIVITIES	389,685	389,685	389,685	389,685
SERVICEWIDE TRANSPORTATION	196,178	196,178	196,178	196,178
DEPOT MAINTENANCE	69,344	72,484	69,344	69,344
BASE SUPPORT	916,165	953,863	916,165	916,165
SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	140,879	140,879	140,879	140,879
SERVICEWIDE COMMUNICATIONS	234,065	235,065	234,065	234,065
PERSONNEL PROGRAMS	127,718	104,518	127,718	115,718
RESCUE AND RECOVERY SERVICES	48,466	48,466	48,466	48,466
ARMS CONTROL	30,005	30,005	30,005	30,005
OTHER SERVICEWIDE ACTIVITIES	517,780	517,780	465,580	517,780
OTHER PERSONNEL SUPPORT	31,828	31,828	31,828	31,828
CIVIL AIR PATROL CORPORATION	13,927	19,697	23,964	22,310
COMMISSARY OPERATIONS	302,071	302,071	302,071	302,071
BASE SUPPORT	180,221	189,832	180,221	185,221
MAINTENANCE OF REAL PROPERTY	26,067	26,067	26,067	26,067
SECURITY PROGRAMS:				
SECURITY PROGRAMS	557,256	557,256	557,256	557,256
SUPPORT TO OTHER NATIONS:				
INTERNATIONAL SUPPORT	13,608	13,608	13,608	13,608
TOTAL, BUDGET ACTIVITY 4	4,759,841	4,792,860	4,717,678	4,761,224
CLASSIFIED PROGRAMS UNDISTRIBUTED		−1,500	−1,000	2,000
CIVILIAN PERSONNEL UNDERSTRENGTH			−83,600	
GENERAL REDUCTION, NATIONAL DEFENSE STOCKPILE FUND	−50,000	−50,000	−50,000	−50,000
FOREIGN CURRENCY FLUCTATION		−29,400	−19,200	
INFORMATION RESOURCE MANAGEMENT			10,100	10,100
BASE SUPPORT			35,000	39,000
REAL PROPERTY MAINTENANCE			50,000	
TDY EXPENSES		−77,500		−77,500
HEADQUARTERS AND ADMIN ACTIVITIES		−105,200		
RENTS		−2,000		−2,000
COMMUNICATIONS PURCHASES		−13,600		−13,600
FUEL REPRICING		−116,000	−176,000	
CONTRACT AND ADVISORY SERVICES		−30,900		
MISC EQUIPMENT		−15,000		−20,000
ADP LEGACY SYSTEMS EFFICIENCIES		−95,620		−95,620
ELIMINATION OF FIRST PROGRAM		−7,000		−7,000
MINORITY AVIATION TRAINING		450		450
TOTAL, O&M, AIR FORCE	19,127,004	19,024,233	19,064,941	19,021,045
TRANSFER	(50,000)	(50,000)	(50,000)	(50,000)
TRANSFER TO QUALITY OF LIFE ENHANCEMENTS			−(50,000)	
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			−(52,200)	−(52,200)
TOTAL FUNDING AVAILABLE	(19,177,004)	(19,074,233)	(19,012,741)	(19,018,845)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
B–52 attrition reserve	40,100
Battelabs	4,000
LANTIRN PMA Offices	−1,800
Combat training ranges	5,100
Depot Maintenance-Air Operations	13,300
SIMVAL	1,228
Maintenance of Delta-1/Delta-9 facilities	5,000
Test launch delays	−10,000
SPECECOM Operations	7,000
University partnering for operational support	5,000
Budget Activity 2: Mobilization:	
Industrial Preparedness	−13,700
Budget Activity 3: Training and Recruiting:	
Service academies; foreign students	−1,400
Educational Satellite and Airspace Training System	3,000
Budget Activity 4: Administration and Servicewide Support:	
Personnel Management program growth	−12,000
Civil Air Patrol Corporation	5,770
CAP Counternarcotics OPTEMPO	2,613
Rail Easement	5,000
Undistributed:	
Classified Programs Undistributed	2,000
REMIS	10,100
Base support shortfalls	39,000
Temporary Duty Travel	−77,500
Rents	−2,000
Communications Purchases	−13,600
Miscellaneous Equipment	−20,000
ADP Legacy System efficiencies	−95,620
Elimination of First Program	−7,000
Minority Aviation Training	450

CIVIL AIR PATROL

The conferees recognize that changes have occurred in the relationship between the Air

Force and the Civil Air Patrol Corporation, in that the principal source of support from the Air Force to the Civil Air Patrol Corporation is not excess supplies and equipment, but appropriated funds from the Air Force budget. Also, changes in the Civil Air Patrol Corporation headquarters staff have affected the relationship and funding between Air Force and the Civil Air Patrol. Of the funds appropriated for the Civil Air Patrol Corporation, the conferees direct that no more than fifteen percent may be spent for the Civil Air Patrol Corporation headquarters staff and operations and the National Executive Committee and Board. Further, the Civil Air Patrol Corporation shall provide the Secretary of the Air Force with a quarterly execution report, detailing the utilization of appropriated funds.

FLOTATION DEVICES

The conferees direct that of the funds provided in Operation and Maintenance, Air Force $1,000,000 be used only to begin the planned acquisition of passive flotation devices.

FINLEY AIR FORCE STATION NORTH DAKOTA

The conferees direct the Air Force to expedite the abatement of hazardous substances in housing located at the Finley Air Force Station.

HAVRE AIR FORCE BASE

Of the funds available in Operation and Maintenance, Air Force, the conferees agree to provide the Bear Paw Development Council, Montana, $150,000 for redevelopment of the Havre Air Force Base and Training Site.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, DEFENSE-WIDE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
JOINT CHIEFS OF STAFF	412,065	412,065	417,065	414,065
SPECIAL OPERATIONS COMMAND	1,149,328	1,154,978		1,159,978
TOTAL, BUDGET ACTIVITY 1	1,559,393	1,567,043	417,065	1,574,043
BUDGET ACTIVITY 2: MOBILIZATION:				
DEFENSE LOGISTICS AGENCY	38,934	38,934	38,934	38,934
BUDGET ACTIVITY 3: TRAINING AND RECRUITING:				
DEFENSE ACQUISITION UNIVERSITY		95,000		95,000
AMERICAN FORCES INFORMATION SERVICE	11,059	11,059	11,059	11,059
SPECIAL OPERATIONS COMMAND	42,408	42,408		42,408
TOTAL, BUDGET ACTIVITY 3	53,467	148,467	11,059	148,467
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
AMERICAN FORCES INFORMATION SERVICE	93,815	93,815	93,595	93,815
CIVIL MILITARY PROGRAMS	44,894	44,894	88,394	87,394
CLASSIFIED AND INTELLIGENCE	3,803,561	3,845,018	3,767,161	3,798,361
DEFENSE CONTRACT AUDIT AGENCY	330,087	325,712	330,087	325,712
DEFENSE FINANCE AND ACCOUNTING SERVICE	83,277	48,711	83,277	83,277
DEFENSE HUMAN RESOURCES ACTIVITY	198,923	188,023	192,923	183,523
DEFENSE INFORMATION SYSTEMS AGENCY	771,106	751,706	763,706	751,706
DEFENSE LEGAL SERVICES AGENCY	9,027	9,027	9,027	9,027
DEFENSE LOGISTICS AGENCY	1,140,137	1,147,122	1,153,137	1,146,237
PROCUREMENT TECHNICAL ASSISTANCE PROGRAM			17,000	
DEFENSE POW/MISSING PERSONS OFFICE	14,110	14,110	14,110	14,110
DEFENSE SECURITY ASSISTANCE AGENCY	4,610		4,610	3,010
DEFENSE SECURITY SERVICE	83,419	81,219	83,419	83,419
DEFENSE THREAT REDUCTION AND TREATY COMPLIANCE AGENCY	304,745	290,345	251,445	276,945
DEPARTMENT OF DEFENSE DEPENDENTS EDUCATION	1,347,718	1,354,968	1,348,118	1,355,518
JOINT CHIEFS OF STAFF	139,616	134,816	112,716	137,916
OFFICE OF ECONOMIC ADJUSTMENT	31,233	32,733	31,233	56,733
OFFICE OF THE SECRETARY OF DEFENSE	369,836	356,086	375,836	359,736
SPECIAL OPERATIONS COMMAND	47,117	47,117		47,117
WASHINGTON HEADQUARTERS SERVICE	281,676	270,676	224,376	264,276
REPAIRS TO FEDERALLY-FUNDED SCHOOLS			10,000	10,000
TOTAL, BUDGET ACTIVITY 4	9,098,907	9,036,098	8,954,170	9,087,832
BUDGET ACTIVITY 5:				
SPECIAL OPERATIONS COMMAND			1,252,503	
LEGACY			10,000	10,000
CIVILIAN PERSONNEL UNDERSTRENGTH			−349,000	−5,200
FOREIGN CURRENCY FLUCTUATION		−6,000	−8,500	
UNDISTRIBUTED REDUCTION	−100			
IMPACT AID		35,000		35,000
ADP LEGACY SYSTEMS EFFICIENCIES		−18,000		−18,000
ADMINISTRATIVE AND CONTRACTOR SUPPORT		−40,000		
FUEL SAVINGS			−67,000	
MILITARY PERSONNEL INFORMATION SYSTEM		38,000		38,000
NIPC TECHNICAL SUPPORT		5,000		5,000
TOTAL, OPERATION AND MAINTENANCE, DEFENSE-WIDE	10,750,601	10,804,542	10,259,231	10,914,076
TRANSFER TO PENTAGON RENOVATION TRANSFER FUND			(−90,020)	(−90,020)
TOTAL FUNDING AVAILABLE	(10,750,601)	(10,804,542)	(10,169,211)	(10,824,056)

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
JCS—Mobility Enhancements	10,000
JCS—Exercise Northern Edge	7,000
JCS—Joint Exercises	−13,000
SOCOM—Joint Threat Warning System	1,000
SOCOM—Counter Proliferation/WMD	7,650
SOCOM—Patrol Coastal Operations	−4,000
SOCOM—Maritime Training	5,000
SOCOM—Language Training	1,000
Budget Activity 3: Training and Recruiting:	
DAU—Tranfer	95,000
Budget Activity 4: Administration and Servicewide Activities:	
Civil-Military Programs	42,500
Classified and Intelligence	−5,200
DCAA—Within Grade Increases	−2,375
DCAA—Price Growth Error	−2,000
DHRA—DCPDS	−7,000
DHRA—Field Activity Consolidation	−4,500
DHRA—Pay Rate Error	−3,900
DISA—GCSS	−10,900
DISA—Lower Priority Program Increases	−6,700
DISA—Management Headquarters Reduction	−1,800
DLA—Equipment and Misc. Purchases	−17,900
DLA—Warstopper Increase	−3,000
DLA—Improved Cargo Methods and Technologies	2,000
DLA—Automated Document Conversion	25,000

Defense Security Assistance Agency	−1,600
DTRA—Partnership for Peace (National Guard)	1,000
DTRA—Partnership for Peace excess growth	−15,400
DTRA—PfP Information Management System	2,000
DTRA—OSIA	−15,400
DoDEA—Facility Maintenance Contract	−3,850
DoDEA—Math Leadership Program	400
DoDEA—New Parent Support Program	8,000
DoDEA—Family Counseling and Crisis Services	2,000
DoDEA—Desiccant Demo	1,250
JCS—JMEANS	3,100
JCS—Management Headquarters Reduction	−4,800
OEA—Agile Port Capability Study	500
OEA—Fitzsimmons Army Hospital	10,000
OEA—Shipyard Infrastructure Repair	10,000
OEA—Pico Rivera	4,000
OEA—Planning	1,000
OSD—Youth Development and Leadership Program	400
OSD—Lower Priority Program Increases	−10,500
WHS—Defense Travel Schedule Slip	−6,400
WHS—Lower Priority Program Increases	−10,000
WHS—White House Defense Fellows	−1,000
Repairs to Federally Funded Schools	10,000
Undistributed:	
Legacy	10,000
Civilian Personnel Underexecution	−5,200
Impact Act	35,000
ADP Legacy Systems efficiencies	−18,000
Military Personnel Information System	38,000
NIPC Technical Support	5,000

CIVIL/MILITARY PROGRAMS

The conferees recommend a total of $87,394,000 for the Department's civil/military programs. In addition, the conferees recommend a new general provision, Section 8131, which waives the limitation on expenditures for the National Guard Challenge Program for fiscal year 1999. The conferees recognize that both the Department of Justice and Department of Defense have taken steps in developing programs for at-risk youth. The National Guard's highly effective Youth Challenge Program is an example of 22 states working to make productive citizens out of high school drop-outs. The conferees encourage both Departments to work together, combining strengths and successes of each program, exchange ideas, and, when possible, share available resources to enhance and expand the effectiveness of these initiatives. The funding for the civil/military programs for fiscal year 1999 follows:

[In thousands of dollars]

National Guard Youth Challenge Program	62,394
Innovative Readiness Training Program	20,000
Starbase Program	5,000
Total	87,394

OEA—SHIPYARD INFRASTRUCTURE REPAIRS

The conferees have agreed to provide $10,000,000 only for shipyard infrastructure repairs as recommended by the Senate under the Operation and Maintenance, Navy appropriation account.

H.L. HUNLEY

Of the funding provided for the Legacy Program, the conferees agree to provide $300,000 to prepare conservation plans to preserve the H.L. Hunley, and to develop an emergency recovery plan associated with raising the ship.

ON-SITE INSPECTION AGENCY

The conferees have agreed to reduce funding for the On-Site Inspection Agency. If additional funds prove necessary to meet emergent requirements stemming from valid treaty obligations, the conferees expect the Department of Defense to submit a reprogramming request subject to normal, prior approval reprogramming procedures.

SECURITY LOCKS

The conferees agree with the Senate report language directing the Department of Defense to provide a report on their security locks retrofit program by December 15, 1998. Furthermore, the conferees agree that of the funds provided in this account $15,000,000 is for the purchase of additional security locks which meet federal specification FF-L-2740A.

JOB PLACEMENT PROGRAM

The conferees are disappointed with the Department's lack of responsiveness to last year's direction to implement a job placement and community outreach services program. Therefore, the conferees again direct the Department to provide at least $6,000,000 from within available funds for the implementation of this effort which would market and coordinate involvement of existing qualified service providers through the Job Training Partnership Act, facilitate municipal offering of community outreach services and provide data for the evaluation of federal job placement programs.

OPERATION AND MAINTENANCE, ARMY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
LAND FORCES:				
DIVISION FORCES	10,918	10,918	10,918	10,918
CORPS COMBAT FORCES	17,890	17,890	17,890	17,890
CORPS SUPPORT FORCES	165,897	165,897	165,897	165,897
ECHELON ABOVE CORPS FORCES	86,565	86,565	86,565	86,565
MISSION OPERATIONS:				
LAND FORCES OPERATIONS SUPPORT	227,856	227,856	227,856	227,856
LAND FORCES READINESS:				
FORCES READINESS OPERATIONS SUPPORT	123,824	123,824	123,824	123,824
LAND FORCES SYSTEM READINESS	13,757	13,757	13,757	13,757
DEPOT MAINTENANCE	47,342	47,342	47,342	47,342
LAND FORCES READINESS SUPPORT:				
BASE SUPPORT	305,760	305,760	305,760	305,760
MAINTENANCE OF REAL PROPERTY	61,177	61,177	61,177	61,177
UNIFIED COMMANDS	107	107	107	107
MISCELLANEOUS ACTIVITIES	1,383	1,383	1,383	1,383
TOTAL, BUDGET ACTIVITY 1	1,062,476	1,062,476	1,062,476	1,062,476
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATINO AND SERVICEWIDE ACTIVITIES:				
STAFF MANAGEMENT HEADQUARTERS	27,465	27,465	27,465	27,465
INFORMATION MANAGEMENT	23,601	23,601	23,601	23,601
PERSONNEL/FINANCIAL ADMINISTRATION	47,327	47,327	47,327	47,327
RECRUITING AND ADVERTISING	41,753	41,753	41,753	41,753
FUEL REPRICING		−1,400		
TOTAL, BUDGET ACTIVITY 4	140,146	138,746	140,146	140,146
TOTAL, OPERATION AND MAINTENANCE, ARMY RESERVE	1,202,622	1,201,222	1,202,622	1,202,622

ARMY/NAVY RESERVE CENTERS

The conferees understand that there are two Army Reserve Centers in Florida and one in Youngstown, Ohio which are in extensive need of repair and renovation. In addition, the Navy Reserve has a facility located in Youngstown, Ohio, which is vacant and needs remediation. The conferees have provided additional funds for Real Property Maintenance for the Army Reserve and Navy Reserve, and directs that $2,000,000 be designated to each component to meet these requirements.

JOINT MILITARY TRAINING COMPLEX

The conferees understand that several Reserve units in central Florida have been impacted by the closure of the Orlando Naval Training Center, and the Department is considering the possibility of developing a joint complex in the Orlando area. The conferees recommend that $300,000 of the funds provided for "Operation and Maintenance, Army Reserve" be used for feasibility studies and environmental assessments in the support of the joint complex.

OPERATION AND MAINTENANCE, NAVY RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, NAVY RESERVE				
BUDGET ACTIVITY 1: OPERATION FORCES:				
RESERVE AIR OPERATIONS				
MISSION AND OTHER FLIGHT OPERATIONS	300,682	300,682	300,682	300,682
FLEET AIR TRAINING	484	484	484	484
INTERMEDIATE MAINTENANCE	17,271	17,271	17,271	17,271
AIR OPERATION AND SAFETY SUPPORT	3,044	3,044	3,044	3,044
AIRCRAFT DEPOT MAINTENANCE	121,740	132,740	121,740	132,740
AIRCRAFT DEPOT OPS SUPPORT	323	323	323	323
BASE SUPPORT	101,963	101,963	101,963	101,963
MAINTENANCE OF REAL PROPERTY	24,370	24,370	24,370	24,370
RESERVE SHIP OPERATIONS				
MISSION AND OTHER SHIP OPERATIONS	61,924	71,924	61,924	71,924
SHIP OPERATIONAL SUPPORT AND TRAINING	611	611	611	611
INTERMEDIATE MAINTENANCE	9,472	9,472	9,472	9,472
SHIP DEPOT MAINTENANCE	79,257	79,257	79,257	79,257
SHIP DEPOT OPERATIONS SUPPORT	1,459	1,459	1,459	1,459
RESERVE COMBAT OPERATIONS SUPPORT				
COMBAT SUPPORT FORCES	28,355	28,355	28,355	28,355
BASE SUPPORT	34,411	34,411	34,411	34,411
MAINTENANCE OF REAL PROPERTY	9,606	9,606	9,606	9,606
RESERVE WEAPONS SUPPORT				
WEAPONS MAINTENANCE	5,217	5,217	5,217	5,217
TOTAL, BUDGET ACTIVITY 1	800,189	821,189	800,189	821,189
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES				
ADMINISTRATION	6,209	6,209	6,209	6,209
CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT	1,015	1,015	1,015	1,015
MILITARY MANPOWER AND PERSONNEL MANAGEMENT	25,420	25,420	25,420	25,420
SERVICEWIDE COMMUNICATIONS	50,534	50,534	50,534	50,534
BASE SUPPORT	29,571	29,571	29,571	29,571
MAINTENANCE OF REAL PROPERTY	7,182	7,182	7,182	7,182
COMBAT/WEAPONS SYSTEMS	5,398	5,398	5,398	5,398
GENERAL DEFENSE INTELLIGENCE PROGRAM	587	587	587	587
LOGISTICS OPERATIONS AND TECHNICAL SUPPORT:				
AIR SYSTEMS SUPPORT	2,534	2,534	2,534	2,534
TOTAL, BUDGET ACTIVITY 4	128,450	128,450	128,450	128,450
FUEL REPRICING	---	−8,200	---	---
P–3 SQUADRONS	---	7,600	---	7,600
TOTAL, OPERATION AND MAINTENANCE, NAVY RESERVE	928,639	949,039	928,639	957,239

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Aircraft Depot Maintenance/C–20 Repair	11,000
Mission and Other Ship Operations/MCM Steaming Days	10,000
Undistributed:	
P–3 Squadrons	7,600

NAVY RESERVE FORCES

The conferees concur in the House direction of House Report 105–591, page 81, regarding Navy Reserve force structure and operations.

NAVY RESERVE TRAINING CENTER

The conferees understand the City of Gary, Indiana objects to the current leasing arrangement between the Navy and the City of Gary relating to the presence of a Naval Reserve Training Center on city-owned property. The conferees urge the Navy to negotiate with the City of Gary the relocation of its facility.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
MISSION FORCES:				
TRAINING	14,435	14,435	14,435	14,435
OPERATING FORCES	33,823	33,823	33,823	33,823
BASE SUPPORT	16,272	16,272	16,727	16,272
MAINTENANCE OF REAL PROPERTY	6,976	6,976	6,976	6,976
DEPOT MAINTENANCE	2,821	2,821	2,821	2,821
TOTAL, BUDGET ACTIVITY 1	74,327	74,327	74,327	74,327
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
RECRUITING AND ADVERTISING	7,920	9,120	7,920	7,920
SPECIAL SUPPORT	11,080	11,080	11,080	11,080
SERVICEWISE TRANSPORTATION	4,714	4,714	4,714	4,714
ADMINISTRATION	8,763	8,763	8,763	8,763
BASE SUPPORT	7,789	7,789	7,789	7,789
INCREASED USE OF GUARD AND RESERVE	....	1,200	....	1,200
ACTIVE DUTY FOR SPECIAL WORK	....	2,100	....	2,100
TOTAL, BUDGET ACTIVITY 4	40,266	44,766	40,266	43,566
TOTAL, O&M, MARINE CORPS RESERVE	114,593	119,093	114,593	117,893

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
Increased Use of Guard and Reserve	1,200
Active Duty for Special Work	2,100

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR FORCE RESERVE				
BUDGET ACTIVITY 1: OPERATING FORCES:				
AIR OPERATIONS:				
AIRCRAFT OPERATIONS:	1,038,509	1,038,509	1,038,509	1,038,509
MISSION SUPPORT OPERATIONS	40,926	40,926	40,926	40,926
BASE SUPPORT	223,606	223,606	223,606	223,606
MAINTENANCE OF REAL PROPERTY	61,616	61,616	61,616	61,616
DEPOSIT MAINTENANCE	298,493	298,493	298,493	298,493
TOTAL, BUDGET ACTIVITY 1	1,663,150	1,663,150	1,663,150	1,663,150
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	46,002	46,002	46,002	46,002
MILITARY MANPOWER AND PERSONNEL MANAGEMENT	20,205	20,205	20,205	20,205
RECRUITING AND ADVERTISING	8,360	11,360	8,360	11,360
OTHER PERSONNEL SUPPORT	6,366	6,366	6,366	6,366
AUDIOVISUAL	613	613	613	613
FUEL REPRICING		−11,700		
TOTAL, BUDGET ACTIVITY 4	81,546	72,846	81,546	84,546
TOTAL, O&M AIR FORCE RESERVE	1,744,696	1,735,996	1,744,696	1,747,696

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustment to the budget activities is as follows:

[In thousands of dollars]

Budget Activity 4: Administration and Servicewide Activities:	
25400 Recruiting and Advertising	3,000

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATING FORCES:				
MISSION OPERATIONS				
LAND FORCES	1,302,542	1,402,542	1,361,042	1,402,542
LAND FORCES READINESS	144,113	144,113	144,113	144,113
LAND FORCES READINESS SUPPORT	839,066	843,266	853,066	843,266
DEPOT MAINTENANCE			32,500	
MAINTENANCE OF REAL PROPERTY			65,000	45,000
TOTAL, BUDGET ACTIVITY 1	2,285,721	2,389,921	2,455,721	2,454,921
BUDGET ACTIVITY 4: ADMIN & SERVICEWIDE ACTIVITIES:				
ADMINISTRATION AND SERVICEWIDE ACTIVITIES:				
PERSONNEL ADMINISTRATION	59,249	59,249	59,249	59,249
STAFF MANAGEMENT	33,490	33,490	33,490	33,490
INFORMATION MANAGEMENT	21,793	24,593	76,793	66,793
RECRUITING AND ADVERTISING	36,562	36,562	36,562	36,562
TOTAL, BUDGET ACTIVITY 4	151,094	153,894	206,094	196,094
FUEL REPRICING		−3,500		
MILITARY (CIVILIAN) TECHNICIANS		27,000		27,000
CONSEQUENCE MANAGEMENT		3,000		

ADJUSTMENTS TO BUDGET ACTIVITIES

Adjustments to the budget activities are as follows:

[In thousands of dollars]

Budget Activity 1: Operating Forces:	
Land Forces/Ground Optempo	100,000
Land Forces Readiness/Depot Maintenance	20,000
Land Forces Readiness Support/Angel Gate Academy	4,200
Maintenance of Real Property	45,000
Budget Activity 4: Administration and Servicewide Activities:	
Information Management/Distance Learning	35,000
Information Management/Communications Shortfall	10,000
Undistributed:	
Military (civilian) Technicians	27,000

ARMY NATIONAL GUARD DISTANCE LEARNING

The conferees agree to provide an increase of $25,000,000 in Operation and Maintenance, Army National Guard and an increase of $28,000,000 in Other Procurement, Army for distance learning and information management requirements.

Of this amount, $2,800,000 is only to continue efforts to demonstrate cost effective ways to use the National Guard Distance Learning Network to meet DoD training requirements as provided for in House Report 105–591. In addition, $4,600,000 is only for the Montana Army Guard for a distance learning demonstration project as described in Senate Report 105–200.

CHICAGO MILITARY ACADEMY

The conferees recommend that $10,000,000 of the funds provided for Operation and Maintenance, Army National Guard are for the conversion of the Eighth Regiment National Guard Armory into a Chicago Military Academy, in order to provide a JROTC instruction program.

CAMP DAWSON, WEST VIRGINIA

The conferees urge the Army National Guard to develop a concept plan for the future of Camp Dawson.

CAMP DODGE, IOWA

The conferees recommend that $6,000,000 of the funds available for Real Property Maintenance in Operation and Maintenance, Army National Guard be used for repair of storm damage at Camp Dodge, Iowa.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD				
BUDGET ACTIVITY 1: OPERATION FORCES:				
AIR OPERATIONS:				
AIRCRAFT OPERATIONS	1,935,880	1,937,380	1,945,880	1,945,880
MISSION SUPPORT OPERATIONS	340,884	340,884	340,884	340,884
BASE SUPPORT	295,163	295,163	295,163	295,163
MAINTENANCE OF REAL PROPERTY	82,633	82,633	82,633	82,633
DEPOT MAINTENANCE	428,708	428,708	438,708	428,708
TOTAL, BUDGET ACTIVITY 1	3,083,268	3,084,768	3,103,268	3,093,268
BUDGET ACTIVITY ADMIN & SERVICEWIDE ACTIVITIES:				
SERVICEWIDE ACTIVITIES:				
ADMINISTRATION	2,913	2,913	2,913	2,913
RECRUITING AND ADVERTISING	7,752	10,751	7,752	10,752
FUEL REPRICING		−23,200		
TOTAL, BUDGET ACTIVITY 4	10,665	−9,535	10,665	13,665
TOTAL, O&M AIR, NATIONAL GUARD	3,093,933	3,075,233	3,113,933	3,106,933

SEARCH AND RESCUE SUPPORT

The conferees direct that the Air National Guard provide support for Coast Guard seasonal search and rescue mission requirements at the Francis S. Gabreski Airport in Hampton, New York. Assistance to the Coast Guard will include access to necessary facilities, runway, hangar, operations center, berthing, and maintenance spaces. Seasonal Coast Guard access will be maintained between April 15 and October 15, 1999. The Director of the Air National Guard and the Commandant of the Coast Guard shall enter into a memorandum of agreement (MOA) for use of these facilities and shall provide copies of that agreement to the Committees on Appropriations not later than December 1, 1998.

DEFENSE SYSTEMS EVALUATION PROGRAM

The conferees direct that $2,250,000 of the funds provided for Operation and Maintenance, Air National Guard be for the Defense Systems Evaluation program for support of test and training operations at White Sands Missile Range, New Mexico, and Fort Bliss, Texas.

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

The conferees agree to provide $439,400,000 for the Overseas Contingency Operations Transfer Fund. This amount covers estimated DoD costs of continuing operations in Southwest Asia.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

The conference agreement provides $7,324,000 for the United States Court of Appeals for the Armed Forces as requested in the budget.

ENVIRONMENTAL RESTORATION, ARMY

The conferees agree to provide $370,640,000 for Environmental Restoration, Army.

ENVIRONMENTAL RESTORATION, NAVY

The conferees agree to provide $274,600,000 for Environmental Restoration, Navy.

ENVIRONMENTAL RESTORATION, AIR FORCE

The conferees agree to provide $372,100,000 for Environmental Restoration, Air Force.

ENVIRONMENTAL RESTORATION, DEFENSE-WIDE

The conferees agree to provide $26,091,000 for Environmental Restoration, Defense-Wide

ENVIRONMENTAL RESTORATION, FORMERLY USED DEFENSE SITES

The conferees agree to provide $225,000,000 for Environmental Restoration, Formerly Used Defense Sites.

BUILDING DEMOLITION AND DEBRIS REMOVAL

To minimize mobilization costs at remote sites, the Department may perform building demolition and debris removal at formerly used defense sites (FUDS) using fiscal year 1999 funds available under this heading. The conferees direct the Department to conduct building demolition and debris removal at the following formerly used defense sites: Collision Point, Nuvagapak Point and Cape Sarichef, Alaska, or alternative sites in Alaska to optimize cost effectiveness on a regional basis.

CHARLESTON MACALLOY SITE

The conferees concur with the Senate's recommended reporting requirements regarding the Defense Logistics Agency inventory location in Charleston, South Carolina. The conferees expect that, if the Department determines that this site is eligible for formerly used defense sites (FUDS) funding, $10,000,000 shall be made available as expeditiously as possible considering departmental policies on the allocation of such funds.

GOVERNMENT OWNED CONTRACTOR OPERATED (GOCO) FACILITIES

The conferees are concerned about the Army's limited progress in recovering the costs associated with environmental restoration at former ammunition production GOCO facilities. Therefore, the conferees direct the Army to take the following actions and, by the dates noted, report on their findings to the congressional defense committees.

No later than March 30, 1999, the Army should (1) identify all GOCO ammunition production facilities, the contractors that operated the facilities, and the prime contract numbers of each contract for the operation of the facilities (2) document the current environmental cleanup status, including past and projected clean up costs, for each GOCO facility (3) compile a summary of historical third-party insurance coverage for each GOCO facility, including the names of all the insurers, policy numbers, policy periods, and terms, conditions, and limits of coverage (4) ascertain whether notices of accidents or occurrences, or other appropriate notices, have been given to each of the insurers, including any notices provided by the operating contractor, and (5) determine if any of the GOCO facilities was placed on a standby status and whether insurance coverage remained in force during that period.

Not later than June 15, 1999, the conferees expect the Department to (1) file notices of claims with as many of the insurers as possible and to provide a timetable for filing all remaining notices of claims (2) prepare a detailed legal analysis of the potential claims for each of the GOCO facilities including an assessment of applicable case law, potential effect of specific indemnification provisions, pollution exclusion and limitations in the scope of coverage (3) analyze alternative approaches, such as pursuing claims in groups, to maximize insurance recovery, including legal strategy and timetables, and decide on a recommended course of action.

NOTIFICATION OF ENVIRONMENTAL CONTRACT AWARDS

The conferees direct each military service to notify interested State and local authorities and interested Members of Congress upon release of draft solicitations for contracts anticipated to exceed $5,000,000. The conferees further direct that this requirement shall also apply to all increments of indefinite delivery indefinite quantity-type contracts which meet this threshold.

TOTAL ENVIRONMENTAL REMEDIATION CONTRACTS (TERC)/REMEDIAL ACTION CONTRACTS (RAC)

The conferees direct that not more than twenty-five percent of funding obligated by the Corps of Engineers for environmental remediation shall be executed through TERC contracts. Additionally, the conferees are concerned with the Navy's increasing reliance on the RAC to accomplish environmental remediation. Accordingly, the conferees direct the Secretary of the Navy to report to the congressional defense committees no later than January 15, 1999, on their use of RAC during fiscal year 1998. The conferees further direct that this information be provided quarterly throughout fiscal year 1999.

MITIGATION OF ENVIRONMENTAL DAMAGE

In entering into contracts for the mitigation of environmental damage on Indian lands, the Department is encouraged to extend a preference to Native American owned or operated businesses with experience in the mitigation of environmental damage or environmental technology.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The conferees agree to provide $50,000,000 for Overseas Humanitarian, Disaster, and Civic Aid.

FORMER SOVIET UNION THREAT REDUCTION

The conferees agree to provide $440,400,000, for the Former Soviet Union Threat Reduction program.

QUALITY OF LIFE ENHANCEMENT, DEFENSE

The conferees agree to provide a total of $455,000,000 for Quality of Life Enhancement, Defense. Given the substantial backlog of real property maintenance in the areas of barracks, dormitories and related facilities, the conferees direct that these funds be applied to workload for such projects within the United States and its territories. In the case of the Reserve components, these additional funds should be utilized to reduce the backlog in mission and support facilities. The conferees further direct the Secretaries of each of the Military Services to provide the congressional defense committees with a report on each additional project to be funded from funds available in this account prior to solicitation for these projects. This report shall include the location, estimated cost and projected commencement and completion dates for each project.

TITLE III—PROCUREMENT

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
SUMMARY				
ARMY:				
AIRCRAFT	1,325,943	1,400,338	1,408,652	1,388,268
MISSILES	1,205,768	1,140,623	1,188,739	1,226,335
WEAPONS, TRACKED COMBAT VEHICLES	1,433,608	1,513,540	1,484,055	1,548,340
AMMUNITION	1,008,855	1,099,155	998,655	1,065,955
OTHER	3,198,811	3,101,130	3,395,729	3,339,486
TOTAL, ARMY	8,172,985	8,254,786	8,475,830	8,568,384
NAVY:				
AIRCRAFT	7,466,734	7,599,968	7,473,403	7,541,709
WEAPONS	1,327,545	1,191,219	1,324,045	1,211,419
AMMUNITION	429,539	473,803	488,939	484,203
SHIPS	6,252,672	5,973,452	6,067,272	6,035,752
OTHER	3,937,737	3,990,553	3,886,475	4,072,662
MARINE CORPS	745,858	812,618	954,177	874,216
TOTAL, NAVY	20,160,085	20,041,613	20,194,311	20,219,961
AIR FORCE:				
AIRCRAFT	7,756,475	8,384,735	7,967,023	8,095,507
MISSILES	2,359,803	2,191,527	2,219,299	2,069,827
AMMUNITION	384,161	388,925	384,161	379,425
OTHER	6,974,387	7,034,217	6,904,164	6,960,483
TOTAL, AIR FORCE	17,474,826	17,999,404	17,474,647	17,505,242
DEFENSE-WIDE	2,041,650	2,055,432	1,932,250	1,944,833
NATIONAL GUARD AND RESERVE EQUIPMENT		120,000	500,000	352,000
TOTAL PROCUREMENT	47,849,546	48,471,235	48,577,038	48,590,420

AIRCRAFT PROCUREMENT ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, ARMY					
C-XX (MEDIUM RANGE) AIRCRAFT			30,000	5	27,000
UH-60 BLACKHAWK (MYP)	218,820	297,320	292,765	29	272,365
AH-634 MODS	52,902	55,902	54,402		56,902
CH-47 CARGO HELICOPTER MODS (MYP)	101,176	88,476	73,876		81,176
C-12 CARGO AIRPLANE MODS	2,658	9,658	8,658		8,658
KIOWA WARRIOR	40,466	56,446	52,646		52,646
EH-60 QUICKFIX MODS	3,015	3,015			
AIRCRAFT SURVIVABILITY EQUIPMENT	5,144	12,544	18,944		12,544
COMMON GROUND EQUIPMENT	30,107	31,307	30,107		31,307
ADVISORY AND ASSISTANCE SERVICES		−1,584			−1,584

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousand of dollars]

	Budget	House	Senate	Conference
UH-60 BLACKHAWK (MYP):	218,820	297,320	292,765	272,365
Additional aircraft	0	78,500	78,500	58,100
Engineering change orders	0	0	−4,555	−4,555
AH-64 MODS:	52,902	55,902	54,402	56,902
VMEP for National Guard	0	3,000	0	3,000
AH-64 T701C engine upgrade	0	0	1,500	1,000
KIOWA WARRIOR:	40,446	56,446	52,646	52,646
System safety enhancement	0	16,000	9,600	9,600
Crew station mission equipment trainer	0	0	2,600	2,600

MISSILE PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
MISSILE PROCUREMENT, ARMY					
HELLFIRE SYS SUMMARY	360,625	313,325	360,625	2,000	360,625
JAVELIN (AAWS-M) SYSTEM SUMMARY	319,988	319,988	349,988	3,316	339,988
MLRS ROCKET	16,513	3,413			
MLRS LAUNCHER SYSTEMS	85,387	110,387	143,787	24	123,787
ATACMS/BAT	49,083	49,083	24,083	30	49,083
BAT	100,425	100,425	50,225	420	100,425
AVENGER MODS	8,425		8,425		8,425
ADVISORY AND ASSISTANCE SERVICES		−7,604			−7,604

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MLRS LAUNCHER SYSTEMS:	85,387	110,387	143,787	123,787

[In thousands of dollars]

	Budget	House	Senate	Conference
National Guard launchers	0	25,000	50,000	0
COTS to procure joint technical architecture	0	0	8,400	8,400
National Guard MLRS support equipment				30,000

PROCUREMENT OF WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF W&TCV, ARMY					
BRADLEY BASE SUSTAINMENT	285,844	371,844	283,844		356,844
BFVS SERIES (MOD)	58,998	58,998	78,998		75,498
IMPROVED RECOVERY VEHICLE (M88 MOD)	38,175	38,175	55,075	21	51,075
HEAVY ASSAULT BRIDGE (HAB) SYS (MOD)	50,401	50,401	43,748		50,401
M1 ABRAMS TANK (MOD)	53,301	58,301	46,601		36,301
ABRAMS UPGRADE PROGRAM	412,661	403,661	408,061		419,061
ARMOR MACHINE GUN, 7.62MM M240 SERIES	6,496	6,496	12,996	673	11,496
GRENADE LAUNCHER, AUTO, 40MM, MK19–3	12,191	12,191	15,191	697	15,191
M16 RIFLE MODS	6,241	6,241	5,241		5,241
DIRECT SUPPORT ELECTRICAL TEST SETS (DSETS)			25,000		20,000
ADVISORY AND ASSISTANCE SERVICES		–2,068			–2,068

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
BRADLEY BASE SUSTAINMENT:	285,844	371,844	283,844	356,844
A0 to ODS variant	0	80,000	0	70,000
AN/VIC–3	0	6,000	0	3,000
Software delays	0	0	–2,000	–2,000
BFVS SERIES (MOD):	58,998	58,998	78,998	75,498
Reactive armor tiles	0	0	20,000	16,500
M1 ABRAMS TANK (MOD):	53,301	58,301	46,601	36,301
AN/VIC–3	0	5,000	0	3,000
M1A1D program savings	0	–6,700	0	–20,000
ABRAMS UPGRADE PROGRAM:	412,661	403,661	408,061	419,061
M1A1D termination	0	–20,000	0	0
Tank upgrades	0	11,000	0	11,000
Overhead rates—M1A2 program	0	–4,600	0	–4,600
DIRECT SUPPORT ELECTRICAL TEST SETS (DSETS):	0	0	25,000	20,000
Abrams upgrade program	0	0	5,000	4,000
BFIST	0	0	5,000	4,000
Bradley C2 vehicle	0	0	5,000	4,000
Bradley legacy fleet	0	0	5,000	4,000
Bradley stinger	0	0	5,000	4,000

PROCUREMENT OF AMMUNITION, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, ARMY					
CTG, 5.56MM, ALL TYPES	91,620	97,220	77,620		94,420
CTG, 7.62MM ALL TYPES	10,463	14,463	7,263		12,463
CTG, 25MM, ALL TYPES	59,618	80,418	71,618		80,418
CTG MORTAR 60MM PRACTICE M766		5,000			2,500
CTG MORTAR 120MM HE M934 W/MO FUZE	29,087	38,087	29,087	33	37,087
CTG MORTAR 120MM ILLUM XM930 W/MTSQ FZ		8,500			5,000
CTG 120MM APFSDS–T M829A2/M829E3	9,732	19,732	9,732	2	14,732
CTG 120MM HEAT–MP–T M830A1		10,000	15,000		10,000
CTG ARTY 105MM DPICM XM915		7,500			
CTG ARTY 105 M927		5,000			5,000
PROJ ARTY 155MM SADARM M898	56,542	36,542	31,542	550	31,542
PROJ ARTY 155MM HE M107	25,650	35,650	25,650	124	32,650
FUZE ARTY ELEC TIME M767			5,000		4,000
MINE AT M87 (VOLCANO)			15,000		12,000
BUNKER DEFEATING MUNITION (BDM)		10,000			10,000
PROVISION OF INDUSTRIAL FACILITIES	47,660	52,560	47,660		50,660
CONVENTIONAL AMMO DEMILITARIZATION	97,983	97,983	82,983		82,983

KINETIC ENERGY TANK AMMUNITION

The conferees direct the Army to submit by December 1, 1998, their plan for funding the M829A2 at a minimum sustaining rate until the M829E3 enters production.

M830A1 TANK AMMUNITION

The conferees encourage the Army to include funding for the M830A1 and M830A1 to XM908 conversion programs in its fiscal year 2000 budget submission.

OTHER PROCUREMENT, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, ARMY					
TACTICAL TRAILERS/DOLLY SETS	11,948	11,948	19,448		17,948
HI MOB MULTI–PURP WHLD VEH (HMMWV)	12,144	58,476	77,844	110	67,144
FAMILY OF MEDIUM TACTICAL VEH (FMTV)	332,044	312,424	382,044	2,038	332,044
MEDIUM TRUCK EXTENDED SVC PGM (ESP)	37,247	37,247	63,647	1,085	50,447
LINE HAUL ESP	4,883	4,983	4,883	62	4,983
HEAVY ARMORED SEDAN	5,956	5,956		54	5,956
PASSENGER CARRYING VEHICLES	867	867		37	867
GENERAL PURPOSE VEHICLES	1,059	1,059			1,059

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROJECT MANAGEMENT SUPPORT	2,437	2,437	1,437		1,437
SYSTEM FIELDING SUPPORT (TACOM)	4,166	4,166	3,166		3,166
SMART–T (SPACE)	57,743	33,143	57,743		57,743
ARMY DATA DISTRIBUTION SYSTEM (ADDS)	24,048	27,048	52,048		47,048
SINCGARS FAMILY	13,212	51,212	63,212		57,212
ACUS MOD PROGRAM (WIN–T/T)	97,080	97,080	132,080		129,830
INFORMATION SYSTEM SECURITY PROGRAM—ISSP	29,714	31,714	33,714		33,714
INFORMATION SYSTEMS	91,213	91,213	122,213		119,213
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	24,117	24,117	24,117		30,867
JTT/CIBS–M (TIARA)	5,340	10,340	5,340	56	10,340
IEW—GND BASE COMMON SENSORS (TIARA)	25,388	14,188			12,071
JOINT STARS (ARMY) (TIARA)	87,229	90,229	87,229		87,229
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	1,690	1,690	1,690		6,090
COMMON IMAGERY GRD/SURFACE SYS		2,508			2,508
ITEMS LESS THAN $2.0M (TIARA)	530	530	2,530		1,530
SHORTSTOP		15,000			10,000
NIGHT VISION DEVICES	29,636	38,636	53,136		43,636
LTWT VIDEO RECON SYSTEM (LWVRS)	3,364	3,364	9,364	110	8,364
MOD OF IN–SVC EQUIP (TAC SURV)	5,477	23,227	5,477		16,477
LOGTECH	3,238	3,238	9,238		8,238
GUN LAYING AND POS SYS (GLPS)	11,781	6,331	11,781	126	6,331
ISYSCON EQUIPMENT	34,175	10,175	34,175		15,175
ARMY TRAINING XX1 MODERNIZATION	32,635		32,635		32,635
AUTOMATED DATA PROCESSING EQUIP	130,712	120,712	130,712		123,712
ITEMS LESS THAN $2.0M (CSS–EQ)	4,749	4,749	4,749		5,749
HYDRAULIC EXCAVATOR	6,402	8,902	6,402	26	6,402
CRANE, WHEEL MTD, 25T, ¾ CU YD, RT	11,553	11,553	11,553	47	19,553
PUSHER TUG, SMALL	4,269	8,569	4,269	3	8,569
FLOATING CRANE, 100–250 TON		15,000		1	15,000
GENERATORS AND ASSOCIATED EQUIP	82,749	69,049	82,749		69,049
ROUGH TERRAIN CONTAINER CRANE	13,615	3,615	13,615	30	8,615
TRAINING DEVICES, NONSYSTEM	56,755	67,755	44,655		60,755
SIMNET/CLOSE COMBAT TACTICAL TRAINER	113,927	76,527	88,927		88,927
FIRE SUPPORT COMBINED ARMS TACTICAL TRAINER	28,124		28,124		16,000
INTEGRATED FAMILY OF TEST EQUIPMENT (IFTE)	54,051	69,051	64,051		66,551
BASE LEVEL COM'L EQUIPMENT	9,697	9,697	9,697		12,697
MODIFICATION OF IN–SVC EQUIPMENT (OPA–3)	17,667	22,467	17,667		22,667
VEHICLE LEASES			400		
ADVISORY AND ASSISTANCE SERVICES		4,030			4,030
R–2000 ENGINE FLUSH SYSTEM		5,000			

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
ACUS MOD PROGRAM (WIN–T/T)	97,080	97,080	132,080	129,830
Program increase	0	0	35,000	30,000
High speed multiplexer (moved from 203761A)	0	0	0	2,750
INFORMATION SYSTEM SECURITY PROGRAM—ISSP	29,714	31,714	33,714	33,714
"Uninterruptible" universal power supply sys	0	2,000	0	1,000
Tactical Secure Terminal Equipment	0	0	4,000	3,000
ALL SOURCE ANALYSIS SYS (ASAS) (TIARA)	24,117	24,117	24,117	30,867
Analysis control team (Note: Transferred from 0203761A)	0	0	0	6,750
JOINT STARS (ARMY) (TIARA)	87,229	90,229	87,229	87,229
Common Ground Station (Note: Of the available funds, $2,000.00 is only to procure additional workstations for field units in Korea and Bosnia)	0	3,000	0	0
TACTICAL EXPLOITATION OF NATIONAL CAPABILITY	1,690	1,690	1,690	6,090
Grendier Brat (Note: Transferred from 0203761A)	0	0	0	4,400
NIGHT VISION DEVICES	29,636	38,636	53,136	43,636
Increase procurement—various sytems	0	9,000	0	6,000
25mm gen III image intensifier	0	0	10,000	8,000
LTWT VIDEO RECON SYSTEM (LWVRS)	3,364	3,364	9,364	8,364
Increase procurement	0	0	6,000	5,000
MOD OF IN–SVC EQUIP (TAC SURV)	5,477	23,227	5,477	16,477
Firefinder	0	16,000	0	10,000
Automated Integrated Surveying Instrument	0	1,750	0	1,000
AUTOMATED DATA PROCESSING EQUIP	130,712	120,712	130,712	123,172
Ammo AIT	0	10,000	0	10,000
JCALS	0	−20,000	0	−17,000
ITEMS LESS THAN $2.0M (CSS–EQ)	4,749	4,749	4,749	5,749
Lightweight maintenance shelters	0	0	[2,000]	1,000
HYDRAULIC EXCAVATOR	6,402	8,902	6,402	6,402
Hydraulic excavator—active	0	1,000	0	0
Hydraulic excavator—reserves (Note: Funds are provided under Modification of In-service Equipment)	0	1,500	0	0
CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT	11,553	11,553	11,553	19,553
All terrain crates for the Army reserves	0	0	0	8,000
TRAINING DEVICES, NONSYSTEM	56,755	67,755	44,655	60,755
Firefighter trainers	0	3,000	4,000	3,000
Aerial weapons scoring system	0	3,000	0	2,000
Engagement skills trainers—NTL GRD	0	5,000	0	3,000
MILES	0	0	−16,100	−8,000
MILES—Cope Thunder exercise	0	0	[4,000]	4,000
BASIC LEVEL COM'L EQUIPMENT	9,697	9,697	9,697	12,697
R–2000 Engine Flush System (Note: House provided funds under R–2000 Engine Flush System project)	0	0	0	3,000
MODIFICATION OF IN–SVC EQUIPMENT (OPA–3)	17,667	22,467	17,667	.22,667
Laser leveling systems	0	4,800	0	3,500
Laser leveling systems for hydraulic excavator systems (Note: House provided funds under Hydraulic Excavator Systems)	0	0	0	1,500
R–2000 ENGINE FLUSH SYSTEM (Note: Project is funded under base level com' equipment)	0	5,000	0	0

TACTICAL RADIOS

The conferees encourage FORSCOM to procure off-the-shelf radios such as the AN/PRC–138 and AKLR/MIBTR to mee tthe 82nd Airborne Division's requirement to replace its aging non-secure radios.

AIRCRAFT PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, NAVY:					
AV–8B (V/STOL) HARRIER	282,713	279,513	282,713	12	279,513
F/A–18E/F (FIGHTER) HORNET	2,787,783	2,568,083	2,787,783	30	2,772,783
V–22 (MEDIUM LIFT)	610,766	696,266	610,766	7	610,766

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
CH-60	106,027	144,027	106,027	5	125,027
T-45TS (TRAINER) GOSHAWK	282,667	267,167	282,667	15	293,567
T-45TS (TRAINER) GOSHAWK (AP-CY)	60,159	60,159	8,000		8,000
KC-130J		112,400		2	112,400
EA-6 SERIES	75,735	114,735	80,735		95,735
AV-8 SERIES	99,109	112,409	99,109		86,509
F-14 SERIES	223,561	224,361	223,661		216,361
F-18 SERIES	198,049	211,149	198,049		194,149
AH-1W SERIES	22,394	27,894	33,394		27,894
H-1 SERIES	18,220	30,220	18,220		26,220
EP-3 SERIES	5,437	6,937	7,437		7,437
P-3 SERIES	268,633	341,033	279,133		291,633
S-3 SERIES	45,997	69,797	45,997		45,997
E-2 SERIES	91,502	96,502	91,502		93,502
CARGO/TRANSPORT A/C SERIES	27,179	27,179	38,179		27,179
E-6 SERIES	64,660	60,060	64,660		64,660
COMMON ECM EQUIPMENT	37,375	33,075	58,875		37,075
COMMON AVIONICS CHANGES	104,697	109,197	104,697		102,697
SPARES AND REPAIR PARTS	727,838	719,438	727,838		727,838
COMMON GROUND EQUIPMENT	330,952	315,552	333,952		321,952
AIRCRAFT INDUSTRIAL FACILITIES	13,753	11,953	13,753		11,953
ADVISORY AND ASSISTANCE SERVICES		– 15,394			– 15,394

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
F/A-18E/F (FIGHTER) HORNET	2,787,783	2,568,083	2,787,783	2,772,783
Reduction of aircraft	0	– 204,700	0	0
Program Reduction	0	– 15,000	0	– 15,000
T-45TS (TRAINER) GOSHAWK	282,667	267,167	282,667	293,567
Authorization reduction, GSE/training equip	0	– 15,500	0	0
Aircraft pricing	0	0	0	10,900
AV-8 SERIES	99,109	112,409	99,109	86,509
Transfer from RDT&E	0	11,000	0	0
ALR-67 antennas	0	2,300	0	2,300
OSCAR	0	0	0	– 14,900
F-14 SERIES	223,661	224,361	223,661	216,361
LANTIRN	0	8,000	0	0
Authorization reduction, structural mods	0	– 7,300	0	– 7,300
F-18 SERIES	198,049	211,149	198,049	194,149
Modification of Naval Reserve aircraft	0	17,000	0	0
Authorization reduction, installation costs	0	– 3,900	0	– 3,900
EP-3 SERIES	5,437	6,937	7,437	7,437
Flat panel displays	0	1,500	0	800
JSAF test	0	0	2,000	1,200
P-3 SERIES	268,633	341,033	279,133	291,633
Transfer from RDT&E	0	28,700	0	0
Lightweight environmentally sealed parachute assembly	0	10,000	7,400	7,400
One additional AIP kit	0	12,200	12,200	12,200
Specific emitter identification	0	15,000	0	7,500
Advanced digital recorders	0	6,500	0	5,000
Weapon system trainer	0	0	– 9,100	– 9,100
COMMON ECM EQUIPMENT	37,375	33,075	58,875	37,075
AN/ALR-67(V)2 radar warning receiver upgrades	0	5,000	5,000	5,000
IDECM, transfer to RDT&E	0	– 9,300	0	– 9,300
AN/APR-39 radar warning receivers	0	0	6,500	4,000
ALQ-165 suites	0	0	10,000	0
COMMON AVIONICS CHANGES	104,697	109,197	104,697	102,697
Transfer from RDT&E	0	6,500	0	0
Authorization reduction, ARC-210 radio installs	0	– 2,000	0	– 2,000
COMMON GROUND EQUIPMENT	330,952	315,552	333,952	321,952
Authorization reduction, CASS cost growth	0	– 15,400	0	– 12,000
Naval Reserve direct support squadron readiness training	0	0	3,000	3,000

(Note: The conferees agree to the Senate direction that up to $5,000,000 is available for the replacement data storage system.)

WEAPONS PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
WEAPONS PROCUREMENT, NAVY:					
TRIDENT II (AP-CY)	62,800	62,800	42,800		52,800
TOMAHAWK	129,758	33,258	129,758		33,258
AMRAAM	62,641	55,641	51,641	115	51,641
JSOW	125,207	110,207	125,207	328	117,707
SLAM-ER		39,506		54	39,506
STANDARD MISSILE	225,702	205,702	210,702	120	215,602
PENGUIN		10,000	7,500		
AERIAL TARGETS	75,474	72,774	75,474		72,774
DRONES AND DECOYS	298	298	10,298		8,298
HARPOON MODS	39,506		39,506		
WEAPONS INDUSTRIAL FACILITIES	27,133	24,333	27,133		26,133
MK-48 TORPEDO ADCAP MODS	52,813	50,613	52,813		50,163
CIWS MODS	2,778	6,778	12,778		10,778
5/54 GUN MOUNT MODS	909	909	15,909		13,909
ADVISORY AND ASSISTANCE SERVICES		– 4,126			– 4,126

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
Amraam	62,641	55,641	51,641	51,641
Program Reduction/Merger Savings	0	– 7,000	– 11,000	– 11,000
STANDARD MISSILE	225,702	205,702	210,702	215,602
Support costs	0	– 20,000	0	– 4,000
Block IVA support costs	0	0	– 8,900	0
Program reduction/merger savings	0	0	– 6,100	– 6,100

PROCUREMENT OF AMMUNITION, NAVY AND MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, NAVY & MARINE CORP:					
GENERAL PURPOSE BOMBS	22,904	22,904	34,904		31,904
JDAM	41,363	41,363	41,363	747	38,063
PRACTICE BOMBS	40,134	60,134	40,134		55,134
EXTENDED RANGE GUIDED MUNITIONS (ERGM)	27,452	27,452	37,452		27,452
5.56 MM, ALL TYPES	25,750	26,350	26,250		26,250
.50 CALIBER	1,180	1,180	1,680		1,680
60 MM. ALL TYPES			8,200		7,000
120MM. ALL TYPES	14,054	14,054	18,054		16,054
120MM TPCSDS–T M865		500			500
120 MM TP–T M831		700			700
CTG 25MM, ALL TYPES	3,860	4,760	4,860		4,760
9 MM ALL TYPES	2,332	3,132	3,332		3,132
GRENADES, ALL TYPES	4,893	8,093	5,893		5,893
ROCKETS, ALL TYPES	21,346	38,346	39,346		39,346
DEMOLITION MUNITIONS, ALL TYPES	7,737	8,337	7,737		8,337
FUZE, ALL TYPES	13,645	13,645	16,145		15,145
ADVISORY AND ASSISTANCE SERVICES		−736			−736

SHIPBUILDING AND CONVERSION, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
SHIPBUILDING & CONVERSION, NAVY:					
DDG–51	2,672,078	2,662.078	2,672,078	3	2,667,078
LHD–8 ADVANCE PROCUREMENT			50,000		45,000
OUTFITTING	95,680	85,680	95,680		90,680
POST DELIVERY	123,277	114,977	123,277		117,277
ADVISORY AND ASSISTANCE SERVICES		−10,520			−10,520

NIMITZ OVERHAUL

The conferees withdraw direction in the fiscal year 1998 conference report that $20,000,000 of the amount budgeted for the Nimitz overall is only for the ship self-defense system, since the Navy has requested and this Act provides funds in the fiscal year 1999 Other Procurement, Navy appropriation for the same purpose.

LPD–17

The Navy desires to move to the more capable advanced enclosed mast system (EMS) for the LPD–17 class ships and has informed the Appropriations Committees it has sufficient funds for this program. The conferees direct the Navy to include the AEMS on LPD 17 and 18 and to provide sufficient funds for the AEMS on subsequent ships. Should additional funding be required the Navy is directed to request reprogramming or ship cost adjustments next year. The conferees concur with the House direction regarding the evaluation of combat systems and ship self defense alternatives for the LPD–17 class ships. Currently planned systems are not sufficient to meet the anti-ship cruise missile and other threat scenarios. The report to the Appropriations Committees shall include, but not be limited to, alternatives such as multi-function radars together with an evolved sea sparrow to enhance cruise missile defense and Navy plans to ensure the post delivery availability or backfit of enhanced combat system and ship self defense alternatives for the LPD–17 class ships.

OTHER PROCUREMENT, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, NAVY					
OTHER GENERATORS	9,637	9,637	8,437		8,437
OTHER NAVIGATION EQUIPMENT	45,259	63,259	57,259		59,259
POLLUTION CONTROL EQUIPMENT	149,669	130,269	123,669		130,269
HM&E ITEMS UNDER $2.0 MILLION	58,121	55,021	58,121		56,121
REACTOR POWER UNITS	227,338	200,038	227,338		227,338
REACTOR COMPONENTS	211,382	200,882	211,382		211,382
NUCLEAR ALTERATIONS	96,752	90,752	96,752		96,752
RADAR SUPPORT	1,260	23,260	10,260		23,260
FFG UPGRADES					11,000
AN/SQQ–89 SURF ASW COMBAT SYSTEM	27,432	18,732	27,432		23,432
SSN ACOUSTICS	133,535	132,335	148,535		144,735
SONAR SWITCHES AND TRANSDUCERS	12,785	11,785	12,785		12,785
C–3 COUNTERMEASURES	6,080	12,580	6,080		10,080
BATTLE GROUP PASSIVE HORIZON EXTEN	73,542	73,542	65,328		65,328
NAVY TACTICAL DATA SYSTEM	34	10,034	34		8,034
COOPERATIVE ENGAGEMENT CAPABILITY	47,332	82,332	19,432		82,332
COMMON IMAGERY GRD/SURFACE SYS		65,827			65,827
MINESWEEPING SYSTEM REPLACEMENT	32,934	17,034	17,039		17,039
STRATEGIC PLATFORM SUPPORT EQUIP	12,687	11,687	12,687		12,687
NATIONAL AIR SPACE SYSTEM	28,201		28,201		8,018
ID SYSTEMS	15,330	13,430	15,330		13,430
IMCIS TACTICAL/MOBILE	3,982	25,982	3,982		23,982
INTEG COMBAT SYSTEM TEST FACILITY	4,482	4,482	6,482		6,482
SHORE ELEC ITEMS UNDER $2.0 MILLION	2,559	10,559	2,559		10,559
SHIPBOARD TACTICAL COMMUNICATIONS	34,397	34,397	38,397		37,397
SHIP COMM ITEMS UNDER $2.0 MILLION	24,220	22,320	24,220		22,320
SUBMARINE COMMUNICATION EQUIPMENT	64,583	64,583	50,283		60,583
SATCOM SHIP TERMINALS (SPACE)	145,193	155,193	145,193		152,193
INTEGRATED BROADCAST SERVICE		10,271			10,271
JEDMICS		5,000	10,000		7,000
NAVAL SHORE COMMUNICATIONS	113,546	110,546	113,546		110,546
WEAPONS RANGE SUPPORT EQUIPMENT	8,064	13,064	23,064		26,064
AIRCRAFT LAUNCH & RECOVERY EQUIPMENT	39,749	35,649	39,749		35,649
METEOROLOGICAL EQUIPMENT	32,892	28,492	32,892		28,492
GUN FIRE CONTROL EQUIPMENT	20,203	35,203	20,203		31,203
ENGAGEMENT SYSTEMS SUPPORT	307		307		
SHIP SELF DEFENSE SYSTEM	22,944	43,944	22,944		38,944
AEGIS SUPPORT EQUIPMENT	83,169	85,169	95,169		94,169
SURFACE TOMAHAWK SUPPORT EQUIPMENT	90,209	103,009	90,209		98,009
STRATEGIC MISSILE SYSTEMS EQUIP	283,612	278,612	283,612		278,612
ANTI-SHIP MISSILE DECOY SYSTEM	21,504	8,004	22,504		22,504
SURFACE TRAINING DEVICE MODS	5,891	6,891	5,891		6,891

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
ARMORED SEDANS	255	255			255
PASSENGER CARRYING VEHICLES	3,224	3,224	246		2,540
POLLUTION CONTROL EQUIPMENT	28,039	22,539	28,039		21,039
VEHICLE LEASING			806		684
TRAINING SUPPORT EQUIPMENT	2,174	7,174	2,174		5,174
COMMAND SUPPORT EQUIPMENT	17,916	19,916	17,916		19,916
OPERATING FORCES SUPPORT EQUIPMENT	4,684	6,184	4,684		6,184
SPARES AND REPAIR PARTS	279,028	247,528	271,028		247,528
ADVISORY AND ASSISTANCE SERVICES		−4,594			−4,594

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
OTHER NAVIGATION EQUIPMENT:	45,259	63,259	57,259	59,259
WSN–7 ring laser gyro	0	12,000	12,000	10,000
WQN–2 doppler sonar velocity log	0	6,000	0	2,000
Doppler sonar velocity log alternate competitive source	0	0	0	2,000
(Note: This item was funded in RDT&E, Navy in the Senate bill)				
POLLUTION CONTROL EQUIPMENT	149,669	130,269	123,669	130,269
Authorization reduction	0	−19,400	0	−19,400
Shore-based program	0	0	−15,000	0
Ship-based program	0	0	−11,000	0
(Note: The conferees direct that none of the reduction be applied to ship conversions of refrigeration equipment from refrigerant CFC–114 to ozone-friendly CFC substitutes)				
FFG UPGRADES	0	0	0	11,000
(Note: These funds are only for FFG upgrades to support the Naval Reserve Force Western Hemisphere mission. Funding will allow for upgrades that include, but are not limited to, consoles, radar, and tracking software as well as maintenance logistics costs)				
SSN ACOUSTICS	133,535	132,335	148,535	144,735
Authorization reduction	0	−1,200	0	0
Acoustic rapid COTS insertion	0	0	15,000	11,200
C–3 COUNTERMEASURES	6,080	12,580	6,080	10,080
Outlaw Bandit ship signature reduction kits	0	6,000	0	4,000
(Note: Outlaw Bandit funds provided in this Act in both RDT&E and OPN are of special interest)				
Cancelled MK–12 field changes	0	−1,900	0	−1,900
JMCIS TACTICAL/MOBILE	3,982	25,982	3,982	23,982
Littoral surveillance system	0	12,000	0	12,000
(Note: Funds are only to procure an engineering development model for operational use to support Naval Reserve operations of the Pacific Disaster Center)				
Mobile inshore undersea warfare van improvements	0	10,000	0	8,000
(Note: $4,000,000 is for MIUW improvements and $4,000,000 is only to establish integrated logistics support for the MIUW system)				
Submarine high data rate communications	0	0	−14,300	−4,000
WEAPONS RANGE SUPPORT EQUIPMENT	8,064	13,064	23,064	26,064
Rangeless air combat training	0	5,000	0	5,000
Mobile remote emitter simulator for 2nd location	0	0	5,000	3,000
PMRF upgrades	0	0	10,000	10,000
AEGIS SUPPORT EQUIPMENT	83,169	85,169	95,169	94,169
Wireless sensors	0	2,000	0	1,000
Smart ship equipment	0	0	12,000	10,000
SURFACE TOMAHAWK SUPPORT EQUIPMENT	90,209	103,009	92,209	98,009
Afloat planning system	0	10,000	0	5,000
Tactical Tomahawk	0	2,800	0	2,800

PROCUREMENT, MARINE CORPS

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT, MARINE CORPS					
MODIFICATION KITS (TRKD VEH)	5,726	5,726	25,326		7,726
MOD KITS (ARTILLERY)	1,809	1,809	4,309		2,809
155MM LIGHTWEIGHT TOWED HOWITZER	10,002	10,002	10,002		
PEDESTAL MOUNTED STINGER (PMS) (MYP)	218	218	5,218		3,218
AUTO TEST EQUIP SYS	19,312	19,312	34,312		29,312
MOD KITS (INTEL)	4,791	4,791	7,891		7,391
ITEMS LESS THAN $2.0M (INTELL)		2,000			2,000
NIGHT VISION EQUIPMENT	11,563	11,563	50,063		33,663
COMMAND POST SYSTEMS	7,134	12,134	7,134		17,134
COMM & ELEC INFRASTRUCTURE SUPPORT	57,862	89,862	131,962		105,862
MOD KITS MAGTF C41	27,427	27,427	27,427		33,927
COMMERCIAL PASSENGER VEHICLES	1,248	1,248	53	37	1,248
COMMERCIAL CARGO VEHICLES	8,821	8,821	7,624		8,821
VEHICLE LEASES			611		
MEDIUM TACTICAL VEHICLE REPLACEMENT	83,717	69,717	83,717	240	69,717
LT TACTICAL VEHICLE REMANUFACTURE (LTRV)	39,263	72,763	66,263		69,263
POWER EQUIPMENT ASSORTED	5,097	5,097	14,597		9,597
SHOP EQ CONTACT MAINTENANCE (SECM)	5,972	5,972	11,372		8,372
COMMAND SUPPORT EQUIPMENT	514	4,914	514		4,914
MATERIAL HANDLING EQUIP	6,453	11,453	16,853		11,453
ADVISORY AND ASSISTANCE SERVICES		−1,140			−1,140

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MODIFICATION KITS (TRKD VEH)	5,726	5,726	25,326	7,726
Mod kits for tracked vehicles	0	0	4,600	2,00
JTF enhanced core communications	0	0	15,000	0
(Note: Funds are provided under Command Post Systems)				
AUTO TEST EQUIPMENT SYSTEM	19,312	19,312	34,312	29,312
DSESTS-LAV, TOW2 and Abrams	0	0	15,000	10,000
NIGHT VISION EQUIPMENT	11,563	11,563	50,063	33,663
Borelights	0	0	1,000	1,000
Medium power laser illuminator	0	0	3,800	2,000
Laser aiming modules	0	0	5,000	3,000
Gen III tubes	0	0	6,100	6,100
AN/AVS-6 night vision goggle OMNI retrofit	0	0	22,600	10,000
COMMAND POST SYSTEMS	7,134	12,134	7,134	17,134
JTF Enhanced Core Communications	0	5,000	0	10,000
(Note: Senate added $15,000,000 under Modification Kits (Trked Vehicles))				
COMM & ELEC INFRASTRUCTURE SUPPORT	57,862	89,862	131,962	105,862

[In thousands of dollars]

	Budget	House	Senate	Conference
Upgrades—Quantico, 29 Palms, Barstow	0	32,000	0	32,000
Upgrades non-specific	0	0	74,100	16,000
(Note: Funds are provided for Quantico MCB, 29 Palms MCB, Barstow MCB, and Albany MCB)				
MOD KITS MAGTF C41	27,427	27,427	27,427	33,927
MEWSS	0	0	0	6,500

DIRECT SUPPORT ELECTRICAL SYSTEM TEST SETS

The conferees urge the DoD to include the general purpose Direct Support Electrical System Test Sets (DSESTS) in the DoD automatic test system family. DSESTS are currently in use by the Army and Marine Corps as automatic test equipment (ATE) on several wheeled and tracked combat vehicles. DSESTS are proven test equipment that are comparable to other ATE included in the ATE family.

AIRCRAFT PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
AIRCRAFT PROCUREMENT, AIR FORCE					
ADVANCED TACTICAL FIGHTER (F–22)	595,094	525,094	595,094	2	581,094
F–16 C/D (MYP)		60,000		1	30,000
EC–130J		51,500		1	85,000
C–130J	63,782	237,782	30,000		30,000
WC–130		59,700	75,400	1	75,400
JPATS	107,086	102,186	97,186	22	106,186
CIVIL AIR PATROL A/C	2,619	3,000	2,619	27	3,000
SMALL VCX			79,600	1	39,800
E–8C (AP–CY)		72,000			36,000
B–1B	91,614	91,614	58,514		91,614
B–52	38,308	38,308	48,608		46,608
F–15	196,579	241,579	236,579		241,579
F–16	229,319	235,319	239,219		239,119
C–5	63,635	98,635	63,635		78,635
T–38	53,570	46,570	53,570		50,570
C–130	119,592	148,292	119,592		120,592
C–135	291,070	341,070	381,070		291,070
DARP	139,242	139,242	83,942		139,242
E–3	114,181	107,181	114,181		114,181
E–4	13,987	13,987	9,317		9,317
E–8	44,179	44,179	50,179		44,179
PASSENGER SAFETY MODIFICATIONS		50,000	50,000		30,000
SPARES AND REPAIR PARTS	524,829	522,398	551,829		522,398
COMMON SUPPORT EQUIPMENT	152,109	158,109	152,109		158,109
B–2A	189,869	275,869	159,869		239,869
F–16 POST PRODUCTION SUPPORT	27,289	42,289	27,289		37,289
WAR CONSUMABLES	49,396	49,396	49,396		34,720
MISC PRODUCTION CHARGES	221,464	207,864	210,564		207,064
COMMON ECM EQUIPMENT	4,963	20,663	4,963		11,963
DARP	152,113	141,813	152,113		141,813
ADVISORY AND ASSISTANCE SERVICES		−11,490			−11,490

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
EC–130J	0	51,500	0	85,000
(Note: USAF will utilize all remaining unobligated EC–130J appropriations, regardless of fiscal year, to perform three Commndo Solo (EC–130J) modifications)				
C–130J	63,782	237,782	30,000	30,000
Additional aircraft for Air National Guard	0	174,000	0	0
C–130J aircraft trainer	0	0	30,000	30,000
Active aircraft reduction	0	0	−63,782	−63,782
JPATS	107,086	102,186	97,186	106,186
Three additional aircraft	0	9,100	9,100	9,100
GBTS concurrency	0	−14,000	0	−10,000
GBTS delays	0	0	−15,000	0
Other government cost growth	0	0	−4,000	0
B–52	38,308	38,308	48,608	46,608
Modifications for 94 aircraft fleet	0	0	10,300	10,300
Program reduction	0	0	0	−2,000
F–15	196,579	241,579	236,579	241,579
"E" kit engine upgrades	0	20,000	25,000	20,000
ALQ–135 jammer	0	25,000	15,000	25,000
F–16	229,319	235,319	239,219	239,119
600 gal fuel tanks	0	6,000	4,000	4,000
Digital terrain system	0	0	5,900	4,000
ALR–56M	0	0	0	1,800
C–130	119,592	148,292	119,592	120,592
EC–130 modifications	0	24,700	0	0
Aluminum mesh system	0	4,000	0	1,000
C–135	291,070	341,070	381,070	291,070
Reengine 2 KC–135 aircraft	0	50,000	0	0
C–135 engine lease program	0	0	90,000	0
SPARES AND REPAIR PARTS	524,829	522,398	551,829	522,398
PACER COIN	0	−2,431	0	−2,431
WC–130J modifications	0	0	27,000	0
B–2A	189,869	275,869	159,869	239,869
B–2 upgrades	0	86,000	0	50,000
Software investment	0	0	−20,000	0
Initial spares	0	0	−10,000	0
WAR CONSUMABLES	49,396	49,396	49,396	34,720
LAU–117 contract savings	0	0	0	−14,676
MISC PRODUCTION CHARGES	221,464	207,864	210,564	207,064
Harm Targeting System	0	−10,100	0	0
JTCTS	0	−3,500	0	−3,500
GPS user equipment production testing	0	0	−3,000	−3,000
GPS undefined hardware	0	0	−2,700	−2,700
Program reduction	0	0	−5,200	−5,200
COMMON ECM EQUIPMENT	4,963	20,663	4,963	11,963
ALQ–184 sustainment	0	10,000	0	5,000
ALE–50 decoys	0	5,700	0	2,000

DEFENSE AIRBORNE RECONNAISSANCE PROGRAM

The conferees direct that the Air Force use the previously appropriated funds and, if necessary, a below threshold reprogramming to complete the demonstration and test of the Theater Airborne Warning System (TAWS). The conferees believe that any continuation of this program should be budgeted for in the Air Force's fiscal year 2000 request.

MISSILE PROCUREMENT AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Confernece
MISSILE PROCUREMENT, AIR FORCE					
AMRAAM	114,627	93,727	87,323	180	93,727
TARGET DRONES	36,263	36,263	26,263		26,263
MM III MODIFICATIONS	90,618	136,618	120,618		120,618
AGM-65H MAVERICK		3,000			3,000
GLOBAL POSITIONING (MYP) SPACE (AP-CY)	77,400		77,400		
INERITIAL UPPER STAGES SPACE	48,012	46,012	37,812		44,012
TITAN SPACE BOOSTERS SPACE	578,540	550,540	548,540		548,540
MEDIUM LAUNCH VEHICLE SPACE	188,406	177,406	188,406	5	177,406
DEFENSE SUPPORT PROGRAM SPACE	89,904	82,904	89,904		89,904
SPECIAL UPDATE PROGRAMS	224,299	204,999	131,299		151,299
SPECIAL PROGRAMS	616,271	576,271	616,271		531,271
ADVISORY AND ASSISTANCE SERVICES		− 11,676			− 11,676

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
AMRAAM:	114,627	93,727	87,323	93,727
Merger savings/program reduction	0	− 20,900	− 27,304	− 20,900
Restructured program	0	0	− 10,000	− 10,000

PROCUREMENT OF AMMUNITION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT OF AMMUNITION, AIR FORCE					
JOINT DIRECT ATTACK MUNITION	53,157	53,157	53,157	1,819	46,157
PRACTICE BOMBS		5,000			2,500
ADVISORY AND ASSISTANCE SERVICES		− 236			− 236

OTHER PROCUREMENT, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
OTHER PROCUREMENT, AIR FORCE					
SEDAN, 4 DR 4X2	780	780			
STATION WAGON, 4X2	413	413			
BUSES	5,174	5,174			
AMBULANCES	306	306			
ARMORED SEDAN	239	239			
TRUCK, CARGO-UTILITY, 3/4T, 4X4	6,160	6,160			
TRUCK, CARGO-UTILITY, 1/2T, 4X2	2,612	2,612			
TRUCK, PICKUP, 1/2T, 4X2	3,379	3,379			
TRUCK, PICKUP, COMPACT	2,445	2,445			
TRUCK, UTILITY	3,347	3,347		124	3,347
CAP VEHICLES	744	1,400	744		1,400
INTELLIGENCE DATA HANDLING SYS	17,574	21,174	17,574		20,674
INTELLIGENCE COMM EQUIP	5,697	8,697	5,697		8,697
AIR TRAFFIC CTRL/LAND SYS (ATCALS)			16,000		
NATIONAL AIRSPACE SYSTEM	45,308	45,308	45,308		13,400
THEATER AIR CONTROL SYS IMPROVEMENT	30,002	32,502	30,002		35,002
TAC SIGINT SUPPORT	1,883		1,883		
AUTOMATIC DATA PROCESSING EQUIP	33,190	33,190	33,190		36,190
AF GLOBAL COMMAND & CONTROL SYS	5,819	4,519	5,819		4,519
COMBAT TRAINING RANGES	13,194	12,694	13,194		22,694
C3 COUNTERMEASURES	10,228	10,228	17,728		17,728
BASE LEVEL DATA AUTO PROGRAM	28,876	28,876	27,000		27,000
BASE INFORMATION INFRASTRUCTURE	159,383	180,383	158,383		159,383
AFE SATELLITE CONTROL NETWORK SPACE	26,007	23,007	26,007		23,007
TACTICAL C-E EQUIPMENT	31,064	27,364	31,064		27,364
COMBAT SURVIVOR/EVADER LOCATER RADIO	13,757		13,757		3,000
CAP COM & ELECT	378	450	378		450
NIGHT VISION GOGGLES	8,118	6,118	8,118		6,118
MECHANIZED MATERIAL HANDLING EQUIP	14,516	14,516	14,516		18,516
BASE PROCURED EQUIPMENT	5,644	10,244	5,644		7,744
AIR BASE OPERABILITY	5,363	5,363	12,363		5,363
PRDUCTIVITY INVESTMENTS	12,304	17,304	12,304		12,304
INTELLIGENCE PRODUCTION ACTIVITY	72,605	71,605	72,605		72,605
COMMON IMAGERY GRD/SURFACE SYS		5,681			5,681
DARP RC135	12,656	16,456	12,656		16,456
SELECTED ACTIVITIES	5,322,644	5,405,644	5,256,344		5,354,744
SPECIAL UPDATE PROGRAM	179,813	149,813	179,813		169,813
FIRST DESTINATION TRANSPORTATION	16,442	16,442	16,000		16,000
SPARES AND REPAIR PARTS	52,712	52,712	52,712		49,012
VEHICLE LEASES			4,887		2,400
VEHICLE PURCHASE					12,200
ADVISORY AND ASSISTANCE SERVICES		− 4,802			− 4,802

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
THEATER AIR CONTROL SYS IMPROVEMENT	30,002	32,502	30,002	35,002

[In thousands of dollars]

	Budget	House	Senate	Conference
Mobile Radar Approach Control (RAPCON) for Air National Guard	0	8,000	0	8,000
Contract savings	0	−5,500	0	−3,000
AUTOMATIC DATA PROCESSING EQUIP	33,190	33,190	33,190	36,190
Battle lab collaborative network	0	3,000	0	3,000
Commercially available equipment	0	−3,000	0	−3,000
Spares Information System (transfer)	0	0	0	3,000
COMBAT TRAINING RANGES	13,194	12,694	13,194	22,694
Rangeless training	0	5,000	0	15,000
JTCTS	0	−5,500	0	−5,500
BASE INFORMATION INFRASTRUCTURE	159,383	180,383	158,383	159,383
Base information protection improvements	0	20,000	0	0
Office of Security and Investigations computer crime investigations	0	1,000	0	1,000
Program reduction	0	0	−1,000	−1,000
MECHANIZED MATERIAL HANDLING EQUIP:	14,516	14,516	14,516	18,516
Supply Asset Tracking System (transfer)	0	0	0	4,000
BASE PROCURED EQUIPMENT	5,644	10,244	5,644	7,744
Ultimate Building Machines for Air National Guard	0	1,800	0	800
Ultimate Building Machines for Air Force	0	800	0	300
Automated Integrated Surveying Equipment	0	2,000	0	1,000

Procurement, Defense-Wide

The conference agreement on items addressed by either House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
PROCUREMENT, DEFENSE-WIDE					
MAJOR EQUIPMENT, OSD	100,245	137,245	100,245	....	120,245
DARP	77,435	3,419	77,435	....	3,419
DEFENSE AIRBORNE RECONNAISSANCE PROGRAM	11,988	8,569	11,988	....	11,988
DEFENSE SUPPORT ACTIVITIES	68,682	68,682	88,682	68,682	
AUTOMATIC DOCUMENT CONVERSION SYSTEM	....	25,000	....	....	20,000
MAJOR EQUIPMENT, DSPO	16,214	....	16,214	....	3,913
PATRIOT PAC–3	343,235	303,235	192,735	40	248,235
C–130 MODIFICATIONS	58,359	58,359	63,359	....	60,859
SOF ORDNANCE ACQUISITION	15,707	15,707	21,707	....	18,707
MARITIME EQUIPMENT MODIFICATIONS	26,012	22,012	26,012	....	22,012
CLASSIFIED PROGRAMS	73,991	79,084	84,091	....	84,091
CONSEQUENCE MANAGEMENT	....	15,000	....	....	....
CLASSIFIED PROGRAMS	349,694	407,032	349,694	....	370,594
MILITARY PERSONNEL INFORMATION SYSTEM	....	12,000	....	....	12,000

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
MAJOR EQUIPMENT, OSD:	100,245	137,245	100,245	120,245
Mentor-Protegé Program	0	10,000	0	10,000
High Performance Computing Hardware	0	27,000	0	10,000
MAJOR EQUIPMENT, DSPO:	16,214	0	16,214	3,913
Program reduction	0	−7,826	0	−3,913
IBS transfer	0	−8,388	0	−8,388
PATRIOT PAC–3:	343,235	303,235	192,735	248,235
Reduction due to schedule slip	0	0	−150,500	−55,000
Transfer	0	−40,000	0	−40,000
CLASSIFIED PROGRAMS;	73,991	79,084	84,091	84,091
Program increase	0	5,093	0	0
Program increase	0	0	10,100	10,100

Patriot Advanced Capability 3 (PAC–3)

The conferees agree to provide $248,235,000, a decrease of $95,000,000 to the budget request for Patriot PAC–3 procurement, based on delays in the test program and in execution of the fiscal year (FY) 1998 Low Rate Initial Procurement (LRIP). The conferees direct that the FY 1998 PAC–3 LRIP funds may not be obligated until the PAC–3 missile successfully completes two intercept flight tests.

National Guard and Reserve Equipment

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
NATIONAL GUARD & RESERVE EQUIPMENT					
RESERVE EQUIPMENT:					
ARMY RESERVE: MISCELLANEOUS EQUIPMENT	....	20,000	45,000	....	20,000
NAVY RESERVE:					
MISCELLANEOUS EQUIPMENT	....	20,000	25,000	....	20,000
C–9 REPLACEMENT	....	....	40,000	....	40,000
MARINE CORPS RESERVE: MISCELLANEOUS EQUIPMENT	....	20,000	30,000	....	20,000
AIR FORCE RESERVE: MISCELLANEOUS EQUIPMENT	....	20,000	35,000	....	20,000
NATIONAL GUARD EQUIPMENT:					
ARMY NATIONAL GUARD: MISCELLANEOUS EQUIPMENT	....	20,000	72,000	....	20,000
AIR NATIONAL GUARD:					
MISCELLANEOUS EQUIPMENT	....	20,000	40,000	....	20,000
C–130J	....	....	128,000	3	192,000
EC–130J	....	....	85,000	....	....

MISCELLANEOUS EQUIPMENT

The conferees agree that each of the Chiefs of the Reserve and National Guard components should exercise control of modernization funds provided in this account including aircraft and aircraft modernization. The conferees further agree that separate submissions of a detailed assessment of its modernization priorities by the component commanders is required to be submitted to the defense committees. The conferees expect the component commanders to give priority consideration to the following items: Reconfigurable Mission Simulator, Mobile Backscatter Radar, F–16 ALR–56M Radar Warning Receivers WR, P–3C Reserve Modernization, AN/PVS–7 and AN/PVS–14 Night Vision Devices, C–17 Simulator, Early Production and Fielding Program, F–15 Night Vision Imaging Systems, Frequency Hopping Multiplexer, Full Mission Trainer Upgrades, MIDS System Intergration, D7 Tractor Bulldozer PIP, D7 Tractor Bulldozer, IREMBASS, Sandbagger, CH–47 Internal Crashworthy Fuel Cells, A20DS, Counterdrug Sensor Upgrades, Armored Combat Earth Movers, ATARS MAEO Sensors, Bradley

A20D, C–130 Modernization, C–130J Flight Simulators, C–22 Replacement, HH–60 Combat Rescue Upgrades, D–7 Bulldozers and Product Improvements, Engagement Skills Trainers, F–15 Fighter Data Link, F–16 Situation Awareness Data Link, F–16 Targeting Pods, F–16 Unit Training Devices, F–16 Midlife Update, Heavy Tactical Vehicles, Field Artillery Ammunition Support Vehicles, LITENING Targeting pod system, M88 A2, Material Handling Equipment Product Improvements, Mobile Electronic Warfare Support Systems, Simulators, SINCGARS radios, Onboard Oxygen Generating System, Outfitting of the 220th ADA Patriot Battalion, Paladin, Theater Aircommunication Equipment, UC–35A, UH–1 Modernization, Vibration Management Enhancement Program, UH–60Q Upgrades, WC–130J Modifications, Masters Cranes, F–16 Intermediate Avionics Shop, Medium Truck Extended Service Program, MJU–52 IR Expendable Countermeasures and Trucks and Support Equipment for Transportation Companies.

NATIONAL GUARD AND RESERVE AIRCRAFT

The conferees agree to provide $232,000,000 specifically for the acquisition and modernization of the following aircraft to support Reserve and National Guard missions:

C–9 replacement for the Navy Reserve	$40,000,000
C–130J aircraft for the Air National Guard (3)	192,000,000

TITLE IV—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RECAPITULATION				
RDTE, ARMY	4,780,545	4,967,446	4,891,640	5,031,788
RDTE, NAVY	8,108,923	8,297,986	8,215,519	8,636,649
RDTE, AIR FORCE	13,598,093	13,577,441	13,693,153	13,758,811
RDTE, DEFENSE-WIDE	9,314,665	8,776,318	9,032,908	9,036,551
DEVELOPMENTAL TEST AND EVALUATION	251,106	263,606	249,106	258,606
OPERATIONAL TEST AND EVALUATION	25,245	35,245	25,245	34,245
GRAND TOTAL, RDTE	36,078,577	35,918,042	36,107,571	36,756,650

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL ARMY				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,902	13,678	14,902	13,678
DEFENSE RESEARCH SCIENCES	137,399	121,827	129,463	126,463
TRACTOR ROSE	6,000	6,000		
MATERIALS TECHNOLOGY	10,137	10,137	15,137	13,137
SENSORS AND ELECTRONIC SURVIVABILITY	18,738	18,738	16,895	16,895
AVIATION TECHNOLOGY	29,746	29,746	25,160	25,160
MISSILE TECHNOLOGY	25,180	24,880	30,680	30,380
MODELING AND SIMULATION TECHNOLOGY	27,981	22,531	24,153	21,653
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	30,107	44,362	39,562
BALLISTICS TECHNOLOGY	31,115	31,115	27,475	27,475
WEAPONS AND MUNITIONS TECHNOLOGY	29,489	25,689	31,489	29,189
ELECTRONICS AND ELECTRONIC DEVICES	22,329	29,829	25,479	25,479
HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	21,169	18,169	16,619
ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	42,342	51,742	64,842
MILITARY ENGINEERING TECHNOLOGY	37,488	42,488	42,188	52,688
MEDICAL TECHNOLOGY	67,255	155,740	70,255	139,255
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	10,000	10,000
WARFIGHTER ADVANCED TECHNOLOGY	32,969	27,369	32,969	30,669
MEDICAL ADVANCED TECHNOLOGY	11.012	179,012	30,012	230,862
AVIATION ADVANCED TECHNOLOGY	30,048	40,048	51,048	45,048
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	27,055	29,055	25,055
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHNOLOGY	54,435	54,435	49,535	61,735
COMMAND, CONTROL, COMMUNICATIONS ADVANCED TECHNOLOGY	20,109	28,109	20,109	24,109
MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	47,896	92,096	71,896
LANDMINE WARFARE AND BARRIER ADVANCED TECHNOLOGY	21,944	24,944	25,844	23,944
JOINT SERVICE SMALL ARMS PROGRAM	5,173	10,673	8,673	9,673
LINE-OF-SIGHT TECHNOLOGY DEMONSTRATION	20,099		20,099	12,000
NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	26,460	27,460
MILITARY ENGINEERING ADVANCED TECHNOLOGY	13,564	13,564	16,264	15,564
TACTICAL TOWED ARRAY SONAR (H)	54,419		54,419	
JOINT TACTICAL RADIO	15,600	15,600	15,600	10,100
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION	12,200	21,240	38,240	37,740
ARMAMENT ENHANCEMENT INITIATIVE	26,526	46,526	28,526	36,026
ARMY DATA DISTRIBUTION SYSTEM	17,281	6,281	6,300	15,281
NATO RESEARCH AND DEVELOPMENT	11,161		9,161	4,161
AVIATION—ADV DEV	7,487	12,487	11,487	11,487
LOGISTICS AND ENGINEER EQUIPMENT—ADV DEV	17,478	17,478	19,978	18,978
ARTILLERY SYSTEMS—DEM/VAL	313,166	313,166	313,166	317,166
AIRCRAFT AVIONICS	7,878	7,878	17,878	14,878
COMANCHE	367,823	391,823	349,208	367,823
EW DEVELOPMENT	85,989	90,989	90,589	86,989
ALL SOURCE ANALYSIS SYSTEM	28,081	36,081	28,081	34,081
FOLLOW-ON TO TOW	48,106	48,106	8,106	
FAMILY OF HEAVY TACTICAL VEHICLES		3,000	1,250	8,300
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	76,069	66,569	71,069
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	82,218	53,568	68,218
TERRAIN INFORMATION—ENG DEV	2,999	2,999	2,999	6,229
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE	6,476	6,476	6,476	11,606
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	12,030	7,030	10,030
TACTICAL EXPLOITATION OF NATIONAL CAPABILITIES	44,674	40,074	44,674	44,674
BRILLIANT ANTI-ARMOR SUBMUNITION (BAT)	134,858	128,858	134,858	128,858
AVIATION—ENG DEV	6,599	12,599	11,599	11,599
WEAPONS AND MUNITIONS—ENG DEV	37,725	40,725	35,725	35,725
LANDMINE WARFARE/BARRIER—ENG DEV	46,905	41,405	46,905	52,905
SENSE AND DESTROY ARMAMENT MISSILE—ENG DEV	20,813		33,813	31,813
RADAR DEVELOPMENT	2,786	2,786	6,786	6,786
FIREFINDER	19,822	19,822	20,722	20,722
DUAP COMMERCIAL OPERATIONS AND SUPPORT SAVINGS	33,600	19,700	23,600	21,600
ARTILLERY SYSTEMS—EMD	100	2,600	100	1,100
THREAT SIMULATOR DEVELOPMENT	11,935	11,935	13,935	12,935
MAJOR T&E INVESTMENT	40,284	40,284	32,142	37,284
ARMY KWAJALEIN ATOLL	142,710	142,710	122,710	134,710
CONCEPTS EXPERIMENTATION PROGRAM	17,441	17,441	10,541	10,541
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	43,439	40,439	43,939
SURVIVABILITY/LETHALITY ANALYSIS	30,498	36,498	34,498	34,498
DOD HIGH ENERGY LASER TEST FACILITY	15,022	28,022	23,022	24,022
DISTRIB/IMAGERY COMMON-GRD SYSTEMS		8,912		

[In thousands of dollars]

	Budget	House	Senate	Conference
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	11,497	12,497	10,497
POLLUTION PREVENTION	8,694	8,694	10,694	10,694
ENVIRONMENTAL COMPLIANCE	44,116	47,116	51,116	49,116
MAINTENANCE AND REPAIR (RPM)—RDT&E	49,233	49,233	80,233	80,233
MAINTENANCE HEADQUARTERS (RESEARCH AND DEVELOPMENT)	4,683	4,683	22,683	22,683
MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	32,744	20,244	25,244
AEROSTAT JOINT PROJECT OFFICE	103,937	....	45,000	15,000
AIRBORNE RECONNAISSANCE SYSTEMS	....	7,500	....	....
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	40,381	34,881
COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	101,856	108,256	104,756
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	6,948	6,948
DIGITIZATION	45,007	45,007	48,007	47,007
FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION	99,528	64,528	69,528	27,168
TACTICAL SIMULATOR INTERFACE UNIT	....	....	....	1,500
MISSILE/AIR DEFENSE PRODUCT IMPROVEMENT PROGRAM	11,252	19,252	11,252	15,252
SPECIAL ARMY PROGRAM	6,537	7,537	12,037	9,787
INFORMATION SYSTEMS SECURITY PROGRAM	7,433	12,433	7,433	11,433
DIGITAL INFORMATION TECHNOLOGY TEST BED	....	....	6,600	3,500
TACTICAL UNMANNED AERIAL VEHICLES	75,636	53,636	97,838	53,636
ADVANCED TECHNOLOGY	....	....	7,500	7,500
COMMON IMAGERY GROUND/SURFACE SYS	....	....	8,912	8,912
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	59,711	37,861	52,861
NATO JOINT START	6,405	6,405	....	3,000
ADVISORY AND ASSISTANCE SERVICES	....	−20,000	....	−20,000
CONSEQUENCE MANAGEMENT	....	15,00	....	....
CIVILIAN PRESONNEL UNDEREXECUTION	....	....	....	−6,400

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	137,399	121,827	129,463	126,463
Program Growth	0	−15,572	0	−3,000
Nutrition research	0	[3,700]	0	[3,700]
Scientific problems with military applications growth	0	0	−7,936	−7,936
University and Industry Research Centers (Note: The conferees direct that the reduction is to be allocated on a fair share basis)	48,459	45,138	45,138	45,138
AVIATION TECHNOLOGY	29,746	29,746	25,160	25,160
Air mobility concept	0	0	−1,923	−1,923
Precision kill and nonlethal weapon integration and manned/unmanned system technology	0	0	−2,663	−2,663
MISSILE TECHNOLOGY	25,180	24,880	30,680	30,380
MLRS Smart Tactical Rocket	0	−300	0	−300
Acoustic detection	0	0	1,500	1,500
Scramjet missile technology	0	0	3,000	2,000
Counteractive protection	0	0	5,000	2,000
Compact kinetic energy missile	0	0	−4,000	0
Solid state dye laser	0	0	[3,000]	[2,000]
MODELING AND SIMULATION TECHNOLOGY	27,981	22,531	24,153	21,653
AAN applied research project	0	−5,450	−4,450	−5,450
Standards development and testing	0	0	−1,600	−1,600
Advanced concepts and technology	0	0	−1,778	−1,778
Photonics research	0	0	4,000	2,500
COMBAT VEHICLE AND AUTOMOTIVE TECHNOLOGY	40,107	30,107	44,362	39,562
Next generation light truck	0	−5,000	0	−2,500
Future infantry and combat system	0	−5,000	−5,245	−5,245
Alternative vehicle propulsion system	0	0	2,500	1,700
Robotic and manned ground systems enhancements	0	0	4,500	3,000
Commercial automotive technology	0	0	2,500	2,500
BALLISTICS TECHNOLOGY	31,115	31,115	27,475	27,475
Electric gun technology (Note: The conferees direct that the first priority for the available funding is ETC technology)	0	0	−3,640	−3,640
WEAPONS AND MUNITIONS TECHNOLOGY	29,489	25,689	31,489	29,189
SADARM sensor improvements	0	−3,800	0	−1,300
Future direct support weapon system (Note: The Army shall use the additional funding to produce a 5,000 pound version of the howitzer using the soft-recoil technology)	0	0	2,000	1,000
ELECTRONICS AND ELECTRONIC DEVICES	22,329	29,829	25,479	25,479
MEMS—deep silicon etching process technology (Note: MEMS funds transferred to DARPA)	0	07,500	0	0
Improved high rate alkaline cell	0	0	700	700
Low cost reusable alkaline maganese-zinc	0	0	900	900
Rechargeable coin cells	0	0	650	650
Coin cell zinc air	0	0	900	900
HUMAN FACTORS ENGINEERING TECHNOLOGY	13,369	21,169	18,169	16,619
Medical Teams	0	4,800	4,800	3,000
Life Support Trauma and Transport	0	3,000	0	0
Pharmacokinetics Research	0	0	0	250
ENVIRONMENTAL QUALITY TECHNOLOGY	13,842	42,342	51,742	64,842
Plasma Energy Pyrolysis System	0	3,000	5,000	3,000
Sustainable Green Manufacturing initiative	0	5,000	0	3,000
Computer based land management	0	3,000	0	2,500
ARO—chemical and hazardous material disposal	0	2,000	0	1,500
Commercialization Tech, to Lower Defense Costs Initiatives	0	7,500	0	6,000
Electronic Equipment Demanufacturing	0	8,000	0	6,000
MP4 Initiative (NDCEE)	0	0	20,000	15,000
Lightweight spectrophotometer system	0	[500]	0	[500]
Small Business Development Center	0	0	5,400	4,000
Agriculturally based bioremediation	0	0	4,000	4,00
Radford environmental development and management system	0	0	3,500	2,000
Western Environmental Technology Office	0	0	[5,000]	4,000
MILITARY ENGINEERING TECHNOLOGY	37,488	42,488	42,188	52,688
Construction Engineering Research Labs—fuel cells	0	5,000	0	3,000
Cold regions research and development	0	0	1,700	1,200
University partnering for operational support	0	0	3,000	3,000
GEOSAR (Note: transferred from DARPA)	0	0	0	8,000
MEDICAL TECHNOLOGY	67,255	155,740	70,255	139,255
Disaster Relief and Emergency Medical Services	0	9,985	0	10,000
LSTAT	0	0	3,000	2,000
Advanced Cancer Detection	0	3,500	0	3,500
Diagnostic and surgical breast imaging	0	3,000	0	2,000
Minimally invasive	0	15,000	0	11,500
Musculoskeletal injuries	0	3,000	0	2,000
Neurofibromatosis	0	15,000	0	11,500
Neurotoxin	0	25,000	0	20,000
Osteoperosis	0	5,000	0	2,500
Pain	0	1,000	0	[1,000]
Portable cardiopulmonary bypass pum and oxygenator	0	3,000	0	2,000
Technology Roadmap	0	2,000	0	2,000
Teleradiology	0	3,000	0	3,000
MEDICAL ADVANCED TECHNOLOGY	11,012	179,012	30,012	230,862

[In thousands of dollars]

	Budget	House	Senate	Conference
Disaster Relief and Emergency Medical Services	0	0	10,000	0
Assistive Technology	0	8,000	0	6,000
Diabetes	0	9,000	0	4,500
Digital x-ray	0	5,000	0	4,000
National Medical Testbed	0	11,000	0	8,000
Nutrition Research	0	0	2,000	0
Breast Cancer Peer Review	0	135,000	0	135,000
Intravenous membrane oxygenator	0	0	1,000	850
Prostate [Note: The conferees provide $50,000,000 for peer reviewed prostate research.]	0	0	0	50,000
Prostate—Walter Reed [Note: the conferees provide $7,500,000 to continue the intramural research effort conducted by the Walter Reed Center for Prostate Disease Research in the area of prostate cancer detection and treatment.]	0	0	2,000	7,500
Volume Angiocat	0	0	4,000	4,000
WEAPONS AND MUNITIONS ADVANCED TECHNOLOGY	24,555	27,055	29,055	25,055
MLRS Smart Tactical Rocket	0	−5,000	0	−5,000
ER fluid recoil system	0	5,000	0	2,500
Precision guided mortar munition	0	0	4,500	3,000
COMBAT VEHICLE AND AUTOMOTIVE ADVANCED TECHN	54,435	54,435	49,535	61,735
Aluminum metal matrix	0	0	6,500	4,000
Heavy truck propulsion systems	0	0	3,600	2,500
Geisel engine testing	0	0	2,000	800
Program reduction	0	0	−17,000	0
MISSILE AND ROCKET ADVANCED TECHNOLOGY	86,096	47,896	92,096	71,896
EFOG	0	−35,700	0	−15,700
MLRS Smart Tactical Rocket	0	−2,500	0	−2,500
Future missile technology integration	0	0	6,000	4,000
JOINT SERVICE SMALL ARMS PROGRAM	5,173	10,673	8,673	9,673
Objective crew served weapon	0	3,500	3,500	3,500
Objective individual combat weapon	0	2,000	0	1,000
NIGHT VISION ADVANCED TECHNOLOGY	23,960	23,960	26,460	27,460
Millimeter wave technology (Note: funds are to be allocated for low cost millimeter wave technology ($500,000) and passive millimeter wave camera technology ($3,000,000))	0	0	2,500	3,500
JOINT TACTICAL RADIO	15,600	15,600	15,600	10,100
General Provision	0	0	[−10,981]	−5,500
ARMY MISSILE DEFENSE SYSTEMS INTEGRATION	12,240	21,240	38,240	37,740
SSDC Battlelab	0	9,000	11,000	8,000
Tactical High Energy Laser	0	0	15,000	12,500
Range Upgrades to support upper state flight experiments (Note: Senate provided funds under 0603401F)	0	0	0	5,000
ARMAMENT ENHANCEMENT INITIATIVE	26,526	46,526	28,526	36,026
Tank Extended Range Munition—Kinetic Energy	0	20,000	10,000	17,500
M829E3 development	0	0	−8,000	−8,000
ARMY DATA DISTRIBUTION SYSTEM	17,281	6,281	6,300	15,281
Near Term/Digital Tactical Radio	0	−11,000	0	−2,000
General Provision	0	0	[10,981]	0
ARTILLERY SYSTEMS—DEM/VAL	313,166	313,166	313,166	317,166
Alternative transmission	0	0	0	4,000
EW DEVELOPMENT	85,989	90,989	90,589	86,989
ATIRCM/CMWS integration	0	5,000	8,600	5,000
Ground base common sensor	0	0	−4,000	−4,000
FAMILIY OF HEAVY TACTICAL VEHICLES	0	3,000	1,250	8,300
Trailer development	0	3,000	0	2,500
HETS highway use trailer	0	0	1,250	1,000
Passenger Safety System for heavy tactical vehicles	0	0	[1,300]	1,000
Forward repair system heavy (Note: Transferred from 0203761A)	0	0	0	3,800
ENGINEER MOBILITY EQUIPMENT DEVELOPMENT	63,069	76,069	66,569	71,069
Grizzly—prototype (Note: Funds are to procure one Grizzly simulator)	0	13,000	0	6,000
DSETS	0	0	3,500	2,000
COMBAT FEEDING, CLOTHING, AND EQUIPMENT	62,218	82,218	53,568	68,218
Transfer from OP, A	0	20,000	0	10,000
Contract modification and engineering change proposals	0	0	−4,000	−4,000
Landwarrior product improvement	0	0	−4,650	0
TERRAIN INFORMATION—ENG DEV	2,999	2,999	2,999	6,229
Digitial topographic support system (Note: Transferred from 0203761A)	0	0	0	3,230
AIR DEFENSE COMMAND, CONTROL AND INTELLIGENCE	6,476	6,476	6,476	11,606
Air and missile defense planning (Note: Transferred from 0203761A)	0	0	0	5,130
AUTOMATIC TEST EQUIPMENT DEVELOPMENT	7,030	12,030	7,030	10,030
IFTE (Note: Funds are only for IFTE off-system, pre-planned product improvements and related test program set development)	0	5,000	0	3,000
WEAPONS AND MUNITIONS—ENG DEV	37,725	40,725	35,725	35,725
Trajectory correctable munition (Note: Transferred to USMC)	0	3,000	0	0
Motar fire control system contract savings	0	0	−2,000	−2,000
LANDMINE WARFARE/BARRIER—ENG DEV	46,905	41,405	46,905	52,905
Remote anti-armor mine system	0	−5,500	0	0
NSD–A program delays	0	0	−12,000	0
Landmine alternatives	0	0	12,500	0
NSD–A and mixed alternatives studies	0	0	0	6,000
MAJOR T&E INVESTMENT	40,284	40,284	32,142	37,284
Program reduction	0	0	−1,000	0
USAKA (Kwajalein Atoll)	0	0	−7,142	−3,000
ARMY TECHNICAL TEST INSTRUMENTATION AND TARGETS	33,439	43,439	40,439	43,939
Testing instrumentation and targets (WSMR)	0	10,000	7,000	10,000
Phase III SBIR Characterization and Quantification of missile debris hazard to aircraft—WSMR	0	0	0	500
DOD HIGH ENERGY LASER TEST FACILITY	15,022	28,022	23,022	24,022
Solid state laser	0	8,000	8,000	8,000
Hybrid HMMWV	0	5,000	0	1,000
MUNITIONS STANDARDIZATION, EFFECTIVENESS AND SAFETY	8,497	11,497	12,497	10,497
Environmentally sound technologies for demilitarization of ammunition	0	3,000	0	0
Lexington Blue Grass Army Depot Blast Chamber	0	0	2,000	1,000
Anniston Army Depot Blast Chamber	0	0	2,000	1,000
ENVIRONMENTAL COMPLIANCE	44,116	47,116	51,116	49,116
Climate change fuel cell	0	0	5,000	3,000
Low emissions gas boiler demo	0	3,000	2,000	2,000
MAINTENANCE AND REPAIR (RPM)—RDT&E	49,233	49,233	80,233	80,233
White Sands Missile Range	0	0	20,800	20,800
Aberdeen Proving Ground (PG)/Dugway PG/Yuma PG	0	0	9,200	9,200
Cold Regions Research Lab	0	0	1,000	1,000
MANAGEMENT HEADQUARTERS (R&D)	4,683	4,683	22,683	22,683
Akamai (Note: Off the additional funds $4,000,000 is only for Hyperspectral diagonistic imaging and $2,000,000 is only for remote access to medical specialists program)	0	0	18,000	18,000
MLRS PRODUCT IMPROVEMENT PROGRAM	20,244	32,744	20,244	25,244
Commercial component usage and joint service communications	0	8,300	0	0
HIMARS	0	6,000	0	5,000
Improved launcher mechanical system	0	3,200	0	0
Guided MLRS MOU	0	−5,000	0	0
ADV FIELD ARTILLERY TACTICAL DATA SYSTEM	35,111	35,111	40,439	34,881
Airspace deconfliction and technical fire support (AFATDS) enhancement	0	0	12,500	7,000
AFATDS 2000 software development	0	0	−7,230	−7,230
COMBAT VEHICLE IMPROVEMENT PROGRAMS	94,756	101,856	108,256	104,756
M–1 Flat Panel Dispays (FED)	0	7,100	7,000	7,000
DSESTS	0	0	6,500	3,000
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	2,948	11,948	6,948	6,948

[In thousands of dollars]

	Budget	House	Senate	Conference
Fadec	0	5,000	2,000	2,000
Variable Vane Pump (Note: Funding is only for helicopter secondary power unit application)	0	4,000	2,000	2,000
DIGITIZATION	45,007	45,007	48,007	47,007
Digitization research at Ft. Hood	0	0	3,000	2,000
Digital intelligence situation mapboard	0	0	[2,000]	[2,000]
FORCE TWENTY-ONE (XXI), WARFIGHTING RAPID ACQUISITION	99,528	64,528	69,528	27,168
Program reduction	0	− 35,000	− 30,000	− 35,000
Air and missile defense planning (Note: Transferred to 0604741A)	0	0	0	− 5,130
Analysis control team (Note: Transferred to OPA P–67)	0	0	0	− 6,750
Grenadier Brat (Note: Transferred to OPA P–75)	0	0	0	− 4,400
High speed multiplexer (Note: Transferred to OPA P–44)	0	0	0	− 2,750
Digital topographic support system (Note: Transferred to 0604716A)	0	0	0	− 3,230
Tactical simulation (Note: Transferred to new program element)	0	0	0	− 1,500
Forward repair system (Note: Transferred to 0604622A)	0	0	0	− 3,800
CCTT (Note: The conferees deny funding for this initiative)	0	0	0	− 7,300
Global combat support system (Note: The conferees deny funding for this initiative)	0	0	0	− 2,500
TACTICAL SIMULATION INTERFACE UNIT (Note: Transferred from 0203761A)	0	0	0	1,500
END ITEM INDUSTRIAL PREPAREDNESS ACTIVITIES	30,511	59,711	37,861	52,861
Munitions manufacturing technology	0	13,200	5,000	10,000
Instrumented factory for gears	0	4,000	4,000	4,000
Totally integrated munitions enterprise	0	9,000	0	7,000
Composite armor vehicle technology	0	1,000	0	500
Center for optics manufacturing	0	2,000	0	1,000
Undefined projects	0	0	− 1,650	− 1,650
Electronic circuit board manufacturing development center	0	0	[2,000]	1,500
ALTERNATIVE VEHICLE PROPULSION TECHNOLOGIES	0	[10,000]	0	0
CIVILIAN PERSONNEL UNDER EXECUTION	0	0	0	− 6,400

AEROSTAT JOINT PROJECT OFFICE

The conferees have provided $15,000,000 for the Aerostat program to participate in joint demonstrations of surveillance technologies and to continue development efforts. Within the available funds, the conferees urge the Defense Department to investigate issues associated with building and demonstrating a deployable mobile large aerostate system platform.

LANDMINE WARFARE/BARRIER—ENG DEV

The conferees understand that the Department has launched a search for alternatives to anti-personnel landmines with the goal of fielding such alternatives as soon as practicable. The conferees support this effort relating to the identification, adaption, modification, research, and development of existing and new technologies and concepts that are militarily equivalent cost effective and safe. These efforts should result in: (1) a combat capability that is equivalent to the combat capability provided by non-self destructing anti-personnel landmines; (2) a combat capability that is equivalent to the combat capability provided by anti-personnel (AP) submunitions used in mixed anti-tank mine systems; or (3) a combat capability to replace the entire mixed munitions.

The conference recommendation provides a total of $32,200,000 as follows: $17,200,000 ($12,500,000 in RDT&E, Army and $4,700,000 in RDT&E, Defense-Wide) for the Army's current Non-Self Destruct Alternatives (NSD–A); $2,000,000 for studies of NSD–4 designs, beyond man-in-the-loop technology; and $4,000,000 to research, identify and adapt technology and concepts that could replace capabilities now provided by mixed system or the AP submunitions in mixed systems. The Secretary of Defense shall submit a report to the congressional defense committees not later than April 1, 2000 and April 1, 2001, describing progress made in identifying and fielding such alternative, and future plans in this effort.

The conferees direct that the Secretary of Defense obtain the recommendations of two appropriate scientific organizations regarding concepts that would provide comparable combat capabilities to current anti-personnel landmines and anti-personnel landmines used in mixed systems.

ARMY MISSILE DEFENSE SYSTEMS INTEGRATION

The conferees are aware of the High Accuracy Guidance (HAG) system and its potential to improve the capability of the seeker found in certain missile defense interceptors. Therefore, the conferees strongly urge the Department to conduct additional tests of the HAG system.

ANTI-ARMOR WEAPONS MASTER PLAN

The conferees agree with the House direction with regard to submission of an Anti-Tank Weapon Master Plan and further direct that the scope of the report be expanded to include all DoD weapon systems with an anti-armor capability.

ULTRA-LIGHT STEEL BASED HIGH MOBILITY MULTI-PURPOSE WHEELED VEHICLE (HMMWV)

The conferees direct the Secretary of the Army to submit a report to the congressional defense committees with the fiscal year 2000 budget request assessing the potential benefits of integrating advanced commercially based tactical truck platforms incorporating leading edge ultra-steel concepts into its HMMWV fleet replacement plan.

MEDICAL RESEARCH PROGRAM MANAGEMENT

The conferees commend the Army for organizing outstanding medical research initiatives in various fields of study that have received high marks from independent review panels and from various advocacy groups. The conferees not especially the 1997 review of the Army's breast cancer research program by the Institute of Medicine of the National Research Council. This review concluded that the Army's program "fills a unique niche among public and private funding sources for cancer research . . . and is a promising vehicle for forging new ideas and scientific breakthroughs in the nation's fight against breast cancer." The conferees have received similar reports about the other medical research programs managed by the Army. The conferees expect the Army to continue its emphasis on coordinating and integrating its medical research programs with those of the National Institutes of Health to avoid duplication and to accelerate promising avenues of treatment. In setting annual research priorities, the Army should consider ways to maximize involvement from responsible advocacy and survivor groups, especially in the Prostate research program. The conferees also urge the Army to consider ways to lengthen the terms of peer review group members for the Neurofibromatosis program and other smaller programs to promote consistency of guidance and direction.

METALS REMEDIATION

The conferees urge the Department to provide up to $2,750,000 for a metals remediation demonstration project at Wheeler Army Air Field. This effort would demonstrate the technology in the fragile Pacific ecosystems and potentially reduce infrastructure and environmental cleanup costs.

DIABETES RESEARCH

The conference agreement includes $4,500,000 to continue the successful diabetes research program currently underway. The conferees urge the Department to work to include the activities identified in House Report 105–591.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

The conference agreement on items addressed by either the House or the Senate is as follows

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL NAVY				
IN-HOUSE LABORATORY INDEPENDENT RESEARCH	14,734	14,248	14,734	14,734
DEFENSE RESEARCH SCIENCES	347,945	324,495	347,945	347,945
AIR AND SURFACE LAUNCHED WEAPONS TECHNOLOGY	37,140	41,140	40,140	41,140
SHIP, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	45,177	46,177	56,677
AIRCRAFT TECHNOLOGY	23,229	27,029	30,729	29,229
MARINE CORPS LANDING FORCE TECHNOLOGY	12,132	13,632	12,132	13,132
HISTORICALLY BLACK COLLEGES AND UNIVERSITIES	4,699	6,699	4,699	6,699
COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE	65,033	60,033	68,033	64,033
HUMAN SYSTEMS TECHNOLOGY	29,722	31,722	29,722	31,722

[In thousands of dollars]

	Budget	House	Senate	Conference
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	80,617	93,117	88,117
ELECTRONIC WARFARE TECHNOLOGY	23,849	22,849	23,849	22,849
UNDERSEA WARFARE SURVEILLANCE TECHNOLOGY	50,619	51,119	50,619	51,119
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	70,222	57,472	69,222
UNDERSEA WARFARE WEAPONRY TECHNOLOGY	34,856	36,856	44,356	40,856
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	10,000	10,000
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	43,143	48,143
PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	62,306	54,406	54,406
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	46,264	51,264
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	51,931	52,931	56,931
MEDICAL DEVELOPMENT	18,728	69,028	20,728	68,728
MANPOWER, PERSONNEL AND TRAINING ADV TECH DEV	21,042	26,042	23,042	26,542
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOG	20,919	20,919	26,919	22,919
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	56,827	60,027	58,827
MINE AND EXPEDITIONARY WARFARE ADVANCED TECHNOLOGY	41,710	41,710	42,710	42,710
ADVANCED TECHNOLOGY TRANSITION	74,392	59,392	84,392	73,892
C3 ADVANCED TECHNOLOGY	22,294	28,294	29,794	40,294
MARITIME TECHNOLOGY			20,000	19,000
AIR/OCEAN TACTICAL APPLICATIONS	28,824	25,824	28,824	25,824
AVIATION SURVIVABILITY	8,164	13,164	8,164	11,164
ASW SYSTEMS DEVELOPMENT	20,184	35,184	20,184	26,184
ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	6,653	8,653	6,653
ADVANCED SUBMARINE COMBAT SYSTEMS DEVELOPMENT	68,402	75,802	68,402	73,402
SURFACE SHIP TORPEDO DEFENSE		6,000		5,000
CARRIER SYSTEMS DEVELOPMENT	154,307	64,307	74,307	74,307
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	24,725	25,725
SHIP CONCEPT ADVANCED DESIGN	14,900	19,900	14,900	14,900
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	42,668	8,000	44,596
ADVANCED SURFACE MACHINERY SYSTEMS	58,419	34,919	63,419	58,419
CONVENTIONAL MUNITIONS	39,775	42,775	39,775	40,775
MARINE CORPS ASSAULT VEHICLES	104,822	108,822	104,822	104,822
MARINE CORPS MINE/COUNTERMEASURES SYSTEMS—ADV DEV	1,958	2,958	1,958	1,958
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39,633	50,633	53,133
COOPERATIVE ENGAGEMENT	131,623	186,123	141,623	196,123
ENVIRONMENTAL PROTECTION	59,438	73,138	61,938	74,438
NAVY LOGISTICS PRODUCTIVITY		3,000		3,000
RETRACT MAPLE	117,186	115,686	117,186	115,686
RETRACT ELM	11,665	22,165	11,665	19,665
NATO RESEARCH AND DEVELOPMENT	11,004		9,004	9,004
LAND ATTACK TECHNOLOGY	110,104	103,104	92,404	105,604
JOINT STRIKE FIGHTER (JSF)—DEM/VAL	463,402	463,402	478,402	470,902
NONLETHAL WEAPONS—DEM/VAL	22,592	25,092	35,892	34,592
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDSTDS)	9,827	9,827	9,827	3,000
SPACE AND ELECTRONIC WARFARE (SEW) ARCHITECTURE/ENGINE	17,955	17,955	20,955	19,955
OTHER HELO DEVELOPMENT	231,120	231,620	253,120	262,120
AV-8B AIRCRAFT—ENG DEV	13,787	50,387	13,787	40,587
S-3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	26,469	4,376
H-1 UPGRADES	98,542	122,542	121,942	121,942
ACOUSTIC SEARCH SENSORS	29,637	31,637	29,637	30,637
AIR CREW SYSTEMS DEVELOPMENT	9,454	12,454	9,454	11,954
EW DEVELOPMENT	128,586	137,886	138,586	137,886
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	169,061	134,561	164,061
STANDARD MISSILE IMPROVEMENTS	1,320	1,320	6,320	11,320
AIRBORNE MCM	24,967	30,967	26,967	28,967
SSN-688 AND TRIDENT MODERNIZATION	50,300	60,300	65,300	62,300
AIR CONTROL	4,198	4,198	8,198	7,698
NEW DESIGN SSN	218,816	240,816	231,816	235,816
SSN-21 DEVELOPMENTS	27,456	22,456	27,456	22,456
SUBMARINE TACTICAL WARFARE SYSTEM	28,573	28,573	30,573	28,573
SHIP CONTRACT DESIGN/ LIVE FIRE T&E	133,645	60,845	137,645	130,717
NAVY TACTICAL COMPUTER RESOURCES	8,249	44,749	8,249	28,249
NAVY ENERGY PROGRAM	5,544	5,544	3,544	3,544
JOINT STANDOFF WEAPON SYSTEMS	73,022	8,022	73,022	48,022
LOW COST STAND-OFF WEAPON		10,000		
SHIP SELF DEFENSE—EMD	148,165	148,165	156,665	156,665
MEDICAL DEVELOPMENT	4,321	9,721	5,321	5,821
DISTRIBUTED SURVEILLANCE SYSTEM	42,017	55,417	42,017	50,017
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	28,500	14,600	18,500	16,500
TARGET SYSTEMS DEVELOPMENT	54,800	54,800	50,800	54,800
MAJOR T&E INVESTMENT	17,281	23,281	17,281	21,281
STUDIES AND ANALYSIS SUPPORT-NAVY	10,132	6,132	10,132	6,132
TECHNICAL INFORMATION SERVICES	8,513	8,513	6,013	6,013
DISTRIB/IMAGERY COMMON GRD SYSTEMS		4,966		
RDT&E SCIENCE AND TECHNOLOGY MANAGEMENT	64,455	54,455	64,455	64,455
RDT&E SHIP AND AIRCRAFT SUPPORT	57,421	55,421	57,421	55,421
TEST AND EVALUATION SUPPORT	260,601	256,801	245,601	255,801
SEW SURVEILLANCE/RECONAISSANCE SUPPORT	13,185	15,185	17,185	16,185
AIRBORNE RECONNAISSANCE SYS		16,448		
MARINE CORPS PROGRAM WIDE SUPPORT	7,132	14,632	7,132	13,632
SSBN SECURITY TECHNOLOGY PROGRAM	33,588	28,588	33,588	31,088
F/A-18 SQUADRONS	357,214	288,805	336,314	308,805
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,300	66,727	166,300
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	32,490	35,390	36,890
HARM IMPROVEMENT	18,921	33,921	18,921	30,921
SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	9,390	13,390
AVIATION IMPROVEMENTS	64,956	61,956	68,956	63,956
NAVY SCIENCE ASSISTANCE PROGRAM			12,000	12,000
MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	56,390	50,594	55,390
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	14,699	17,699	18,699
TACTICAL UAV		55,200		51,192
TACTICAL UAV (MC)		8,000		6,000
VERTICAL TAKEOFF LANDING			10,000	
ADVANCED SENSORS/TECH			8,448	16,448
COMMON IMAGERY GROUND/FURFACE SYS			4,966	4,966
MANNED RECONNAISSANCE SYSTEMS	342	42,751	342	30,342
INTEGRATED BROADCAST SERVICE		14,580		14,580
DEPOT MAINTENANCE (NON-IF)	69,967		49,967	69,967
INDUSTRIAL PREPAREDNESS	59,060	69,060	59,060	69,060
CLASSIFIED PROGRAMS	521,541	542,041	528,241	531,741
ADVISORY AND ASSISTANCE SERVICES		−50,000		−50,000
CIVILIAN PERSONNEL UNDEREXECUTION				−5,000

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	347,945	324,495	347,945	347,945

[In thousands of dollars]

	Budget	House	Senate	Conference
Budget growth	0	−23,450	0	0
Marine mammal research	0	0	(500)	(500)
(Note: Other than marine mammal research, Defense Research Sciences funds may not be diverted to or augmented via below-threshold reprogramming for projects not requested in the fiscal year 1999 budget)				
SHIPS, SUBMARINE & LOGISTICS TECHNOLOGY	43,177	45,177	46,177	56,677
Ship machinery component level intelligent distributed control systems for AUVs	0	2,000	0	1,500
Stainless steel double hull	0	0	3,000	2,000
High precision fabrication technology for large steel structural components requiring compound curvatures and precise dimensional control to be used in advanced ship designs	0	0	0	5,000
Bioenvironmental hazards	0	0	0	5,000
(Note: Bioenvironmental hazards was funded in a different line in the House bill)				
AIRCRAFT TECHNOLOGY	23,229	27,029	30,729	29,229
Vectored thrust ducted propeller	0	2,000	7,500	5,000
Advanced 1000-plus line resolution charged coupled device II night vision camera	0	1,800	0	1,000
COMMUNICATIONS, COMMAND AND CONTROL, INTELLIGENCE	65,033	60,033	68,033	64,033
Hybrid wireless fiber optic communications	0	1,000	0	1,000
Infrared search and track	0	−1,000	0	0
General reduction	0	−5,000	0	−5,000
USEA radar	0	0	11,000	11,000
Strategic sustainment program	0	0	−8,000	−8,000
MATERIALS, ELECTRONICS AND COMPUTER TECHNOLOGY	77,617	80,617	93,117	88,117
Advanced energy devices	0	0	1,000	0
Nanoscale materials and devices	0	0	1,000	0
Advanced materials intelligent processing center	0	0	5,000	3,000
High temperature superconducting ship propulsion/auxillary systems	0	0	2,000	2,000
Superconducting waveform generator	0	3,000	0	1,000
Materials micronization technology	0	0	0	4,000
Carbon-carbon materials for reentry bodies	0	1,000	2,500	1,500
Silicon carbide semiconductor substrates	0	3,500	2,500	3,500
Ultra-high thermal conductivity fibers	0	2,500	1,500	2,500
Terfenol-D	0	(1,800)	0	0
General reduction	0	−7,000	0	−7,000
(Note: Funds for materials micronization technology are only to initiate a program to demonstrate newly developed technology to micronize coal and other particles to sizes approaching five microns to reduce the cost precursors for composite materials, fuel cell membranes, filtration technology, diesel fuel, and other materials and processes important to national defense)				
OCEANOGRAPHIC AND ATMOSPHERIC TECHNOLOGY	56,722	70,222	57,472	69,222
Autonomous underwater vehicle and sensor development	0	10,000	0	10,000
Naval Surface Warfare Center South Florida test facility	0	2,750	0	2,000
PM–10 clean air study	0	750	750	500
UNDERSEA WARFARE WEAPONTRY TECHNOLOGY	34,856	36,856	44,356	40,856
Micro electromechanical technology	0	2,000	0	1,000
Lithium carbon monoflouride batteries for mine applications	0	0	500	0
Computational engineering research	0	0	3,000	3,000
Half-length torpedo	0	0	3,000	2,000
6.25 anti-torpedo torpedo	0	0	3,000	0
DUAL USE APPLICATIONS PROGRAM	20,000	20,000	−10,000	−10,000
National Technology Alliance Program	0	(15,000)	0	0
Program decrease	0	0	−10,000	−10,000
AIR SYSTEMS AND WEAPONS ADVANCED TECHNOLOGY	48,143	46,143	43,143	48,143
VECTOR	0	−7,000	−5,000	−2,000
DP–2	0	5,000	0	2,000
PRECISION STRIKE AND AIR DEFENSE TECHNOLOGY	58,306	62,306	54,406	54,406
Mobile off-shore basing	0	5,000	5,000	5,000
General reduction	0	−1,000	0	0
Fleet ATDs	0	0	−8,900	−8,900
(Note: Concerning mobile off-shore basing, the conferees do not agree to House language but direct that $1,000,000 of the $5,000,000 provided in this Act be provided to the OSD Office of Acquisition and Technology (PE 0603728D) only for joint community MOB assessments and studies)				
SURFACE SHIP & SUBMARINE HM&E ADVANCED TECHNOLOGY	39,264	47,264	46,264	51,264
Power electronic building blocks	0	6,000	3,000	6,000
Power node converters	0	2,000	0	2,000
Composite helicopter hangar	0	0	5,000	5,000
Advanced electronic systems	0	0	−1,000	−1,000
MARINE CORPS ADVANCED TECHNOLOGY DEMONSTRATION (ATD)	41,931	51,931	52,931	56,931
BURRO project	0	5,000	5,000	5,000
SMAW product improvement program	0	5,000	0	5,000
Warfighting lab Modeling and Simulation	0	0	5,000	4,000
K-band training and test instrumentation system	0	0	1,000	1,000
MEDICAL DEVELOPMENT	18,728	69,028	20,728	68,728
Bone marrow donor program	0	34,000	0	34,000
Naval blood research laboratory	0	3,000	0	1,500
Dental research	0	4,000	0	3,000
National Biodynamics Laboratory	0	1,800	0	1,800
Medical readiness telemedicine initiative	0	4,500	0,	3,000
Rural health	0	3,000	0	3,000
Freeze dried blood	0	0	1,000	850
Directly transfusable cryoprotected blood products	0	0	1,000	850
Center for disaster management (Note: $1,000,000 is only for the Center for Disaster Management and Humanitarian Assistance)	0	0	0	1,000
Telemedicine (Note: $1,000,000 is only for a university/community hospital telemedicine/telehealth consortium)	0	0	0	1,000
MANPOWER, PERSONNEL AND TRAINING ADVANCED TECH DEVELOPMENT	21,042	26,042	23,042	26,542
Advanced distributed learning	0	5,000	0	4,500
Integrated manufacturing studies	0	0	2,000	1,000
ENVIRONMENTAL QUALITY AND LOGISTICS ADVANCED TECHNOLOGY	20,919	20,919	26,919	22,919
Asbestos removal	0	0	4,000	0
Visualization of technical information	0	0	2,000	2,000
UNDERSEA WARFARE ADVANCED TECHNOLOGY	56,827	56,827	60,027	58,827
Terfenol-D	0	0	3,200	2,000
(Note: The conferees direct that fiscal year 1998 funds appropriated only for Terfenol-D be moved to this program for execution)				
ADVANCED TECHNOLOGY TRANSITION	74,392	59,392	84,392	73,892
General reduction	0	−15,000	0	−10,000
SLICE trailer	0	0	10,000	9,500
C3 ADVANCED TECHNOLOGY	22,294	28,294	29,794	40,294
Dominant battlespace command	0	6,000	0	3,000
National Technology Alliance Program	0	0	7,500	15,000
(Note: The National Technology Alliance consists of the National Information Display Laboratory, the National Center for Applied Technologies, and the National Media Laboratory)				
MARITIME TECHNOLOGY	0	0	20,000	19,000
Transfer from DARPA	0	0	15,000	15,000
Program increase	0	0	5,000	4,000
(Note: The conferees direct the Secretary of the Navy to provide $2,400,000 to the Maritime Administration to complete testing of the potential interim solution to remediate potential damage resulting from oil spills from existing tank vessels such as the "American Underpressure System." The conferees believe that this system may have significant defense applications and may also provide environmental safeguards for tank vessels.)				
AVIATION SURVIVABILITY	8,164	13,164	8,164	11,164
Escape system dynamic flow test facility	0	3,000	0	1,000
Helicopter aircrew integrated life support system	0	2,000	0	2,000
ASW SYSTEMS DEVELOPMENT	20,184	35,184	20,184	26,184
Beartrap acoustic processor for SH–60B LAMPS helicopter	0	9,000	0	5,000
(Note: Conferees do not agree to House language that these funds be solely for RAINBOW processors)				
Beartrap advanced ASW technologies	0	3,000	0	0

[In thousands of dollars]

	Budget	House	Senate	Conference
SSQ–62 sonobuoy at-sea performance evaluation	0	3,000	0	1,000
ADVANCED COMBAT SYSTEMS TECHNOLOGY	8,653	6,653	8,653	6,653
General reduction	0	−2,000	0	−2,000
Visualization architecture and technology	0	0	(2,000)	0
SHIPBOARD SYSTEM COMPONENT DEVELOPMENT	27,725	28,725	24,725	25,725
150 Kilowatt static frequency converters	0	1,000	0	1,000
Shipboard auxiliary systems development	0	0	−3,000	−3,000
SHIP PRELIMINARY DESIGN & FEASIBILITY STUDIES	42,668	42,668	8,000	44,596
SSGN study	0	0	1,000	1,000
CV feasibility studies	0	0	−35,688	−5,000
CVX red team	0	0	(5,000)	0
ADC(X)	0	0	0	0
(Note: Funds for ADC(X) were requested in the budget and have been transferred to this line for execution based on Navy assessment of program maturity)				
ADVANCED SURFACE MACHINERY SYSTEMS	58,419	34,919	63,419	58,419
Intercooled recuperated gas turbine engine	0	−23,500	5,000	0
MARINE CORPS GROUND COMBAT/SUPPORT SYSTEM	37,133	39,633	50,633	53,133
Lightweight howitzer	0	2,500	0	7,000
(Note: Of the amount provided for lightweight howitzer, $4,500,000 is transferred from Procurement, Marine Corps)				
Trajectory corrected munitions	0	0	7,500	5,000
SMAW follow-on	0	0	4,000	3,000
Predator	0	0	2,000	1,000
COOPERATIVE ENGAGEMENT	131,623	186,123	141,623	196,123
Aegis integration	0	−9,500	0	−9,500
LAMPS data link	0	−3,000	0	−3,000
Battlegroup developmental-and operational testing	0	20,000	0	20,000
Design agent transitioin	0	15,000	0	15,000
Large network capability	0	13,000	0	13,000
Low cost common equipment set	0	10,000	0	10,000
Land based network	0	9,000	0	9,000
CEC/SBIRS integration	0	0	10,000	10,000
ENVIRONMENTAL PROTECTION	59,438	73,138	61,938	74,438
Aviation depot maintenance technology	0	2,700	0	2,000
Resource recovery technology center	0	7,000	0	7,000
Asbestos removal	0	4,000	0	4,000
Molten salt oxidation technology	0	0	2,500	2,000
NATO RESEARCH AND DEVELOPMENT	11,004	0	9,004	9,004
VECTOR	0	−5,000	0	0
General reduction	0	−6,004	−2,000	−2,000
(Note: Within the amount provided for NATO R&D, is $1,000,000 is only for international cooperative R&D applying Norwegian mine clearing technology)				
LAND ATTACK TECHNOLOGY	110,104	103,104	92,404	105,604
Vertical gun system	0	−7,000	−10,000	−10,000
Surface fire support integration	0	0	−7,700	−2,500
Extended range guided munition	0	0	0	8,000
(Note: ERGM was funded in the Procurement of Ammunition, Navy account in the Senate bill)				
NONLETHAL WEAPONS—DEM/VAL	22,592	25,092	35,892	34,592
Joint non-lethal directorate human effects panel	0	2,500	0	2,000
Accelerate non-lethal technologies	0	0	6,300	5,000
Non-lethal tactical denial system	0	0	7,000	5,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,827	9,827	9,827	3,000
Program reduction	0	0	(9,827)	−9,827
Analysis of alternative	0	0	0	3,000
OTHER HELO DEVELOPMENT	231,120	231,620	253,120	262,120
LAMPS data link (transfer from CEC)	0	3,000	0	3,000
CH–60 mine countermeasures testing	0	15,000	0	12,000
Naval Air Warfare Center aircraft division ship ground station	0	1,000	0	1,000
Advanced low frequency sonar	0	−18,500	0	0
SH–60 LAMPS COTS acoustic/radar data processor	0	0	15,000	10,000
Parametric airborne dipping sonar	0	0	8,000	6,000
Helicopter development CDR	0	0	−1,000	−1,000
AV–8B AIRCRAFT—ENG DEV	13,787	50,387	13,787	40,587
Open systems core avionics	0	31,500	0	26,800
Landing signal officer automated shipboard operating bulletin	0	5,100	0	0
S–3 WEAPON SYSTEM IMPROVEMENT	31,469	4,376	26,469	4,376
Common support aircraft	0	−27,093	−5,000	−27,093
Common support aircraft, floor amendment	0	0	(8,000)	0
SURFACE COMBATANT COMBAT SYSTEM ENGINEERING	132,561	169,061	134,561	164,061
CEC integration (transfer from CEC)	0	9,500	0	9,500
Aegis baseline software development	0	27,000	0	20,000
High dynamic range, low-cost, towed array receiver/beamformer sonar	0	(9,000)	0	0
Labs and field activities monitoring efforts	0	0	−3,000	−3,000
DDG–51 composite director room	0	0	5,000	5,000
STANDARD MISSILE IMPROVEMENTS	1,320	1,320	6,320	11,320
ADSAM demonstration	0	0	5,000	5,000
Optical correlators	0	0	0	5,000
AIRBORNE MCM	24,967	30,967	29,967	28,967
CH–60 borne autonomous mine destruction	0	2,000	2,000	2,000
SWIMS acoustic projector	0	4,000	0	2,000
NEW DESIGN SSN	218,816	240,816	231,816	235,816
Submarine technology insertion	0	10,000	0	5,000
Glass-reinforced plastic/rubber sandwich sonar domes	0	7,000	7,000	7,000
Non-propulsion electronics	0	5,000	6,000	5,000
SHIP CONTRACT DESIGN/LIVE FIRE T&E	133,645	60,845	137,645	130,717
DD–21	0	−68,872	0	0
ADC(X)	0	−5,928	0	−5,928
Smart propulsor product model	0	2,000	4,000	3,000
NAVY TACTICAL COMPUTER RESOURCES	8,249	44,749	8,249	28,249
UYQ–70 display improvements	0	17,000	0	15,000
Virtual prototyping of electronic circuits	0	14,500	0	0
Computer aided dead reckoning tracer	0	5,000	0	5,000
SHIPS SELF DEFENSE—EMD	148,165	148,165	156,665	156,665
Infrared search and track	0	0	6,500	6,500
NULKA	0	0	2,000	2,000
(Note: Funds for infrared search and track are only to develop a production-representative IRST system, to support testing coincident with the multi-function radar system, whose development and testing must include deployment in a permanent installation in an active Navy warship)				
MEDICAL DEVELOPMENT	4,321	9,721	5,321	5,821
Filtration materials with high-flow biocide characteristics	0	2,000	0	(2,000)
Voice instructional device modifications	0	3,400	1,000	1,500
DISTRIBUTED SURVEILLANCE SYSTEM	42,017	55,417	42,017	50,017
All-optical deployable system	0	6,700	0	4,000
ADS automation and data fusion	0	6,700	0	4,000
TEST AND EVALUATION SUPPORT	260,601	256,801	245,601	255,801
General reduction	0	−5,800	−15,000	−5,800
Man-overboard indicator	0	2,000	0	1,000
SEW SURVEILLANCE/RECONNAISSANCE SUPPORT	13,185	15,185	17,185	16,185
COTS visualization software and database servers	0	2,000	0	1,000
Global C4ISR visualization	0	0	4,000	2,000
MARINE CORPS PROGRAM WIDE SUPPORT	7,132	14,632	7,132	13,632
Interim biological agent detection system, phase III	0	4,000	0	3,500

[In thousands of dollars]

	Budget	House	Senate	Conference
Probable cause detection system	0	3,500	0	3,000
F/A-18 SQUADRONS	357,214	288,805	336,314	308,805
Superhornet advanced reconnaissance pod	0	−43,409	2,500	−43,409
Excessive budget growth	0	−25,000	0	−5,000
Tactical reconnaissance development	0	0	−23,400	0
TOMAHAWK AND TOMAHAWK MISSION PLANNING CENTER (TMPC)	66,727	165,300	66,727	166,300
Tactical tomahawk	0	98,573	0	98,573
Alternate turbine engine	0	0	(1,000)	1,000
CONSOLIDATED TRAINING SYSTEMS DEVELOPMENT	28,390	32,490	35,390	36,890
Rangeless training	0	5,000	0	2,500
Conversion of BFTT trainer to Windows operating enviroinment	0	6,000	7,000	6,000
Joint tactical combat training system	0	−6,900	(9,827)	0
SURFACE ASW COMBAT SYSTEM INTEGRATION	9,390	9,390	9,390	13,390
High dynamic range, low-cost, towed array receiver/beamformer sonar system	0	0	0	4,000
(Note: this item was funded in the Surface Combatant Combat System Engineering program in the House bill)				
AVIATION IMPROVEMENTS	64,956	61,956	68,956	63,956
Engine component improvement	0	−3,000	0	−3,000
Eddy current sensors	0	0	4,000	2,000
MARINE CORPS COMMUNICATIONS SYSTEMS	50,594	56,390	50,594	55,390
Joint task force enhanced communications	0	5,000	0	4,000
Tactical control and analysis center	0	796	0	796
MARINE CORPS GROUND COMBAT/SUPPORTING ARMS SYSTEMS	14,699	14,699	17,699	18,699
Automatic target tracker	0	0	3,000	2,000
Shortstop	0	0	(5,000)	2,000
TACTICAL UAV	0	55,200	0	51,192
Multiple participant competitive demonstration	0	14,008	0	10,000
Multi-function self-aligned gate technology	0	4,000	0	4,000
Common systems development (transfer from R&D Defense-wide)	0	5,048	0	5,048
Tactical control system	0	32,144	0	32,144
ADVANCED SENSORS/TECH	0	0	8,448	16,448
Program transfer	0	0	8,448	8,448
EO framing (on-chip FMC)	0	0	0	8,000
(Note: this item was funded in Advanced Sensors/Technology program in the Senate bill.)				
DEPOT MAINTENANCE (NON–IF)	69,967	0	49,967	69,067
Transfer to APN	0	−69,967	0	0
General reduction	0	0	−20,000	0
CIVILIAN PERSONNEL UNDERSTRENGTH	0	0	0	−5,000

COMMON INTEGRATED ELECTRIC DRIVE SYSTEMS

The conferees agree to Senate direction requiring a report on a common integrated electric drive system for surface combatant ships, but direct that development of superconducting DC homopolar motor technology also be addressed in the report.

VECTORED THRUST DUCTED PROPELLER (VDTP) HELICOPTER

The conferees direct the Navy to submit to the Congress by December 1, 1998, a specific plan for accomplishing a flight demonstration of the VDTP compound helicopter technology. The conferees reiterate last year's language which directed that the Navy's H-60 program office shall have the responsibility for the management and execution of this program.

SEMI-AUTONOMOUS UNDERWATER VEHICLE FOR INTERVENTION MISSIONS

The conferees have just been advised of a potential funding shortfall for the Semi-Autonomous Underwater Vehicle for Intervention Missions (SAUVIM) program in the upcoming year. The conferees encourage the Navy to ensure that sufficient funding is provided for this program to carry it through until the end of 1999.

PROJECT M

The Congress appropriated $5,000,000 in fiscal year 1998 for Project M, including funds for a prototype system for surface ships. The Navy has yet to obligate funds for a surface ship application. Of the amount requested in the fiscal year 1999 budget and appropriated in this Act for Project M, $1,000,000 is only to begin development of a prototype system for surface ships. The conferees direct that the Navy budget funds in the future to ensure an at-sea demonstration of a full scale active control of machinery raft within two years.

ADC(X)

The conferees direct that fiscal year 1999 funds may not be obligated for an ADC(X) program unless the program plan includes ship construction in at least two shipyards.

ICR ENGINE

The conferees agree to provide the amount requested in the budget to continue development of the intercooled recuperated gas turbine engine. The conferees direct the Secretary of Defense to limit obligation of additional funds, while allowing the program to proceed in an orderly basis, until an international memorandum of understanding has been promulgated ending United States government participation in the ICR development program after design review five at a cost of no more than $60,000,000 in fiscal year 1999 and subsequent fiscal years.

TACTICAL TOMAHAWK

The conferees are aware that the contract solicitation for the tactical Tomahawk weapons control system does not specify the type of display to be used. The recent contract award for the standard Navy display system for air, surface, and subsurface applications specified that development of new configurations to meet legacy equipment replacement requirements would be accomplished under that contract. Accordingly, the Navy should avoid duplication in development costs and take advantage of the economies of scale and infrastructure support by developing the tactical Tomahawk display under this contract.

SEAWOLF SHOCK TEST

The conferees agree to House language concerning system-level, live-fire shock testing of Seawolf submarines and note that the Commander in Chief of the Atlantic Command has recently indicated that he has no requirement for such a test. The conferees fully endorse the existing live fire legislation and testing for weapon systems in a normal acquisition cycle. The conferees fully expect that the Defense Department will conduct such a test on the New Attack Submarine early in its production cycle, where the lessons-learned from the test can be incorporated into future production of that weapon system. The unique circumstances that caused the Congress not to support the Seawolf shock test should not be viewed either that Congress no longer requires live fire testing nor as a precedent for other weapon systems to be exempted from the requirements of law.

RANGELESS TRAINING

The House proposed to terminate the Joint Tactical Combat Training System (JTCTS) and eliminate a total of $17,300,000 in four procurement or RDT&E line items. The House also proposed an alternate system, the integrated Large Area Tracking Range (LATR)/Kadena Interim Training System (KITS), and provided a total of $15,000,000 in three procurement or RDT&E line items. The Senate provided the amount requested by the Defense Department for JTCTS, with an increase of $9,827,000 in the Navy RDT&E account to provide an initial JTCTS system to support Cope Thunder exercises. The budget requested funds to initiate JTCTS production in fiscal year 1999.

Since JTCTS has not entered into production, and development and testing has not been completed, there is an opportunity to ensure that the Defense Department has identified the best technical solution prior to expenditure of significant amounts of funds in future years for rangeless training equipment. The conferees also want assurance that combat training systems for tactical aircraft will be compatible with surface ship and submarine training range systems, to the extent practicable, for joint service exercise or Navy battlegroup training. The conferees direct that the Defense Department conduct a technical evaluation, using actual equipment, to compare the capabilities, performance, and costs of an integrated LATR/KITS system to JTCTS. The conferees therefore agree to provide the full amount requested in RDT&E for JTCTS, plus an additional $2,500,000 in the Navy RDT&E account only for LATR/KITS integration. The conferees agree to a reduction of a total of $9,000,000 in Air Force procurement accounts requested for JTCTS, but an increase of a total of $20,000,000 in Navy and Air Force Other Procurement accounts which is only for purchase of equipment needed to conduct the technical evaluation, and purchase of objective systems once reporting requirements in the next paragraph have been met. Of this amount, $8,000,000 is only to begin installation of a rangeless training system to support Cope Thunder exercises. Further, the conferees direct that the JTCTS RDT&E funds are provided to proceed with equipping CAG 5 with an initial JTCTS training capability in fiscal year 1999.

The goal of the technical evaluation is to ensure that the Defense Department has identified the best technical solution to meet its rangeless training needs which minimizes technical risk at lowest life cycle cost based on performance of real equipment in a realistic environment. The conferees direct that no funds may be obligated for rangeless training production, other than those needed to conduct the technical evaluation, until the following criteria have been met:

The Director of Operational Test and Evaluation in the Office of the Secretary of Defense has certified to the congressional defense committees that the Defense Department has established a technical evaluation between JTCTS and integrated LATR/KITS which is reasonable, realistic, and objective in order to determine the relative performance of the systems;

The technical evaluation has been conducted and the results reported to the congressional defense committees; and

The Undersecretary of Defense for Acquisition and Technology has certified to the congressional defense committees that the best technical solution to meet DOD rangeless training requirements at the best value has been identified and validated by the results of the technical evaluation. His certification should include a determination whether the most cost effective method to satisfy future Navy and Air Force training needs is to continue development and deployment of JTCTS, begin an evolutionary LATR/KITS system development and deployment, or expand the JTCTS program to include integrated LATR/KITS features.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST AND EVAL AF				
DEFENSE RESEARCH SCIENCES	209,395	202,751	209,395	210,395
MATERIALS	62,578	72,578	68,678	75,278
AEROSPACE PROPULSION	69,061	74,061	69,561	69,561
PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	125,139	129,139
COMMAND CONTROL AND COMMUNICATION	65,175	67,675	65,175	72,175
DUAL USE APPLICATIONS PROGRAM	19,606	19,606	10,000	10,000
LOGISTICS SYSTEMS TECHNOLOGY	8,677	9,677	8,677	9,177
ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	37,006	25,006	33,006
AEROSPACE PROPULSION SUBSYSTEMS INTEGRATION	30,814	30,814	27,814	27,814
ADVANCED AVIONICS FOR AEROSPACE VEHICLES	26,442	26,442	29,442	28,642
AEROSPACE PROPULSION AND POWER TECHNOLOGY	38,984	38,984	36,984	36,984
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	22,603	35,103	30,053
ELECTRONIC COMBAT TECHNOLOGY	25,553	31,553	39,553	25,553
SPACE AND MISSILE ROCKET PROPULSION	21,121	25,121	21,121	24,121
ADVANCED SPACECRAFT TECHNOLOGY	42,571	54,571	65,071	60,571
ADVANCED WEAPONS TECHNOLOGY	40,153	50,153	46,153	53,653
AIRBORNE LASER PROGRAM	292,219	292,219	235,219	267,219
SATELLITE SYSTEM SURVIVABILITY			15,000	7,500
NATO RESEARCH AND DEVELOPMENT (H)	11,117		10,717	4,117
INTERCONTINENTAL BALLISTIC MISSILE—DEM/VAL	29,360	42,360	16,360	27,337
GLOBAL BROADCAST SERVICE	70,147	67,947	70,147	70,147
AIR FORCE/NRO PARTNERSHIP (AFNP)	17,645		17,645	17,645
SPACE-BASED LASER	35,000	25,000	35,000	35,000
VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT			7,400	4,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,803	9,803		3,000
F–22 EMD	1,582,217	1,582,217	1,582,217	1,575,417
EW DEVELOPMENT	90,126	95,126	100,126	98,626
SPACE BASED INFRARED SYSTEM (SBIRS) HIGH EMD	538,438	538,438	543,238	541,938
GLOBAL POSITIONING SYSTEM BLOCK IIF (SPACE)	62,591	62,591	84,591	73,591
LIFE SUPPORT SYSTEMS	3,744	6,744	3,744	6,244
COMBAT TRAINING RANGES	14,581	13,181	14,581	14,581
COMPUTER RESOURCE TECHNOLOGY TRANSITION (CRTT)	200	4,200	200	2,200
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	27,937	14,037	17,937	15,937
EVOLVED EXPENDABLE LAUNCH VEHICLE PROGRAM (SPACE)	280,297	230,297	280,297	260,297
THREAT SIMULATOR DEVELOPMENT	32,582	29,582	39,582	34,582
TARGET SYSTEMS DEVELOPMENT	1,666	1,666	9,666	6,666
MAJOR T&E INVESTMENT	34,518	42,018	39,518	41,068
INITIAL OPERATIONAL TEST & EVALUATION	24,541	24,541	24,541	29,541
TEST AND EVALUATION SUPPORT	370,168	376,168	366,168	363,168
DEVELOPMENT PLANNING	6,075	6,075	4,075	4,075
POLLUTION PREVENTION	1,673	1,673	6,673	5,173
ROCKET SYSTEMS LAUNCH PROGRAM (SPACE)	7,865	18,865	7,865	14,865
B–52 SQUADRONS	6,436	6,436	5,036	6,436
REGION/SECTOR OPERATION CONTROL CENTER MODERNIZATION	13,592	21,792	18,792	21,792
F–16 SQUADRONS	125,076	125,076	145,076	140,076
ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE (AMRAAM)	45,078	15,078	36,078	36,078
SPECIAL EVALUATION PROGRAM	92,551	72,551	102,551	102,551
AIRCRAFT ENGINE COMPONENT IMPROVEMENT PROGRAM	92,069	117,069	92,069	97,069
JOINT AIR-TO-SURFACE STANDOFF MISSILE (JASSM)	132,870	129,870	132,870	129,870
AIRBORNE WARNING AND CONTROL SYSTEM (AWACS)	28,189	28,189	36,189	34,189
EVALUATION AND ANALYSIS PROGRAM	84,950	84,950	72,150	72,150
ADVANCED PROGRAM TECHNOLOGY	74,707	79,707	74,707	77,207
THEATER BATTLE MANAGEMENT (TBM) C4I	27,292	27,292	32,292	30,792
AIRBORNE RECON SYSTEMS		47,362		
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	123,793	98,193	98,793	101,793
SEEK EAGLE	17,590	19,590	17,090	19,090
ADVANCED PROGRAM EVALUATION	272,914	260,914	251,014	208,314
TACTICAL INFORMATION PROGRAM (TIP)	10,685		10,685	
INFORMATION WARFARE SUPPORT	1,375	1,375	3,375	2,375
FOREIGN TECHNOLOGY DIVISION	1,234	1,234	1,834	2,134
MISSILE AND SPACE TECHNICAL COLLECTION	18,595	26,595	12,595	20,595
E–4B NATIONAL AIRBORNE OPERATIONS CENTER (NAOC)	4,233	4,233	2,143	2,143
DEFENSE SATELLITE COMMUNICATIONS SYSTEM (SPACE)	15,641	13,141	15,641	14,141
INFORMATION SYSTEMS SECURITY PROGRAM	8,420	10,420	8,420	9,420
SECURITY AND INVESTIGATIVE ACTIVITIES	458	1,458	458	1,458
TITAN SPACE LAUNCH VEHICLES (SPACE)	87,443	87,443	77,443	77,443
DEFENSE METEOROLOGICAL SATELLITE PROGRAM (SPACE)	20,432	17,932	20,432	17,932
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	67,238	62,238	36,638	36,638
ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	155,457	188,957
ADVANCED SENSORS/TECHNOLOGY			134,768	126,768
COMMON IMSGERY GROUND/SURFACE SYS			20,379	
MANNED RECONNAISSANCE SYSTEMS		25,800	21,566	38,366
DISTRIBUTED COMMON GROUND/SURFACE SYSTEM INTEROPERABIL		14,701		21,159
SPACETRACK (SPACE)	39,532	38,532	42,832	45,832
C–5 AIRLIFT SQUADRONS	47,940	47,940	33,736	33,736
C–17 AIRCRAFT	123,069	123,069	108,069	119,069
KC–135S	11,093	11,093	1,093	1,093
INDUSTRIAL PREPAREDNESS	50,997	50,997	53,997	52,997
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN	970	970	14,970	10,470
COBRA BALL (FLD)			8,000	6,000
CLASSIFIED PROGRAMS	4,420,330	4,188,138	4,189,930	4,281,116
CIVILIAN PERSONNEL UNDEREXECUTION				−9,600

[In thousands of dollars]

	Budget	House	Senate	Conference
ADVISORY AND ASSISTANCE SERVICES		−40,000		−40,000
COMPASS CALL		20,000		12,500

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	209,395	202,751	209,395	210,395
Coal derived jet fuel	0	3,500	0	3,000
Center for Adaptive Optics	0	3,000	0	2,000
Basic Research reduction	0	−13,144	0	−4,000
Sacramento Peak Observatory	0	[650]	[650]	[650]
Air Force Research Lab mission-focused research projects through AFIT	0	0	[3,000]	[3,000]
MATERIALS	62,578	72,578	68,678	75,278
Advanced Material Research	0	10,000	0	8,000
Friction stir welding	0	0	1,500	1,200
Environmentally safe aircraft coating	0	0	2,000	1,500
Inorganic/organic optical limiters	0	0	2,600	2,000
AEROSPACE PROPULSION	69,061	74,061	69,561	69,561
Variable dispacement vane pump for KC–135	0	5,000	2,000	3,000
Program reduction	0	0	−4,000	−4,000
Thermophotovoltaics	0	0	2,500	1,500
PHILLIPS LAB EXPLORATORY DEVELOPMENT	116,139	116,139	125,139	129,139
HAARP	0	0	9,000	9 000
Terabit	0	0	0	4,000
COMMAND CONTROL AND COMMUNICATIONS	65,175	67,676	65,175	72,175
Protein memory	0	2,500	0	2,000
Cyber security program	0	0	[8,000]	5,000
ADVANCED MATERIALS FOR WEAPON SYSTEMS	21,006	37,006	25,006	33,006
Advanced low observable coatings	0	9,000	0	4,000
National Center for Industrial Competitiveness	0	7,000	0	5,000
Aerospace metals programs	0	0	4,000	3,000
CREW SYSTEMS AND PERSONNEL PROTECTION TECHNOLOGY	16,603	22,603	35,103	30,053
Ejection seat technology	0	3,000	0	0
Aircrew laser eye protection	0	3,000	5,500	4,250
Panoramic night vision goggles	0	0	3,000	2,200
ACES II risk reduction	0	0	2,000	2,000
Helmet display technology	0	0	8,000	5,000
BALLISTIC MISSILE TECHNOLOGY	0	16,000	16,000	16,000
Missile and GPS range safety technology dev. and demonstration	0	16,000	16,000	16,000
ADVANCED SPACECRAFT TECHNOLOGY	42,571	54,571	65,071	60,571
Scorpius	0	5,000	0	2,500
Miniature satellite threat reporting system	0	7,000	0	5,000
Range upgrades to support upper stage flight experiments	0	0	5,000	0
Solar orbital transfer vehicle	0	0	7,500	4,500
Micro-Satellite Technology Program	0	0	10,000	6,000
ADVANCED WEAPONS TECHNOLOGY	40,153	50,153	46,153	53,653
Geo Space Object Imaging	0	10,000	0	7,500
Field laser radar upgrade	0	0	6,000	6,000
AIRBORNE LASER PROGRAM	292,219	292,219	235,219	267,219
Aircraft purchase and integration	0	0	−97,000	0
Ground testing and targets	0	0	40,000	0
Concurrency	0	0	0	−25,000
INTERCONTINENTAL BALLISTIC MISSILE—DEM/VAL	29,360	42,360	16,360	27,337
Conventional ICBM ACTD	0	13,000	0	11,000
Advanced IMU	0	0	−8,000	−6,000
AIMU interferometer fiber opic gyro	0	0	−3,000	−3,000
Sensor/instrumentation integration	0	0	−2,000	−2,000
Evaluate force applications technologies of AF Global Studies	0	0	0	−2,023
VARIABLE STABILITY IN-FLIGHT SIMULATOR TEST AIRCRAFT	0	0	7,400	4,000
3NF–16D VISTA support	0	0	3,800	0
NF–16D VISTA VSS:				
Improvements	0	0	1,100	0
Ground simulator	0	0	1,500	0
Hotbench	0	0	1,000	0
NF–16D VISTA Support and VSS	0	0	0	4,000
HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM (HDBTDS)	9,803	9,803	0	3,000
Complete Joint Analysis of Alternatives	0	0	0	3,000
F–22 EMD	1,582,217	1,582,217	1,582,217	1,575,417
Unused award fees identified by GAO	0	0	0	−6,800
EW DEVELOPMENT	90,126	95,126	100,126	98,626
Advanced flares for B–1 and C–17	0	5,000	0	4,000
Classified adjustment	0	0	10,000	0
PLAID for AN/ALR–69 (transfer from 0603270F)	0	0	0	4,500
THREAT SIMULATOR DEVELOPMENT	32,582	29,582	39,582	34,582
JMASS delays	0	−3,000	0	−3,000
REDCAP/DIADS	0	0	0	5,000
Integration with ECIT	0	0	4,000	0
Simulation threat correlation	0	0	600	0
Special project laydowns	0	0	1,000	0
Technology proliferation	0	0	1,400	0
MAJOR T&E INVESTMENT	34,518	42,018	39,518	41,068
Santa Rosa Island range complex	0	5,000	0	2,500
Eglin Range Complex	0	2,500	0	1,250
Hypersonic wind tunnel	0	0	5,000	2,800
TEST AND EVALUATION SUPPORT	370,168	376,168	366,168	363,168
Air Force Flight Test Center safety improvements	0	6,000	0	3,000
Program reduction	0	0	−4,000	−10,000
JOINT SURVEILLANCE AND TARGET ATTACK RADAR SYSTEM	123,793	98,193	98,793	101,793
RTIP reduction	0	−25,600	−25,000	−25,000
JSTARS multi-service datalink competition	0	0	0	3,000
SEEK EAGLE	17,590	19,590	17,090	19,090
LongShot	0	2,000	0	1,500
Program reduction	0	0	−500	0
NAVSTAR GLOBAL POSITIONING SYSTEM (USER EQUIPMENT)	67,238	62,238	36,638	36,638
NAVWAR pricing	0	−5,000	0	0
NAVWAR EMD	0	0	−28,600	−28,600
Undefined product improvement efforts	0	0	−2,000	−2,000
ENDURANCE UNMANNED AERIAL VEHICLES	4,307	182,975	155,457	188,957
Darkstar	0	40,518	0	34,000
Global Hawk transfer/increase	0	90,051	115,051	102,551
CGS transfer	0	48,099	36,099	48,099
ADVANCED SENSORS/TECHNOLOGY	0	0	134,768	126,768
Transfer	0	0	125,768	125,768
EO framing	0	0	9,000	0
High Data Rate Laser Comms	0	0	0	1,000
COMMON IMAGERY GROUND/SURFACE SYS	0	0	20,379	0

[In thousands of dollars]

	Budget	House	Senate	Conference
MANNED RECONNAISSANCE SYSTEMS	0	25,800	21,566	38,366
U–2 transfers	0	25,800	7,466	26,766
Fuel conversion	0	0	3,600	3,600
Glass cockpit	0	0	3,000	3,000
RAS–1R	0	0	7,500	5,000
DISTRIBUTED COMMON GROUND/SURFACE SYSTEM	0	14,701	0	21,519
INTEROPERABILITY, NIMA				
SPACETRACK (SPACE)	39,532	38,532	42,832	45,832
HAVE STARE	0	−1,000	0	−1,000
AEOS activities	0	0	3,300	7,300
(NOTE: The AEOS activities increase is provided for the following: $1,400,000 is only for the spectrograph program; $1,300,000 is only for AEOS-related acquisition and research; and $4,000,000 is only for MSSS research and development efforts.)				
C–5 Airlift Squadrons	47,940	47,940	33,736	33,736
System design and test	0	0	−8,415	−8,415
Preproduction fabrication	0	0	−3,209	−3,209
Software development	0	0	−2,580	−2,580
INDUSTRIAL PREPAREDNESS	50,997	50,997	53,997	52,997
Aerospace metals programs	0	0	3,000	2,000
Wright Technology Network	0	[1,000]	0	[1,000]
PRODUCTIVITY, RELIABILITY, AVAILABILITY, MAINTAIN	970	970	14,970	10,470
Aging Landing Gear Life Extension Program	0	0	6,000	4,000
Blade repair facility	0	0	8,000	5,500

AVIATION SAFETY

The Committee understands that the U.S. Air Force is working with the Federal Aviation Administration (FAA) to use the capabilities at the FAA Airworthiness Assurance Center of Excellence and other FAA research resources for projects that will enhance the safety of both military and civilian aircraft. The Committee encourages increased coordination to maximize improvements in safety research and to avoid duplicative efforts.

AIRBORNE LASER PROGRAM

The conferees have provided $267,219,000, a reduction of $25,000,000 to the budget request. The conferees direct that the first priority within the available funds shall be to conduct a meaningful ground demonstration of the capability to produce a high energy beam, compensate the beam for atmospheric disturbances, and measure the deposition of laser energy on a target under realistic test conditions. The funding level recommended by the conferees reduces concurrency in the program to enable the lessons learned from the test to be incorporated in the program.

HARD AND DEEPLY BURIED TARGET DEFEAT SYSTEM

The conferees have provided a total of $6,000,000, with $3,000,000 in the RDT&E, Navy account and $3,000,000 in the RDT&E, Air Force account. The conferees direct that the $6,000,000 shall be available only for completion of a joint analysis of alternatives (AOA) as well as planning efforts associated with establishing a joint hard and deeply buried target defeat program.

TARGET SYSTEMS DEVELOPMENT

The conferees agree with the Senate direction with regard to the KC–135 Big Crow report and further direct that the report be provided no later than December 31, 1998.

TACTICAL AIR RECONNAISSANCE SYSTEM

The conferees believe that if the Defense Department decides to acquire additional sensors for the AF Tactical Air Reconnaissance System (TARS) program, the Department should consider the CA 261, the MAEO and other sensors based on best value, capability and stated Air Force requirements.

WARFIGHTER

The conferees continue to support the Warfighter–1 program. The conferees are concerned however, that the license amendment for commercial operation of the Warfighter–1 sensor has still to be adjudicated 13 months after initial application. While the conferees recognize the importance of a stringent national security review before any commercial remote sensing license is granted, the excessive length of the review process may jeopardize program milestones and objectives.

The conferees therefore, strongly encourage the Secretary of Defense and the Director of Central Intelligence to take immediate steps to resolve remaining license issues and report to the Committees on Appropriations no later than November 15, 1998 on the resolution of all outstanding issues concerning the commercial operation of the Warfighter–1 program.

EVOLVED EXPENDABLE LAUNCH VEHICLE (EELV)

The conferees agree to provide $260,297,000 for the Evolved Expendable Launch Vehicle Program, a reduction of $20,000,000 to the budget request. The conferees also agree to House language directing that reports and certifications regarding the EELV program be provided to the Committees on Appropriations and necessary program information be provided to the Comptroller General. The conferees do not agree that the obligation of fiscal year 1999 appropriations for the EELV program should be restricted pending the receipt of said reports and certifications.

DEFENSE SATELLITE COMMUNICATIONS SYSTEM (DSCS)

The conferees agree to the House language requiring the Air Force to report to the Committees on Appropriations on the resolution of difficulties associated with the completion of the operational requirements document for the DSCS follow-on system. The conferees do not agree that the report needs to be provided prior to the release of any draft RFP for the DSCS follow-on system.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
RESEARCH DEVELOPMENT TEST & EVAL DEFWIDE:				
UNIVERSITY RESEARCH INITIATIVES	216,320	218,400	219,320	229,420
GULF WAR ILLNESS	19,646	19,646	19,646	23,796
GOVERNMENT/INDUSTRY COSPONSORSHIP OF UNIVERSITY RESEAR	9,870		9,870	4,870
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	25,282	25,282	30,282	28,782
NEXT GENERATION INTERNET	40,000	53,000	30,000	50,000
SUPPORT TECHNOLOGIES—APPLIED RESEARCH	86,866	81,866	100,866	97,866
MEDICAL FREE ELECTRON LASER	9,706	17,206	16,706	14,706
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	390,723	346,323	331,323
BIOLOGICAL WARFARE DEFENSE	88,000	88,000	82,500	82,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	66,683	63,583
TACTICAL TECHNOLOGY	188,995	151,995	192,995	175,395
INTEGRATED COMMAND AND CONTROL TECHNOLOGY	34,000	40,000	42,000	40,000
MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	253,408	271,408	277,908
WMD RELATED TECHNOLOGIES	203,598	204,598	221,598	215,598
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	14,850	14,650
COUNTERTERROR TECHNICAL SUPPORT	35,813	35,813	40,813	38,313
COUNTERPROLIFERATION SUPPORT—ADV DEV	70,611	55,611	77,611	53,111
SUPPORT TECHNOLOGIES—ADVANCED TECHNOLOGY DEVELOPMENT	166,676	193,676	299,676	277,676
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM—ADVANCED DEV	42,762	55,262	42,762	51,762
VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	48,052	63,052	58,052
GENERIC LOGISTICS R&D TECHNOLOGY DEMONSTRATIONS	17,788	25,388	21,788	23,788
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM		59,419		59,419
JOINT WARFIGHTING PROGRAM	23,700	23,700	19,100	19,100
COOPERATIVE DOD/VA MEDICAL RESEARCH		11,000		6,000
ADVANCED ELECTRONICS TECHNOLOGIES	244,737	264,537	261,337	264,637
MARITIME TECHNOLOGY	15,000	15,000		
ELECTRIC VEHICLES				9,000
ADVANCED CONCEPT TECHNOLOGY DEMONSTRATIONS	116,330	81,076	110,330	89,830

[In thousands of dollars]

	Budget	House	Senate	Conference
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	120,927	163,927	153,927
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	177,000	181,300
COMMUNICATION AND SIMULATION TECHNOLOGY	56,114	56,114	56,114	54,114
SENSOR AND GUIDANCE TECHNOLOGY	213,154	203,654	233,054	208,054
LAND WARFARE TECHNOLOGY	108,490	96,890	93,490	92,990
CLASSIFIED DARPA PROGRAMS	55,500	42,000	55,500	51,000
DUAL USE APPLICATION PROGRAMS	6,000		6,000	6,000
JOINT WARGAMING SIMULATION MANAGEMENT OFFICE	70,696	70,696	61,496	61,496
PHYSICAL SECURITY EQUIPMENT	31,792	31,792	25,792	25,792
ADVANCED SENOR APPLICATIONS PROGRAM	15,147	15,147	17,147	18,147
CALS INITIATIVE	1,863	11,363	6,863	7,863
NATO RESEARCH AND DEVELOPMENT	10,762		8,462	5,762
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD	497,752	392,752	497,752	445,252
NAVY THEATER WIDE	190,446	340,446	295,446	338,446
MEADS CONCEPTS—DEM/VAL	43,027	43,027	10,027	10,027
BOOST PHASE INTERCEPT THEATER MISSILE DEFENSE ACQUISIT			10,000	6,500
JOINT THEATER MISSILE DEFENSE—DEM/VAL	176,846	176,846	209,346	207,846
BMD TECHNICAL OPERATIONS	190,147	190,147	192,147	191,147
INTERNATIONAL COOPERATIVE PROGRAMS	50,676	50,676	62,676	59,676
THREAT AND COUNTERMEASURES	22,113	22,113	25,113	24,613
HUMANITARIAN DEMINING	17,234	8,234	19,234	18,734
JOINT ROBOTICS PROGRAM—ENG DEV	11,307	11,307	18,307	15,307
COMMERCIAL OPERATIONS AND SUPPORT SAVINGS INITIATIVE	13,410	13,410	13,410	8,000
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD—EMD	323,942	22,942		
PATRIOT PAC–3 THEATER MISSILE DEFENSE ACQUISITION	137,265	177,265	182,265	182,265
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	17,423	109,923
CLASSIFIED PROGRAM USD(P)		3,387		3,387
CLASSIFIED PROGRAMS—C3I	439	439	6,439	6,439
DEFENSE TECHNOLOGY ANALYSIS	5,010	5,010	8,010	8,010
DEFENSE TECHNICAL INFORMATION SERVICES (DTIC)	46,469	46,469	45,469	45,469
INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	239,081	251,081
DEFENSE IMAGERY AND MAPPING PROGRAM	114,417	109,417	114,417	109,417
DISTRIB/IMAGERY COMMON GRD SYS		9,358		5,080
DISTRIB COMMON GRD SYS		2,540		
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	30,617	48,504	44,609
AIRBORNE RECONNAISSANCE SYSTEMS	162,666		15,000	
MANNED RECONNAISSANCE SYSTEMS	10,840		5,874	
MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	4,085	9,959
DISTRIBUTED COMMON GROUND SYSTEMS	34,985		4,200	
TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	201,810	104,510	115,564
PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	1,957	4,957
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	34,020	8,020	29,020
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	106,238	113,238	107,738
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	10,805	1,805	8,805
SOF OPERATIONAL ENHANCEMENTS	33,799	47,604	33,799	45,599
CLASSIFIED PROGRAMS	1,057,100	1,141,826	1,163,100	1,157,958
ADVISORY AND ASSISTANCE SERVICE		− 50,000		− 50,000
CIVILIAN PERSONNEL UNDEREXECUTION				− 7,200

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
DEFENSE RESEARCH SCIENCES	65,102	65,102	65,102	65,102
Interdisciplinary research in anticorrosion	0	0	[1,200]	[1,000]
Research on applications of spectral hole burning	0	0	[2,000]	[1,400]
UNIVERSITY RESEARCH INITIATIVES	216,320	218,400	219,320	229,420
Southern observatory for astronomical research (SOAR)	0	0	3,000	2,200
Anticorrosion research on aluminum clad systems used in aircraft fleets	0	0	[1,250]	[1,250]
Defense Experimental Program to Stimulate Competitive Research	0	15,000	[20,000]	[20,000]
Software quality and productivity	0	0	[1,300]	[1,300]
Photoacoustic detection device	0	1,800	0	1,200
Medical ultrasound technology	0	1,600	0	1,200
Program reduction	0	− 16,320	0	0
Military Family Research Institute	0	[9,000]	0	[8,000]
Acoustic sensor technology development planning	0	0	[1,000]	1,000
New Starts	0	0	0	5,500
Computational neuroscience (Note: $2,000,000 shall be available only to add a multi-disciplinary URI topic area on computational neuroscience and vision studies for learning and human/machine interaction.)	0	0	0	2,000
NEXT GENERATION INTERNET	40,000	53,000	30,000	50,000
Program reduction	0	0	− 10,000	0
Program increase	0	13,000	0	10,000
Partnerships between centers with super computers purchased with DOD RDT&E funds and DOD MSRCs	0	0	0	[5,000]
SUPPORT TECHNOLOGIES—APPLIED RESEARCH	86,866	81,866	100,866	97,866
Wideband gap semiconductor research	0	5,000	14,000	11,000
Space-based laser	0	− 10,000	0	0
COMPUTING SYSTEMS AND COMMUNICATIONS TECHNOLOGY	417,723	390,723	346,323	331,323
Hand free interface	0	0	− 7,500	− 7,500
Joint infrastructure protection	0	0	− 69,900	− 69,900
Software security research	0	0	500	500
Asset source for software engineering technology [ASSET]	0	0	2,500	2,500
Reuse technology adoption program	0	0	3,000	2,000
Multi-spectral imaging	0	5,000	0	2,000
Computer security	0	2,000	0	1,000
Networking	0	− 34,000	0	− 20,000
Applied Software Engineering (Note: $3,000,000 is only for the National Applied Software Engineering Center to perform a Microelectronics and Very Large-Scale Integration (VSLI) software initiative to demonstrate the integration of artificial intelligence software technologies with VLSI microelectronics circuits.)	0	0	0	3,000
BIOLOGICAL WARFARE DEFENSE	88,000	88,000	82,500	82,000
Program reduction	0	0	− 7,000	− 7,000
Biological warfare multimedia demonstration	0	0	1,500	1,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM	57,683	57,683	66,683	63,583
Chemical and biological detection sensor	0	0	5,000	3,500
Safeguard	0	0	4,000	2,400
TACTICAL TECHNOLOGY	188,995	151,995	192,995	175,395
Center of excellence for research in ocean sciences [CEROS]	0	0	7,000	7,000
Simulation-based design	0	2,000	5,000	2,000
Microadaptive flow control	0	0	− 3,000	− 3,000
Counterartillery force protection	0	0	− 5,000	− 5,000
High performance algorithm development	0	− 5,600	0	− 5,600
Advanced fire support system	0	− 8,000	0	− 4,000
Program reduction	0	− 25,400	0	− 5,000
MATERIALS AND ELECTRONICS TECHNOLOGY	244,408	253,408	271,408	277,908
Multitechnology integration in mixed-mode electronics [MIME]	0	0	8,000	5,000
3–D diamond electronics	0	0	9,000	5,500
Seamless high off chip connectivity [SHOCC]	0	0	8,000	5,000

[In thousands of dollars]

	Budget	House	Senate	Conference
Cryogenic/superconducting electronics	0	0	8,000	5,000
Electromagnetic pulse [EMP]	0	0	2,000	0
Sonoelectronics	0	0	−8,000	−8,000
MEMS deep silicon etching process technology	0	7,500	0	7,000
Nanophase magnetic particle (advanced materials research institute)	0	4,000	0	7,000
Polymer materials and processing	0	5,000	0	4,000
Strategic Materials Manufacturing	0	0	[2,000]	[2,000]
Laser diode array alignment (Note: $3,000,000 is only for the development of automated laser diode bar mounting techniques.)	0	0	0	3,000
WMD RELATED TECHNOLOGIES	203,598	204,598	221,598	215,598
Nuclear weapons effects technology	0	0	10,000	7,000
Thermionics	0	0	5,000	3,000
Deep digger	0	0	3,000	2,000
Facial recognition technology	0	1,000	0	0
EXPLOSIVES DEMILITARIZATION TECHNOLOGY	11,650	13,650	14,850	14,650
Program increase	0	2,000	2,000	2,000
Demilitarization advanced cutting technology	0	0	1,200	1,000
COUNTERTERROR TECHNICAL SUPPORT	35,813	35,813	40,813	38,313
Facial recognition technology	0	0	4,000	2,500
Pulsed fast neutron analysis	0	0	1,000	0
Transfer	0	−25,000	0	0
COUNTERPROLIFERATION SUPPORT—ADV DEV	70,611	55,611	77,611	53,111
HAARP	0	0	3,000	1,500
Counterproliferation analysis planning system [CAPS]	0	10,000	4,000	6,000
Transfer (special reconnaissance capabilities)	0	−25,000	0	−25,000
SUPPORT TECHNOLOGIES—ADVANCED TECHN. DEVELOPMENT	166,676	193,676	299,676	277,676
Scorpius space launch tech	0	5,000	5,000	4,000
Excalibur space launch tech	0	0	5,000	4,000
Space-based laser demonstrator	0	0	94,000	74,000
Atmospheric interceptor technology	0	22,000	22,000	22,000
Photoconduction on active pixel sensors	0	0	5,000	5,000
Silicon thick film mirror coatings	0	0	2,000	2,000
CHEMICAL AND BIOLOGICAL DEFENSE PROGRAM—ADVANCED DEV	42,762	55,262	42,762	51,762
Biocide-based protective ensembles	0	2,500	0	1,500
Exposure to low levels of chemical agents and sub-chronic exposures	0	10,000	0	7,500
VERIFICATION TECHNOLOGY DEMONSTRATION	63,052	48,052	63,052	58,052
Program reduction	0	−25,000	0	−15,000
Nuclear detection, analysis and forensics systems (Note: $5,000,000 is only for continuation of the industry based program and $5,000,000 is only for accelerated development of nuclear detection systems.)	0	10,000	0	10,000
Peer reviewed basic and applied research to support nuclear testing (Note: Of the $8,500,000, $7,300,000 shall be available only for basic peer-reviewed explosion seismology research; and $1,200,000 shall be available only for applied peer-reviewed explosion seismology research. The conferees direct that the applied seismic research program address the specific prioritized research topics recommended to the Department by the National Research Council.)	0	[12,000]	0	[8,500]
STRATEGIC ENVIRONMENTAL RESEARCH PROGRAM	0	59,419	0	59,419
Transfer from RDTE,A	0	54,419	0	54,419
Environmental workers safety	0	2,000	0	2,000
Risk-based approach to research effects of toxic chemicals	0	3,000	0	3,000
ADVANCED ELECTRONICS TECHNOLOGIES	244,737	264,537	261,337	264,637
X-ray masks for F–22, Apache Longbow	0	0	10,000	7,000
Advanced lithography	0	0	10,000	7,000
Defense techlink center	0	0	1,000	1,000
Center for advanced microstructures and devices	0	[4,000]	4,000	4,000
Molecular level printing program acceleration	0	0	−3,300	−3,300
Submarine sensor suite development	0	0	−5,100	−5,100
Cryogenic electronics	0	9,500	0	0
Laser plasma x-ray source technology	0	7,000	0	6,000
Nanotechnology and crystalline control arrays	0	3,300	0	3,300
HIGH PERFORMANCE COMPUTING MODERNIZATION PROGRAM	140,927	120,927	163,927	153,927
Operation and upgrade of supercomputing centers, purchased with RDT&E funds	0	0	20,000	20,000
High performance visualization center	0	0	3,000	3,000
Program reduction	0	−20,000	0	−10,000
COMMAND, CONTROL AND COMMUNICATIONS SYSTEMS	200,100	172,600	177,000	181,300
Cynamic data bases program	0	0	−5,000	−5,000
Joint forward air component commander [JFACC] acceleration	0	0	−5,800	−5,800
Dynamic multiuser information fusion [DMIF]	0	0	−8,000	−8,000
JSIMS program reduction	0	0	−4,300	0
Program reduction	0	−27,500	0	0
SENSOR AND GUIDANCE TECHNOLOGY	213,154	203,654	233,054	208,054
Enhanced global positioning receiver (GPX)	0	0	−5,600	−5,600
Low cost cruise missile defense airframe design and integration	0	0	−7,500	−7,500
Air directed surface-to-air missile demonstration (ADSAM)	0	0	30,000	0
Large millimeter telescope	0	0	3,000	1,500
GPS Guidance Package	0	6,500	0	6,500
GEOSAR (transfer to Army)	0	11,000	0	0
Tactical Radar/Discoverer II	0	−27,000	0	0
LAND WARFARE TECHNOLOGY	108,490	96,890	93,490	92,990
Reconnaissance, surveillance, and targeting vehicle	0	0	−9,000	−4,500
Tactical mobile robots acceleration	0	0	−3,000	−3,000
Situational awareness system program growth	0	0	−3,000	−8,000
Program reduction	0	−11,600	0	0
CLASSIFIED DARPA PROGRAMS	55,500	42,000	55,200	51,000
Program reduction—UCAV	0	−13,500	0	−4,500
PHYSICAL SECURITY EQUIPMENT	31,792	31,792	25,792	25,792
Analytic system software for safeguards and security	0	0	[3,000]	[3,000]
Program reduction	0	0	−6,000	−6,000
ADVANCED SENSOR APPLICATIONS PROGRAM	15,147	15,147	17,147	18,147
HAARP	0	0	2,000	2,000
Stochastic Resonance Technology	0	0	0	1,000
CALS INITIATIVE	1,863	11,363	6,863	7,863
IDE/continuous acquisition and life-cycle support	0	4,000	5,000	4,000
Commodity management	0	3,000	0	0
Paperless contracting	0	2,500	0	2,000
THEATER HIGH-ALTITUDE AREA DEFENSE SYSTEM—TMD	497,752	392,752	497,752	445,252
User operational evaluation system (40 missiles, spares)	0	0	−180,000	0
Demonstration/validation	0	0	180,000	52,500
User operational evaluation system (40 missiles)	0	−105,000	0	−105,000
NAVY THEATER WIDE	190,446	340,446	295,446	338,446
Program increase	0	150,000	70,000	120,000
Radar improvements competition	0	0	35,000	28,000
MEADS CONCEPTS—DEM/VAL	43,027	43,027	10,027	10,027
Program termination	0	0	−43,027	−43,027
Air directed surface-to-air missile demonstration (ADSAM)	0	0	10,027	10,027
JOINT THEATER MISSILE DEFENSE—DEM/VAL	176,846	176,846	209,346	207,846
Extended air defense testbed	0	0	7,500	6,000
Pacific Missile Range Facility TMD upgrades	0	0	20,000	20,000
Optical-electro sensers	0	0	5,000	5,000
Kauai test facility	0	0	[5,000]	[5,000]
FAMILY-OF-SYSTEMS ENGINEERING AND INTEGRATION	96,915	96,915	96,915	96,915
Air directed surface-to-air missile demonstration (ADSAM)	0	0	[10,000]	[10,000]
BMD TECHNICAL OPERATIONS	190,147	190,147	192,147	191,147

[In thousands of dollars]

	Budget	House	Senate	Conference
Advanced research center	0	0	7,000	6,000
Program reduction	0	0	−5,000	−5,000
HUMANITARIAN DEMINING	17,234	8,234	19,234	18,734
Acoustic technologies	0	0	[800]	[800]
Humanitarian demining	0	0	2,000	1,500
Program reduction	0	−9,000	0	0
JOINT ROBOTICS PROGRAM—ENG DEV	11,307	11,307	18,307	15,307
Joint robotics technology	0	0	6,000	3,000
Robotic combat support system [RCSS] with flailhead for demining	0	0	1,000	1,000
PATRIOT PAC–3 THEATER MISSILE DEFENSE ACQUISITION	137,265	177,265	182,265	182,265
TRANSFER OF FUNDS	0	40,000	40,000	40,000
PAC–3 air directed surface-to-air missile testing	0	0	5,000	5,000
JOINT THEATER AIR AND MISSILE DEFENSE ORGANIZATION	17,423	17,423	17,423	109,923
ADSAM Demonstration	0	0	0	92,500
INFORMATION SYSTEMS SECURITY PROGRAM	239,081	239,081	239,081	251,081
High security computational structure project	0	0	[500]	[500]
Protection of vital data	0	0	0	12,000
DEFENSE RECONNAISSANCE SUPPORT ACTIVITIES (SPACE)	40,504	30,617	48,504	44,609
IBS Transfer	0	−9,887	0	−3,895
Pacific disaster center	0	0	8,000	8,000
MANNED RECONNAISSANCE SYSTEMS	4,085	4,085	4,085	9,959
U–2 transfer	0	0	0	5,874
TACTICAL CRYPTOLOGIC ACTIVITIES	104,510	201,810	104,510	115,564
Adv Sensors transfer	0	0	0	6,359
Adv Technology (NSA)	0	0	0	8,641
DCP program decrease	0	0	0	−3,946
PARTNERSHIP FOR PEACE ACTIVITIES	1,957	5,957	1,957	4,957
International medical programs global satellite surveillance system	0	4,000	0	3,000
SPECIAL OPERATIONS ADVANCED TECHNOLOGY DEVELOPMENT	8,020	34,020	8,020	29,020
Advanced lightweight grenade launcher	0	1,000	0	1,000
Special reconnaissance capabilities program	0	25,000	0	20,000
SPECIAL OPERATIONS TACTICAL SYSTEMS DEVELOPMENT	106,238	106,238	113,238	107,738
Special operations intelligence vehicle	0	0	5,000	0
Light vehicle intercom system	0	0	2,000	1,500
SPECIAL OPERATIONS INTELLIGENCE SYSTEMS DEVELOPMENT	1,805	10,805	1,805	8,805
Joint threat warning system	0	4,000	0	2,000
Special operations intelligence vehicle	0	5,000	0	5,000
SOF OPERATIONAL ENHANCEMENTS	33,799	47,604	33,799	45,599
Advanced special warfare craft/vsv	0	6,000	0	6,000
Classified program	0	7,805	0	5,800

MISSILE DEFENSE

The conferees are concerned by recent evidence that the theater ballistic missile threat is emerging more rapidly and in a more sophisticated form than previously projected. Further, the recent ballistic missile launch by North Korea clearly demonstrates that longer range missiles, even intercontinental class, could soon be within the reach of our adversaries. Thus, world events continue to clearly validate the Defense Department requirement for national missile defenses as well as a mix of upper and lower tier TMD systems to defend U.S. interests and forward-deployed forces.

Testimony this year by the Chief of Naval Operations, Army Chief of Staff, and Director of the Ballistic Missile Defense Organization established that the department's two upper tier systems, THAAD and Navy Theater Wide, are complements, not substitutes, for each other. The conferees are concerned by the THAAD program's failure to achieve an intercept in five attempts. However, believing that additional testing is the appropriate course of action, the conferees have provided $445,252,000 to continue the THAAD Demonstration and Validation flight test program during fiscal year 1999.

The Navy Theater Wide program offers the capability to defend a large area against the medium and longer range ballistic missiles our adversaries are seeking to acquire. The deployability of Navy Theater Wide systems will allow this nation to respond to the theater ballistic missile threat whenever and wherever required. The conferees have a dedicated $338,446,000 to Navy Theater Wide development and strongly urge the Department of Defense to proceed aggressively with development and adequate testing.

The conferees have also provided $950,473,000 for the development of a national missile defense system. The conferees are pleased that this program is now poised to make critical progress given the recent NMD contract award. The conferees view NMD as a national priority and place full responsibility on the Department of Defense to prudently and aggressively complete the technical work and testing necessary for an effective national missile defense system which can provide protection for all 50 states.

The conferees also recognize the Airborne Laser as a high priority and promising program for our nation's defense. The program is proceeding on budget and schedule, and the conferees look forward to the results of ground demonstrations which will provide confidence in the capability of the ABL design.

INFORMATION SYSTEMS SECURITY PROGRAM (ISSP)

The conferees have agreed to provide a total of $251,081,000 for the Information Systems Security Program (ISSP); $12,000,000 over the amount proposed by both the House and the Senate. In its recommendation, the House included a $15,000,000 increase in a different program element and directed that the funding be transferred to the ISSP. The conference agreement reduces the recommended increase to $12,000,000 and funds the program in the correct program element, which eliminates the need for a transfer of funds. The additional $12,000,000 is for a new program to establish a clearinghouse for information related to the protection of vital systems data as addressed in the classified annex accompanying the House-passed fiscal year 1999 Department of Defense Appropriations bill.

SUPPORT TECHNOLOGIES—APPLIED RESEARCH

The conferees urge the Department of Defense to give strong consideration to the potential benefits, both military and civilian offered by the EXCEL Stern Cell process. Providing funding for the EXCEL program in fiscal year 1999 would ready technology for clinical trials and provide the nation with a new and aggressive treatment for individuals exposed to weapons of mass destruction.

GULF WAR ILLNESS

The conferees have provided $23,796,000 for Gulf War Illness research, an increase over the budget of $4,150,000. The conferees agree that within this increase, $3,000,000 may be provided for research into Gulf War Syndrome that includes multi-disciplinary studies of fibromyalgia, chronic fatigue syndrome, multiple chemical sensitivity and the use of research methods of cognitive and computational neuroscience.

NUCLEAR EFFECTS TESTING CAPABILITY

The conferees are concerned that insufficient resources and attention are being paid to ensure the continued survivability of weapon platforms and supporting C3I systems from the effects of a nuclear explosion, particularly in light of India and Pakistan's recent nuclear testing. With the termination of underground nuclear testing and the emerging nuclear capability of rogue states, there is an urgent national security requirement for continued above ground qualification and verification testing of new and upgraded military components and subsystems. The conferees agree that the current industry-based Defense Threat Reduction Agency X-ray simulator program should have increased funding for timely development of affordable pulsed power based x-ray test capabilities that were lost with the cessation of underground nuclear tests and encourage the Department to fund this program at adequate levels in future budgets.

DEVELOPMENTAL TEST AND EVALUATION, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
DEVELOPMENTAL TEST & EVAL. DEFENSE:				
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT	122,169	134,669	122,169	131,669
DEVELOPMENT TEST AND EVALUATION	96,253	96,253	94,253	94,253

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
CENTRAL TEST AND EVALUATION INVESTMENT DEVELOPMENT	122,169	134,669	122,169	131,669
Airborne separation video system	0	9,500	0	8,000
Roadway simulator	0	3,000	0	1,500

OPERATION TEST AND EVALAUTION, DEFENSE

The conference agreement on items addressed by either the House or the Senate is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
OPERATIONAL TEST & EVALUATION, DEFENSE:				
LIVE FIRE TESTING	9,934	19,934	9,934	18,934

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
LIVE FIRE TESTING	9,934	19,934	9,934	18,934
Vulnerability assessments	0	4,000	0	4,000
Modeling and simulation	0	6,000	0	5,000

TITLE V—REVOLVING AND MANAGEMENT FUNDS

The conferees agree to the following amounts for Revolving and Management Funds programs:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Working Capital Funds	94,500	94,500	94,500	94,500
National Defense Sealift Fund	418,166	673,366	669,566	703,366
Total, Revolving and Management Funds	512,666	767,866	764,066	797,866

DEFENSE WORKING CAPITAL FUNDS

The conferees agree to provide $94,500,000 for the Defense Working Capital Fund.

COMMISSARY FUNDING

In view of the Department of Defense decision to move the appropriations requested in support of commissary operations back into the Military Services' operation and maintenance accounts, the conferees expect to see a significant adjustment in the fiscal year 2000 budget request for the Defense Commissary Agency (DeCA) headquarters. The conferees direct the Department of Defense to report to the congressional defense committees on the adjusted responsibilities and purposes of the DeCA headquarters organization in light of this development, no later than December 1, 1998.

NATIONAL DEFENSE SEALIFT FUND

The conferees agree to provide $708,366,000, an increase of $290,200,000 to the budget request. The increase consists of $251,400,000 for a Large Medium Speed Roll-on/Roll-off (LMSR) ship, $28,800,000 to be transferred as specified in the House bill, and $10,000,000 only for Marine Corps' maritime prepositioning ship research and development.

In fiscal year 1997, the Congress provided $250,000,000 above the budget as an initiative to enhance the capabilities of the Maritime Prepositioning Force through procurement of two ships. The Congress recognized that these ships could not only significantly enhance the capability of the Marine Corps during combat operations but also provide a strategic national asset. In order to expedite fielding of the ships, the Marine Corps chose to convert used commercial ships rather than build new ones. The conferees recently discovered that, as was the case in conversion of used commercial ships for Army strategic sealift, the second and third MPF–E ship conversions have suffered significant cost and schedule difficulties. The conferees understand that the Navy issued a solicitation for the third MPF–E ship, but subsequently cancelled it after issues arose on the second ship. The conferees further understand that the Marine Corps must now divert a substantial amount of funds from the third ship to finance increased costs on the second ship in order to make it viable. Given the unfortunate recent events in this program, the conferees have rescinded $65,000,000 from the fiscal year 1997 funds for the third MPF–E ship and direct the Department of the Navy to use the remaining funds for the first two ships in order to keep their fielding on track. Since the third ship is no longer viable, the conferees agree to provide $10,000,000 only for maritime prepositioning ship research and development to begin work on design of a new-construction ship to meet MPF–2010 requirements. The conferees suggest that the CVN–77 "transition-ship" model, to bridge from the capabilities of current MPF sealift ships to the objective future configuration, should be considered. The conferees direct the Secretary of Defense to develop and budget for a new-construction maritime prepositioning ship program and to report by February 1, 1999 to the congressional defense committees on how technical issues in the MPF–E conversion program will be resolved and the new-construction program implemented.

The conferees also agree to rescind funding appropriated in fiscal year 1996 for the National Defense Features (NDF) program by $20,000,000 because of serious funding shortages. The conferees continue to believe that the NDF program would provide great benefits to the defense sealift capabilities of the nation. Therefore, the conferees direct that the remaining $20,000,000 funding be available only for the NDF program and that no funds may be reprogrammed from this program without the approval of the Committees on Appropriations.

TITLE VI—OTHER DEPARTMENT OF DEFENSE PROGRAMS

The conferees agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Defense Health	10,055,822	10,127,622	10,337,322	10,149,872
Chemical Agents and Munitions Destruction, Army	855,100	796,100	780,150	780,150
Drug Interdiction and Counter-Drug Activities, Defense	727,582	764,595	742,582	735,582
Office of the Inspector General	132,064	132,064	132,064	132,064

[In thousands of dollars]

	Budget	House	Senate	Conference
Total, Other Department of Defense Programs	11,770,568	11,820,381	11,992,118	11,797,668

DEFENSE HEALTH PROGRAM

EXPLANATION OF PROJECT LEVEL ADJUSTMENTS

[In thousands of dollars]

	Budget	House	Senate	Conference
Epideremolysis Bullosa	0	1,000	0	1,000
Lyme Disease	0	0	[3,000]	[3,000]
Brain Injury	0	1,500	0	1,500
Breast Cancer	0	25,000	0	[25,000]
Molecular Genetics	0	4,000	0	3,000
Nervous System Studies	0	5,000	0	4,000
Ovarian Cancer	0	10,000	0	10,000
Personel Identification Carrier	0	7,300	0	5,000
Post Polio	0	1,000	0	1,000
POW Studies	0	1,000	0	750
Prostate Cancer Research	0	10,000	0	0
Non-invasive Prostate/Coronary Reversal	0	(2,500)	0	[2,500]
Proton Beam	0	6,000	0	4,000
Air Force Research Laboratory	0	0	(11,000)	(11,000)
Alaska Federal Healthcare Partnership	0	0	1,900	1,900
Brown Tree Snakes	0	0	1,000	1,000
Cancer Control Program	0	0	5,600	5,600
Center for Disaster Management	0	0	[760]	[760]
Disaster Management Training	0	0	5,000	5,000
Graduate School of Nursing	0	0	2,300	2,300
Military Health Services Information Management	0	0	10,000	8,500
Military Nursing Programs	0	0	5,000	5,000
Pacific Island Health Care	0	0	5,000	5,000
PACMEDNET	0	0	10,000	10,000
Uniformed Services University of Health Sciences	0	0	[8,310]	[8,310]
Medical Research and Development	0	0	250,000	19,500
USTF reduction	0	0	− 14,300	0

PACMEDNET

The conferees have provided $10,000,000 to continue this activity, including implementation of automated clinical practice guidelines and outcome management on an individual, as well as a population, basis.

MEDICAL RESEARCH ACTIVITIES

Within the Defense Health Program, the conferees provide an additional $19,500,000 for medical research activities conducted by the Department. The funds are to be used for research that focuses on issues pertinent to our military forces.

Such efforts would include: alcoholism research; sleep management; chemical weapons treatment; disease management; healthcare information protection; lung research; laser eye injury/eye cancer research and treatment; mustard gas anecdote; prostate diagnostic imaging; retinal display technology for cardiovascular research; smoking cessation; neurological examination equipment; digital mammography; Paget's disease; and pediatric asthma. The conferees direct the Deputy Secretary of Defense to work with the Surgeons General of the Services to establish a medical research program that satisfies military objectives in this area.

ABLATABLE DISC LASER VISION CORRECTION

The conferees are aware of the successful clinical trials involving laser vision correction technology and believe this could have the potential to enhance the combat effectiveness, especially in critical night operations, for nearsighted military personnel. The conferees therefore encourage the Department to determine the cost-effectiveness, utility and desirability of ablatable disc laser vision correction technology for military personnel.

SMOKING CESSATION

The conferees agree that not later than 60 days after enactment, effective tobacco cessation products and counseling may be provided for members of the Armed Forces (including retired members), former members of the Armed Forces entitled to retired or retainer pay and dependents of such members and former members who are identified as likely to benefit from such assistance in a manner that does not impose costs on the individual.

CHRONIC DISEASE MANAGEMENT

The conferees strongly request that the Department conduct a study of chronic disease management and the provision of comprehensive care for chronically ill patients outside the hospital emergency room. The conferees believe that such a study may result in a reduction in the number of emergency room visits for chronically ill patients and therefore has the potential to provide savings and a better quality of life.

DENTAL CARE POLICIES

The conferees direct the Secretary of Defense to prepare and submit a report regarding the policies, practices and experience of the uniformed services pertaining to the provision of dental care to dependents, 18 years of age and younger, of active duty members of the uniformed services to the defense congressional oversight committees not later than March 15, 1999.

IMPROVING PATIENT CARE

The conferees are encouraged by Department of Defense efforts to reengineer medical care in accordance with Program Decision Memorandum (PDM) number 1, directed by the Under Secretary of Defense for Personnel and Readiness, the Director of Program Analysis and Evaluation and the Surgeons General. This initiative should improve inpatient and out-patient care in several major urban centers and provide for greater efficiency in the Military Health System. The conferees strongly urge the Department to continue such reengineering efforts and direct the Department to provide a report to the congressional defense committees on subsequent initiatives to accomplish these goals by February 15, 1999.

GALLO INSTITUTE

The conferees strongly support the comprehensive efforts of the Cancer Institute of New Jersey and commend the work of the Gallo Institute to address prostate cancer.

CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, ARMY

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Qty	Conference
CHEM AGENTS & MUNITIONS DESTRUCTION, ARMY					
CHEM DEMILITARIZATION—O&M	531,650	508,650	491,700	....	491,700
CHEM DEMILITARIZATION—PROC	140,670	124,670	115,670	....	115,670
CHEM DEMILITARIZATION—RDTE	182,780	162,780	172,780	....	172,780

DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES, DEFENSE

The conference agreement is as follows:

[In thousands of dollars]

	Budget	House	Senate	Conference
Educate America's youth	12,830	13,730	12,830	13,730
Young Marines	500	1,400	500	1,400
Increase safety of Citizens	86,669	112,069	106,669	121,869
Indiana HIDTA	0	500	0	1,000
Gulf States Counter-drug Initiative C31	1,147	10,147	8,147	10,147
Gulf States Counter-drug Initiative RCTA	2,209	3,209	0	3,809
Multi-Jurisdictional Counter-drug Task Force	2,007	6,207	0	6,207
C–26 Aircraft Photo Reconnaissance Upgrade	0	5,500	0	5,000
Marijuana Eradication/Guard Counter-drug Activities	0	5,200	6,000	7,400
Kentucky	0	5,200	3,800	5,200
Hawaii	0	0	2,200	2,200
Northeast Counterdrug Training Center	0	0	2,000	2,000
Counternarcotics Center at Hammer, WA	0	0	5,000	5,000
Reduce health and social costs	72,936	72,936	72,936	72,936
Shield America's frontiers	301,334	325,334	329,334	306,334
National Guard Cargo/Mail Inspection	29,000	0	29,000	0
National Guard General Support	118,620	158,620	138,620	147,620
Southwest Border Fence	0	5,000	0	3,000
Caribean/eastern Pacific Surface Interdiction	8,500	12,500	16,500	8,500
Southwest Border Information Systems	0	4,000	0	2,000
Break drug sources of supply	253,813	240,526	220,813	220,713
Southern Air Force Counter-drug Support	26,416	7,416	26,416	22,416
Joint Interagency Task Force South	23,063	7,663	6,063	6,063
Operation Caper Focus	0	10,500	0	0
Civil Air Patrol	1,187	3,800	1,187	1,187
SOUTHCOM Observation/Spray Aircraft	0	8,000	0	0
Ground-based End Game—SOUTHCOM	27,660	27,660	17,660	23,660
Ground-based End Game—Mexico	16,000	16,000	10,000	7,900
Total	727,582	764,595	742,582	735,582

CARIBBEAN COUNTER-DRUG ENHANCEMENT

The conferees direct that up to $8,500,000 may be made available to support restoration of enhanced counter-narcotics operations around the island of Hispaniola, for procurement of 2 Schweizer observation/spray aircraft, and for upgrades for 3 UH–1N helicopters for Colombia.

OFFICE OF THE INSPECTOR GENERAL

The conferees agree to provide $132,064,000 for the Office of the Inspector General. Of this amount, $130,764,000 shall be for operation and maintenance activities and $1,300,000 shall be for procurement.

TITLE VII—RELATED AGENCIES

The conferees agree to the following amounts for Related Agencies:

[In thousands of dollars]

	Budget	House	Senate	Conference
Intelligence Community Management Account	138,623	136,123	134,623	129,123
Central Intelligence Agency Retirement and Disability System Fund	201,500	201,500	201,500	201,500
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund	15,000	15,000	25,000	25,000
National Security Education Trust Fund	5,000	3,000	3,000	3,000

INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

Details of the adjustments to this account are addressed in the classified annex accompanying this report.

TITLE VIII—GENERAL PROVISIONS

The conference agreement incorporates general provisions of the House and Senate versions of the bill which were not amended. Those general provisions that were amended in conference follow:

The conferees included a general provision (Section 8005) which amends language concerning transfer authority.

The conferees included a general provision (Section 8014) which amends language requiring the Department of Defense to report to the Congress on contracting out Department of Defense functions performed by ten or more Department of Defense personnel.

The conferees included a general provision (Section 8033) which amends House language to earmark funds for the Civil Air Patrol.

The conferees included a general provision (Section 8034) governing the activities of defense federally funded research and development centers (FFRDCs).

The conferees included a general provision (Section 8056) which amends Senate language authorizing intelligence activities.

The conferees included a general provision (Section 8058) which amends language recommending rescissions. The rescissions are:

	Conference
Fiscal year 1988:	
Shipbuilding and Conversion, Navy: Excess funds	–$19,431,327
Fiscal year 1989:	
Shipbuilding and Conversion, Navy: Excess funds	–17,407,490
Fiscal year 1990:	
Shipbuilding and Conversion, Navy: Excess funds	–18,974,163
Fiscal year 1991:	
Shipbuilding and Conversion, Navy: Excess funds	–1,819,438
Fiscal year 1992:	
Shipbuilding and Conversion, Navy: Excess funds	–3,307,524
Fiscal year 1993:	
Shipbuilding and Conversion, Navy: Excess funds	–4,540,746
Fiscal year 1997:	
Research, Development, Test and Evaluation, Defense-wide: THAAD	–67,000,000
Missile Procurement, Air Force: Classified program	–8,000,000
Fiscal year 1998:	
Missile Procurement, Army: EFOGM	–12,800,000
Procurement of Weapons and Tracked Combat Vehicles, Army: MIAID	–6,700,000
Other Procurement, Army: NATO AGS	–24,000,000
Shipbuilding and Conversion, Navy: CVN Refueling	–35,000,000
Weapons Procurement, Navy: MA–31 target delay	–2,000,000
Other Procurement, Navy:	
NULKA decoy delay	–15,000,000
WLQ–4 cancelled requirements	–1,500,000
Type 8B Mod 3 periscopes, cancelled requirement	–3,000,000
Other Navigation Equipment, contract savings	–1,700,000
Pollution Control Equipment, decommissioned ships	–3,600,000
Other training equipment, BFTT contract savings	–1,400,000
AN/SQQ–62 sonobouy, contract savings	–2,300,000
Subtotal	–28,500,000
Procurement of Ammunition, Navy and Marine Corps: JDAM	–12,560,000
Aircraft Procurement, Air Force: F–15 Advance Procurement	–8,934,000
Missile Procurement, Air Force: Classified program	–4,200,000
Procurement of Ammunition, Air Force: JDAM	–14,106,000

	Conference
Other Procurement, Air Force: Classified program	−3,508,000
Research, Development, Test and Evaluation, Navy:	
NATO R&D, Vector	−3,000,000
Navigation/ID systems	−1,000,000
Lightweight torpedo, contract savings	−1,500,000
High Power Discriminator	−15,000,000
Subtotal	−20,500,000
Research, Development, Test and Evaluation, Air Force:	
Terminated AAIS program	−3,200,000
NATO JSTARS	−7,000,000
Classified program	−7,420,000
Subtotal	−17,620,000
National Defense Sealift Fund:	
Defense features	−20,000,000
MPF–E third ship program delay	−65,000,000

The conferees included a general provision (Section 8080) which amends House language making funds available for Reserve peacetime support to active duty and civilian activities.

The conferees included a general provision (Section 8083) which amends a Senate provision transferring funds to cover unanticipated shipbulding cost increases.

The conferees included a general provision (Section 8090) which amends House language regarding the use of refunds from Government travel cards.

The conferees included a general provision (Section 8095) which amends a Senate provision requiring the Department of Defense to identify costs incurred by the Department of Defense to support the North Atlantic Treaty Organization.

The conferees included a general provision (Section 8099) which amends Senate language concerning reciprocal trade agreements and the condition under which the Secretary of Defense may issue waivers to the Buy America Act.

The conferees included a general provision (Section 8101) to provide permanent clarification of the application of the "Brooks Act" qualifications based selection (QBS) process to surveying, mapping, charting and geodesy contracts of the National Imagery and Mapping Agency (NIMA). The conferees expect the officials responsible for the Federal Acquisition Regulations (FAR) to strike and revise the last sentence of section 36.601–4(a)(4) of the FAR (48CFR 36.601–4(a)(4)) to define "Surveying and mapping" in such a manner as to include contracts and subcontracts for services for Federal agencies for collecting, storing, retrieving, or disseminating graphical or digital data depicting natural or man made physical features, phenomena and boundaries of the earth and any information related thereto, including but not limited to surveys, maps, charts, remote sensing data and images and aerial photographic services.

The conferees have included a general provision (Section 8105) which amends Senate language reducing funds available to the Department of Defense by $70,000,000 for efficiencies realized as a result of the Defense Reform Initiative.

The conferees included a general provision (Section 8106) which amends House language requiring the Secretary of Defense to submit an in-depths analysis of any proposed establishment or expansion of depot facilities by the Reserve components.

The conferees included a general provision (Section 8109) which amends Senate language on National Defense Stockpile Asset sales.

The conferees included a general provision (Section 8110) which amends House language related to the transfer of specific ships under certain conditions.

The conferees included a general provision (Section 8114) which amends House language regarding the Cavalese, Italy accident.

The conferees included a general provision (Section 8115) which amends Senate language regarding limitations on deployment of United States forces to Yugoslavia, Albania, or Macedonia.

The conferees included a general provision (Section 8116) which amends House language prohibiting the expenditure of funds on developing or modernizing any information technology or national security system until that system has been independently certified as Year 2000 compliant.

The conferees included a general provision (Section 8117) which amends House language requiring the Department to include Year 2000 simulations as part of their major military exercises.

The conferees remain concerned about the progress the Department is making in bringing its systems into Year 2000 compliance. However, the conferees are encouraged by the actions outlined in recent letters from the Secretary of Defense and Deputy Secretary of Defense regarding Year 2000 compliance. The conferees believe a strong and sustained effort by the Department is critical to minimizing the risk.

The conferees included a general provision (Section 8119) which amends Senate language requesting a report on the need for food stamp assistance by military families.

The conferees included a general provision (Section 8120) which amends House language prohibiting the Department from contracting with the People's Republic of China (PRC) or the People's Liberation Army of the PRC.

The conferees included a general provision Section 8124) which amends Senate language regarding a vessel scrapping pilot program.

The conferees included a general provision (Section 8125) which amends Senate language providing funds for work performed at Fort Wainwright, Alaska.

The conferees included a general provision (Section 8128) which amends Senate language to express a sense of Congress regarding the use of child soldiers in armed conflicts.

The conferees included a new general provision (Section 8131) which waives limitations on expenditures for the National Guard Youth ChalleNGe Program for fiscal year 1999.

The conferees included a new general provision (Section 8132) which allows the Air Force to convey surplus relocatable shelters.

The conferees included a new general provision (Section 8133) which amends Senate language regarding the donation of surplus dental equipment to Indian Health Service facilities.

The conferees included a new general provision (Section 8134), reducing funds in Title III, Procurement, by $142,100,000. The House had recommended reducing the budget request by $142,100,000 in Title II, Operation and Maintenance, in order to reduce total funding requested for advisory and assistance services. The conferees have instead agreed to levy a $142,100,000 reduction against Title III.

The conferees included a new general provision (Section 8135) which reduces funding available for the Military Personnel and Operation and Maintenance accounts by $193,600,000 due to foreign currency fluctuation.

The conferees included a new general provision (Section 8136) which reduces funding available for the Operation and Maintenance accounts by $502,000,000 due to declining prices for bulk fuel.

The conferees included a new general provision (Section 8137) concerning the Global Positioning System. Section 8137 requires the Secretary of Defense to develop strategy to protect the integrity of the GPS frequency spectrum against interference and disruption. The conferees expect this strategy to be devised with the support of the Secretaries of State, Commerce, and Transportation, the director of the Office of Science and Technology Policy, and interested user and industry representatives. The required report shall include plans for collection and analysis of test and demonstration data to be completed in time for presentation by the United States at the World Radiocommunications Conference 2000. The report shall also include recommendations for additional filings for both space-based and ground-based services, as appropriate, to meet civil safety-of-life applications within existing international spectrum bands allocated for radionavigation satellite operations.

The conferees included a new general provision (Section 8138) which requires the Secretary of Defense to submit a report regarding military deployment rates for each service.

The conferees have included a general provision (Section 8139) which amends Senate language directing the Secretary of the Air Force to convey property at the former Pease Air Force Base to the Town of Newington, New Hampshire.

The conferees have included a new general provision (Section 8142) which allows the Secretary of Defense to retain family housing at Fort Buchanan, Puerto Rico.

The conferees have included a new general provision (Section 8143) which allows the Secretary of the Navy to convey the Magnolia housing area to the City of Seattle, Washington.

The conferees have included a new general provision (Section 8144) which conveys an Army Reserve Center in Reading, Pennsylvania to the City of Reading, Pennsylvania.

The conferees have included a new general provision (Section 8145) which directs the Secretary of the Air Force to obligate up to $7,646,000 of previously appropriated funds for demolition and related environmental restoration of 31 buildings at the former Norton Air Force Base, California. Sufficient funds remain available for obligational adjustments within "Base Realignment and Closure Account, Part I" to absorb this cost within existing balances in the Base Realignment and Closure Accounts.

The conferees have included a new general provision (Section 8146) which establishes a cash objective and policy for unbudgeted operating losses in the Defense Working Capital Funds.

The conferees have included a new general provision (Section 8147) which addresses the Military Personnel Information Systems. The conferees concur in the direction in the House Report regarding military personnel information systems and the revised Defense Integrated Military Human Resources System (DIMHRS). Section 8147 establishes a revised DIMHRS program, a defense reform initiative enterprise pilot program for military and manpower personnel information systems. Manpower and personnel information systems shall include, but not be limited to, personnel, manpower, training, and compensation. Health and dependent systems should only be included for interoperability and coordination purposes. The conferees have provided the budget request for DIMHRS and the Navy Standard Integrated Personnel System (NSIPS) and direct that DIMHRS funding be used for the revised DIMHRS enterprise level pilot program. The conferees direct DoD to provide full funding for this revised program in future budget requests and defense plans. The conferees have provided an additional $38,000,000 in Operation and Maintenance, Defense-Wide and $12,000,000 in Procurement, Defense-Wide and direct these funds be obligated as directed in the House Report.

The Department shall identify, develop and approve strategic functional requirements for the current and revised enterprise DIMHRS program through the Under Secretary of Defense for Personnel and Readiness, and in full coordination with the individual services and Joint Chiefs, no later than nine months from the date of enactment of this Act. The DoD Chief Information Officer and Director, Program Analysis and Evaluation, shall establish and incorporate into the budget process mission performance goals and measures and identify functional savings resulting from business process improvements. The Department shall identify changes to the planning, programming, and budgeting system needed to implement the revised DIMHRS enterprise solution including, but not limited to, instituting program elements and activity based costing for this enterprise solution. The conferees direct that configuration management and budget oversight of all manpower and personnel legacy systems be centralized with day to day operational management remaining with the services. The Department shall provide a report to the Appropriations Committees by May 1, 1999 on the revised enterprise DIMHRS, and how the revised program, budget changes and business process improvement changes comply with Appropriations Committee direction and with Public Laws 104-106 and 103-62.

The conferees included a new general provision (Section 8148) regarding a review of military compensation. The conferees are deeply concerned with the increasing demands placed on our military personnel, which affect the ability to recruit and retain the highly skilled personnel needed to maintain the all-volunteer force. Operating tempos, particularly for those forces deployed in support of contingency operations, are at historic high rates at the same time force structure has been reduced. People are working harder and under more challenging circumstances. At the same time, outside employment opportunities for highly skilled military personnel, especially in certain career fields, are readily available due to the nation's prolonged period of economic prosperity. In this environment, while none of our military personnel serve for financial advancement, we should not expect them to serve and suffer financial hardship.

These competing demands are being compounded by a widespread perception within the force that there has been, and will continue to be, a steady erosion in those programs associated with military compensation and benefits. For example, the conferees note that while the Administration has in recent years proposed increases in pay rates consistent with existing legal limits, those increases have not reversed the gap between military and private compensation. Of even more concern, it is becoming steadily more apparent that the changes in the military retirement system enacted in 1986 are having a direct impact on the services' reenlistment rates, and have raised fundamental questions of equity between those service members who are under the previously established retirement structure and those who have joined the force since 1986. Finally, the conferees continue to observe persistent problems in other programs intended to provide for an adequate quality of life for service members and their families, including medical care, housing programs, and family support programs. The conferees are convinced that these problems, coupled with the high level of demands being placed on the force and the effects of a healthy economy, are directly responsible for the emergence of downward trends in recruiting and retention of personnel. If these interweaving issues are not dealt with soon, and in a meaningful manner, the conferees fear it could inevitably result in a dramatic decline in the capability of the nation's armed forces.

The conferees believe that a long-term solution to these issues cannot be found by simply focusing on one aspect of these problems, such as pay or retirement, in isolation from the others. The complexity of these issues requires a more broad approach if the Department of Defense is to truly address the new and different demands confronting the military force of the future. Therefore, in Section 8148, the conferees direct the Secretary of Defense, in consultation with the nation's senior military leadership, to undertake a comprehensive reassessment of the array of existing compensation and benefit programs, and the need, if any, for changes in these programs in order to meet both future manpower and quality of life requirements. The conferees intend that this effort provide the underpinning for a total review of these programs and issues by both the executive and legislative branches as soon as possible, and therefore direct that the Secretary provide an interim report on these issues to the congressional defense committees within 60 days of the enactment of the fiscal year 1999 Department of Defense Appropriations Act. In order to provide for full consideration of these matters in the next Congress, the Secretary is also directed to provide his recommendations on these issues to the Congress in conjunction with submission of the fiscal year 2000 budget request.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$247,708,522,000
Budget estimates of new (obligational) authority, fiscal year 1999	250,998,803,000
House bill, fiscal year 1999	250,727,097,000
Senate bill, fiscal year 1999	250,518,092,000
Conference agreement, fiscal year 1999	250,510,548,312
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+2,802,026,312
Budget estimates of new (obligational) authority, fiscal year 1999	−488,254,688
House bill, fiscal year 1999	−216,548,688
Senate bill, fiscal year 1999	−7,543,688

Bill Young,
Joe McDade,
Jerry Lewis,
Joe Skeen,
David L. Hobson,
Henry Bonilla,
George R. Nethercutt, Jr.,
Ernest J. Istook, Jr.,
Randy "Duke" Cunningham,
Bob Livingston,
John P. Murtha,
Norman D. Dicks,
W.G. (Bill) Hefner,
Martin Olav Sabo,
Julian C. Dixon,
Peter J. Visclosky,
Managers on the Part of the House.

Ted Stevens,
Thad Cochran,
Pete V. Domenici,
Christopher S. Bond,
Mitch McConnell,
Richard C. Shelby,
Judd Gregg,
Kay Bailey Hutchison,
Daniel K. Inouye,
Ernest F. Hollings,
Robert Byrd,
Patrick J. Leahy,
Dale Bumpers,
Frank R. Lautenberg,
Tom Harkin,
Byron Dorgan,
Managers on the Part of the Senate.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 10 one-minutes from each side.

THE STORY OF THE RIP VAN DEMOCRATS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, remember the story of Rip Van Winkle, who slept for 20 years, then woke up and was surprised by all the changes that had taken place during his slumber? A lot of people do not know this, but Rip Van Winkle had some relatives, the Rip Van Democrats, who have also slept for a long, long time.

The Rip Van Democrats slept for 40 years, until waking up in 1995 to discover that the Republicans had taken over. But during those 40 years of slumber, their liberal friends were out plundering the Social Security trust fund and spending it on big government programs. When they woke up they were shocked, shocked to find out that the liberals had left not only Medicare teetering on the edge of bankruptcy, but Social Security as well. So their only recourse was to blame the Republicans for the mess that their liberal friends themselves had created.

That is the story of the Rip Van Democrats.

VIOLENCE AGAINST WOMEN

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the Violence Against Women Act significantly changed the way law enforcement and social service agencies respond to women victimized by domestic violence.

Yet, between 50 and 70 percent of men who abuse their female partners also abuse their children. Children who witness domestic violence experience anxiety and depression and other mental disorders.

Thanks to VAWA, more mothers and children have left these horrendous conditions and begun life anew. But unfortunately for many mothers and children, a new battle begins over custody and visitation.

VAWA II, my new bill, will provide many more desperately needed supervised visitation programs in safe and secure locations. Child welfare workers will be trained to better serve victims, and laws that protect these mothers and children will be strengthened.

Mr. Speaker, that is just one more reason to support and bring to the floor the Violence Against Women Act II.

One need only pick up a newspaper to read stories about mothers and their children being injured or killed by the batterer during visitation exchange. The need for supervised visitation areas is great, but the need surpasses the number of available programs.

IN PRAISE OF THE PAYROLL PROFESSIONAL DURING NATIONAL PAYROLL WEEK (SEPTEMBER 14–18)

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, I would like to call attention to some of the unsung heroes in the child support enforcement process. The welfare reform bill we passed just 2 years ago took strong steps to ensure that all single parents receive child support payments. Providing child support officials with the tools they need to locate parents who owe child support was key to this effort.

The most important tool was information employers were required to report on every person they hire. These new hire reports are used to locate parents anywhere in this country and then to establish an order or enforce an existing order.

With new hire reporting, State child support enforcement agencies have the ability to issue income withholding orders much more quickly. None of this would be possible without the cooperation of employers, and specifically the payroll professionals who bear the major responsibility for this new hire reporting.

Payroll professionals are also responsible for withholding wages from paychecks and sending the money to custodial parents and children. The funds they withhold from workers amounts to more than half of the $13 billion in child support payments made nationally each year.

Few public policies are more important than child support, and no group is more important in this issue than employers in general and payroll professionals in particular. I wholeheartedly commend them.

AMERICA'S WORKERS ARE SICK AND TIRED OF FAST TRACK

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, American workers are sick and tired of fast track. Take today's fast track, for example, another fast track that will send more American factories, more American investment, and more American jobs overseas, this time to Central America.

In return, America will get two used Ford pick-up trucks, another 50 tons of heroin and cocaine, and three baseball players, to be named later. Beam me up, Mr. Speaker. Washington does not need more lobbyists and lawyers to advise Congress. I honestly believe that a proctologist is in order down here. I yield back whatever common sense is left.

MEMBERS MUST DEFEND THE RULE OF LAW AND THE CONSTITUTION

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, this great country is struggling to find its way through the darkness of cynicism, distrust, and divisiveness, because this body and this administration tend to demagogue, to speak against others when we do not agree with them or their ideas or their philosophies.

We must realize that the foundation of this very government was based upon a rule of law and not a rule of man, a moral direction for a new country, and most importantly, a Constitution.

This foundation is what makes America so great, so strong. All men are created equal, and no man is above the law. Our Founding Fathers made the tough decisions on governance, on principle, on what was right and wrong, not on opinion polls and conjecture.

When we address the circumstances beset upon this President, we must remember that we are all bound by the Constitution, by the stable and forthright direction of our Founding Fathers.

The duty before us is an onerous one that requires each of us to summon the courage and the means to defend the rule of law, and to stand up and recapture the constitutional intent of James Madison.

SAVING THE SOCIAL SECURITY SURPLUS

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, Social Security is one of our very successful programs here in the United States. It has well served more than 160 million workers and their families for nearly 60 years. But recently the majority leadership has put together a hasty proposal to spend a portion of our budget surplus on tax cuts, rather than invest it in the Social Security system.

I am a very strong supporter of needed tax relief for our families, but Mr. Speaker, robbing the Social Security system to pay for tax cuts would make it more difficult and painful, and in fact impossible, to deal with the serious problems facing our Social Security system. Spending the surplus now will suck security right out of the system.

We have a responsibility to future generations. Our responsibility is to ensure that our parents, our children, and their children have the base security of Social Security.

AN HISTORIC OPPORTUNITY TO GIVE TAXPAYERS THE FIRST BACK-TO-BACK TAX CUTS IN MODERN HISTORY

(Mr. BLUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, so many of our colleagues are for tax cuts in the abstract, until there is money to actually give some relief to working families.

This week we have to deal with really what can be a defining moment in the history of this Congress. We have an opportunity to give American taxpayers the first back-to-back tax cuts in modern history.

Last year we had the first tax cuts in 16 years, and revenue increased as the

Federal Government encouraged work and productivity. We have the unique opportunity for the second time in 2 years to let hardworking families keep more of their money.

It is unreasonable to spend the surplus on more government when American families are forced to spend 40 percent of their income on taxes. This plan has a win-win-win formula. It ensures the future of Social Security with $1.4 trillion. It simplifies the tax filing system. We begin the process of eliminating the marriage penalty, that currently forces 21 million couples to pay an average of $1,400 a year in extra Federal taxes because they are married.

Mr. Speaker, we cannot afford not to do a tax cut and give tax relief to working families this year.

SOCIAL SECURITY

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, there is a lot of talk about values today, but we need to remember that every day the actions we take on the floor of this House say a lot to the American people about what our values really are.

So I will be proud to cast another vote for the Democratic plan to reserve the budget surplus, whose ink has not even dried yet, to save Social Security, and against the Republican plan to use the Social Security surplus to pay for tax cuts, because I value our senior citizens. I value the years of work they dedicated to raising our families, to building this Nation, and to defending our freedom. I will fight to make sure the benefits they deserve, the benefits they paid for, are there when they retire.

So when Members come to the floor to vote, they will have a clear choice of values: the value of playing election year politics with Social Security and the fiscal stability of this country, or the value of doing right by our senior citizens.

□ 0915

TAX RELIEF: JUST DO IT

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, I think some of us have forgotten that Social Security under our plan is paid for totally. Within the next 10 years, all our debt can be retired.

Mr. Speaker, tomorrow this body is going to debate a tax relief bill that will ease the penalty married couples must pay under the current Tax Code. Right now in America, married couples pay more in taxes than two single people living together. That is just plain wrong. Why should we penalize the cornerstone of our society, the American family? We ought to encourage marriage, not penalize it.

We also set aside $1.4 trillion to protect Social Security. That is 90 percent of the surplus. President Clinton calls this, and I quote, "a gimmick to please people." I urge my colleagues, do not believe him. The President has already proposed spending billions from the surplus on bigger government. He is the one with the gimmick.

We can protect Social Security and provide relief for our families. Let us just do it.

TAX CUTS TODAY WILL HURT AMERICAN WORKERS TOMORROW

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, we are going to hear a lot today about there being a budget surplus, and that is the good news. But the surplus comes from the Social Security system. So what is the bill that is going to be on the floor today? To give an election year tax cut paid for out of using Social Security funds.

Mr. Speaker, I want a tax cut, too, for America's working families, but not by taking from Social Security.

We are going to hear about a 90–10 bill, that they are going to put 90 percent of Social Security aside where it cannot be touched. But we all know something. That is that we should not take 90 percent of Social Security to pay for anything else. We should not take 10 percent. We should not take one penny of the Social Security surplus to pay for something else. That belongs to America's retired.

I support a bill giving tax cuts but not until Social Security is preserved. In order to cut taxes today, we should not take from the benefits that American workers receive tomorrow. That is wrong.

REPUBLICANS WANT TO PRESERVE SOCIAL SECURITY FOR THE NEXT GENERATION

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, after 40 years of Democrat rule in the United States House of Representatives, what do we have? We have a national debt of about $5 trillion. Year after year, deficit spending. After 3 years of Republican rule, we have a surplus.

What do we have after 40 years of Democrat rule on Medicare? A Medicare system that was going bankrupt. What do we have after 3 years of Republican rule? A Medicare system that was saved and protected on a bipartisan basis.

Now on Social Security, after 40 years of Democrat rule, what do we have? $14 trillion that has been taken out of the Social Security trust fund and spent on roads and bridges and anything else, any special projects and wasteful spending the Democrats could dream up.

What are Republicans doing about it today? We set aside $1.4 trillion for the Social Security trust fund. Not one dime in 40 years of Democrat rule has been set aside and protected for Social Security. It has all been taken out and backed up with a Treasury bill.

Now Republicans are taking the step to look after not just American seniors for the next election but for the next generation.

SAVE SOCIAL SECURITY FIRST

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, we are about to engage in a momentous debate here in Congress, a debate about the future of America and about the really big issues, like saving Social Security.

On the Democratic side, we have a very simple proposition. If we have a surplus, we should use all of that surplus to preserve and save Social Security, because the baby boomers are coming. When they do, we will be insolvent. We do not have a full solution, but we do know that if we get some money into the Treasury, we ought to set it all aside to save Social Security.

Now, the Republicans have an election year gimmick. They say, let us run down here and propose a tax cut for the American people, and that way we can get elected because it is election year.

Mr. Speaker, the fact of the matter is that they are perpetuating a myth. They say it is a drain on the economy. Taxes are a terrible drain. The fact of the matter is that the economy is doing very well. Poverty is at an all-time low. Unemployment is at an all-time low. Business starts are increasing.

They say, well, taxes are a burden on the average taxpayer. Tax rates for the average American taxpayer are at the lowest point they have been since 1978. They say taxes are a disproportionate part of the gross domestic product. That is only because revenues increased because more people are working.

The fact of the matter is we should save Social Security first.

MAINTAIN TRUST IN SOCIAL SECURITY

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, so much has been said in recent days about truth and about trust. How ironic it is that at a time the Nation is focused on truth and trust with one person, that the Republican leadership here in the House should choose that week to come in and challenge the Social Security trust fund, the very week the videotapes are released. It is no coincidence that they choose this time to violate the trust that millions of working Americans have placed in the Social Security trust fund.

With an election year gimmick, they propose to take monies that we were able to develop through the balanced budget agreement and use those monies for other purposes than for strengthening Social Security so that it will be there for future generations.

Mr. Speaker, remember how hard it was to get a balanced budget agreement? Initially, the Republicans wanted to take money from Medicare, millions of dollars from Medicare to fund tax breaks. We were able to overcome that, and we will also overcome this challenge to Social Security.

TAX CUT BILL WILL HELP EVERY SENIOR CITIZEN

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, I am getting ready to bring up the tax cut bill, but I sit here and the one thing I will not miss when I retire January 1 is all this rhetoric about Social Security.

I represent Hyde Park, New York, the home of Franklin Delano Roosevelt. In 1933, he established this rainy day fund. It was a forced savings account so that the American people would have to put aside a little bit, so they would not become wards of the state when they finally get around to retiring, perhaps at 65 or later. Enough said on that.

Mr. Speaker, the tax cut bill that is coming up is going to relieve senior citizens who now have to pay penalties when they go out and work while they are drawing from that savings account that they paid into for 65 years.

We are going to raise that limitation from $14,500, which it is now, up to $17,000 with no penalty next year. After that, $18,500 with no penalty, and the year after that, $26,000.

Mr. Speaker, I urge my colleagues to come over here and stop all of this rhetoric and vote for the tax cut bill that is going to help every senior citizen in America.

REPUBLICAN TAX CUT PROPOSAL IS AN ASSAULT ON SOCIAL SECURITY

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, let us make no mistake about it. The Republican tax bill is a direct assault on Social Security.

The budget surplus the Republicans want to use to pay for their tax cuts does not exist. The only portion of the Federal budget that is in surplus is the Social Security trust fund. In fact, without Social Security, the Federal budget would still be in a deficit this year.

Instead of voting on an $80 billion tax cut that is paid for by raiding Social Security, we should pass the Democratic proposal to save Social Security first. It would require by law that the entire amount of the Social Security surplus in each fiscal year be transferred to the Federal Reserve Bank in New York to be held in trust for Social Security.

Mr. Speaker, the point is that Democrats could support many of these tax cuts, and we could pass a tax relief bill, if the Republicans agreed to do it without using Social Security to pay for it. But they will not. They are not going to do that. That is why we have to vote down this Republican bill and save Social Security first.

NO SURPRISE THAT DEMOCRATS OPPOSE TAX CUTS

(Mr. FOX of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOX of Pennsylvania. Mr. Speaker, is anyone at all surprised that the Democrats have found an excuse to oppose tax cuts this is year?

The very same Democrats who never once ever thought that billions and billions of dollars in spending were a threat to Social Security, now pretend that tax cuts would be.

There are more ironies here. The same party that did not put a dime aside to save Social Security during their 40 year "reign of error" now act as if they are concerned about raiding the Social Security trust fund.

The same party that refused to take Social Security off budget all of these years, in opposition to conservative proposals to create a more honest system, now recognize that the Social Security trust fund can be solvent while providing tax cuts.

The same party that has proposed billions and billions of dollars in new spending just this year straight out of the Social Security trust fund, now turn around and claim that tax cuts are a raid on that trust fund.

Mr. Speaker, the fact is we can have tax cuts and save the Social Security system at the same time, and we will do that for the American people.

A LOAD OF ROCKS

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, I am an East Arkansas rice farmer, and I remember a story an old fellow in my community told me when I first started farming. He said there was a man who came through during the Depression and he had a truckload of rocks. If a farmer would buy one of these rocks from him and put it where the irrigation water ran into their rice field, he claimed it would make them a lot better crop.

He said, "You know, he sold some of those rocks." I said, "How did it do? Did it make the crop better?" He said, "It was pretty hard to tell."

Mr. Speaker, that is what these fellows are trying to do, is to sell the American people a load of rocks. I think it is a bad idea.

Mr. Speaker, we are all for tax cuts, but not if we have to rob the Social Security trust fund and our children's future to do it. It is a bad idea, and the American people need to recognize this load of rocks for what it is.

TRIBUTE TO TONY MOCERI, BOILERMAKERS LOCAL 363

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I rise today to honor Mr. Tony Moceri, who is to have the new Boilermakers Local 363 building in Belleville, Illinois, named in his honor.

Tony became a proud member of Local Boilermakers Lodge 363 in 1942. During his career, he served as assistant business agent and was elected business manager in 1966, where he served until 1984.

In addition to his regular job, Tony served proudly on the State Boiler Board, the Boilermakers Trades Committee, and Senator Charles Percy's Labor Task Force Committee, before retiring in 1984.

Mr. Speaker, I want to congratulate Tony for this honor and for his years of service, and I want to wish Tony and his wife, Vera, all the best for another 44 years.

THE CHOICE IS CLEAR

(Mrs. KELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KELLY. Mr. Speaker, Congress has less than 1 month to conduct the people's business. I think Congress should focus on the issue of tax cuts.

Republicans believe that Americans are overtaxed. Democrats believe that Americans are not overtaxed, and some of them actually believe that Americans are not taxed enough.

Republicans talk about tax cuts for all Americans. Democrats speak in terms of targeted tax cuts, which is a great way of saying that the middle-class, the backbone of America, will not be getting a tax cut.

Now, let us make a distinction between Democrats and so-called "New Democrats." Democrats will raise taxes. New Democrats will talk about cutting taxes, but they will raise them once they get in office.

Mr. Speaker, if Americans believe that taxes are fundamentally a freedom issue, then Republicans are on their side. If they think that government knows best, then the Democrats are their friend.

To me, the choice is clear.

PROVIDING FOR CONSIDERATION OF H.R. 4578, PROTECT SOCIAL SECURITY ACCOUNT, AND H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 552 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 552

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 2. After disposition of the bill (H.R. 4578), it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) a further amendment printed in the Congressional Record and numbered 1 pursuant to clause 6 of rule XXIII, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

SEC. 3. (a) In the engrossment of H.R. 4579, the Clerk shall—

(1) add the text of H.R. 4578, as passed by the House, as new matter at the end of H.R. 4579;

(2) conform the title of H.R. 4579 to reflect the addition of the text of H.R. 4578 to the engrossment;

(3) assign appropriate designations to provisions, and conform cross references, within the engrossment; and

(4) conform provisions for short titles within the engrossment.

(b) Upon the addition of the text of H.R. 4578 to the engrossment of H.R. 4579, H.R. 4578 shall be laid on the table.

□ 0930

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from Rochester, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us is a structured rule providing for consideration of two bills, H.R. 4578, the Protect Social Security Account, and H.R. 4579, the Taxpayer Relief Act of 1998. These are two extremely important measures for the American people.

First, the rule provides for consideration of H.R. 4578 in the House without intervention and point of order. The bill is considered as read and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill is considered as adopted.

The rule further provides for one hour of debate, equally divided and controlled by the chairman and the ranking minority member of the Committee on Ways and Means, the committee of jurisdiction.

The rule provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and numbered 1, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Finally, the rule provides one motion to recommit with or without instructions.

Secondly, Mr. Speaker, after the disposition of H.R. 4578, the rule then provides for consideration of another bill, which is H.R. 4579, again, without intervention of any point of order. The bill will be considered as read, and the Committee on Ways and Means amendment in the nature of a substitute now printed in the bill, as modified by the amendment printed in the Committee on Rules report accompanying this rule, is considered as adopted.

The rule further provides for one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule further provides for consideration, without intervention of any point of order, of an amendment printed in the CONGRESSIONAL RECORD and again numbered 1, if offered by the gentleman from New York (Mr. RANGEL), which shall be considered as read and shall be debatable for 1 hour, equally divided and controlled by, again, the proponent and the opponent.

The rule also provides one motion to recommit with or without instructions.

Finally, the rule provides that in the engrossment of H.R. 4579, the Clerk shall add the text of H.R. 4578, as passed by the House, and that upon the addition of the text, H.R. 4578, shall be laid on the table.

Mr. Speaker, the rule and the two bills before us demonstrate that we can achieve two very, very important goals: We can save Social Security, and we can cut taxes.

The package before this House today, and Members ought to look at this, because the American people are looking at it the taxpayers of this Nation are looking at it the package before the House today sets aside 90 percent of the projected budget surplus over the next 10 years. We are very, very fortunate today that based on the philosophy of Ronald Reagan and Reaganomics, we have had this surging economy now for all these years, very unusual in the history of this Nation. But it has happened because of major, major tax cuts that were implemented way back in 1981. That pumped money back into the pockets of people so that they could either spend it on things they wanted to spend it on, whether it was on buying a house, buying a car, educating their children, or saving it so that they would have monies available to them later on when they got around to retiring.

So let me just repeat one more time, this package before the House today sets aside 90 percent of all of that new projected surplus that is rolling into the coffers of this Nation, and that is about $1.4 trillion over the next 10 years. That money is set aside to help replace the monies that have been legitimately and legally stolen out of the Social Security trust funds.

Now, the remaining 10 percent of that surplus, which is only $80 billion of the $1.4 trillion, $80 billion is used to provide tax relief to families, to farmers, to small businesses across this Nation.

Mr. Speaker, the issue before the House today is really quite simple. Do we believe that the American people, both families and businesses, deserve lower taxes? It is as simple as that. Of course, we know what the answer is. It is unequivocally yes.

As the chairman of the Committee on Ways and Means said so eloquently during debate in my Committee on Rules meeting yesterday, when testifying before our committee, he said the tax burden on American families is higher today than at any previous point in our peacetime history.

That means we are taking more money out of the pockets of people than ever in peacetime before. This vibrant domestic economy, driven by the hard work of both main street and Wall Street, Mr. Speaker, deserves a break. A tax cut now will provide taxpayers with more flexibility in establishing important consumer and investment priorities for families.

For instance, let me give Members an example, the Taxpayer Relief Act of 1998 will provide marriage tax relief for over 48 million married taxpayers. How many? Forty-eight million married taxpayers will receive an average tax cut of $243 per tax return.

You may not think that is much, Mr. Speaker, but I had five children. And my wife and I were struggling for a long time. And lo and behold, I came to this Congress about 20 years ago, I do not know what the salary was in those days, about $37,000 or something, but we struggled to educate those kids. I will tell you, do you know what $247 extra means? It means an awful lot. It means an awful lot to my family. It would have meant a lot to us.

Six million married taxpayers who currently itemize deductions on their returns will no longer need to do so. That means you do not have to go out and hire an accountant. Do you know what it costs the average family, a young couple, because of the complicated tax system? They are going to go out and spend 2-, 3-, 4-, 5-, $600, maybe even $1,000, if they happen to be a small businessman or family running a small business. And in this bill, these 6 million married taxpayers who currently itemize deductions on their returns will no longer need to do so. This represents tremendous simplification.

Many of the provisions of this bill simplify the tax code and result in the elimination of several tax forms that taxpayers currently are required to file.

Again, if you are a small businessman, like I was, you find the cost of doing business is so great because of all of the Federal and State and county, town, city, village, and local mandates. Anything we can do to relieve that is going to help make these businesses and these families prosper. That is what this bill does.

In addition, 68 million taxpayers are provided tax relief by excluding from taxation a portion of the interest and dividend income received. Let me repeat that. Sixty-eight million taxpayers are provided tax relief by excluding from taxation a portion of that interest and dividend income received.

This will provide very visible tax relief for families by allowing them to keep portions of interest income that they now have to pay taxes on, even from small savings accounts. You have a small savings account with maybe $1,000 or $2,000, right now you have to pay 100 percent tax on that. This is going to give relief to these families, tax free, and simplify their tax filing.

And I think this is more important, because we have heard a lot of rhetoric, every morning we have one-minutes in this House, where Members can come down. And the Democrats line up over here and the Republicans over here, and we hear all this rhetoric. I hope that we will follow my infinite wisdom and do away with those things or put them at the end of the day and not have it stir things up in the morning. We have heard a lot of rhetoric about Social Security.

Let me tell you what this bill does for Social Security, this tax cut bill. This bill increases the Social Security earnings limit, thereby increasing the amount of money seniors can earn without losing Social Security benefits, something I have been trying to accomplish in this body for years.

My wife is drawing a Social Security check. She worked all of her life, and now she is in a part-time business. She sells real estate. And now she has earned more than the $14,500 limit, and she has had to pay back the meager I think it is about $4,000 that she had gotten she has to pay all that back. Yet that was from a forced savings account. She was forced to put aside, in Social Security all these years, her own money. Now the government is taking it away from her.

Well, this year that limit is $14,500. And now, under this bill, next year we are raising it up to $17,000. That means my wife, your wife, all the people out there on Social Security now can earn $17,000 and not pay that two-for-one penalty that should not be there at all. Then the following year, 2 years later, the limit is going to be raised to $18,500.

Do you not think that is going to make a difference to people who are living on a fixed income? Then 3 years later, in other words, in the total of a three-year period, we are raising that to $26,000. That means that a man and wife can go out and they can earn a little bit of extra money, and yet they will not have to pay a penny of their Social Security back if they earn less than $26,000. That is what this bill does.

Now, another major tax relief is the 100 percent health insurance deduction for the self-employed and farmers. It is accelerated to take full effect on January 1, 1999, providing 3.3 million taxpayers an average tax benefit of $382 in 1999, $382 into the pockets, again, of a couple who own a small business or a farmer who is trying to live on about $25,000 in income.

Credit under the estate tax, or what is otherwise called the death tax, is accelerated to take full effect on January 1, 1999. Again, I do not know about all the rest of my colleagues, but I represent the Hudson Valley in upstate New York. It has the Catskills on one end, the Adirondacks on the other. In between are very, very small dairy farms, 50 head each. It is the 20th largest dairy producing district in America. One would not think that in New York, would they, from Arkansas over there? And we have apple orchards. But these people have trouble keeping the new generation on the farm because it is so difficult, first of all, even to make a living. And secondly, they cannot even inherit the farm because of the inheritance tax.

What this does is move the credit under the estate tax up to make it fully effective January 1, 1999. And it means that those farms now are going to be turned over to the children. And we are going to be able to keep them operating.

This, combined with other small business and agriculture provisions, will provide needed and immediate tax relief to many family-owned small business and family farms, many.

Mr. Speaker, key tax relief is also provided this is something that is very close to me to military personnel by making it easier for our Nation's men and women in uniform to qualify for the capital gains tax relief on the sale of a home due to the fact that their duties often require them to be away from home for long periods of time. They lose the capital gains benefit that the ordinary citizen would have when they sell their home. Civilian homeowners can take advantage of it. Our military personnel cannot do that. So that is a glitch in the law, and we are making a correction.

The Taxpayer Relief Act also will extend various expiring tax incentives necessary to grow the economy, such as research and experimentation tax credits, very, very important.

It also extends the work opportunity tax credit and the welfare to work credit, which is extremely important.

Finally, the bill before us today includes landmark language which authorizes the creation of 20 renewal communities designed to help fight poverty.

□ 0945

This is extremely important to Members on both sides of the aisle. Patterned after the work of the gentleman from Oklahoma (Mr. WATTS), the gentleman from Missouri (Mr. TALENT) and the gentleman from Illinois (Mr. DAVIS), these communities would be eligible for capital gains tax relief, increased expensing for small businesses, wage credits for workers, deductions for cleaning up brownfields—very, very important—a commercial revitalization tax credit, and tax incentives for Family Development Accounts. This is an historic initiative aimed at addressing the travesty in impoverished rural and urban areas throughout our country.

Mr. Speaker, in closing let me just address those of my colleagues who claim that the surplus tax revenue generated by hard-working men and women of this country should be kept here in Washington and not used for tax cuts. This is something that just gets under my skin. First, let us remember that the tax revenue that pours into this city from all over this country does not belong to us, it does not belong to the government. Rather, it belongs to those who sent it here, the taxpayers of this Nation. When the taxpayers send the government more money than is necessary to run it, the government is duty bound to return that excess.

Second, everybody knows, and, believe me, all Members know it we are going through it right now everybody knows that any dollar not nailed down to a Federal program in Washington, D.C. is a spent dollar. We know the Congress is going to spend those dollars. In order to prevent the frivolous spending of taxpayer dollars the government does not need, we must cut taxes and give them back to the American people. That is exactly what this bill does.

Cut taxes and save Social Security by voting for this rule and for these two bills. It is the responsible thing to do. My grandson told me that this morning. He said, "Granddad, it's the right thing to do." Ladies and gentlemen, it is the right thing to do. Come over here and vote for this rule.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from New York for yielding me the customary 30 minutes and I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to this rule. The rule sets the stage for Congress to take up a destructive, irresponsible set of proposals that will simultaneously raid the Social Security trust fund and explode the deficit. This package threatens to destroy our hard-won budgetary discipline and send us, like Alice in Wonderland, through the looking glass into a place where long-standing budget rules do not apply and a budget deficit is called a surplus.

This rule will allow Congress to consider H.R. 4578 and H.R. 4579, the Tweedledum and Tweedledee of budget politics. The first bill, H.R. 4578, would set aside a portion of the Social Security surplus in a mythical special reserve account where it would supposedly be saved. The second bill, H.R. 4579, would use the remainder of the Social Security surplus to pay for tax cuts. It is bad enough that these proposals are irresponsible and shortsighted. To make matters worse, we are being denied a full and open debate on them. The modified closed rule does a disservice to the American people by barring the gentleman from Texas (Mr. STENHOLM) from offering his alternative. The Stenholm proposal would cut taxes without raiding Social Security or threatening to increase the deficit. Unfortunately this fiscally responsible bill was banned from the House floor in favor of the majority's reckless plan to raid future retirees' savings. In addition, constructive proposals sponsored by the gentlewoman from California (Ms. SÁNCHEZ) and the gentleman from Connecticut (Mr. MALONEY) were denied the opportunity for floor consideration.

Mr. Speaker, H.R. 4578 and H.R. 4579 illustrate how the majority is indulging in creative accounting to invent a surplus that they can use to justify tax cuts. Over the next five years our Nation is projected to have a Social Security surplus of $657 billion and a budget deficit of $137 billion. The majority is using the Social Security surplus to cancel out that budget deficit and declare a total budget surplus of $520 billion free for the taking.

But as my colleagues can see, the surplus is not a real surplus. It is a mirage. It is a surplus of Social Security taxes which we need to hold in reserve for that approaching day when Social Security begins to have financial problems. The Federal budget will remain in deficit or just barely in balance until at least the year 2005 even assuming the economy remains as robust as it is now. Federal Reserve Chairman Alan Greenspan has warned repeatedly that our economy could take a downturn which could wipe out the surplus and multiply the cost of the proposed tax cut.

H.R. 4578 places 90 percent of the Social Security surplus in a reserve account in the U.S. Treasury. This account is nothing but a budget gimmick. There is nothing to prevent Congress from spending these funds in the future. If the majority is spending the surplus on tax cuts now, what will stop them in the future for using it for other purposes? The majority is referring to their proposal as the 90–10 plan. I would suggest that that means if you live to be 90 you might get 10 percent of the Social Security benefits you are due.

Democrats are committed to reserving all, 100 percent, of the surplus for Social Security. Our alternative will place the entire surplus in a special account in the New York Federal Reserve Bank where Congress is completely unable to reach it. This is the only proposal that guarantees the surplus will be used solely to save Social Security and not for politically irresistible goodies.

Democrats support tax cuts. Most of the proposals in the majority's package were originally Democrat bills. But we will not cut taxes without paying for them. The Democratic alternative includes all the same tax cuts but provides they will not take effect until Congress has enacted legislation to preserve Social Security. Social Security is a Democrat program, and we have always kept our promises to the Nation's seniors. We will again before we start making new promises to Americans. The Democratic alternative enacts tax relief and saves Social Security.

I would like to note that the majority's misguided proposal has no chance of becoming law. The President has vowed to veto any proposal that raids the Social Security surplus to pay for tax cuts. Americans should recognize this tax bill for the cynical election-year ploy that it is. Democrats will protect Social Security while Republicans protect their majority.

We should save Social Security first. This bill is an unwelcome flashback to the Reagan era of deficit spending. The majority's proposal places in jeopardy the Social Security benefits of over 44 million older Americans, many of whom rely on their benefits as their sole source of income. While we would all like to cut taxes, we cannot do so at the expense of the balanced budget and the Social Security trust fund. We owe our senior citizens and all Americans better than that.

Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. WYNN).

Mr. WYNN. Mr. Speaker, I thank the gentlewoman for yielding time. If it is an election year, it must be time for a tax cut. At least that is what the Republicans think. And they do not really care how they finance it. We on the Democratic side like tax cuts, too. In fact, we voted for tax cuts last year because they were paid for within the budget. They were paid for in the context of a balanced budget. This year, though, the Republicans are not worried about that. They are going to raid the Social Security trust fund to pay for tax cuts. That is not right.

The fact of the matter is we do not even have a surplus yet and if we get one, we do not know how much it is going to be. So we ought to at least let the ink dry on the surplus before we start giving it away. More importantly, if the surplus is not as great as we think it will be or if there is a downturn in the economy, we will not have those revenues but we will have shortchanged the Social Security trust fund.

Americans believe that Congress ought to deal with the big issues. The big issue facing our society is how we will deal with Social Security when the baby boom generation moves into its senior years.

We on the Democratic side have a simple proposition. Any revenue we get, any and all of that surplus ought to be set aside for that rainy day. The Republicans are saying, "Well, let's shave a little bit off and give it away." The problem is, that will raid the Social Security trust fund and will not maximize the security we ought to provide for our seniors.

Now, they will come down and tell you, "We've got this terrible tax burden and that's what we're really fighting against." The fact of the matter is the economy is doing very well. Unemployment is down, employment is up, interest rates are down. They say, "Well, there's a burden on the average family." Let me tell you this: The tax rates on the average American family are at its lowest point since 1978. We want to give tax breaks when we can pay for them, but if we cannot pay for them, we do not believe we ought to jeopardize the Social Security trust fund. We ought to put all the surplus back into the trust fund to protect long-term national interests.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. Mr. Speaker, I rise to oppose this rule. We hear a lot about there being a surplus but the reality is it is in Social Security. I have the greatest respect and friendship for the distinguished chairman of the Committee on Rules. He is irrepressible when it comes to the Reagan years, and certainly President Reagan was a strong President in many ways. He was also strong because he left us the strongest deficit in history. We went from $70 billion to $200 billion and deficits as long and far as the eye can see according to a former Reagan aide.

So what does this bill do? It continues the same pattern, because you cut taxes, that was part of the Reagan formula, and yet you do not do anything really about the spending. I do not support election-year tax cuts that come from Social Security.

Now, they say they are going to put 90 percent of it in a lock box. But my question is, if you are going to save 90 percent of Social Security, why not save 100 percent? What happened to that radical idea, 100 percent of Social Security? I support tax cuts but not until Social Security is preserved.

The irony to this is the American worker pays into Social Security, you are going to tell them that you are giving them a tax cut and yet the tax cut is going to come at the price of what they have been paying into for many years for their retirement.

I look at this, a lot of us, whether we are parents or grandparents or whatever take our children to McDonald's. And so what this does is, you drive in, you give them a Happy Meal today, then you take the hamburger and the fries and what the worker is left with is a plastic googol toy that after the first five minutes ends up as election-year junk in the back of the car.

Mr. Speaker, this is simply taking for election-year purposes, giving a tax cut at the expense of Social Security. What my constituents, 300,000 senior citizens in West Virginia, hundreds of thousands of more getting ready to retire, what they say is save Social Security first, then look at the tax situation.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, if I could have a statement today on this rule which I oppose, it would be to my dear friend and fellow New Yorker (Mr. SOLOMON). Because the gentleman from New York is leaving this great body, but he leaves with a great reputation as a feisty fighter for all of the things that he has believed in all of his life as a true American and a true Marine. I feel awkward, because having moved to be the senior member of the Committee on Ways and Means, some of the ways I used to think have now been replaced by having the responsibility of not being able to express my liberal ways the way I used to enjoy them before.

I would believe that if a surplus was there, spend the darn thing. Put it in education, build some houses, let America's quality of life be a little better. As far as Social Security is concerned, what the devil. If we do not have money for the check, the country is not there, anyway, so forget it.

But that is not the way Americans have been thinking. The Republicans have been so good at telling us if you do not have the money, you do not spend it. They have been so good in saying you pay as you go. They have been so good in saying that we have got budget rules, that you cannot even do it without violating the very principles of the House. Yet this rule today would allow us just to waive all of the disciplines that we have learned to work together in a bipartisan way to respect.

The whole idea of having a tax cut that you cannot pay for is repugnant to everything I thought Republicans stood for. For those reasons and others, I oppose the rule.

□ 1000

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I want to tell my colleagues what my constituents are saying about this bill and why they want me to oppose this Republican tax plan.

What they are saying is that a few years ago; I think it was in the 1970s; this Congress passed a tax increase in order to provide more money for the Social Security Trust Fund through the payroll tax essentially because there was a recognition that in a few years there would be a lot more baby boomers who turned 65 and we would need more money in the Social Security Trust Fund to pay benefits for that baby boom generation. But that money now is being borrowed by the general revenue, by the budget in general, used for purposes other than Social Security, and now we are being told that even though that surplus is there in the Social Security Trust Fund to be paying benefits in the future, we are going to take even more of it and spend it on a tax cut that primarily, I would say, goes to wealthy individuals.

Well, my constituents are saying that that is not fair, it is not fair to raise taxes on the average guy, on his earnings, on his payroll tax and then take it away in a tax cut when that money is supposed to be saved for the future when it has to be paid out in benefits. And my constituents are saying what Congress is telling me is that the money is not going to be there to pay out the benefits when I get to be 65 even though I have been paying more to make sure that it is there. And then they are saying we know what is going to happen in the future. We are going to have to raise taxes because we have taken the money away that supposedly we were saving.

So the consequence of this Republican action is that 5–10 years down the road we are going to have to raise taxes more, most likely, on that wage earner, on the payroll taxes, to make sure money is there for Social Security or, alternatively, that there will be pressure to cut back on Social Security benefits, to cut back on the COLA, to raise the age before one can get Social Security or to even suggest other kind of crazy ways to deal with retirement because there is no money in Social Security.

This is wrong, and that is why we have to vote against this rule and vote against the Republican tax cuts.

Ms. SLAUGHTER. Mr. Speaker, I yield 1½ minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I rise today in support of a tax cut but not to raid the Social Security Trust Fund.

My esteemed colleague from the 17th District of Texas (Mr. STENHOLM) yesterday introduced a rule before the Committee on Rules that would provide for a tax cut but not to rob the Social Security Trust Fund, and that is what we should do.

This rule waives the budget rules that got us to the balanced budget; it throws it out the window. It says what we have been doing is the wrong thing to do. This is how we get to a $5 trillion debt. We owe the American people more than this. We owe them more than to rob Peter to pay Paul.

Yesterday in the Committee on Rules the point was made that was quite outstanding that said we have got to spend this money before someone else does. I cannot think of a more ridiculous idea or a less responsible idea than this.

These folks have a heart as big as a washtub, as they say where I come from. We are going to rob Social Security on one hand and leave our constituents in poverty at age 65, but we are going to give them a small tax cut before we do that.

Let me urge my colleagues to vote against this rule and vote for responsible fiscal management.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not think I heard right. The gentleman from Arkansas said he heard something upstairs that Republicans want to spend this money before somebody else does.

We want to cut taxes and put the money back into the pockets of people.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. SMITH), one of the most fiscally responsible Members of this body.

Mr. SMITH of Michigan. Mr. Speaker, first of all, I invite the gentleman from New York (Mr. RANGEL) to come over and join the Republican party. We still believe in that philosophy that he is starting to think.

Mr. Speaker, I am disappointed that there is so much rhetoric, and we are shy on some upright honesty on what is happening in Social Security.

First of all, let me suggest that with a unified budget deficit last year of over $20 billion, this year, in that same way that we figure surplus and deficit, we are going to have a surplus of $70 billion. And let me also suggest that almost every Democrat on that side of the aisle last year voted for the tax cuts even though we had a much larger deficit than we do this year. And what happened? Because of the fact that there is some way to treat taxes to make it more fair to stimulate the economy we have ended up bringing in more tax revenue this year, and it has been a stimulus to a stronger economy in this country. That is part of the solution, long term, to any Social Security solution.

Let me additionally suggest, Mr. Speaker, to whoever might be listening to our debate, that neither approach, the Rangel amendments, nor this rule, move in the direction of saving Social Security. All we are saying is, let us start paying down the public debt a little bit, and that is good. That is going to help a little bit. But what we are really going to have to do to save Social Security is to increase the return on the investment that working men and women in this country are putting into their Social Security tax.

Right now, Mr. Speaker, the Tax Foundation says that, on average, they are going to have a negative return on that money that they pay into Social Security. A negative return; the estimate is between a negative ½ and a negative 1½. What we have got to do to save Social Security is have a better return on that investment. We cannot continue as a pay-as-you-go program for Social Security. So, all of this pretense that we are setting the money aside is just that, it is pretense.

I went to the Committee on Rules, and my amendment in the Committee on Rules, and that is my disappointment, Mr. Speaker, with the Committee on Rules; my amendment incorporated my House Bill 4033 that says from now on when the government borrows money from Social Security it should be marketable, negotiable Treasury bills. It is not that today. They are just blank IOUs, as will this new account be. It also said that from now on OMB and CBO, the administration and Congress' budget people, will not consider the surplus coming into the Social Security Trust Fund as revenue in terms of defining a deficit or a surplus.

I think the important thing as we start solving Social Security, that we be up front, that we be honest with the American people.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, there is going to be a lot of talk today on the floor of the House about a surplus. Let us get one thing straight. There is no surplus. The so-called surplus, 100 percent of it is the Social Security Trust Fund. We are overcollecting today in Social Security taxes. Seventy-three percent of Americans pay more in Social Security taxes to the United States Government than they do income taxes, with the idea that that money will be available tomorrow and the day after to pay future Social Security benefits.

But guess what? The Republicans want to spend that money today. They want to over collect from 73 percent of the American public with the false promise of Social Security being there in the future, and they want to spend that money tomorrow in a new tax cut. That is the worst of bait and switch. At least they could have the guts to do both bills on the same day and say to the American people, "Yes, we are spending your Social Security and tax cuts that will flow to a different group of people than paying the tax, but we think that's good policy. And don't worry, we'll somehow honor your benefits 10 and 15 years hence."

This is bad legislation. The Republicans know it is bad. They want to give tax cuts. Yes, actually they are not bad tax cuts for the Republicans, probably the best tax cuts the Republicans have ever proposed because they are trying to hang Democrats out to dry. But we are not going to be hung out on the line here. It is the Republicans that are being hung out because they are spending the Social Security Trust Funds. They are not protecting the Social Security Trust Funds. What a magnanimous gesture. They will only spend 10 percent of them, and they will put the other 90 percent in a phony account in the Treasury that will be immediately borrowed and spent on other things.

Mr. Speaker, this provides zero protection for Social Security. What is worse, it spends the Social Security Trust Fund of tomorrow on tax cuts today.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I rise against the Republican rule in the bill because it does not put Social Security first, it does not put senior citizens in this country first who work to build communities, families and to protect the country, it does not protect working families who are paying the FICA taxes for both their future security and their present security of their parents and grandparents and because it is fiscally irresponsible.

On the tax bill this rule that we are considering would automatically adopt a provision to waive the budget law, and what does that law say? It requires that all tax cuts be fully paid for. The provision is intended to keep the country, the reason that law exists, is to keep the country from returning to the days of creating huge tax breaks at the expense of the deficit in terms of going back to that credit card mentality.

Instead of following the path of fiscal responsibility, Mr. Speaker, Republicans have irresponsibly decided to dip into the Social Security Trust Fund for tens of billions of dollars to pay for the costs of these tax cuts even before any action has been taken to deal with Social Security's long-term solvency.

Now where are my friends from the CATs, the conservative action teams? As my colleagues know, we are constantly talking about being fiscally responsible. How is it that my colleagues can begin to spend money, how is it possible to begin to spend money before the ink even dries on a projected surplus? That is clearly not fiscally responsible.

And this question about a separate account; the separate account has no lock, has no guarantee, has no provisions to preserve Social Security. It is fiscally irresponsible, it does not put our seniors first, it does not put our country first, and it does not continue us on the path of fiscal stability.

The fact of the matter is, if we want to put our seniors first and working families, we should reject the rule, reject the bill and adopt the Democrat proposal.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in strong opposition to this rule. All Members who care about fiscal discipline, all Members who care about the Social Security system, all Members who care about the legacy we leave for future generations should vote against this fiscally irresponsible rule.

I was sincerely disappointed that the Committee on Rules choose to report a rule which did not allow for consideration of the bipartisan Stenholm-Berry-Neumann amendment which would require that tax cuts be paid for out of general revenues and prohibits funding a tax cut out of the Social Security surplus. Once again the Committee on Rules denied a free and open debate on an issue of which some of us on both sides of the aisle feel are very important. That is the reason why everyone should oppose this rule, Mr. Speaker.

The Stenholm-Neumann amendment would establish the common-sense position that we should wait until a true budget surplus materializes before tax cuts which are not paid for take effect.

The rule does make in order a Rangel substitute that delays implementation of the tax cuts until the Social Security trust fund is restored to actuarial balance. I will support the Rangel substitute because it would make the underlying bill more responsible and add meaningful protections for the Social Security trust fund. However, the Stenholm-Neumann amendment would have set a significantly tougher standard by requiring us to balance the budget without using the Social Security trust fund surplus. The vote on the rule will be the only opportunity Members will have to express support for the principle set forth in the Stenholm-Neumann amendment that we should not be funding a tax cut from the Social Security trust fund.

Let me be clear. I, too, support tax cuts, but not if they are paid for with Social Security Trust Funds. We should not talk about budget surpluses so long as we are counting Social Security Trust Fund. Under current projections there is no surplus available to use for tax cuts unless we are willing to use Social Security Trust Funds.

The substitute amendment that Mr. NEUMANN and I proposed contained all of the tax cuts in the package reported by the Ways and Means Committee, but would add a requirement that any tax cuts which are not paid for be delayed until we have an on-budget surplus large enough to pay for the tax cut without relying on the Social Security trust fund surplus. This amendment would have ensured that the tax cut is not funded out of the Social Security surplus, and establishes the position that we should wait until the surplus materializes before tax cuts which are not paid for take effect.

We should not talk about budget surpluses so long as we are counting the Social Security trust fund surplus. Under current projections, there is no surplus available to use for tax cuts unless you are willing to use the Social Security trust fund surplus.

Over the next 5 years, CBO estimates the surplus of Social Security Trust Funds will be $520 billion, of which 657 of that 520 is Social Security Trust Fund. Over the next 10 years, it takes 10 years before we find $31 billion that are not Social Security Trust Fund.

Enacting a permanent tax cut that is not paid for would result in continued deficits into the future as far as the eye can see.

In a letter sent our earlier this week, the Concord Coalition warned us that "the election year temptation to use Social Security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline." We should maintain the discipline that has put us on a path to a truly balanced budget that puts Social Security off budget once and for all by 2002.

The West Texas tractor seat common sense I hear when I go home also reminds me that we should not count our chickens before they are hatched. The surplus exists only in projections, not reality. According to CBO, a recession similar to the 1990–1991 recession would turn the projected surplus into a deficit.

Even a modest slowdown in economic growth could reduce revenues and increase spending by tens of billions of dollars, quickly turning a projected surplus into a deficit. Lawrence Lindsey, a Republican economist and former Federal Reserve Governor, warned that the surge in income taxes that has contributed to the surplus in the unified budget may not continue, arguing that "The prudent thing to do when you enjoy a windfall from some good luck is to save it, you might need the cushion in bad times."

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I cannot believe my friends on the other side of the aisle are not taking a conservative approach to the economy today, when everyone is saying that is what we should be doing. People out in West Texas know that when we get a little extra money, our first priority should be to pay off our debts, particularly if we have a debt.

We should use the opportunity presented by the strong economy and improved budget projections to reduce the $5.4 trillion national debt, instead of leaving that burden for future generations. The current projections of a budget surplus follow years of deficit spending that has resulted in a national debt of $5.4 trillion. Federal Reserve Chairman Alan Greenspan, former CBO Director Rudy Penner and countless other economists have told us that the best course of action for the economy is for Congress to use the surplus to reduce the debt. Reducing the national debt will help maintain a strong economy by reducing interest rates and increasing the amount of savings available to the private sector to invest in the most effective way possible.

The senior representative in my State in the other body the other day echoed the view that I share when he said, "I think I know the people I represent would agree we ought to save social security. I do not have to see a poll to know that."

We have a tremendous opportunity to prepare for the retirement of the baby boom generation by reducing the debt and reforming entitlement programs.

I have worked extremely hard over the last 3 years in a bipartisan effort with the chairman, the gentleman from Arizona (Mr. KOLBE), the gentleman from South Carolina (Mr. MARK SANFORD), the gentleman from Michigan (Mr. NICK SMITH), and other Members on both sides of the aisle to bring us to a point where we are seriously discussing the long-term reforms necessary of the social security system. The task of enacting meaningful social security reform will be even harder if we use the projected budget surplus for a short-term, politically attractive tax cut.

Members know that. I know that. Anyone that is serious knows there are going to be transition costs. We should not spend it today.

I also strongly oppose this rule because it includes several major waivers of the Budget Act discipline. This legislation represents one of the largest violations of the budget enforcement rules since the enactment of the Budget Enforcement Act.

At the same time that the Committee on the Budget is considering legislation that would take a positive step towards making it harder to waive the Budget Act, we are being asked to vote for a rule that makes at least four major waivers of the Budget Act. These are not routine waivers of technical violations of the Budget Act, but are major, substantive waivers of budget discipline.

I hope that my colleagues who have joined me over the years in complaining about waiving the Budget Act would join me in opposing now the blatant violation of budget discipline in this rule.

The gentleman from New York (Mr. SOLOMON) and I have joined in this fight so many times over the years, when the gentleman was in the minority and I was in the majority, and I was differing with my party. The gentleman and I stood on this floor and said, we should not do this. Today, Mr. Speaker, the gentleman is bringing a rule that does it, and he is waiving it. I cannot believe it that the gentleman is doing that.

Mr. Speaker, the exemption from the PAYGO rules that allows the bill to be funded out of the Social Security surplus instead of being offset by spending cuts or revenue increases is a dangerous step toward weakening existing budget enforcement rules. The pay-as-you go budget rules have put us on a path to a balanced budget. Now is not the time to be waiving, suspending or otherwise violating our budget discipline rules. The recent volatility of world financial markets makes it even more critical that we reaffirm our commitment to maintaining the discipline that has produced a dramatic improvement in the Federal budget and a strong economy.

The conservative thing to do with the budget surplus is to be conservative. It is extremely important that we follow the path of fiscal responsibility and take advantage of this opportunity to preserve the Social Security system for future generations. The bill before us, for all its merit, would undermine fiscal discipline and jeopardize our ability to preserve Social Security. I strongly encourage all members who are committed to maintaining fiscal discipline and maintaining the integrity of the Social Security trust fund to vote against this rule so that the House may consider a tax cut that is not funded out of the Social Security trust fund.

Vote down this rule and let us do what the country needs.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say that I respect every Member of this body. I love all of them. The gentleman from Texas is one of my best friends. However, sometimes we have to ask whose ox is being gored here?

I heard the gentleman stand up here and say that he is for tax cuts, but he is not going to vote to cut taxes if it is going to have anything to do with Social Security. Yet, I am looking at a bill here that just passed the House September 15. It was a bill that spent billions of surplus funds on the agriculture emergency bill. It is the same surpluses. Then it was okay to spend it, but no, it is not okay to cut taxes with it now.

Mr. Speaker, I am just looking at the whole list of all my good friends on that side of the aisle. Every one of them—I just drew the line here—every one voted for that surplus bill. Spend those surpluses, take it out of that Social Security. Yet, when we start talking about 48 million Americans that are married taxpayers, we cannot spend some of the surplus on them. We cannot give them a tax break. We cannot give 6 million other Americans an exemption on their itemizations. We cannot give 68 more million Americans a tax exemption on their interest on their income.

Mr. Speaker, I yield 2 minutes to the gentleman from Morris, the south suburbs of Chicago, Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding me the time.

We can tell this is an election year, with the political rhetoric we are hearing. People are talking about the social security trust fund, and of course politicians say a lot of things in an election year, particularly 6 weeks before the election.

As a member of the Subcommittee on Social Security, I thought I would share with everyone here, the Social Security Administration says that the tax cuts we are going to vote on tomorrow eliminate the marriage tax penalty for a majority of those who suffer. It will have no impact on the social security trust funds.

In fact, in response to a question by the gentleman from Texas (Chairman ARCHER), "As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the social security trust fund," the chairman asked Judy Chesser, deputy commissioner of the Social Security Administration, she had a very simple answer: "No."

So if we want to be honest about this, this legislation has absolutely no impact. The tax cuts have absolutely no impact on the social security trust fund. Let us be honest today. The Social Security Administration is honest. All politicians should try and be honest once in a while.

Mr. Speaker, this is an exciting day. Let us think about it. As a result of last year's balanced budget, we now have projected a $1.6 trillion surplus. Today we are going to vote to set aside $1.4 trillion to save social security. What a victory. 2 years ago we had massive deficits. Today we have that opportunity to save social security, setting aside $1.4 billion.

I was one of those who stood up and applauded in January of this year when the President said, let us take the surplus from the budget and use it to save social security. I applauded. In fact, I stood up like everyone else in this room, and said, good idea. At that time the surplus was projected to be $600 billion. Today we are going to vote to set aside more than twice what the President asked for, $1.4 trillion.

I have heard a lot of messages in the forums and town meetings I have had on social security in the south suburbs and south side of Chicago: Keep politics out of it, use most of the surplus to save social security, and let us eliminate the marriage tax penalty.

Ms. SLAUGHTER. Mr. Speaker I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I thank the gentlewoman for yielding me the time.

I oppose this rule, Mr. Speaker, and I am very disappointed that the Republican leadership is bringing this forward. We have worked very hard for the past 6 years to bring in a balanced budget, including the 1993 economic program on deficit reduction, that we passed without a single vote from the Republican side of the aisle. But we did come together, Democrats and Republicans, on budget discipline.

The pay-go rules were put in for a reason. The pay-go rules say very simply that we cannot spend money unless we have a way to pay for it. We cannot cut taxes unless we have a way to pay for it. It is very simple.

Yes, we have voted for tax cuts, we did last year, but we paid for them. We did not take it out of the surplus. We paid for it. Yes, we can fund true emergencies through the budget rules without waiving the budget rules, because that is the rules we are operating under. But we cannot cut taxes, we cannot raise spending, unless we pay for it under the pay-go rules.

What do the Republicans do? They bring out a rule that waives the pay-go rules. It says that "We waive pay-go requirements with respect to a bill making the revenue loss not covered under pay-go," the height of hypocrisy. If they did not do that, they would have a Medicare cut next year of $6.7 billion under sequestration; the year after that, $8 billion. They did not want that to happen, but they did not want to pay for it.

That is wrong. There is no surplus, but for the fact that social security is running a cash surplus. We do not have any surplus to spend. It is very possible that we are going to enact permanent tax cuts, and then what happens two or three years from now, if we do not have the money they are talking about, it is not going to be 10 percent of the projected surplus that comes about as a result of social security, but it could be 20 percent, 30 percent, or 40 percent. That is wrong. That is why we worked together, Democrats and Republicans, for budget discipline rules.

I urge my colleagues to reject the rule.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, in a week, just a week, the government will declare a budget surplus for the first time in 30 years. This is a landmark achievement, and in large measure it is the result of rigorous budget rules that Congress enacted in 1990, in 1993, and in 1997, which were followed consistently. Now, on the verge of the first surplus in 30 years, the House is about to throw budget discipline to the wind and dissipate the surplus before we have even declared it, even put it in our pockets and realized it.

When we did the budget summit agreement with President Bush in 1990, we adopted something we call colloquially the pay-as-you-go rule. Congress extended that rule in 1993, we extended it again in 1997, because it has worked. It has been the foundation of our fiscal discipline, and it has been a major factor in bringing the budget to balance.

Under that statutory rule, increases in entitlement spending or decreases in taxes have to be fully offset. If not offset, the initiatives have to be paid for. They are entered on a pay-go scorecard, and money is sequestered at the end of the fiscal year which otherwise would go to the farm program or Medicare or Medicaid, certain selected entitlement programs.

We all know there is a unified budget surplus over the next 5 years, but we also know that when the surpluses in the social security trust funds are backed out, the budget is in deficit by $137 billion.

If this rule is enacted and if H.R. 4579 is enacted, we will raise that deficit from $137 billion to $217 billion, and postpone the date when we are truly in surplus well beyond the year 2008. This is backpeddling. This is the first step down the slippery slope. When we are finally at the point of success, we are about to blow it.

I support tax cuts. I find a lot of the provisions in this tax bill very appealing. But I think it is a mistake to dispense with our budget rules and the budget discipline that has brought us this far in order to pass this bill.

The rule for H.R. 4579, everybody should note this, everybody should know it when they vote for it, has to bust the budget rules, has to break the budget rules and the discipline that we have established in four different ways for this bill to come to the floor.

First of all, it has to amend the tax bill to provide the pay-as-you-go requirements, to override these pay-as-you-go requirements which are present, which this Congress reaffirmed and extended just last year. We have to override them altogether.

It is buried here. It is the last paragraph in this thing. It says, "Upon the enactment of this Act, the director of the Office of Management and Budget shall not make any estimates of the changes and receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of '85 resulting from the enactment of this Act." In other words, disregard fiscal reality.

Secondly, we have to violate section 306 of the Budget Act, which says that only the Committee on the Budget, not the Committee on Rules, can change statutory budget rules like the pay-go rule.

Thirdly, this rule waives section 311 of the Congressional Budget Act, in effect because the tax bill cuts go well beyond the tax cuts that we explicitly agreed to in last year's budget agreement and implemented in the Tax Relief Act of 1997.

Fourth, the rule must waive section 303 of the Congressional Budget Act, because it amends the revenue law before Congress has agreed to a budget resolution for this year. We do not have a budget resolution. We passed one in the House, the Senate passed one. We never even had a conference. The rules say that we cannot do this until we have adopted a budget resolution.

This is a long list of violations which we will waive. They are serious, not trivial violations. I urge that we stick with the fiscal discipline that has brought us to this day on the verge of a surplus, and not throw budget discipline to the winds. Let us vote against this rule.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am just surprised to hear the gentleman, whom I have great respect for. He was a member of the Committee on the Budget in 1993, along with the gentleman from Minnesota (Mr. SABO). They asked for the same kind of waivers, but for spending, not for tax cuts. In 1997, the same thing happened, for spending, not for tax cuts.

By the way, if there is an attempt to defeat the previous question and to make in order the Stenholm substitute, it, just like the Rangel substitute, requires the same kind of budget waivers. Let us get that straight, so Members, when they come over here, know what they are voting for.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Staten Island, New York (Mr. VITO FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank my good friend, the gentleman from upstate New York, for yielding time to me.

Mr. Speaker, I am very happy that we are having this discussion, this debate, and indeed the opportunity to vote on this rule, because really, what we have is providing the American people, people on Staten Island and Brooklyn, the opportunity to determine what side here is for providing more tax relief for the American people, more tax relief for married couples, better opportunities for small business owners, and what side just wants to keep all our hard-earned money here in Washington for more big government, more spending, more bureaucracy.

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I think the issue is clear. Frankly, I believe the American people are taxed too much. I think they work hard every single day. When their paycheck comes every couple of weeks or every month, or when they are filing their taxes, they recognize that they pay too much in taxes.

The reality is, we want to send that money back to the people, whether it is in Staten Island or Brooklyn or San Diego or anywhere across this country.

Last year, there was a debate about cutting taxes on hard-working Americans to stimulate our economy and allowing people to keep more of what they earned. We were told that there was a budget deficit and that we could not afford to cut taxes.

Now we are told that there is a budget surplus and we cannot afford to cut taxes. This is the logic that defies ordinary Americans. If we have a deficit and a surplus and we cannot afford to cut taxes in either case, then when can we?

The reality is that we have a great opportunity today to support a rule and underlying legislation that brings tax relief to hard-working married couples, to small business owners across America. Let us get the money out of Washington back to Staten Island and Brooklyn and across this great country where it belongs. Where people who work hard every single day who created the surplus, not the people here in Washington, the Americans, let us give them the tax relief they need.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), an outstanding Member.

Mr. WATKINS. Mr. Speaker, I stand in support of the bill. I think we all need to be grateful from the standpoint of being able to balance the budget. One of the reasons why I returned to Congress, was to do anything I could do to balance the budget, and also to try to provide some tax relief for a lot of the working families in this country.

We can also be very proud of the fact that we are setting aside 90 percent of the projected surplus to help protect and secure Social Security. A 90 percent set-aside or $1.4 trillion is more than any other time in the history of our country. An historic record breaking amount of dollars that we are willing to set aside to protect Social Security.

Also, as one of the previous speakers said, President Clinton, proposed a set-aside in January, of approximately $600 billion. We are setting aside over twice as much; $1.4 trillion is over twice the amount that President Clinton proposed in January.

So, I think we can be very thankful with what we have done to protect Social Security. The 10 percent will help save our farmers and our ranchers. Let me share with you what that 10 percent does.

One, it allows us to provide income averaging with a 5-year carryback to farmers and ranchers. And let me tell my colleagues, my farmers and ranchers who are hurting with low prices and the worst crisis since the Great Depression. They feel that the 5-year carryback is one of the best provisions they could possibly have to help them survive through this time.

It also allows 100 percent deductibility on health insurance for the self-employed. We are not only talking about farmers and ranchers being able to have health insurance, but also the small business on Main Street. Most of them are self-employed and they do not have the opportunity to have health insurance today, or they are not allowed to have 100 percent deducted.

A lot of ministers are under this provision of being self-employed. This is something that they have been wanting for a number of years.

The elimination of the marriage penalty which affects millions of people across this country. This is a good working family middle-class tax cut and our senior citizens will receive 90% or $1.4 trillion to help protect Social Security well past the year 2030.

Ms. SLAUGHTER. Mr. Speaker, I want to urge my colleagues to join me in opposing the rule. Vote "no" on the previous question.

Mr. Speaker, I ask unanimous consent to insert the text of the amendment that will be offered if the previous question is not ordered at this point in the RECORD.

The SPEAKER pro tempore (Mr. KOLBE). Is there objection to the request of the gentlewoman from New York?

There was no objection.

On page 4, line 1, strike "and (3)" and after the semicolon, add the following:

"(3) a further amendment printed in the Congressional Record and numbered 2 pursuant to clause 6 of rule XXIII, if offered by Representative Stenholm or his designee, which shall be in order without intervention of any point of order, which shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (4)".

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. GREEN).

The SPEAKER pro tempore. The gentleman from Texas (Mr. GREEN) is recognized for 30 seconds.

Mr. GREEN. Mr. Speaker, I rise in opposition to the rule, the bill, and in support of the Democratic substitute.

For too long this Congress has had the habit of using the Social Security trust funds to hide the true amount of our deficit. Now Republicans want to use the Social Security trust fund to inflate the value of the budget surplus.

This money should not only be saved, but it needs to be saved to ensure the solvency of the Social Security program. Let us be honest about the budget. It is only in balance because of Social Security. If we remove Social Security trust funds from our budget calculation, we would still have a deficit.

This bill to supposedly save 90 percent of the surplus for Social Security is a sham. By supporting this bill, the Republicans are doing nothing more than taking from America's seniors to pay for a tax cut.

Democrats want to save 100 percent of the surplus to pay for a program that has worked well for seniors and their families but is in need of repair—Social Security.

By voting for the Republican fig-leaf bill and against the Democratic substitute, Republicans are voting to cut the money available for strengthening Social Security.

Mr. SOLOMON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I want my colleagues to read this sign here. It says: Social Security Administration says the tax cut plan has no impact on Social Security trust funds. Quote, "As a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund? No."

Now, who said that? It is Mrs. Judy Chesser, Deputy Commissioner, Office of Legislative and Congressional Affairs, Social Security Administration of the Clinton administration.

Is that clear?

Later on this year, before we adjourn in the next couple of weeks, we are going to be voting on some very critical things where we have to come up with emergency monies. One of them is Bosnia. Ever hear of it? We have to pay for it. Y2K, billions of dollars. We have to pay for it. Disaster aid in New York and California and all across this country. We have got to pay for it. National security, we have to pay for it.

As I pointed out before, 178 Democrats did not hesitate for a minute to come on this floor 2 weeks ago and vote to spend billions of dollars of these surpluses—spending it, not cutting taxes. Now today we want to put aside 90 percent of these funds, 90 percent of over $1.5 trillion and save that for Social Security. But we want to take 10 percent of it and we want to give 87 million Americans a tax break in this country, all middle-income, low-income Americans that need the help.

Mr. Speaker, what is this all about? I urge Members to come over here and vote for the rule and let us vote for the Social Security bill and then let us vote for the tax cut bill.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak against this rule, which governs the debate on two separate bills that gravely affect our Social Security and tax systems.

This rule prohibits the free and open debate of the social security system. It only allows for one amendment to be made on each of these important bills, that effect the lives and livelihoods of millions of Americans around the country.

Social Security is an extremely important program. For many Americans, it provides their only source of retirement. Their only source for sustenance after they retire from work. Both of these bills threaten the stability of their accounts. They take part of the money, that should entirely be set aside on their behalf, as was contracted the moment that funds were garnered from their paychecks, and put it towards election-year tax cuts. Such important legislation should not be unreasonably limited in debate, or in deliberation, as they are here today.

H.R. 4578 purports to save Social Security, but any elementary school teacher would be quick to stamp it "incomplete". It puts aside only a portion of the hard-earned money of the American people. The Republicans admit it is a 90–10 plan. They acknowledge that 10% of the Social Security Fund is left unprotected. I say that 10% is 10% too much.

The Democratic substitute for this bill sets aside every penny of Social Security and places it into the New York Federal Reserve for safekeeping, away from lawmakers looking to earn quick votes. I intend to vote for the substitute, and hope that its passage signals to the Republicans that their efforts to bring about tax cuts do not have to come at the expense of the people around the country.

Now, this resolution does allow for one Democratic amendment to H.R. 4579, which takes funds out of the Social Security surplus and uses it for tax cuts. Tax cuts that are intended to benefit the middle class. However, to truly ensure that the middle class will receive the benefits, those cuts must be carefully targeted. Targeting requires careful debate and deliberation. Under this rule, we are afforded neither. We get only one substitute.

Furthermore, under this rule, H.R. 4579 "self-executes", meaning that a portion of the Budget Act is waived automatically! The Budget Act requires that all tax cuts be fully paid for before being enacted. Why is that waived in this case? Because the Republicans know that there is no surplus to spend. It is prima facie evidence that this bill takes money away from the Social Security Trust Fund.

I urge all of you to vote against this rule, and for the workers of this great nation.

Mr. SOLOMON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 219, nays 202, not voting 13, as follows:

[Roll No. 461]

YEAS—219

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)

Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—202

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—13

Burton
Cubin
Engel
Goss
Kennelly
Livingston
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Rogers

☐ 1056

The Clerk announced the following pairs:

On this vote:

Mr. BURTON of Indiana for, with Mr. MOAKLEY against.

Mrs. LOWEY and Mr. ACKERMAN changed their vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. QUINN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 215, nays 208, not voting 11, as follows:

[Roll No. 462]

YEAS—215

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—208

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard

Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Burton
Cubin
Goss
Kennelly
McDade
Meeks (NY)
Moakley
Norwood
Paul
Pryce (OH)
Thornberry

□ 1106

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROTECT SOCIAL SECURITY ACCOUNT

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. QUINN). Pursuant to House Resolution 552, the bill is considered read for amendment.

The text of H.R. 4578 is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

"(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

"(2) The Secretary of the Treasury shall pay into the account annually during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus (if any) in the total budget of the United States Government for that fiscal-year period.

"(3) Within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus (if any) for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

"(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

"(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 4578, as amended pursuant to House Resolution 552, is as follows:

H.R. 4578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF SPECIAL RESERVE ACCOUNT.

Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

"(n)(1) There is established within the Treasury a special reserve account to be known as the 'Protect Social Security Account' (hereinafter in this subsection referred to as the 'account'). The account shall be used to save budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds.

"(2) The Secretary of the Treasury shall pay into the account annually at the end of each fiscal year during the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008, amounts totalling, in the aggregate, 90 percent of the projected surplus, if any, in the total budget of the United States Government for that fiscal-year period.

"(3) For purposes of determining budget surpluses under paragraph (2), within 10 days after the date of enactment of this subsection, the Secretary of the Treasury, in consultation with the Director of the Office of Management and Budget, shall project the budget surplus, if any, for the total budget of the United States Government for the fiscal-year period beginning on October 1, 1997, and ending on September 30, 2008.

"(4) The Secretary of the Treasury shall invest the funds held in the account pending enactment of the reform measure referred to in paragraph (1). The purposes for which obligations of the United States may be issued under chapter 31 of title 31, United States Code, are hereby extended to authorize, in the manner provided in subsection (d), the issuance at par of public-debt obligations for purchase for the account. The interest on, and the proceeds from redemption of, any obligations held in the account shall be credited to and form a part of the account.

"(5) As used in this subsection, the term 'total budget of the United States Government' means all spending and receipt accounts of the United States Government that are designated as on-budget or off-budget accounts.".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to fiscal years beginning on or after October 1, 1997.

The SPEAKER pro tempore. After one hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 1, which shall be considered read and debatable for one hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4578.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider a plan to set aside 90 percent of the surplus until we can save Social Security and use the remaining 10 percent to cut taxes now.

The plan we vote on establishes a special reserve account within the Treasury called the Protect Social Security Account. This account will save budget surpluses until a reform measure can be considered to ensure the long-term solvency of Social Security.

Ninety percent set aside, Mr. Speaker. Ninety percent of the surplus. The American people expect us to save Social Security, and they need tax relief. This plan gets the job done on both accounts.

We are committed to saving Social Security. We are also committed to letting people keep a part of the taxes that they have generated for this government by their work.

But, Mr. Speaker, I hear there is opposition to this plan from my friends on the other side of the aisle. Why would anyone oppose setting aside 90 percent of the surplus until Social Security can be saved? It is because they do not want to save the surplus. They want to spend the surplus. The Democrats do not want to use the surplus for Social Security. They want to use it to increase spending, expand the size of government, and grow bureaucracy. Under the Democrats' proposal, the very people who need help will be hurt. The Democrats are proposing to punish husbands and wives, farmers and ranchers, senior citizens and small businesses by denying them tax relief now. Why? So they can spend the taxpayers' money.

Earlier this year, President Clinton spent $2.9 billion of the surplus to help the people of Bosnia. Already this fall he is proposing to spend another $13 billion of the surplus on more government. Not to pay for it, not to offset it, but to simply increase government spending. When will this end? If we do not return a portion of the surplus to the people whose income taxes created this surplus, the politicians will spend it. They always have, and they always will. Make no mistake about it, we have a surplus only because of the increase in income taxes, not payroll taxes. We have a surplus instead of a deficit only because of the increase in income taxes, not an increase in payroll taxes.

Mr. Speaker, the best way to stop the politicians from spending the taxpayers' money is to take it away from them before they can waste it. We now have a chance to set aside enough money to save Social Security and to cut taxes. They are both important goals. They are both within our reach.

Now is not the time for anyone to say "no" to families who pay marriage penalties, farmers and ranchers who are suffering, and small business owners who create jobs. Now is not the time to say "no" to senior citizens whose Social Security checks are reduced because of an unfair earnings limit when they decide voluntarily they want to continue to work.

□ 1115

Now is the time to say yes to saving Social Security and cutting taxes, and our 90–10 plan does both. We can save Social Security and cut taxes. The job begins today with this vote.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 5½ minutes.

Mr. Speaker, I may be wrong, but I thought I heard some sense of partisanship in the gentleman from Texas' presentation on this bill, and I am going to try to restrain myself and try to remind my Republican friends that things that they are talking about today are Democratic concepts. These are concepts that we Democrats have and continue to support. The only difference that separates us today is that we believe that until we have the fiscal discipline to abide by our budget rules that we should have the money to pay for these tax cuts before we cut the taxes.

Now I had thought, and probably my colleagues have had a caucus and changed their mind, but the last I heard from my Republican leadership friends was that they were running around the country pulling up the Tax Code by the core. They were pulling it up by the roots. They were saying that the system was too complicated. And they had the majority, and they had the opportunity to fix it, and they came back with a $300 billion bill, which we supported, that was far more complicated than any code the Democrats left them.

So let us forget all this talk about flat tax, consumer tax and retail tax. They should say that they would like to be realistic and deal with taxes that most of the people want. But they also have to let the senior citizens know that they have decided that the moneys that Americans have paid to make Social Security solvent, that they are only entitled to 90 percent of it because they have decided to take 10 percent of the money that provides the surplus that was basically there for survivors and widows and disabilities and Social Security to give a pre-election tax cut.

Now some people talk about Democrats and the leader of the free world, President Clinton, going into the surplus for emergencies. So what would they have it? That the farmers not get any assistance? Shall we tell our citizens in Puerto Rico that we are not going to help them? Are we going to say to our military, our boys and our girls in the military that are in Bosnia, that they are not going to be helped because we do not touch the surplus?

We are talking about a one-shot emergency as opposed to a permanent tax cut, as long as they are in the majority that is. And so let us wait and do what the President has asked and that is to say we support tax cuts, Republicans support the suggestions that the Democrats have. The only difference between the two is we say save Social Security first.

Now what is so remarkable about us coming back and in a bipartisan way going to the Social Security Trust Fund and making certain that actuarially it is going to be solvent, and then under the democratic rule it triggers, without us going into conference and without us going into debate, it triggers off the tax cuts, but what it does not do is violate the rules of fiscal responsibility.

So I do not know when the gentleman from Texas (Mr. ARCHER) talks about do not let the politicians touch it. My God, the politicians have to be those who have the majority. They are the ones that have their fingers in the cookie jar that the taxpayers put in the cookies for the Social Security Trust Fund.

So I do not know how many votes they have. I do not even understand the politics of their tax bill. All I know is this: that politically I do not see why their leadership would have them to vote for a bill that raids the Social Security system, that the Senate may not even take up, that the President is going to veto and that they know in the bottom of their hearts they do not have the votes to override the veto. So if they want to go back home and be counted among those who cared more about a political advantage in November than preserving the funds for our seniors, they can do it, but it almost frightens me that we are about to lose the rule, because I truly believe, if we are going to show the difference between us and them, this is going to be the issue.

So I do not know how many votes they have for fast track, I do not know how many votes that they are going to have for Social Security, but I do believe that if we are going to save Social Security, do not put it in an accounting system and say we are not going to touch it, that we really take it out of the system, off budget, put it in the Federal Reserve, and then we would know not 90 percent but a hundred percent of the taxes are going to be used for what the taxpayers think it should be used for.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security, who is a sponsor of the base bill on which we are voting today. It is interesting to also note that the gentleman from New York (Mr. RANGEL) is a cosponsor of that bill.

Mr. BUNNING. Mr. Speaker, just to respond in a small way to the gentleman from New York, the gentleman from New York voted just last week on the floor of the House of Representatives to spend part of the surplus on agricultural disaster relief. If it is okay for him to spend part of the surplus, why is he proposing to punish farmers and ranchers and others by denying them relief now?

Throughout my tenure in Congress, I have devoted myself to protecting and preserving Social Security. The Committee on Ways and Means' Subcommittee on the Social Security, which I chair, has conducted a series of hearings, 11 to be exact, on the future of Social Security for this generation and the next. Our subcommittee has worked to fully explore every option for Social Security reform. The information obtained through these hearings will be invaluable to the Congress as they proceed to save Social Security. And we will save Social Security just like we balanced the budget, reformed welfare, saved Medicare and cut taxes.

The President has also worked to advance the Social Security debate, vowing in his State of the Union address to reserve every penny, then $680 billion of future budget surpluses, until Social Security has been strengthened. Unfortunately, however, somewhere between his State of the Union and the drafting of the President's budget proposal this commitment to Social Security got lost in the shuffle. The President's budget did nothing to redirect budget surpluses to Social Security, included no new trust fund investment strategies, no changes in Social Security taxes or spending. It proposed nothing new.

That is why in March of this year I introduced legislation to create a new Treasury account, the Protect Social Security Account, into which each year's budget surplus would be deposited. My bill, as introduced, walled off 100 percent of all budget surpluses so that they could not be frittered away on new spending programs. Due to lower inflation, increased corporate taxes and increased income tax revenue from hard-working Americans, the projected surplus we reached is $1.6 trillion. That is an additional 1 trillion since the President's State of the Union.

So I say we can do more. We can save Social Security, and we can cut taxes for those Americans who need it most: married couples, farmers, small businesses and senior citizens. Today, using language virtually identical to my original bill, we will pass legislation to wall off 90 percent of the budget surplus until a solution for Social Security is found.

While less sounds like less, in this case less is more. Ninety percent of the surplus today is just about 1.4 trillion, nearly double the amount that would have been saved at the time of my original bill. Certainly Social Security has no guarantee of any kind right now, no guarantee of any kind that it will get any of the surplus without some kind of protection like that provided in this bill. The President and Congress will spend the surplus on anything they want.

Even the President has already proposed 31 billion in new government spending funded from the very budget surplus he promised to reserve. Americans deserve better than more broken promises. This bill, by including my wall-off provisions, will guarantee in law that 90 percent of the surplus will be held aside to strengthen and protect Social Security. It will guarantee that we have the funds needed to implement Social Security reform when Congress takes action on it. That is 1.4 trillion for Social Security.

The Federal Government has never done anything like this. I wanted a hundred percent, but 90 in hand and guaranteed in law is better than a whole roomful of wishes that it was 100 percent. This bill locks in that protection in law.

My primary goal in this bill and since I came to Congress is to protect and preserve Social Security. The bill with the wall-off provisions will do more to protect and strengthen Social Security than anything Congress has considered in the 12 years that I have been here.

Mr. Speaker, I want to assure everybody to vote in a positive manner on this bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), our Democratic Whip.

Mr. BONIOR. Mr. Speaker, I thank my friend from New York (Mr. RANGEL) for yielding this time to me.

For years the Republicans talked about fiscal responsibility. So what is happening now? They are rushing to spend a surplus that does not exist. This bill is nothing but camouflage to cover that up. It is just an accounting trick to permit siphoning off funds from Social Security Trust Fund.

Let us remember something here. Social Security is the foundation of America's retirement system. It has worked well for more than half a century, and we have to strengthen it for future generations.

Even as we speak today, 44 million Americans are receiving Social Security benefits, our fathers, our mothers, grandparents, our friends, our neighbors. Protecting these benefits for today's seniors and protecting them for baby boomers and future generations beyond that is our responsibility.

Of course everybody likes tax cuts. We favor tax cuts. We supported tax cuts just a year ago, and they became law. But Americans have been very clear with the Congress about their priorities. They want us to save Social Security first.

□ 1130

We cannot give a surplus that does not exist. Americans believe that people who have worked hard all of their lives have a right to a secure retirement. They expect us to guarantee that right. This is why we need to address the long-term challenges of Social Security. If we fail to come up with a long-term plan, if we squander today's Social Security revenue on a short-term election year giveaway, then the retirement for millions of Americans will be put in danger.

Now, the Republicans say they only want to divert just 10 percent of the revenue from Social Security. Well, that is like rowing into the middle of a lake and then announcing you only want to drill one hole in the bottom of the boat; just one hole.

This bill is a prelude to a raid on the Social Security trust fund, and that raid will probably happen tomorrow when we meet here to pass the raid itself, the robbery, the stealing of the fund.

Perhaps my friends on this side of the aisle think that while the country is distracted they can pick its pocket and dip into our retirement funds. Well, I have news for you: The country understands what is happening here. They know it is not right and not fiscally responsible, and you are not going to get away with it.

To my senior friends in Florida, and we have many Michiganders who have gone down to Florida and live, let me say, you are going to about to get hit by Georges, the hurricane, that is going to deliver that left hook to you. But tomorrow the Republicans are going to give you the uppercut, the knockout punch.

Vote no on this camouflage.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. HERGER), a respected member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I would like to begin by respectfully pointing out that the gentleman from Michigan voted just last week on the floor of the House to spend part of that surplus on agricultural disaster relief. If it is okay to spend part of the surplus, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

Mr. Speaker, I rise today in strong support of the Republican plan to save Social Security and reduce our Nation's record high tax burden. We are also dedicated to fulfilling our commitment to our Nation's seniors as our plan sets aside the vast majority, some 90 percent of our entire expected surplus until we agree on a plan to save Social Security.

At the same time, we believe it is entirely appropriate to return at least a small portion, some 10 percent of this projected surplus, to those who created it in the first place, hard-working American taxpayers.

According to the Congressional Budget Office, taxes are now higher than they have been at any other time in America's peacetime history. So to my friends on the other side of the aisle who say we should not use even one penny of our Nation's surplus to provide middle class tax relief, I say, yes, we do have crucially important task ahead of us in saving Social Security, and our plan sets aside $1.4 trillion to do precisely that. But, at the same time, we should, at least at this time, not pass up this opportunity to provide 48 million married taxpayers relief from the marriage penalty. After all, when a couple stands at the alter and says "I do," they are not agreeing to higher taxes. And why should we deny Americans new incentives to save? Why should we deny farmers and ranchers relief from the death tax? Why should we deny the self-employed the opportunity to fully deduct the cost of their health insurance? And why should we deny seniors a chance to earn a little more outside income without facing the loss of their Social Security benefits?

Today we have the opportunity to do all of this, while at the same time setting aside 90 percent of our surplus to save Social Security. I would urge my colleagues on both sides of the aisle, please, do not turn your back on husbands and wives; do not turn your backs on farmers and ranchers; and do not turn your backs on seniors and small businesses in your districts. Support the Republican plan to reduce

America's record high tax burden and, at the same time, save Social Security.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to say to the gentleman from California (Mr. HERGER) that I am one of the friends on this side of the aisle, and we support those tax cuts. We just think we ought to save the Social Security system first.

In terms of the emergency spending for the poor farmers that were hit by an act of God with floods and droughts, we thought at one time that America wanted to help them. We think that is different than a pre-election tax cut.

Mr. Speaker, I yield three minutes to the gentleman from Georgia (Mr. LEWIS).

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and my colleague from New York for yielding me time.

Mr. Speaker, this debate reminds me of an old gospel song, "Ninety-nine and a Half Won't Do." The song tells us that when you believe in a cause, when you truly believe, you have to give 100 percent; ninety-nine and a half won't do.

Mr. Speaker, when it comes to Social Security, when it comes to our workers and the elderly, ninety-nine and a half won't do. And if ninety-nine and a half won't do, then 90 percent just won't do.

My Republican colleagues want a tax cut, but they do not want to pay for it. So what do they do? They raid the Social Security trust fund; they steal from our workers and our seniors. They take 10 percent, and then they brag this they let the elderly keep 90 percent of their own money. They brag that they left 90 percent of the money in the Social Security trust fund.

Mr. Speaker, 90 percent just won't do.

How can you do this to the old? How can you do this to our workers, hard working American families that have paid into the Social Security trust fund for 30 and 40 years? Now Republicans want to give them 90 cents on the dollar.

Mr. Speaker, 90 percent just won't do.

Democrats, my side of the aisle, will accept no compromise when it comes to the savings and the retirement of American working families. Every penny paid in the Social Security trust fund must be used to save Social Security first.

So I urge all of my colleagues to reject this bill; to reject any effort to sell Social Security short; to sell Social Security down the river; to give anything less than 100 percent.

Mr. Speaker, 90 percent just won't do.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to quickly and briefly respond to the gentleman from Georgia (Mr. LEWIS), for whom I have the greatest personal respect.

Mr. Speaker, the gentleman's statement that we want to raid the Social Security trust fund is totally irresponsible and is totally false. In our committee's markup of this bill, there was a political appointee of the Clinton Administration from the Social Security Administration that was asked this precise question and responded that what we were doing did not raid the Social Security trust fund nor in any way impact on the payroll dollars that go into that fund.

That should be very clear. We are going to hear a lot of rhetoric today and tomorrow, and Members should realize that much of it is false.

Recently the minority leader from the other body commented that we were taking Social Security reserves out of the fund. That also was repudiated by the administration's representative from the Social Security Administration.

This type of rhetoric should not enter this debate. I regret it, but the facts should be laid out for what they are.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, Judy Chesser, Deputy Commissioner of the Office of Legislation of the Social Security Administration said that statement.

Mr. Speaker, I rise in support of H.R. 4578 Save Social Security Act.

H.R. 4578 establishes a new account in the U.S. Treasury to preserve Social Security system. This account is being set up for the vote we will have tomorrow on the tax relief or the 90–10 plan. What we are talking about on this amendment is to set up this fund with the understanding that 10% of the surplus will be used for tax reduction for the middle income citizens of this country.

Mr. Speaker, the House will consider Mr. RANGEL's amendment to transfer 100 percent of the Social Security trust fund surplus to the Federal Reserve Bank of New York, to be held in trust for the Social Security system. But under this substitute, Congress must default on publicly traded debt obligations before it could default on its obligations to fund the Social Security system.

This is a Faustian bargain and is not what we want to do. I represent a District with a large elderly populations.

While I do like Mr. RANGEL's idea about setting aside 100 per cent of the surplus for Social Security, I do not think it is prudent to do so at the risk of allowing the country to go into default to achieve that end.

There is must good in the tax relief bill. Our tax cut focuses on middle-income Americans. The centerpiece is marriage penalty relief. We also help small business, make health care more affordable, and we will make filing tax forms a lot easier. Plus we will lower tax penalties on people who save, reduce death taxes, and provide tax relief for senior citizens, for education and child care. We also provide help for farmers and ranchers who have been hit hard this year. This is a compromise that I can support.

Our plan protects Social Security and reduces the worst penalties in the tax code, but it is also a safety check against big government and wasteful spending.

For those who say we are hurting the Social Security Trust Fund . . . let's go the Administration themselves. When Ms. Judy Chesser, Deputy Commissioner, Office of Legislation and Congressional Affairs, Social Security Administration was asked if these tax cuts would impact the Social Security Trust Funds she said "NO." Therefore this tax relief plan has no impact on the Trust Funds. Period.

And finally . . . isn't it possible that if we reduce taxes ever so lightly we will also give more incentives for Americans to create more jobs and to ultimately provide more revenues to the Government. This will mean more surplus to the Government which will again shore up the Social Security trust fund.

All of us here must also remember that we might not have a surplus if it does not stop these emergencies supplements appropriations for all these monies that the President is talking about. Every day he is proposing a new program and every country he goes into he promises more money without true accountability. So let's stop these emergency appropriations.

For those Senior Citizens who want tax credit relief for estate taxes and a social security earnings limit, I suggest that this bill our plan will actually help Senior Citizens.

There are many other things that make H.R. 4578 a good bill towards passage tomorrow of our 90–10 tax relief plan.

Seniors have done their part to make this country great and deserve to be treated with dignity and respect. When the President receives this bill, he can sign it thereby ensuring that Social Security will remain solvent for generations to come. For these reasons I support H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from Illinois (Mr. WELLER), a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I first want to begin by commending the gentleman from Texas (Chairman ARCHER) and the gentleman from Kentucky (Chairman BUNNING) for their leadership on this effort, which not only will save Social Security, but begin the process of eliminating the marriage tax penalty, an issue which affects 28 million married working couples.

We hear a lot of rhetoric and have to recognize it is an election year, and politicians in many cases will say just about anything in an election year.

Of course, we have heard some claim that this plan somehow harms the Social Security trust fund. I thought it was so important when the gentleman from Texas (Chairman ARCHER) asked a representative of the Clinton Administration, the Deputy Commissioner of the Social Security Administration, Chairman ARCHER asked as a result of the tax bill being considered by the committee, which, of course, we will be voting on tomorrow, will there be any impact on the monies of the Social Security trust funds? And Judy Chesser, the Deputy Commissioner of the Social Security Administration was pretty direct. Sometimes politicians are not very direct, but she had a very simple answer. She said no. This plan in no way harms, hurts, hinders, impacts the Social Security trust fund.

So let us be honest about it, this is an important piece of legislation. We are going about saving Social Security here. This is a big day. If you think about it, since 1969 Washington not only was spending money beyond the means of this Federal Government, but we never had the opportunity to save Social Security. Now, thanks to a balanced budget, we have a projected surplus; extra money that we can use for important priorities. Today we are voting to make saving Social Security first the number one priority.

If you think about it, the same folks who oppose this effort to save Social Security and to eliminate the marriage tax penalty are the same people that said we could not balance the budget. They are the same people that fought down here and fought against lowering taxes for the middle class. They are the same people who opposed our efforts to change and reform our welfare system that was failing, with more children living in poverty than ever before, and also they are the same people that objected when we wanted to tame the tax collector and bring about IRS reform.

This is important legislation because, just as the Deputy Commissioner of the Social Security Administration pointed out that our legislation does not impact the Social Security trust fund, in fact we are going to have extra money to help save Social Security, that we set aside $1.4 trillion.

Think about that. When President Clinton gave a speech, which we all applauded, talking about saving Social Security and setting aside the surplus for Social Security, there was $600 billion in the projected surplus at that time. Today we are setting aside more than twice what the President asked for, $1.4 trillion. Think about that. $1.4 trillion. That is a lot of money. Yes, it is 90 percent, but it is more than twice what the President originally asked for.

I have often had a series of town meetings and forums on Social Security, and the senior citizens and the working people that attend these forums have had a pretty common message. Number one is they say as we work to save Social Security, let us keep the politics out of it. Let us make it a nonpartisan effort.

Democrats and Republicans should work together. This legislation deserves bipartisan support. Let us vote to save Social Security and eliminate the marriage tax penalty. We have that opportunity today and tomorrow.

Mr. RANGEL. Mr. Speaker, I yield myself one minute.

Mr. Speaker, I had thought under the House rules it was a violation to take the official transcript of a markup or committee meeting, other than a public hearing, that it should not be published or distributed to the public in any way except by majority vote of the committee. But having seen how the majority has waived the budget rules, I suppose you have waived the House rules, and so I am not in violation.

□ 1145

Now, Ms. Chesser was asked to respond to the majority, yes or no. Her answer was no. That was the chart we saw.

The gentleman from Kentucky (Mr. BUNNING) then asked her to come back, and he said, I just want to make sure, unless I misunderstood, Ms. Chesser, would you please come back to the table and repeat what you have said.

The answer was, it does not affect the money currently going into the trust fund. However, it would make a far smaller amount of the surplus available when there is a bipartisan attempt to resolve the social security's current financial problems, which we hope to do in a bipartisan way. As Members know, we are not in actual balance over the next 75 years.

It helps, when we take part of the transcript out and publish it, that we put in the whole amount.

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. ARCHER. Mr. Speaker, would the gentleman yield for 5 seconds?

Mr. NEAL of Massachusetts. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, on the statement made by the gentleman from New York, I am not sure where he got what he presented to the House, but we received what we presented to the House off of C-Span. Therefore, it was not in violation of the rules.

Mr. NEAL of Massachusetts. Mr. Speaker, this is one of the details, when we come into this Chamber, that makes us really feel good about being Democrats.

I have to tell the Members, when I hear speakers march to that microphone and suggest that this side is playing politics with social security, after they have scheduled the tax cut 6 weeks before the national elections, that we are playing politics? Do Members know what the name of this account they have offered today is? The Protect Social Security Account. It is Orwellian, that is really what it is, because only George Orwell would have suggested that we should protect social security by raiding it. That is precisely what they are doing today.

For them to complain about politics, politics, 6 weeks before a national election, to offer a tax cut to the American people by raiding the social security account, that is politics. We ought to have a substantive debate in this Chamber about what we really mean by "protecting social security," and spending it for a tax cut is not the way we protect social security.

This bill that they are offering today locks up what they say is 90 percent of the social security trust fund. What about the Asian fiscal crisis? What about a recession that could loom on the horizon, and alter dramatically every fiscal projection we have seen in this Chamber for the last year? Are we blind to the realities of what is happening across the globe?

This is a time when we should be taking satisfaction from the fact that it was the Democratic Party, with the leadership of President Clinton in 1993, that balanced that budget. Do Members know what else is ironic? Let us not forget the role George Bush played in 1991 when half of his own party split from him, when he looked at the reality of where we were headed as we turn the page on this century.

I have to go back to what I said earlier. To complain that the Democrats today are using politics, we are honoring the contract we made with Mr. Roosevelt, which the American people have said time and again they subscribe to and they do not want to see it altered.

A tax cut 6 weeks before the national election, who among us believes that that is intelligent fiscal policy? And at the same time, they violate that sacred trust that Democrats hold dear and senior citizens hold dear. Social security should be saved and protected before we discuss any tax cuts.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would once again point out that the term "raiding the social security trust fund," which obviously is programmed to be in each of the Democrats' presentations, is completely and totally false, and it is reprehensible that it continues to be used on the floor of the House.

Members should be well aware that it is not the case. But I guess if they say it enough, long enough, maybe some people may believe it. The gentleman, who is a very good friend of mine, again, and whom I respect personally, also said that we were locking up 90 percent of the social security trust fund. That is false.

I would suggest that the Members on the other side read the bill. The gentleman from New York (Mr. RANGEL) cosponsored it, other than the change from 100 to 90 percent. The bill does not say that. It says, "A projected surplus will be set aside." Let us try to be accurate in what we say.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. JOHNSON), a respected member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to respectfully point out that the gentleman from Massachusetts who just spoke ahead of me voted on the floor of the House to spend part of the surplus on agricultural disaster. If it is okay to spend the surplus that way, why is the gentleman proposing to punish farmers and ranchers by denying them tax relief now?

I want everyone to listen to the Democrats' rhetoric. They are forgetting one simple fact, that for 40 years the Democrats never set aside one penny to protect social security. Instead, they spent taxpayer and social security dollars on government programs. They are talking about 40 days from election, and suddenly they are concerned about saving social security. In this bill today we are protecting social security, and the Democrats are going to have a chance to put their money where their mouths are.

In 1960, the Democrats said that we could not win the Cold War. We did. In 1996, the Democrats said we could not reform welfare. We did. In 1997, the Democrats said we could not give tax relief and balance the budget, and we did. They also said we could not and should not reform the IRS. Well, we did that, too.

Now the Democrats say we cannot provide tax relief to families, farmers, small business, seniors, and protect social security. Once again, they are wrong. We will.

This bill does set aside 90 percent of the $1.6 trillion surplus for social security. That is a lot of money. In return, we want to give the families, farmers, small businesses, seniors a break from high taxes. They deserve a break. Taxes are just too high.

Let me say it one more time. I think people deserve a strong social security system and tax relief. What they do not need is for the surplus to stay here in Washington, D.C., where Democrats and the President will steal it to create a bigger government.

The choice is simple, taxpayers over bureaucrats. How can anybody argue with that?

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. JEFFERSON), a member of the committee.

Mr. JEFFERSON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in opposition to H.R. 4578 because it breaks our promise to the American people to keep social security whole. Mr. Speaker, this debate should not be about politics or partisanship but about people, the American people.

Social security is the foundation of retirement income for American workers and their families. Two-thirds of older Americans rely on social security for 50 percent of their total income. Thirty percent rely on it for 90 percent or more. It is the principal insurance against family impoverishment due to death or disability for 96 percent of America's work force, and it is a lifeline for more than 43 million retirees and disabled workers and their spouses and their children.

Because of its importance to the American way of life, my Democratic colleagues and I join the President in his commitment to preserve social security for future generations. This is not a debate about who favors tax cuts. Both Democrats and Republicans favor tax cuts in this bill. This debate is about whether we have the resolve, the fiscal discipline, to do what is right, or whether we will, once again, say that we can have it all, let the good times roll, and do the wrong thing: rob from our social security trust fund to give a tax cut we know we cannot afford.

Mr. Speaker, if we are serious about preserving the benefits of social security for our children and grandchildren, setting aside 90 percent to save social security is not enough. Even diverting 10 percent of the social security surplus before enacting a proposal to save social security undermines the future financing of the system.

In fact, this diversion of 10 percent from social security, which our Republican friends dismiss as small and rather unimportant, amounts to more than a $200 billion hole in the social security trust fund over the next 5 years, at a time when we owe $2.235 trillion to the fund already.

As my Democratic colleagues have already stated, the surplus in the unified budget consists of funds raised from social security payroll taxes and from the interest accrued on social security Treasury bond. Today we have a surplus in the social security fund due to the policies of President Clinton and most of the Democrats on this side. However, as millions of baby boomers age, the social security fund is projected to begin losing money in 2013, and would become insolvent a few years later unless reforms are enacted.

The bottom line is that we must begin to take steps to ensure that sufficient resources are building up in the social security system, so they are building to pay the promised social security benefits in the future and that will not be threatened.

H.R. 4578 therefore amounts to an illusory election year tax plan that might be right to pander for votes in an election year, but it is dead wrong for the future of social security and the direction of our Nation's fiscal policy.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. HULSHOF), a respected member of the Committee on Ways and Means.

Mr. HULSHOF. Mr. Speaker, first of all, as a member of the Subcommittee on Social Security, I have to commend the chairman of the committee, the gentleman from Kentucky, with having a series of hearings about saving social security. I participated in the first great debate in Kansas City with the President about the discussion about social security.

But I think what we are trying to do today, Mr. Speaker, is rather than just talking about saving social security, we are putting actions with our words. We are putting the peoples' money where our mouths are.

There has been a lot of talk about billions and trillions of dollars, about the surplus, but let me put it in language that everybody can understand. Mr. Speaker, I have in my hand ten $1 bills, a projected surplus. This is not money that is needed to balance the Federal checkbook, which we are doing. But of these ten $1 bills of surplus money, we want to take 9 of those bills and put them aside for social security for safekeeping. We want to take this single dollar bill of surplus money and leave it in the pockets of the people who sent it here.

How dare these Members say to married couples across this country, we want to continue to punish you because you choose to get married, we are not going to let you have this dollar? How dare we say to the farmers of this country, who feed us, or the small businesspeople who employ the majority of people, no, you sent the money here, but you cannot have it back?

It is laughable, Mr. Speaker. Even in this tax relief measure we are providing relief for seniors who choose to work beyond retirement. There is tax relief for seniors in this bill. Yet, our friend on the other side say no.

In fact, the gentleman from Michigan earlier today in this debate said that we were picking the pockets of the taxpayers of this country. There is such a death grip on this dollar by those on the other side that they will not even let it stay in the pockets of those who sent it here.

I say no. I say it is time to say no to the Rangel substitute and yes to the bill. We can save social security, and let the American people keep what they earn.

Mr. Speaker, I am proud to rise today to speak in strong support of the Save Social Security Act.

Social Security is perhaps the most important and successful program in the history of our republic. It has helped generations of Americans retire with dignity and respect. There is bipartisan agreement that we should take advantage of projected budget surpluses to address the long-term financial challenges facing the system. We owe it to retirees and future generations to do this, and I commend Representatives BUNNING, the Chairman of the Social Security Subcommittee, for the series of hearings he has held over the past year and a half to take an honest, straightforward look at the choices we must make to save Social Security for our children and grandchildren.

To make sure there are enough resources set aside from future budget surpluses, the

Save Social Security Act proposes that we wall-off $1.4 trillion of future budget surpluses in a special Save Social Security Account. That's right, $1.4 trillion. Clearly, this is a responsible commitment to the future of Social Security that will help preserve the program's solvency.

By setting aside $1.4 trillion to save Social Security, we can not only protect the program, but allow the American people to keep more of their hard-earned money. Taxes are currently at their highest levels in our Nation's peacetime history. The House has a clear choice today. Those who think your constituents pay too much in taxes should vote for the Save Social Security Act. Those who think that Americans are not overtaxed or do not pay enough in taxes should vote against the bill before us. It is shameful to scare seniors and hide behind Social Security to cloak opposition to letting the American people keep more of their hard-earned dollars. It is even more shameful to hide behind Social Security to spend more on government programs, like the Administration's proposal to spend $13 billion of the surplus on new spending.

I'm going to illustrate what this debate is all about. I am holding in my hand ten one dollar bills. What we are proposing is to take these nine dollars and put them aside to save Social Security. A truly worthy goal.

Given the willingness of the Administration to spend the surplus on government programs, $13 billion at last count, the debate then becomes what do we do with this remaining one dollar. I think we should let the American people keep it. After all, it is their taxes that have created the surplus in the first place. Those who agree with me that this one dollar is best returned to the taxpayers will vote for the bill before us.

Or, we can give this money to the Federal Government for new spending programs and let Americans continue to pay the highest level of taxes in our Nation's peacetime history. Those who favor this approach should vote against the Save Social Security Act.

Putting aside enough money to protect Social Security is not the issue. The issue is more government programs or tax relief. The choice is clear. If you favor letting the American people keep more of their money, vote for the Save Social Security Act. If you want more Washington programs, vote against the bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. BECERRA), a member of the committee.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I, too, will pull out those same 10 $1 bills. I, too, will tell the Members that if I have $10 because I work for the government, and I got them because someone is working every day contributing to the social security trust fund for his or her retirement, I am not going to tell them, well, I am only taking one of your $10 you just gave me for your social security investment in retirement, and I am going to use this to give out tax cuts, mostly to folks who are better off and do not need to worry about your retirement the way you maybe do. So you keep your 9 and I get to spend your one.

□ 1200

That is what we are talking about. And, by God, please do not tell me that they are willing to tell an American farmer that they are going to punish them because this Congress, some here, are willing to say that we want to help them in time of need because of the drought and because of floods and because of all that done through an act of God.

But my colleagues on the other side are saying to them, no, we cannot let this Congress help them out in their time of need. But, by the way, we do have money, that $10 that they just gave in their contributions out of their paycheck every month, to take one of those $10 and give a tax cut 6 weeks before the election. We can do that. Punish the farmers for an act of God.

Do not do that. And please do not punish seniors for the political acts of men in this House.

Now, when those folks out there in the country that are earning this money that they are putting into the Social Security trust fund go to the supermarket, they do not expect to receive 90 percent of the groceries they just paid for. When we buy a home, we do not expect to own nine-tenths of that home. When we pay for our child's education, we do not expect them to receive 90 percent of a college degree.

Mr. Speaker, when Americans deposit money in a bank, they certainly do not expect that bank to give them only 90 percent back of their original deposit, or 90 percent of the interest that their money has earned. They expect 100 percent.

The fact is, the budget surplus is not a surplus, other than Social Security funds contributed every day by people who work and give of that money out of their paycheck. American workers are doing what Republicans here are unwilling to do in this House. They are saving and investing for their retirement.

In fact, what Republicans are proposing through this tax cut is to take those savings and investments because, again, the surplus we are talking about is created by all the trust fund dollars that American workers are contributing. The fact that we are not using every dollar out of the trust fund for Social Security and paying out for today's retirees does not mean that we should tell those folks who are working and contributing that right now we have a surplus, because they are paying a little bit more than we have to pay out today, because those workers know that tomorrow when the baby boomers retire we are going to go in the opposite case and we have to save now to take care of that problem later.

Mr. Speaker, I urge my colleagues, please do not take even one dollar out of the $10 that American workers are earning every day and depositing into the Social Security trust fund to pay for tax cuts right after an election.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. THOMAS), a highly respected member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Texas for yielding to me.

Mr. Speaker, I had not intended to speak on this, but some of the examples are just getting absolutely ridiculous. The gentleman from Texas (Chairman ARCHER) has cautioned a number of folks that they really ought to deal with a debate about the facts and not about some political rhetoric that they wish to argue.

The reason we have a surplus right now is because people are paying more in income taxes, the economy is doing well, and inflation is lower than anticipated. It is always relative to what people said was going to happen. And what is happening today is that people are better off than the projections and inflation is lower. So, more money is coming in than anticipated.

The Social Security trust fund does not go bankrupt until 2030. We have a few years to be prudent about the way we spend our money. And I would tell the gentleman from California (Mr. BECERRA), the $9 he counted out is not money that is in the trust fund. It is money that people paid in income taxes beyond what the government's current obligations are.

The point that needs to be made repeatedly, and I know folks on the other side know it but will not admit it, but what the American people need to understand is that all 10 of those dollars are theirs. All we are proposing to do is to give them back one of them, as the gentleman indicated, and set the other nine aside for the ongoing obligation for Social Security leading toward the year 2030.

Now, what we propose to do is have a surplus every year, not just this year. This is not a unique event. In 1999, in 2000, in 2001, in 2002, on and on and produce a surplus, every year. We want to make sure if we miscalculate on collecting revenue that we set aside a reasonable portion to deal with tomorrow, the day after tomorrow, till 2030. But there is no reason whatsoever why people who are overcharged by this government on their income tax cannot get a small portion of it back, whether it is the first day of a Congress or the last day of a Congress.

Mr. Speaker, what my colleagues on the other side of the aisle continually forget is that the money is the people's in the first place.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, hearing this debate leads one to believe that the only thing we have to fear is truth itself. The truth, according to the tax committee, is that we have in the next 5 years, according to this chart, we have a national fiscal situation that is still in deficit. $137 billion of the fiscal picture is in deficit.

We have a $520 billion fiscal picture over the next 5 years which is in the plus side, and that is all in the Social Security account. There is no free lunch in this business. We have to rob from Peter to pay Paul. If we are going to give tax breaks, we have to pay for the lost revenue. And the only surplus that we are going to have is in the Social Security account. That is it. So, we will have to rob from the Social Security account.

Now, if this tax plan is not an election year gimmick, I ask the Republican leadership, they have been in the majority for 4 years, if this was such a great tax plan, why did they not bring it to us before, instead of 6 weeks before the election?

Mr. Speaker, this is not fiscal responsibility. This is fiscal foolishness, election year fiscal foolishness.

I urge my colleagues to vote "no" on this bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER), chairman of our committee.

Mr. Speaker, hearing my good friend from California typifies the incendiary nature of this debate. For what the American people see today, Mr. Speaker, is a clear example of those who eagerly embrace the politics of fear rather than the policies of hope.

The case is clear, the facts these: In excess of $1 trillion, $1.4 trillion set aside to do nothing but save and protect Social Security.

My colleague from California and others who expound on the politics of fear talk about the short-term calendar. But, Mr. Speaker, for purposes of full disclosure, it is far better to take a long-range view and let history teach us.

Mr. Speaker, in terms of full disclosure, the facts are clear and undeniable. In 40 years' time, when the liberals had the majority in this Chamber, they never set aside one single penny to save Social Security. Zero. Zilch. Nada. Not a thing did they save.

Oh, they were happy to raise payroll taxes. They were happy to take more and more of Americans' hard-earned money. And now when we have the opportunity to set aside in excess of $1 trillion, they say no, because, Mr. Speaker, the message is clear, if somewhat confusing, from the other side. They once again say no tax relief, no time, no how. It is the taxpayers' money, but somehow they should not have it.

Shame. Mr. Speaker, I urge my colleagues to adopt the majority proposal, reject the minority substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. CUMMINGS).

Mr. CUMMINGS. Mr. Speaker, I stand in support of my colleague, the gentleman from New York (Mr. RANGEL) and his amendment to protect Social Security.

Without Social Security, an additional 11.5 million older Americans, our mothers, our fathers, our brothers and sisters, would be impoverished, dramatically increasing the overall poverty rate from 13 percent to nearly 50 percent among those over the age of 65.

It is very simple. Social Security works. Social Security reduces poverty, and the American people want this Congress to ensure that Social Security remains solvent well into the future. I, for one, intend to do whatever it takes to make sure that this body meets that demand.

Mr. Speaker, it is ironic to me that the very party that at one point would have turned Social Security over to Wall Street is proposing to use the potential budget surplus not for Social Security but rather for a tax cut that I find imprudent, ill-timed, inefficient, poorly targeted and risky.

Mr. Speaker, we may end this fiscal year with a budget surplus. If we do, we owe it to the American people to put that money, all of that money, and that is the difference, all of it, aside until we are sure that we can maintain the long-term solvency of Social Security. Therefore, I stand in support of the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. ADAM SMITH).

Mr. ADAM SMITH of Washington. Mr. Speaker, the key fact in this debate is that there is no budget surplus. The only surplus that exists, exists in the Social Security trust fund.

So, when we hear the other side talking about how they are setting aside $1.4 trillion for Social Security, we cannot set aside money that is already spoken for. That money is borrowed. It must be paid back, plus interest.

We would not borrow $200,000 for a home mortgage and say we are setting that aside for our child's education, because we have to pay it back. That is the fundamental flaw in the Republican argument. The money is already in the Social Security trust fund. We should keep it there.

We saw that chart that the gentleman from California (Mr. FARR) brought up. We saw the truth. The only surplus that exists outside the Social Security trust fund, which we have to pay back, is $31 billion. Now, if they wanted to be honest and offer a bill to say we should set aside 90 percent of the real surplus, 90 percent of $31 billion would make sense, because that is the only surplus that we have.

Mr. Speaker, we cannot spend money twice. I will agree with the Republicans on one point. We were wrong for 40 years. I use "we" loosely, because I was not here. We should not have borrowed that money and used it to reduce the size of the deficit, and the public agrees. They sent us that message in 1994.

What I am afraid of is that the Republican majority has forgotten the very message that sent them here. I hope that the American public will send them the same message in 1998: Do not borrow from the Social Security trust fund and treat it as income. That is manipulative rhetoric, and it is wrong.

The reason is that money is already spoken for. We have to pay it back. We should not let the Republicans, any more that we would let the Democrats, spend money twice. It gets us into big deficits.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, I rise in very strong opposition to H.R. 4578. I oppose any Republican attempt to undermine Social Security by proposing a big tax cut during this election year.

In the 1930s, before Social Security, many hard-working Americans who had no family to care for them lived in the streets, and sometimes they starved. Social Security was created to reduce this type of primitive poverty, conditions that are unconscionable in our time and in our Nation of wealth and resources.

We need Social Security for the 30 million hard-working Americans who, after a lifetime of low-wage jobs, have no money for retirement. Without Social Security, they would have nothing. We need Social Security for the 5.5 million Americans with severe disabilities who are unable to work. They would be destitute without Social Security.

This Congress has an obligation to strengthen Social Security, because working people have earned and deserve Social Security. It is the most sacred, fundamental measure for the survival of all Americans. That is why tax cuts are not an option until Social Security is 100 percent secure.

Mr. Speaker, I strongly urge a "no" vote on H.R. 4578.

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Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Texas (Mr. BENTSEN).

The SPEAKER pro tempore (Mr. QUINN). The gentleman from Texas (Mr. BENTSEN) is recognized for 2 minutes.

Mr. BENTSEN. Mr. Speaker, since everybody was using props, I think I will use a prop, in my opinion, that talks about the deficit. It is a credit card. It is not cash. We do not have the cash yet.

Anybody who believes a 10-year projection on what the surplus is going to be really has lost their mind. We do not know if it is going to be $1.5 trillion. We hope it is $1.5 trillion. We do not know that.

This whole tax cut and this whole 90/10 scenario is predicated on a surplus that we do not even have yet. It is a fraud on the market, and it is a fraud on the public.

The fact is, we are looking down the barrel at $5.5 trillion of debt that we are going to have to pay, including the debt in the Social Security trust fund. To go and start spending all that money now without a rational plan of how it is going to be done means that we are going to end up adding more debt. And, ultimately, our debt-to-gross-domestic-product ratio will go to 200 percent, and then Social Security will really be in trouble. So bills like this are not going to strengthen Social Security. In fact, it probably makes it worse.

This is nothing more than a political gimmick to cover what the true intention is, which is to take us back to supply side economics and back to the days of $200 billion deficits, because many Members on the other side just seem to think that does not really matter.

The fact is, if they ran a business the way they are proposing to do this now, and I came from the business world, they would run it into the ground. They would never be able to get credit, and now they are talking about spending credit that they do not have.

This is a terrible, terrible idea. The best thing we could do would be to start paying down the debt, get the debt-to-GDP ratio down. That would make Social Security stronger and honor our obligations, not only to the senior citizens and future senior citizens that are going to rely on Social Security, but also honor the obligations of the United States taxpayers to the Treasury bonds that are out there.

This is a fraudulent, risky policy that will lead us back into the problems that we came out of. I guess if we pass this tax bill, we can say that the days of fiscal responsibility, which we only have enjoyed for a fleeting moment, are dead, and they are dead at the hands of the Republican Party.

Who would have believed it?

Mr. Speaker, I rise in opposition to H.R. 4578. This bill does nothing to strengthen Social Security and, in fact, it may weaken it. It is nothing but a political gimmick that allows the Majority to argue, falsely, that they voted to protect Social Security. This legislation is only a cover-up for tomorrow's attempted raid on the Social Security Trust Fund.

The best way and the most responsible way to strengthen Social Security is to buy down the Federal debt, which today stands at $5.5 trillion. The debt to GDP ratio is 67 percent, double what it was in 1981. Interest paid on the Federal debt, $244 billion this year, has more than tripled since 1981. It is now the third largest Federal program after Social Security and defense. If we do not start paying down the debt, it will mushroom to 200 percent of the Nation's economic output by the middle of the next century and interest payments will consume more and more of the Federal budget.

We should take advantage of this window of opportunity to begin paying down the debt before the retirement of the Baby Boom generation a decade from now begins to require additional spending on programs such as Social Security and Medicare. By paying down the debt, we will be able to add to private investment and expand national income to pay the costs of the Baby Boom's retirement and reduce the share of Federal spending taken by interest payments on the debt.

The Republican Majority says that they will pledge 90 percent of the projected surplus to Social Security, but at least 98 percent of it comes from Social Security. Furthermore, the surplus does not yet exist and the Republicans want to go ahead and spend it. If it does not materialize, the Congress will be spending far more than 10 percent of the Social Security surplus. To propose a tax cut that is not paid for means more debt. If you run a business that way, you would run it into the ground.

There is no difference between the Social Security Trust Fund and the "Protecting Social Security Account." This is spending the surplus and there is no reason why the Majority could not dip into the "Protecting Social Security Account" to fund another ill-timed, ill-advised, and irresponsible tax cut. Mr. ARCHER has said that as long as the Republicans are in charge, there will be a tax cut every year. So it looks like the Republican tax bill is just a downpayment on the $700 billion raid on the Social Security surpluses they proposed earlier this year.

The Majority's proposed tax cut is not paid for, so my colleagues have to resort to political gimmicks. This legislation is a sham. It will neither strengthen Social Security nor will it help us buy down our $5.5 trillion national debt. Mr. Speaker, I urge my colleagues to oppose H.R. 4578.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. KASICH), highly respected chairman of the Committee on the Budget.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. KASICH) is recognized for 4½ minutes.

Mr. KASICH. Mr. Speaker, what is an interesting proposition is that everybody in America now, from the President to the Democrats to the Republicans, claims we have a balanced budget. Why is it that we claim that we have a balanced budget? Well, it is not complicated. It is because we are taking in more money this year than we are spending.

Now, when we take a look at the surplus, we are actually going to spend less than what we take in. And let us just presume that the surplus is $40, two twenty-dollar bills. You said to me, so, JOHN, the surplus is $40. Where does that $40 come from? I say, well, 20 of the $40 comes from the Social Security FICA taxes that we all pay. That is the difference between how much we collect in FICA taxes and how much we pass out to our seniors. So of the $40 surplus, 20 of it is Social Security FICA taxes. We are going to put it on this side of the podium.

The other $20 comes from all the other taxes that we levy in the country, the income taxes, all the taxes that Americans are subjected to; and we are going to put that $20 on the other side of the podium.

Now, the $20 that comes in from the FICA tax, the Social Security tax, we are going to save it. We are going to put it right in our pockets. We are going to save it, and we are going to use it to fix Social Security long term, to save it for three generations of Americans.

But the other $20 that gets generated from the income taxes and all the other taxes, we are going to give part of it back to the American people.

It is just that simple. It has nothing to do with robbing something from Social Security. It is about giving people some of the taxes that they pay in excess of the Social Security taxes.

One more time, for all those watching, $40 in surplus, $20 comes from the Social Security tax. We are going to save it and put it in our pocket. The other $20, we are going to start to give some of it back.

To my colleagues and those who want to be in favor of change, let me just suggest to you what this is about. For those that are watching this debate, in my opinion, this is not really about tax cuts. School choice is not really about just school choice. Social Security reform is not just really about Social Security. It is about power. It is about whether we are going to run America from the bottom up, where the people and the families and the communities have the power, or whether we are going to continue to run America from the top down, where just a handful of people in America think they know better and they run our lives.

If I can give you more money in your pocket, you and your family, then you have personal power and you can begin to solve the problems in your community. But if the government tells you they want to keep it all here in Washington, they not only do not want to give you a tax cut, they want to use the surplus to spend, to create even more government.

Would it not be an irony for a party and individuals who are committed to shrinking the size of government to take the benefits of balancing the budget and then use it to increase the size of the governmental elites in this town?

I ask you all to think, when you come for this vote, where do you want the power to be? Do you want it to be vested in Washington with a handful of people running this country from the top down, or do you want to be in charge of where your kids go to school? Do you want to be in charge of the ability to provide for yourself in your retirement years? Do you want to be in charge of designing a welfare program in your own community? And, finally, maybe the best manifestation of personal power, do you want more money in your pocket and less money, less of your money in the hands of the government?

I would argue to you, as we go into this next century, the strength of America is not going to be based on the big shots, on the elite. The strength of America is based on the power of every man and woman and child and family and community inside of this Nation.

This is about power and this is about giving you more of it.

I hope my colleagues will reject this notion of keeping the governmental elite powerful and accept the notion and have the confidence that we, working together, can make America better. Support the gentleman from Texas (Mr. ARCHER).

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the majority's legislative measures that would jeopardize the solvency of the Nation's Social Security trust fund. It is just "mean spirited" and "irresponsible" to further burden seniors by weakening their most stale source of income.

Social Security accounts for more than 40 percent of the income of the elderly. In fact, 44 million retired and disabled workers, their dependents and survivors, are counting on us to do the right thing. Preserving the safety net for elderly Americans is one of the most pressing issues facing our Nation today, and impacts each one of us individually and collectively. More importantly, how we as a Congress choose to address this issue today will impact the quality of life for generations to come.

Mr. Speaker, seniors are in the twilight of their lives, and we should be considering measures that are designed to improve the quality of their lives. Instead, the majority in Congress is once again playing a game of Russian roulette and using "smoke and mirrors" tactics to trade seniors' economic security for an election year tax cut. This is just irresponsible, and threatens the lives of the weakest and most vulnerable among us.

As the current baby boomer generation approaches retirement, our Nation stands on the brink of an incredible demographic shock. According to the Congressional Budget Office, between the years 2010 and 2030, the over-the-age 65 population will increase by more than 70 percent. However, the population paying payroll taxes will rise by less than 4 percent. This is firm and compelling evidence that the budget surplus must be invested in protecting Social Security.

The Nation is enjoying a record budget surplus, and we had promised the American people that if they would help us to control spending, and help us to balance the budget, and that if we could yield a budget surplus those funds would be used to protect Social Security. Now, the Republican majority is reneging on that promise.

In fact, 98 percent of the more than $1.5 trillion budget surplus is due to the surplus in the Social Security trust fund. These funds are needed to pay future benefits to senior citizens.

We must do all that we can to protect Social Security's long-term solvency. The Democratic proposal would save 100 percent of the Social Security surplus and place it in a "lock box" account at the Federal Reserve until it is released to be used or Social Security.

We must keep our word to our seniors and to the American people. We must keep our promise to use the surplus to ensure the solvency of our Nation's Social Security system.

Seniors must not be forced to choose between food and shelter, or between food and medicine. They have worked hard for their country, and their country must not turn its back on them. Let's do what is right—protect Social Security. I ask my colleague to join me in voting no to H.R. 4578, a bill that jeopardizes Social Security's solvency.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to this bill, not because I am against reducing the tax burden on my constituents, but because I am a firm believer in keeping promises—in this case, the promise to our citizens that Social Security will be there for them when they retire.

The debate on this bill involves one point of contention. Republicans believe that the funds in our coffers are surplus, and we Democrats believe that we ought to honor the contracts that we have entered into.

Why do I call this a contract? When we originally passed the Social Security Act, we had to justify the additional amount of money that was being taken out of the paychecks of our constituents. It was explained to them at that time, that the money would be held and given back to them at the time that they chose to retire.

As proof, I have brought with me a copy of a letter, that was sent out in 1936 as a mass mailing to people all over the country. The pertinent part reads:

> Under this law the United States Government will send checks every month to retired workers, both men and women, after they have passed their 65th birthday . . . This means that if you work in some factory, shop, mine, mill, store, office, or almost any other kind of business or factory, you will be earning benefits that will come to you later on. From the time you are 65 years old, or more, and stop working, you will get a Government check every month of your life.

Most importantly, the statement reads: "The checks will come to you as a right." A right.

We cannot deprive the citizens of this country this right. Last month I held a series of town hall meetings. Although the meetings were all held in different neighborhoods, with people of different races and backgrounds, with people from different financial strata, and with people of all age groups, at each of the meetings there was a clear consensus that Social Security must be there for them when they call upon it. It must be saved for them, not out of the generosity of our hearts, but because we owe them the money. It is their right?

This position is supported by the National Committee to Preserve Social Security and Medicare, who recently stated: "An $80 billion election-year tax cut proposed by the U.S. House Republican Leaders wrongly taps Social Security funds and ignores Congress's obligation to protect the nation's social insurance program . . . The diversion of these Social Security funds undermines the future financing of Social Security, and Congress should reject this proposal."

We all agree that our middle class is taxed too heavily. However, it does not make sense to remedy that by raiding the Social Security Trust Fund, before the Social Security trustees tell this Congress Social Security is safe. Instead, what should be done is follow the democratic tax relief bill which gives tax relief to working Americans once Social Security is saved.

We Democrats voted for significant tax cuts last year. However, that bipartisan bill was paid for. This one is not. In order to even debate this bill, we had to waive part of the Budget Act. If you need any indication of how bad this bill, is, all you have to realize is that it is just a few votes away from violating another federal statute.

I strongly urge all of you to vigilantly protect against this robbery of the American people, and vote against this passage of H.R. 4579.

Mr. TAYLOR of Mississippi. Mr. Speaker, at 7:00 p.m. on September 25, National Weather Service and civil defense officials indicated that the projected landfall of Hurricane Georges would be somewhere between Baldwin County, Alabama, and Bay St. Louis, Mississippi. Based on this information, Representative SONNY CALLAHAN and I have decided that it would be in the best interest of the constituents we serve to return immediately to our respective congressional districts to make the necessary preparations before this major hurricane strikes. We understand that the House will consider tomorrow H.R. 4579, the Taxpayer Relief Act. Although we do not share the same opinion on H.R. 4579, I oppose it, both Congressman CALLAHAN and I do realize the important nature of the legislation being considered. However, due to overwhelming threat of impending natural disaster, we plan to go home to help our families and constituents prepare for Hurricane Georges. Therefore, we have decided to pair our votes and depart for our congressional districts.

Mr. Speaker, had I been present I would have voted against H.R. 4579 for the following reasons: there is no surplus. We are $5.5 trillion in debt. Its the first time in 30 years that we haven't had to borrow money to pay for our annual operating deficit. Its not the time to incur new responsibilities.

We still owe $800 billion to the Social Security Trust Fund. When Social Security was started there were 19 contributors for every one recipient. By the year 2025, it is projected that there will be 2 workers for every one Social Security recipient. If we don't repay the debt now, while we can, we never will.

People don't feel they get enough from their tax dollars now. They're right. The biggest chunk of their taxes ($365 billion) goes for interest payments on the national debt (approximately $1 billion per day). The amount of money squandered on interest continues to grow every day. Our taxpayers money will be squandered forever unless we retire the debt.

This is especially bad for national security. These dollars could be better spent replacing 30 year old warplanes, helicopters, ships, and land weapon systems. National defense spending has shrunk since the Republicans took control of Congress. In Fiscal Year 1995, the first fiscal year under the leadership of the new Republican majority, defense budget outlays in constant dollars amounted to $295.4 billion. The Fiscal Year 1999 level of defense outlays in constant dollars is $265.6 billion. That is a $30 billion reduction in constant dollars under Republican leadership. Now, the GOP is dreaming up ways to give tax breaks to rich contributors, instead of addressing our pressing national security needs.

We need to fulfill the promises that have been made. First and foremost, is honoring the promise of a "lifetime of free medical care" made to those who served in our nation's armed forces. Just yesterday, the House National Security Committee was informed that the Defense Health Program was underfunded for the next year by $623 million. As you may know, the Defense Health Program provides funding for the treatment of our uniformed service personnel, their families, and military retirees. It also provides funds for the operation of our military medical treatment facilities. It really doesn't surprise me that House Speaker GINGRICH, Senate Majority Leader LOTT, House Budget Committee Chairman KASICH, and Senate Budget Committee Chairman DOMENICI do not consider keeping our promises to our nation's military retirees as important. After all, not one of them served one minute in uniform. However, I do think that fully funding our nation's defense and military health care needs is important. This is where we should be spending any surplus that may be left after we've restored the financial integrity and stability of Social Security.

Mr. VENTO. Mr. Speaker, I rise in strong opposition to this election year GOP tax gimmick that would raid and expend the Social Security Trust Funds and jeopardizes the solvency of the most successful domestic program in our nation's history. The Republican leadership has opted for instant gratification with an untimely and irresponsible tax expenditures that would spend much of the projected federal budget surplus in the midst of the ongoing global economic contagion. In this bill, the Republican Majority breaks the 1997 budget deal and has turned its back on our retirees by reneging on their prior promise and advertised position to "Save Social Security First."

This irresponsible bill simply undermines the core effort to protect the solvency of the Social Security Trust Funds and provide sufficient resources to fulfill our commitments to all retirees. I this plan, Republicans spend the first projected budget surplus in almost 30 years on tax cuts. Plain and simple, this GOP action speaks louder than words. Tax breaks and election year gimmicks take first place over a sound Social Security system. Whether or not this surplus will actually materialize is not at all guaranteed. And virtually every economist, inside the government and out, believes that any surplus could be short-term and will vaporize shortly after the Baby Boom generation starts to collect Social Security and Medicare in 2008. It would be foolish to spend any of this money before we have assured the long-range solvency of the Social Security system. Almost every plan that has been offered to date to reform and strengthen the Social Security Trust Funds would use the entire budget surplus. This suggests that the GOP wants to manufacture a Social Security Insurance system crisis to compound and ensure that radical changes will and must occur to this time honored defined benefit program.

Rushing to spend the hard-won and long awaited budget surplus is reckless and irresponsible for several reasons. First, this tax cut plan reduces the amount available for Social Security from $520 billion to $430 billion during the next five years. Next, the Republicans are spending money that is not in the federal government coffers. The surpluses the GOP want to spend is not real; such funds are only projections made by the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB)—the kind of unreliable budget projections that the Republican leadership criticized only a few months ago. The GOP view is colored by partisan motives and has changed as the CBO has made more rosy projections.

Moreover, the recent turmoil in the financial markets and the ongoing economic and financial crises in Russia, Japan and the other Asian Pacific Rim nations, and now, Brazil could have a significant impact on the U.S. economy. This would result in the further weakening of both the stock markets and real economic growth more than CBO expected in the July projections. As a senior Member of the House Banking Committee, I visited southeast Asia last winter and met with political and financial leaders in China, Korea and Japan. Following the trip, I was convinced then and recognize today that the Asian economic contagion is not isolated to Asia. This global crisis will further impact adversely the rosy United States budget picture of today without a doubt.

In response to this partisan and careless Republican tax plan, I support the Democratic alternative tax plan, which safeguards Social Security, is fiscally responsible and invests in our nation's future. Unlike the Republican tax plan, the Democratic alternative sets aside every penny of the projected federal budget surpluses to ensure the long-term solvency of the Social Security Trust Fund, increases the standard deduction for a joint return to an amount equal to twice the amount allowed on a single return to provide some marriage penalty relief and would permanently extend income averaging for farmers by providing a tax relief package that would take effect immediately. Furthermore, the Democratic tax bill would take the entire amount of the Social Security surplus in each fiscal year and transfer it to the Federal Reserve Bank of New York to be held in trust for Social Security. This would safeguard the temptation to expend it on pet tax breaks schemes. Furthermore, this would limit the use of the Social Security surplus and place a control on Congress. Under the bill, Congress would have to default on publicly traded debt instruments before it could default on its obligation to the Social Security system. Moreover, the Democratic bill would really lock up 100% of the Social Security surplus, while the Republican proposal pretends to safeguard 90% of the Social Security Insurance system surplus.

Deciding now to use the surpluses for tax cuts before addressing Social Security's long-term problems will siphon off resources that will be needed to maintain the solvency of the Social Security Trust Fund. Budget surpluses should be reserved until a Social Security Commission, the President and the Congress address the long-term requirements of Social Security. This initiative represents just another step in the Republican agenda to eliminate the Social Security Insurance program and squander away the projected surplus as they cast about for an issue in the upcoming mid-term elections.

Unfortunately, while House Republican leaders praised the concept of "Saving Social Security First," they turned around and then passed a budget that broke this pledge. However, its telling that the Senate has never agreed to this scheme up-front in a budget blue print. This broken promise has led to dissention and differences among their own party and has entrenched the budget conference process with the GOP led Senate, which strongly endorses the President's call to save every penny of the budget surplus to strengthen the Social Security Trust Funds. To date, we have no budget. This is not governing. There is little doubt that the GOP Senate will finally be seduced into accepting tax breaks. However, the Administration and most Democrats will not accept this raid on the Social Security Insurance System. Nothing is going to happen if these surpluses and funds are justified. Such funds will be available once the solvency of Social Security is resolved. Meanwhile, this "surplus" will translate into a lower overall national debt. A good positive result that most citizens believe must be reduced.

I urge all members to vote no on this Republican attempt to raid the Social Security Trust Funds for election year tax breaks.

Mr. CONYERS. Mr. Speaker, Social Security is the single most popular federal program ever conceived. It provides millions of seniors with retirement income. But it does more than just pay out retirement benefits. Social Security is a retirement program, a life insurance program and a disability insurance program all in one. Social Security provides benefits to more than forty-three million Americans each year, only thirty million of whom are retirees. Seven million Social Security beneficiaries receive survivors benefits—one and one-half million of those survivors are children. Five and one-half million Americans receive Social Security disability benefits. Social Security has paid these benefits on time, month after month, like clockwork, for the past sixty years. Social Security has always been there when we have needed it and its our responsibility to ensure that it will always be there in the future.

But now, the part of Social Security which Americans are most worried about is its retirement portion, and with good reason. Since Social Security was created six decades ago, Americans have depended on the "three-legged stool" model of retirement planning. The first leg of the stool is personal savings; the second leg of the stool is the employer provided pension plan; and the third leg of the stool has always been Social Security.

Social Security has rightly been considered the bedrock upon which retirement security rests for all Americans. No matter what damage vagaries in the stock market might have on personal savings, no matter what damage employer carelessness or dishonesty might have on pension plans, people have always believed that Social Security would be there, the strongest and most important leg of the stool.

Unfortunately, over the years, the stool has weakened. As income stagnated in the 1970's, Americans had to dip into their retirement savings to pay for their children's education, or put a down payment on a house, or pay for increasing medical costs, thus weakening the first leg of the stool.

Employer provided pension plans are also dwindling with the loss of secure jobs with reliable benefits. Nowadays, less than half of all workers have employer provided pension plans, and those that do are receiving less and less in contributions from their employers, thereby weakening the second leg.

Now, when people are beginning to depend on it the most, some people want to weaken or even saw off that third leg of the stool. Those people say that Social Security will go bankrupt in the next century, that Social Security doesn't pay beneficiaries a high enough rate of return. They believe that instead of fixing Social Security by saving the surplus, and sitting Americans' retirement security firmly on the three-legged stool, Americans would be better off trying to balance their futures on only two legs. I wouldn't try to sit on a two-legged stool, and I wouldn't recommend anybody trying to balance their retirement future on one either.

Right now, some Republicans in this House are mounting an attack on Social Security. Not a direct attack, though they have tried that in the past, but an indirect attack. These Republicans are planning to spend our budget surplus, the first budget surplus we have had for 30 years, on tax cuts. Tax cuts are not necessarily a bad idea. In fact, I would seriously consider supporting some of these tax cuts, if we really had any money to spare. But the fact is that we do not.

The "surplus" that some in this House so desperately want to spend on tax cuts is in fact needed to support Social Security once it begins running a deficit early in the next century. The only reason why a surplus exists at all is because the Social Security trust fund is taking in more money than it is spending. But that will change in 2013. That year, Social Security starts paying out more money than it takes in. That year, we will need the money which we should be saving from the surplus to pay for the baby boomers' retirement. The surplus that exists now, and with good economic luck will exist for the next several years, is nothing more and nothing less than our and our children's future.

But there are those who believe that Social Security is not worth saving because its return rate is too low. Social Security is not meant to provide workers with a big bonanza. It is intended to provide an income floor, a minimum below which we will not allow beneficiaries to fall. And it has worked. When Social Security was created, senior citizens were the most poverty stricken group in America. Now only 12% of older Americans are poor. Without Social Security, 42% of older Americans would be poor.

Some may think that Social Security is too conservative. It may not pay out as high a rate of return as more risky and speculative investments. But it is that caution which guarantees that Social Security will be there for all of us when we retire or are injured or the person we depend on to provide for us dies. So if the stock market fails us, if our savings are eaten up by illness, if our pension plan disappears, we will be still able to live with dignity.

When you are already at retirement age, there are no second chances. There is no time to build up a new nest egg. There is no time to play the stock market for big returns. You retire with what you've got, and if there is no Social Security, and you've made a mistake in the stock market and your employer took the pension money and ran, you've got nothing. Nothing at all to fall back on. Our mothers, our fathers, our brothers, our sisters, our sons and our daughters, all of us deserve better than that.

Don't let the short term gratification of a fleeting tax cut distract us from saving for our future. Before we consider cutting taxes, save Social Security first.

Mr. BORSKI. Mr. Speaker, I rise today in opposition to H.R. 4578, the so-called Save Social Security Act. This legislation is an assault on one of the most successful government programs in American history—the Social Security program.

H.R. 4578 would rob Social Security recipients of the very benefits that they earned through their hard work and dedication. This bill sets up a separate account for Social Security, and requires the Treasury Department to deposit only 90% of the currently projected surplus in that account. There are several problems with this bill. First, the bill does not protect the Social Security Trust Fund—it does not prevent these funds from being used for additional tax cuts or spending increases in the future. Secondly, it does not reserve the full amount of money that Social Security has accumulated. None of the projected surpluses should be touched until the long-term solvency of Social Security has been fully secured.

As the representative from the 20th oldest district in the nation, I have always let the thoughts and views of my senior constituency guide me through my legislative decisions. More than 113,000 individuals in my District rely on the benefits of Social Security. They depend on this sacred program on a daily basis and I have consequently worked my hardest to ensure the solvency of their program! Today was one of the most offensive attacks on the Social Security program that I have witnessed thus far in my 16 years of working in the House. The seniors in my district have asked me to vote against this fraud of a bill—it does not adequately protect their hard earned money.

I believe that the Social Security program must remain sacrosanct and excluded from budgetary gimmicks. Let us do what is right by reserving every penny of the Social Security Trust Fund for the people that contributed to its solvency. It is not our money to waste, but it is our money to protect. This Republican bill does not properly address the current issues facing Social Security. Instead of safeguarding current Social Security funds, these Members would rather jeopardize this remarkable program with a false plan to assure their existence.

As a true Representative of the Pennsylvania's Third District, I will do all I can to Save Social Security the right way! I suggest that all Members of this body do the same by concerning themselves will valid legislation that will focus on strengthening our current Social Security system that has been successful for more than 60 years. It has provided a sense of certainty for more than 160 million workers and their families. Let us Save Social Security First, not last.

Mr. COSTELLO. Mr. Speaker, I rise today in strong opposition to H.R. 4578, the "Save Social Security Act". The title of this legislation gives the impression that it will actually save Social Security when, in fact, the Republican leadership has called this legislation up for a vote to take away 10% of any budget surplus from Social Security. The passage of this bill is a slap in the face to the millions of Americans who have paid into Social Security their entire working lives.

This legislation is another attempt by the Republican-led Congress to undermine our safety-net programs. It is not fair to spend the projected surplus on tax cuts when Social Security is in need of shoring up for the upcoming baby-boom generation. Of the projected surplus of $1.6 Trillion, 98% is generated by payroll taxes for Social Security. If it wasn't for Social Security, the federal budget would have an estimated deficit of $137 Billion over the next five years.

Mr. Speaker, I believe we should solve the long-term Social Security Trust Fund solvency problems before we pay for tax cuts out of a surplus funded by Social Security. I support tax cuts for marriage penalty relief, self-employed health insurance deduction, education and child care tax credits, however, I believe it must be paid for through responsible fiscal planning.

I urge my colleagues to oppose this legislation and ensure Social Security benefits for generations to come.

Mr. SMITH of Michigan. Mr. Speaker, the "Protect Social Security Account" developed in H.R. 4578 should increase awareness of the Social Security problem. However, the legislation does nothing to solve the problem.

The bill requires the Secretary of Treasury to make annual nonnegotiable "IOUs" to this new account each fiscal year from 1998 to 2008. The new government debt owed to this "Protect Social Security Account" would equal 90% of the projected total unified budget surplus for each of those fiscal years.

In addition, the Treasury will make out IOUs to the Social Security Trust Fund for its annual surplus, as it has done in the past. The Social

Security tax revenues surplus, which is the social security taxes in excess of benefit payments for that year, is a major part of any unified budget surplus. This means we are creating a $1.90 in debt for every dollar borrowed in those years that the unified budget surplus is greater then the Social Security surplus. Total government debt will increase faster than if the new account was not established. In other words, the increased debt to the Social Security trust fund will be about $80 billion for the 1998 fiscal year. Because the calculations for government IOUs into the "Protect Social Security Account" is 90% of the unified budget surplus in most years, there is double accounting for government indebtedness for the same money. That results in total debt going up faster than it otherwise would. The Congressional Budget Office (CBO) estimates that Congress and the President will have to increase the existing $5.95 trillion in debt ceiling two years earlier if this bill would become law 2001 instead of 2003. Ironically, the more unified budget surplus that is spent by government, the less debt subject to debt limit there would be.

There will never be any actual money that is going into this account, just more IOUs. I am voting for the Rangel substitute because it has the effect of investing the Social Security surplus in marketable bonds as does my bill, H.R. 4033. I am voting for H.R. 4578 in the hopes that a future Congress will pay back the debt in the "Protect Social Security Account" to help solve the Social Security problem. We should all recognize that by the year 2008 the general fund of the Treasury will owe $2.252 trillion to the Social Security Trust Fund. This does not include the money that will be owed to the new fund. Unless there are sufficient resources in the general fund of the Treasury to repay that borrowing, the ability to pay the promised Social Security benefits will be threatened.

The fact is, none of the rhetoric by Republicans or Democrats or the President that we should save the surplus to save Social Security does anything to fix Social Security. The legislation I introduced (H.R. 3082) has been scored by the Social Security actuaries to keep Social Security solvent.

Others that have done real work to save Social Security include Representatives STENHOLM, KOLBE, SANFORD, and PORTER, and Senators MOYNIHAN, KERREY (NE), GREGG, BREAUX, GRAMM, and DOMENICI. I applaud all of their efforts. I acknowledge the tremendous increase in awareness that the President has helped stimulate by announcing in his State of the Union address last February that we've got to save Social Security. As Chairman of the bipartisan task force on Social Security, I am setting our first goal to be a discussion of the real facts and the real problem of the current system.

Senator MOYNIHAN said during Social Security reform discussions in 1983, "Everyone is entitled to their own opinion. However, no one is entitled to his own set of the facts." If we can have honest bipartisan discussion of the issue, and if we can increase public understanding, then we can pass real Social Security reform legislation in 1999. That is important, because the longer we put off the resolution, the most drastic the changes will have to be.

Mr. HILL. Mr. Speaker, I am in full agreement with the goal of reducing taxes on hard-working American families. The Republican way of reducing taxes is by reducing spending and reducing government. That's why I voted earlier for a budget that reduced spending for these tax cuts.

But the President likes to say, from one side of his mouth, that he wants to save Social Security. Yet, from the other side of his mouth, he calls for billions of dollars of new spending from the Social Security Trust Fund.

Senate Democrats claim they want to save Social Security while proposing to spend Social Security taxes on increased spending.

And my own Republican leadership wants to cut taxes—offsetting the cuts with the Social Security Trust Fund.

On this issue, I say: A pox on all their houses.

I want tax cuts. I support these tax cuts. I just don't want them funded out of Social Security taxes.

I had hoped that the leadership would find a way to phase in tax cuts from the projected surplus in the general fund, but this plan does not do that.

When I was in business, we had good years and we had bad years. Sometimes we needed to borrow money to get through the lean times. But every businessman knows that you don't raid the employees' pension fund to meet payroll.

In the 40 years that Democrats controlled Congress they raided Social Security for other programs. It was wrong. It's still wrong. And that's why this measure is wrong today.

I'm not voting with the Democrats today. They can't wait for the chance to spend the Social Security Trust Fund on more government programs. But his vote today underscores the need to put this money into personal accounts for each and every American. Those accounts should be personalized with the name of an individual, not the name of Congress.

I will not support this legislation today. Not because I don't support the tax cuts, but because Montanans tell me the real path to tax reduction is to reduce the size of government.

Mr. THOMPSON. Mr. Speaker, the budget surplus which will be obtained this year is the greatest achievement of common sense and foresight in decades. While much of the world around us flounders in economic chaos, the United States' economy continues to drive forward, largely due to this success.

Now we are casting to the wind the same common sense planning—and if I might add, conservative policies—which eliminated the budget deficit and created the budget surplus. Six weeks away from the election we are voting on tax cuts, many of which I admittedly support and would like to see enacted, even though we can not yet pay for them without taking money needed for saving Social Security.

The truth is that we only have a budget surplus today because a surplus exists in the Social Security Trust Fund. According to the Congressional Budget Office, 98% of the budget surplus from 1999 to 2008 will come from the surplus in the Social Security Trust Fund. Only 2% will come from non-Social Security sources. However, this surplus is only temporary. The hordes of retiring "Baby Boomers" will draw heavily on Social Security, and the Trust Fund will become bankrupt by 2032.

The Democratic Substitute to the Republican's so-called "Save Social Security Act" we are now considering makes a very simple proposal: we set aside 100% of the budget surplus in a special fund to be used solely for keeping the Social Security Trust Fund solvent until a long term solution can be found. The Republican bill, on the other hand, will take the surplus which really belongs to Social Security and use it for funding the tax cuts we will vote on tomorrow.

The Republican proposal risks Social Security and it risks America's future. What happens if the worldwide economic crises seriously affected American markets and the surplus turns out to be less than predicted? The result, I fear, will be less than welcome. We will be stuck with these new tax cuts, which I know this House will not have the political capital to repeal. We will return to the days of budget deficits, and our economy will be trapped in the same cycle of stagnant growth we thought we left behind when the last recession ended six years ago.

In recent years the improving economy has permitted the vast majority of Americans to cast aside their fears and look towards their future with renewed hope and newly minted dreams. I hope that either this House or the more sensible policy-makers in this city reject the risky political games we are playing and return to the common sense that has served us well to date. Let us save Social Security first and enact tax cuts when we can pay for them.

Mr. RAMSTAD. Mr. Speaker, I would like to dispel some of the misleading hyperbole the American people are being fed today. Americans are sick of political double talk. They want the truth—so here it is.

This surplus we are talking about here today—do you know where it came from? It came from you—your hard earned pay checks, your savings accounts, your investments and even the deaths of your family members and friends. It's not the government's money—it's yours!

You know what happens to your money when it gets to Washington? Well, for the last 40+ years, the Democratic majority spent it—spent well above it—and often wasted it. In fact, if it weren't for the Republican majority you elected, we wouldn't even be standing here today talking about a surplus or how to use the excess taxes you have sent us.

You deserve some of your money back. And, yes, your money—$1.4 trillion—should also go toward preserving and protecting Social Security. Both can be done.

Let me reassure you right now that under the bill before us today, fully 90% of your surplus goes into a "Protect Social Security Account." Some $1.4 trillion of your money is set aside until we pass legislation to ensure the long term solvency of Social Security.

And do you know what the impact on the Social Security Trust Fund will be from giving you back 10% of your money? None. Let me repeat that. None. The Social Security Trust Fund will not lose one dime by passing this legislation today and the tax bill tomorrow. Not a penny.

So, to recap the truth for Americans sick of all the political legalese and double talk: Passing this legislation gives you, the overtaxed American, 10% of your money back. It secures 90% of your money in a new account to be used for preserving and protecting your Social Security program. Let's pass the "Save Social Security Act."

Ms. DELAURO. Mr. Speaker, Social Security is one of our Nation's greatest success stories. It is the financial bedrock for our country's elderly, and for all hard working American families who want to retire with some peace of mind. Two-thirds of our seniors depend on Social Security for more than half their retirement income.

But right now, Social Security is under attack: this bill would raid Social Security to pay for a tax bill. The Archer bill pays for its tax plan with money from the Social Security Trust Fund—money that Americans have invested for their retirements, money that the program needs for long-term survival. I believe in tax cuts, but I believe we must protect the Social Security Trust fund first. We cannot undermine our retirement security for the sake of ten cents per day today.

I urge my colleagues: don't be irresponsible. Protect our Social Security trust fund, and protect our retirement savings. Vote for the Rangel tax cut, which ensures the solvency of the Social Security trust fund. Oppose the Archer Social Security raid.

Mr. COYNE. Mr. Speaker, I rise in opposition to this misguided legislation. It combines commendable tax cuts with an unacceptable funding mechanism. The bill would take money from the Social Security Trust Fund to pay for these tax cuts. I consider this a fatal flaw.

This bill is the legislative equivalent of the Trojan Horse. It contains a collection of tax cuts that Democrats would usually support. Most of the tax cuts contained in H.R. 4579 have, in fact, been proposed and supported by Democrats in the past. The marriage penalty provision is similar to one offered by Representative MCDERMOTT during the Ways and Means Committee mark-up of the 1997 Taxpayer Relief Act—and rejected unanimously by the Republicans on the Committee. The same is true of the 100 percent deduction for health insurance for the self-employed. Similarly, I do not think that anyone is opposed to extending the expiring tax provisions contained in H.R. 4579—they are non-controversial, and most of us have voted to extend these provisions a number of times. The provision in the bill which would allow non-refundable credits against the alternative minimum tax is similar to a change proposed in legislation introduced recently by Representative NEAL. And the provision assisting military personnel who sell their homes after returning from temporary postings is similar to a change recommended by the Administration earlier this year.

The problem with this bill, of course, is not primarily with the proposed tax relief, but rather with the way that this tax relief would be paid for—with money from the Social Security Trust Fund.

The Federal Government is expected to collect $1.6 trillion more in revenues than it is projected to spend in outlays over the next ten years. That figure, however, hides the fact that the Federal operating budget—the budget excluding Social Security—is projected to run a surplus of only $31 billion over the next ten years, and that in fact it is not even expected to produce a significant surplus until the year 2006. The reason that CBO has projected a unified Federal budget surplus for fiscal year 1998 and the subsequent 5 years is that the Social Security trust fund is currently running a surplus of over $100 billion annually. Without the surplus in the Social Security trust fund, the Federal Government is actually projected to run a deficit of $137 billion over the next five years.

The point that my colleagues on the other side of the aisle forget or choose to ignore is that after 2010, first the unified Federal budget and then the Social Security Trust Fund begin to run huge deficits as the number of Social Security beneficiaries doubles from 40 million to 80 million. In fact, even counting the projected trust fund surpluses, outlays for Social Security are expected to exceed receipts by trillions of dollars over the next 75 years.

Moreover, there is no guarantee that the projected $1.6 trillion surplus is going to materialize at all. CBO has estimated that a recession next year could change the projected surplus of $520 billion over the next five years to a deficit of $44 billion. I think that, given the current global economic uncertainty, it would be wise for Congress to actually run a surplus before it spends it.

Mr. Speaker, we all support taxpayer relief. And I suspect that we all would agree on the need to preserve Social Security. The question before us today is whether we should reduce the amount of money in the Social Security Trust Fund before we have taken action to ensure the program's future solvency. I do not think that we should. Most experts agree that we will need the surplus—and then some—to keep Social Security solvent in the next century.

43 percent of retiree households in my congressional district depend on Social Security for all of their retirement income. That means that roughly 33,000 people are living on an average of $9,000 a year. The 45,000 retirees who have pensions or income from savings get by on an average yearly income of about $16,000 a year. We shouldn't risk the retirement security of millions of senior citizens in order to score political points in an election year. We don't have the right. Consequently, I urge my colleagues to resist the temptation to spend money from the Social Security Trust Fund to pay for tax cuts—no matter how meritorious those tax cuts might be—until we enact legislation that ensures the future security of Social Security. If we restore Social Security's financial health next year—and if it looks like we won't need all of the money in the trust fund to pay out benefits—then we might want to take a look at lowering the Social Security payroll tax rate. That might be the fairest tax cut financed by Social Security receipts. I do not think that such a situation is likely, but I would be pleased if it turned out to be the case. Short of such a remarkable turn of events, I urge my colleagues to keep their hands out of the Social Security Trust Fund.

Instead of this ill-advised bill, Congress should enact legislation before it adjourns that will wall off the Social Security Trust Fund surplus. Then, next year, this body can work to craft a long-term solution that will ensure the solvency of Social Security. If we follow such a course, Social Security will be able to continue paying out benefits for the foreseeable future.

I will support the Democratic alternative. The Democratic amendment to H.R. 4579 would allow all of the tax cuts contained in the original bill—but it would delay these tax cuts until the Social Security trustees certify that Social Security will be solvent for the next 75 years and OMB certifies that the Federal budget—excluding the Social Security trust fund surplus—is running a surplus and will continue to run a deficit for the following five years. The Democratic amendment to H.R. 4578 would take all of the surplus in the Social Security trust fund—100 percent of it, not merely 90 percent—and lock it away in an account at the Federal Reserve Bank of New York where it would earn interest at the market rate. By putting the money in this "lock box" account, Congress could ensure that it wouldn't be spent on other programs—as many of my Republican colleagues fear—or on tax cuts benefitting the well-to-do—as many of my Democratic colleagues fear. The difference between 90 percent and 100 percent of the trust fund surplus may sound insignificant at first blush, but once one realizes that 10 percent of the projected Social Security surplus amounts to over $160 billion, the importance of preserving this money for Social Security becomes clear. Diverting $160 billion from the Social Security program is not responsible. It is not reasonable. It is outrageous. It is nothing short of a raid on our children's future.

I urge my colleagues to join me in exercising restraint, foresight, and fiscal conservatism. Save the surplus—and preserve Social Security.

Mr. POSHARD. Mr. Speaker, I rise today to oppose this legislation. When I came to Congress 10 years ago, my foremost priority was to work towards balancing the Federal budget. As I prepare to leave this institution, I am very proud of the fact that this goal has been reached during my tenure. But reaching a balanced budget is only the first step. We must continue to pursue fiscally responsible policies to ensure that we can accomplish related objectives, such as maintaining a solvent Social Security program for today's seniors and future retirees, and saving our children from an increasing mountain of debt.

I am not opposed to tax cuts. I supported them in the Balanced Budget Act last year, and I have been a forceful advocate for some of the proposals us today, especially the 100% deductibility of health insurance costs for the self-employed. But this is not the time to be considering these measures. I fear this vote has political motivations, and the subject is too dear to me and critical to the country. We must be certain that Social Security is properly funded, that our parents, our friends, and our neighbors that rely on that program can continue to depend on it. Let us do the right thing here today, I urge my colleagues to preserve the Social Security trust fund for its intended purpose, and support the Rangel substitute.

Ms. MCCARTHY of Missouri. Mr. Speaker, I rise today to support the Rangel Democratic

Amendment and oppose H.R. 4578. I strongly support the Democratic Amendment which would create an account at the Federal Reserve Bank for the entire Social Security surplus.

It is fiscally irresponsible for Congress to spend any of the anticipated surplus before we have addressed the long-term retirement needs of working men and women, or before the surplus has even materialized.

In order to claim a budget surplus, the majority will use money from the Social Security trust fund. We cannot let this happen. We must restore the $9 trillion in unfunded liability owed to individuals who have paid into this most successful government program all of their working lives.

Mr. RANGEL's Amendment would transfer 100% of any Social Security surpluses to the Federal Reserve Bank of New York to be held in trust for the Social Security system.

Congress should stand firm to ensure that Social Security will remain strong for future generations. I urge my colleagues to support the Democratic Amendment sponsored by the gentleman from New York, Mr. RANGEL. Mr. Speaker, we need to save Social Security first.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to oppose H.R. 4578, which contains the Republicans' plan to save Social Security. I oppose it because it is a job incomplete.

It is not a coincidence that this bill is being brought to the floor at the end of the session, and immediately before the House will consider a Republican bill that spends a significant portion of the Social Security surplus on a tax cut.

This bill comes to the floor only because the Republicans must have some response ready for the millions of Americans that they plan on taking money from tomorrow, when we debate the Republican Tax bill. They want to be able to say that they voted to save 90% of the budget surplus to Social Security.

Ninety-percent sure sounds good. It sounds like a good score on an exam, but this is not an exam. This is the money of the American people. This is money that should all be put into a safe place, away from politicians, especially in election years.

Furthermore, this Republican plan does not really take the Social Security Trust Fund off-budget. This means that not even the 90% that they claim is safe, is truly safe. It is still reachable by Congress when the next election-cycle comes around. We need legislation that puts the money of the American people in a truly safe place, like a Federal Reserve bank.

Democrats, on the other hand, are committed to preserving all, that means 100%, of the budget surplus for Social Security. That is because we know that this money is not really a surplus. It is, rather, a debt. A debt that we owe to all of the Americans that have dutifully paid into this plan over their entire careers.

The Chairman says, "Let's be conservative." The trouble is the Chairman's proposal is not conservative enough. The most conservative thing to do is to take all of the surplus money and lock it away, until we know that Social Security is saved.

This is not money that we should be using to play election-year politics. I urge all of you to vote against this bill, and for the democratic substitute.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4578. This bill ensures that funds are saved for Social Security, while at the same time allowing taxpayers nationwide to benefit from a Federal income tax cut in H.R. 4579.

It is projected that we will have a $1.6 trillion surplus in the Federal budget. House Resolution 4578 would set aside 90% of the budget surplus, $1.4 trillion, to protect the Social Security system by depositing this amount into a new Treasury account entitled the "Protect Social Security Account." The Social Security system is a supplemental retirement benefit to recipients for their life of diligent service and dedication to their jobs, their families, and their community. Accordingly, H.R. 4578 will help stabilize the Social Security system from the threat of permanent insolvency. In turn, H.R. 4578 will help to ensure that the future inheritors of the Social Security system reap a harvest from the seeds of hard work and toil that they will sow as time progresses.

In closing, H.R. 4578 is certainly one important step forward in ensuring a sound Social Security system for future beneficiaries. This Member encourages a "yea" vote for H.R. 4578.

Mr. DAVIS of Illinois. Mr. Speaker, I rise today against the Republican Social Security bill because it raids the Social Security Trust Fund in order to provide Republican tax cuts, six weeks before an election. These tax cuts are a short-term, one-shot use of the surplus.

Mr. Speaker, this is wrong. Those working-class Americans who have paid into the Social Security Trust Fund deserve to have Social Security for them.

Social Security has provided benefits to more than 160 million workers and their families since the program began in 1940. Without this vital program, half of our Nation's elderly would live in poverty. Two-thirds of our Nation's elderly depend on Social Security for one half or more of their income.

Make no mistake about it. The issue is not whether cutting taxes aimed for reduction should or should not be cut; certain reductions might be beneficial. The heart of the matter is, it is unacceptable to finance the tax cut package with Social Security funds.

Mr. Speaker, I urge my colleagues on both sides of the aisle to stand up for the elderly and the working poor—preserve 100% of the surplus for Social Security. They have been there for us, let us not let them down and leave them behind now.

The SPEAKER pro tempore. All time for debate has expired.

It is now in order to consider the amendment numbered 1 printed in the CONGRESSIONAL RECORD.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. RESERVATION OF SOCIAL SECURITY SURPLUSES SOLELY FOR SOCIAL SECURITY SYSTEM.

(a) IN GENERAL.—Section 201 of the Social Security Act (42 U.S.C. 401) is amended by adding at the end the following new subsection:

"(n)(1) The Secretary of the Treasury, before the beginning of each fiscal year, shall estimate the amount of the Social Security surplus for such year. For purposes of this subsection, the term 'Social Security surplus' means the excess of the receipts in the Trust Funds during the fiscal year (including interest on obligations held in such funds) over the outlays from such funds during such year:

"(2) If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer during such year from the General fund of the Treasury an amount equal to the amount of the surplus to the Federal Reserve Bank of New York. Such transfer shall be made monthly on the basis of estimates by the Secretary of the Treasury of the portion of the surplus attributable to the month, and proper adjustments shall be made in amounts, subsequently transferred to the extent prior estimates were in excess of or less than amounts required to be transferred. Amounts transferred under this paragraph shall substitute for (and be in lieu of) equivalent amounts otherwise required to be transferred to the Trust Funds.

"(3) The Federal Reserve Bank of New York shall hold the amounts transferred under paragraph (2), and all income from investment thereof, in trust for the benefit of the Trust Funds. Amounts so held shall be invested in marketable obligations of the United States with maturities that the Managing Trustee determines are consistent with the requirements of the Trust Funds. Amounts held in trust under this paragraph (and earnings thereon) shall be treated as part of the balance of the Trust Funds.

"(4) If, at any time, any obligation acquired under paragraph (2) has a market value less than its acquisition cost by reason of a change in interest rates, the Federal Reserve Bank of New York may, at any time, present such obligation to the Secretary of the Treasury for redemption, notwithstanding the maturity date or any other requirement relating to such obligation, and the Secretary of the Treasury shall redeem such obligation for an amount that is not less than such acquisition cost.

"(5) Upon request by the Managing Trustee, the Federal Reserve Bank of New York shall transfer to the appropriate Trust Fund the amount determined by the Managing Trustee to be necessary to meet the obligations of such Fund.

"(6) All transfers to the Federal Reserve Bank of New York under paragraph (2) shall be treated as Federal outlays for all budgetary purposes of the United States Government, except that such transfers shall not be subject to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 and all transfers to the Trust Funds under paragraph (5) shall be treated as offsetting receipts.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1998.

Amend the title so as to read: "A bill to reserve 100 percent of the social security surpluses solely for the Social Security System.".

The SPEAKER pro tempore. Pursuant to House Resolution 552, the gentleman from New York (Mr. RANGEL) and a Member opposed, each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Earlier in the debate, somebody said the only difference between the bills is that I wanted 100 percent and the Republicans wanted 90 percent. That is not the only difference, because, in this substitute, we take that 100 percent, not just merely put it in a separate accounting system in the Social Security trust fund, as I once supported, but we take it away completely from the opportunity of politicians, Republican or Democrats, and lock it into the Federal Reserve Bank so that it cannot be touched.

But I would just like to say, with all of this display of currency on the floor, that we should recognize for those who have the $40, that the 40 bucks was owed to the Social Security trust fund. We have not used the money that has been collected for the trust fund. We have used it for other things.

So if Members want to say the only difference between Republicans and Democrats is they want a total commitment to the system and Republicans want a partial commitment, then we may be closer to the facts, because we say that after we fix Social Security first, then we would trigger the exciting and the ever-inviting tax cuts, as my colleagues in the majority have suggested.

Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I, for one, do not question the reasons or demean the intentions at all of the gentleman from Texas (Mr. ARCHER), the Republicans and the former speaker the gentleman from Ohio (Mr. KASICH). I think the gentleman from Texas (Mr. ARCHER) is a great chairman, and I think America is very fortunate to have the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL), two of the best.

I want to talk taxes today. I voted for the previous tax cuts. They made sense. Social Security is funded by its own tax. That tax is to ensure the solvency of Social Security. I philosophically and in my heart believe that not one of those pennies should be used for anything else.

Having said that, let us take a look at the situation in America today. I can remember from my devastated community, when the CEOs of the companies were so desperate to try and save their companies, they used the pension funds, maybe with good intentions. The economy slumped, and retirees lost their pensions, and Congress had to bail them out.

Let me caution Congress today about this so-called booming economy. This just may be a paper tiger. It seems to me if Wall Street sneezes, the world catches pneumonia and Social Security, once again, needs an ambulance.

The Archer plan is a good plan. The Rangel plan is a good plan. Today I am going to support the Rangel plan for one major reason: The Rangel plan is the safest and the most pragmatic for our country.

I will support the Archer plan. It is one of the best tax packages brought before this Congress, without a doubt. I will support it when you find the money elsewhere or after you have implemented the safeguards brought forth by the gentleman from New York (Mr. RANGEL).

I think we should leave the politics aside today. This is not Rotary. Republicans are not trying to rip us off. Democrats are not trying to stop a tax cut. We have a difference of philosophy on this and a difference of opinion.

I honestly believe there would be a budget deficit without the Social Security monies of surplus. Let us take care of Social Security. Let us make it solvent. Then let us go on to the Nation's business, to cut taxes or, if necessary, find that money elsewhere.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

When I was first appointed to the Committee on Ways and Means in January of 1973, I took an immediate interest in Social Security. There was no subcommittee then, but I knew how vital it was, not just to current retirees but to future generations, the most important program the Federal Government has.

As a result of that, I was appointed by Ronald Reagan to the Social Security Commission in 1982. No one in this body recognizes more the importance of Social Security and how sacred it is. So let it be clear that there is a determination on my part and the part of the majority to protect, to guard, to reform and to save Social Security.

But what we are talking about today is a different issue. No one should be fooled about it. If I believed, as my friend from Ohio said, that this is the only safe way to move, I would not be here urging an alternative. But the Rangel scheme will not dedicate 100 percent of the surplus to Social Security. Why? Because surplus, in his definition, is only what is left over after all of the spending that is urged upon the Congress occurs in each year. It is an open door to pave the way for Democrats to increase government spending, reduce the surplus that is available in each year and, at the same time, expand the size of government and grow the bureaucracy, grow the power of Washington, as my friend, the gentleman from Ohio (Mr. KASICH) said.

□ 1230

Save 100 percent of the surplus for Social Security? How can they claim to support saving every penny when President Clinton is leading the charge to spend the surplus now? Extrapolated over a five-year period, the additional spending this year alone could well reach $100 billion of surplus that will not be there when they are through. The President has already spent $2.9 billion from the surplus to help the people in Bosnia. That was not an emergency. We knew ahead of time, for at least a year, that those moneys would have to be spent. Yet it was okay to spend the surplus on the people of Bosnia. And already this fall the President has asked Congress to spend $13 billion in additional surplus money on other government programs some claimed to be emergency, and yet clearly were planned in advance, known in advance and should have been paid for in advance.

Mr. Speaker, if it is acceptable for the Democrats to spend the surplus on the people of Bosnia, why do they oppose using it to give tax relief to the taxpayers of America who send it here in the first place? It is not our money. It is their money.

Do not be fooled. This substitute is a risky scheme to squander the surplus on more government while denying tax relief to husbands and wives, farmers and ranchers, senior citizens and small businesses.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT) our minority leader.

Mr. GEPHARDT. Mr. Speaker, I urge my colleagues to vote for the Democratic substitute offered by the gentleman from New York (Mr. RANGEL) that will truly save the surplus for Social Security. I challenge my Republican colleagues to put the money where their mouths are. Join with Democrats in using all of the surplus to save Social Security first.

Republicans talk a big game in election years when it comes to protecting Social Security. Listening to their rhetoric today, one would have thought that they were the ones who came up with the idea of Social Security in the first place. They did not. Republicans fought it in the 1930s and they are fighting it again in the 1990s. They want to weaken it by eroding its financial stability. They want to starve Social Security so that it withers on the vine. That is exactly what the Republican bill does. It puts Social Security second. It raises and raids funds from the Social Security trust fund to further their ultimate goal, killing the system that lifts millions of our senior citizens out of poverty. This is the first step in their plan to transform Social Security from a guaranteed fundamental bedrock into a crapshoot in the markets. They are not really committed to saving Social Security.

All one has to do is take a look at the Republican bill today to see how weak their commitment to Social Security really is. If you are really committed to something, you stand 100 percent behind it. You do not go halfway in fighting for your bedrock values. You do not go almost all the way. You go all the way. But the Republicans' 90 percent solution does not really protect the crown jewel of our efforts, to make sure that seniors can live in respect and dignity no matter what. Republicans only want to throw Social Security a string instead of a lifeline. And Republicans only want to go the whole eight yards to save Social Security. In baseball, 90 percent of the way only gets you a pop-out on the warning track, not a home run. We want to knock this ball straight out of the park.

Democrats are 100 percent committed to Social Security. We are going to dedicate the entire surplus to saving Social Security, not just part of it, not just 90 percent of it. It is important that we stop these Republican raiders in their tracks, because this year they will steal 10 percent of the surplus from Social Security and next year they will come back and try to get more. The gentleman from Texas (Mr. ARCHER) has said so himself. "As long as there is a Republican majority," he said in a press conference, "we're going to have a tax cut every year." He said, "We need to take a stand now." Well, I think we need to take a stand now and show the American people that we will save all, 100 percent, of the surplus for Social Security.

When you have a jewel, you do not keep it on your kitchen table. You lock it up in a safe deposit box. That is exactly what we want to do with the surplus for Social Security. Our substitute puts the money under lock and key, at the Federal Reserve Bank, so that neither Republicans nor Democrats nor anyone will be able to get their hands on it.

Let us take the surplus away from the Republicans. Let us shore up the system and show the American people that we can save Social Security first.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana (Mr. MCCRERY) another respected member of the Committee on Ways and Means.

Mr. McCRERY. Mr. Speaker, much of the debate here today has been misleading, to say the least, including the remarks of the previous speaker.

Look. Democrats, I believe, do want to preserve Social Security. So do Republicans. There is no difference. We both want to preserve Social Security. The difference is that for 40 years of Democrat control, they ran a deficit. They spent more at the Federal level than we took in, mounting up a debt on which we had to pay interest and, of course, we could not use that money for Social Security or anything else. So if they had remained in control and continued 40 years of history, of spending more than they were taking in, the only solution to Social Security would have been to raise taxes. Thankfully Republicans gained control of the legislative branch 3½ years ago, and thanks to our fiscal policies getting government spending under control, we are now running a surplus. We are bringing more money into the Federal Government than we are spending for the first time in 30 something years. So, thanks to our policies, we now have an opportunity to save Social Security, to preserve Social Security that the Democrats want to do and that we want to do, but our way to do it is to use the surplus to finance a transition from the current Social Security program to one that will be smarter, use our money more wisely and even give people back more than they are getting now from the Social Security system.

If we take a look at the solutions that have been proposed, none of them spend the entire projected surplus for the next 10 years. They range anywhere from about $650 billion to $900 billion. So we want to use that money to transition to a new Social Security system that will give people more and at least preserve what they have got now. That should be the debate, and that will be the debate, I hope, over the next couple of years, how to preserve the Social Security system. What we have heard here today is a bunch of poppycock and I am tired of it.

Let us be honest. Republicans want to save Social Security, Democrats want to save Social Security. Thanks to our fiscal policies, we now have a chance to do that without raising taxes, and I am thankful for that. Dadgum.

Let me just speak for a minute about the substitute that we are debating now. If the gentleman from Ohio (Mr. TRAFICANT) is correct and if the gentleman from Missouri (Mr. GEPHARDT) is correct and we are really going to lock that money up in the Federal Reserve in New York, well, guess what? Under the wording of the Rangel substitute, we are not only going to lock up the unified budget surplus, we are going to lock up the Social Security surplus. That is what it says. So if the Social Security surplus is more than the unified budget surplus, which it is over the next five years, you are going to have to come up with some spending cuts to finance your plan. What are you going to cut, Medicare? Give me a break.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM), one of the strongest supporters of our Social Security system.

Mr. STENHOLM. Mr. Speaker, I am holding up 10 one-dollar bills. But as you can see, there are none there. Because we do not have a surplus to distribute as yet from anywhere. All of what we are talking about today is projected. Projected.

Let me remind all of us now the facts, because my colleague from Texas is a little sensitive about raiding, and I will not use that, because I agree with him, to a point. But when you have a projected surplus of $520 billion over the next five years, of which $657 billion of the $520 are Social Security trust funds, what else can you define the utilization of those funds other than misuse of Social Security trust fund?

Now, my colleague from Louisiana, I happen to agree with the tone of his comments a moment ago, because I do agree. I have been working with a lot of folks on his side of the aisle on the long term of Social Security. That is why I stand here today absolutely supporting the Rangel substitute and absolutely supporting not supporting the tax cut. Because anyone that has spent any time at all looking at what it is going to take to transcend into a new and survivable Social Security system knows there are transition costs up front that have to be paid for. I challenge anyone, and I would be glad to yield to anybody that would challenge me on anything that I have said thus far. Because anyone, and I know the chairman of the committee has worked on this and the gentleman from Kentucky (Mr. BUNNING) about to speak has worked on this and I believe he will agree. If we are going to solve the long-term problems of Social Security, we have got to have some transition costs. That is why I oppose a short-term political fix of a tax cut because I want to spend the money on Social Security. Because we cannot get from where we are to where we want to be unless we do that.

No one as yet has talked about the debt, $5.4 trillion, and we can point the fingers at what caused it. I am reminded when I point my finger, there are three pointing back at me. But no one also has talked about the $9 trillion unfunded liability of the Social Security system. That is why some of us are so opposed to a tax cut right now, 60 days before an election, because we want to start the day after the election working together in a bipartisan way with our colleagues to solve the long-term Social Security problem. That is why I am here. I do not want my remarks mischaracterized as some have done this morning on the rule. I want it to be perfectly clear why I oppose the tax cut today using Social Security trust funds, because no one can refute me when I say when the projected surplus over the next five years, that is projected, and look at the world economy and tell me that it may not happen.

The conservative thing for us to do is to bank the surplus of Social Security, reserve it for the future of Social Security, and reserve it for perhaps an economy that may not be as good next year as it is today.

Mr. ARCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security.

Mr. BUNNING. I thank the gentleman for yielding time. Mr. Speaker, the Democratic alternative is not a good deal for Social Security. On the face of it, one might think that putting aside $1.6 trillion in excess FICA taxes seems better than the $1.4 trillion the GOP would reserve at 90 percent of the total budget surplus. But the amendment adds risks to Social Security that are totally unnecessary. The Democratic substitute sends all excess FICA reserves and receipts to the Federal Reserve Bank in New York City where the central bankers are to invest them in marketable securities.

□ 1245

The Fed's job is to control inflation and provide market liquidity, not invest Social Security funds. This is not the role of the Federal Reserve and only creates a conflict of interest.

When the Federal Reserve buys securities to keep financial markets steady, what will it do with the FICA receipts? Will the Fed's first priority first be to stabilize markets or getting the best deal for Social Security?

After all, investing FICA funds in marketable securities introduces a new risk, market risk from the changing prices of bonds, from which Social Security, under current Treasury investment practices, is spared. While the Treasury Secretary is ordered in this bill to make up the losses, the trackings of trillions of bonds would be so complex Social Security might not receive what it is due.

The Republican plan avoids all this by using the current investment procedures in special Treasury securities that have no price volatility.

For all the increased risk in complexities to Social Security, the bill still has the same budgetary outcome as current law. The surplus would still be on the Federal books and still considered Federal money available for Federal purposes according to the Congressional Budget Office. And if there is a budget surplus other than FICA receipts, is it the intention of the minority to give a tax break to the working Americans, as this Congress will do tomorrow in the tax bill, or spend it away?

Perhaps, however, the intent of the Democratic proposal is larger than what is written here. Is this the prelude, as some Democrats have proposed, of government bureaucrats investing Social Security funds in the private capital markets?

As my colleagues know, Fed Chairman Greenspan fears the interference of government ownership of American businesses and the financial and competitive penalties this could bring to workers and investors.

Private investment of Social Security funds is something we should debate as part of the Social Security reform, not a tax bill, and I, for one, want to take no step, no matter how innocuous it might seem now, to give government, not individuals, control over such enormous sums of money.

When the President spoke to us about reserving the surplus to save Social Security, I believe he meant all types of excess revenues, not just FICA receipts as in the Democratic bill. Under their amendment, if the surplus gets larger due to the historical rise in individual and business income taxes, not a penny of it will be saved for Social Security. The Republican bill captures every penny of this increase and could actually end up reserving greater amounts than the Democratic plan.

Finally, let us put this in perspective. Under current CBO projections, our bill reserves $1.4 trillion over 11 years, and the Democratic plan, $1.6 trillion. For no change in the bottom line, are we willing to have the system take on more risk, alter the income the funds receive and upset the important financial operations of the Federal Reserve? It is just not worth it.

The Democrat substitute introduces new risk for Social Security that we do not need. It creates uncertainty that we cannot justify. The Republican bill is straightforward, honest and safe. It sets aside $1.4 million to save Social Security, using tried and true methods.

Please stick with the Republican bill.

Mr. RANGEL. Mr. Speaker, I yield 3½ minutes to the gentleman from California (Mr. STARK), a member of the committee.

Mr. STARK. Mr. Speaker, I must say I am confused by some of the discussions here. I had assumed that the Republicans were pushing to privatize Social Security and invest in things like the long-term capital corporation on Wall Street, but they are sending conflicting messages. They have been for Social Security since 1973, but none of them were around when it came into being, voted for it, and now they want to privatize it, and all I have got to do this morning is convince my mother that her Social Security benefits will continue.

Mr. Speaker, the only thing I can tell her is to not vote Republican, because the record of the Republicans has been to dismantle Social Security since 1935 when they opposed it, and they still do.

But the real issue that we are here debating today is how we are going to pay for the tax cut that we are going to debate tomorrow. And the only way that the Republicans could pay for their tax cut that they want to bring up tomorrow is to endanger the Social Security moneys today. They have got to take 10 percent. Let us forget about the 90 percent, and let us assume that is safe. Let us assume that nobody is going to steal that money. But the 10 percent we are talking about is going out for a tax cut.

Now between now and tomorrow, with the way Republicans write bills in secret and pass them out of the Committee on Rules, they could increase that to 20 percent. Would not make any difference how we vote today, unless my colleagues support the substitute of the gentleman from New York who would lock away that money and take it out of the reach of these spending-crazed Republicans who would like to take this money and have a huge tax cut and increase the deficit even further than their 10 percent will do.

So let us try and not confuse the public with whether we are better off having the Federal Reserve buy government bonds, which are indeed supported by Federal Reserve activities so that they are better investments, or whether we should leave them in a lower interest rate account at the Treasury, which has a fixed maturity value. I think that is splitting hairs. The truth is, the Republican plan gives us no protection beyond today. They say they are going to save 90 percent, but there is nothing in their bill that prevents them from changing their mind the very next day and spending 20 percent instead of 10 percent. And there is nothing in their past history of actions that would give us any confidence that that is not exactly what they will do.

So what I am suggesting to my mom is that if she is worried about Social Security is to support the Rangel amendment which will limit the Republicans, at least, to only spending 10 percent for the tax cut that they want tomorrow, unlike the Democrats who would say, "Let's wait, eat your spinach first, and then get your desert until there is a true surplus, and then we'll all support the tax bill."

So please support the Rangel substitute so that the seniors can be secure that their old age retirement will be there and that my mother's grandchildren can also be secure in the knowledge that when they pay their taxes out of each paycheck there will be a retirement plan for them as well.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to briefly comment on what some of the previous speakers have said.

Mr. Speaker, I believe that the gentleman from New York (Mr. RANGEL) is making a good-faith attempt to accomplish his purpose. His scheme, as designed in statutory language, will not do it, number one. And, number two, it will take an even greater risk with the very sacred Social Security funds because it will take those payroll taxes dedicated to Social Security and give them to the Federal Reserve, a Federal Reserve bank that is not accountable to the people, that is not accountable to the Congress, and that is a highly risky activity to take with these sacred funds.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I rise in opposition to the Rangel substitute, and I stand here in support of the Protect Social Security Account legislation offered by the gentleman from Texas (Mr. ARCHER) which sets aside $1.4 trillion for Social Security.

This is what this debate really is all about. Today we are asking a pretty basic question: Can we save Social Security and can we eliminate the marriage tax penalty at the same time? The gentleman from New York (Mr. RANGEL) says no; the gentleman from Texas (Mr. ARCHER) says yes, and he has offered a plan.

When I think of Social Security, I think of my mom and dad, I think of my Aunt Mary, my Aunt Eileen, my Uncle Jack, my Uncle Bob, all on Social Security, and when I think of the marriage tax penalty I think of my sister Pat and her husband who, like 28 million married working couples, suffer higher taxes just because they are married, and I think we all agree we need to do both. We need to save Social Security and eliminate the marriage tax penalty for married working couples.

What is, I think, a great victory about legislation offered by the gentleman from Texas (Mr. ARCHER) is that we are setting aside $1.4 trillion, which is more than twice what President Clinton said we should set aside back in January. The President said we should set aside the $600 billion surplus at that time. Today, we have the opportunity to set aside more than twice what the President called for, $1.4 trillion.

One clear message that I hear back home and that is, let us keep the politics out of Social Security. Let us be honest about it. We need to work together. Republicans and Democrats need to work together. We have an opportunity today to set aside $1.4 trillion to save Social Security. We also have an opportunity tomorrow to eliminate the marriage tax penalty for people like my sister Pat and her husband, 28 million married working couples who are punished under our Tax Code just because they are married.

Let us save Social Security. Let us eliminate the marriage tax penalty. Let us vote yes for Mr. ARCHER today. Let us vote yes for Mr. ARCHER tomorrow. Let us save Social Security. Let us eliminate the marriage tax penalty.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN) a member of the committee.

Mr. LEVIN. Mr. Speaker, Point one: Let us remember history, where the deficit came from. I heard one of our colleagues on the Committee on Ways and Means talk about it as if it came when the Democrats were running the show.

Most of the deficit occurred in the 1980s when there were Republican Presidents, and we appropriated no more than those Presidents asked for. And the two major deficit reduction bills before last year, in 1990 the majority of Republicans voted no, and in 1993 every single Republican voted no.

Secondly, the emergency argument is pure bootstrap. If it is not an emergency, do not include it within the bill. The Budget Act provides for emergency expenditures. It does not provide for raiding the Social Security fund, and we have to amend the Budget Act in order to do it.

This bill before us is nothing more than an accounting gimmick, a bookkeeping contrivance that does nothing to protect Social Security. I support the Rangel substitute. Our colleagues are in a box on this, so they come up with a phony lockbox. Ours is a real one.

What it does, the Rangel substitute, it takes a hundred percent of the budget surplus each year and transfers it aside to the Federal Reserve Bank to be held in trust for Social Security. But the important point is we should not spend any of the budget surplus until we have first taken action to assure the long-term health of Social Security. Without the surplus in Social Security, there is no budget surplus this year. Without Social Security, the general fund of the Treasury will not post a genuine surplus of any size until 2006.

Look, this bill and its companion tomorrow divert 10 percent of the budget surplus, the Social Security surplus. When it comes to Social Security, my constituents and I think theirs say being a 90 percenter is not good enough.

I urge my colleagues to support the Rangel lockbox substitute. This is the time to make saving Social Security the first, not a second or third priority. We must not divert Social Security funds. Let us fix Social Security and then enact a tax cut for American families.

□ 1300

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to reiterate what I said earlier. I cannot believe that senior citizens in this country or the Association of Retired Persons could support this Rangel substitute to take greater risk with the sacred funds of the Social Security trust fund and put them in the hands of the Federal Reserve, particularly the Federal Reserve Bank that recently bailed out a losing hedge fund in order to save bankers and in order to try to reduce the threat of that, and used, of course, dollars within their control. This is highly risky. I do not know where it came from, we have not had hearings on it, but I am sure that ARP would not support this.

Mr. Speaker, I yield three minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my friend, the chairman of the committee, for yielding me time.

Mr. Speaker, to expound upon the comment just made by the distinguished chairman of the committee, we must rise in strong opposition to the Rangel substitute precisely because of its method of devising a so-called lockbox, because it does nothing to serve as stewards or protectors of Social Security. Oh, no, it gives the consideration to the central bankers. The Federal Reserve Bank of New York City. New York City? Why on earth would we devise this legislative sleight of hand?

We understand the desperation of those on the left. Not only intent on bankrupting the Nation fiscally, they are bankrupt and bereft of ideas. So this extension of the politics of fear is made manifest in the Rangel substitute. You see, Mr. Speaker, the left so mistrusts the American people with their own money that they will devise any scheme to put the government in the way of hard working people and their money.

There is another fatal flaw that we should point out, and I listened with great interest to the revisionist theory of my friend from Michigan who comes down with his tired old recitation of government spending, as if history occurs in a vacuum, about the 1980's, and we did not have our defenses fall into great disrepair and we did not confront a superpower intent on enslaving all the world; as if all that was brushed away with a sleight of hand, as if the world was not a dangerous place and it was not incumbent upon President Reagan and others to provide for the common defense.

But the spending question is very interesting here, because we had no less a personage than the President of the United States come to this chamber and stand in that podium for his State of the Union message and say to us all in sterling rhetoric that we should save every penny for Social Security.

Yet, Mr. Speaker, the facts are these: He has already taken $2.9 billion of that surplus to support a misadventure in Bosnia. Those are the facts. And the simple distinction is this: Do we allow the left, thankfully these days the minority, to continue to stand in the way of the American people and their money, in holding onto a small portion of their money through tax relief, or do we allow them to spend it and put the money in the hands of the central bankers?

Reject the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentleman from Maryland (Mr. CARDIN), a member of the committee.

Mr. CARDIN. Mr. Speaker, the bill before us has one effect and one effect only, and that is to allow us to vote on the tax cut bill tomorrow. It does not protect Social Security, it sets up an accounting gimmick. We should be honest with the American people as to the purpose of this bill.

There are no guaranteed projected surpluses, yet the tax bill we are going to be asked to vote on provides for permanent changes in our tax laws. There is no assurance that only 10 percent of the projected surplus will be used for a tax cut; it could be 20 percent, it could be 30 percent, it could be 100 percent.

The projected Social Security surplus today, that is, payroll taxes and interest, is about $1.5 trillion. But if you ask our actuaries how much money we should have in it to provide for a 75 year solvency of the Social Security system, they will tell you that we need $3.3 trillion, or twice what we have today. So the assumption that we are flush with money just is not true. We do not have enough money to deal with Social Security in the long term, and yet we are asked to vote on a tax bill.

We are going to have the first balanced budget in 30 years, and yet, as the President said, before we even have an opportunity to transfer from red ink to black ink on our accounting, there are those who want to start giving money away.

Let us be fiscally responsible. The tax cut that we voted last year was fully paid for under the budget rules. We did not have to waive the budget rules. Yet the bill we are being asked to vote on tomorrow will violate the budget rules and our discipline.

We talk about emergency spending. Emergency spending is not budgeted. One-time-only emergency spending is consistent under our budget rules. Ninety-eight percent of the budget surplus projected during the next 10 years comes as a result of our Social Security system. Let me put it differently. Without the Social Security system, we would not have any budget surplus. We would not be able to consider a tax bill. No one can dispute that.

So let us be honest: If it were not for Social Security, we would not have a budget surplus and we would not be considering a tax bill tomorrow.

This bill claims to protect 90 percent of the funds for Social Security. It does not do that. If we did not pass any bill, 100 percent of the funds would be in the Treasury, preserved, for preserving Social Security first. The Rangel substitute protects 100 percent of the funds until we have resolved the Social Security problem. It is the right bill to vote on.

I urge my colleagues to support the substitute, so that we can really protect Social Security first and use the surplus monies that have been generated as a result of our Social Security system to resolve the problems of Social Security first, before we consider a tax cut.

Mr. ARCHER. Mr. Speaker, I yield two minutes to the gentleman from California (Mr. THOMAS), a member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, it is always dangerous around here to read legislation that you are looking at, but if you were to look at the substitute that the gentleman from New York is offering, it says on the first page, line 15, "If the Secretary of the Treasury determines that there is a Social Security surplus for any fiscal year, such Secretary shall transfer"—transfer—"during such year from the general fund of the Treasury an amount equal to the surplus to the Federal Reserve Bank of New York."

Transfer. If there is a surplus, take the money and transfer it to the Federal Reserve Bank. The Social Security surplus is to be transferred.

I would ask my colleague, the gentleman from New York, if he is going to transfer Social Security surplus monies, and we have been talking about the trust fund involving billions and trillions of dollars in terms of obligations. The Congressional Budget Office, is the facility that we use to estimate the cost of legislation, therefore I would ask the gentleman from New York, does he have a cost estimate of this transfer?

Mr. RANGEL. If the gentleman will yield, I will tell him how this works.

Mr. THOMAS. Mr. Speaker, would the gentleman have a cost estimate? Yes or no? I am asking a question. If the gentleman has a response, I would like to hear it. I have very few seconds left here. Does the gentleman have an estimate, yes or no?

Mr. RANGEL. It does not respond to a yes or no answer.

Mr. THOMAS. It does not respond to a yes or no answer. I will tell the gentleman why, because the Congressional Budget Office said this has no budgetary consequence. It is an intergovernmental transfer. The gentleman's argument is they are saving the Social Security trust fund by shipping off, according to the Treasury's recommendation, an amount equal to the Social Security surplus to New York City to a Federal Reserve Bank, and that they are lockboxing, saving Social Security, removing the money so it cannot be spent and sending it to New York City. And the Congressional Budget Office, the agency we use to determine the costs of these actions, says there is no cost. There is no cost because it is an intergovernmental transfer.

This is hogwash, vote no.

Mr. RANGEL. Mr. Speaker, I yield three minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the committee.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, a few months ago I actually thought that the Congress was going to address the Social Security shortfall in a bipartisan manner. Well, I guess we are not going to see that. I want to tell you that when I came to Congress, I told my constituents that I was going to put our house in order by reducing the deficit, providing tax relief and saving Social Security.

Well, guess what? We have reduced the deficit, and, last year, we gave tax relief, $95 billion over five years. And do you know what? We gave tax relief that we paid for, the right way, without using the surplus.

In my six years, I have rarely seen a bill so inaccurately titled, "Protect Social Security Account Bill." Let us get something absolutely straight: What they intend to do is take 10 percent of the total budget surplus, which is nearly all due to the contributions that American workers have invested in Social Security, and use it to fund tax cuts. In return, they will reserve 90 percent of the budget surplus.

This is simply irresponsible. Congress does not own the trust fund. The American people, who have paid the taxes into the trust fund, own the trust fund, all of it. Not 90 percent, not 95 percent, not 99 percent, the American people own 100 percent of it. So when you tell the American people that you propose to reserve 90 percent of the surplus, you are in fact robbing them. That is wrong.

I and my democratic colleagues have committed to save Social Security first. We believe that reserving the entire budget surplus until we have resolved the shortfall will have positive results for the entire economy, far outweighing any election year tax cuts.

Let me remind my colleagues: March 5th, before the Committee on the Budget, be cautious about spending it, Greenspan said, adding that the best way to ensure continued economic expansion would be to put the Federal budget into "significant surplus." Doing so, he said, would encourage better saving habits among Americans. Greater savings would promote lower interest rates for borrowers and spur productivity, enhancing investments by business.

Think what that would mean for working Americans who have mortgages, credit card bills and college loans. And to my friends with farmers, certainly they would appreciate that.

Mr. Speaker, the old tax-and-spend days are over. I have not been here for 40 years. This is a new Congress. By supporting the Rangel substitute we can finish a process we started in 1993 and uphold our commitment to the American people.

My constituents have told me time and again, take Social Security off budget. Quit spending the Social Security surplus. The Rangel substitute would save Social Security by setting aside 100 percent of the trust fund. Let us vote for the Rangel substitute.

Mr. ARCHER. Mr. Speaker, I yield one minute the gentleman from Alabama (Mr. CALLAHAN), the respected chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Speaker, for the benefit of our television audience and the people in the gallery, we are not today going to convince a single Member of Congress of the rights or wrong or merits or demerits of this issue. But keep in mind, I have something that I think both sides will agree with, which we need some bipartisan agreement on here.

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The American people watching this today, and especially senior citizens, are going to be deluged in the next couple of weeks with letters from organizations here in Washington and outside Washington telling them that Social Security is endangered, and it is going to be filled with a lot of misinformation.

The bottom line, usually the postscript, is going to say, send $15 or $25 or $50, and let us save Social Security. We in Congress will work on Social Security. It will be saved. It will be solvent, but there is no need for anyone listening to send one dime to any organization in order to save Social Security. Rely on your Member of Congress.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. MEEK).

Ms. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of the Rangel substitute. I am a senior citizen. I am speaking on behalf of those who come after me, those who will not have the opportunity to share in the resources of the Social Security Act.

When I came to Congress, I served on the Committee on the Budget under the gentleman from Ohio (Mr. KASICH). We talked about the budget agreement. There is a budget agreement. So what the Republicans are doing, Mr. Speaker, they are breaking their promise to the American public. The American people do not like broken promises. They have heard them too many times.

Social Security is extremely important to all of us. It is extremely important to senior citizens. When Members go back to their districts and walk the byways and trailways of this country, every American will tell us, leave Social Security alone. What this Rangel substitute does is it puts it aside so we as politicians can leave it alone for a while and leave it there, where it purports to be from the very beginning.

By their actions, it appears to me that over the years, and I have been here longer than a lot of people, the Republicans do not seem to like Social Security. They have used every kind of methodology to make it look remiss. They have tried their very best to show that it is failing and it should be put aside, or to privatize it.

I am here to say to the American public, on behalf of this country, let us stick to our word. This bill is too risky. It takes too many promises that they cannot submit. Some of us may not even be here when this comes up. I say, take the Rangel substitute and turn down the Archer.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD).

Mr. SANFORD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I admire the intention of my colleague, the gentleman from New York (Mr. RANGEL) on this proposal, but I would respectfully ask that my colleagues reject it. I would say that for four different reasons.

I would say, first of all, that the notion here is that this time it will be different. How many times have we heard that in Washington, D.C., this time it will be different? In other words, what we have been doing in Washington is borrowing against trust fund balances for the last 30 years, and what is proposed with this super-duper trust fund, if you will, is that this time it will be different. What people back home tell me is that they do not buy into the idea that this time things will be different.

Two, I think it offers false hope. If we look at what the trustees have said, the trustees would say, whether this proposal went through or not, Social Security would begin to run shortfalls in about 15 years, and it would be out of money, unable to pay its obligations, in about 30 years. That would not change with this.

Thirdly, I would say that it moves us in the wrong direction. We are going to go in one of two directions in this debate, over the long run, on Social Security. We are going to either move towards greater personal control of one's savings, which I think is the real way we keep politicians' hands off our money, or we are going to move toward collective investment.

I think there is nothing more dangerous than the idea of collective investment. This sets up the mechanism for collective investment, wherein $400 billion a year could go into the private sector. What people back home who care about limiting the size and scope of government tell me is that that is not a good idea.

For these reasons I would ask that we reject the Rangel proposal.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

Mr. Speaker, Social Security is one of our Nation's greatest success stories. It really is financial bedrock for our country's elderly, for hardworking American families who want to retire with some peace of mind. I think it is important to note that two-thirds of our seniors depend on Social Security for more than half of their retirement income. But in fact, Social Security is under attack. This bill would raid Social Security to pay for a tax bill.

I believe in tax cuts. Too many parents today sit at their kitchen tables trying to figure out how to pay their bills. They are raising their children, they are working harder to making ends meet. I also believe when they sit there that they have a certain relief knowing that Social Security will be there when they retire. The American public overwhelmingly wants to make sure that the Social Security trust fund is there to pay for Social Security and nothing else, not tax cuts today that jeopardize Social Security tomorrow.

Do not take my word for it. Martha Phillips, with the conservative Concord Coalition: "Policymakers who are lining up to spend those so-called budget surpluses should keep in mind that the money they are talking about consists entirely of Social Security's annual trust fund surpluses."

Steve Moore of the Cato Institute, another conservative organization: "The solution is simple: Formally wall off Social Security from the rest of the budget to prevent continued thievery from the trust fund."

Vote for the Rangel tax cut proposal. It says, let us not raid Social Security to pay for tax cuts. We can have our tax cuts when Social Security is safe and secure for the future.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, if I robbed a bank of 10 percent of its cash or its revenues, I seriously doubt the police and judge would accept my excuse that, Officer, Judge, I was really trying to save the bank. Yet, incredibly, that is what my Republican colleagues are doing today. They are saying, we just want to take 10 percent out of Social Security taxes that should be used to protect Social Security, and use that money for election-year promises and gimmicks.

Mr. Speaker, a judge would never believe my excuse as a bank robber. I do not think the American senior citizens are going to believe this explanation of the bill today. The fact is, the American people will have to choose today, who do they trust better to protect Social Security, Democrats or Republicans.

In my brief time, I would only point out that the number two ranking Republican leader in this House, the gentleman from Texas (Mr. ARMEY), said on September 28 of 1994, "I would never have created Social Security."

I think the American people will answer the question today. That answer will be, resoundingly, we trust the Democrats to protect our Social Security retirement.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say, in response to the gentleman who just spoke, it is a good question, whom will senior citizens trust, the Treasury of the United States or the Federal Reserve Bank of New York?

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, on the issue before us, this Congress stands at a very important crossroads: Do we go down the easy path of dissipating the Social Security surplus on election year gimmicks like this proposed tax cut, or do we brace ourselves for the tough march that lies ahead to secure Social Security, to address the long-term solvency problem in Social Security so it will work as well for our grandchildren as it has worked for our parents and grandparents? It is a critical question.

Dissipating Social Security trust funds makes our problem worse. We already have bills before this session that would require someone to work until they are 70 years old before they would get their Social Security payment, or that would raise the tax on Social Security, making wage-earners pay even more into Social Security. Both of these measures are to fill the solvency hole we already have.

Mr. Speaker, a tax cut on the Social Security surplus would only make the problem worse. The question before us is one most of us have never faced before, the first surplus we have seen in 30 years. Let us hold the Social Security surplus for Social Security. Pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, in order to save Social Security and instill trust, I rise to support the Rangel amendment.

Mr. Speaker, I strongly support the Democratic amendment. Only by transferring 100% of any Social Security Trust Fund surpluses to the Federal Reserve Bank of New York, can we look our constituents in the eye and say, "Yes, you can trust in us. We have protected your future, your children's future, and your grandchildren's future."

The Republican bill appears to save 90% of the budget surplus, leaving 10% to Congressional discretion. Although this figure seems fair at first, I do not believe that we should have the discretion to use 1% of our citizens' futures, much less 10%.

I fear that stealing 10% from the Social Security will create a dangerous precedent. What will stop Congress from taking out a higher percentage of the surplus in subsequent years? I may be 10% this year, but it could be 50% within two or three years. We should not give Congress free reign over this money.

Worse yet, it does not appear that the Republican plan protects the remaining 90% of the budget surplus. Unlike the Democratic amendment that places the surpluses in the Federal Reserve Bank of New York, the Republican bill does not ensure that the Social Security surplus is off-budget. In other words, Congress may still choose to delve into these funds when the next election comes around. This approach is simply unfair to the American public, and it deceives our citizens into thinking that their futures are secure.

We must put these funds in a lock box where political maneuvering cannot reach them. By placing 100% of the surplus in the Federal Reserve Bank of New York, the Democratic amendment would properly lock away this valuable resource.

Moreover, the Republican measure relies upon the spending of $200 billion of the surplus, money that may not exist. As recently as last month, we did not have a surplus. The Republicans rely solely upon a projected surplus, and the Republicans even admit that their projections may be erroneous. Our constituents, our citizens, deserve better treatment than this. What kind of message do we send when we attempt to spend what we do not have?

Even if we had a surplus, who are we to spend this money? It is not for us; it is for our retiring citizens. The money found in the surplus comes from payroll contributions. The money should be returned to the people who originally invested it.

The Republican measure endangers the future of Social Security itself, not just the people who rely upon this fund. It is well-known that Social Security will face a fiscal crisis early in the next century as the baby boomer generation retires. Too many of our citizens drink from this well, and the Republican bill would allow politicians to spill this precious resource, drying up the sole reservoir for those who truly need it.

Please do not think that I am against tax cuts. I strongly favor "fiscally responsible" tax relief. Democrats have proposed and voted for many tax cuts this year. The bipartisan 1997 Tax Cut bill included almost $300 billion in tax cuts over a ten-year period, and many democrats support even greater tax relief for the middle-class than was contemplated by that bill.

I just believe that tax cuts should be based upon sound reasoning. Haphazard legislation such as the Republican bill simply does not fulfill this notion of fiscally responsible tax relief.

Instead, I strongly support sounder approaches such as this Democratic amendment. I also support approaches such as the Democratic amendment to H.R. 4579 that delays tax cuts until we know for sure that the Social Security Trust Fund will be available to our citizens for years to come. This idea is the true embodiment of fiscally responsible tax relief.

I urge my colleagues to vote for this amendment. It is the only way we can ensure that our American citizens have a financial future as they reach their golden years.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey, Mr. MENENDEZ.

Mr. MENENDEZ. Mr. Speaker, I heard a Republican colleague earlier defend the Republican bill by saying, "in this case, less is more." Only in Washington would someone say "less is more" with a straight face, that less protection is more security. But I am glad that at least we have one Republican on the record who admits that their bill in fact does less. It does less to protect Social Security, it does less to protect our seniors, and it puts aside less of the surplus. Less in this case is not more.

The Democratic bill saves 100 percent of the budget surplus for Social Security, because seniors put 100 percent into their contributions over years and years of work. They did not put 90 percent in, they did not put 95 percent in, they put 100 percent in. That is what we should protect, not a penny less.

Republicans should be ashamed to come down here to the floor and convince seniors that less is more. Our seniors know that less is not more, that less protection is not more security. They know who is on their side. They know it is the Democratic plan. Let us pass the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield ½ minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, Social Security is the most important program that we have that is working. It makes the difference between the elderly living in poverty, and to convince them that taking 10 percent of their safety net, that they are helping them, they do not buy that.

I would say to the Members, if they really want to help Social Security, they would put 100 percent in. Support the Rangel substitute. That is the only way we can convince the American seniors that we are sincere.

Mr. RANGEL. Mr. Speaker, I yield the balance of our time to the gentleman from California (Mr. FAZIO).

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. FAZIO) is recognized for 1 minute.

Mr. FAZIO of California. Mr. Speaker, as we look to the next Congress, the one that will fix the Social Security system for the out years, the baby boomers, we need to maintain every dime we can so that we do not end up forcing people to work longer or live longer to benefit from the same Social Security system that those that preceded them have.

We also need to think about this election year tax cut in another context. The average working family, paying the most regressive tax on income that we have, the FICA tax, would be, in effect, asked to take their taxes and transfer them to the proposed beneficiaries of this Republican election year tax cut. We are therefore asking our working families to take their hard-earned dollars to provide tax breaks for others.

However valuable they may be, however worthy they may be, those tax breaks must wait for the day when we have a surplus in the general fund, and that, Mr. Speaker, is 5 or 6 years away. To go for the cotton candy of a tax cut in an election year out of the hides of working American families is unconscionable.

This Congress should support the Rangel substitute and avoid doing it.

Mr. Speaker, this Republican misses the point of what Americans really want.

We do not want to take money out of the Social Security Trust Fund for purposes other than Social Security.

The American people pay Social Security taxes and expect that money to go to Social Security.

Democrats believe that any future surplus should go to insuring the solvency of Social Security.

So, why now are we specifying that only 90% of any surplus should go to saving Social Security and 10% can go elsewhere?

Let's look at numbers.

If in fiscal year 1999 we have an $80 billion Social Security Trust Fund surplus and a $37 billion general fund deficit, why should $8 billion of the surplus for that year go somewhere other than to Social Security?

Over the next 10 years, we'll need over $1.55 trillion to pay the future beneficiaries of the Social Security system—the elderly; the children, widows and widowers receiving survivor benefits; and the disabled—not prop up our budget.

We need all 100%—not just 90%—of future budget surpluses to ensure that this anti-poverty program continues beyond 2032.

Let's be fiscally responsible and use the Social Security Trust Fund for who it was intended—the elderly, disabled and children—not to provide tax cuts.

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Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House of Representatives.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Texas (Chairman ARCHER), my friend, for yielding me this time.

Mr. Speaker, I must say, during the time I was on the floor, I listened to a series of Members with amazement. The distinguished gentleman from New York (Mr. RANGEL), the ranking member on the Committee on Ways and Means, had an opportunity recently to vote on the question of spending part of the surplus, and he voted "yes." He would spend part of the surplus. This is House vote number 430 on September 15. He voted to spend part of the surplus, but it was on government, not the taxpayers.

The gentleman from California who just spoke had a chance to vote on that day. He voted "yes" to spend part of the surplus, but it was on government, not the taxpayers.

I will say the gentlewoman from North Carolina (Mrs. CLAYTON) did not vote "yes." She did not happen to vote that particular day. But the gentlewoman from Texas (Ms. JACKSON-LEE) voted "yes" to spend part of the surplus, but on government, not on the taxpayers.

The gentleman from New Jersey (Mr. MENENDEZ), who spoke a few minutes ago, voted "yes" to spend part of the surplus, but on government, not on the taxpayers. And the gentlewoman from Connecticut (Ms. DELAURO) who spoke voted "yes" to spend part of the surplus, but on government, not on the taxpayer.

Every person but one who just finished this debate on the other side voted to spend part of the surplus on September 15 on government.

The Clinton administration has sent up a proposal, in between fund-raising trips, and they sent up a proposal that said, spend money on Bosnia, but not the taxpayers. They said, spend money for the government to fix Y2K, but do not let the taxpayers have money to fix their own commuters. They said, spend money on Africa, but not the taxpayers.

Again and again and again the liberal Democrats get up, and I will bet that between now and the time we leave there are several votes where liberal Democrats vote "yes" to government spending out of the surplus, because if it is government money, that is okay. But now this idea of letting the taxpayers have some of that, that is dangerous. Then they would not be dependent on government. Then power would not be in Washington. Then they would not need the bureaucrats.

Now, they raise this phony issue about Social Security. And it is phony on three grounds. It is phony, first of all, because the fact is we are setting aside more money for Social Security than the President requested in January. Now, that is a fact and the gentleman knows it. The gentleman knows when the President stood up here in January he was talking about a surplus whose total was around $650 billion. This proposal sets aside more money, 60 percent more money, than the President requested.

Second, the gentleman knows that when asked as a result of the tax bill being considered by the committee today, will there be any impact on the monies in the Social Security trust fund, the Clinton administration's Deputy Commissioner for Social Security said, "no," there is no impact to the trust fund from this particular vote.

But the other part I have to say to my good friend, to suggest, as his substitute does, that instead of keeping the money in the U.S. Treasury we send it to the New York Federal Reserve Bank, I just had the numbers run on the last great crisis in the price of treasuries which was 1973. Over the period we are considering, we would put $750 billion in the New York Reserve Bank. That money would be of a floating value of the nature of money held in the New York Reserve Bank.

In the 1973 oil crisis, U.S. treasuries declined 20 percent in value. That would be $150 billion lost in the value of the notes held by the New York Federal Reserve Bank. So, I cannot believe my good friend from New York really wants to risk losing $150 billion in Social Security value by putting this money in notes that would have a floating value.

So, I would understand if at some point before we get to a vote the gentleman wants to withdraw his substitute. Because I cannot imagine that he wants his colleagues to vote for a proposal to put at risk all of the excess FICA tax money by putting it in notes that would be of a floating value.

Mr. RANGEL. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from New York briefly.

Mr. RANGEL. Mr. Speaker, because these Treasury notes, these notes that will be in the Federal Reserve are always redeemable, they are not at risk. And if they ever became at risk in the Federal Reserve Bank, it would mean the Republic would be bankrupt.

Mr. GINGRICH. Mr. Speaker, reclaiming my time, let me say to the gentleman from New York, and I am not the expert that he is on much of this, but I am assured by the experts, and I am sure later if he would like to check with the folks that the gentleman from Texas (Mr. ARCHER) has assembled on this, there is a big difference between the New York Reserve Bank holding the notes where they do change and fluctuate in value and the rest of the system.

Mr. Speaker, let me just wrap up for a minute. Let me just say we have a surplus because we have consistently worked through welfare reform, through controlling spending, through cutting taxes, to encourage economic growth.

We have proposed to set aside over a trillion dollars. My good friends on the left in the 40 years they were in charge of the House set aside zero. Let me make it clear. All of our good friends who are complaining today, during the

40 years they were in charge set aside zero for Social Security.

We are setting aside today over a trillion dollars, 60 percent more than President Clinton asked for in January. And we are setting it aside in the safest possible Treasury notes held by the U.S. Treasury, not put at risk in New York City.

My other point is very straightforward. All of our friends on the left are going to vote to spend part of the surplus on government. All of our friends on the left but one of those who voted on September 15, all but one voted to spend money on government out of the surplus.

The only time they start to yell about the surplus is if the money is going back to the taxpayer, because from their standpoint that is dangerous since that means the money is not available for bureaucracy.

Let me note what the bill offered by the gentleman from Texas (Chairman ARCHER) does. It begins to phase out the marriage tax, so we are not punishing people when they get married. It accelerates lifting the amounts Americans can earn over the age of 65 without being punished, so we are not punishing senior citizens.

It goes immediately to a million dollar exclusion for the death tax to save family farms and small businesses. It has a savings proposal that helps 10 million senior citizens by eliminating the tax on the first $200 of interest and dividends.

It allows small business owners who are self-employed to buy health insurance with the same tax break as big corporations, which helps people buy health insurance and helps children have health coverage. And, finally, it eliminates the Federal tax on local school boards, so local school boards have $1.4 billion more for local school construction, something my good friend from New York has said he favors. Here is a chance to have those local school boards have $1.4 billion more at home to build schools without any new Federal bureaucrat, any new Federal red tape, any new Federal regulation.

Mr. Speaker, these are the kinds of positive tax cuts that help the American family, help senior citizens, help farmers, help small businesses and help local schools. It is done within a framework based on welfare reform, controlling spending and economic growth through tax cuts that has allowed us in 3½ years to move from a projected $3,100 trillion deficit to a projected $1.6 trillion surplus.

We can say to the American people for the first time in their lifetime that we are prepared to set real money aside from a real surplus. None of our Democratic friends who are complaining can say that. We are simply saying to the Democrats, if they vote against the taxpayer having the surplus, then they ought to vote against the government having the surplus. But it is wrong to increase spending on Bosnia, to increase spending in Africa, to increase spending on government commuters, to increase spending on government programs, and then say to the taxpayer that they are not good enough to get their own money back. We need to keep it in Washington for the Washington bureaucrats.

Mr. Speaker, I urge my colleagues to vote against the substitute, vote in favor of protecting Social Security in a real way by setting aside over a trillion dollars in the surplus.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 216, not voting 9, as follows:

[Roll No. 463]

AYES—210

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Chenoweth
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Watt (NC)
Waxman
Wexler
Weygand
White
Wise
Woolsey
Wynn

NOES—216

Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Foley
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—9

Burton
Cox
Goss
Kennelly
Linder
Moakley
Pryce (OH)
Waters
Yates

☐ 1359

The Clerk announced the following pair:

On this vote:

Mr. Moakley for, with Mr. Burton of Indiana against.

Mr. REDMOND and Mr. WAMP changed their vote from "aye" to "no."

Messrs. DIXON, MATSUI and SHERMAN changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 552, the previous question is ordered on the bill, as amended.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 240, noes 188, not voting 7, as follows:

[Roll No. 464]

AYES—240

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—188

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sanford
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—7

Brown (OH)
Burton
Goss
Kennelly
Moakley
Pryce (OH)
Yates

☐ 1420

The Clerk announced the following pair:

On this vote:

Mr. Burton of Indiana for, with Mr. Moakley against.

Mrs. BONO changed her vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 2621, RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 553 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 553

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes. The bill shall be considered as read for amendment. The amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill, modified by the amendments printed in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. All points of order against the bill, as amended, are waived. The previous question shall be considered as ordered on the bill, as amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Dallas, Texas (Mr. FROST), and pending that I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the global economy is a reality. One of the facts of American life in 1998 is that those of us who are here are all impacted by economic conditions that are out there, out in the big wide world.

Singapore and Moscow may seem a long way from a kitchen table in Temple City, California, but when the couple sitting around it see their retirement savings hurt, when stock markets start falling in Asia, it hits very close to home. Sao Paulo or South Africa may be on the other side of the world from Peoria, Illinois, but when we cannot ship tractors from here to there cheaper then they can be built over there, workers in America's heartland get hurt. Geneva, Switzerland, may seem a long way from Topeka, Kansas, but if the United States is not able to lead the World Trade Organization negotiations on agriculture when they start next year because the U.S. Trade Representative is not armed with fast track, family farmers are going to see their livelihood damaged.

Finally, working families in every town in America enjoy the best selection of products at the very best prices giving them the highest standard of living possible because we trade freely with people across the globe. That fact is at the heart of why the American economy works.

This rule makes in order H.R. 2621, fast track legislation reported last year by the Committee on Ways and Means with very strong bipartisan support. As has been the case in past years, this is a closed rule. It provides for 2 hours of general debate divided equally between the chairman and ranking member of the Committee on Ways and Means. The rule provides that the amendment in the nature of a substitute recommended by the Committee on Ways and Means now printed in the bill modified by the amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted. The rule waives all points of order against the bill, as amended, and provides for one motion to recommit with or without instructions.

Now, Mr. Speaker, American families cannot afford for the President and the Congress to hide from trade policy. This debate is about the future. Will America lead the global economy into the 21st century, or will we sit and wait to see what kind of rules, trade rules, that the French, Australian, Brazilian and Indian negotiators think up?

Debating trade policy is never easy in this House, the greatest institution of democracy the world has ever known. Election day is always too close. Divisions between interest groups are always too deep. Emotions from people who believe trade has done them wrong are always running too high.

Well, today, Mr. Speaker, is the day to step up to the plate. I believe that when America leads Americans win. If we continue to lead the international economy, we have the best chance to control our destiny and bring about a future of hope and prosperity.

The alternatives, whether in the form of the stagnant pleas for protectionism or the siren calls that next week, next month or next year are really the right time to debate this issue really appeal only to fear, fear of foreign workers, fear of foreign products, fear of losing, but most of all, Mr. Speaker, fear of the future.

International markets are watching how the United States will respond to the challenges confronting the world economy. Eyes and ears are following this debate in every capital city in every financial market around the world. But they are not the audience that I care most about. Instead I hope that working families including the rank and file union members in cities and towns across America understand what is at stake here.

Every mother needs to know that her ability to shop for the best products at the best prices from food and clothes to toys and televisions will be directly impacted by the outcome of this debate. Every American worker needs to understand that the ability to compete in export markets and sell American products abroad will be directly impacted by the fate of this fast track bill.

□ 1430

Mr. Speaker, the 21st Century demands some things from us. We need to educate and train our students and workers to be the best; we need to invest in tomorrow's technologies today; we need a Federal Government that is effective and efficient; we need private sector companies to create good jobs at good wages; and we need to make sure that international trade rules are written with American interests at heart.

Mr. Speaker, the President called fast track one of his top legislative priorities when he stood right here in this chamber and delivered his State of the Union address. Today is the day to do the right thing for America, and to enact what it is the President asked for.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague, the gentleman from California (Mr. DREIER), for yielding me the customary half-hour.

Mr. Speaker, the bill for which this rule provides consideration is just as bad as it was last November. In fact, besides a few little nips and tucks here and there, it is exactly the same bill. Last year that bill did not have enough votes to be brought to the floor, and today my Republican colleagues know that this bill will fail too.

Since it is doomed from the start, Mr. Speaker, it is a fair question to ask, why it is on the floor today? Since it is not going anywhere, since it is going to fail, it is reasonable to ask, why we are spending precious legislative time doing this measure?

Mr. Speaker, I suspect that the only reason that the Republican leadership is bringing this up today is because they want to try and embarrass the President. There is no other reason to bring it up.

Let me say that President Clinton has not asked for fast track negotiating authority this year. He has said he will wait for it next year, but he does not want it brought up at this time. Even without this authority, the President has already negotiated some 200 new trade deals, so this is simply not something we need to be doing at this time. The common wisdom is that this bill will fail, and, with its failure, highlight some of the erosion of support for the President.

Mr. Speaker, when, not if, this bill fails, it will mean absolutely nothing, other than it is a bad bill. It was a bad bill last November, and its appearance on the floor today is for nothing other than partisan show.

It has no worker protections, no environmental protections, and no protections for human rights. It will open American markets to goods and services from countries with lax environmental and worker protections. In doing so, it will cost Americans their jobs, and, in far too many cases, it will cost Americans their health.

There is a tragic aspect of what is happening today. Because of the cynicism of the Republican tactics, some Democrats who support the concept of fast track will vote "no" today. The result will be that fast track will fail by a larger margin than would have been true had the vote been taken last year, and the size of the defeat will make it more difficult for the two sides to come together with a compromise solution next spring.

Let me be very clear on that point: The Republican majority is trading short-term political gain for long-term political loss. By their very act of forcing a vote today, they significantly lessen the chances that people of goodwill in both parties may be able to arrive at a satisfactory solution next year. Business community supporters of fast track should be furious that their supposed friends on the other side of the aisle have sold them down the river for short-term partisan gain.

I urge my colleagues to oppose this bill. It is a sham. The bill is a sham, and the American people deserve some sincere legislation from their Congress.

I also ask my colleagues to oppose the previous question. If the previous question is defeated, I will offer an amendment to make in order the McKinney amendment to establish a corporate code of conduct as a principal trade negotiating objective and the Peterson amendment expanding the Committee on Agriculture's jurisdiction with respect to trade agreements.

Vote no on the previous question, vote no on the resolution, vote no on the bill. Let us put this partisan nonsense out of the way and get on with the business of the people.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I prepare to yield to my friend the gentleman from Bloomfield Hills, Michigan, (Mr. KNOLLENBERG), I would simply like to say the politicization on this issue is taking place by Members who are for fast track and have made a decision to vote against fast track. I think that itself is a real tragedy.

Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I rise today to express my strong support for this rule, and I thank the gentleman from California (Mr. DREIER) for yielding me this time.

Mr. Speaker, this legislation gives the office of the President the authority that it needs to make sure the U.S. is speaking with one voice during trade negotiations. A vote for fast track is not a vote for any trade agreement. Any future agreement will be subject to full Congressional scrutiny. It requires the President to consult with Congress before and during negotiations. Also, in the end, Congress gets an up or down vote. If we have any reservations at all with any specific trade agreement, we can simply vote it down.

If the United States wants to continue its leadership in the global economy, and I think we do, we must take aggressive steps to expand markets for all of our products throughout the world. This will create more jobs for American workers. In all, over 11 million jobs are supported right now by exports. These jobs pay, believe it or not, 15 percent or more on average. Fast track is crucial to ensure that American business, workers and communities continue to reap the benefits from an expanded market opportunity.

American workers are the best in the world. Their creativity, productivity and work ethic is unmatched throughout the globe. Free trade agreements are about giving those workers more, not less, opportunity, and putting the unemployed back on the job.

Fast track gives us the tools we need to negotiate these agreements and tear down those barriers to trade and investment. It opens foreign markets and creates new consumers for American products. That is good for American business, and it is even better for the American worker.

Do not let our workers be left behind. Support this rule. Support fast track.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I had thought that my Republican colleagues wanted to go into this election based on their legislative record, having changed the Washington National Airport to Ronald Reagan Airport. I thought you could go and win with that. But it looks like on the eve of the election you are coming back with substantive legislation that, even though you know you cannot win with it, that obviously there is some point to be made, and that is probably why we saw the raid on Social Security, coupled with the tax cut. And, even though it is a loser, who would have thought that you would deliberately come back to the floor with fast track, knowing that you have got another loser?

There are certain things that we cannot do in a partisan way. Medicare reform, Social Security reform and trade agreements, they have to be bipartisan. But now that you refuse to include certain protections for the workers and for human rights and for the environment, and the President would like to work and to fashion a fast track bill that does not embarrass us with our trading partners, does not embarrass us with our business community, you insist on bringing this up before the election, not caring how many Republicans or Democrats get hurt by having to vote for a bill that is far from perfect.

It would seem to me that if we are concerned about giving the President that authority, the first thing we should do is ask the President, does he want it at this time? It seems to me that if you want the support of labor, you would sit at the table and see whether labor and management can work out something that makes it easier for us to move forward with this legislation. But if all you want to do is embarrass Democrats, always remember that as you throw mud at Democrats, some Republicans too are going to get splattered.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Bellevue, Washington (Ms. DUNN), a very valued member of the Subcommittee on Trade,

Ms. DUNN. Mr. Speaker, I thank the soon-to-be chairman of the Committee on Rules for yielding me time.

Mr. Speaker, I rise today in support of the rule and of H.R. 2621. The world is a much different place today than it was when this House last considered fast track negotiating authority over six years ago. Capitalism has spread to every corner of the earth and once-undeveloped countries have flourished under the economic freedoms this system provides to us.

Nevertheless, a global economic downturn that began over 15 months ago is severely impacting many of these countries and is harming our ability to export goods. In Washington State alone, our combined exports to Southeast Asia are down 35 percent over last year. Consumer spending will help drive these economies out of recession, so we must make sure that our products are available to them. Our failure to negotiate trade agreements with other countries will only assure that agreements are made that exclude the United States.

Since 1992, in Latin America and Asia alone, our competitors have negotiated 20 free trade agreements that exclude the United States. Chile, for example, has a trade deal with every major economy in this hemisphere except us, giving each of our competitors an 11 percent tariff advantage, costing our citizens extra taxes on imported goods and costing our American workers jobs.

The world is not waiting for the United States. If we do not renew trade negotiating authority, we are closing the door on American workers and on American consumers. Clearly the ability to freely trade goods and services between nations is essential to achieving a long-term economic objective of the United States.

Self-interest alone would dictate that we pass this bill. As the world's lone remaining superpower, however, we must not act solely out of self-interest. These are turbulent times in many blossoming democracies, and many are crying out for the one thing the United States can provide better than anybody, and that is leadership. We must not shrink from this challenge.

For the sake of American workers and American consumers and the defense of free trade and economic freedom, I urge my colleagues to vote for this bill and support this rule.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding me time.

Mr. Speaker, as we debate this fast track today, I cannot help but ask, why did the Speaker insist on bringing this up, when he knows it is going to fail? Even the Republican leadership admits that this bill does not have the votes to pass. It is identical to the bill that was pulled from the floor last year, except now it even has fewer votes.

I want to pause here for a second to commend my colleague, the gentleman from California (Mr. MATSUI). He has made the point and he has made it very forcefully that our trade policy is too important to be used as a political football. With America's trade deficit higher than ever, we should be thinking of new ways, new ideas on trade; not rewarming yesterday's leftovers.

I had a meeting several months ago with Charlene Barshefsky, who is our Trade Representative, and she said, "I don't know what is happening or what you are doing," and she was speaking to me in the generic sense, "but," she said, "our trade representatives from all over the world that I meet with now are beginning to talk about the issues that you and others have raised, the issues of the environment, the issues of labor rights and human rights. It is not something that is just coming from the majority in this body. It is coming now from the grassroots, whether it is in Canada, whether it is in Western Europe, Latin America, and," she said, "it is even coming from Asia."

America's trade policies should reflect this new thinking. If the Republican leadership was truly serious about passing fast track, they would sit down with us and they would develop a new approach based on these values.

Our trade policy is not working. After five years of NAFTA the results are in: It is bad for everyone except for big corporations. After the fast track bill was pulled last year, I got on a bus with several of my colleagues and we went to the south, and then we went to the west. We went to see the farm country and we went to see the people who worked in our factories.

In Atlanta, Georgia, I met a woman by the name of Annie Harris. She worked almost 30 years for AT&T, making phones, making about $13.50 an hour. That was before AT&T laid her off and moved her factory to Mexico. She now works for a Target Store for $7.50 an hour. She sells the same phones she used to make, except the prices went up on them.

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She is not alone. NAFTA is hurting hundreds of thousands of people on both sides of the border.

We also went to Mexico. I know met with people like Rosa Maria Gonzales, who works at a modern factory assembling circuit boards. She makes 59 cents an hour, 59 cents an hour. She lives in a cardboard shack next to a sewage canal. She lives in a shack made out of the cardboard that she helps package the circuit boards in.

This is the grim harvest of NAFTA. Yet the Republican fast track supporters want everybody to ignore all this. They want us to repeat the mistakes of the past.

We say no. We can do and have to do much better than that. This is not a debate, as they may say, about free trade versus protectionism. That debate ended a long time ago. This is a debate about our future. It is about American leadership. It is about our prosperity.

America needs a new trade policy based upon our democratic values that our mothers, our fathers, and our grandfathers fought so valiantly for: the right to organize, the right to work, the right to collective bargaining, the right to a decent wage, to clean air, clean water. Our trade policy betrays those issues and those values.

We need a new trade policy that harnesses the power of markets to lift standards abroad, not tear them down here at home. We stand ready to make that happen, because we believe in a better future. This fast track is not the way to that future. This fast track drags America backwards. Do not vote for this Trojan horse designed to divide and distract. It will not work. Vote no.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

I would like to quote President Clinton on July 23, just a few weeks ago, when he said, "I would support voting on fast track whenever we think we can pass it." Mr. Speaker, it is very clear that if a majority of the Members of this House were to do the right thing, we could pass it today.

Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Terrace Park, Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank my friend, the gentleman from California, for yielding time to me.

I would like to say to the gentleman who just spoke, this is not a debate today about trade policy. If he wants to talk about trade policy, he ought to talk to President Clinton about what kind of multilateral agreements he might want to negotiate with foreign countries. This is about giving the President the ability to enter into those agreements.

This is so straightforward. I cannot believe this Congress on both sides of the aisle is not going to allow this administration, on behalf of our country, to negotiate trade agreements with countries that are entering into agreements with other trading blocs and, thus, we are losing markets.

The way it currently stands, if we do not have this trading authority, we will not be able to enter into extremely important multilateral agreements that have to do with the future of the U.S. economy. Over one-third of our growth is directly related to exports. We have the freest country in the world in terms of trade. Other countries have higher barriers. It is very simple. We want to knock those barriers down.

Look at this chart. Here are some negotiations coming up within the next year that the United States will not be able to participate in because this Congress will not give this administration the ability to enter into these negotiations with some sort of credibility, with some sort of authority. If Congress in the end decides the agreements they reach are not agreements we can support, we can always vote those agreements down, but let us give them the ability to get in there and fight for America.

Latin American trade negotiations, a $300 billion, import market. WTO negotiations next year in Geneva on agriculture. What could be more important for the U.S. economy, particularly at this point when our agriculture community in this country is suffering so much? WTO government procurement negotiations, a $1 trillion global market. We are not going to be able to get in there and negotiate on behalf of the United States. WTO services negotiations. Finally, there is the Asia-Pacific negotiations. This chart is an indication of the number of dollars, trillions of dollars, involved in these negotiations.

Mr. Speaker, I think this is a no-brainer. I urge my colleagues to put politics aside, allow America to regain its place as a leader in this world with regard to trade, and support fast track.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, the North American Free Trade Agreement, NAFTA, was the trade agreement that made it easier for employers in America to close plants here and reopen them in Mexico. NAFTA gave leverage to companies to threaten plant closures, since American workers are competing for their jobs with Mexican workers, whose wages are one-tenth of our wages because their labor unions are brutally repressed.

NAFTA gave license to companies to pollute all they want, since Mexican environmental laws are rarely enforced, and NAFTA gave unprecedented powers to corporations to sue governments for damages when they try to pass tighter environmental laws.

Since NAFTA, America's trade surplus with Mexico has turned into a trade deficit. Fast track expands NAFTA and will expand the defects which NAFTA creates.

NAFTA defects include low NAFTA partner wages. What does fast track legislation do to remedy the defect? Nothing for Americans.

NAFTA defect: increased import of contaminated food. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: Trade deficit growth. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: pressure to lower U.S. wages. What does the fast track legislation do to remedy that defect? Nothing for Americans.

NAFTA defect: employer threatens to move to NAFTA partner country. No action for Americans with this legislation, nothing for Americans.

There is nothing for Americans in fast track except closed plants, lost jobs, lower wages, and trade deficit growth. The bill, this fast track bill, closes plants on a fast track. It cuts jobs on a fast track. It increases the trade deficit on a fast track.

Fast track is a fast move to expand NAFTA and worsen the problems NAFTA has created. Vote no on the rule. Vote no on fast track.

Mr. DREIER. Mr. Speaker, I am very proud to yield 2 minutes to my friend, the gentleman from Morristown, New Jersey (Mr. FRELINGHUYSEN), one of the great champions of the cause of free trade.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in strong support of this rule and fast track legislation authorization for the President.

First, this rule and this bill are in every way about jobs: job preservation, job expansion, and job creation. Just about every sector of our economy, and most particularly my home State of New Jersey, is or will be dependent on foreign markets. The passage of this agreement is all about present and future jobs and keeping men and women across America working and supporting their families. It is all about protecting our standard of living, our future standard of living, and doing so as soon as possible.

While fast track is important to our Nation, it is important to my State, where trade provides an enormous boost for diverse New Jersey industries. New Jersey is the ninth largest exporter among 50 States, at $22.4 billion in goods and exports. Over 13 percent of the private sector in my State are related directly or indirectly to international trade and investments.

New Jersey is home to a majority of our Nation's pharmaceutical industries. These workers are counting on these international trade agreements and our participation. It is also home to businesses which lead our Nation's telecommunications and electronic industries, as well as to biotechnology, aerospace, chemical and food manufacturing. The future of these companies and their workers in my State, large and small, and their ability to retain and promote jobs is directly related to the passage of this bill.

It would be inconceivable that all of us would not support this rule and this bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, why in the world are we bringing up this bill when it is sure to fail? Mr. Speaker, this is too important an issue to sacrifice long-term considerations for any short-term political advantage. Trade issues do deserve better than this.

This is not a question of whether we want and need more international trade. We do. That is why I worked actively to help shape the Uruguay Round, and voted for it. The question is, more international trade under what conditions?

There is little controversy about granting fast track for WTO negotiations on services, information technologies, agriculture or, probably, for that matter, Chile.

I say, by the way, to my good friend, the gentleman from Ohio (Mr. PORTMAN), we can start negotiations in these matters with or without fast track, as was true of the Uruguay Round. The main issue underlying the fast track controversy is how to respond to the burgeoning trade with industrializing nations, Brazil, India, China, Mexico. Our trade with these nations has exploded in the last 5 years from one-third to almost one-half of our imports. These Nations have very different rules regarding environment, labor markets, State subsidies, et cetera. What will be the rules of competition with these nations?

The fast track proposal before us limits the ability of the President to negotiate on these items. It limits it. Unlike for any other previous President, it sets up restrictions like "directly related", and says it is okay if we would require Nations to maintain present standards, but we can negotiate to improve them.

The Kyoto agreement is opposed, and I think correctly, because it would give industrializing nations a free ride on global warming. Why tie the hands of the President to press other environmental issues and labor market issues in trade negotiations?

We can do better than this fast track bill, much better. When it comes up today, vote no.

Mr. DREIER. Mr. Speaker, I am very proud to yield 2 minutes to the gentleman from Pontiac, Illinois (Mr. EWING), a great champion of our Nation's farmers,

Mr. EWING. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the vote we are about to cast on granting fast track authority is one of the most important this Congress will take before we adjourn. With current international economic turmoil, it is absolutely essential that the United States show strong leadership and commitment to international trade and to emerging global markets.

Over the past 10 years, our economy has prospered as a result of the increase in world trade. If we reject fast track, Congress would prevent the U.S. from having the negotiating authority to knock down trade barriers that hinder opportunities to expand our markets abroad. No sector would be hurt more by defeating fast track than American agriculture. Our farmers depend on foreign markets for a significant portion of their income.

Not only does international trade benefit our farmers, but it benefits all the industries connected with agriculture. Government estimates show that exports have created more than 3.5 million new jobs since 1990, and that is nearly 30 percent of the jobs created in this decade. These are quality jobs which pay about 15 percent higher wages than the average.

Since fast track authority expired in 1995, there have been 20-plus trade agreements negotiated in the Western Hemisphere alone. These agreements were negotiated by some of our biggest trading partners while the United States sat on the sidelines and watched as these countries enhanced their own competitiveness at our expense.

The next round of WTO liberalization talks are scheduled to begin in 1999. The issue of liberalizing of agricultural policy is being pushed to the top of the agenda. The American farmer would be the clear winner of any agreement that eliminates or reduces tariffs.

For the American farmer, for all of business, I urge a positive vote on the rule on fast track.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule and in opposition to giving the President fast track negotiating authority.

Mr. Speaker, we have had 4 years to analyze the results of NAFTA, a trade deal negotiated under fast track, 4 years to watch our trade deficit skyrocket, workers' wages decline, and jobs leave the United States by the hundreds of thousands.

From 1993 to 1997, under NAFTA, a $1.7 billion trade surplus with Mexico has been turned into a $14.5 billion trade deficit. We went from a surplus to a deficit. During the debate over NAFTA, the multinational corporations who told us how great this policy would be predicted that NAFTA would create 200,000 jobs by 1995. Instead, we lost 400,000 jobs by 1997.

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Further, NAFTA is being used as a corporate tool to threaten workers and to lower wages. According to a study done at Cornell University, 62 percent of corporations in America have used NAFTA or similar agreements to drive down wages and benefits.

This Cornell study also found that U.S. companies used the threat of moving their companies to Mexico more frequently now than before NAFTA was enacted. These are some of the great results of NAFTA.

Mr. Speaker, last year I went to Mexico, along with the gentleman from Michigan (Mr. BONIOR) and the gentleman from Oregon (Mr. DEFAZIO) to see what was going on there in the wake of the NAFTA agreement. I saw with my own eyes the horrendous pollution caused by the maquiladora companies in the area, pollution which is hurting the Mexicans as well as Americans along the border. Let us vote this agreement down. Let us kill it.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Huntington Beach, California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of the rule, but I am opposed to fast track authority. I have long supported free and fair trade among free people. However, I adamantly oppose to giving fast track authority to the President so he can put anything he wishes into legislation implementing a trade agreement, and place it before the Congress for an up-or-down vote.

This authority lends itself to abuse. The last time we awarded the President fast track authority, this President betrayed our trust. He included in the GATT implementation legislation a provision that dramatically changed our patent system, and this change was not mandated by the GATT agreement treaty.

Mr. Speaker, for 4 years this body has spent considerable time and effort trying to undo what fast track did to us the last time. Knowing good and well that Congress would have only one up-or-down vote and take the package as a whole or leave it, the President just decided to throw this provision into fast track, or into that implementing legislation.

With fast track authority, we can expect that implementation legislation in the future for future trade pacts will be buried with time bombs that will sabotage our economy or change substantive law in our country, things that we might even take for granted.

One of the provisions of fast track gives the President the right to offset any decrease in revenue that is put forward by a trade agreement. Does that mean that the President can have a tax increase or a "revenue raiser" as they claim? Sure. Sure, that is exactly what it means.

In the future, we should be far less generous in terms of our giving away our authority in Congress, especially giving the President more authority. We should be less generous in giving him the authority to make international trade agreements, in contrast to what we have heard this morning.

Mr. Speaker, the idea of a global economy has been used to take authority out of the hands of the people elected by the American people and giving it to unelected government officials, even foreigners.

I urge my colleagues to vote against fast track and for the rule.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I rise today in strong opposition to this rule. This is a closed rule that is not going to allow any amendments or improvements to this process that could have, in my opinion, increased support for this bill.

Yesterday, I presented an amendment before the Committee on Rules that would have made this a better situation, but because of this rule, it will not be considered.

Mr. Speaker, the amendment that I drafted would provide tremendous benefits for our Nation's farmers in future trade negotiations by moving the Committee on Agriculture and agriculture to the table in our international trade agreements.

The Committee on Agriculture in the House and the Committee on Agriculture, Nutrition, and Forestry in the Senate would be given enhanced authority and jurisdiction for agricultural trade. The amendment would allow these agriculture committees the opportunity to approve further fast track authority or to disallow further authority if the process or consultation are flawed or weak.

At this time, these committees have no authority to stop or continue the process. In fact, until a recent agreement with the Committee on Ways and Means was reached, there was not even language allowing the Committee on Agriculture to be consulted.

The U.S. is a major player in the world market. In fact international trade is absolutely critical to the future success of our farmers. However, those of us from farm country, and those of us who have set out to protect American agriculture on the committee, have no methods to safeguard farmers' interests during the trade talks.

In the last couple of trade agreements, in the GATT agreement, we gave access to the multinationals in banking and insurance and a lot of those kinds of issues. In exchange, we let the European farmers keep subsidies that are more than my people get from their entire crop.

In the NAFTA agreement that we agreed to, we opened up the borders. But in the case of their supply management systems in dairy and poultry and eggs, we allowed them to keep their system and we cannot export dairy into their country. That is the kind of problems that those of us in agriculture are concerned about.

I believe that the fast track mechanism is outdated and a flawed tool that cannot adequately protect our farmers. The fast track authority that was originally granted was used for the Tokyo Round. This was the entire Tokyo Round. It is 50 pages.

Then we had the NAFTA. This is one-third of the NAFTA agreement. We changed all kinds of United States laws through this process.

This is the GATT agreement. This is one sixth of the GATT agreement. I submit that we have to have another process where we can bring more people in, especially in the agriculture area, so that we can have a look at these laws that are changed in our jurisdiction, that we can make sure that these agreements are going to protect our farmers, and that we are going to come back with agreements that are going to be good for American agriculture and, therefore, good for the country.

Mr. Speaker, I urge my colleagues to defeat this rule and defeat this fast track vote.

Mr. DREIER. Mr. Speaker, I first would like to inquire how much time is remaining on both sides.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California (Mr. DREIER) has 11½ minutes remaining, and the gentleman from Texas (Mr. FROST) has 10½ minutes remaining.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Alpine, California (Mr. HUNTER), my very good friend, my classmate who came with us in the class of 1980, and we both agree strongly on the importance of passage of this rule.

Mr. HUNTER. Mr. Speaker, I thank the gentleman from California, my good colleague who came in with me in 1980 and somehow went wrong, but he is my great friend.

Mr. Speaker, one of the first rules in business is one does not give financial power to bad businessmen. The negotiators on the Clinton trade team are bad businessmen. That is, they have a bad record.

NAFTA took us from a $3 billion surplus in trade over Mexico to an annual $15 billion loss. It took us to an increased trade loss with China that brings us close to a $40 billion annual trade loss.

The trade agreement with Japan under the Clinton administration has broken down. The Clinton team consists of trade losers. Do not give power to trade losers. Not this President, not this time.

Mr. TAYLOR of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Mississippi.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, article 1, Section 8 of the United States Constitution, in particular clause 3, says that Congress shall have the power to regulate commerce with foreign nations.

As of today, there are about 55 Members of this Congress who have asked the President to resign. I am one of them. There are a number of others who think there ought to be a formal board of inquiry as far as impeachment brought before the House.

My question is how can the same people who are asking the President to resign turn around and give their constitutionally mandated authority to regulate commerce between nations to that same person?

I am not going to do that. This is my job. I do not want the President's job. I want him to do his job. But the

Founding Fathers gave Congress the power to regulate commerce between nations, and I am not going to vote to give it away.

Mr. Speaker, I encourage my colleagues to vote against the rule and I encourage them to vote against the bill.

Mr. FROST. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, I oppose the fast track bill before the House today. If fast track were to become the law of the land, the President could negotiate trade agreements that Congress is not allowed to amend, as the gentleman from Mississippi (Mr. TAYLOR) pointed out. That means the main force for protecting American workers' and consumers' interest would be eliminated.

Therefore, unless the fast track rules under which a trade agreement is negotiated contain adequate protections for labor and the environment, I must vote against the deal. Unfortunately, that is the case today. In fact this rule will not even allow amendments to protect workers' rights, human rights, and the environment. Therefore, I will vote against both the rule and the bill and urge my colleagues to do likewise.

Unlimited fast track procedures also brought us NAFTA, which I believe has been a failure. The fast track NAFTA deal with Mexico and Canada in 1993 is a perfect example of what happens when we rush into agreements that do not take into consideration the concerns of workers and consumers. Ever since NAFTA became law, America has lost more than 400,000 jobs as corporations move production to Mexico and Canada.

Employers are using the threat of plant closures to drive wages down as well. People who found new employment after their jobs moved to Mexico took an average pay cut of $4,400 a year. Air and water pollution along the U.S.-Mexico border has become significantly worse since we have NAFTA, while the amount of hazardous waste crossing the border increased 30 percent in 1995, the last year in which we have statistics.

Increased agricultural imports and inadequate border inspections have increased the threat of unsafe food in our supermarkets and unsafe trucks on our highways.

Mr. Speaker, this is the legacy of NAFTA and fast track. When we move too fast, we make mistakes. America has negotiated hundreds of successful trade agreements without fast track authority. Given NAFTA's failure, why rush into more unlimited fast track trade deals?

Congress should vote for the right track, not the poorly drafted fast track.

I urge my colleagues to oppose fast track. Even the President, who supports basic fast track, is opposed to this. So, we ought to vote this down. We ought not to be for election time gimmicks. We ought to do what is right for the American people.

Again, I urge my colleagues to vote for the right track, not this poorly drafted fast track. Defeat the rule and defeat the bill.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Staten Island, New York (Mr. FOSSELLA), my dynamic and eloquent friend.

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding me this time.

Mr. Speaker, I think at this point just let me note that the power under this legislation is granted to not an individual, but the office of a presidency. And the gentleman from Mississippi (Mr. TAYLOR), my good friend, acknowledges Congress still maintains its right as vested in the United States Constitution, because at the end of the day we have the right to vote "yes" or "no" on the underlying legislation.

The reality is that throughout our Nation's history there are people who look inward constantly to create jobs and those who look outward to determine that there are no limits to America's horizons. And we demonstrate time and time again, the hard-working people that I represent, that we can trade freely and fairly throughout this world and create wealth, not just for the people of this country but throughout this great world of ours.

The reality is that we are talking about free and fair trade. Not looking inward, but looking outward. The people on Staten Island that I represent go to work every single day with no limits to their horizons. I say let us continue that growth.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from Texas (Mr. FROST) for yielding me this time.

Mr. Speaker, in Central Texas, international trade has meant more good, high-paying jobs, not fewer. I personally believe that we gain from more international commerce, by building bridges, not erecting barriers. To do that, the President does need reasonable authority to expand international commerce. But the vote that we are having today is not about more international commerce, it is about more domestic politics.

Mr. Speaker, is it not ludicrous, indeed bizarre, that the same House Republicans that on Monday were releasing a videotape and complaining about an abuse of power by this President have waited all the way to Friday to say that we must have a vote today about giving that same person more power?

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This is not about more power for President Clinton, really. It is about more votes for NEWT GINGRICH, and that is the last thing that America needs.

We do need a bipartisan coalition for trade in this country. It ought to be trade that recognizes that some of the concerns that have been advanced about working conditions, about environmental concerns are very real, and there is a way to address those at the same time that we seek more international commerce.

But today is not the day to do that. What we have here is not really a vote about fast track, perhaps fast track in name only. This is really only a sidetrack. It is wrong, and this measure ought to be voted down.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Dallas, Texas (Mr. SESSIONS), a champion of free trade.

Mr. SESSIONS. Mr. Speaker, I rise today in support of fast track.

I find it very amazing that my colleagues and friends, including those from Texas, blame this on politics. I will tell my colleagues who I blame it on. I blame it on people like the Texas Farm Bureau and the Texas and Southwest Cattle Raisers who have asked me and told me point blank, it is the most important vote that could take place in the remainder of this session. They are for opening markets and creating jobs. They are for American export businesses. They recognize that 96 percent of the consumers in the world live outside the United States. Lastly, they realize that 30 percent of the growth of the markets that they have come directly from overseas markets.

Mr. Speaker, I will tell my colleagues, I do not blame this on NEWT GINGRICH. I blame this on the Texas Farm Bureau, the Texas and Southwest Cattle Raisers and 75 other people who are in the agribusiness.

I will vote yes with them.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, this debate on fast track is not about whether or not the United States should be participating in the global economy, because we all agree on that. It is about how we are going to participate in that economy.

Are we going to allow multinational corporations to bargain down the environmental protection standards of nations around the world in the name of economic competitiveness? Are we going to allow our own strong environmental and health laws and regulations to be knocked down as barriers to trade?

I urge my colleagues to consider our experience with NAFTA. Thanks to NAFTA and the environmental side agreement to NAFTA, we now have more factories along the heavily polluted United States-Mexican border dumping an even greater amount of hazardous waste, mostly illegally. Risks to the health and safety of American working families are increasing as food imports rise while the number of inspections plummet. These environmental and public health problems are the result of inadequate free trade agreements that create pressure on neighboring governments to relax environmental regulations in an effort to lure manufacturers across the borders, allowing these companies to profit by polluting and abusing natural resources.

I urge my colleagues, do not be fooled again. We already were fooled once with NAFTA. We need a trade policy that opens markets while at the same time setting high health, environmental and labor standards.

I urge my colleagues to vote no both on the rule, because it is essentially unfair, not allowing other amendments, and also to vote no on fast track. Let us not make the same mistake again.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from the Woodlands, Texas (Mr. BRADY), another champion of free trade.

Mr. BRADY of Texas. Mr. Speaker, I fully support this bill and this rule.

I come from a State that has benefited from fast track and from international trade. One out of every three new jobs created in Texas are as a result of international trade because of NAFTA, even with its imperfections. We have tens of thousands of new jobs that Texas families now enjoy because we are willing to compete.

I did not move to Washington. I live in Texas and just commute each week. On my drive to the airport and back to my district, I see and go by dairies and farms and small businesses and large companies where there are Texas workers, American families who are enjoying the American dream, putting their kids in school, saving for college, purchasing a home because they believe in the American principle of free, fair, competition.

Ninety-six percent of all the world's consumers live outside of America. They all cannot buy as much as we do today because they are growing fast. Other countries are competing for them. I want our American companies out there competing today for that market and those sales, because it is not our jobs that we are looking at, it is our children's jobs and our children's children's jobs that depend upon our competing today internationally.

I golf twice a year, whether I need to or not. My friends who golf more often and like to wage a friendly bet tell me that the outcome of those friendly bets are often determined on the first tee, when the rules are drawn up and the strokes are given.

In international trade today, America is not on that first economic tee. The strokes are not coming to American companies. The rules do not favor fair treatment for our companies. We are losing jobs because of it.

Let us not practice partisan politics. Let us not pit the President against the Republicans. I think jobs for our workers, for our farmers, for our small businesses ought to take precedence over partisan politics, which is being encouraged today.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentlewoman from Georgia (Ms. McKINNEY).

Ms. McKINNEY. Mr. Speaker, free trade for corporations or fair trade for people? I vote for the people every time.

Mr. Speaker, I rise to oppose this rule because, as with all trade agreements that come before this House, it lacks a very important component, a minimum code of conduct by which American companies should abide.

Most Americans know the story of sweatshops in Latin America and Southeast Asia, but do Americans know about Guess Jeans? Guess was cited for violation of wage and hour laws in the United States. Not surprisingly, it has now moved 40 percent of its manufacturing to Mexico and South America, thereby escaping union organizers and Department of Labor oversight. Ironically, they have subsequently run an advertising campaign that claims that their jeans are 100 percent sweatshop free.

Or do Americans know about accounting audit reports of Nike that were uncovered by TRAC, the Transnational Research and Action Center? Manufacturers of Nike products are paying wages of less than $2 per day in factories in China and Vietnam. But only because of public pressure and bad press, Nike has promised to do better. Adoption of our code of conduct will assure that they do better.

Unfortunately, U.S. companies are engaging in even grosser abuses as they operate free from the deterrence of media, public scrutiny or U.S. law.

I urge my colleagues to oppose this rule and accept my amendment which establishes a code of conduct for American corporations. Otherwise, we will have to live with the fact that the shoes on our feet and the blue jeans on our bodies might just be made from the sweat of children living in squalor.

Mr. DREIER. Mr. Speaker, I yield such time as he may consume to the gentleman from Ocala, Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I rise in support of the rule.

Mr. Speaker, the proponents of fast-track wrap their arguments around a banner of false logic and false promises. Granting any President fast-track authority clearly violates the constitutional responsibilities of Congress. Article I, Section 8 explicitly states that, "The Congress shall have Power . . . to regulate Commerce with foreign nations."

While the United States has entered into thousands of trade agreements in our history, only five have received fast-track authority. The Clinton administration itself has negotiated over 200 trade agreements while in office without fast-track trade authority. Just NAFTA and the Uruguay Round of GATT had fast track authority.

Any Administration can and should negotiate bilateral and multilateral trade agreements with the advice and consent of Congress. That is the Constitution!

The United States is the "Mother of all Markets." Every nation on earth wants access to our markets. If gaining access requires the involvement of Congress in negotiating trade agreements, then every nation must accept our rule of law.

Let us be honest with each other. There have been some real devastating aspects of the previous fast-track, which brought us NAFTA, especially as it affected my home state of Florida.

The Florida tomato industry has lost over $750 million since the beginning of NAFTA. Import of tomatoes from Mexico has surged by 71% under NAFTA, putting hundreds of farmers out of work and losing thousands of farm related jobs, and no relief has ever been granted by this Administration.

These losses in exports are directly tied to the unfair trading practices that have been waged against Florida's farmers. Mexico has dumped tomatoes and other winter vegetables on the U.S. market. The Department of Commerce recognizes that Mexican tomatoes were dumped, but the Administration has never done anything about it.

The Administration made promises to protect agriculture against unfair trading practices with the last fast-track bill. They never fulfilled those promises and now they are offering new promises to protect agriculture.

Don't believe any of the latest claims that fast-track will protect our agricultural industries. This Administration lied before, they are lying now, and they will lie tomorrow!

Mr. Speaker, I also would like to include a letter from the Florida Farm Bureau Federation dealing with this legislation:

FLORIDA FARM BUREAU FEDERATION,
Gainsville, FL, September 25, 1998.

Hon. CLIFFORD STEARNS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE STEARNS: After having reviewed the provisions that have been added to H.R. 2621, the Fast Track bill, we thought that it would be important for Florida Farm Bureau to let you know we are still opposed.

While these provisions are a beginning, they do not answer our concerns. Until these concerns are met, we cannot support Fast Track. We urge you to oppose H.R. 2621.

Sincerely,

CARL B. LOOP, Jr.,
President.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Stillwater, Oklahoma (Mr. WATKINS), a hard-working member of the Committee on Ways and Means.

Mr. WATKINS. Mr. Speaker, Fact: 96 percent of the consumers live outside the United States. Are we fearful of competing for that market?

I want to make sure we do everything we can for our children and for our citizens to penetrate those markets by selling United States products and agriculture commodities.

It was Franklin Delano Roosevelt who said, we have nothing to fear but fear itself. If we are fearful of entering those markets, we are surely to shrink. We are surely to sell the future of our children down the drain, and we will become a second-class economy.

One year from this December, just 15 months from now the World Trade Organization will meet to negotiate international agriculture trade agreements. Are we going to send our negotiators there with one arm or maybe both arms tied behind us? I fear the fact we are not going to give or arm our negotiators with the opportunity to enter trade agreements to sell agriculture commodities at a time when we are hurting worse on the American farm than any time since the Great Depression.

That is the reason why in this bill, let there be no mistake, I have placed the toughest language to assist in our agriculture negotiations that we have ever had. In fact, we establish in this bill a chief negotiator for agriculture with ambassador status, because I want someone around the table, whether it is in Geneva or wherever, negotiating for the farmers and ranchers of this country.

Are we going to give to our negotiators the opportunity to negotiate trade agreements for our citizens? I am going to vote yes for fast track because I want to build a future for our children and our grandchildren. They have no choice. They will have to compete in a global economy. Many of us can back away and say, well, that may not affect us. But I could not face your children or my children and grandchildren without trying to give them the best opportunity possible to compete in this global economy.

Mr. FROST. Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Tucson, Arizona (Mr. KOLBE), a great champion of trade, one of our hardest workers and one of the most thoughtful Members of the House.

Mr. KOLBE. Mr. Speaker, I do rise in support of this rule and for the legislation granting fast track authority to the President.

Mr. Speaker, it is a sad day to have to listen to many of the speeches that we have heard here today. The fear that some members have for America's future, their fear about America being able to compete in the world. Do they have so little confidence in America that they do not think that American workers and American citizens can compete in this world?

We have been hearing a lot about how NAFTA is the source of our problem. Maybe NASTA explains why our unemployment rate is at an all-time low. Maybe it explains why we have created so many jobs in this world, more than 6 million jobs created since 1994. We heard about 400,000 lost jobs. How about the 6 million that have been created?

Maybe we should attribute all of those to the creation of NAFTA. The fact of the matter is, we have had a tremendous surge in exports over the last several years. Look at this chart, at how exports have grown 3,000 percent over the last 35 years. That has created jobs for American workers who produce those exports that have gone overseas. We are the beneficiary of growing exports. And just in the last 12 years, look at the increase in the gross domestic product of this country attribute to trade—$500 billion. That would not have been there otherwise if we had not had foreign trade.

So why do we need fast track now? Because there is much that remains to be done. There are many things that we need, to have negotiating authority for this President to be able to attempt to reduce the 100 percent tariff that Indonesia has on American automobiles, to eliminate the European Union's 25 percent tax on our trucks and try to get those down, and Brazil's inordinate tax on computers. Next year we are going to begin negotiations on agriculture. We are the world's largest agricultural exporter. We need to have this authority so that we can sit at that table with the rest of the world while they talk about it and so that we can reduce those tariffs for the United States. We need fast track authority, as President Clinton himself has said.

I urge my colleagues to vote for this rule and for fast track authority.

□ 1530

Mr. FROST. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding time to me. For those who may not have been here back in 1993 when we were negotiating with each other as to whether or not we should pass the NAFTA agreement which was negotiated under fast track authority, I would remind my colleagues that in that year, we had a $1.7 billion trade surplus with Mexico. That has turned into a $17 billion trade deficit. The economists across this country tell us that each billion dollars represents between 116,000 jobs and 120,000 jobs. Do the mathematics and find out whether or not NAFTA negotiated under fast track authority has been good for us. In fact, now our trade deficit combined with our NAFTA trade partners, Canada and Mexico, is $31 billion.

How many jobs would we be able to create if we had fair trade rather than fast track free trade? The point is that we here in Congress in 1993 knew there were things about the NAFTA agreement that we wanted to change. We wanted protection for labor. We wanted environmental riders. We were told, "Well, you can get these side agreements." You can blow your nose with those side agreements. They do not carry the impact of law. They have not been enforced.

What this argument is about today is whether or not we in Congress have the required amount of guts to say to the Administration, "We as the elected Members of Congress, we as the elected representatives of the people want something to say." Fast track is the wrong track. The rule should be voted down and so should the bill.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I urge my colleagues to vote "no" on the previous question. If the previous question is defeated, I will offer an amendment to make in order the McKinney amendment to establish a corporate code of conduct and the Peterson amendment to expand the role of the Committee on Agriculture in reviewing trade matters.

I urge my colleagues to postpone debate on this issue. There is no chance to pass it today. We should not sacrifice long-term, bipartisan cooperation on fast track for short-term political gain.

Mr. Speaker, the text of the amendment to be offered if the previous question is defeated is as follows:

AMENDMENT TO BE OFFERED IF PREVIOUS QUESTION IS DEFEATED

On page 2, line 10, strike "and" the second time it appears.

On page 2 line 11, after "(2)", add the following:

"a further amendment printed in section 2 of this resolution and numbered (i), if offered by Representative McKinney of Georgia or her designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; (3) a further amendment printed in section 2 of this resolution and numbered (ii), if offered by Representative Peterson of Minnesota or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for thirty minutes equally divided and controlled by the proponent and an opponent; and (4)"

On page 2, after line 11, add the following new section:

"Section 2. The text of the amendments follows:

(i) Amendment to H.R. 2621, as reported, to be offered by Representative McKinney of Georgia

In section 102(b)(7), add the following at the end:

(C) To ensure that any entity that receives benefits under any trade agreement entered into under this title adopts and adheres to the following principles in all domestic and foreign operations:

(i) Provide a safe and health workplace.

(ii) Ensure fair employment, including the prohibition on the use of child and forced labor, the prohibition on discrimination based upon race, gender, national origin, or religious belief, the respect for freedom of association and the right to organize and bargain collectively, and the payment of a living wage to all workers.

(iii) Uphold responsible environmental protection and environmental practices.

(iv) Promote good business practices, including prohibiting illicit payments and ensuring fair competition.

(v) Maintain, through leadership at all levels, a corporate culture that respects free expression consistent with legitimate business concerns, does not condone political coercion in the workplace, encourages good corporate citizenship and makes a positive contribution to the communities in which the entity operates, and promotes ethical conduct that is recognized, valued, and exemplified by all employees.

(vi) Require, under terms of contract, partners, suppliers, and subcontractors of the entity to adopt and adhere to the principles described in clause (v).

(vii) Implement and monitor compliance with the principles described in clauses (i) through (vi) through a program that is designed to prevent and detect conduct that is not in compliance with such principles by any employee of the entity, or any employee of the partner, supplier, or subcontractor of the entity, and that includes—

(I) standards for ethical conduct of such employees which refer to the principles;

(II) procedures for assignment of appropriately qualified personnel at the management level to monitor and enforce compliance with the principles;

(III) procedures for reporting violations of the principles by such employees;

(IV) procedures for selecting qualified individuals who are not employees to monitor compliance with the principles, and for auditing the effectiveness of such compliance monitoring;

(V) procedures for disciplinary action in response to violations of the principles;

(VI) procedures designed to ensure that, in cases in which a violation of the principles has been detected, reasonable steps are taken to correct the violation and prevent similar violations from occurring;

(VII) procedures for providing educational and employment-related counseling to any child employee in violation of the principles; and

(VIII) communication of all standards and procedures with respect to the principles to every employee, by requiring the employee to participate in a training program, or by disseminating information in writing that explains the standards and procedures.

(ii) Amendment to H.R. 2621, as reported to be offered by Representative Peterson of Minnesota

Page 12, strike line 19 through 23 and insert the following:

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations—

(i) the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211);

(ii) the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives; and

(iii) the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

Page 23, line 17, insert "and the Committee on Agriculture" after "Rules".

Page 24, line 7, insert "and the Committee on Agriculture" after "Rules".

Page 25, line 3, insert "and the Committee on Agriculture, Nutrition, and Forestry" after "Finance".

Page 25, line 4, insert "and the Committee on Agriculture" after "Ways and Means".

Page 27, line 8, insert "and the Committee on Agriculture" after "Ways and Means".

Page 27, line 10, insert "and the Committee on Agriculture, Nutrition, and Forestry" after "Finance".

Page 32, line 14, strike "or" and insert a comma.

Page 32, line 16, insert ", or the chairman or ranking minority member of the Committee on Agriculture" after "Rules".

Page 32, line 19, insert "and the Committee on Agriculture" after "Rules".

Page 32, line 20, strike "either" and insert "any such".

Page 33, line 7, insert "and the Committee on Agriculture" after "Rules".

Page 31, insert the following after line 6 and redesignate the succeeding paragraphs accordingly:

(1) DISAPPROVAL OF THE NEGOTIATION.—The trade authorities procedures shall not apply to any implementing bill that contains a provision approving any trade agreement that is entered into under section 103(b) with any foreign country if the Committee on Finance or the Committee on Agriculture, Nutrition, and Forestry of the Senate or the Committee on Ways and Means or the Committee on Agriculture of the House of Representatives disapprove of the negotiation of the agreement before the close of the 90-calendar day period that begins on the date notice is provided under section 104(a) with respect to the negotiation of the agreement.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from California is recognized for 1 minute.

Mr. DREIER. Mr. Speaker, no matter what you think about the President, no matter what you think about the U.S.-Canada trade agreement and its impact on Northern Plains farmers and ranchers, no matter what you think about the North American Free Trade Agreement and its impact on Florida's tomato farmers, no matter what you think about the impact of economic development on farmers in Mexico, dolphins, sea turtles or the Amazon rain forest, there is just one question that we must ask ourselves today: Are the American people better off if America is at the table when countries make new trade deals? Should we be at the table when the nations of the world sit down at the WTO to negotiate new trade rules for agriculture, services and intellectual property? Or when the countries of Latin America entertain offers for preferential access to their growing markets? Or when the countries of Asia talk about ways to rebound from their economic crisis?

Obviously, Mr. Speaker, we are much better off if we, the world's only complete superpower, are at the table for trade negotiations. The world will not stop to wait for us if we simply miss the bus. We will be the losers, Mr. Speaker.

We have got to pass this rule and pass fast track so, as President Clinton said on July 23, we can have these votes and put it together. We can have bipartisan support for a very important policy.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 5 of rule XV, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 230, nays 193, not voting 11, as follows:

[Roll No. 465]

YEAS—230

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering

Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Tanner
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—193

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—11

Burton
English
Furse
Goss
Jefferson
Kennelly
Moakley
Payne
Pryce (OH)
Rush
Yates

☐ 1552

Mr. GONZALEZ changed his vote from "yea" to "nay."

Mr. SOLOMON and Mrs. LINDA SMITH of Washington changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4095

Mr. NADLER. Mr. Speaker, I ask unanimous consent to have my name removed as a co-sponsor of H.R. 4095.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 553, I call up the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 553, the bill is considered read for amendment.

The text of H.R. 2621 is as follows:

H.R. 2621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TRADE AUTHORITIES PROCEDURES

SEC. 101. SHORT TITLE.

This title may be cited as the "Reciprocal Trade Agreement Authorities Act of 1997".

SEC. 102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement; and

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment and unreasonably restrict the establishment and operations of service suppliers.

(3) FOREIGN INVESTMENT.—The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade-distorting barriers to trade related foreign investment by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and

(E) providing meaningful procedures for resolving investment disputes.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)),

(II) achieving improvements in the standards of that Agreement, particularly with respect to United States industries whose products are subject to the lengthiest transition periods for full compliance by developing countries with that Agreement; and

(III) ensuring that the provisions of any multilateral or bilateral trade agreement entered into by the United States provide protection at least as strong as the protection afforded by chapter 17 of the North American Free Trade Agreement and the annexes thereto;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(iv) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions; and

(B) increased openness of dispute settlement proceedings, including under the World Trade Organization.

(6) RECIPROCAL TRADE IN AGRICULTURE.—The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk and value-added commodities by—

(A) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(i) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(ii) providing reasonable adjustment periods for United States import-sensitive products;

(B) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort agriculture markets to the detriment of the United States;

(C) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(i) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms;

(ii) unjustified trade restrictions or commercial requirements affecting new technologies, including biotechnology;

(iii) unjustified sanitary or phytosanitary restrictions, including those not based on sound science in contravention of the Uruguay Round Agreements;

(iv) other unjustified technical barriers to trade; and

(v) restrictive rules in the administration of tariff rate quotas;

(D) improving import relief mechanisms to recognize the unique characteristics of perishable agriculture;

(E) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(F) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements; and

(G) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture.

(7) LABOR, THE ENVIRONMENT, AND OTHER MATTERS.—The principal negotiating objective of the United States regarding labor, the environment, and other matters is to address the following aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade:

(A) To ensure that foreign labor, environmental, health, or safety policies and practices do not arbitrarily or unjustifiably discriminate or serve as disguised barriers to trade.

(B) To ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety, or labor measures, including measures that deter exploitative child labor, as an encouragement to gain competitive advantage in international trade or investment. Nothing in this subparagraph is intended to address changes to a country's laws that are nondiscriminatory and consistent with sound macroeconomic development.

(8) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in financial services are those set forth in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)), regarding trade in civil aircraft are those set forth in section 135(c) of that Act, and regarding rules of origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES.—

(1) IN GENERAL.—The President should take into account the relationship between trade agreements and other important priorities of the United States and seek to ensure that the trade agreements entered into by the United States complement and reinforce other policy goals. The United States priorities in this area include—

(A) seeking to ensure that trade and environmental policies are mutually supportive;

(B) seeking to protect and preserve the environment and enhance the international means for doing so, while optimizing the use of the world's resources;

(C) promoting the respect for worker rights and the rights of children and an understanding of the relationship between trade and worker rights, particularly by working with the International Labor Organization to encourage the observance and enforcing of core labor standards, including exploitative child labor; and

(D) supplementing and strengthening standards for protection of intellectual property under conventions administered by international organizations other than the World Trade Organization, expanding the conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection.

(2) APPLICABILITY OF TRADE AUTHORITIES PROCEDURES.—Nothing in this subsection shall be construed to authorize the use of the trade authorities procedures described in section 103 to modify United States law.

(d) GUIDANCE FOR NEGOTIATORS.—

(1) DOMESTIC OBJECTIVES.—In pursuing the negotiating objectives described in subsection (b), the negotiators on behalf of the United States shall take into account United States domestic objectives, including the protection of health and safety, essential security, environmental, consumer, and employment opportunity interests, and the law and regulations related thereto.

(2) CONSULTATIONS WITH CONGRESSIONAL ADVISERS AND ENFORCEMENT OF THE TRADE LAWS.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the congressional advisers on trade policy and negotiations appointed under section 161 of the Trade Act of 1974; and

(B) take into account the need for the United States to retain the ability to enforce rigorously its trade laws in order to ensure that United States workers, agricultural producers, and firms can compete on fair terms and enjoy the benefits of reciprocal trade concessions.

(e) ADHERENCE TO OBLIGATIONS UNDER URUGUAY ROUND AGREEMENTS.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

SEC. 103. TRADE AGREEMENTS AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c), and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty, or

(ii) such continuance of existing duty-free or excise treatment,

as the President determines to be required or appropriate to carry out any such trade agreement. The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment; or

(B) reduces the rate of duty on an article to take effect on a date that is more than 10 years after the first reduction that is proclaimed to carry out a trade agreement with respect to such article.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 105 and that bill is enacted into law.

(6) OTHER TARIFF MODIFICATIONS.—Notwithstanding paragraphs (1)(B) and (2) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(7) AUTHORITY UNDER URUGUAY ROUND AGREEMENTS ACT NOT AFFECTED.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—(A) Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect,

and that the purposes, policies, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c).

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if such agreement makes progress in meeting the applicable objectives described in section 102 and the President satisfies the conditions set forth in section 104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as "trade authorities procedures") apply to a bill of either House of Congress consisting only of—

(A) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement,

(B) provisions directly related to the principal trade negotiating objectives set forth in section 102(b) achieved in such trade agreement, if those provisions are necessary for the operation or implementation of United States rights or obligations under such trade agreement,

(C) provisions that define and clarify, or provisions that are related to, the operation or effect of the provisions of the trade agreement,

(D) provisions to provide adjustment assistance to workers and firms adversely affected by trade, and

(E) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the trade agreement,

to the same extent as such section 151 applies to implementing bills under that section. A bill to which this subparagraph applies shall hereafter in this title be referred to as an "implementing bill".

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before October 1, 2001; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after September 30, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—(A) For purposes of paragraph (1), the term "extension disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the disapproves the request of the President for the extension, under section 103(c)(1)(B)(i) of the Reciprocal Trade Agreement Authorities Act of 1997, of the provisions of section 151 of the Trade Act of 1974 to any implementing bill submitted with respect to any trade agreement entered into under section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1997 after September 30, 2001.", with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules.

(C) The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after September 30, 2001.

SEC. 104. CONSULTATIONS.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—

(1) IN GENERAL.—The President, with respect to any agreement that is subject to the provisions of section 103(b), shall—

(A) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and such other committees of the House and Senate as the President deems appropriate.

(2) CONSULTATIONS REGARDING NEGOTIATIONS ON CERTAIN OBJECTIVES.—

(A) CONSULTATION.—In addition to the requirements set forth in paragraph (1), before initiating negotiations with respect to a trade agreement entered into under section 103(b) in which the subject matter is directly related to the principal trade negotiating objectives set forth in section 2(b)(1) or section 102(b)(7), the President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and with the appropriate industry sector advisory groups established under section 135 of the Trade Act of 1974 with respect to such negotiations.

(B) SCOPE.—The consultations described in subparagraph (A) shall concern the manner in which the negotiation will address the objective of reducing or eliminating a specific tariff or nontariff barrier or foreign government policy or practice directly related to trade that decreases market opportunities for United States exports or otherwise distorts United States trade.

(3) NEGOTIATIONS REGARDING AGRICULTURE.—Before initiating negotiations under section 102(b)(6)(A) with any country, the President shall assess whether United States tariffs on agriculture products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title; and

(C) the implementation of the agreement under section 105.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 103(a) or (b) of this Act shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 103(a)(1) or 105(a)(1)(A) of the President's intention to enter into the agreement.

SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this title;

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce; and

(IV) how the implementing bill complies with section 103(b)(3).

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term "procedural disapproval resolution" means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: "That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with section 104 or 105 of the Reciprocal Trade Agreement Authorities Act of 1997 on negotiations with respect to, or entering into, a trade agreement to which section 103(b) of that Act applies and, therefore, the provisions of section 151 of the Trade Act of 1974 shall not apply to any implementing bill submitted with respect to that trade agreement.".

(2) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(A) Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be jointly referred to the Committee on Ways and Means and the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) CERTAIN AGREEMENTS.—Notwithstanding section 103(b)(2), if an agreement to which section 103(b) applies—

(1) is entered into under the auspices of the World Trade Organization regarding trade in information technology products,

(2) is entered into under the auspices of the World Trade Organization regarding extended negotiations on financial services as described in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)),

(3) is entered into under the auspices of the World Trade Organization regarding the rules of origin work program described in Article 9 of the Agreement on Rules of Origin referred to in section 101(d)(10) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(10)), or

(4) is entered into with Chile,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) Treatment of Agreements.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills for be determined without regard to the requirements of section 104(a), and any procedural disapproval resolution under section 105(b)(1)(B) shall not be in order with respect to the provisions of section 104(a); and

(2) consultations under section 104(a) that would be required prior to initiation of negotiations shall be made as soon as feasible after the enactment of this Act.

SEC. 107. CONFORMING AMENDMENTS.

(a) In General.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) Implementing bill.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking "section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act" and inserting "section 282 of the Uruguay Round Agreements Act, or section 105(a)(1) of the Reciprocal Trade Agreement Authorities Act of 1997".

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking "or section 282 of the Uruguay Round Agreements Act" and inserting ", section 282 of the Uruguay Round Agreements Act, or section 105(a)(1) of the Reciprocal Trade Agreement Authorities Act of 1997".

(2) Advice from international trade commission.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking "section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 123 of this Act or section 103(a) or (b) of the Reciprocal Trade Agreement Authorities Act of 1997,"; and

(ii) in paragraph (2), by striking "section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1997";

(B) in subsection (b), by striking "section 1102(a)(3)(A)" and inserting "section 103(a)(3)(A) of the Reciprocal Trade Agreement Authorities Act of 1997" before the end period; and

(C) in subsection (c), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1997,".

(3) Hearings and advice.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," each place it appears and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1997,".

(4) Prerequisites for offers.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1997".

(5) Advice from private and public sectors.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1997";

(B) in subsection (e)(1)—

(i) by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" each place it appears and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1997"; and

(ii) by striking "section 1103(a)(1)(A) of such Act of 1988" and inserting "section 105(a)(1)(A) of the Reciprocal Trade Agreement Authorities Act of 1997"; and

(C) in subsection (e)(2), by striking "section 1101 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 102 of the Reciprocal Trade Agreement Authorities Act of 1997".

(6) Transmission of agreements to congress.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking "or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "or under section 103 of the Reciprocal Trade Agreement Authorities Act of 1997".

(b) Application of Certain Provisions.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 108. DEFINITIONS.

In this title:

(1) United states person.—The term "United States person" means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(2) Uruguay round agreements.—The term "Uruguay Round Agreements" has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(3) World trade organization.—The term "World Trade Organization" means the organization established pursuant to the WTO Agreement.

(4) WTO agreement.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

TITLE II—TRADE ADJUSTMENT ASSISTANCE

SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a) by striking "1993" and all that follows through "1998" and inserting "1998, 1999, and 2000"; and

(2) in subsection (b) by striking "1994" and all that follows through "1998" and inserting "1998, 1999, and 2000".

SEC. 202. ADJUSTMENT ASSISTANCE FOR FIRMS.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking "1993" and all that follows through "1998" and inserting "1998, 1999, and 2000".

SEC. 203. GENERAL ACCOUNTING OFFICE REPORT.

Section 280(a) of the Trade Act of 1974 (19 U.S.C. 2391(a)) is amended—

(1) by striking "2, 3, and 4" and inserting "2 and 3"; and

(2) by striking "January 31, 1980" and inserting "October 1, 1999".

SEC. 204. TERMINATION.

Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note) is amended in paragraphs (1) and (2)(A)(i) by striking "1998" and inserting "2000".

SEC. 205. EFFECTIVE DATE.

The amendments made by this title take effect on the date of the enactment of this Act.

TITLE III—REVENUE PROVISIONS

SEC. 301. REPEAL OF SPECIAL RULE FOR RENTAL USE OF VACATION HOMES, ETC., FOR LESS THAN 15 DAYS.

(a) In General.—Section 280A of the Internal Revenue Code of 1986 (relating to disallowance of certain expenses in connection with business use of home, rental of vacation homes, etc.) is amended by striking subsection (g).

(b) No Basis Reduction Unless Depreciation Claimed.—Section 1016 of such Code is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Special Rule Where Rental Use of Vacation Home, Etc., for Less Than 15 Days.—If a dwelling unit is used during the taxable year by the taxpayer as a residence and such dwelling unit is actually rented for less than 15 days during the taxable year, the reduction under subsection (a)(2) by reason of such rental use in any taxable year beginning after December 31, 1997, shall not exceed the depreciation deduction allowed for such rental use.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

The SPEAKER pro tempore. The amendment printed in the bill, modified by the amendment printed in House Report 105–745, is adopted.

The text of H.R. 2621, as amended by the amendment printed in the bill and, as modified by the amendment printed in House Report 105–745, is as follows:

H.R. 2621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TRADE AUTHORITIES PROCEDURES

SEC. 101. SHORT TITLE AND FINDINGS.

(a) Short Title.—The Act may be cited as the "Reciprocal Trade Agreement Authorities Act of 1998".

(b) Findings.—The Congress makes the following findings:

(1) The expansion of international trade is vital to the national security of the United States. Trade is critical to the economic growth and strength of the United States and to its leadership in the world. Stable trading relationships promote security and prosperity. Trade agreements today serve the same purposes that security pacts played during the Cold War, binding nations together through a series of mutual rights and obligations. Leadership by the United States in international trade fosters open markets, democracy, and peace throughout the world.

(2) The national security of the United States depends on its economic security, which in turn

is founded upon a vibrant and growing industrial base. Trade expansion has been the engine of economic growth. Trade agreements maximize opportunities for the critical sectors and building blocks of the economy of the United States, such as information technology, telecommunications and other leading technologies, basic industries, capital equipment, medical equipment, services, agriculture, environmental technology, and intellectual property. Trade will create new opportunities for the United States and preserve the unparalleled strength of the United States in economic, political, and military affairs. The United States, secured by expanding trade and economic opportunities, will meet the challenges of the twenty-first century.

SEC. 102. TRADE NEGOTIATING OBJECTIVES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—The overall trade negotiating objectives of the United States for agreements subject to the provisions of section 103 are—

(1) to obtain more open, equitable, and reciprocal market access;

(2) to obtain the reduction or elimination of barriers and distortions that are directly related to trade and that decrease market opportunities for United States exports or otherwise distort United States trade;

(3) to further strengthen the system of international trading disciplines and procedures, including dispute settlement; and

(4) to foster economic growth, raise living standards, and promote full employment in the United States and to enhance the global economy.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—

(1) TRADE BARRIERS AND DISTORTIONS.—The principal negotiating objectives of the United States regarding trade barriers and other trade distortions are—

(A) to expand competitive market opportunities for United States exports and to obtain fairer and more open conditions of trade by reducing or eliminating tariff and nontariff barriers and policies and practices of foreign governments directly related to trade that decrease market opportunities for United States exports or otherwise distort United States trade; and

(B) to obtain reciprocal tariff and nontariff barrier elimination agreements, with particular attention to those tariff categories covered in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(2) TRADE IN SERVICES.—The principal negotiating objective of the United States regarding trade in services is to reduce or eliminate barriers to international trade in services, including regulatory and other barriers that deny national treatment or unreasonably restrict the establishment or operations of service suppliers.

(3) FOREIGN INVESTMENT.—The principal negotiating objective of the United States regarding foreign investment is to reduce or eliminate artificial or trade-distorting barriers to trade related foreign investment by—

(A) reducing or eliminating exceptions to the principle of national treatment;

(B) freeing the transfer of funds relating to investments;

(C) reducing or eliminating performance requirements and other unreasonable barriers to the establishment and operation of investments;

(D) seeking to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and

(E) providing meaningful procedures for resolving investment disputes.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding trade-related intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, including through—

(i)(I) ensuring accelerated and full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), particularly with respect to United States industries whose products are subject to the lengthiest transition periods for full compliance by developing countries with that Agreement, and

(II) ensuring that the provisions of any multilateral or bilateral trade agreement entered into by the United States provide protection at least as strong as the protection afforded by chapter 17 of the North American Free Trade Agreement and the annexes thereto;

(ii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iii) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(iv) providing strong enforcement of intellectual property rights, including through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms; and

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely upon intellectual property protection.

(5) TRANSPARENCY.—The principal negotiating objective of the United States with respect to transparency is to obtain broader application of the principle of transparency through—

(A) increased and more timely public access to information regarding trade issues and the activities of international trade institutions; and

(B) increased openness of dispute settlement proceedings, including under the World Trade Organization.

(6) RECIPROCAL TRADE IN AGRICULTURE.—(A) The principal negotiating objective of the United States with respect to agriculture is to obtain competitive opportunities for United States exports agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of trade in bulk and value-added commodities by—

(i) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for United States exports—

(I) giving priority to those products that are subject to significantly higher tariffs or subsidy regimes of major producing countries; and

(II) providing reasonable adjustment periods for United States import-sensitive products, in close consultation with the Congress on such products before initiating tariff reduction negotiations;

(ii) reducing or eliminating subsidies that decrease market opportunities for United States exports or unfairly distort agriculture markets to the detriment of the United States;

(iii) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, particularly with respect to import-sensitive products, including—

(I) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on requiring price transparency in the operation of state trading enterprises and such other mechanisms;

(II) unjustified trade restrictions or commercial requirements affecting new technologies, including biotechnology;

(III) unjustified sanitary or phytosanitary restrictions, including those not based on scientific principles in contravention of the Uruguay Round Agreements;

(IV) other unjustified technical barriers to trade; and

(V) restrictive rules in the administration of tariff rate quotas;

(iv) improving import relief mechanisms to recognize the unique characteristics of perishable agriculture;

(v) taking into account whether a party to the negotiations has failed to adhere to the provisions of already existing trade agreements with the United States or has circumvented obligations under those agreements;

(vi) taking into account whether a product is subject to market distortions by reason of a failure of a major producing country to adhere to the provisions of already existing trade agreements with the United States or by the circumvention by that country of its obligations under those agreements;

(vii) otherwise ensuring that countries that accede to the World Trade Organization have made meaningful market liberalization commitments in agriculture; and

(viii) taking into account the impact that agreements covering agriculture to which the United States is a party, including the North American Free Trade Agreement, have on the United States agricultural industry.

(B)(i) Before commencing negotiations with respect to agriculture, the United States Trade Representative, in consultation with the Congress, shall seek to develop a position on the treatment of seasonal and perishable agricultural products to be employed in the negotiations in order to develop an international consensus on the treatment of seasonal or perishable agricultural products in investigations relating to dumping and safeguards and in any other relevant area.

(ii) The negotiating objective provided in subparagraph (A) applies with respect to agricultural matters to be addressed in any trade agreement entered into under section 103 (a) or (b), including any trade agreement entered into under section 103 (a) or (b) that provides for accession to a trade agreement to which the United States is already a party, such as the North American Free Trade Agreement and the United States-Canada Free Trade Agreement.

(7) LABOR, THE ENVIRONMENT, AND OTHER MATTERS.—The principal negotiating objective of the United States regarding labor, the environment, and other matters is to address the following aspects of foreign government policies and practices regarding labor, the environment, and other matters that are directly related to trade:

(A) To ensure that foreign labor, environmental, health, or safety policies and practices do not arbitrarily or unjustifiably discriminate or serve as disguised barriers to trade.

(B) To ensure that foreign governments do not derogate from or waive existing domestic environmental, health, safety, or labor measures, including measures that deter exploitative child labor, as an encouragement to gain competitive advantage in international trade or investment. Nothing in this subparagraph is intended to address changes to a country's laws that are consistent with sound macroeconomic development. Nothing in this subparagraph shall be construed to authorize inclusion in an implementing bill under this Act or in an agreement subject to an implementing bill under this Act provisions that would restrict the autonomy of the United States in these areas.

(8) WTO EXTENDED NEGOTIATIONS.—The principal negotiating objectives of the United States regarding trade in financial services are those set forth in section 135(a) of the Uruguay Round Agreements Act (19 U.S.C. 3555(a)), regarding trade in civil aircraft are those set forth in section 135(c) of that Act, and regarding rules of

origin are the conclusion of an agreement described in section 132 of that Act (19 U.S.C. 3552).

(c) International Economic Policy Objectives.—

(1) In general.—The President should take into account the relationship between trade agreements and other important priorities of the United States and seek to ensure that the trade agreements entered into by the United States complement and reinforce other policy goals. The United States priorities in this area include—

(A) seeking to ensure that trade and environmental policies are mutually supportive;

(B) seeking to protect and preserve the environment and enhance the international means for doing so, while optimizing the use of the world's resources;

(C) promoting respect for worker rights and the rights of children and an understanding of the relationship between trade and worker rights, particularly by working with the International Labor Organization to encourage the observance and enforcement of core labor standards, including the prohibition on exploitative child labor; and

(D) supplementing and strengthening standards for protection of intellectual property under conventions administered by international organizations other than the World Trade Organization, expanding these conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection.

(2) Applicability of trade authorities procedures.—Nothing in this subsection shall be construed to authorize the use of the trade authorities procedures described in section 103 to modify United States law.

(d) Guidance for Negotiators.—

(1) Domestic objectives.—In pursuing the negotiating objectives described in subsection (b), the negotiators on behalf of the United States shall take into account United States domestic objectives, including the protection of health and safety, essential security, environmental, consumer, and employment opportunity interests, and the law and regulations related thereto.

(2) Consultations with congressional advisers and enforcement of the trade laws.—In the course of negotiations conducted under this title, the United States Trade Representative shall—

(A) consult closely and on a timely basis with, and keep fully apprised of the negotiations, the Congressional Oversight Group appointed under section 107 with respect to the negotiations; and

(B) preserve the ability of the United States to enforce rigorously its trade laws, including the antidumping and countervailing duty laws, and avoid agreements which lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies, in order to ensure that United States workers, agricultural producers, and firms can compete fully on fair terms and enjoy the benefits of reciprocal trade concessions.

(3) Consultation before agreement initialed.—In the course of negotiations conducted under this Act, the United States Trade Representative shall—

(A) consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate; and

(B) with regard to any negotiations and agreement relating to agricultural trade, also consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(e) Adherence to Obligations Under Uruguay Round Agreements.—In determining whether to enter into negotiations with a particular country, the President shall take into account the extent to which that country has implemented, or has accelerated the implementation of, its obligations under the Uruguay Round Agreements.

(f) Report on Child Labor Laws.—With respect to any trade agreement which the President seeks to implement under trade authorities procedures, the President shall submit to the Congress a report describing the extent to which the country or countries that are parties to the agreement have in effect laws governing exploitative child labor.

SEC. 103. TRADE AGREEMENTS AUTHORITY.

(a) Agreements Regarding Tariff Barriers.—

(1) In general.—Whenever the President determines that one or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this title will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c), and

(B) may, subject to paragraphs (2) and (3), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

The President shall notify the Congress of the President's intention to enter into an agreement under this subsection.

(2) Limitations.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of the enactment of this Act) to a rate of duty which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) notwithstanding any other provision of this Act, reduces the rate of duty below that applicable under the Uruguay Round Agreements, on any agricultural product which was the subject of tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty, pursuant to such Agreements, was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994; or

(C) increases any rate of duty above the rate that applied on January 1, 1996.

(3) Aggregate reduction; exemption from staging.—

(A) Aggregate reduction.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) Exemption from staging.—No staging is required under subparagraph (A) with respect to a duty reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) Rounding.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by an amount equal to the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) Other limitations.—A rate of duty reduction that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction is included within an implementing bill provided for under section 105 and that bill is enacted into law.

(6) Other tariff modifications.—Notwithstanding paragraphs (1)(B) and (2) through (5), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of that Act, if the United States agrees to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(7) Authority under Uruguay Round Agreements Act not affected.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)).

(b) Agreements Regarding Tariff and Nontariff Barriers.—

(1) In general.—(A) Whenever the President determines that—

(i) one or more existing duties or any other import restriction of any foreign country or the United States or any other barrier to, or other distortion of, international trade unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(ii) the imposition of any such barrier or distortion is likely to result in such a burden, restriction, or effect,

and that the purposes, policies, and objectives of this title will be promoted thereby, the President may enter into a trade agreement described in subparagraph (B) during the period described in subparagraph (C).

(B) The President may enter into a trade agreement under subparagraph (A) with foreign countries providing for—

(i) the reduction or elimination of a duty, restriction, barrier, or other distortion described in subparagraph (A), or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(C) The President may enter into a trade agreement under this paragraph before—

(i) October 1, 2001, or

(ii) October 1, 2005, if trade authorities procedures are extended under subsection (c).

(2) Conditions.—A trade agreement may be entered into under this subsection only if such

agreement makes progress in meeting the applicable objectives described in section 102 and the President satisfies the conditions set forth in section 104.

(3) BILLS QUALIFYING FOR TRADE AUTHORITIES PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this title referred to as "trade authorities procedures") apply to a bill of either House of Congress consisting only of—

(A) a provision approving a trade agreement entered into under this subsection and approving the statement of administrative action, if any, proposed to implement such trade agreement,

(B) provisions directly related to the principal trade negotiating objectives set forth in section 102(b) achieved in such trade agreement, if those provisions are necessary for the operation or implementation of United States rights or obligations under such trade agreement,

(C) provisions that define and clarify, or provisions that are related to, the operation or effect of the provisions of the trade agreement,

(D) provisions to provide adjustment assistance to workers and firms adversely affected by trade, and

(E) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the trade agreement,

to the same extent as such section 151 applies to implementing bills under that section. A bill to which this paragraph applies shall hereafter in this title be referred to as an "implementing bill".

(c) EXTENSION DISAPPROVAL PROCESS FOR CONGRESSIONAL TRADE AUTHORITIES PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 105(b)—

(A) the trade authorities procedures apply to implementing bills submitted with respect to trade agreements entered into under subsection (b) before October 1, 2001; and

(B) the trade authorities procedures shall be extended to implementing bills submitted with respect to trade agreements entered into under subsection (b) after September 30, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of the Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the trade authorities procedures should be extended to implementing bills described in paragraph (1)(B), the President shall submit to the Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsection (b) and the anticipated schedule for submitting such agreements to the Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to the Congress under paragraph (2). The Advisory Committee shall submit to the Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this title; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to the Congress under paragraphs (2) and (3), or any portion of such reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—(A) For purposes of paragraph (1), the term "extension disapproval resolution" means a resolution of either House of the Congress, the sole matter after the resolving clause of which is as follows: "That the ___ disapproves the request of the President for the extension, under section 103(c)(1)(B)(i) of the Reciprocal Trade Agreement Authorities Act of 1998, of the trade authorities procedures under that Act to any implementing bill submitted with respect to any trade agreement entered into under section 103(b) of that Act after September 30, 2001.", with the blank space being filled with the name of the resolving House of the Congress.

(B) Extension disapproval resolutions—

(i) may be introduced in either House of the Congress by any member of such House; and

(ii) shall be referred, in the House of Representatives, to the Committee on Ways and Means and, in addition, to the Committee on Rules.

(C) The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules; or

(iii) either House of the Congress to consider an extension disapproval resolution after September 30, 2001.

(d) COMMENCEMENT OF NEGOTIATIONS.—In order to contribute to the continued economic expansion of the United States, the President shall commence negotiations covering tariff and nontariff barriers affecting any industry, product, or service sector, and to expand existing sectoral agreements to countries that are not parties to those agreements, in cases where the President determines that such negotiations are feasible and timely and would benefit the United States. Such sectors, include agriculture, commercial services, intellectual property rights, industrial and capital goods, government procurement, information technology products, environmental technology and services, medical equipment and services, civil aircraft, and infrastructure products.

SEC. 104. CONSULTATIONS AND ASSESSMENT.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—

(1) IN GENERAL.—The President, with respect to any agreement that is subject to the provisions of section 103(b), shall—

(A) provide, at least 90 calendar days before initiating negotiations, written notice to the Congress of the President's intention to enter into the negotiations and set forth therein the date the President intends to initiate such negotiations, the specific United States objectives for the negotiations, and whether the President intends to seek an agreement, or changes to an existing agreement; and

(B) before and after submission of the notice, consult regarding the negotiations with the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives and such other committees of the House and Senate as the President deems appropriate.

(2) CONSULTATIONS REGARDING NEGOTIATIONS ON CERTAIN OBJECTIVES.—

(A) CONSULTATION.—In addition to the requirements set forth in paragraph (1), before initiating negotiations with respect to a trade agreement subject to section 103(b) where the subject matter of such negotiations is directly related to the principal trade negotiating objectives set forth in section 102(b)(1) or section 102(b)(7), the President shall consult with the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and with the appropriate advisory groups established under section 135 of the Trade Act of 1974 with respect to such negotiations.

(B) SCOPE.—The consultations described in subparagraph (A) shall concern the manner in which the negotiation will address the objective of reducing or eliminating a specific tariff or nontariff barrier or foreign government policy or practice directly related to trade that decreases market opportunities for United States exports or otherwise distorts United States trade.

(3) NEGOTIATIONS REGARDING AGRICULTURE.—(A) Before initiating negotiations the subject matter of which is directly related to the subject matter under section 102(b)(6)(A)(i) with any country, the President shall assess whether United States tariffs on agriculture products that were bound under the Uruguay Round Agreements are lower than the tariffs bound by that country. In addition, the President shall consider whether the tariff levels bound and applied throughout the world with respect to imports from the United States are higher than United States tariffs and whether the negotiation provides an opportunity to address any such disparity. The President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the results of the assessment, whether it is appropriate for the United States to agree to further tariff reductions based on the conclusions reached in the assessment, and how all applicable negotiating objectives will be met.

(B) Before initiating negotiations to reduce United States tariffs on agricultural products which the President determines to be import sensitive, the President shall consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture Nutrition, and Forestry of the Senate concerning such tariff reductions. The consultations shall include an assessment of the impact of any tariff reduction on the United States industry producing the product and whether adjustment periods should be provided to the industry. The President, with the advice of the International Trade Commission, shall determine which agricultural products are import sensitive.

(C) Before initiating negotiations with regard to agriculture, the United States Trade Representative shall—

(i) identify those agricultural products subject to tariff reductions by the United States as a result of the Uruguay Round Agreements, for which the rate of duty was reduced on January 1, 1995, to a rate which was not less than 97.5 percent of the rate of duty that applied to such article on December 31, 1994;

(ii) consult with the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning whether any further tariff reductions on the *products identified under clause (i) should be appropriate, taking into account the impact of any such tariff reduction on the United States industry producing the product;*

(iii) request that the International Trade Commission prepare an assessment of the probable economic effects of the tariff reduction on the United States industry producing the product and on the United States economy as a whole; and

(iv) upon complying with clauses (i), (ii), and (iii), notify the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate those products identified in clause (i) for which the Trade Representative intends to seek further tariff liberalization in the negotiations.

(D) If, after negotiations described in subparagraph (C) are commenced—

(i) the United States Trade Representative identifies any additional agriculture product described in subparagraph (C)(i) for tariff reductions which were not the subject of a notification under subparagraph (C)(iv), or

(ii) any additional agricultural product described in subparagraph (C)(i) is the subject of a request for tariff reductions by a party to the negotiations,

the Trade Representative shall notify the committees referred to in subparagraph (C)(iv) as soon as practicable of those products.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENTS ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 103(b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of the Congress, which has jurisdiction over legislation involving subject matters which would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this title; and

(C) the implementation of the agreement under section 105, including the general effect of the agreement on existing laws.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 103(a) or (b) of this Act shall be provided to the President, the Congress, and the United States Trade Representative not later than 30 days after the date on which the President notifies the Congress under section 103(a)(1) or 105(a)(1)(A) of the President's intention to enter into the agreement.

(d) ITC ASSESSMENT.—

(1) IN GENERAL.—The President, at least 90 calendar days before the day on which the President enters into a trade agreement under section 103(b), shall provide the International Trade Commission (referred to in this subsection as the "Commission") with the details of the agreement as it exists at that time and request the Commission to prepare and submit an assessment of the agreement as described in paragraph (2). Between the time the President makes the request under this paragraph and the time the Commission submits the assessment, the President shall keep the Commission current with respect to the details of the agreement.

(2) ITC ASSESSMENT.—Not later than 90 calendar days after the President enters into the agreement, the Commission shall submit to the President and Congress a report assessing the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports, and imports, aggregate employment and employment opportunities, the production, employment, and the competitive position of industries likely to be significantly affected by the agreement, and the interests of United States consumers.

(3) REVIEW OF EMPIRICAL LITERATURE.—In preparing the assessment, the Commission shall review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and shall provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

SEC. 105. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 103(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 days after entering into the agreement, the President submits to the Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits to the Congress a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 103(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this title; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i);

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce; and

(IV) how the implementing bill meets the standards set forth in section 103(b)(3).

(3) RECIPROCAL BENEFITS.—In order to ensure that a foreign country that is not a party to a trade agreement entered into under section 103(b) does not receive benefits under the agreement unless the country is also subject to the obligations under the agreement, the implementing bill submitted with respect to the agreement shall provide that the benefits and obligations under the agreement apply only to the parties to the agreement, if such application is consistent with the terms of the agreement. The implementing bill may also provide that the benefits and obligations under the agreement do not apply uniformly to all parties to the agreement, if such application is consistent with the terms of the agreement.

(b) LIMITATIONS ON TRADE AUTHORITIES PROCEDURES.—

(1) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade authorities procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 103(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term "procedural disapproval resolution" means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: "That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with section 104 or 105 of the Reciprocal Trade Agreement Authorities Act of 1998 on negotiations with respect to
and, therefore, the trade authorities procedures under that Act shall not apply to any implementing bill submitted with respect to that trade agreement.", with the blank space being filled with a description of the trade agreement with respect to which the President is considered to have failed or refused to notify or consult.

(2) PROCEDURES FOR CONSIDERING RESOLUTIONS.—(A) Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be referred to the Committee on Ways and Means and, in addition, to the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) The provisions of section 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and, in addition, by the Committee on Rules.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 103(c) are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 106. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) CERTAIN AGREEMENTS.—Notwithstanding section 103(b)(2), if an agreement to which section 103(b) applies—

(1) is entered into under the auspices of the World Trade Organization regarding trade in information technology products,

(2) is entered into under the auspices of the World Trade Organization regarding the rules of origin work program described in Article 9 of the Agreement on Rules of Origin referred to in section 101(d)(10) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(10)), or

(3) is entered into with Chile,

and results from negotiations that were commenced before the date of the enactment of this Act, subsection (b) shall apply.

(b) TREATMENT OF AGREEMENTS.—In the case of any agreement to which subsection (a) applies—

(1) the applicability of the trade authorities procedures to implementing bills shall be determined without regard to the requirements of section 104(a), and any procedural disapproval resolution under section 105(b)(1)(B) shall not be in order on the basis of a failure or refusal to comply with the provisions of section 104(a); and

(2) the President shall consult regarding the negotiations described in subsection (a) with the committees described in section 104(a)(1)(B) as soon as feasible after the enactment of this Act.

(c) MULTILATERAL AGREEMENT ON INVESTMENT.—Notwithstanding any other provision of this Act, the trade authorities procedures shall not apply to the Multilateral Agreement on Investment concluded under the auspices of the Organization for Economic Cooperation and Development.

SEC. 107. CONGRESSIONAL OVERSIGHT GROUPS.

(a) APPOINTMENT AND FUNCTIONS.—Not later than 30 days after the date on which the President provides notice under section 104(a)(1) of the President's intention to enter into negotiations with respect to a trade agreement—

(1) the Speaker of the House of Representatives, upon the recommendation of the chairman of the Committee on Ways and Means, shall appoint 5 members (not more than 3 of whom are members of the same political party) of such committee, and

(2) the President pro tempore of the Senate, upon the recommendation of the chairman of the Committee on Finance, shall appoint 5 members (not more than 3 of whom are members of the same political party) of such committee,

to serve as members of a Congressional Oversight Group for the negotiations. Each such member shall be accredited by the United States Trade Representative on behalf of the President as official advisers to the United States delegation in the negotiations. Members of the Congressional Oversight Group shall consult with and provide advice to the Trade Representative regarding the formulation of specific objectives, negotiating strategies and positions, and the development of the trade agreement.

(b) ADDITIONAL MEMBERS.—

(1) AUTHORITY TO APPOINT.—In addition to the members designated under subsection (a) for a Congressional Oversight Group—

(A) the Speaker of the House of Representatives may appoint additional members of the House from any other committee of the House or joint committee of Congress to serve as members of the Congressional Oversight Group; and

(B) the President pro tempore of the Senate may appoint additional members of the Senate from any other committee of the Senate or joint committee of Congress to serve as members of the Congressional Oversight Group.

Members of the House and Senate appointed under this paragraph shall be accredited by the United States Trade Representative.

(2) CONSULTATIONS.—Before designating any member under paragraph (1), the Speaker or the President pro tempore shall consult with—

(A) the chairman and ranking minority member of the Committee on Ways and Means and the Committee on Finance, as appropriate; and

(B) the chairman and ranking minority member of the committee from which the member will be appointed.

(3) AFFILIATION.—Not more than 2 members may be appointed under this subsection as members of any Congressional Oversight Group from any 1 committee of Congress. If 2 members are appointed from 1 committee, they must be from different political parties, and the total members from any political party appointed under this subsection for any Congressional Oversight Group may not exceed the total number of members from any other political party.

(c) GUIDELINES.—

(1) PURPOSE AND REVISION.—Within 120 days after the date of the enactment of this Act, the United States Trade Representative shall develop written guidelines, in consultation with the chairmen and ranking minority members of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, to facilitate the useful and timely exchange of information between the Trade Representative and the Congressional Oversight Groups established under this section. The Trade Representative may revise the guidelines from time to time as needed following further such consultation.

(2) CONTENT.—The guidelines developed under paragraph (1) shall provide for, among other things—

(A) regular, detailed briefings of each Congressional Oversight Group regarding negotiating objectives and positions and status of the negotiations with respect to which the group was appointed, beginning as soon as practicable after the appointment of the members of the group, with more frequent briefings as trade negotiations enter the final stage;

(B) access by members of each Congressional Oversight Group, and staff with proper security clearances, to pertinent documents relating to the negotiations, including classified materials; and

(C) the closest practicable coordination between the Trade Representative and each Congressional Oversight Group at all critical periods during the negotiations, including at negotiation sites.

SEC. 108. ADDITIONAL IMPLEMENTATION AND ENFORCEMENT REQUIREMENTS.

(a) IN GENERAL.—At the time the President submits the final text of an agreement pursuant to section 105(a)(1)(C), the President shall also submit a plan for implementing and enforcing the agreement. The implementation and enforcement plan shall include the following:

(1) BORDER PERSONNEL REQUIREMENTS.—A description of additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

(2) AGENCY STAFFING REQUIREMENTS.—A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture, and the Department of the Treasury.

(3) CUSTOMS INFRASTRUCTURE REQUIREMENTS.—A description of the additional equipment and facilities needed by the United States Customs Service.

(4) IMPACT ON STATE AND LOCAL GOVERNMENTS.—A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.

(5) COST ANALYSIS.—An analysis of the costs associated with each of the items listed in paragraphs (1) through (4).

(b) BUDGET SUBMISSION.—The President shall include a request for the resources necessary to support the plan described in subsection (a) in the first budget the President submits to Congress after the submission of the plan.

SEC. 109. CHIEF AGRICULTURAL NEGOTIATOR.

(a) ESTABLISHMENT OF POSITION.—There shall be in the Office of the United States Trade Representative a Chief Agricultural Negotiator, who shall be appointed by the President, by and with the advice and consent of the Senate from among individuals with appropriate experience in agricultural matters. The Chief Agricultural Negotiator shall hold office at the pleasure of the President and shall have the rank of Ambassador.

(b) FUNCTIONS.—The Chief Agricultural Negotiator shall have as his or her primary function the conduct of trade negotiations relating to agricultural commodities and shall have such other functions as the United States Trade Representative may direct.

(c) COMPENSATION.—The Chief Agricultural Negotiator shall be paid at the highest rate of basic pay payable to a member of the Senior Executive Service.

SEC. 110. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended by striking ", section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988,"; and

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking "section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 123 of this Act or section 103(a) or (b) of the Reciprocal Trade Agreement Authorities Act of 1998,"; and

(ii) in paragraph (2), by striking "section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103(b) of the Reciprocal Trade Agreement Authorities Act of 1998";

(B) in subsection (b), by striking "section 1102(a)(3)(A)" and inserting "section 103(a)(3)(A) of the Reciprocal Trade Agreement Authorities Act of 1998" before the end period; and

(C) in subsection (c), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1998,".

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988," each place it appears and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1998,".

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1998".

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1998";

(B) in subsection (e)(1)—

(i) by striking "section 1102 of the Omnibus Trade and Competitiveness Act of 1988" each place it appears and inserting "section 103 of the Reciprocal Trade Agreement Authorities Act of 1998"; and

(ii) by striking "section 1103(a)(1)(A) of such Act of 1988" and inserting "section 105(a)(1)(A) of the Reciprocal Trade Agreement Authorities Act of 1998"; and

(C) in subsection (e)(2), by striking "section 1101 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "section 102 of the Reciprocal Trade Agreement Authorities Act of 1998".

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking "or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988" and inserting "or under section 103 of the Reciprocal Trade Agreement Authorities Act of 1998".

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 103 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 103 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 111. DEFINITIONS.

In this title:

(1) UNITED STATES PERSON.—The term "United States person" means—

(A) a United States citizen;

(B) a partnership, corporation, or other legal entity organized under the laws of the United States; and

(C) a partnership, corporation, or other legal entity that is organized under the laws of a foreign country and is controlled by entities described in subparagraph (B) or United States citizens, or both.

(2) URUGUAY ROUND AGREEMENTS.—The term "Uruguay Round Agreements" has the meaning given that term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7)).

(3) WORLD TRADE ORGANIZATION.—The term "World Trade Organization" means the organization established pursuant to the WTO Agreement.

(4) WTO AGREEMENT.—The term "WTO Agreement" means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

TITLE II—TRADE ADJUSTMENT ASSISTANCE

SEC. 201. ADJUSTMENT ASSISTANCE FOR WORKERS.

Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(1) in subsection (a) by striking "1993" and all that follows through "1998," and inserting "1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999,"; and

(2) in subsection (b) by striking "1994" and all that follows through "1998," and inserting "1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999.".

SEC. 202. NAFTA TRANSITIONAL PROGRAM.

Section 250(d)(2) of the Trade Act of 1974 (19 U.S.C. 2331(d)(2)) is amended by striking "for any fiscal year $30,000,000" and inserting "$30,000,000 for fiscal year 1998 or 1999 and shall not exceed $7,000,000 for the period beginning October 1, 1999, and ending December 31, 1999".

SEC. 203. ADJUSTMENT ASSISTANCE FOR FIRMS.

Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended by striking "1993" and all that follows through "1998" and inserting "1998 and 1999 and for the period beginning October 1, 1999, and ending December 31, 1999".

SEC. 204. GENERAL ACCOUNTING OFFICE REPORT.

Section 280(a) of the Trade Act of 1974 (19 U.S.C. 2391(a)) is amended—

(1) by striking "2, 3, and 4" and inserting "2 and 3"; and

(2) by striking "January 31, 1980" and inserting "October 1, 1999".

SEC. 205. TERMINATION.

Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended—

(1) in paragraph (1) by striking "September 30, 1998" and inserting "December 31, 1999"; and

(2) in paragraph (2)(A), by striking "the day that is" and all that follows through "effective" and inserting "December 31, 1999".

SEC. 206. EFFECTIVE DATE.

The amendments made by this title take effect on the date of the enactment of this Act.

TITLE III—SPENDING OFFSETS

SEC. 301. COMPUTER-RELATED ACTIVITIES OF THE DEPARTMENT OF AGRICULTURE.

(a) PROHIBITION ON FUNDING.—No expenses for computer-related activities of the Department of Agriculture that are funded through the Commodity Credit Corporation pursuant to section 4(g) of the Commodity Credit Corporation Charter Act shall be funded in fiscal year 1999.

(b) REDUCTION IN LIMITATION ON OBLIGATIONS.—Section 4(g) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(g)) is amended in the first sentence by striking "$193,000,000" and inserting "$128,000,000".

TITLE IV—MISCELLANEOUS TRADE PROVISIONS

SEC. 401. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR UNITED STATES AGRICULTURAL PRODUCTS.

(a) IDENTIFICATION REQUIRED.—

(1) IN GENERAL.—Chapter 8 of title I of the Trade Act of 1974 is amended by adding at the end the following:

"SEC. 183. IDENTIFICATION OF COUNTRIES THAT DENY MARKET ACCESS FOR AGRICULTURAL PRODUCTS.

"(a) IN GENERAL.—Not later than the date that is 30 days after the date on which the annual report is required to be submitted to Congressional committees under section 181(b), the United States Trade Representative (hereafter in this section referred to as the 'Trade Representative') shall identify—

"(1) those foreign countries that—

"(A) deny fair and equitable market access to United States agricultural products, or

"(B) apply unjustified sanitary or phytosanitary standards for imported agricultural products from the United States; and

"(2) those foreign countries identified under paragraph (1) that are determined by the Trade Representative to be priority foreign countries.

"(b) SPECIAL RULES FOR IDENTIFICATIONS.—

"(1) CRITERIA.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall only identify those foreign countries—

"(A) that engage in or have the most onerous or egregious acts, policies, or practices that deny fair and equitable market access to the United States agricultural products,

"(B) whose acts, policies, or practices described in subparagraph (A) have the greatest adverse impact (actual or potential) on the relevant United States products, and

"(C) that are not—

"(i) entering into good faith negotiations, or

"(ii) making significant progress in bilateral or multilateral negotiations,

to provide fair and equitable market access to United States agricultural products.

"(2) CONSULTATION AND CONSIDERATION REQUIREMENTS.—In identifying priority foreign countries under subsection (a)(2), the Trade Representative shall—

"(A) consult with the Secretary of Agriculture and other appropriate officers of the Federal Government, and

"(B) take into account information from such sources as may be available to the Trade Representative and such information as may be submitted to the Trade Representative by interested persons, including information contained in reports submitted under section 181(b) and petitions submitted under section 181(b) and petitions submitted under section 302.

"(3) FACTUAL BASIS REQUIREMENT.—The Trade Representative may identify a foreign country under subsection (a)(1) only if the Trade Representative finds that there is a factual basis for the denial of fair and equitable market access as a result of the violation of international law or agreement, or the existence of barriers, referred to in subsection (d).

"(4) CONSIDERATION OF HISTORICAL FACTORS.—In identifying foreign countries under paragraphs (1) and (2) of subsection (a), the Trade Representative shall take into account—

"(A) the history of agricultural trade relations with the foreign country, including any previous identification under subsection (a)(2), and

"(B) the history of efforts of the United States, and the response of the foreign country, to achieve fair and equitable market access for United States agricultural products.

"(c) REVOCATION AND ADDITIONAL IDENTIFICATIONS.—

"(1) AUTHORITY TO ACT AT ANY TIME.—If information available to the Trade Representative indicates that such action is appropriate, the Trade Representative may at any time—

"(A) revoke the identification of any foreign country as a priority foreign country under this section, or

"(B) identify any foreign country as a priority foreign country under this section.

"(2) REVOCATION REPORTS.—The trade Representative shall include in the semiannual report submitted to the Congress under section 309(3) a detailed explanation of the reasons for the revocation under paragraph (1) of the identification of any foreign country as a priority foreign country under this section.

"(d) DEFINITIONS.—For purposes of this section, a foreign country denies fair and equitable market access if the foreign country effectively denies access to a market for a product through the use of laws procedures, practices, or regulations which—

"(1) violate provisions of international law or international agreements to which both the United States and the foreign country are parties, or

"(2) constitute discriminatory nontariff trade barriers.

"(e) PUBLICATION.—The Trade Representative shall publish in the Federal Register a list of foreign countries identified under subsection (a) and shall make such revisions to the list as may be required by reason of the action under subsection (c).

"(f) ANNUAL REPORT.—The Trade Representative shall, not later than the date by which countries are identified under subsection (a), transmit to the Committee on Ways and Means and the Committee on Agriculture of the House of Representatives and the Committee on Finance and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on the actions taken under this section during the 12 months preceding such report, and the reasons for such actions, including a description of progress made in achieving fair and equitable market access for United States agricultural products.".

(2) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by inserting after the item relating to section 182 the following:

"Sec. 183. Identification of countries that deny market access for agricultural products.".

(b) INVESTIGATIONS.—

(1) IN GENERAL.—Subparagraph (A) of section 302(b)(2) of the Trade Act of 1974 (19 U.S.C. 2412(b)(2)) is amended by inserting "or 183(a)(2)" after "section 182(a)(2)" in the matter preceding clause (i).

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 302(b)(2) of such Act is amended by inserting "concerning intellectual property rights that is" after "any investigation".

SEC. 402. ENFORCEMENT OF U.S.-JAPAN INSURANCE AGREEMENT.

(a) FINDINGS.—The Congress finds that—

(1) the Japanese insurance market has historically been closed to United States interests and investment;

(2) the terms of the U.S.-Japanese Insurance Agreement have begun the process of opening the Japanese insurance market to United States interests and investment; and

(3) failure to fully enforce the terms of the U.S.-Japanese Insurance Agreement will endanger the United States investments that have occurred and those which may occur in the future.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States Trade Representative should work diligently with the Minister of Finance of Japan to fully enforce the terms of the U.S.-Japan Insurance Agreement so that Japanese insurance markets will continue to be open to United States investment and that existing and future United States investments in the Japanese insurance markets are protected.

(c) DEFINITION.—As used in this section, the term "U.S.-Japan Insurance Agreement" means the Measures by the Government of the United States and the Government of Japan Regarding Insurance, signed on October 11, 1994, as amended by the Supplementary Measures by the Government of the United States and the Government of Japan Regarding Insurance, signed on December 24, 1996.

SEC. 403. MARKING OF CONTAINERS FOR PERISHABLE AGRICULTURAL COMMODITIES.

(a) IN GENERAL.—Section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) is amended—

(1) by redesignating subsections (h), (i), (j), and (k) as subsections (i), (j), (k), and (l), respectively; and

(2) by inserting after subsection (g) the following new subsection:

"(h) MARKING OF CONTAINERS OF PERISHABLE AGRICULTURAL COMMODITIES.—

"(1) IN GENERAL.—The immediate container, as it ordinarily reaches the ultimate purchaser, of any perishable agricultural commodity excepted from the marking requirements of subsection (a) shall be marked in the manner required by subsection (a), unless an exception from the requirements of marking applies to such container under any subparagraph of subsection (a)(3) other than subparagraph (J).

"(2) DEFINITION.—For purposes of this subsection, the term 'perishable agricultural commodity' has the meaning given that term in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).".

(b) CONFORMING AMENDMENT.—Section 304(j) of such Act, as redesignated by subsection (a)(1), is amended by striking "subsection (h)" and inserting "subsection (i)".

(c) EFFECTIVE DATE.—The amendments made by this section apply to goods entered, or withdrawn from warehouse for consumption, on or after the 120th day after the date of the enactment of this Act.

SEC. 404. MONITORING AND ENFORCEMENT OF SUSPENSION AGREEMENT.

The administering authority (as defined in section 771(1) of the Tariff Act of 1930) shall closely monitor and vigorously enforce the suspension agreement concerning fresh tomatoes from Mexico that was entered into on October 28, 1996, pursuant to section 734 of the Tariff Act of 1930. If the administering authority determines that the suspension agreement is being, or has been, violated, is no longer in the public interest as set forth in section 734(d) of that Act, or no longer meets the applicable requirements of section 734(c) or (d) of that Act, the administering authority shall immediately resume the antidumping investigation suspended by the agreement and take other action under section 734(i) of that Act. The administering authority shall establish a Rapid Response Team to ensure full compliance with the agreement and speedy resolution of claims with respect to the agreement.

SEC. 405. REVIEW OF CONDITIONS ALONG UNITED STATES-MEXICAN BORDER.

(a) TASK FORCE TO REVIEW CONDITIONS.—The President shall establish a task force to review conditions along the United States-Mexican border relating to housing, labor, the environment, and other relevant issues as they relate to United States companies that are located along the border. The task force should determine the ways in which partnerships made up of public and private entities can improve conditions along the border.

(b) REPORT TO CONGRESS.—The President shall report to the Congress not later than 1 year after the date of the enactment of this Act on the results of the review under subsection (a).

The SPEAKER pro tempore. The gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 1 hour of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

☐ 1600

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matter on H.R. 2621.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this could be a fulcrum moment in America's future. This is an unusually fragile time for economies throughout the world, the likes of which we have not seen for generations.

There are only a few things that we in America can do to increase our ability to be a bulwark against decaying economies around the world and prevent their ultimately enveloping us. One thing we can do is demonstrate a clear commitment to resist the suggestiveness of protectionism, protectionism which could drag the whole world into depression.

This legislation grants the administration the authority to negotiate trade agreements and bring them back to Congress for an up or down vote. Historically it has been bipartisan, and it represents a key component to preserving our economy and helping the rest of the world for years to come.

Trade has been and will always be the force that drives our economic engine. Trade benefits everyone, workers, businesses and consumers. If we are to stay on the right economic road, we should not halt the process of opening foreign markets. We must not.

To the President's credit, his policy on trade has been very, very good. It has helped us to continue to keep a growing economy. He deserves credit for that. But it is sad that, today, the administration is withholding its support for this bill, support that was so active last year. It is sad that his strength in the past of resisting the pressures of organized labor have now come into play today, and we cannot afford to lose one month, six months or a year until we do one of the few things that we can do to help America and the world.

The U.S. is the world's largest exporting country, with exports nearing the $1 trillion mark. This economic boom has translated into approximately 11.5 million U.S. jobs which pay on average 15 percent more than non-trade related jobs. Many Americans do not know that they have a trade-related job, but it affects 11.5 million jobs.

We have been able to achieve these impressive results because we have been aggressive in expanding overseas markets. To sustain our growth and prosperity, we must continue to tap into the growing economies around the world, and we must remember that 19 out of 20 potential customers in the world do not live in this country. As a result, negotiating trade agreements that reduce tariff and non-tariff barriers to our products and our services is a win-win proposition.

Our average tariffs are already very, very low, less than 3 percent, but most of our trading partners have much, much higher tariffs: Chile, 11 percent, Argentina, 10 percent, Australia, 9 percent, Thailand, 26 percent. What do we have to fear? We have far less risk to go down from under 3 percent than we have to gain by reducing tariffs that are three, four and five times higher than ours.

Because we export more products and services than any country in the world, reducing foreign tariffs means huge savings for our industries and our workers. But, Mr. Speaker, unfortunately, we are at a standstill. Without fast track, our failure to participate in shaping the global trading system will allow our competitors to negotiate preferential trade agreements and form strategic relationships that exclude us. And that is why I say, again, we should not wait another month or six months before we act on this vital legislation.

Each month we lose is a loss for America. Since 1992 our competitors have negotiated 20 free trade agreements that exclude us in Latin America and Asia alone. We are losing orders for our products over and over again in Chile and other countries, and those orders are going to Canada and they are going to Mexico and they are going to other countries for export. The European union is negotiating in a trade agreement with Latin America that will keep us out. We can no longer afford to stand idly by.

So the legislation we consider today gives the President the authority he needs to move ahead in negotiating these vital trade agreements, and it does so without undermining Congress' constitutional role.

Congress must under this bill be consulted before, during and after trade negotiations. For farmers and ranchers, who derive 30 percent of their income for exports, this bill puts the Committee on Agriculture, in addition to the Committee on Ways and Means, in a position to review all proposed agreements before they are signed.

The United States has everything to gain by passing fast track. We have everything to lose if we fail. The choices before us are stark: We can approve this legislation and sow the seeds of hope, growth and prosperity, or we can yield to the forces of fear, protectionism and shortsightedness and cast this opportunity aside, potentially undermining the economies of the world, with America being irresistibly potentially included in that undermining.

Mr. Speaker, I hope we will support future prosperity. Support fast track, and vote for this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to this bill. I certainly agree with most of the things that the distinguished chairman of the Committee on Ways and Means has said, that if this great Nation is going to continue to grow and maintain our economic advantage, we have to remove all of the barriers to trade.

Trade is the one thing that our Nation excels in, and we have to make certain that we remain competitive. A piece of legislation like fast track or trade, as I said earlier, or taxes or Social Security, cannot be a pre-election gimmick, but it has to be, indeed, a bipartisan effort, where people who have honest differences of opinion but still want our Nation to maintain its leadership in trade sit down and work out those differences.

We cannot afford to allow the world marketplace as it relates to labor to set the standards for the United States of America. We cannot pick a country that has the lowest labor wages, no benefits, no health benefits, and allow industries in our cities around the United States to close and go there to take advantage of that particular economic advantage.

No, we must be able to say that when we trade, Americans are going to be the beneficiaries; not just those in the high-tech jobs, but those in the lower skilled jobs have to be protected as well.

I believe that our president, as other presidents, should have the right to negotiate trade contracts, and it should not be the House or the Senate that is going to dot every "i" or cross every "t". But when it comes to Americans losing their jobs, losing their pensions, losing their homes, merely because business has gone, we should be able to tell the president, you do not negotiate any treaty or contract without protecting American workers, without protecting the environment, without protecting human rights. We cannot let the free marketplace dictate the principles we believe in as a country.

So I believe that when the president is ready to sit down with us, Republicans and Democrats, we can work out fast track. Nobody is against it because it gives the President authority. People oppose it because it does not spell out the human rights and the rights of workers, which is just as much a part of our prosperity as it is to see that the stock market has improved as a result of the stability that the President has brought.

I do not know why these matters are brought up on the eve of elections. I do not know who we want to embarrass. I do not know why we just entertain vetoes. This thing is just too important to allow it to be treated in a partisan way.

For that reason, I do not know why it is on the calendar now. I have no idea what the politics is behind it. You certainly cannot have something like this be approved without bipartisan support. You certainly need the leader of the free world and the President of the United States working with you. But I suspect you have taken some poll somewhere and you think this gives you an advantage someplace come November.

I hope that you are not right, but I still believe that you should not be taking legislation like Social Security, tax cuts, and God knows what else you are going to try to do before we get out of here, and try to negotiate these things just before an election. It is important for the country, but it is important for Americans, Democrats and Republicans, it is important for the President, and I hope that soon we will be able to work a little more closely together.

Mr. Speaker, I yield the balance of my time to the gentleman from California (Mr. MATSUI), the ranking member of the Subcommittee on Trade, and ask unanimous consent that he be permitted to yield blocks of time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield three minutes to the distinguished gentleman from Oregon (Mr. SMITH).

□ 1615

Mr. SMITH of Oregon. Mr. Speaker, I thank the distinguished gentleman for yielding time to me.

Mr. Speaker, I continue to hear this question, why, why now? Why not next year? I should not have to remind members of the Committee on Ways and Means that next year we have a chance to revisit the Uruguay Round, 1999. There are many, many problems that we have in trade around the world. I should not have to advise the Committee on Ways and Means members of what they are, but let me just tick them off.

We have lost, in agriculture, 30 percent of our markets in Asia. We have been excommunicated from markets in the European Union. We have difficulty with phytosanitary problems getting into Japan, and all of that in the face of disasters in this country for agriculture, of floods, of droughts, and of course, of lost revenues to the tune of some $9 billion.

If there was ever a time that we ought to be reaching out for markets, it is now, it seems to me, especially in the face of the Uruguay Round. Without fast track, we do not have tools to sit down at the table and to discuss these problems that I have just identified around the world.

I can tell the Members, having traveled halfway around the world with my Committee on Agriculture, that the rest of the countries are smiling and chortling at us. I just left a representative from New Zealand who said, "You mean you do not have fast track? You are not going to trade? You are not going to to be involved? We thought we were allies. We are going to go into the Uruguay Round without you having fast track and the tools to trade?" He was smiling at us.

The facts are that this agreement is unlike any other that we have ever looked at. It is not like NAFTA, it is not like GATT. It is different because, especially in agriculture, for the first time in history, by the way, and I thank the gentleman from Texas (Mr. ARCHER) and the gentleman from Illinois (Mr. CRANE) of the Committee on Ways and Means for allowing agriculture to be included, not only in the consultation process, as the agreements move along, but before anything is finally penned, the Committee on Agriculture gets a chance to look at every word of the agreement. If it is no good for agriculture, it cannot pass. If agriculture opposes any agreement, it cannot pass this body. For the first time, we have generated an opportunity for agriculture to be at the table when we negotiate agreements. It is outstandingly important that we do that.

I think this is almost humorous, except it is true. This side does not want to give their president fast track. Our side wants to give their president fast track authority. I think the point remains that really no president negotiates trade agreements.

We are a Nation. We are a Nation and a leader in trade. We should be a leader in fast track. Giving this president authority is what I want to do, because I know that trade agreements can be looked at, can be consulted by Congress as we move along, so that gives me safety and that gives me comfort, because I know it will be done properly.

Please, please understand, this is the most important vote for agriculture that we will have in many, many years. Understand, this is the time we stand up for trade.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to yield 10 minutes of my time to the gentleman from Washington (Mr. McDERMOTT), a member of the Committee on Ways and Means, in support of the bill, and that he in turn be permitted to control that time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. McDERMOTT) will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I rise in opposition to H.R. 2621, reluctantly, Mr. Speaker. Today's exercise in this legislation soils our national trade policy with the mud of partisan politics. It shows a disdain for the legislative process, and it threatens to disrupt international markets and quite possibly our national economy.

I would first like to make absolutely clear that I support granting the President fast track negotiating authority that he needs to enter into trade agreements. Fast track authority is essential to maintain U.S. economic leadership by opening foreign markets to American agriculture, manufactured goods and services. I supported it in 1988, I supported it last year, I intend to support it in the future. But I will not, however, support it today.

This debate, Mr. Speaker, is not about fast track. This debate is about partisan politics. The fast track bill that we are considering today is not scheduled and will not pass in the Chamber of this House, but it is, rather, an attempt to embarrass members of my party. I will tell the Members, I will not participate in any effort to do damage or defeat any of my colleagues by using trade policy as a tool.

When the Republican leadership decided to bring fast track up in the waning days of this Congress, there was little attempt to disguise the motivations, the political motivations, behind it. In fact, the chairman of the Republican Congressional Campaign Committee was quoted in the Washington Post on July 20, 1998, specifically naming one of my Democratic colleagues, with the clear threat to use this vote against him in the upcoming election.

In addition, Willard Workman, a senior official of the U.S. Chamber of Commerce, suggested that he would rather see fast track brought up to lose, which it will, so that he could make an issue out of it in the November election. It is personally surprising to me that one of the Nation's premier business lobbying organizations would display such a reckless attitude about fast track for the sake of perceived partisan advantage.

As I said, however, today is not about passing fast track. We all know that. This bill is virtually identical to the one that was shelved last year. Since then, there has been absolutely no effort to refashion this legislation.

Many of us, including the President, worked very hard last year to pass it, but we could not muster the bipartisan support needed. The sensible and rational thing to do, if we want to pass it, would be to make changes to add additional support. But that simply has not happened. If the Republican leadership sincerely wanted to pass this bill, it would have made the necessary changes to broaden the base of support on the floor of the House.

Our colleagues have modified this bill to take care of agriculture, or at least perceived to take care of agriculture. There has really been no effort to reach out to Members in other areas of this legislation. For example, there has been no discussion on labor and the environment, about language that would implement and expand the implementation if the bill is finally passed, or other bipartisan changes that could get a majority for a good fast track bill.

In fact, this bill under consideration actually limits the President's negotiating authority, compared to the bill that President Reagan and President Bush had, which had flexibility, the law that expired.

While political points may be scored to defeat fast track on the floor today, Mr. Speaker, it will have serious and negative consequences. When coupled with our failure to pass MFN funding, funding for the United Nations, and loose talk about impeachment, this body sends a dangerous message to investors in the markets in Asia, Russia, and Latin America. A signal such as the defeat of fast track today is further evidence that the U.S., or at least this Congress, is not serious about international leadership.

Just as significantly, what happens here also sends a new signal that American trade policy is used for partisan advantage, and that strong bipartisanship in the area of free and international trade no longer exists.

I will tell the Members, we all know that the votes are not there for passage of this legislation. This is brought up only for partisan advantage. That is not the way to use trade policy in America.

Mr. Speaker, I reserve the balance of my time.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in response to our distinguished minority leader on the Subcommittee on Trade, I would remind him that there are important contents in the Archer amendment to H.R. 2621. They deal not just with agriculture.

There is one, for example, that insists that the President, with respect to any trade agreement implemented under trade authorities procedures, submit to Congress a report describing the extent to which the parties to that trade agreement have in effect laws governing exploitative child labor.

There is a new provision on agriculture, a special 301 procedure for identifying in a report trade barriers and countries that deny fair and equitable market access, and that impose unjustified sanitary and phytosanitary standards against U.S. agricultural products.

One month after the report is issued, USTR would be required to identify priority foreign countries against which it would initiate section 301 unfair trade practice investigations, resulting in possible trade sanctions against the offending country.

It also requires that the President establish a task force to review conditions along the U.S.-Mexico border relating to housing, labor, the environment, and other relevant issues.

Mr. Speaker, I would remind my colleagues on the other side of the aisle of a statement that was made in this Chamber back in January. "We all know in every way in life change is not always easy, but we have to decide whether we are going to try to hold it back and hide from it or reap its benefits. Remember the big picture here. While we have been entering into hundreds of new trade agreements, we have been creating millions of new jobs. So this year we will forge new partnerships with Latin America, Asia, and Europe, and we should pass the new African Trade Act. It has bipartisan support. I also renew my request for the fast track negotiating authority necessary to open more new markets and create more new jobs, which every president has had for two decades."

That was President Clinton in his State of the Union message here.

Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Texas (Mr. DELAY).

Mr. DeLAY. Mr. Speaker, fast track would pass tonight if the President would honor his commitments and get his party to vote for it. Who said, "I will also renew my request for the fast track negotiating authority necessary to open new markets and create more new jobs, which every president has had for two decades?" Who has traveled across the world promising to support fast track?

Who said in Santiago, Chile, earlier this year, that "The benefits for American workers and companies and consumers for expanding trade should make, in my judgment, a clear case for fast track authority. I will continue to work hard with Congress to build support for fast track"? Bill Clinton.

President Clinton was once the strongest supporter of fast track. Now, for political reasons, he has withdrawn that support. It is troubling that Bill Clinton has already concluded that he does not have the strength to win this vote, and it is astounding that he has withdrawn his support for this measure. I think that is a shame. I believe that every president must have the tools to do the job.

Our workers need trade agreements that create jobs for Americans. Our businesses need them so they can sell their products overseas. Our consumers need them so they can spend more money on their family and less money on border taxes.

The only way we can get these trade agreements is to give the President fast track authority. It is a shame that so many Democrats have played politics with trade. It is sad that so many Democrats have relied on the politics of fear and isolation. It is a scandal that the President has misled the American people about his commitment to support fast track, when negotiating trade agreements is one of his most important responsibilities.

A vote against fast track is not only a vote of no confidence in this President, it is also a vote of no confidence in the world economy. A vote for fast track is a vote for free trade and continued engagement with our trade partners. I ask Members to vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just hope that the gentleman from Illinois has picked up some votes with the major changes he made in the legislation. I suspect not, but I just hope he picked up a few votes, because he gave up so much.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. FAZIO).

Mr. FAZIO of California. Mr. Speaker, regrettably, I, too, rise to say I cannot vote in favor of fast track today. Many of my colleagues know that the gentleman from California (Mr. MATSUI), the gentleman from Maryland (Mr. HOYER), a number of us, helped lead the effort to gain support among Democratic Members in order to win a fair and bipartisan fast track proposal in the past.

Unlike some, my support for strong and fair trade policies for this country has not changed when the person in the White House has changed. It has been consistent under both Republican and Democratic Presidents.

□ 1430

We rallied the troops last year because we knew the necessity to grant the President fast track authority. Fair and timely fast track ensures, in my view, a continuation of United States engagement and leadership on the international scale that it must be.

But I must say that, unfortunately, today the timing of this vote has little to do with granting the President fast track authority or reasserting American primacy in international markets. It has to do instead, I am afraid to say, with politics. It is not fair, it is not timely, and I think it lays the predicate for further defeats, if we are not careful, when we have all our forces coming together to bring fast track to a successful conclusion in the next Congress.

Mr. Speaker, I think the International Monetary Fund issue is where this Congress should concentrate its fire. We have seen a lack of leadership in this House on this issue, and we do have in the world monetary system a sickness we have got to address. I hope that this majority, during the next several weeks, will find within itself the ability to put at the top of the list of priorities fully funding that agency, with the reforms that have been worked out in the House Committee on Banking and Financial Services.

But until we find that kind of consensus on IMF, a meaningless, politically driven vote today on fast track, which I fear has never had a chance of succeeding, does nothing but set back the cause that we have all been associated with in the past.

I am sad to take the position I do. I look forward to the day when we can put a coalition together with some modifications in this that broaden the base of support for fast track in place and pass it, but it is not going to be today.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

One more quote, Mr. Speaker, to our distinguished colleagues across the aisle. "In the last 5 years we have led the way in opening new markets with 240 trade agreements that remove foreign barriers to products bearing the proud stamp, 'Made in the U.S.A.,' Mr. TRAFICANT. Today record high exports account for fully one-third of our economic growth. I want to keep them going, because that is the way to keep America growing and to advance a safer, more stable world." President William Clinton in this Chamber in January of this year.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), our distinguished colleague on the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong support of this bill, and I regret that my colleagues on the other side of the aisle keep talking about this as political.

The truth is the last time we had this vote, the Democrats were only able to mobilize about 40 votes in support of giving the President the authority he needs to be at the table to negotiate markets for American-made goods. The fact is that, as a party, they do not believe that America's standard of living depends on selling American-made goods into other people's markets.

Yet, our growth in recent years is directly the result of our success in ever-growing foreign markets. Indeed, foreign trade creates jobs. Foreign trade raises our standard of living. And this vote is simply about this Nation's interest, the national interest, in being at the negotiating table so that we can negotiate access for American-made goods into foreign markets.

Because it is merely about selling, merely about selling our goods to others, it is about jobs. It is about standard of living. Ninety-five percent of the customers in the world are outside of America. And while we have diddled, while Congress has not been able to give the President authority he has traditionally had, Canada has negotiated 10 percent tariff cuts on their goods into the Chilean market and we have lost customers.

Last year, Europe sold more goods into South America than they ever have in history; and for the first time in history, they sold more goods into that market than the United States did because they have been at that table negotiating agreements to reduce tariffs on European goods. So they have taken customers from American manufacturers, now in droves.

Yes, not being at the table costs jobs, closes us out of markets. Being there is our future and our children's future. Vote "yes" on fast track authority.

Mr. Speaker, I rise in strong support of H.R. 2621, which would continue the 20-year history of granting the president the authority to negotiate trade agreements that then must be approved or rejected by Congress. With 95 percent of the world's consumers living outside our borders, we need to take advantage of new markets in which to sell our goods. America has the greatest workforce in the world, but to give our workers opportunity and security, we need to give them the chance to sell their products overseas.

My home state of Connecticut is an excellent example of how the global economy is transforming domestic markets. 124,000 jobs in Connecticut accounted for the approximately $8 billion of goods our state exported last year. Had fast track been in place, those numbers would have been even higher, because additional markets would be open to us. Instead, because we have not been at the table and a part of agreements that has been negotiated, we are losing customers to competitors in other countries. Why? Simply because they are at the negotiating table and have made trade agreements that exclude us.

In 1993, the year before NAFTA went into effect, Connecticut exports to Canada totaled $1.4 billion. This number grew to $1.8 billion in 1997—a 28 percent increase. Exports to Mexico have increased from $336 million to $530 million over that same period—a 57 percent increase. Increased exports, means increased numbers of jobs. And export-related jobs pay on average 13 to 17 percent more.

Connecticut companies like the toy manufacturer Lego have seen exports rise at tremendous rates—Lego's exports to Mexico have increased by 300% since 1995. Their main competitors from China do not have the benefits of tariff reductions that the U.S. negotiated under NAFTA, giving Lego the competitive advantage in that market.

Exports account for a third of America's economic growth. Business' ability to create jobs at home depends increasingly on raw ability to sell goods in foreign markets. And yet, how much we sell in other markets depends on our ability to negotiate trade agreements reducing tariff barriers to those markets. If we continue to let other nations forge trade agreements without us, they will continue to take customers from us and to take market share that will be very hard to win back.

We must restore the Presidents' power to be a negotiating force in shaping the international markets of the future. Without fast track authority, we are simply not at the negotiating table and countries are reluctant to negotiate, knowing that Congress could demand unilateral changes to any negotiated trade agreement at a later date. Let's not tie our negotiators' hand by denying them traditional authority because it makes hammering out international agreements—already an extremely difficult process—virtually impossible.

I also want to make my colleagues aware that this legislation reauthorizes the Trade Adjustment Assistance (TAA) program which will expire on September 30th. This necessary and important program assists American workers and firms who have been adversely affected by import competition. TAA plays a vital role in protecting working families, retaining a skilled and productive workforce, and allowing domestic companies the opportunity to adjust to foreign competition. It is a unique public-private sector partnership that saves and creates jobs.

The global economy will grow at three times the rate of the U.S. economy. A vote for fast track today is a vote of confidence in our workers and a vote for America's future. I urge my colleagues to support H.R. 2621.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I thank the gentleman from Washington (Mr. McDERMOTT) for yielding me this time.

Mr. Speaker, I rise today in support of the fast track authority, as imperfect as it may be. I will relate why. I think this may well be one of the most important issues we face as a Nation since the end of the Cold War.

During this century, most of the standing that this country has enjoyed in the world was really defined by military alliances. During the Cold War, it was who was on whose side, either the East, U.S.S.R. or the West, the United States. I believe in the next century the Nation's standing in the world will be judged primarily by trading alliances. I think in this global economy which we are definitely in we have to remain engaged.

It is not a hard question. If one believes, as I do, that we can grow more food in this country than we can consume, we can make more stuff than we can buy and sell to each other, we must have some means by which we sell this to somebody else, or it is an economic fact of capitalism that whoever is engaged in that surplus production is going to lose their job. That is not a political argument. That is an economic fact of capitalism.

Now, I regret very, very much that this bill is up today. We, some of us on our side of the aisle, worked our heads off last November to try to get the votes to pass this. I think we were within three or four votes when the bill was pulled. I have not seen, quite frankly, the same effort applied to bring this bill to the floor today.

As I said, I think this is one of the most important votes this Congress will take since the end of the Cold War, and I regret very deeply and very much the circumstances under which we are considering it.

Nevertheless, I intend to support it, because I think it is that important to the country. I hope after it fails today, which I assume that it will, that we can get together and do something for the country, not our political agendas.

Mr. CRANE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I have another quote for everyone that, interestingly enough, is germane to our current situation in the Florida Keys. "And I think we should say to all the people we are trying to represent here that preparing for a far-off storm that may reach our shores is far wiser than ignoring the thunder until the clouds are just overhead."

That was a reference to some of the economic problems with our trading partners in Asia, and again part of the State of the Union message by President Clinton in this body in January of this year.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Speaker, I rise in support of fast track. I was not ready for the vote the last time, because I thought that there were some things that we could do as far as protection of our jobs, as far as the environment, but I voted on it. It may not be the appropriate time now. I do not know when an appropriate time is.

But I will tell my colleagues the thing that I worry about. This is not just an intellectual discussion here in this Chamber. We are living in a real world, and the world is passing us by, particularly now with the emphasis of the Asian flu.

I have taken groups down to Chile, to Argentina, to Mexico, to other parts of the world, all privately sponsored, and the one thing they ask is, "When are you going to give the President the authority to negotiate with us, not just on a bilateral but a multilateral basis?"

Mr. Speaker, I think it is so important that we do that. Time is important. It is not just an intellectual argument or a legal argument. It is an argument that has to do with business expansion. And countries and institutions and industries are passing us by, and I think it is very important we look at that.

Another thing I think is important we look at is separate the two economic issues. People say we have to protect our jobs. Therefore, we cannot have fast track. But protecting our jobs, there are things we can do through 301, super 301, section 201 of the Trade Act.

But to protect our jobs by not allowing our salesmen to go out and sell our products is crazy. Ninety-six percent of the customers of this world are outside of this country. We have got to reach them. Time is against us. We must pass this legislation.

Mr. MATSUI. Mr. Speaker, I yield 2½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding me this time, a gentleman who has been one of the great leaders on this issue on our side of the aisle.

Mr. Speaker, I rise as someone who supported NAFTA, who supported GATT, who has voted for fast track, and who was one of the 42 Democrats ready to vote for fast track, which was not brought to the floor just about a year ago.

I rise as someone who is going to vote "no." I rise lamenting the fact that this issue has been so politicized, an issue that the chairman of the Committee on Ways and Means rightfully said is critical to this country.

There has been no bipartisan discussion on fast track this year as there was last. I rise in opposition to this being brought to the floor because I think it hurts this effort; it does not help it. The gentleman from Texas (Mr. DELAY), the majority whip, came to the floor and intimated that Bill Clinton, the President of the United States, had withdrawn his support. President Clinton has shown more courage on trade than any president under whom I have served or with whom I have served.

This issue should not go forward now. Why? Because it is critical that we pass fast track. And I am going to support it next year. I will tell my friends, I am voting "no" now, and next year I will be asking a lot of "noes" to vote "yes." I think that may get us to a majority. I am not sure, because my colleagues on the Republican side of the aisle have put this in the context of putting at risk this issue 5 weeks before an election for political purposes solely. That is the only reason this bill is on this floor right now.

The chairman said we ought to resist the seductiveness of protectionism. I agree with that. Let me repeat. The chairman said it is a shame that we do not resist the seductiveness of protectionism. I agree with that. Let me also say it is a shame that we have not resisted the seductiveness of political advantage in bringing this bill to this floor this day.

There is no one on this floor who believes this bill is going to pass today. Not one. Not on the Republican side and not on our side. And even if it did, there is no one on this floor that believes that it could get through the United States Senate. So the only thing that the Republicans are doing is perhaps making it more difficult for us in February or March of next year, in a bipartisan way, coming together on behalf of America, not on behalf of Republicans or Democrats but on behalf of a more competitive, economically vibrant America, to pass this legislation to empower our President to negotiate.

Mr. Speaker, I hope others will join me in voting "no" today and "yes" next year when we have an opportunity to pass this legislation.

□ 1645

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, this is a bizarre debate today. I guess the bottom line is, if you are for fast track, you think this legislation as presented to the House today makes sense, vote for it. Then we can pass this thing. If all the Members who have come up here and said that they are for free trade truly are for free trade and are sincere about it, we can pass this thing.

This is a bizarre debate in another respect. For years Ronald Reagan and George Bush got fast track authority from a Democrat Congress. They went out and they negotiated agreements that were in the interest of this country. Now we have a situation where President Clinton is coming before a Congress that is dominated by Republicans, and the Republicans are willing to give him fast track authority to negotiate on behalf of our country to open up foreign markets. Yet the Democrats are not giving it to their own President. It has only lapsed twice in history, in 1988 and again in 1993. This is the longest lapse in duration by far.

It has been 6 years since this President has had full fast track authority. We need to provide it. Thirty percent of our growth in our economy is directly related to exports. We have the freest market in the world. We need to knock down the barriers in these other countries. We have a whole slew of multilateral agreements that are being negotiated over the next couple of years. We have to be at the table.

The fact is, we are not going to be taken seriously either by individual countries in our negotiations on a bilateral basis or by the rest of the world on our multilateral negotiations unless the President has the authority under fast track to bring an agreement to this Congress for an up or down vote.

Remember, we retain our right to turn down any agreement we do not like. So this is not even about specific trade policy issues. This is about allowing the American economy to move forward. We cannot stick our heads in the sand. We are living in a global economy. We need to have America out there as a leader in that global economy to make it a freer economy, to help with regard to jobs and exports in this country.

I urge my colleagues, forget the politics. Forget the Republicans and the Democrats. Do what is in your heart. If you really believe in free trade, vote for fast track today.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding me the time.

Just this week Levi Strauss announced the layoff of 6,395 U.S. workers at 11 plants. Kodak has announced plans to lay off up to 14,000 workers, and hundreds of workers at Huffy Bicycle in Celina, Ohio have just gotten the pink slip.

By voting no on extending fast track authority today, this House has the opportunity to redefine U.S. trade negotiating policy from one which gives away the store to one which establishes an international trade regime of fair and reciprocal trade with our trade competitors.

Just look at the evidence on agriculture. The consultation provisions included in this bill have no practical effect. They mean nothing. Just with our NAFTA trading partners on this continent, what had been a surplus has now turned into a $2 billion negative balance, adversely impacting our agricultural trade sector. Existing trade agreements adversely affect U.S. farmers by lack of inspection on food safety, surges in agriculture imports, an inadequate trade dispute resolution system, and no way to hedge currency fluctuations.

Overall since the Trade Act of 1974, where fast track was first approved, our trade deficit has moved from $9 billion to $220 billion.

Vote no on fast track. Stand up for the U.S. standard of living.

By voting no on every Fast Track authority today, the House has the opportunity to redefine U.S. trade negotiating policy—from one which gives away the store—to one that establishes an international trade regime of fair and reciprocal trade agreements between our nation and our trading competitors.

Look at the evidence on agriculture provisions: The consultation provisions in the modifications made to H.R. 2621 in regard to agriculture issues have no practical effect. Just with our NAFTA trading partners, what has been a surplus imports rose by $3 billion and exports by only $1 billion—a $2 billion negative impact on our agricultural trade balance. Take the Florida tomato industry, for instance. In 1991, Florida had 300 tomato producers. In 1995, there were only 75.

The problems existing trade agreements have created that adversely affect U.S. farmers include: Lack of inspection of food imports; Surges in agricultural imports; An inadequate trade dispute resolution system; and Currency fluctuations.

Overall, since the Trade Act of 1974, implementation of fast track, the U.S. has suffered a negative merchandise trade balance. From $9 billion in 1976 to an estimated $220 billion in 1998.

The problem is not trade but our trade policy. Our trade policy serves the needs of nominally American multinational corporations whose business visions and plans are global in scope and which maintain no national allegiance. Our trade policy has failed America's small businesses families, America's working families, and America's consumers.

When a multinational conglomerate moves a factory overseas, the local grocery doesn't go with it. The auto parts store loses its customers. Small supplier companies lost their customer. American small business hurts. Real wages for American working people have fallen since 1973. Consumers pay as much for an Arrow shirt made in Thailand as for the same shirt made in the U.S.

Fast Track is not required for good trade agreements. It is required to get bad trade deals through Congress.

This Administration has negotiated 220 plus trade agreements without fast track. The fast track bill we consider today actually puts limits on the President's negotiating options rather than giving him a free hand to negotiate.

Our trade balance with MERCOSUR countries has steadily improved since 1990 (from −$3.2 billion to +$9.2 billion in 1996) without a free trade agreement. MERCOSUR countries have an average tariff of 14%.

China is touted as the great new market for American exports. The average annual income in China is $2,200. China has many tariffs on consumer goods of 40% or higher. Imports to China have to survive an obstacle course of non-tariff barriers including import regulations that are not even published. China demands technology transfers to accompany the importation of high-value-added goods in order to develop domestic competition.

NAFTA's promises have proved illusory. Our trade surplus with Mexico has become a $16 billion trade deficit. NAFTA has eliminated 400,000 job opportunities in the U.S. The labor and environmental side agreements have provide toothless and unworkable. Just this week Levi Strauss announced the layoff of 6,395 workers at 11 plants and Kodak has announced plans to lay off up to 14,000 U.S. workers; 100's at Huffy Bicycle in Celina, Ohio.

NAFTA has failed Mexico. The Mexican standard of living has been cut by 50% Maquiladoras have increased not decreased and their employees live in squalor. Most U.S. exports to Mexico turn around and come back as imports. The Mexican market for U.S. exports has been a disappointment.

The solution is a U.S. trade policy that demands reciprocal treatment of labor and environmental issues on a par with market access and tariff issues.

Vote no on fast track!!!

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

I would simply like to remind all of the colleagues in this Chamber that the gentlewoman's concern about that escalation of our imports is not an invalid one. As we all know, yesterday we vastly increased the import of skilled labor because we lack labor in this country to meet all of the job requests.

Mr. Speaker, I yield 1½ minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I rise today in strong support of fast track negotiating authority.

Today's vote is quite likely to be the most important vote of the 105th Congress, and it could not come at a more important time. Forty percent of the world's economy is in recession. The Asian financial crisis has spread from Thailand to Indonesia, to Korea, to Russia, and it now stands on Brazil's doorstep. If Brazil succumbs to this crisis, Argentina, Mexico and the United States are not far behind.

With many countries retreating from their promises of trade liberalization and financial modernization, this is a crucial moment for the world's economy and for world growth. A setback for fast track in the 105th Congress, be it last year or this year, is a setback for United States leadership for trade liberalization. It is a setback for the appropriate and necessary trend toward the establishment of market-oriented economies throughout the world.

Mr. Speaker, as one who also supports fundamental reexamination and reform of the international financial architecture, I believe that fast track negotiating authority for the executive branch is very much relatedly of paramount importance in this time of global financial crisis and perhaps a slide toward global recession. The ability of the United States executive branch to initiate and conclude bilateral regional and global trade agreements is absolutely crucial for worldwide economic growth.

I believe that the President of the United States and a majority of Members here understand that. Protectionists in this country want to make this fast track vote a referendum on international trade, on GATT and NAFTA. This Member says, let it be a fair reform under fair rules, a fair referendum.

I urge my colleagues to support fast track legislation for the President.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I rise in support of the fast track legislation. I supported it last year. I think it is the right thing to do. I think the future of our economy is directly tied to trade.

But I think it is a mistake to take this bill up today. The chairman of the Committee on Ways and Means talked about the delicate markets that we face right now. Everybody knows this bill is going to fail. So here we have a situation where the House of Representatives is going to vote down fast track trading authority. We have been incapable of mustering support for the IMF recapitalization. We look like we are probably doing away with the fiscal responsibility that started just a few years ago through the highway bill and through the tax bill. So as the world financial situation worsens and starts to affect us, America appears to be turning inward, at least if we look at the House of Representatives. I think that is a terrible mistake.

The gentleman from Texas (Mr. DELAY), my colleague, and the chairman of the Subcommittee on Trade quoted the President in his State of the Union address he gave earlier this year. They did not quote the part where he talked about the IMF. And the fact is, you all cannot get it out of your own conference. The votes are here to pass the IMF bill between our side and your side, but you cannot get it out of the political debate in your own conference.

The fact that we are having this vote today, it is not about trade. It is not about good policy, although I think fast track is good policy. It is about politics. That is what it has come down to. Maybe that is the way end of sessions are. It is all about politics. We are going into an election.

The problem is, the people out in the country are looking at this and they are looking at the House and they are saying, they cannot do anything. They are a paralyzed body. But even worse, the markets around the world look at it and say, they cannot do anything. The United States is paralyzed. And that just undermines confidence and increases contagion further throughout the world.

Who pays for that? The American worker that we are all talking about today.

It is a real shame that the House is taking this up when they know it is going to fail. It is going to make the United States look bad. I will vote for it, but I think it is a big mistake.

Mr. Speaker, I rise in support of this legislation to grant the President fast-track authority to negotiate international trade agreements because I believe that expanded trade is good for our economy and good for American workers. However, I strongly disagree with the majority's decision to play politics with this issue by scheduling this vote today when it is clear the votes are not there to pass this bill. This decision undermines this nation's long history of bipartisanship on trade issues, poisons the long-term prospects for such legislation, and in the short-term risks further destabilizing world markets already experiencing the greatest instability and weakness in 50 years. The decision to hold this vote today puts partisan politics ahead of international leadership, to the detriment of our own economy and the world economy.

Let me be clear. I strongly support extending fast-track authority to the President. In anticipation of last year's vote, and after discussion with constituents, including labor and industry, as well as government officials and economic and trade experts, I announced that I would vote in support of the fast-track legislation. I did so because I believe that expanded trade, through agreements that reduce foreign trade barriers and open new markets for American products, is vital to growing our economy, raising our standard of living, and creating high-skilled, high-wage jobs. However, I announced my support only after having secured from the President a commitment to significantly expand our nation's trade adjustment assistance programs to help those who are hurt by trade. While I believe that trade helps our economy as a whole, we must recognize that some industries and some workers are hurt by trade, and we need to put in place a comprehensive trade policy that seeks to maximize the benefits and minimize the harm. I remain strongly committed to an economic policy that includes free and fair trade that reduces foreign trade barriers to American products, while ensuring that all Americans share in the benefits of trade through trade adjustment assistance and retraining programs.

While I agree philosophically with the intent of this legislation, I believe it is short-sighted and dangerous for the majority to hold this vote today. Global markets are looking to the United States for stability and guidance as global financial markets move through this difficult era. As Federal Reserve Chairman Alan Greenspan noted in his testimony to the House Banking Committee on Wednesday, world leaders, including the U.S. Congress, must pay very close attention to the potential harm of the global financial crisis to their own countries. In a time when we see contagion in Asia, a collapse of the Russian economy and the economic turmoil in Latin America, we simply cannot take our vote on fast-track lightly.

By voting on this bill today, which has no chance for passage, this body is taking a very irresponsible action that places short-term political goals ahead of assuring global markets of our nation's commitment to financial security and free markets. The end result of this politically motivated effort will only make passage of fast-track even less likely during the next Congress. While I will vote "yes" on final passage, it is only with the most reluctance and hesitation.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), our distinguished colleague on the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the chairman for yielding me the time to speak on this most important piece of legislation.

So much has been said on both sides, by Members on both sides of this issue and on both sides of the aisle, about what is happening in the world economy today. And some of those things, when you really zero in on them, are rather frightening.

All this legislation does is to give the President the authority to go to the bargaining table to work out some type of a trade agreement, free trade agreement. And then, with the expectation and the knowledge and the fact that that particular treaty has to come back to this body and to the Senate for ratification. We in no way empower the President to do anything. We simply give him the guarantee of an up-or-down vote on whatever he might negotiate.

Now, for most of the Members that would seem so logical, but politics has gotten into this thing in an incredible way and an incredibly bad way. The unions are out there negotiating or trying to lean on their Members to vote against the fast track authority, when the fact is and the bottom line is that the higher-level jobs stay here in the United States, and those are the type of jobs that these unions want to attract to the United States. I never could understand that exact reasoning.

I think most important, even if you are not a free trader, the rest of the world is becoming a free trader. We are not there. The rest of the world is moving ahead. We are standing still in a protectionist situation. This is what this is all about.

If we were able to pass fast track within the next hour, hour and a half, that would probably be one of the most important votes that we could take in this session of the Congress that show that we are moving ahead. How can the strongest, largest economy that has ever been on the face of this earth be afraid of free trade?

We are the world's greatest exporter, the largest exporter in the world. Our jobs depend upon it. With all of the problems that are going on in the other economies, let us pull together and pass fast track today. Let us give the President the authority that he needs to move us ahead in the world economy.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume, just to mention to the gentleman, if you want to pass fast track, all you have to do is get the law that expired in 1994, which we passed in 1988, put it on the floor, and you will probably have 250 votes. But you do not want to do that because you really do not want this bill to pass. You want to use it for partisan advantage.

Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding me the time.

This is a sad moment for me because I came to Congress believing in enhancing the United States role in a global economy. I represent a State which has prospered mightily from trade. I have enjoyed working with my colleagues the gentleman from California (Mr. MATSUI), the gentleman from New York (Mr. RANGEL) and with members on the other side of the aisle like the gentleman from Illinois (Mr. CRANE), the gentleman from California (Mr. DREIER) and the gentleman from Arizona (Mr. KOLBE) in the development of a bipartisan trade policy.

Last year I was part of an effort, and we came close, there were maybe 210 Members who were willing to vote. But because we were not quite close enough, the Republican Speaker and the administration pulled it back.

Now, in an increasingly partisan atmosphere, the Republican leadership has recklessly endangered our progress and will produce not just fewer Democrats, there will be fewer Republicans that will vote for this bill than we claim to have had last year.

It will undercut our progress on environment and labor. It is a blatant partisan effort that will freeze some of the positions on both sides of the aisle. It toys with Members who really do care about this issue. And by producing today fewer Republicans, fewer Democrats, we are going to send a negative economic signal both at home and abroad.

Most sadly, it shatters the bipartisan trade leadership efforts that Members have worked so hard on on this floor.

I will personally work to restore that bipartisan coalition, work to build bridges, listen to and deal with the legitimate concerns Members have. But this failure that is going to occur today does not underscore the weakness of this President. It talks about the recklessness of the Republican leadership that is not going to be able to produce the same amount of votes that they claimed last year. I am not going to dignify this political act with a yes vote. I will vote present, and I urge others to do similar or vote against it.

I thank the gentleman for yielding me the time.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume to remind our distinguished ranking minority member that there was obviously something substantive in this bill when he voted for it in committee. I am sorry that the gentleman changed his position with the passage of time, because we need that kind of important bipartisan support.

Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Minnesota (Mr. RAMSTAD).

Mr. RAMSTAD. Mr. Speaker, I thank the distinguished chairman for yielding the time to me.

Mr. Speaker, if ever we needed to put statesmanship ahead of partisanship, it is here and now. We can move forward, remaining engaged in the global marketplace, or we can turn backward and isolate ourselves, driving a stake into our economy and saying goodbye to thousands of lost jobs.

As has been said before, the world economy will move forward with or without us. Our trading partners will continue to negotiate and enter into new trade agreements which grow their businesses and create new jobs in their countries.

Look at the last 20 major trade agreements enacted in this hemisphere since fast track expired. Where is the United States? Left out of all 20 major agreements. Around the world, believe me, Mr. Speaker, major exporting nations are hoping that Congress votes down fast track authority tonight.

□ 1700

Our competitors win if the world's largest economy is excluded from trade negotiations, pure and simple. As a Minnesotan and a member of the Subcommittee on Trade, I have seen firsthand the value of exports and increased trade to U.S. workers. My State of Minnesota is the 12th largest exporting State. The Twin Cities, which includes the Third Congressional District, is the eighth largest metropolitan area in terms of exporting in the Nation. Eight percent of Minnesota's gross State product is exported to other nations. Minnesota's exports over the last five years have grown 150 percent. Jobs have increased 25 percent.

But, Mr. Speaker, we cannot sit still. We must pass fast track to continue to grow our economy. Farmers in Minnesota and the rest of the Nation need the expanding markets in Latin America and Asia. Our high-tech manufacturers need them. Intellectual property needs them. Fast track is needed to break down the barriers to those critical markets.

The gentleman from New York (Mr. HOUGHTON) told us that 96 percent of the world's consumers live outside the United States. We cannot ignore them. Let us not leave America's workers, farmers, consumers and businesses behind. Let us put statesmanship ahead of partisanship. Let us pass fast track and keep America competitive.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume. I just might mention to the chair of the subcommittee that we did not even bring this bill to the committee nor subcommittee. We just brought it right to the floor because you were so anxious to make a political point.

I might add also last week in Congress Daily AM, "One senior Republican aide appeared to view the bill as a loser, indicating that the leadership's decision to press is based upon political calculations. 'The decision to do it is to show business who is in the camp of business and who is in the camp of labor.' "

That is a great way to pass legislation. You know this bill is not going to pass. All this rhetoric about how we really need fast track is just that. It is rhetoric. This is not a debating society. This is to pass good legislation. But you are incapable of doing it because you folks do not know how to compromise. We passed NAFTA. We passed GATT. We passed the MFN China. You cannot pass legislation, because you just do not know how to compromise and make deals. That is the problem. You like to just talk about it.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time. I would agree with everyone who has said that we need free trade. I would agree with everyone who says that we need to give the President fast track authority to negotiate free trade agreements. But we need free trade that offers fair treatment for America's workers and offers protection of our environment. And we need a bill to vote on for fast track authority that is not encumbered by politics.

Everyone here, as has been said before, knows that this bill is not going to pass. If you believe it will, then you should stand up here and say that you are willing to put your month's paycheck behind that. Yet we are five days away from the end of this fiscal year. On day six, we would have to shut the doors of government down because we do not yet have a budget in place to allow us to operate the government for the next fiscal year beginning October 1. Were it not for a short-term, stopgap, emergency continuing resolution that passed this House that allows us to operate until October 9, we would be preparing to close all of the doors of government down, from our parks to our Defense Department to our Department of Justice, in five days.

Today we are taking time to discuss fast track authority when we know it will fail, when we are five days away from closing down the end of the fiscal year and only one of the 13 appropriations bills that we need to have a full budget for the next fiscal year has been sent to the President for his signature. Why are we doing this? We know what is going to happen. October 9 will come and we still will not have those 12 other appropriation bills passed. We are not doing our work. We know this will not pass. It is clear six weeks away from an election, a point is to be made. That point could have been made without jeopardizing the future of free trade for this country, of good fast track authority for the President.

It is unfortunate that politics again has taken over this House and has doomed what should otherwise be a good opportunity to have free trade authority and fast track authority for this President.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume. I would remind our colleagues that job relocation has always been a component of trade. Because of NAFTA, the Department of Labor estimated that we did lose 125,000 jobs, but only 10,000 of those people took advantage of the NAFTA retraining benefits. That was over the span of three years. We create more than 125,000 jobs every two weeks. We have been, primarily because of the advancement of free trade.

Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding me this time. I would say to my colleagues from rural districts, this fast track bill has some of the most important pro-agricultural language in any bill you will vote on this year. A vote for fast track is a vote for United States farm families.

A provision in our fast track bill not included in any other version that has passed the House before in the 1980s or any other time, Special 301 for agriculture, requires the Trade Representative to place a much higher focus on our Nation's farmers every year, initiating cases against those countries with barriers to U.S. agricultural products. There is no doubt about it, our farmers are hurting this year. Why? Part of it is weather. In my own congressional district we have had half the rain of a normal year. But a lot of it also has to do with international conditions. South American countries had a bumper crop this year, pushing worldwide crop prices down. The Asian economic crisis pushed prices down further, because Asian demand has plummeted. The lack of demand is cutting U.S. agricultural exports by $2 billion or more, according to USDA estimates.

But we need to be able to tell our farmers in 1998, "We're going to help you, we're going to help you increase your share in international markets when a strong dollar or weak demand are working against us. We are going to help you get good prices and a fair farm income."

Trade is one of the most important tools we have to increase farm income. Last year our farmers exported $57 billion in agricultural products. With a $21 billion trade surplus last year, farmers made the largest dent in our trade deficit of any industry. Special 301 for agriculture helps address trade barriers. Under Special 301, when the U.S. Trade Representative makes their annual report on trade barriers, they must identify as priority countries those nations whose agricultural trade barriers have the most harmful impact on U.S. agricultural products. After identifying those countries, USTR is required to negotiate removal of the discriminatory barriers. If negotiations are unsuccessful, the U.S. can take retaliatory action under 301.

I am pleased to have worked on this provision with the gentleman from Minnesota (Mr. GUTKNECHT). I urge support of the bill.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, as a Democratic supporter of fast track, I say here today that the Republican leadership of this House has killed the possibility of fast track's passage for years to come.

Let us be clear about what has happened and let us be honest about what has happened. Republicans have enough votes right now today to pass fast track without one single Democratic vote. You know that and I know that. But you also know you cannot do that, because there are a lot of Republicans not supporting fast track. So what you have done basically is to say, "We can't pass it on our own," and then you gleefully let your leaders go out and say this is a great vote to have right before the election because it will give Democrats grief, and then you make no real effort to put together a bipartisan bill, and then have the audacity to have some Members come to the well of this House and blame the defeat of this on Democrats. I would say that is disingenuous.

I want fast track to pass. I think it is the right thing to do. But I hope that every American farmer and rancher and every American business that understands the importance of fast track knows that the Republican leadership today is putting the nail of death into the coffin of fast track's passage.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume. One more quote:

"As we enter the 21st century, the global economy requires us to seek opportunity, not just at home but in all of the markets of the world. We must shape this global economy, not shrink from it."

That again is President William Clinton in this Chamber in January of this year.

Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, this is not a bipartisan bill? This is a bill that just a few months ago the

President would have signed and many of you voted for it in committee and would vote for it.

I am really disappointed in some of my colleagues on the other side of the aisle. What I hear them saying is they are more concerned about protecting some of their Members from a controversial vote that splits their coalition than in passing fast track. Frankly as one of the Republicans who voted for IMF funding over objections from some of my leadership, I do not think it is statesmanship, I do not think it is the right direction for the country, and I do not think you are giving cover to anybody by voting "no" on this or fooling anybody.

But meantime, the world goes on. Dozens of treaties are being negotiated around the world between countries while America simply sits on the sidelines. Chile, the fastest growing economy in the western hemisphere, has new trade agreements with every country in the western hemisphere except for Cuba and the United States. Their markets now buy more from European countries than from the United States because we have not been able to sit down and negotiate agreements with them because we sit idly by in the House waiting for, I guess what people on the other side would wait for an opportune time, which I gather now is sometime after the election when they believe their coalition is not split.

Our experience with amendable trade agreements goes way back to Smoot-Hawley and shows that it does not work. We need fast track legislation. This is the longest expiration that we have had in history. With 95, 96 percent of world consumers living outside the United States, it is important that the surpluses that we have in this country, whether it is computers, whether it is food and agricultural products, that we be able to sell these at a fair price and penetrate other markets. Without this, we cannot move on.

A "no" vote today just kisses this off to six months or a year from now. In the meantime, American consumers suffer by paying higher prices and American exporters lose jobs.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the gentleman for yielding me this time. Mr. Speaker, we in Minnesota and Michigan's iron ore and mining industry and the lower lake steel mills must never forget the harsh lessons of the 1970s and 1980s. We paid a terrible price for unfair trading practices in steel and iron ore. We lost 330,000 jobs in the basic steel industry in America, a 57 percent reduction in jobs, 450 plants closed, nearly 10,000 jobs permanently lost in Minnesota's iron ore, mining and taconite industry due to subsidized imports of steel from Japan, Korea, Europe and Brazil.

Our domestic industry since then has modernized, spent $50 billion in new plant and equipment, producing the highest quality steel in the world. Our productivity stands at four man-hours per ton. Our plants give the best quality steel at the lowest cost. Yet steel imports have surged in May, June and July this year, 113 percent up from Japan, 90 percent up from Korea, 32 percent up from Russia, Ukraine and others. From Latin America and the Caribbean, imports stand at 4.7 million tons for the first seven months of this year alone. We are on a pace toward 36 million tons of steel imports in America, 26 percent of domestic consumption. Layoffs are already happening in basic steel and in the iron ore mining industry in Minnesota and Michigan.

I say no fast track in the face of unfairly traded steel, dumped in the U.S. market at subsidized prices with the label "Japanese steel at Russian prices imported from Latin America."

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, they get up at the crack of dawn and they work 18 hours a day. They take care of their animals. They cultivate their crops. They repair the roofs of their barns that have been torn off by savage winds. They are preparing to go into the field, to cultivate the corn, to harvest it, to sell it. Harvest time is the time to pass fast track. Because without fast track, American farmers have lost 78 million bushels of corn in sales to Chile and three other Latin American countries to the Argentinians. Because Argentina has an agreement with those four Latin American countries and we do not.

□ 1715

Let us talk about the people. Let us talk about the farmers who are directly suffering as a result of the President's failure to lead the Nation in adopting fast track. They are the ones that are suffering. Them. The ones who work all those hours. And to the men and women at the Neon plant in Chrysler, they could not sell 4000 Neons to Chile. Mexico sold those Neons to Chile because Mexico has a free trade agreement with Chile and the United States does not. Four thousand automobiles could have been manufactured in this country, and they were not because we do not have fast track.

Mr. Speaker, it is the people that count.

Mr. McDERMOTT. Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa (Mr. BOSWELL).

Mr. BOSWELL. Mr. Speaker, I thank the gentleman for the opportunity to come and speak this afternoon, and I welcome the opportunity to finally see a vote on fast track. I deplore the games that have been played with American farmers and others who depend on trade.

Since last summer I have fought to include child labor provisions in the fast track legislation. Like many of my colleagues, I have lived outside the country for 9 years of my life, and I have seen firsthand some of the miserable conditions, some of the rotten conditions under which some children have to work. As the one true leader of the world stage, I believe the United States must be concerned about those who are least able to protect themselves, the children.

Mr. Speaker, I have worked with the administration and leaders from both sides of the aisle to have fast track legislation that will consider child labor in countries with which we negotiate under fast track. This bill make an important first step in this direction. As of last night, and I thank my colleagues, as of last night the bill requires the President to focus on the laws governing the exploitative labor and submit to this body a report on the Nation's child labor laws.

I might share with my colleagues that the amendment that I had tried to bring before this body did much the same thing. It said a country which we would deal with would have a standard for child labor, and, second, that they would not force their own standard, not saying what it would be. I think this accomplishes much the same thing.

So, Mr. Speaker, I claim that partial victory and I feel very good. Last year I worked very closely with the administration to support my child labor language, and the President did support my efforts and agreed to my language, and I have a letter here that affirms that, that precedes the fact that we made this effort.

This fast track bill gives farmers a fair shake in fast track negotiations. The legislation requires the trade representative to identify countries that deny fair and equitable market access to U.S. agricultural products. Also, before entering into negotiations that reduce United States tariffs on agricultural products the President must consult with the agricultural committees of the House and Senate. Involving the ag committee is a very good addition to the process.

Make no mistake, fast track is an important part of the long solution for the world economy. What our agricultural community needs in the short term is to fully fund the IMF. I have always supported fast track, and I have always supported provisions that contemplate child labor. Today I declare a partial win and am pleased to vote for fast track. Both of these are important measures.

Mr. CRANE. Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from California (Mr. CALVERT).

Mr. CALVERT. Mr. Speaker, I rise today in support of fast track trade legislation.

For the last several years the majority in Congress has eliminated the deficit, produced tax relief for the first time in 16 years and reformed welfare. The result has been a strong American economy. And Congress today has its role to play again. We cannot allow the current global economic crisis to slow U.S. economic growth any further.

By denying the President the ability to negotiate fast track trade agreements we are hurting the long term prosperity of our country. We in Congress must send a strong and clear signal to our citizens and the world that we are willing to make the tough decisions today to secure prosperity for our children.

Mr. Speaker, I urge all my colleagues to support fast track legislation. It is the right thing to do. As was mentioned, 95 percent of the customers are outside of the United States. Keep our country strong, support fast track.

Mr. MATSUI. Mr. Speaker, I ask unanimous consent to yield 2 additional minutes to the gentleman from Washington (Mr. McDERMOTT) who is a member of the Committee on Ways and Means and that he in turn be permitted to control that time.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, the American people oppose fast track by a 2-to-1 margin because they see existing trade agreements that do not do enough to protect living standards or to keep our food, air and water safe. Some Members of this body feel that because we are in an economic boom like we have never seen before that the American people should support fast track to give our industries an even stronger economic boost. But while the rich of America are enjoying the good times of economic prosperity, I am constantly reminded in my district that there are no good times to be poor, but some times are worse than others.

Now we understand the question is not whether we should trade. Of course we should. There is no turning back from our global economy. But we also must understand that how we trade makes a big difference.

Mr. Speaker, I heard an old African proverb that says when elephants fight it is only the grass that gets trampled. Do not let this fast track further trample the lives of every day people. I ask that we vote against fast track and vote to save decent jobs for the American people.

Mr. CRANE. Mr. Speaker, I yield a minute and a half to our distinguished colleague, the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I just want to say that some of the debate I have heard so far today on the floor of the House is almost embarrassing. We have literally heard Members say:

I would have voted for this bill 6 months ago, and I will vote for it in January, but I cannot vote for it now.

Mr. Speaker, it almost gives hypocrisy a bad name even here in Washington.

This is a very important vote, and as some of my colleagues have already pointed out, many of our farmers are in the middle of the harvest right now, and, frankly, we need to make sure that that harvest has a market.

As my colleagues know, a lot of people have criticized the farm bill and they say farmers are going broke today. Well, of course they are. We have lost $5 billion worth of exports. Trade was at record high back in 1996, and so was farm income, and it is no coincidence. Exports have dropped, and so has farm income. We cannot eat all that we produce here in the United States. Trade is critically important to us, and I want to call attention to something that the gentleman from Iowa (Mr. BOSWELL) said just a minute ago and the gentleman from Michigan (Mr. CAMP) said earlier as well:

This bill has in it super 301 language so that our government is now going to be responsible for enforcing the trade agreements that we have. Heretofore we have required that the trade groups have actually had to enforce them.

In the end, Members, this is a debate between those who believe that America can compete in a world marketplace and those who believe that America cannot. I, for one, am not willing to give up on America's farmers or America's workers because I believe that America can and will and must compete in a world marketplace.

Mr. McDERMOTT. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in strong support of fast track legislation. Fast track authority will ensure that the agricultural trade success story does not reach an untimely end and that we maintain our position as a leader in the global economy.

But it is not the esoteric language of economics and trade ratios that motivate me on this issue. It is people and especially the people of west Texas who I am privileged to represent. My farmers and ranchers are hurting, and so are all the people who have business related to agriculture. In the absence of recent trade progress, my constituents have lost ground and see their incomes decrease by 30 percent. They need a ray of hope that markets will soon open up and allow them to keep and expand jobs and care for their families.

Mr. Speaker, H.R. 2621 would renew the authority necessary to renegotiate new trade agreements aimed at achieving these objectives.

To those who oppose this legislation, that is all we are talking about is sending our negotiators back to the table.

To the Republican leadership I say that I sincerely hope in the process of making the judgment to bring this bill to the floor; today they have done everything in their power to make sure this measure succeeds. If this was a reckless gamble on their part, I fear the message that failure will send to our trading partners around the world.

To my colleagues on the Democratic side of the aisle who support free trade but have been frustrated about the process, let me say I understand their frustration, but it is time to put people above politics. Our constituents who need jobs, who need opportunities, look at our partisan squabbling as just so much childishness. Adults are expected to know that there comes a time when it does not matter who is at fault. They just have to take the circumstances they have been given and try to do what is right.

Mr. Speaker, I appeal to my friends on both sides of the aisle to vote yes for fast track.

Mr. Speaker, I rise in strong support of fast-track legislation on behalf of the farmers and ranchers and other producers of America. This legislation is far more important than any short-term political gain or benefit to either side.

U.S. agricultural trade is a great success story. Our agricultural exports have increased nearly $20 billion since 1990 to $57.1 billion in 1997. Sixty percent of this expansion was due to the rising volume of high-value exports, such as beef, poultry meat, and horticultural products. Bulk commodities, especially grains and soybeans, accounted for the rest of the expansion as both volume and prices rose in 1995–1996. How did this tremendous growth occur? Because of the trade agreements negotiated under previous fast-track authority.

Fast-track authority will ensure that the agricultural trade success story does not reach an untimely end, and that we maintain our position as a leader in the global economy. Future export prospects for U.S. agricultural products depend, in large part, on our ability to maintain and expand market access, ensure fair competition, and further level the international playing field for U.S. producers and exporters.

But it's not the esoteric language of economics and trade ratios that motivate me on this issue; it's people, and especially the people of west Texas whom I am privileged to represent. We have heard a lot today from folks on the other side of this issue about workers and jobs and what trade agreements mean for them. That is my concern precisely. My farmers and ranchers are hurting, and so are all of the people who have businesses related to agriculture. In the absence of recent trade progress, my constituents have lost ground and seen their incomes decrease by 30 percent. They need a ray of hope that markets will soon open up, allowing them to keep and expand their jobs and care for their families.

H.R. 2621 would renew the authority necessary to negotiate new trade agreements aimed at achieving these objectives. Any trade agreement reached under fast track would still require congressional approval. Fast track legislation simply says that we give our negotiators the authority they need to be at the table in upcoming trade negotiations in the World Trade Organization, Latin America, Asia, and elsewhere. Without fast-track authority, the U.S. will miss an important opportunity to help write the rules that will govern trade in the 21st century. Our farmers and ranchers, as well as other business exporters, will be left out in the cold.

To the Republican leadership I say that I sincerely hope in the process of making the judgment to bring this bill to a vote today, you have done everything in your power to make sure this measure succeeds. If this was a reckless gamble on your part, I fear the message that failure will send to our trading partners around the world.

To my colleagues on the Democratic side of the aisle who support free trade but have been frustrated about the process by which this bill has come to the floor, I say that I understand your frustration. But it's time to put people above politics. Our constituents who need jobs, who need opportunities, look at our partisan squabbling as just so much childishness. Adults are expected to know that there comes a time when it doesn't matter who is at fault—you just have to take the circumstances you've been given and try to do what's right.

Regardless of what you think about how we got to where we are today, we are past the point of arguing about whether this is the right time to vote on fast track. The time is here; the bill is before us. We must make a choice.

I appeal to my friends on my own side of the aisle to rise above the circumstances into which we were thrust and reaffirm our commitment to the hard-working men and women of our districts who count on us to keep their best interests at heart.

I ask all Members to put politics aside and pass this legislation. Vote for the American farmer and rancher, the small business man and woman. Vote yes for fast track.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to our distinguished colleague, the gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Speaker, I obviously rise in support of H.R. 2621.

Mr. Speaker, I know that everyone is aware of the economic distress out there on our farms and our ranches. Fast track, of course, is one of the much needed responses to that situation.

This fall, if we fail to pass it and if we adjourn without having extended fast track, if the legislation does fail, I think the finger of blame can be directed, of course, straight at the White House for failing to rally the number of Democrat votes needed to pass.

Agriculture is dependent on its export markets, and it is the responsibility of Congress and the administration to make sure that those markets are maintained and expanded. We need lower foreign tariffs, we need to stop the use of foreign trading enterprises to block or underbid our U.S. ag exports, and of course we need fast track to get this done.

For those who argue an imperiled Bill Clinton should not be granted fast track authority, they might be looking at the trade issue with blinders on. It will be the trade experts at the table, not the President, and if history is any gauge, the next round of GATT will not be completed for years. Bill Clinton will be out of the picture by then.

This could be a good day for agriculture and other industries dependent on exports, and I hope it is. I hope enough Members muster the courage to ignore the pleadings of labor unions and protectionists who want us to live in the past ignoring the global marketplace and limiting future economic growth. U.S. businesses and industry cannot survive without fully participating in the global marketplace, and of course we need fast track to negotiate that full and fair participation.

I urge my colleagues to support H.R. 2621.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, the message we send to the world today by voting no on fast track is crystal clear. The primary focus of the next generation of trade policies will be in support of worker rights, strong environmental laws and solid food safety regulations.

☐ 1730

Future trade agreements coming from this Congress will mean better wages in developing countries, and improved environment, better food safety and increased workers' rights. Existing trade agreements have all too often eroded our living standards, undermined clean air and water laws, and continued to depress wages from workers all over the world, from Nike workers in Indonesia, to GM workers in Mexico, to metal workers in Lorraine, Ohio.

Vote no on fast track.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentleman from Kansas (Mr. RYUN).

Mr. RYUN. Mr. Speaker, while the majority of Americans are enjoying an unprecedented level of economic prosperity, natural disasters and low farm commodity prices are hurting farmers nationwide.

I have seen firsthand the devastating effects facing farmers in my state. The farmers near LeRoy, Kansas, must sell their wheat, milo, corn and soybeans at record low prices, primarily because export markets for these products have been shut out. Farmers simply cannot survive under these conditions.

The correlation between fast track authority and the recent decline in farm prices is unmistakable. When U.S. presidents have had fast track authority, commodity prices have remained stable. However, prices have sharply declined for these products since 1996 when fast track authority expired.

Approval of fast track is a vital step in relieving the burden that has fallen so heavily on the backs of American farm families. It is wrong. It is absolutely wrong for us to prevent our hard-working farmers from earning a living and feeding their families while they allow us to feed our own.

Mr. Speaker, I encourage my colleagues on both sides of the aisle and the President to stand up for American farmers and approve fast track authority.

Mr. MATSUI. Mr. Speaker, I yield one minute to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I cannot believe what I am hearing: If we do not have fast track authority, we cannot negotiate a trade agreement. Yet dozens upon dozens of trade agreements have been negotiated by this administration without fast track authority, including a giant international telecom agreement. That is the fact of the matter.

The question here is whether we as Members of Congress have a say in what is done. And I have to go back to NAFTA, because there were many of us in this chamber that had concerns about the environmental measures, about the labor law measures, about the fact that increased drugs would come here. We wanted to insert language into the agreement. We could not do that. We were concerned about the violence and the assassinations in Mexico and wanted to put some language in to deal with that. We wanted to deal with the problem of their indigenous population. Right after NAFTA passed, they had a revolution. We did not have an opportunity to deal with that.

The question is whether we here in Congress want to have a say or whether we just want to have an up or down vote on every trade agreement.

Do not give up what is your duty. We as Members of Congress are to have a say in the commerce of this Nation. Fast track flushes that away.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I would like to commend the gentleman from Texas (Mr. STENHOLM). I think of all the debate today, that he was very rational. He asked both sides to take a look at this and come together, instead of the partisanship from either side. I laud the gentleman.

I was undecided. I have been treed, I have been lobbied, but never threatened, because I said I did not know if I was going to vote for this bill, and I came here today to listen, and I am appalled.

I would tell my friend from California, I am appalled, because when we sit down, the thing we talk about that we hate the most about this job is the partisanship at times. And I want to tell you, this debate has sickened most of us on this floor, that when you want to talk about an issue and you are well rehearsed in unison partisan attacks on the Republicans, it sickens this debate.

I grew up in Missouri. I have friends that have farms that are having to work second and third jobs just to hang onto their farms. I have got ranchers in California from whom you can buy a cow for about $500, about one-third of the value that it should be. They are dying.

The most important thing that I hear today is that this is the most important vote that we can cast in this body for our farmers and our ranchers and our small business people. But yet we would rather stay up here and say the Republicans are only doing this to embarrass the President.

This gentleman is not doing that. I came to this floor to listen to an honest debate, and I am sorry and saddened by the debate that has taken place today.

Mr. MATSUI. Mr. Speaker, I yield one minute to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Speaker, I want to thank the gentleman for yielding me this time.

Mr. Speaker, I want to say to my colleagues in this House that I had the opportunity this past year to go down to Reynosa, Mexico. I went into the maquiladora section. I went to several maquiladora sections. I went in unannounced to factories and introduced myself to the workers. Most of the workers were women, most of them were 14 and 15 years old. Most of them, I would say 90 percent of them, worked six days a week, and at the end of the week they had $47 to take home. I went to neighborhood after neighborhood, and all I saw were mud floors. No indoor plumbing.

So I say to myself, it is fine to talk about this global economy and the need for trade, but the fact of the matter is, as Martin Luther King said, we are all going to be affected by the same web of mutuality. If we do not insist on standards for our brothers and sisters in Mexico, believe me, we are the next ones on the chopping blocks.

In my state of Rhode Island, we have already seen our workers lose jobs and benefits because of the depressing aspect that NAFTA has had on our workers' conditions here in this country. Vote no on fast track authority. Let the Congress decide how to enforce the status.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to my colleague that in my lifetime as a child before World War II, I was child labor at the farm. We got paid 10 cents an hour, worked 10 hours a day to make a dollar, six days a week, and we were ecstatic. We had no indoor plumbing and had no electricity either. But we made a tremendous transition upward nationwide from that time. That was in the State of Indiana, I might remind the gentleman too.

Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, what is fast track? Fast track allows the President to negotiate trade agreements with other countries. Does Congress lose its right to approve those treaties, those agreements? No, they do not. Absolutely not. This body, this Congress, will then vote yes or no based on the merits of the trade agreement that may be negotiated.

I would like to think that every Republican and every Democrat in this body does in fact care about jobs. Let me tell you about some of the jobs in Michigan, an exporter, by the way, to the tune of $38 billion in exports last year.

I visited a multinational company recently that showed me a letter from their general manager down in Chile. That letter talked about the importance of Chile's market, their leadership, the gateway to a very important market in the world. That general manager in that letter asked that the Michigan company stop sending goods manufactured in Michigan and change to their facility in Canada.

Why? Well, Canada, thanks to their free trade agreement, their strategy, their trade agreements they have been able to reach because they had fast track, do not have to pay tariffs on their goods going down to Chile. That is right. That same good produced in Canada has an automatic 11 percent discount compared to the same product manufactured in Michigan. We cannot do that. Why? We do not have fast track. This bill allows that to happen.

We see this happening time and time again across the country. Without fast track, there are incentives in fact for companies to send their manufactured goods from other countries.

Mr. McDERMOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, the chairman of the Committee on Ways and Means got it exactly right. This is a very fragile time. And while I am inclined to support this bill, that fragility makes this measure at this time a foolhardy exercise that could greatly damage our economic strength in the world.

Make no mistake about it: American prosperity depends on the success of our trading arrangements. Today the world's balance of power is defined less in military terms than it is as a matter of economic strength. Trade negotiations are as important to our economic future as the Soviet arms talks were to our national security in an earlier era. But subjecting fast-track legislation to certain defeat today is not only bad politics, it is bad and dangerous policy. It sends a reckless message to securities markets everywhere.

Our inability to work out an orderly agreement for trade negotiating authority can do real damage in real time to already fragile markets, including our own, and to economies around the world. Moreover, it damages the worthwhile goals of people on both sides of the measure before us. It works toward no constructive resolution of legitimate concerns over labor and environmental standards that are within our grasp.

Negotiating authority is important because our prosperity is tied to market opening global trade, and I believe we must move forward. But playing reckless politics with this issue is a dangerous exercise, and those who brought it to the floor will bear the burden for its defeat and whatever consequences it has throughout the world.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to pass on another quote two to our colleagues this evening. "I think we should seek to advance worker and environmental standards around the world. I have made it abundantly clear that it should be part of our trade agenda. But we cannot influence other countries' decisions if we send them a message that we are backing away from trade with them."

Again, President Clinton in January of this year in this chamber.

Mr. Speaker, I yield one minute to the gentleman from Washington (Mr. NETHERCUTT).

Mr. NETHERCUTT. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, if American agriculture does not grow, it will die. That is what Secretary Glickman has said, and he is absolutely right.

The reason I am supporting this fast track bill is because it has the tremendous potential for our agriculture exports to grow and prevent American agriculture from suffering more than it already has this year.

This bill has an agriculture component that allows an ag trade representative to sit at the table at all trade negotiations and to report back to Congress the effort that such negotiations have on agriculture. We in Congress get to vote on these final trade bills. We get to vote no if they are no good, and I would not hesitate to vote no. I trust my friends on the left would not either.

What is interesting is we have heard today people say, let us fund IMF with

$18 billion. What is surprising is those proponents would trust a non-American entity with an $18 billion sort of unstructured commitment, but not trust the President of the United States or this administration to negotiate a trade bill.

If you support agriculture, vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. TRAFICANT.)

Mr. TRAFICANT. Mr. Speaker, this is not a free trade bill. This is not even a trade bill. This is a process bill, an accelerated process on how we are going to handle the trade agreement. And, once again, Congress is going to turn the powers over to the White House.

So I have a couple questions. The first one is, if our policy on trade is so good, why do we not follow the Constitution and have the Senate ratify it with a two-thirds vote? And another question, maybe a street question: If our trade policy is so good, why does China not do it? Why does Japan not do it? I want you to think about that.

You know, it really gets to me when we talk about all of this. China is building missiles with American dollars, Japan is building schools with American dollars, Mexico is building factories with American dollars. America is building prisons and passing out training vouchers.

Now, I have heard all of this about all these great jobs you are producing. We are shipping jobs overseas and we are not even keeping score.

So I just want to say this to the Congress: An America that buys much more than they sell year in and year out is an America that is facing economic and military disaster.

☐ 1745

If this policy is so good, let two-thirds of the United States Senate ratify it and let it earn its merits through the constitutional process.

I would just like to say one other thing. Even a flea market charges table space. American policies are subsidizing foreign workers and American policies are downsizing American workers. Members can give me all the statistics on jobs they want, but we are flipping a lot of hamburgers in America. People are worried sick about their jobs.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to remind my colleague, again, the gentleman from I think it is Poland, Ohio (Mr. TRAFICANT), I would like to remind him that we have been at full employment for now 3 years in a row, and that the fastest growing component of our national economy has been trade. It has been the most productive. That is what we are putting at risk when we contemplate terminating international trade agreements.

I would remind my colleague also that the Constitution says that on trade issues we are the ultimate judge. Under fast track, we are still the ultimate judge. We make the input all along the way, we look at the final product, and then we vote it up or down, so it is exclusively within our jurisdiction. I would urge the gentleman to reconsider his misguided policy.

Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Arizona (Mr. KOLBE)

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to respond to a few of the arguments that I have been listening to in this debate today. One, of course, that we have heard over and over again is about how trade and trade agreements are going to drive down incomes, they are going to drive down wages.

It is ironic that argument should be raised today. Here on the front page of the Washington Post, "Poverty rate fell, incomes rose in 1997. Income for the typical American household rose at a rate nearly twice that of inflation in 1997, and income and poverty figures returned to the levels that the Nation hasn't seen before the last recession," more than a decade ago.

So it is just false. We have had a 3,000 percent increase in trade over the last 35 years, a tremendous increase in the last 7 to 10 years. It is absolutely false to say that income levels are falling, that jobs are being lost. How can they argue that jobs are being lost when 6 million jobs have been created in the last few years, and unemployment is at the lowest possible rate? We have to be putting our heads in the sand, imagining things, to say that employment has been lost.

The second argument I want to raise is one we have heard a lot of on the floor the last several years, why we need to provide the funding for the IMF. I happen to believe that is important. I do think part of our world responsibilities is to have this funding to maintain stability in currencies.

However, I would like to ask my colleagues who urge us to vote for IMF, and then turn around and vote against fast track, how do they think these countries are ever going to generate the economy, the wherewithal, to repay the loans they get from the IMF? Or do they just believe there should be international welfare, that we should shell this money out, but those countries are never going to be able to have the income in order to make the repayments to the International Monetary Fund? It is another phony argument.

Finally, there is the political argument that somehow this is just being done for political reasons. There is politics that are being played. This President said last year he was for IMF, or for fast track. He said in his State of the Union speech this January he was for it. Now he is against it, but next January he will be for it again. If he was not off raising funds today, if he was here in the United States campaigning, if he was here in Washington campaigning for this, we might be able to pass this today.

I urge my colleagues to vote for this. Vote for America. Vote for our future. Vote for fast track.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might just point out to the gentleman, my very dear friend from Arizona, that the President does not oppose fast track. The President advised the gentleman's membership in the early summer of this year that the votes were not there. He knew the votes were not there. The votes are not going to happen. They will not have 218 votes. The President was right about this.

We are bringing this up for no reason at all except for political advantage. The gentleman saw the quotes in the newspapers from various Members, including the chairman of the Republican Campaign Committee.

Mr. Speaker, I yield 2 minutes to the gentleman from the State of Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I have heard some interesting things. I guess we could call it election year hyperbole. Somehow this legislation, fast track, is going to be the salvation of our failing family farms. Can they hang on for 5 or 10 years until the next hypothetical trade agreements brought forward under fast track? I don't think so.

Guess what, the last two agreements that came forward under fast track screwed the farmers in America. They were promised the world, but when it came down to whether the banking sector or the aerospace sector or the computer sector got favorable treatment in those agreements, and something had to be traded off, what got traded off? Agriculture.

This is about a process that includes plausible deniability. That means there are a lot of people here who do not want to take responsibility for what is happening in America. They can say, you know, I had concerns about NAFTA. I knew there were problems with some parts of NAFTA. I knew there were problems with labor agreements, they were kind of weak, and we lost a lot of jobs there, and wages have gone down on both sides of the border. Yes, I had some real concerns about those environmental provisions. I really did not think they would clean up the border, which is one of the largest and fastest growing hazardous waste sites in the world. But I had to vote up or down, and I could not sacrifice 2 years of secret negotiations, and we will fix those things later.

That is what we hear every time an agreement comes forward under fast track. Are Members going to blow up three years of careful secret negotiations, just because they have a minor concern about their farmers or about the environment or about American workers? No. The herd here most times said, gee, I would have liked to do something, but I could not. Why could they not? Because they gave away that authority at the beginning.

Do not give away that authority ever again. Have Members not learned from our past mistakes? Can we not learn from a $200 billion a year trade deficit? Can we not learn from a race to the bottom in terms of wages and the environment?

If we cannot learn, then hopefully the election year shenanigans here, this will help family farms, it is not going to do a damned thing for family farms, and the Members know that.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The Chair will remind Members they should avoid profanity.

Mr. CRANE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I rise in support of the bill. I do not know why all this rhetoric, because this legislation is, at its essence, a simple and straightforward proposition.

The bill would give the President the authority to have a straight up or down vote on legislation implementing the trade agreements which he negotiates. It is the same authority which previous Congresses have granted to every U.S. president, Republicans and Democrats, since 1974.

Presidents need this authority in order to assure their negotiating partners that a deal is a deal. Why would anyone negotiate with someone who could not stand by the deal to which they agreed? Why would a national leader invest enormous time, energy, and prestige in a negotiating process in which the other party kept coming back to renegotiate the deal?

I just want to point out that in the last 10 years, about 70 percent of U.S. economic growth has been generated by the exporter of goods and services. In my own State of Maryland, our exports to Mexico, just as an example, have increased by 82 percent since the passage of the NAFTA. Overall, Maryland's exports have increased by almost 130 percent since 1987.

Expanded trade has opened markets, created opportunities for exporters, created jobs, strengthened the State economy, and raised the living standards for all Marylanders and throughout the country. We are not even debating a trade agreement, we are only proposing to allow the President an up or down vote on whatever deal he may reach.

Fast track authorization will give the President the opportunity to negotiate the strongest and most beneficial agreement possible. If Members do not like the agreement, we can vote against it. But to deny the President fast track authority is to prejudge and agreement before it is made.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank the gentleman from California for yielding time to me.

Mr. Speaker, I am troubled by the circumstances in which fast track is coming up this afternoon. I am afraid that we are bringing this agreement up at this time, not so much to promote fast track as to promote wedge issues, and to claim that it is going to accomplish things going far beyond what it actually can accomplish in the short term.

I represent an agricultural area. I recognize the importance of trade. But I would also like to remind my colleagues that we just finished dealing with the International Monetary Fund. What happened? A very modest increase in funding, far below what the President requested, and no up or down vote on the actual $18 billion that are needed for IMF.

Perhaps even more important than something that is long-term or an intermediate term advantage opportunity for agriculture is what are we doing in the short term. We ought to be bringing that up for a vote this afternoon. We need to respond to the agricultural crisis that confronts America, and do it promptly.

Mr. CRANE. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Connecticut (Mrs. JOHNSON) for a brief colloquy.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I would like to ask for clarification by the chairman of a provision which concerns negotiating objectives for trade in civil aircraft.

Is it the chairman's understanding that H.R. 2621 explicitly retains the legislated negotiating objectives contained in the Uruguay Round Agreements Act and the accompanying Statement of Administrative Action for trade in civil aircraft?

Mr. CRANE. Mr. Speaker, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Illinois.

Mr. CRANE. Mr. Speaker, that is my understanding.

Mrs. JOHNSON of Connecticut. Then, I would ask the chairman, shall the USTR understand that such intent is confirmed in legislation, and ensure that the legislated objectives will continue to constitute the principal U.S. negotiating objectives in future negotiations?

Mr. CRANE. That is correct.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for his support of this provision, which is necessary for the continuing international competitiveness of aerospace companies and the jobs they support.

Mr. CRANE. I thank the gentlewoman.

Mr. Speaker, I yield 1 minute to our distinguished colleague, the gentleman from Maryland (Mr. BARTLETT).

Mr. BARTLETT of Maryland. Mr. Speaker, I am strongly supportive of expanded free and open trade, but this bill is not the way to get there. It is unconstitutional. I have here a press release from the U.S. Chamber of Commerce to the media in my district, chastising me for not supporting this bill. They make my point. Listen.

"* * * noted that with fast track, negotiators would be able to close deals." The President and his negotiators closed the deal. Where is the Congress? We would become merely a rubber stamp, clearly in violation of the Constitution.

I am all for free and expanded trade. This is not the way to get there, at the expense of our Constitution. If we do not understand it, the U.S. Chamber understands it. The President and his negotiators would close the deal.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, thank my good friend, the gentleman from California (Mr. MATSUI) for yielding time to me.

Mr. Speaker, I rise today on the floor, recognizing the importance of trade and growth in our economy, and rise as a free trader. I have supported GATT, I have supported normal trade with China, I have supported the Caribbean Basin Initiative. I have also supported African trade.

But I also rise, Mr. Speaker, as a fair trader. These initiatives were both free, to get into new markets, and fair. This proposal, fast track, is more of NAFTA. It is free trade, but it is not fair to our working people, to the people with families and jobs, particularly in the Midwest.

□ 1800

NAFTA lost Hoosiers 17,000 jobs. NAFTA created a $40 billion deficit between the U.S. and Mexico when we had a surplus before, and fast track is more of NAFTA.

Let us defeat this bill, but let us work together in a bipartisan way for growth and trade. Let us work on improving education and training for displaced workers. Let us work on trade fairness, and let us work on trade enforcement and implementation.

Trade is important. Trade should be bipartisan. But trade has to be fair. This program will not be fair to working Hoosiers, it will not be fair to families, and it will not be good for America.

I encourage my colleagues to defeat fast track.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I have a graph here that shows the G7, that is the big nations of the world, the big western democracies and their net exports to Mexico before and after NAFTA. That includes the United States.

We call this chart "Find the dummies," because it is apparent that, after NAFTA, every one of the big nations, Canada, France, Germany, Italy, UK and Japan, all continue to do well with Mexico with respect to trade, except the United States. The United States immediately fell into an enduring $15 billion trade deficit.

The first rule of business is one does not give their money to poor business managers. The Clinton trade team consists of poor business managers.

Not this President, not this time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as we all know, fast track authority will establish the framework for our trade relationship for the next 10 years. As such, it is critical to the importance that this accord places on the environment.

Therefore, I reluctantly oppose this bill, because it limits the administration's ability to address concerns regarding protection of the environment and bilateral regional and other trade agreements.

To the extent that the environment is mentioned at all in the pending legislation, it is in a restrictive way. San Francisco, the city which I represent, is a city which is built on trade and continues to thrive on it. We appreciate the value of free trade. We also understand that the environment and the economy are inextricably linked. We believe that the environment must be central to any fast track legislation.

My colleagues have mentioned that other presidents have had this authority. Indeed, I have voted for it in the past. Under previous fast track authority, the President had the discretion both to negotiate and to include in trade bills that were brought to Congress under fact track environmental, labor and human rights terms that the President deemed appropriate. That the President deemed appropriate. This bill removes the "appropriate" standard.

The legislation passed by the House Committee on Ways and Means also limits the discretion of the negotiators to achieve results only on matters that are directly related to trade.

One important aspect of addressing global environmental degradation is through attention to production process methods. If we are to slow environmental damage, we must deal with the way items are produced as well as with consumption. Will production process methods be included under the administration's interpretation of "directly related to trade"?

In addition, there are many other reasons why, and I will submit that with my full statement, but, in addition, unless we give the environment more value by including it in fast track, we are squandering the comparative value U.S. business has in leading the world in the development of production environmental technologies. To ignore the connection between the environment and the economy is to be on the wrong side of the future.

I urge my colleagues to vote "no."

Mr. Speaker, I rise in opposition to H.R. 2621, the Fast Track legislation before the House today. I am disappointed that the Republican leadership has chosen to bring before the House a failed fast track proposal which does not address pressing issues in the global economy. Fast track authority will establish the framework of our trade relations for the next ten years. As such, it is a defining moment for the importance we accord the environment. This fast track bill would relegate this important issue to secondary status in trade agreements and would only ensure that it remains of secondary status as we move into the next century.

Not one of the concerns raised about this fast track proposal last year has been remedied in the bill before us today. This fast track bill limits the Administration's ability to address concerns regarding protection of the environment in bilateral, regional, and other trade agreements. To the extent that the environment is mentioned in the pending legislation, it is in a restrictive way.

San Francisco, which I represent, is a city which was built on trade and continues to thrive on it. We appreciate the value of free trade. We also understand that the environment and the economy are inextricably linked. We believe that the environment must be central to any fast track legislation.

Under previous fast track authority, the President had the discretion both to negotiate and to include in trade bills that were brought to Congress under fast track environmental, labor or human rights terms that the President deemed "appropriate." H.R. 2621 removes the "appropriate" standard and the Administration's discretion is limited to making the language necessary only for the operation or implementation of the trade agreement. The Administration would now be precluded from achieving more than allowed under the legislation and prevented from having those provisions considered under fast track.

The legislation passed by the House Ways and Means Committee also limits the discretion of the negotiators to achieve results only on matters that are "directly related to trade." Serious questions are already being raised about how "directly related to trade" will be defined. It is my understanding that there is no legislative history to define this phrase.

One important aspect of addressing global environmental degradation is through attention to production process methods. If we are to slow environmental damage, we must deal with the way items are produced, as well as with consumption. Will production process methods be included under the Administration's interpretation of "directly related to trade?"

Serious questions have also been raised about the implications of language in H.R. 2621 purportedly designed to ensure that foreign governments do not waive their existing domestic environmental, health, safety or labor measures in order to give themselves a competitive edge. The language in the bill unfortunately precludes action to encourage strengthening such standards. Perhaps of even more immediate harm, however, is that it does not address a government's failure to enforce existing standards. In addition, H.R. 2621 only addresses foreign governmental policies and practices. Private sector actions to limit environmental protection are not addressed. Finally, countries with no existing environmental standards fall completely outside this provision.

My constituents and I are also concerned with the consequences of a provision in the fast track bill which would essentially allow derogation or waiver of existing domestic laws if such actions are "consistent with sound macroeconomic development." Under this provision, it appears that countries could indeed lower their environmental standards to gain a competitive edge, as long as this action is consistent with their macroeconomic development.

As many of our Republican colleagues have recently expressed concern about the lack of transparency in the functioning of the International Monetary Fund (IMF), I believe they should be supportive of promoting transparency in the functioning of the World Trade Organization (WTO). While "transparency" is appropriately one of the negotiating objectives outlined in the legislation, it is essential that procedural transparency be expanded to the WTO both in the trade negotiation process and in the dispute settlement process. Benchmarks must be established by which transparency can be gauged. There must be expanded access to documents by those who are interested in the dispute settlement process. And, we must insist on ensuring the ability of non-governmental groups to participate.

I would also note my concern that while we are promoting transparency in other countries, the fast track legislation takes a step back from transparency in this country by granting the President new authority to allow for the classification of trade reports when deemed appropriate, rather than employing previous language allowing classification only when necessary to protect national security or trade secrets.

Environmental issues in the global economy have very real consequences not only for people in the developing world, but also for people here in the United States. Concerns about the quality of the air we breathe and the water we drink have now been compounded in the public eye by concerns about the safety of the food which we eat. As international trade is increasingly the norm, we must ensure the right to safeguard American consumers in international trade agreements. Standards worldwide should be elevated; we cannot encourage a "race to the bottom". In addition, unless we give the environment more value by including it in fast track, we are squandering the comparative value U.S. business has in leading the world in the development and production of environmental technology.

H.R. 2621 is not the appropriate tool which to enter trade negotiations for the Twenty-First Century. I urge my colleagues to vote no on this flawed bill.

Mr. CRANE. Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I reluctantly rise to oppose fast track, and I want to thank the gentleman from California (Mr. MATSUI) for yielding me this time.

Mr. Speaker, the Florida Fruit and Vegetable Association has basically come out against the fast track vote we are having here tonight. Earlier, I was on the House Floor with the Florida Farm Bureau Federation, where they also opposed this fast track vote.

Farmers in my district are still opposed to the authority that we are proposing tonight to give to the President with fast track, regardless of the last-minute deals, because of the failure of this administration to live up to their promises from the last fast track authority.

For example, my tomato growers have written that, "The President could have taken real steps to fix the problems for Florida's tomato growers and other winter or seasonal vegetable growers associated with the failures of the NAFTA agreement, yet nothing has happened."

Mr. Speaker, President Clinton even wrote to Congress before NAFTA was approved to state that he "was permanently committed to ensuring NAFTA was enforceable and effective to protect the U.S. vegetable industry against price-based import surges from Mexico."

Mr. Speaker, despite these promises, the administration has failed to protect the winter vegetable industry; and, in fact, the onslaught of vegetables coming into Florida has hurt our industry terribly.

For these reasons, and for the reasons outlined in the two letters I put in the RECORD, I oppose fast track at this time.

Mr. Speaker, I submit the following letter for the RECORD:

FLORIDA FRUIT &
VEGETABLE ASSOCIATION,
Orlando, FL, September 25, 1998.

Hon. CLIFF STEARNS,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN STEARNS: This is to advise you on behalf of the Florida Fruit and Vegetable Association and its membership that we continue to be opposed to the enactment of fast-track legislation. Our opposition is based on continuing concerns over current and potential trade agreements on import-sensitive agricultural products, the inadequacy of import relief remedies, country of origin labeling, and other issues. We accordingly ask you to vote "no" when the fast-track bill comes to the House floor later today.

We greatly appreciate your on-going support of Florida agriculture.

Sincerely,

MICHAEL J. STUART,
President.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the gentleman from California (Mr. MATSUI) for yielding.

Mr. Speaker, I rise to discuss a matter which is of great importance to my district and the Nation as a whole. This measure before us should be defeated. It seeks to extend fast track authority for 4 years. As such, it sets our national trade policy as we approach and then enter the 21st century.

No one doubts the fact that we live in a global economy. No one doubts that if we are to retain our preeminent position in the world we must lead from a position of economic strength.

For me, global leadership in the arena of international trade means that fair trade should not be subordinated to the notion of free trade. There is very little reciprocity in our trade agreements. We must trade with other nations on an equal footing.

Mr. Speaker, with such an horrific Asian economy, those goods are going to be flooding our markets in the next 2 months, 3 months, 2 years. The ships are coming into San Francisco ports now full with foreign goods. They are leaving half filled with our goods. They will leave with a quarter filled by the time this Asian crisis really hits our shores. This is the worst time to have fast track.

The proponents of fast track argue that we need it based on what they perceive as the successful NAFTA policy. They point to the creation of 311,000 jobs. I take exception to this figure and cite an alternative one which states we have lost 600,000 jobs because of NAFTA.

Now is not the time for fast track. Fast track is about jobs. It is about time that we stopped exporting our jobs. It is time that we protect our jobs. And it is time that we had fair trade agreements instead of the ones that have been placed before us.

Mr. Speaker, I urge my colleagues to defeat fast track resoundingly. It is not enough if we just slam it down with a few votes. We need total victory here, because we need a fair trade policy.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to fast track. Today's legislation could be an opportunity to make a new beginning, to define a progressive role in trade for the next century for America. But this bill does not do this. It is a step backward.

We are not divided here today on the benefits of free trade. We embrace it. We are divided on how to best achieve it to compete in the global economy. I believe this fast track proposal turns its back on hard-working Americans. It will not defend small business owners and workers from the threat to their security posed by our trading partners' cheap labor and low standards. It does precious little to move away from the pattern of lost jobs, reduced labor, and lower living standards seen under NAFTA.

American families are struggling every single day to make ends meet. America has the opportunity and the responsibility to ensure that American values define the international market and that our citizens build solid futures.

Let us show that the Congress of the United States cares about and understands America's hopes and fears for the future. Vote "no" on fast track.

Mr. MATSUI. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I also want to express my appreciation to the gentleman from California (Mr. MATSUI) for yielding me the time.

Mr. Speaker, I rise in opposition to fast track, given the experience historically we have had with NAFTA. We have had 124,000 jobs certified as having been lost because of NAFTA.

I would remind my colleagues the math works out to 72 workers a day since the inception of NAFTA have lost their jobs. Before the end of business today, 72 more American citizens are going to be certified as having lost their job because of NAFTA.

I rise in strong opposition to fast track.

But in fairness to the other side, there are potentially some reasons why Members might want to vote for it. The average real hourly wage in 1973 was $12 an hour. In 1997, it was $12.28, about 1 penny a year increase. If Members think that is enough for the American workers they represent, maybe they do want to vote for fast track.

If Members think that every household in America ought to have two workers for what one worker could provide in 1950, then fast track is for them. Thirty percent of American households in 1950 had one worker. Today, 53 percent need two workers.

If Members think it is a good idea to have a trade deficit with Mexico and other countries instead of trade surpluses, this is the thing for them. In 1993, we had a trade surplus with Mexico of $1.7 billion. Today, our deficit is $14.5 billion.

If Members think we ought to not have a strong steel industry in America, fast track is for them. We had a 100,000 ton steel surplus with Mexico in 1993. We have a 2.2 million ton deficit today.

Health care, if Members do not think workers need health care benefits or pensions or need a job, fast track is for them. I grew up in a neighborhood, I grew up in an America believing that the next generation should be better off. That is what we should be about. Those are the negotiations we ought to undertake to make sure that every American worker, every worker worldwide, has an improved standard of living.

Mr. Speaker, I rise today to voice my vehement opposition to Fast Track legislation. The last president to have Fast Track used it to give us the North American Free Trade Agreement (NAFTA). Since January 1, 1994, when NAFTA went into effect, our country has lost 124,000 jobs as a result of NAFTA. That breaks down to a loss of 72 jobs each day. 72 American citizens each day watch their jobs move out of this country and out of their communities. Before we leave tonight, an additional 72 Americans will be unemployed.

But its not just a problem of losing jobs. America's workers are seeing a sharp decline in their quality of life thanks to NAFTA and unfair trade. If you don't care about workers' quality of life, then vote for Fast Track.

The average real hourly wage for working Americans in 1973 was $12.00 per hour. In 1997, the average real hourly wage for working Americans was $12.28 per hour. That is an increase of one penny per year. One extra penny to pay bills, buy shoes for your children and put food on the table. If your family can survive on an annual raise of one extra cent per hour, then Fast Track is for you.

30% of American households in 1950 had two people working outside the home. Today, 53% of all families have two incomes. Two Americans today must work to make the equivalent of one income in 1950. If you believe that two adults in every household should have to work in order to support a family, then Fast Track is for you.

Our neighbor to the South, Mexico, is one of our largest trading partners. In the fiscal year prior to NAFTA, FY 1993, the U.S. had a trade surplus of $1.7 billion with Mexico. In FY 1997, the U.S. had a $14.5 billion trade deficit with Mexico. If you think that we ought to increase our trade deficits with other nations, then Fast Track is for you.

In 1993, The American steel industry saw a trade surplus with Mexico of 100,000 tons of steel. In 1997, the steel industry saw a trade deficit with Mexico of 2.2 million tons. If you think that we need to put the American steel industry out of business, laying off hundreds of thousands of U.S. steelworkers, then Fast Track is for you.

Because of jobs lost to NAFTA, many of our citizens have had to take lower-paying jobs with no benefits and no pensions. If you think that our citizens are not entitled to have a job that provides health benefits for themselves and their children, then vote for Fast Track. If you think that the hard working men and women of this country do not deserve a pension for their retirement years, then, yes, Fast Track is for you.

If it is fine with you that at the end of this day, at the end of this debate, 72 more people will be without work and unable to provide for their families, then vote for Fast Track. If you can live with the fact that you have sent American industry to foreign lands to make a profit without regard to workers' safety, human rights or the environment, then please, vote for Fast Track.

The American Dream has always promised that the next generation would have a better life, not a lower standard of living. American workers should not have to lower their standard of living just to compete with foreign workers who make $3.00 a day. If you want to sacrifice the American Dream for the working people of our nation, then vote for Fast Track.

I can't do that. I can't support raising hourly wages by a penny a year. I can't support forcing more and more households to rely on two incomes. I can't support turning trade surpluses into deficits. I can't support denying health insurance and pensions to workers. I can't support undercutting worker safety, human rights or the environment. I can't support sacrificing the American Dream for the workers of America. I cannot and will not support Fast Track.

Mr. CRANE. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I rise today in strong support for fast track. As a representative from the State of Iowa, the importance of this to everyone in agriculture cannot be overestimated.

It is imperative that we have fast track. There are trade agreements going on today, negotiations that are going on around the world, and we are not at the table because we have not seen fit to trust this administration to give the authority to make agreements. We have got to be at the table with these agreements. It is essential for long-term growth.

I am very saddened today to see people who, as a matter of principle in the past, have supported fast track but today have decided they are going to play a shell game and let somebody else off the hook, let them vote "yes", because they are going to cover them and vote "no."

This is for the interest of the entire country. We have to pass fast track for agriculture, for the rest of trade in this world, and for this country for jobs here, for economic prosperity. We have to do it, and we have to do it today.

Mr. MATSUI. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. CARDIN).

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Mr. CARDIN. Mr. Speaker, I had hoped that we were going to have a real debate on fast track where we would have a chance to reach a fair compromise on the issue. Instead we are going through a political exercise. That is regrettable.

In today's world, fast track should give the President the ability to negotiate international standards on labor and environment. But, no, this legislation restricts the President's ability to negotiate international standards on labor and environment. Negotiating strong international standards on environmental and labor issues will help American manufacturers, producers and farmers. It makes no sense to restrict the President's negotiating ability in this area unless you want to help foreign companies with cheap labor and poor environmental records.

For this reason, Mr. Speaker, I must oppose the fast track legislation that we have today. I would hope that in the future, there will be a real effort by the Republican leadership to work on a fast track bill that could pass this House, that will give the appropriate authority to the President.

Mr. CRANE. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, there is never a good time for a good trade bill. There is always a filing date or an election or the prospect of some other political development taking place. There is always an excuse not to proceed with a good trade bill.

I had the great privilege last fall to travel with the President throughout South America. The President stood up in country after country and talked about the fact that one of his top priorities was to get fast track negotiating authority through so that we could, in fact, embark on these very important trade agreements.

Mr. Speaker, this is a bipartisan bill. It was reported out of the Committee on Ways and Means with a very strong bipartisan vote. It was worked on long and hard by the President of the United States last fall as we moved towards that November 13 vote. And as has been said time and time again, the President, in his State of the Union message, talked about it being a priority this year and, on July 23, said that he believed that the Congress should vote on fast track when we can get the votes for the bill.

Now, with that strong bipartisan spirit here, I am convinced that there is a very strong will to implement fast track negotiating authority and to pass this measure. But what are our priorities? We continually hear Members talk about the fact that it is a top priority, Democrats and Republicans alike, many Democrats with whom I have been privileged to work over the past several years on this issue. But what are the priorities?

There are political priorities. There are political interests with which we are having to contend. There are partisan interests, and there are special interests. Quite frankly, we have special interests on our side, too. This is not an easy vote. We have got the Buchananites, Ross Perot. There are people who are opposed to this. But we have a responsibility to place the national interest ahead of those political interests, ahead of those partisan interests and ahead of those special interests.

Mr. Speaker, it is very, very important that we move ahead, because we are having this vote as we look at the serious problem that exists in the Pacific Rim. We are not going to find a perfect time to do it, but it seems to me that this is the right time because the right time is today.

Cast a vote in favor of fast track so that we can do this for American workers and American consumers and the global economy.

Mr. CRANE. Mr. Speaker, I ask unanimous consent for an additional 5 minutes for a special bipartisan purpose.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume, and I yield to the distinguished and talented service of Mary Jane Wignot. She has served on the professional staff of our Committee on Ways and Means during development of landmark trade legislation, such as the Omnibus Trade and Competitiveness Act of 1988 and the implementing bills for NAFTA and the Uruguay Round agreements.

There are few individuals in this country who know more and have contributed more to the development of U.S. trade policy than Mary Jane Wignot. Her wise counsel and drafting skills have been absolutely essential to the success of these historic bipartisan initiatives. I want to salute her and wish her all the best as she returns to her home town of Boston to continue her career.

I yield to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me.

I, too, pay tribute to a remarkable individual that took the reins after one of our Members left, but she has given 24 years of her life to this committee and to her work and in every policymaking issue concerning trade, she was there from the negotiations of the Kennedy and Tokyo rounds and the formulation of the Trade Act of 1974.

She has worked on the trade agreements of 1979, the Omnibus Trade and Competition Act of 1988, and the NAFTA and Uruguay Round implementing bills in her capacity with the committee. These are the many projects, some of the many projects on which Mary Jane has brought her intellectual ability and sound judgment to bear.

Her devotion to excellence has epitomized the finest in bipartisan tradition that has characterized trade making policy over the last 20 years. At the end of this session she will retire, but we still know that she will be missed. To say that she will be missed is a gross understatement. We owe so much to her dedication and the fact that she has worked well with Republicans and Democrats. She has enjoyed her job and we all, staff and Members, have truly enjoyed working with her.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Let me add my comments about the service that Mary Jane Wignot has had in helping our committee work through so many trade issues for so many years. I think from almost the first time that I can remember trade deliberation on the Committee on Ways and Means, I looked out at the witness table and there Mary Jane was. And she always gave professional information that was always, at least in my memory, accurate, and helped us get through many, many trade issues over the years.

It is people who are so dedicated, who work such long hours and who do so on a nonpartisan, professional basis that make this Congress a truly enjoyable and fulfilling place to serve.

So, Mary Jane, I wish you well. We are losing a great resource when you leave. But I know that you will go on to help some other organization or many other people the rest of your life. Good luck.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I just have to say that Mary Jane Wignot has been on the Committee on Ways and Means staff now since 1974, 24 years, but before that, many Members do not know this, but there was an office called the Special Trade Representative's office, and she actually virtually opened that office in 1964 with, believe it or not, the former Secretary of State; at that time he was the special trade representative, Christian Herter. That goes back an awful long ways in most of our memories.

There are so many nuggets, jewels on this Capitol Hill. She is a Vassar graduate, cum laude. She was graduated from the London School of Economics at the University of London, Columbia University in New York, the International School of International Affairs. She is really just an outstanding individual, and she has toiled in Washington for 34 years, 24 years on the Committee on Ways and Means. She served with Chairman Mills, Chairman Ullman, Chairman Rostenkowski, and Chairman Archer.

I would say that her loss to all of us and our committee and perhaps even in this body will probably be one of the major losses we have, probably more than all of the Members in this institution, because she is the institutional memory. She is the one who helped develop international trade policy in America for the last 30 years.

So, Mary Jane, we love you, and we are going to miss you a lot.

The SPEAKER pro tempore. The Chair advises Members that the gentleman from Texas (Mr. ARCHER) has 4½ minutes remaining; the gentleman from California (Mr. MATSUI) has 4½ minutes remaining; and the gentleman from Washington (Mr. MCDERMOTT) has 2¼ minutes remaining.

Mr. MCDERMOTT. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I have served 15 years in the State legislature and 10 years in the United States Congress, and this is a sad day because it is the most amateurish, inept legislative effort I have ever seen to try and pass a tough piece of legislation. There is no question that the Republicans have poisoned the fast track debate with partisan politics that will do honor to Ken Starr.

If the Republicans were serious about promoting America's global leadership and stabilizing the global economy, they would have replenished the International Monetary Fund months ago. Instead, the future of America's commitment to the IMF remains unclear to this day and so does the future of the international economy.

It would be easy for me to vote no today, to reject this vote for what it is, a political game to be debated on a day of pure partisanship. However, I feel strongly that collectively we have to rise above the partisan games of the majority and do the right thing for our Nation's economy.

This Congress simply should not play games with an issue that is difficult enough to pass without petty politics. So I will rise above the Speaker's games and support the promotion of the American export economy, but I am deeply disheartened that this bill will fail today because the Republicans have allowed political avarice to damage support for what must be a bipartisan issue. You have made the future passage of this bill infinitely more difficult by bringing it out this way and ramming it. You know you have not got the votes.

I learned in the State legislature 25 years ago, if you do not have the votes, do not come to the floor with it, because you will never get it passed if you keep doing that kind of thing.

This is a bad day for the United States economy. You should not do this kind of thing without consulting and building the broad base that trade should have in this country.

This is not a partisan issue. It is not Republican. It is not Democrat. You have to work together when you are dealing in the international arena. I sat at the table at the State dinner in Brazilia and had Brazilians say to me, boy, we are glad you have not passed fast track because we want your President weak. Now, that is not what we want, whether that President is a Democrat or a Republican.

I voted for every piece of free trade legislation. We have to, if we are going to be a strong country.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. FARR).

Mr. FARR of California. Mr. Speaker, I urge my colleagues to vote no on this bill.

Mr. Speaker, I rise today to discuss a very important issue: fast track authority.

Fast track has been the subject of much debate and discussion, not just inside the Beltway but across the country. In my own district, many of my constituents have told me that they will benefit from new trade agreements reached with fast track; others have said that fast track ignores important global issues such as labor standards or environmental pollution.

"Fast Track" sounds simple. Just give the President the authority to negotiate a trade treaty agreement and bring the end product back to Congress for an up or down vote. Sounds logical, doesn't it?

But it's not that simple. Here's the reason why: Political battles are won by listening to, and acting on, the concerns of those who have a vote in the outcome. I have one vote. My constituents want me to use it wisely, looking out for the best interests of the Central Coast of California. They want me to think globally and act locally.

Acting locally means protecting existing American jobs—local jobs dependent on reciprocal export markets for American products and goods. When you think about it, our economic future in agriculture and tourism depends on a healthy local economy.

Look at agriculture. The Central Coast has been a world leader in specialty crops and one of our strongest specialty crops have been fresh cut flowers. The flower and foliage industry in California ranks number one in the United States with $702 million in sales in 1996, holding a 22% share of the U.S. market. But we're losing nurseries and jobs to foreign imports. Colombian flowers that are allowed into the United States without any tariff are our biggest competition. No other flower growing country has that privilege.

The President has done nothing to right the wrongs created by the 1991 Andean Trade Pact, which put Central Coast flower growers at a severe disadvantage to Colombian fresh flower imports. The President has the legal authority to stop the closure of American nurseries that raise fresh cut flowers. But he is not using that authority because he is listening to the State Department, rather than American workers.

So why should the President be given more authority to make more deals for more South American imports when he doesn't protect American interests under existing law?

I support free trade. But free trade can't exist unless it is based on fairness. Fair trade means making deals for the United States that do not put our working men and women, our manufacturers and producers, and our quality of life at risk.

Chile is a beautiful country. I have traveled there and met with political, labor and business interests. They import three times more U.S. goods than they export, with the exception of agriculture. Making Chile a full trading partner with Canada, U.S. and Mexico will only jeopardize more American jobs in the fresh cut flower industry, in addition to our fishing and wine industries on the Central Coast.

So I will continue to oppose Fast Track unless we can see the following: (1) Lift the "free entry" of Colombian flowers to the U.S. marketplace. Treat Colombian flowers as all other flower imports are treated, with equal tariffs; and (2) protect the environmental and labor safeguards as strong as banking and security safeguards.

Some people would say that my "no" vote on fast track is inconsistent with, or contradictory to, my "yes" vote on NAFTA four years ago. I disagree.

Four years ago, the NAFTA vote was on legislation implementing a trade agreement negotiated by the President under fast track authority. This year's vote will not be on implementing a trade agreement but on renewing the power of the President to negotiate such agreements.

When NAFTA was voted on, the fast track authority granted to the President did not contain instructions to him to include in the trade agreement provisions relating to the rights of laborers or meeting certain environmental standards. Knowing these issues were a concern to many members of Congress, the President negotiated sidebar agreements to supplement the underlying document. With these sidebars in place, I was convinced NAFTA would, in the long run, be a good thing for the United States. The underlying agreement would open up new markets to our producers and the added-on sidebars would help drive our trade partners to stronger labor and environmental protections.

Although I must oppose the fast track legislation before Congress today, I have and will continue to support free trade. I will continue to examine each trade agreement reached with fast track authority on its individual merits, keeping in mind the need to think globally but act locally to protect American jobs on the Central Coast.

Mr. EVANS. Mr. Speaker, I rise today in opposition to granting fast track negotiating authority. I oppose this legislation because of the adverse effects that the North American Free Trade Agreement (NAFTA), which was negotiated under "fast track" authority, has had upon working American families.

There is no question that NAFTA's track record has had an adverse effect on U.S. wages. This country has lost over a quarter of a million jobs. In my home state of Illinois, 23 companies have moved to Mexico as a result of NAFTA. Instead of the old, failed "fast track", we need a trade negotiating authority that gives the President the tools to negotiate trade agreements that reflect the wishes of most Americans—fair, responsible trade that protects the environment, working families and public health.

We have much to lose with this vote. U.S. taxpayers have invested billions to establish and maintain one of the safest food supplies in the world. Yet we undermine consumer protection by allowing foods to be imported from countries where health and safety standards either do not exist or are not enforced. Under NAFTA, food imports from Mexico and Canada have dramatically overburdened the Food and Drug Administration's ability to adequately inspect food imports. More and more we hear of illnesses caused from foreign foods. We need to make international bodies and foreign governments with weaker standards accountable if we are to protect the health of all Americans. Granting fast track authority will only threaten the safety of our food supply.

As a respesentative from the Corn Belt, I understand our farmers are struggling through tough times with commodity prices that are the lowest they've been in years. However, trade negotiations take years. Our farmers need immediate relief. We should be looking at ways to put money in their pockets where they most need it and ways to help our trading partners get back on their economic feet. Fast track is not the cure-all to the farm crisis, it is, at the moment, a distraction.

Without labor, food safety, and environmental provisions in the fast track legislation, we have no guarantee that these issues will ever be addressed. I am not willing to risk the health and safety of my constituents on an authority that cannot safeguard their well-being. Let fix the problems we have with unfair trade negotiations; let not add to them. I urge all my colleagues to vote no on fast track.

Mr. BERMAN. Mr. Speaker, I rise in reluctant opposition to fast track. Last year I strongly supported a similar fast track proposal, and I continue to believe that the fast track mechanism is necessary to ensure that new trade agreements don't become loaded up with special interest provisions in the normal legislative process.

But I simply cannot support legislation that is being brought to the House floor for blatantly political purposes, to divide Democrats less than two months before an election. And I do not think it is appropriate to tie the President's hands at the negotiating table—to a much greater extent than Democratic Congresses tied the hands of President's Reagan and Bush—when the Administration is not involved in the process.

It's clear that the Republican majority is not serious about passing this bill. Last year, members from both parties worked together to generate for fast track. This year, the majority made no effort to collaborate with the minority. This unwillingness to approach Democratic supporters of fast track exposes the Republican majority's true motivations—to score political points, not to pass the legislation.

It is irresponsible to bring up fast track knowing that it's going to fail. This will make it even more difficult to pass next year, and send an unfortunate signal to the international community that the United States does not want to remain engaged in the global economy. Such a signal couldn't come at a worse time, given the financial turmoil in Russia and parts of Asia.

International trade is clearly good for the American economy. Since 1992, almost 40 percent of our nation's total economic growth has been the direct result in international trade. Companies involved in exporting have expanded employment nearly 20 percent faster than firms serving only domestic markets, and jobs related to exports pay about 15 percent above the national average. New trade agreements—completed with fast track authority—would extend the benefits of trade to even more workers, consumers and companies.

But our trade policy—like foreign policy in general—must be based on bipartisan cooperation and consensus, not partisan politics. For that reason—and that reason alone—I intend to oppose this fast track legislation.

Mr. STARK. Mr. Speaker, I rise today in opposition to H.R. 2621, a bill to allow fast track procedures for trade agreements. NAFTA is a recent example of why Congress should not approve this fast track authority.

NAFTA proves that trade agreements do not necessarily beneift all workers. Our experience with NAFTA demonstrates that "side agreements" are not enforceable and labor, the environment and public safety are all at risk. Large corporations benefit from trade agreements like NAFTA. NAFTA enables these companies to exploit our most valuable resources for their own bottom line. For these reasons, I vehemently oppose granting fast track negotiating authority to the president.

In any trade agreement, the people deserve to know—and have us debate—the terms of trade expension. I am not satisfied that the terms before us in this fast track authority are satisfactory and I am certain that the benefit doesn't go to the workers in my district.

Estimates show that the number of jobs foregone in the U.S. because of NAFTA-induced imports is over 400,000. In my home state of California, 38,406 jobs were lost directly because of NAFTA, according to a narrow Commerce Department formula. This is nearly 10 percent of the total U.S. jobs lost because of NAFTA. Workers in California qualify for a significant portion of the Trade Adjustment Assistance (TAA)—California is one of the top six states where the most workers are certified for TAA.

Multinational corporations export not only products but also business operations cross the border; they exploit Mexican workers for a fraction of the United States labor costs. American workers lose decent paying jobs. Mexican workers get work with subsistence wages. The corporations benefit at the expense of human labor.

There are 981,302 Mexicans working in abhorrent conditions in Maquiladoras, making an average wage of $30–$35 for a 48 hour week as a direct result of NAFTA. These workers live in shacks made of cardboard and wood. I cannot grant a fast track trade negotiating authority if fair labor practices will not be protected.

The environmental loses through NAFTA as well. The Administration promised greater environmental protections along the border regions where industry was expected to grow as a result of NAFTA. Well, we have experienced greater industry growth along the Southern borbers, but as far as environmental protection goes, it was just another promise broken.

Hazardous waste coming into the United States increased 30 percent in 1995. In that same year, well water in U.S. border communities had sulfate concentrations of nearly twice what is considered safe for drinking water. Not only does the U.S. laborer lose through NAFTA, but so does the vulnerable child and grandparent who drinks polluted well water.

NAFTA does not ensure inspection standards for produce, agriculture and livistock. NAFTA has crippled border inspections and the U.S. does not have the manpower to inspect everything that comes across its borders. Frozen fruit imports have increased by 45 percent and frozen vegetable by 31 percent since NAFTA, but there has been no increase in inspection.

A 1997 GAO report shows that commercial passenger vehicles from Mexico are not being inspected regularly. The ones that have been inspected have been placed out of service for serious safety violations such as steering or brake problems, according to the Federal Highway Administration. Fifty-four percent of the commercial passenger vehicles that pass through our southern borders do so through California. These unsafe vehicles are endangering the passengers as well as the safety of those on the streets and highways of California.

Negotiating authority with the right terms-allowing US workers to share in the benefit and promoting economic growth in environmentally sound ways worldwide—is my bottom line. Without that before us, I will vote "no" on the Reciprocal Trade Agreement Authorities Act of 1997.

Mr. PAUL. Mr. Speaker, today, the House is asked to vote to approve H.R. 2621, a fast-track procedure under which international agreements might be approved as far into the future as October 1, 2005. The "fast track" procedure requires the President to submit draft international agreements, implementing legislation, and a statement of administrative action for congressional approval. Amendments to the legislation in Congress are not permitted once the bill is introduced and committee and floor action votes may consist only of "yes" or "no" votes on any potential agreement as it is introduced.

The fast-track procedure bill, in addition to creating an extra-constitutional procedure by which international agreements become ratified, sets general international economic policy objectives, re-authorizes "Trade Adjustment Assistance" welfare for workers who lose their jobs and for businesses which fail, and creates a new permanent position of Chief Agriculture Negotiator within the office of the United States Trade representative. The bill would reestablish the President's extra-constitutional "executive authority" to negotiate "side agreements" such as those dealing with environmental and labor issues. Lastly, the bill "pays" the government's "cost" of free trade by increasing taxes on a number of businesses which recently benefitted by a favorable judgment in federal tax court.

The Constitution clearly allows for international agreements and clearly specifies the means by which they are to be accomplished. Treaties, quite clearly are to be negotiated by the President with advice and consent of the Senate and can only become effective upon being ratified by a two-thirds majority of the Senate. The Constitution, however, does not expressly confer authority to make international agreements other than by treaties and, of course, the tenth amendment specifies that "powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States, respectively, or to the people." To ignore or allow the one branch of the federal government to delegate it's powers to others destroys the liberty-protecting ability inherent to the Constitutional separation of powers.

Congress does have, amongst its enumerated powers, regulation of commerce with foreign nations. Imposing import tariffs, quotas, and embargoes, however economically detrimental to the macro economy of the United States, are, at least, amongst powers delegated to Congress by Article I of the Constitution. Regulating commerce, of course, refers to enacting domestic laws which effect voluntary exchanges between trading partners who happen to be citizens of different governments. International agreements between the governments of those trading partners cannot be construed to escape the stringent treaty ratification process established by the document's framers just by suggesting Congress has the power to enact domestic regulation regarding foreign commerce. If this were an allowable justification for bypassing the constitutionally-mandated treaty process, Article I Congressional powers would almost completely undermine the necessity for the Constitutionally-mandated treaty process. Treaties regarding everything from international monetary policy to military policy would suddenly become "ripe" for the "treaty-making" power of the President and Congress. Instead, a bright line process exists whereby entering into agreements with foreign nations under which the U.S. government will do "X" if the government of Ruritania does "Y" must be understood to constitute an international agreement and, as such, require the more restrictive treaty process.

Moreover, because international courts regard "treaties" and "agreements" as equally binding on signatory governments, a stronger case is made that they must be made subject to the same constitutional process. Insofar as H.R. 2621 ignores the lake of a congressional role in the international treaty process and instead attempts to make Congress an integral part of a procedure for which it lacks any constitutional authority, this bill can be opposed on constitutional grounds alone.

Even if the procedure advocated by the bill were able to survive what should always be the Congressman's initial threshold of constitutionality, the bill contains provisions which will likely continue our country down the ugly path of internationally-engineered, "managed trade" rather than that of free trade. As explained by economist Murray N. Rothbard:

> [G]enuine free trade doesn't require a treaty (or its deformed cousin, a 'trade agreement'; NAFTA is called an agreement so it can avoid the constitutional requirement of approval by two-thirds of the Senate). If the establishment truly wants free trade, all it has to do is to repeal our numerous tariffs, import quotas, anti-dumping laws, and other American-imposed restrictions of free trade. No foreign policy or foreign maneuvering is necessary.

In truth, the bipartisan establishment's fanfare of "free trade" fosters the opposite of genuine freedom of exchange. Whereas genuine free traders examine free markets from the perspective of the consumer (each individual), the mercantilist examines trade from the perspective of the power elite; in other words, from the perspective of the big business in concert with big government. Genuine free traders consider exports a means of paying for imports, in the same way that goods in general are produced in order to be sold to consumers. But the mercantilists want to privilege the government business elite at the expense of all consumers, be they domestic or foreign.

Fast track is merely a procedure under which the United States can more quickly integrate and cartelize government in order to entrench the interventionist mixed economy. In Europe, this process culminated in the Maastricht Treaty, the attempt to impose a single currency and central bank and force relatively free economies to ratchet up their regulatory and welfare states. In the United States, it has instead taken the form of transferring legislative and judicial authority from states and localities and to the executive branch of the federal government. Thus, agreements negotiated under fast track authority (like NAFTA) are, in essence, the same alluring means by which the socialist Eurocrats have tried to get Europeans to surrender to the super-statism of the European community. And just as Brussels has forced low-tax European countries to raise their taxes to the European average or to expand their respective welfare states in the name of "fairness," a "level playing field," and "upward harmonization," so too will the international trade governors and commissions be empowered to "upwardly harmonize," internationalize, and otherwise usurp laws of American state governments.

The harmonization language in last year's FDA reform bill constitutes a perfect example. Harmonization language in this bill has the Health and Human Services Secretary negotiating multilateral and bilateral international agreements to unify regulations in this country with those of others. The bill removes from the state governments the right to exercise their police powers under the tenth amendment to the constitution and, at the same time, creates or corporatist power elite board of directors to review medical devices and drugs for approval. This board, of course, is to be made up of "objective" industry experts appointed by national governments. Instead of the "national" variety, known as the Interstate Commerce Act of 1887 (enacted for the "good reason" of protecting railroad consumers from exploitative railroad freight rates, only to be staffed by railroad attorneys who then used their positions to line the pockets of their respective railroads), we now have the same sham imposed upon worldwide consumers on an international scale soon to be staffed by heads of multilateral pharmaceutical corporations.

Lastly, critics of the bill convincingly argue that language within H.R. 2621 regarding "Foreign Investment" would establish new rights for foreign investors and corporations and new obligations for the United States. H.R. 2621 attempts to eliminate artificial or trade-distorting barriers to trade-related foreign investment by reducing or eliminating exceptions to the principle of national treatment; free the transfer of funds relating to investments; reduce or eliminate performance requirements and other unreasonable barriers to the establishment and operation of investments; seeks to establish standards for expropriation and compensation for expropriation, consistent with United States legal principles and practice; and provide meaningful procedures for resolving investment disputes. It is argued that H.R. 2621 will congressionally activate the nearly completed Multilateral Agreement on Investment which covers 29 countries and forbids countries from regulating investment or capital flows and would establish new rights for foreign investors and corporations and new obligations for the United States. The MAI requires governments to pay investors for any action that directly or indirectly has an equivalent effect of expropriation. The MAI would be enforceable through international tribunals similar to those of the World Trade Organization without the due process protections of the United States.

Because H.R. 2621 enacts an unconstitutional foreign policy procedure, furthers our nation down the internationally-managed (rather than free trade) path, sets general international economic policy objectives, re-authorizes "Trade Adjustment Assistance" welfare for workers who lose their jobs and for businesses which fail, potentially undermines U.S. sovereignty through MAI, and preserves the President's executive authority to negotiate "side agreements." As such, I must oppose the bill.

Ms. DEGETTE. Mr. Speaker, after close review of this legislation, I have decided to oppose the "Reciprocal Trade Agreement Authorities Act" otherwise known as fast track trading authority. This proposal includes environmental, labor, and food safety standards as merely negotiating objectives, without any accompanying legislation or side agreements that directly address these issues. My greatest concern is that the health and safety of American families will be jeopardized in future trade accords if these issues are not made a much higher priority.

I believe that free trade is good for our economy. There are, however, certain precautions that need to be taken to ensure that free trade agreements do not undermine other principles that our country holds dear, such as a clean environment. One of the potential problems with trade agreements is that they create pressure on neighboring governments to relax environmental regulations in an effort to lure manufacturers across borders, thereby allowing these companies to profit by polluting and abusing natural resources. Congress must also make sure that there are sufficient labor protections when we make our trade agreements so that we can protect against multinational corporations moving production to other countries with lower labor costs. Lastly, we need to make sure that our trade agreements do not compromise our food safety standards. This is a real threat, particularly to our children who are often more severely affected by contaminated food than adults.

I am a proponent of free trade; I am as even stronger proponent of fair trade. Our priority should be to forge a sound trade policy that helps, not hurts, the working people of this country. While we address our concerns, we can still achieve strong free trade accords. The Executive branch has negotiated hundreds of agreements without the benefit of fast track, and will continue to do so if fast track authority is not renewed.

In my view, the administration's latest set of initiatives to protect labor and environmental issues in trade agreements are insufficient. If these issues are truly a priority, I believe the administration would have worked more aggressively to include them earlier on, instead of presenting a few feeble objectives in the eleventh hour of this debate. The new initiatives to make World Trade Organization activities, such as the settlement of international trade disputes, more open to the public, and to issue reports on worker conditions in other countries might prove valuable but they certainly do not offer enforceable protections. We must insist on negotiating authority that ensures trade pacts contain enforceable food safety, environmental, and labor provisions.

What we need is a concrete strategy to improve workers' rights and protect the environment in developing countries, while at the same time negotiating effective trade agreements. I do not believe that this version of fast track meets these vital goals.

Mr. LIPINSKI. Mr. Speaker, free trade advocates say that NAFTA has nothing to do with fast track. That's not true. NAFTA has everything to do with fast track.

NAFTA was negotiated under fast track, and look at what NAFTA has brought us. The evidence is clear. America has lost hundreds of thousands of jobs. And not only has it brought us a $16 billion trade deficit with Mexico, it's brought us lower wages, weaker consumer protections, and a dirtier environment. It's rolled back all of the advances we made this century and brought us back to the 19th century. Instead of leading us into the 21st century, it's dragging us down. That isn't sound public policy, no matter how you look at it.

Free trade advocates say that the economy is booming. That may be statistically accurate, but let's take a closer look at what NAFTA has meant for American working families. Although the U.S. economy grew at a robust 4 percent in 1994 and productivity increased by about 2 percent, American workers did not share in these gains. The wages of American workers have continued to fall since NAFTA was implemented. In NAFTA's first year, American workers saw the sharpest one year drop of their real hourly wages. The real median wage fell by over 2 percent, continuing a 20 year downward trend.

The evidence shows that not only did we lost American jobs, the American working men and women have seen a reduction in their wages as well. So what does NAFTA mean for American workers? The evidence shows NAFTA means stagnant incomes and falling wages for working Americans. Face the facts.

If we cut through the economic rhetoric that the free trade advocates use to cloud the debate on fast track and NAFTA, the question we have before us is actually quite simple—do we want to sacrifice American jobs at the altar of free trade? For myself, the answer is very simple—no.

That's why I opposed NAFTA. That's why I opposed fast track back in 1991, and that's why I am so strongly opposed to this fast track bill.

Free trade advocates want the American people to believe that those of us who oppose fast track are ignorant of the new international economy and are pursuing an "America-last" strategy. They think we are protectionists, as if it were some kind of dirty word. Well, if trying to protect American jobs, the American standard of living and American working families makes me a protectionist, then I will gladly wear that label.

The majority of Americans want fair trade. The majority of Americans don't want fast track stripped of labor and environmental protections. When I'm back home in the Third Congressional District of Illinois, every working man and woman tells me that thy don't want fast track. They don't want any more NAFTAs. They're tired of exporting American jobs instead of American products. Perhaps if some folks were to spend more time talking to Main Street instead of Wall Street, they would hear the same thing. Some folks seem to have lost sight of the fact that we work for the American people.

In reality though, this isn't a debate between so-called "protectionism" and free trade. It's a debate to shape America's future in the global economy, and to make the global economy work for us—not the other way around.

Mr. Speaker, this fast track legislation just won't work. It's just going to give us more NAFTAs. Instead of leading us into the 21st century, this fast track legislation will pull as back. Instead of rebuilding the American dream for working families, it will tear it down. That's why I am so strongly opposed to this bill. I will vote "no" on fast track, and I strongly urge all of my colleagues to do the same. Let us listen to Main Street, not Wall Street, because it's the working men and women of America that makes America so strong.

Mr. BERRY. Mr. Speaker, I rise today as a proponent of expanded trade opportunities for Americans. I support renewal of traditional trading authority for the President, and I will vote today in favor of H.R. 2621.

My vote today should not be an indication that I agree with the process that led us to vote at this time. In fact, I strongly disagree with the timing of this vote. I disagree with those Members who claim that we are voting on fast track today solely because fast track is a good idea. If the majority party wanted to pass fast track we could have voted on it last November; or January, February, March, or any other date before now. Likewise, we could vote on this next spring when we all return. The timing of this vote will jeopardize this much needed legislation from eventually passage.

I have worked for a long time and very hard for passage of fast track. I have colleagues on both sides of the aisle who are committed to expanding international trade, and they too have worked tirelessly for fast track. But today, some of these champions of trade are compelled to vote "no" on this crucial bill—not because it is a bad bill, but because of its terrible timing. People are playing politics with the global economy, and I find that shameful. At this precarious time we should be more prudent. The timing of this vote sends a signal to the world's economies that the United States is not ready to engage them in the marketplace. The timing of this vote sends them a message that we are preparing to move to a protectionist stance and that we are willing to stifle global economic growth.

I am prepared to vote "yes" on this critical legislation because I am so strongly committed to expanding trade opportunities for Americans. I only wish that the leaders of the majority party were prepared to show an equal commitment to this principle—and less of a willingness to play politics with our future.

Ms. BROWN of Florida. Mr. Speaker, I am very concerned about this Fast Track legislation. The way I see it, NAFTA has eroded 100 years of U.S. workers fighting for safety rights, worker protection, and fair wages and hours. There can be no serious global trade legislation without protection for workers and for the environment. For instance, we need to know that rain forests will not be destroyed or that women and children will not suffer from increased poverty and a violation of human rights.

And I need to know that Florida farmers will not suffer. What has NAFTA done for Florida? No oranges from Florida have gone to Mexico; however Mexican tomatoes have flooded the U.S. market.

We now have a history with NAFTA. We have lost good jobs. Corporations move and unemployed workers left behind get jobs paying less. The skilled jobs that once moved black workers into the middle class are gone and cities have lost an important tax base. At the same time, workers in rural America are suffering.

This is wrong. All citizens must be lifted with the economic tide—we are all in the same boat. I will work to see that we all can do better in this new global economy. I am especially concerned about our working men and women. Our workers want answers to important questions:

(1) How will American workers integrate into the global community? (2) Where will corporate investment be made? (3) How will global trade affect the balance of power between worker and management? (4) How will global trade affect our rural farmers and the global environment?

Our workers deserve reasonable answers to these questions.

Ms. HARMAN. Mr. Speaker, I rise in strong support of the pending measure granting the President fast track consideration of trade agreements he negotiates with our foreign trading partners.

As many of my colleagues know, despite pressure from the Administration, former President Carter, and many of my business constituents, I voted against NAFTA. But fast track is not NAFTA. But fast track is not NAFTA. Indeed, as I explained to a business audience in my district last fall, fast track is not a debate over NAFTA or whether what is negotiated will even resemble NAFTA.

I can appreciate the concern that the fast track process may result in a trade agreement certain interests can't support and perhaps can't defeat. But I am more concerned that the lack of fast track authority will mean that even good trade agreements cannot be negotiated because our trading partners will not want Congress to amend them.

I represent California's 36th Congressional District—which I call the aerospace center of the universe. Over the course of the last decade, the district has seen thousands of defense-dependent jobs disappear. But the local economy has rebounded—rebounded by diversifying and applying the high technology skills of South Bay workers to solving transportation problems, to cleaning up the environment, to developing advanced communications satellites and the infrastructure and software to support them, and to making advances in medical technologies adapted from Cold War programs.

Future growth, indeed the continued existence of these industries, depends on finding foreign markets. Diversification and access to foreign markets are the strategy for saving the defense industrial base that won the Cold War. Without trade, this industrial base would be far weaker today, and fewer high skilled workers would be employed. Most important, our ability to ramp up in times when our nation's security is threatened would be gravely jeopardized.

Trade benefits the non-defense sectors in my district as well: from toys to wet suits to automobiles. Most of our growth in manufacturing and service jobs in the last decade is trade-related.

Mr. Speaker, creating trade opportunities is an integral part of keeping a strong defense production base at home and for keeping a strong local economy vibrant. Fast track is an essential tool in this effort.

I urge my colleagues to support this important measure.

Mr. FAWELL. Mr. Speaker, I rise today in support of H.R. 2621 and the extension of Fast Track trade negotiating authority. Study after study has shown that free trade benefits America by increasing exports, creating higher wage jobs, giving U.S. consumers more choice and lower prices, and keeping U.S. industries competitive. Since its original enactment in 1974, each president has benefitted from fast track authority, and has used this negotiating tool to advance U.S. economic and foreign policy interests. Without fast track, U.S. trade negotiators are put in the position of negotiating a treaty and then having it altered by the "535 Secretaries of State" residing in the Capitol. These alterations often make the agreement unacceptable to the other parties. For this reason, the U.S. has not been a party to over 20 free trade agreements which have been negotiated since fast track authority lapsed in 1994.

The partnership created under fast track between the president and Congress, enhances our ability to shape the rules of international trade and lead on multilateral initiatives that benefit U.S. businesses and workers through our entry into trade agreements. Without free trade, our ability to influence nations in other areas of critical interest to the United States, including human rights, the environment, and drug trafficking would be diminished. To influence these nations, we need to increase contact and trade, we cannot turn inward. Clearly, we need to reinstate fast track authority to restore our presence worldwide. Only with this authority can America retain and strengthen its trade status and its leverage with foreign nations to influence their labor, environmental, and other policies.

In addition, fast track helps American businesses and workers. Tariff rates in the United States are already among the lowest in the world. Fast track authority will give the president the ability to negotiate trade agreements with other nations, to lower their tariff rates. This will greatly increase the number of American goods that can be exported to these foreign nations. Treaties negotiated under fast track procedures will break down trade barriers and expand our exports, creating American jobs and providing a more secure economic future for America. You can be assured, Mr. Speaker, that while we debate the merits of fast track authority, Canada, Japan, and the countries of the European Union are negotiating free trade agreements with America's trading partners.

Our nation should be able to take full advantage of the advances which free trade status and fast track authority offer. I urge my colleagues to support H.R. 2621, and reinstate fast track authority for workers, for business, for America.

Mr. COYNE. Mr. Speaker, I rise in opposition to this legislation.

I oppose H.R. 2621 because I think that it would produce trade agreements that contain inadequate labor and environmental protections. I believe that trade agreements negotiated under the terms of this fast track authorization bill would destroy U.S. jobs and drive down American workers' wages.

Mr. Speaker, the United States is a world leader in terms of military power, diplomatic influence, economic vitality, technological innovation, and popular culture. As the richest and most powerful nation on earth, the United States enjoys a unique position of leadership—and provides us with the ability and opportunity to influence countries around the globe.

This country must be a leader in terms of worker rights and environmental standards as well. Our labor and environmental standards have a positive influence on labor and environmental laws and regulations around the world. We can and should promote labor rights, workplace safety, and environmental stewardship in developing nations. By doing so we help both American workers and foreign ones. Moreover, failure to do so places our workers and their employers at a competitive disadvantage in the global marketplace. Consequently, I strongly believe that any trade agreements that we reach with developing countries should promote worker rights and environmental protection in those countries.

I believe that responsible trade agreements can benefit this nation and its workers, and that giving the President carefully crafted "fast track" negotiating authority can promote such agreements. Consequently, in considering this legislation reauthorizing the administration's fast track negotiating authority, my decision on whether to support or oppose this fast track bill has been based upon the legislation's treatment of labor and environmental issues. I have concluded that this bill does not provide that adequate labor protections and environmental standards will be included in trade agreements negotiated under its fast track authority. Consequently I oppose this legislation.

I urge my colleagues to vote against this fast track legislation, and to work with me to develop fast track legislation that does a better job of promoting America's trade interests.

Mr. COSTELLO. Mr. Speaker, today, the Republican leadership is up to their old tricks again. Their plan to consider fast track trade authority not trivializes this important debate. The Republican leadership is playing a game with electoral politics—creating political havoc prior to the mid-term elections. We should be focusing on passing the appropriations bills and addressing health care legislation and education issues and true Social Security reform. We should put this bill away until we are ready to include binding provisions and enforcement mechanisms to protect worker rights, food safety and the environment.

I oppose this fast track legislation. When we considered granting the President fast track trade authority last year, I was opposed to that plan. Today, I have the same reservations. Presumably, one of the main reasons for fast track authority is to expand the North American Free Trade Agreement (NAFTA). NAFTA has cost hundreds of thousands of American jobs and failed to improve environmental conditions along the U.S.—Mexican border. I did not support NAFTA then, and I will not support expanding it now.

NAFTA resulted in a loss of almost 17,000 jobs in Illinois and 420,000 jobs nationwide. U.S. workers who found new employment after their jobs moved to Mexico took an average pay cut of $4,400. Unfortunately, this proposal will result in more disastrous impacts on U.S. workers. Workers will have reduced bargaining power under this agreement as employers use threats of moving jobs to lower wage-paying nations in order to lower worker contract demands. This fact track legislation provides absolutely no protection for American workers.

Further, this proposal fails to address necessary environmental standards. Since the passage of NAFTA, the degradation of the environment along our border with Mexico has escalated. By not requiring other nations to increase their environmental standards, we are putting American products, which are subject to stronger environmental rules, at a disadvantage in the competitive marketplace.

I am also concerned about food safety. Food-borne illness is on the rise around the world in part because of the "globalization" of the food supply. Imported food is over three times more likely to be contaminated with illegal pesticide residues than food grown in the U.S. Stronger pro-consumer language in any fast track legislation would correct this oversight, however, the provisions of this fast track bill would greatly restrict the United States' ability to protect the public from unsafe food. I am not convinced that this bill provides adequate consumer protections that we, as consumers, expect and should demand.

I also believe that trade agreements should be subject to moral and ethical standards. There are 1.3 billion people around the world living on less than $1 a day. This fast track legislation does not include provisions to reduce child labor or decrease poverty and inequity throughout the developing world. U.S. trade policies and negotiations should seek to change this unfortunate reality.

This is not the right fast track legislation; it is irresponsible to bring this bill up now. We put our credibility with our trading partners at risk because this fast track bill does not have the support of the majority of this Congress. Trade policy and its domestic and international consequences is too important to be used as a political football.

The bottom line is that this bill fails to address human rights, food safety, environmental regulations, or protect American workers. I cannot support this bill, and I urge my colleagues to vote no on fast track.

Mr. VENTO. Mr. Speaker, I rise today in opposition to a measure that would trade away my right to represent the interest of my constituents. This fast track legislation would place a straight jacket upon my ability to advocate for the people of Minnesota without the minimal safeguards that address key issues of concern. Let me be clear, I am for trade, but I am not in favor of surrending and limiting the opportunity to influence trade agreements the United States administration appointees shape. The Constitution in fact preserves our role in the Congress to shape trade agreements, and this fast track measure takes the wrong track in surrender of such congressional role to the Administration and bureaucrats.

I am especially concerned that this legislation today is being used as a political pawn by the Republican majority. Trade policies, and our role in shaping those policies, are much too important to be thrown away merely on the basis of eve-of-the-election politics. We should stop the rush for fast track, and open this floor for real debate on the role of our country in the global economy.

Despite what you may hear from proponents of this legislation, trade expansion will not die without fast track negotiating authority. Of the 200 plus trade pacts this Administration has made over the past six years, all but two were considered without fast track procedures. 198 agreements didn't need such power. This is essentially the same fast track legislation that was opposed last year by labor, consumer, and environmental groups. No matter how you repackage it, fast track in this form is a bad deal for Americans. Our job in Congress is to represent our constituents, not to shift our power and limit our voice on key trade agreements, especially as our global economics become more integrated.

I understand the benefits of trade on our national and local economies. However, we need to use our economic leverage and market power to ensure that the rights and interests of our farmers, workers, environment and public health are advanced in our trade agreements. These are the very elements which have contributed in shaping one of the greatest economies in the world. Why should we lower the standards and protections that provide the foundation of our economy and U.S. prosperity? Trade pacts today have too often been the Trojan horse which undermines progress in these emerging areas of environmental policy, worker rights, health and safety standards.

I fear that new trade agreements without a prerequisite to address these specific concerns will just represent a high tide which carries American jobs to foreign shores and creates a lower common denominator. Some will capitalize on the growth of the emerging global economy and the expansion of trade, no matter the human indignity upon which it rests, and others will be displaced by downsizing, new technology, and offshore production. I, therefore, will not negotiate away my ability to advocate for my constituents' interests, jobs, wages, and livelihoods. My rejection of this process isn't the end of the issue, but rather a vote for Congress to insist upon a new negotiation framework and reclaim its proper role—a direct role in the trade agreements that will determine the policy and economic interface between the United States and our trade partners.

We have the ability and the responsibility to guide and set our economic and trade policy, keeping in mind the core values that have sustained our nation as the world's most successful economy; the basic human rights, social justice, safety and health, worker rights and the safeguarding of the environment. For that reason, I oppose this fast track legislation, and encourage my colleagues to do the same. It isn't a solution but the wrong track—a detour on the economic policy path to a sound global economy.

Mr. SKAGGS. Mr. Speaker, a year ago, when I announced my decision to support fast track trade negotiating authority, I told my constituents that I was supporting it because I believe strongly that good jobs depend on expanded trade—especially for a state like Colorado that is a leader in high tech and agricultural exports.

Over my twelve years in Congress, I have talked with workers, farmers, managers, and CEOs whose jobs depend on being able to sell their goods overseas. To expand U.S. exports we must make trade agreements to open foreign markets to the goods and services produced by Colorado's and America's workers.

One-third of our economic growth in recent years has come from exports. Our economy is in the eighth year of a steady expansion, with low inflation, and unemployment at such low levels that economists consider it to be "full" employment. I am convinced that the long-term health of our economy depends on continuing to lower barriers to our exports and expand opportunities to sell our goods.

For the United States to retreat from the policy of trade liberalization, which has been a major source of worldwide economic growth since the end of World War II, would have enormous consequences for this country and for the rest of the world.

What is essential in the long-run is a sustainable, centrist, bipartisan, and reliable coalition for a progressive trade policy. Playing political games with this issue won't succeed in the short-run—few believe there are enough votes to pass this measure today. But far worse, pushing today's vote on Fast Track will cause positions to harden and so will diminish the chances of achieving a centrist consensus on trade over the long-run. And trade policy simply has to be bipartisan if it is to be effective or reliable.

Sadly, the Republican leadership seems more interested in scoring pre-election political points in making real improvements in the world trading environment. If they really wanted to sustain a bipartisan coalition in support of a progressive trade policy, they would not be bringing Fast Track up today.

A Republican aide is quoted as saying that the decision to bring this to a vote, regardless of its chance of passage, was "to show business who is in the camp of business, and who is in the camp of labor." That's the sort of maneuver that severely damages the prospects for a national consensus on trade.

I can't vote for Fast Track today, because I choose not to be part of an effort to manipulate this important issue for partisan advantage a few weeks before the election. I will vote "present" to protest this cynical treatment of an issue that is so important to America's continued prosperity.

Mr. DICKS. Mr. Speaker, I am very disappointed with the reasons that the leadership has brought this legislation to the floor this afternoon. Both sides of this debate—and both parties—know very well that there are not enough votes to pass this bill today, a bill that I believe is extremely important for the future of our country. Rather, this legislation is being used as a political tool with the sole purpose of trying to embarrass the President. I believe that this is wrong, and I think that the leadership on the other side should have worked with the Administration in good faith to gain the votes to pass this bill instead of using such an important and inflammatory political issue simply for partisan gain.

Despite the actions of the other side, I support reextending fast track negotiating authority to the President for certain trade agreements. I believe that this authority is necessary to ensure that the United States remains a global leader on free trade, and to enable the President to continue to work to open foreign markets to American goods.

Trade is critical to Washington state, which is our nation's leader in per capita goods exports. In fact, one in every four jobs in my state is directly or indirectly dependent on exports—almost 740,000 people—and this figure is expected to increase to one in three by 2005.

These are not low wage service jobs that have been generated from the growth of trade in my state. These are high-wage jobs—jobs that pay 46 percent more than the overall state average. We are talking about thousands of union Machinists making airplanes at the Boeing Company, we are talking about software developers at Microsoft, we are talking about mill workers that fabricate aluminum at Kaiser, chip makers at Intel, and workers at Weyerhaeuser that produce lumber and wood products for export.

Trade is not just important to big companies; in my state, there are many more small businesses than big ones that depend on international trade. There are many small companies that supply machine and airplane parts that go into the aircraft that we sell overseas, thousands of farmers that grow apples and wheat, and countless small, family-owned mills that process timber and sell the products in Asian and other overseas markets.

Fast track negotiating authority is critical to the continued prosperity of the Pacific Northwest. A second Information Technology Agreement, one of the Fast Track priorities of this Administration, is important for the many high tech companies in the Puget Sound area. Further negotiations on intellectual property, a principal negotiating objective of the bill, will also help these companies to fight software piracy, which costs the industry billions of dollars each year. Future agricultural agreements will also help open markets for Washington's farmers.

Many Fast track opponents are arguing that the only reason for considering this bill at all is to enable the President to expand NAFTA to Chile and beyond. In actuality, negotiating a comprehensive trade agreement with Chile—a more economically developed country than Mexico—is only a small part of the Administration's trade agenda. This agenda also includes expanding current trade agreements to achieve reduced foreign tariffs on U.S. high technology products and services (some of which currently exceed 30 percent), greater protection of American intellectual property, improved access to foreign government procurement activities, and elimination of barriers against U.S. agricultural products. With 30 percent of our recent economic growth tied to exports, and these export-related jobs paying between 13 to 16 percent more than the average national wage, it is imperative that we actively pursue trade agreements that open foreign markets to America's products and services. It is important not to forget that more than 95 percent of the world's population lives outside the United States.

Mr. Speaker, despite my dissatisfaction with the reasons for which this legislation is under consideration today, I will vote in favor of the bill. In my judgment, fast track negotiating authority is too important to my district, my state, and my country for me not to support it.

Mr. CUMMINGS. Mr. Speaker, I rise today in support of the United States Congress and in opposition to fast track.

I am going to be brief because what I have to say is straight forward: fast track may have been right in the past, but it is clearly wrong for the present and wrong for the future.

There was a time then international trade agreements were little more than the terrain of bean-counters: the fees applied to the importing and exporting of goods.

Today, however, these agreements have expanded well beyond bean-counting, and even beyond trade into the realm of finance and investment.

Such agreements directly impact the meat and potatoes of what our work in Congress is all about: worker rights, the environment, economic equality, human rights, food safety, even health care and education spending.

Therefore, we, the Members of Congress, must have a voice in the direction of these international agreements.

I did not become a United States Representative to act as a rubber stamp.

Rather, I came here to represent my constituents by using my voice to debate and to amend as I see fit legislation that has a direct bearing on their lives.

And, to those among us who argue that the United States needs fast track to participate in the international global economy—I ask for one, just one example from the last four years during which time we did not have fast track that the United States has not had a seat at the table in an international trade, investment or finance negotiation? Anyone? I thought not. Because there are no examples. We have never been kept from the table and we will not be left out in the future.

For all these reasons, Mr. Speaker, I continue my opposition to fast track by voting against this bill.

Mr. KLECZKA. Mr. Speaker, I rise today to express my strong opposition to giving fast track trade negotiating authority to the president. Not only is this bill a bad deal for working men and women, but it prevents Congress from doing its job.

Let me start out by saying that I am very concerned that we are even having this debate today. The Republican leadership has brought this bill to the floor with little interest in promoting a sensible trade policy for our nation. Instead, the bill before us today has the sole intent of embarrassing President Clinton and forcing Democrats to cast a tough political vote before an election.

Last year, fast track was pulled from the House calendar because there were not enough votes for passage. Since that time, no effort has been made to address the concerns of those who opposed fast track. The Republican leadership tinkered around the edges to add a few more provisions to make the vote even more difficult for some members, but nothing of substance. No protections for our environment. No protections for workplace safety. No protections for hardworking Americans and their families.

I must remind my colleagues that the Constitution of the United States gives Congress the power to regulate commerce with foreign nations. Since 1974, however, the House and Senate have abdicated this responsibility by giving the president trade negotiating authority that limits congressional input. This culminated in the failed North American Free Trade Agreement (NAFTA).

The legacy of NAFTA is the growing number of American companies heading south of the border to take advantage of low wages and non-existent workplace safety and environmental standards. Two years ago, Johnson Controls, located in my congressional district, said they were closing a valve plant and taking 200 jobs with them to Mexico. Companies such as Fruit of the Loom and Sara Lee have joined Johnson Controls in abandoning thousands of their workers in search of lower costs in Mexico.

Even worse, companies are using the threat of relocating in Mexico in order to force their loyal employees to accept cuts in pay and benefits. To top it off, many workers are being required to work longer hours in order to meet the production demands of corporate CEOs. A commission created under a side agreement of NAFTA conducted a study that showed these threats were carried out three times more often under NAFTA than in the past. This lack of bargaining power has prevented American workers from enjoying the benefits of the recent period of economic prosperity.

Many say the recent economic expansion has been, in part, a result of the recent trade policies of our nation. While that may be true, it is a fact that American workers have not enjoyed the benefits that should come with economic prosperity. From 1993 to 1996, real median wages fell 4.1 percent. My state of Wisconsin has been hit particularly hard—recent Census data shows Wisconsin was only one of four states where household income did not grow over the past year. In fact, the median income in Wisconsin dropped almost $1,800—or 4.2 percent—last year. The reason: the quality of jobs, measured by wages, has deteriorated.

America should also be concerned about what recent trade agreements have done to the environment. The proponents of fast track point out that we are in a global economy and need this authority to avoid being left out. But what they fail to realize that when we choose to ignore environmental standards in trade negotiations, we are putting our own health and safety at risk.

Instead of debating this partisan sham of a trade bill, the House of Representatives should be doing its job. We must defeat this legislation and reassert our constitutional duty to debate, amend, and then approve trade proposals that are in the best interest of working families.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today in strong support of H.R., 2621, known as "fast track" authorization for the President to negotiate international trade agreements. Congress must pass this legislation today for several reasons—it will open markets and create jobs, it is the right policy for American export businesses, and it is about leadership.

H.R. 2621 will give the U.S. an edge by opening up overseas markets to our products and services. Over 96 percent of the world's consumers live outside of the U.S. and fast track will ensure some of America's most important industries market access and future economic expansion.

I hear from countless businesses and their employees that fast track is the right policy for American Export Businesses. There is virtually no question that exports have contributed immensely to America's increasing economic vitality and stature throughout the world.

America leads the world in net exports. Last year, American exports of goods and services totaled more than $933 billion—14 percent of total world trade. More than 11 million U.S. jobs are export-related, including 1 in 5 manufacturing jobs, which pay an average of 13–16 percent above the national average.

Thirdly, fast track is about leadership. We are the world's global leader in trade and our action today is both symbolic and substantive. You can't lead the world towards democratic ideals and free markets if you remove yourself from the trade process. We need to be involved on all continents, and right now we are shutting ourselves out of too many overseas markets.

Similarly, our country cannot be an advocate for global environmental protection and the improvement of labor conditions and wages if we are not at the table to lead in these efforts.

Finally, I would like to express my disappointment over the President's personal involvement during this debate today. Over the past year, he and members of his Administration, including the Vice-President, the Secretary of State, and the Treasury Secretary, have been quoted repeatedly about the urgency of passage of fast track. In this regard, I would like to quote Secretary of State Madeline Albright's July 24, 1997 speech to the Pacific Council and Los Angeles World Affairs Council. She said,

> American prestige is not divisible. If we want our views and interests respected, we cannot sit on the sidelines with towels over our heads while others seize the opportunities presented by the global marketplace. That is why, from a foreign policy perspective, I consider fast track to be among our highest legislative priorities.

I commend the leadership of the House for bringing this bill to the floor today, despite the lack its support by the President and his Administration, because they understand the importance of this bill for our country.

Mr. Speaker and colleagues, I urge the passage of this legislation. It is inconceivable that we would not act today to assure a brighter future and a better standard of living for our children and grandchildren and their futures.

Mr. DAVIS of Illinois. Mr. Speaker, when the United States enters into trade agreements, the objective should be to advance the standard of living for working families in our country and abroad.

Just like the average family in Illinois' 7th Congressional District. They are impacted by this trade agreement whether they like it or not. My hope is for them. They want what you and I want—to provide, to the best of their ability, for their loved ones.

My hope is for the people in the district, so that they can obtain a Living Wage, a wage that allows workers to lead a dignified life while working in a safe and healthy environment—an environment that respects their needs as a worker and a human being. Their struggles and desires are not so different from yours and mine. They want to put clothes on their children's back, they want to put food on the table, have access to reliable transportation, live in adequate housing and be able to obtain affordable child care for their children. Their issues need to be taken into account and be an active part of this debate. We need to engage the people in this debate—for we are playing with their livelihoods.

I hope for a trade agreement that will help to broaden our economy, help eradicate poverty, while bringing jobs and a decent quality of life to all of those involved. However, based upon recent reports, NAFTA as a trade agreement and trade model, has not met its promises. Thus, I believe that any standard of trade, based on the NAFTA model, will further threaten the standard of living for working families, not only in the USA but in other countries as well. Therefore, I am opposed to HR 2621, Fast Track.

"Free traders" often state that those opposed to NAFTA-based agreements—like fast track, need to "get with the times"—Often asserting that we are opposed to this treaty out of fear for the future. I pronounce that this is just simply not the truth. I welcome healthy change and look forward to supporting a treaty that will serve in the best interest of small businesses, workers and the environment in this country, as well as all those involved.

Mr. Speaker, I know that when we start placing people before profits; placing democratic safeguards before raw political gain; placing the well-being of our land ahead of the fiscal bottom line of a limited number of business concerns and protecting our inhabitants from irresponsible development—then the future will be hopeful for those ordinary folks both here and in places like Mexico.

Instead of fast-track, we need an agreement that increases our purchasing power, that improves living standards for all, and that proposes constructive solutions to pressing development and social problems, and that enhances healthy commerce throughout the region.

"Fast track" proponents continue to argue that jobs are being created, but they cannot back up their claims.

Studies show that 65% of laid off U.S. workers end up in lower paying jobs. The vast majority of new jobs in the United States are now in low paying sectors of the economy. The

U.S. Department of Labor's forecast of job growth over the next ten years shows the greatest increase in cashiers, janitors, retail sales clerks and waiters and waitresses.

The Administration argues that they need "fast track" authority to negotiate trade agreements, but this just isn't so. By their own admission, only 2, out of over 200 trade agreements negotiated while in office, have been negotiated under "fast-track" authority. Working families are better served by public debate over trade agreements, not backroom deals cut by policy players that can only be voted up or down.

Fast-tracking is an issue of democracy. There is no adequate time to debate. Thus, members are forced to circumvent on their duty to vote.

Finally, given the negative effects that NAFTA has had on workers both here and across the continent, using a region known as the Maquiladora, as point-in-case. The area is an environmental and health disaster area called a "cesspool of infectious diseases" by the American Medical Association. Residents on both sides of the border suffer from alarming rates of hepatitis, chronic diarrhea and tuberculosis. Contamination by toxic industrial wastes and chemicals has been linked to the clusters of cancer, rare birth defects and immunological diseases on both sides of the border in 1995.

This is a tragic example of the types of human costs that can be experienced when linked to rapid industrialization without any human rights standards. Yes, we need jobs and a solid economy, but, I ask my colleagues, at what cost and at the expense of whom? We need to seek equitable trade across borders, we cannot think of what is only good for U.S. citizens. We need enforceable workers' rights provisions and standards for all parties in trade agreements. This is fair trade.

To honestly analyze this "agreement," we must understand not only what NAFTA is, but more importantly what it is not. NAFTA did not create substantially more free trade with Mexico, it did not create higher paying jobs for rank and file workers—on either side of the Rio Grande, it did not ensure the development of Mexico, and it side-steps critical social, environmental and economic issues. NAFTA is the absence of wage and labor rights, and responsible environmental regulations.

I say that NAFTA is more about Wall St. than about Roosevelt Road in my district where businesses thrive and employe many working-class families.

What can we learn from this debate? One strategy that seems abundantly clear is that we must work together to introduce and pass legislation that seeks to defend the rights and improve the quality of life for all working people across borders. People in my district—and beyond—need good, decent-paying jobs with a liveable wage as well as a workplace that has an atmosphere of safety and respect for all.

With a new effort afoot to spearhead international trading blocks, we must respond by allowing aggressive organizing to take place in the workplace, and create an atmosphere that welcomes the advocating of social change that safeguards workers, communities and the environment. To ask for less is to consign all of us to a spiral of economic decay and growing human misery that undercuts the humanity and well-being of all people of the America.

Mr. Speaker, I close today, by submitting to you that our struggle is linked to the struggle of poor and oppressed people throughout the world and their economic liberation protects our economic development. I look forward to supporting a treaty that will help small business prosper, a treaty that gives everybody the same break that the current treaty reserves for only the most powerful players at the table. We need a fair trade agreement that includes all who have a right and need to trade.

Good trade is good for people in the 7th Congressional District of Illinois, the city of Chicago as well as the people in the USA and Mexico. A higher wage means more purchasing power which means a stronger economy.

Mr. CONYERS. I am opposed to this bill to grant "fast track" negotiating authority to the president. The failed record of the North American Trade Agreement should have taught this body that it is time for us to remake our trade policy. NAFTA has hurt workers in America, increased poverty in Mexico and accelerated environmental destruction along the border.

The NAFTA disaster demonstrates not that we shouldn't be making trade agreements, but that we need a fully participatory policy making process that protects the interests of consumers, workers and the environment. That process should put Congress, a body devoted to responsiveness to people back home, at the center of the trade debate.

In my own state, NAFTA has been devastating to the auto industry. In 1997, the trade deficit with Mexico was $13.9 billion for autos and automobile parts alone! This figure is expected to go up a bit this year because from January through July of 1998, the trade deficit was $8.7 billion, compared to $8.3 billion for the same period last year. And keep in mind that before NAFTA, in 1993, the United States only had a $3.6 billion overall deficit with Mexico.

I visited the low-wage maquiladora factories in Mexico in 1993. All the foreign-owned corporations told us that this business sector would shrink. Instead it has increased by half since NAFTA. This means that polluted corridor along the US border is growing uncontrollably and NAFTA's weak environmental protections give us almost no redress.

So Americans are not better off and Mexicans are not better off. According to Mexico's National Autonomous University, the number of people living in extreme poverty has gone up from 31 percent in 1993 to 50 percent in 1996. This is not a fair deal for anyone except the greedy few who have profited from slashing American jobs and suppressing American wages.

I know we can negotiate a better trade agreement. But the first step is to keep Congress and the American people involved by rejecting the failed fast-track approach to trade. I urge a "no" vote on this bill.

Mr. WEYGAND. Mr. Speaker, today we are scheduled to vote on whether to grant fast-track authority to the President. I believe that, as written, we cannot ensure that U.S. citizens and citizens of other countries will get the safeguards they deserve therefore, I will be voting against granting the president fast-track authority and urge my colleagues to do the same.

Mr. Speaker, in the United States we have a great deal of environmental, worker and consumer safeguards that make our standard of living among the highest in the world. We have worked very hard at building a nation where people can live with assurances that their food has been inspected, their roads are relatively free of unsafe vehicles, their air and water are clean and they can earn a livable wage. Why should U.S. citizens or any other citizen of any nation not be guaranteed the continuation of those same benefits? Why should U.S. standards be compromised?

One of the purposes of trade agreements should be to better both or all trading partners. Our goal should be to raise the standard of living for everyone. Weak standards should be strengthened, strong standards should not be weakened. As we have seen with NAFTA, not including certain safeguards in the text of a trade agreement itself will result in a lower standard of living.

Because we cannot look into a crystal ball to find out how a trade agreement will turn out we must ensure that environmental, consumer and worker safeguards are included, up-front. Including these provisions in the fast-track bill will ensure that high standards are part of the negotiations and will not be sacrificed.

I fully understand the importance of entering into trade agreements to make sure that the U.S. is not left behind in this global economy. Expanding export opportunities is critical to the continued economic development of Rhode Island's economy and I will work to continue to create and expand those opportunities without giving up our standard of living. I am in favor of fair and equitable trade, but not at the expense of jobs and our families. We should trade goods, not export jobs.

I believe that this fast track is the wrong track. It quiets the American people's voice in their government. This Fast-Track does not defend workers and consumers and therefore is a hindrance to fair trade, rather than a boon.

I believe we can have free and fair trade, trade that benefits American workers and consumers and defends the environment. I believe we can have agreement that will result in higher wages, cleaner air and greater consumer safeguards. This bill will not yield those desired results. Again, I urge my colleagues to vote against this bill.

Mr. DELAHUNT. Mr. Speaker, I rise in strong opposition to the bill.

This debate is not about "free trade" versus "protectionism"—though that is how proponents of the fast track proposal often characterize it. It is not about "engagement" versus "isolationism." Or "leadership" versus "retreat."

What this debate is about is whether the most powerful nation on the planet will help create a global economic system in which everyone has a fair share of the wealth.

Or whether we will continue to pursue trade policies that magnify existing inequities. That favor huge multinationals and "agribusiness" combines over locally-owned enterprises and family farms. That encourage American companies to go where they won't be hampered by fair labor standards, consumer protection laws and environmental regulations.

This legislation failed last year and it deserves to fail again. Because the working people of America understand what it will mean for them. For their families. And their communities. They have seen what NAFTA has brought them, and they are not about to allow the Congress to repeat that costly mistake.

NAFTA may have generated record profits for some large corporations. But those profits have come at the expense of workers whose jobs moved south. And farmers who couldn't compete with cheap Mexican wages. And consumers forced to buy potentially unsafe produce.

Nor are the consequences of NAFTA confined to our side of the border. On a recent trip to Mexico, I saw what NAFTA has meant for the people of that country. Factory workers denied decent working conditions and the right to organize. Agricultural laborers exposed to chemicals banned in the United States. Thousands of subsistence farmers forced off their land to make room for giant export producers.

To help address these concerns, I have joined with a number of my colleagues in this House, the Mexican Congress and the Parliament of Canada, in an agreement to establish a Tri-National Commission. The Commission will meet every few months, beginning early next year, to examine the effects of NAFTA in all three countries, and to look at better alternatives.

We have been warned that if we fail to approve the bill, we will be shut out while other countries reach agreements. That, I submit, is an appeal to fear and weakness that ill befits a strong and confident nation. A nation with the strongest economy in the world.

We should not negotiate because we are afraid we will be left out. Rather, we should negotiate in the secure knowledge that our trading partners need the American market at least as much as we need theirs. That a great nation need not accept what others decree, but can work with them to reshape the structure of international trade.

If we fail to do this—if we do nothing to address the growing gulf between the haves and have nots—if we continue to enter into agreements which codify the inequities of the current trading system—we will have much to answer for.

I urge my colleagues to stand with working men and women everywhere in just saying "no."

Ms. WATERS. Mr. Speaker, I rise in strong opposition to this once-failed "Fast Track" trade authority legislation that the Republican leadership has chosen to bring to the floor.

Our urban centers and rural communities nationwide have suffered greatly from the corporate flight and job loss promoted and encouraged by NAFTA. Wages for manufacturing workers have been depressed by brutal global competition with terribly exploited workers overseas. And the violent turmoil in the world's financial markets threaten to ruin the economies of many developing nations.

But, in these uncertain financial times, the Republicans are using this bill for their partisan purposes and ignoring the danger signs, throwing protections for American workers and families out the window.

But they should not, and will not, pass this bill. They still have no real protections for American workers who face the loss of their jobs overseas. Environmental concerns continue to be ignored.

And, despite all the Republican rhetoric about being tough on drugs, this legislation does nothing to stop the increase of the flow of drugs into the U.S.

Loosening the rules of trade, without building in any safeguards against drug trafficking, has meant a virtual explosion of the flow of cocaine, heroin and other narcotics into the U.S. In November 1997 I called for the addition of specific, core language in trade agreements that addressed drug trafficking. I published a report "Drug Trafficking on the Fast Track" that documented the dramatic increase in drug trafficking that came as a result of NAFTA.

And this week's New York Times highlighted these dangers reporting that the brother of Mexico's former President Carlos Salinas, "assumed control over practically all drug shipments through Mexico." He used government trucks and railroad cars to ship tons of narcotics into the United States using influence and bribery to buy protection from the nation's army and police force.

So we negotiated a free trade treaty having absolutely no drug trafficking protections built in, with a government that was literally directing the flow of cocaine and narcotics into the United States.

We cannot repeat the mistakes of the past.

We cannot sign trade treaties with governments who are involved in, or complicit with, drug cartels and international drug trafficking. Until we address this issue, and protect the rights of American workers, we should reject this legislation.

We need a fair trade agreement that protects American families. I urge my colleagues to vote no on this fast track legislation.

[From the New York Times, Sept. 19, 1998]

SALINAS BROTHER IS TIED BY SWISS TO DRUG TRADE

(By Tim Golden)

Mexico City.—After a nearly three-year inquiry into drug corruption in Mexico, Swiss police investigators have concluded that a brother of former President Carlos Salinas de Gortari played a central role in Mexico's cocaine trade, raking in huge bribes to protect the flow of drugs into the United States.

In a secret 369-page report, the investigators assert that Salinas's elder brother, Raúl, used his wide influence in the administration to organize an elaborate network of protection for drug smugglers. He also channeled drug money to his brother's presidential campaign, the report alleges.

"When Carlo Salinas de Gortari became President of Mexico in 1988, Raúl Salinas de Gortari assumed control over practically all drug shipments through Mexico," the report states. "Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business."

From a low-profile position in the administration's food-distribution agency, the report states, Raúl Salinas commandeered Government trucks and railroad cars to haul cocaine north, skimming payoffs that the Swiss estimate at upwards of $500 million. On what some of his reputed former associates referred to as "green light days," he arranged for drug loads to transit Mexico without concern that they might be checked by the army, the coast guard or the federal police.

A partial copy of the report was obtained by The New York Times. It appears to be based largely on interviews with nearly 90 former drug traffickers, reputed Salinas associates and other witnesses, most of them unidentified.

Swiss officials said they expected the report to be the basis for their Government's seizure in the coming weeks of more than $130 million that Raúl Salinas deposited in Swiss banks.

Lawyers for Salinas dismissed the report Friday as the slanderous product of a Swiss crusade to confiscate what they insisted was a fortune that their client earned by legitimate means.

"The report is absolutely false," Salinas's lead attorney, Eduardo Luengo Creel, said in an interview. "It contains statements, assertions and situations that do not correspond to the facts. It is a police report. It does not have the validity of an evaluation by an investigating judge."

"We do not even know who these people are," Luengo said of the many confidential informants listed in the document, which Salinas's lawyers received two months ago. "To accuse someone with anonymous witnesses is unconstitutional in any country."

The document states that Swiss investigators were unable to determine conclusively what involvement the former President, his father and other family members might have had in the purportedly illicit activities of Raúl Salinas.

Some family members, it implies, were among a group of people around Raúl Salinas who were implicated in criminal activities. It based that finding on witnesses it described as "principally credible" but did not identify.

The report says the investigators did not look further into the matter because the people mentioned were irrelevant to their inquiry into whether Salinas's Swiss funds came from illegal activities.

Nonetheless, the report adds, somewhat obliquely. "We have to seriously question the probability that a person with as much power as the President of Mexico for years did not learn about criminal activities of this extent, even if his brother was heavily involved." Carlos Salinas has been living recently in Europe.

The Swiss report is by far the most exhaustive assessment to date of Raúl Salinas's reported dealings with the Mexican underworld.

It is clearly a prosecutorial document, one that cites Salinas's own version of events mostly to show how it appears to contradict other facts. Because the Swiss seizure of Salinas's assets would be a civil court action, the report also aims at a considerably lower threshold of proof than would be required in a criminal case.

Raúl Salinas was widely rumored to have grown rich on dubious business dealings during his brother's presidency, but the accusations were almost never public or specific. Shortly after Carlos Salinas's term ended, in December 1994, his chosen successor, Ernesto Zedillo, shattered a long Mexico tradition of impunity for presidential families by authorizing Raúl Salinas's arrest on charges that he ordered the murder of a leader of the governing party who was his former brother-in-law.

In the tiny maximum-security prison cell where Salinas has spent the last three and a half years, he has been struck by wave after wave of new allegations. Federal prosecutors in New York are pressing ahead with a criminal investigation into the possibility that he may have laundered illicit funds through his accounts at Citibank headquarters in New York. And after a series of reversals in their murder case, Mexican officials say they are close to announcing new corruption charges against him.

Much of the Swiss evidence seems to come from witnesses who are identified only by pseudonyms like "Ludmilla" and "Juan," and whose credibility is difficult to judge.

Some claimed they had arranged the protection of drug shipments with Salinas directly. Others, including bodyguards, chauffeurs and secretaries, said they had attended meetings at which they saw Salinas receive suitcases full of cash from smugglers. Still others, including an American drug enforcement agent, testified to matters they had learned about second-hand.

As the true names of several of the witnesses have leaked out over the course of the Swiss investigation, Salinas's lawyers have attacked their accounts. But even when the informants are convicted criminals, the report often asserts reasons why their claims are credible.

Legal experts in Switzerland and the United States predicted that the confidentiality of the sources arrayed against Salinas might well prove a weak point in the Government's case. If a seizure is ordered and lawyers for Salinas challenge it in court, as they insist they will, the judge who evaluates the case will have access to the witnesses' identities but the lawyers will not.

In contrast to law enforcement officials in the United States who have studied Mexican drug corruption for years, the small team of Swiss federal police investigators had virtually no background in the subject. But since their arrest of Salinas's third wife, Paulina Castañón, as she tried to retrieve phony passports with her husband's picture from a Swiss safe-deposit box in November 1995, the Swiss detectives managed to scour American court files and jail cells for anyone who might claim a link to their target.

In at least a few such cases, United States law-enforcement officials have acknowledged, those informants had been ignored or misused by prosecutors in the United States until the Swiss sought them out. The Swiss report also cites some confidential witnesses who are described as people who once worked or socialized around Salinas, and it contains what two American investigators described as a meticulous analysis of his financial dealings.

"For us, what they have would be a triable case," said a United States law-enforcement official who is familiar with the Swiss evidence." It wouldn't be a slam-dunk, but you could definitely take it to court."

For the family of a former President who was once celebrated as the bold architect of a new relationship between Mexico and the United States—the man who championed the North American Free Trade Agreement and brought to power a new generation of Ivy League-educated technocrats—the report paints a devastating portrait.

Quoting unidentified former associates of the family, the report contends that both Raúl and Carlos were "introduced" to the drug trade in the late 1970's by their father, Raúl Salinas Lozano, a former Government minister. It did not make clear what that introduction involved.

"Raúl Salinas Lozano, with his political influence, would have preferred Raúl at the head of the Government in Mexico," it continues, quoting an informant close to the family to present a dark new twist on an old story of brotherly ambition. "But because Raúl Salinas de Gortari's infamous earlier life would not have permitted him to hold a high-level government position, the father decided to support his son Carlos instead."

Long before Carlos Salinas began to make his name in the mid-1980's as Mexico's young, Harvard-trained Budget Minister, the report suggests, his father had built a friendship with one of the legendary figures of Mexico's north-border drug trade, Juan N. Guerra. Such a relationship has been reported in the past, and angrily denied by Raúl Salinas Lozano.

The eldest son of the one-time border Senator—Salinas Lozano was a dominant figure in the politics of his home state of Nuevo León—and a nephew of the trafficker Juan García Ábrego, inherited the connection, the report contends.

Quoting a series of former drug traffickers, the Swiss investigators state that Raúl Salinas began arranging protection for both García Ábrego and traffickers of the Medellín cartel in Colombia even before his brother became President.

One of those traffickers, identified as "Giuseppe," appears to be José Manuel Ramos, a former high-level Medellín cocaine distributor who operated out of northern Mexico and Texas until his arrest in 1990. Three American law-enforcement officials familiar with his case described Ramos, who remains in prison, as highly credible.

Both Ramos and his wife, Luz Salazar, (the "Ludmilla" of the report) referred the Swiss detectives to payment ledgers and other documents that had been seized at the time of their arrest. According to the report, the documents helped to corroborate that from 1987 to 1989, they paid Salinas $28.7 million on behalf of their boss, José Gonzalo Rodríguez Gacha.

Another convicted trafficker who gushes with information about Raúl Salinas, Marco Enrique Torres, has weaker bona fides.

While the report notes some corroboration of Torres's account by an F.B.I. agent who pursued his case, Orlando Muñoz, it fails to note Salinas's denials that he ever knew Torres. Nor does it raise questions about the more improbable parts of his tale of a long criminal friendship between a mid-level drug smuggler and a member of the Mexican political aristocracy.

Once Carlos Salinas became President at the end of 1988, the report states, his brother's power to assure the safe northward passage of drugs grew sharply.

Mr. MATSUI. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to this bill and ask Members on both sides of the aisle to oppose this bill.

I have voted for and worked on fast track bills in the past. I worked on a bill with then President Bush that we passed back in the late 1980s. I believe in trade, and I believe in trade agreements. I believe in opening markets. I believe in free trade agreements.

This is not a partisan issue. It is an issue on which I think people of like minds have to come together to prepare an architecture so that the free trade treaties that come from the fast track authority will succeed in opening up more trade and, most importantly, in increasing the compatibility between the countries that are engaging in trade.

□ 1830

To take NAFTA, for an example, it is a free trade treaty between countries that have very different standards of living, very different attempts at enforcing their basic laws. We now know that the problems that have come from NAFTA have been caused because we did not get in NAFTA the kind of enforcement provisions, with teeth, that would allow all the parties to get the other parties to the agreement to properly enforce their labor and environmental laws. We tried to get that in the treaty and at the end everyone said, "Well, we can't get it." I vowed from that moment that if we had another fast track, and I thought and knew we should and would, that I would try to get in it provisions that would say definitely that any treaty that would come from that fast track would have to have proper provisions in it, with teeth, that would get the labor and environmental and other laws in the signatories to the treaty to properly enforce their laws.

Now, why is this important? If you go to Mexico today on the border, you will find the most modern plants in the world. In fact, there are double the number of plants than there were before NAFTA and double the number of jobs. In many ways that is good. That is what we hoped would happen. But if you examine further and you go in the villages where the workers live next to the plants that are modern, as modern as anything in the United States, you will find workers living in abject poverty. They live literally in the cardboard boxes that carry the goods out of the plants. The labor laws in Mexico are better than ours. They are just not enforced. If you speak with the workers and you ask why do you not join an independent union or why do you not bargain for better wages, they laugh at you. And they say, "We have no ability to do that." They live next to open sewage ditches. Their children have hepatitis. Half the children cannot go to school because the workers do not earn enough money to send their children to school.

If this is the future of free trade in the world economy, then we have no future. If it is a race to the bottom because we do not insist on standards in trade, then we have let down everybody in the United States and we have let down everybody in the world. Surely we can do better than this.

I believe if we work from this day forward, because I do not think this fast track will pass, we can work to a bipartisan fast track that will give the

President the fast track authority that he wants, that has the proper conditions in it so we can construct the right architecture in the world so that free trade is also fair trade, it is trade with standards, it is trade that raises the standards in the world and not lowering everybody's standards to the lowest common denominator. Now, surely we can do this.

The fast track we have tonight not only does not allow us to have those kinds of provisions in free trade treaties, it specifically says we cannot take up those matters in free trade negotiations. It is the opposite of what we need. We are the leader in the world. We are the one that has to help bring this infrastructure, this architecture to the world.

What you are voting on tonight is a very imperfect instrument that will not get us where we need to be. We can do better than this. Vote this fast track down. Let us come back next year in a bipartisan way, honestly and decently, and put together a piece of legislation that will allow America to lead the world to a higher standard of living and to the benefits of trade for all the people of the world.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH) the Speaker of the House of Representatives.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). The gentleman from Georgia is recognized for 4½ minutes.

Mr. GINGRICH. Mr. Speaker, let me say that I agree with the gentleman from Missouri that this is an imperfect instrument and that this is a difficult time. On the other hand, we were told a year ago it was the wrong time to vote. That was not an election year. Now we are told this year, it is the wrong time to vote. This is an election year.

Now, since under our Constitution the House is elected every two years, if it is not right to vote in the year before the election and it is not right to vote in the year of the election, the correct answer from some of our friends on the left is that there is never a time to vote, because they do not want to expand markets. And I understand that. But we need to understand just how historic this moment is. And Members are going to have to live with their conscience for a long time if they vote "no."

We have entered the first deflation since the Great Depression, from Malaysia and Thailand, to Indonesia, to South Korea, to Japan, to Russia, now to Brazil, we see all over this planet people whose economies are shaky, whose currencies are shaky and they are looking for leadership. The choice for them is very simple: Do they move into the world market which since World War II has so dramatically increased the wealth of the entire world, including the United States? Or do they move towards autarchy and protectionism and beggaring their neighbors and all of the policies which under Smoot-Hawley led to the Great Depression? It is that simple. And you get to vote in a few minutes to send a signal to the entire world because the entire world is watching.

My friend from Washington State said the Brazilians hope we defeat it. He is right. The Brazilians want us to defeat fast track because they are creating a common market in South America and they do not want American exports and they know that if we do not have fast track, corporations are going to build new plants in Brazil and new plants in Argentina and take the jobs out of the U.S. because they are going to go behind that barrier. The European Common Market wants you to vote "no." The European Common Market knows that for the first time since World War II, they are selling more to Argentina and more to Brazil than the United States. So the European Common Market hopes you will vote "no." That is the goal they have, make sure the American President stays impotent.

You say we are playing politics? It is the American President, William Clinton, who sent up the request for fast track, and who this year talked about how bitterly, that is his word, bitterly he regretted the defeat of fast track last year in his own caucus. We did not bring it up last year because we were told it was impossible because your unions would not let you vote.

Well, most of you do not have an opponent now. Most of you do not have an excuse now. This is a vote of conscience. You can vote "no," and when you vote "no," particularly those of you who have said for years you were free traders, you tell us who is playing politics: The people who vote their conscience, the people who vote for history, the people who send the signal to the world that we actually believe and vote for free trade? Or those of you who were for free trade until it became inconvenient for the Democratic Party?

You were for free trade until the unions told you, not this time, not on this bill, not last year, not this year. And you think the unions are going to tell you next year, oh, that is fine, GEPHARDT and GORE can be for free trade in 1999, because after all, there will not be a presidential nomination, the unions will not care.

Let us be honest. The fact is the Democratic Party is wedded to protectionism and it is willing to give away Latin America to the Europeans, it is willing to allow the Brazilians to create a common market that excludes America, it is willing to have the world market grow without us and if necessary it is willing to send the signal to Asia, go ahead and withdraw from the world market. And for what gain?

Now, you will say, "Well, it hurts America." Today's Washington Post, Poverty Rate Fell, Incomes Rose in 1997. This is the great damage of NAFTA. Poverty is going down, incomes are going up, we have the lowest unemployment rate in 30 years, the lowest inflation rate in 30 years, the lowest housing mortgage rate since 1967, because we have had the guts to compete in the world market, because our companies have grown leaner and tougher and smarter, because our farmers export, our small businesses export. 108,000 of the 113,000 exporters are small businesses. But that is not good enough. More jobs for Americans, more wealth.

You think you are going to convince the Mexicans to establish a higher standard of child labor when you do not trade with them? You think you are going to convince El Salvador to create a higher standard of wealth when you do not trade with them? The fact is this administration could introduce a proposed child labor agreement with Mexico anytime it wants to. They could come up next week and introduce it as a freestanding bill and make it be heard on its merits. But that is an excuse.

You know what the real issue is here. The real issue is, your union will not let you vote for free trade and you are willing to send a signal to the entire world at a time when a major firm was bailed out yesterday for $3.5 billion, an American firm, not a Japanese, not a Korean, not an Indonesian, an American firm, and in the middle of this level of instability, you yell partisan politics and then you vote partisan against your own rhetoric?

I am not going to embarrass my colleagues by reading into the RECORD what they said, what their President has said, what the Vice President has said. Because when they go out of the country, they are for fast track. The fact is this year, the President said he is for fast track. This year the Vice President said he is for fast track. It is sad to see the partisan politics of the unions and the Democratic Party and yes, this may go down, but if this goes down and we end up in a steep worldwide recession, some of us will have had the comfort of knowing, we cast the right vote, we sent the right signal, and we tried to sustain what has worked for 50 years and not let the world slide back to what failed in the Great Depression.

The SPEAKER pro tempore. Pursuant to House Resolution 553, the previous question is ordered on the bill, as amended.

The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 243, answered "present" 3, not voting 9, as follows:

[Roll No. 466]

AYES—180

Archer
Armey
Bachus
Baker
Ballenger
Barrett (NE)
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Bilbray
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Callahan
Calvert
Camp
Campbell
Cannon
Castle
Chabot
Chambliss
Christensen
Clement
Collins
Combest
Cooksey
Cox
Crane
Cubin
Cunningham
Davis (FL)
Davis (VA)
DeLay
Dickey
Dicks
Dooley
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Ewing
Fawell
Foley
Ford
Fossella
Franks (NJ)
Frelinghuysen
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hobson
Hooley
Horn
Houghton
Hulshof
Hyde
Istook
Johnson (CT)
Johnson, E.B.
Johnson, Sam
Kasich
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lucas
Manzullo
McCollum
McCrery
McDermott
McInnis
McIntosh
McKeon
Miller (FL)
Minge
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Northup
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Porter
Portman
Price (NC)
Radanovich
Ramstad
Redmond
Riggs
Rogan
Roukema
Ryun
Salmon
Sanford
Sawyer
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Skeen
Skelton
Smith (OR)
Smith (TX)
Snowbarger
Snyder
Stenholm
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Thomas
Thornberry
Thune
Tiahrt
Upton
Watkins
Watts (OK)
Weldon (FL)
White
Wicker
Wilson
Young (FL)

NOES—243

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barcia
Barr
Barrett (WI)
Bartlett
Becerra
Berman
Bilirakis
Bishop
Blagojevich
Boehlert
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Buyer
Canady
Capps
Cardin
Carson
Chenoweth
Clay
Clayton
Clyburn
Coble
Coburn
Condit
Conyers
Cook
Costello
Coyne
Cramer
Crapo
Cummings
Danner
Davis (IL)
Deal
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Doolittle
Doyle
Duncan
Engel
English
Ensign
Evans
Everett
Farr
Fattah
Fazio
Filner
Forbes
Fox
Frank (MA)
Frost
Gallegly
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Goode
Goodling
Gordon
Graham
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hoekstra
Holden
Hostettler
Hoyer
Hunter
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (WI)
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
LaTourette
Lee
Levin
Lewis (GA)
Lipinski
LoBiondo
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDade
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Neumann
Ney
Norwood
Oberstar
Obey
Olver
Owens
Pallone
Pappas
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pombo
Pomeroy
Poshard
Quinn
Rahall
Rangel
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sánchez
Sanders
Sandlin
Scarborough
Schumer
Scott
Serrano
Sherman
Shuster
Sisisky
Slaughter
Smith (MI)
Smith (NJ)
Smith, Adam
Smith, Linda
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stokes
Strickland
Stupak
Taylor (MS)
Taylor (NC)
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wise
Wolf
Woolsey
Wynn
Young (AK)

ANSWERED "PRESENT"—3

Blumenauer
Martinez
Skaggs

NOT VOTING—9

Burton
Fowler
Furse
Goss
Hutchinson
Jefferson
Pryce (OH)
Saxton
Yates

☐ 1859

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A Further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed without amendment a bill of the House of the following title:

H.R. 4382. An act to amend the Public Health Service Act to revise and extend the program for mammography quality standards.

The message also announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4112) "An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.".

MAKING IN ORDER LIMITED DEBATE AND POSTPONEMENT OF FURTHER CONSIDERATION OF H.R. 4579, TAXPAYER RELIEF ACT OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 4579, pursuant to House Resolution 552, notwithstanding the order of the previous question, it may be in order after 30 minutes of the 60 minutes provided for initial debate on the bill, as amended pursuant to the rule, for the Chair then to postpone further consideration of the bill until the following legislative day, on which consideration may resume at a time designated by the Speaker.

The intent is that we would do 30 minutes of debate on the tax bill tonight, then rise, and after a Journal vote tomorrow morning take up the remaining 30 minutes of general debate time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. RANGEL. Mr. Speaker, reserving the right to object, I will not object, but I would like to take this time to ask my friend, why is it that he only requested 30 minutes when there is a total of 2 hours debate on this bill?

In view of the fact that so many Members would want to return to their home districts, especially this time of the political year, it would seem to me that if we started debate now, we could be out of here by 9 o'clock this evening. I am wondering, why are we just debating for 30 minutes? Why can we not just take up the bill and move on from there?

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, as the gentleman knows, this was agreed to by the Republican and the Democrat leadership. We have to make sure the appropriators are going to get our work done. It is very, very difficult. We will go along with this.

Mr. RANGEL. I am glad that the gentleman gave that lengthy explanation there, because I thought for a minute he did not have any reason why we were doing this, but now he has cleared that all up.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SNOWBARGER). Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORTS ON H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999, AND H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file conference reports on H.R. 4060, which is the Energy and Water Development Appropriations Act, 1999, and H.R. 6, the Higher Education Amendments of 1998.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

MAKING IN ORDER ON MONDAY, SEPTEMBER 28, 1998, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORTS ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999, H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999, AND H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. SOLOMON. Mr. Speaker, I ask unanimous consent that it be in order on Monday, September 28, 1998, or any day thereafter to consider the conference reports on the following bills; that all points of order be waived against each conference report and its consideration, and that each be considered as read when called up for consideration.

Those conference reports are H.R. 4103, Department of Defense Appropriations Act, 1999; H.R. 4060, Energy and Water Development Appropriations Act, 1999; and H.R. 6, Higher Education Amendments of 1998. We could then come to the floor without a rule, but under the same process.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. OBEY. Reserving the right to object, Mr. Speaker, I would like to make certain that there is an understanding that on Monday there will be no votes before 5 p.m.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. OBEY. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, that is my understanding. That is the agreement that the two leaders have made.

Mr. OBEY. Mr. Speaker, I withdraw my reservation of objection.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. STENHOLM. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 4567.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the gentleman from Georgia (Mr. NORWOOD) be removed as a cosponsor of H.R. 4567. He was inadvertently placed on that bill through clerical error.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1995

Mr. METCALF. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

TAXPAYER RELIEF ACT OF 1998

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 552, I call up the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 552, the bill is considered as having been read for amendment.

The text of H.R. 4579 is as follows:

H.R. 4579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Relief Act of 1998".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.

Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Findings and purpose.

Subtitle A—Designation and Evaluation of Renewal Communities

Sec. 611. Short title.
Sec. 612. Statement of purpose.
Sec. 613. Designation of renewal communities.
Sec. 614. Evaluation and reporting requirements.
Sec. 615. Interaction with other Federal programs.

Subtitle B—Tax Incentives for Renewal Communities

Sec. 621. Tax treatment of renewal communities.
Sec. 622. Extension of work opportunity tax credit for renewal communities.
Sec. 623. Conforming and clerical amendments.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) In General.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) Additional Standard Deduction for Aged and Blind To Be the Same for Married and Unmarried Individuals.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) Technical Amendment.—Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) In General.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) Exclusion From Gross Income.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) Limitations.—

"(1) Maximum amount.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) Certain dividends excluded.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) Special Rules.—For purposes of this section—

"(1) Distributions from regulated investment companies and real estate investment trusts.—Subsection (a) shall apply with respect to distributions by—

"(A) regulated investment companies subject to the limitations provided in section 854(b), and

"(B) real estate investment trusts subject to the limitations provided in section 857(c).

"(2) Distributions by a trust.—For purposes of subsection (a), the amount of dividends and interest properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same date that the dividends and interest were received by the estate or trust.

"(3) Certain nonresident aliens ineligible for exclusion.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(4) Dividends from employee stock ownership plans.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) Conforming Amendments.—

(1) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(2) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(3) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Dividends or interest.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(4) Section 854 is amended to read as follows:

"SEC. 854. LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REGULATED INVESTMENT COMPANY.

"(a) Capital Gain Dividend.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a capital gain dividend (as defined in section 852(b)(3)) received from a regulated investment company shall not be considered as a dividend.

"(b) Other Dividends.—

"(1) Amount treated as dividend.—

"(A) Deduction under section 243.—In any case in which—

"(i) a dividend is received from a regulated investment company (other than a dividend to which subsection (a) applies), and

"(ii) such investment company meets the requirements of section 852(a) for the taxable year during which it paid such dividend,

then, in computing any deduction under section 243, there shall be taken into account only that portion of such dividend designated under this subparagraph by the regulated investment company and such dividend shall be treated as received from a corporation which is not a 20-percent owned corporation.

"(B) Exclusion under section 116.—If the aggregate dividends and interest received by a regulated investment company during any taxable year are less than 95 percent of its gross income, then in computing the exclusion under section 116, rules similar to the rules of subparagraph (A) shall apply.

"(C) Limitations.—

"(i) Section 243.—The aggregate amount which may be designated as dividends under subparagraph (A) shall not exceed the aggregate dividends received by the company for the taxable year.

"(ii) Section 116.—The aggregate amount which may be designated as dividends under subparagraph (B) shall not exceed the sum of the aggregate dividends and aggregate interest received by the company for the taxable year.

"(2) Notice to shareholders.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 and the deduction under section 243 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.

"(3) Definitions.—For purposes of this subsection—

"(A) Gross income.—In the case of 1 or more sales or other dispositions of stock or securities, the term 'gross income' includes only the excess of—

"(i) the net short-term capital gain from such sales or dispositions, over

"(ii) the net long-term capital loss from such sales or dispositions.

"(B) Aggregate dividends.—

"(i) In general.—The term 'aggregate dividends' does not include dividends described in section 116(b)(2) (relating to dividends excluded from income).

"(ii) Distributions from real estate investment trusts and other regulated investment companies.—In determining the amount of any dividend for purposes of this subparagraph, the rules of section 116(c)(1) shall apply; except that, for purposes of applying subparagraph (C)(i) of paragraph (1), aggregate dividends shall not include a distribution from a real estate investment trust which, for the taxable year of the trust in which the dividend is paid, qualifies under part II of subchapter M (section 856 and following).

"(C) Aggregate interest.—The term 'aggregate interest' means only interest includible in gross income. Gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

"(4) Special rule for computing deduction under section 243.—For purposes of subparagraph (A) of paragraph (1), an amount shall be treated as a dividend for the purpose of paragraph (1) only if a deduction would have been allowable under section 243 to the regulated investment company determined—

"(A) as if section 243 applied to dividends received by a regulated investment company,

"(B) after the application of section 246 (but without regard to subsection (b) thereof), and

"(C) after the application of section 246A."

(5) Subsection (c) of section 857 is amended to read as follows:

"(c) Limitations Applicable to Dividends Received From Real Estate Investment Trusts.—

"(1) Capital gain dividend.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) Only portion of dividend excludable under section 116 in certain cases.—

"(A) In general.—In any case in which—

"(i) a dividend is received from a real estate investment trust (other than a capital gain dividend, as defined in subsection (b)(3)(C)),

"(ii) such trust meets the requirements of this part for the taxable year during which it paid such dividend, and

"(iii) the aggregate interest received by such trust during the taxable year is less than 95 percent of its gross income,

then, in computing any exclusion under section 116, there shall be taken into account only that portion of such dividend designated under this subparagraph as interest by the real estate investment trust.

"(B) Limitation.—The aggregate amount which may be designated as interest under subparagraph (A) shall not exceed the aggregate interest received by the trust for the taxable year.

"(3) Adjustments to gross income and aggregate interest received.—For purposes of this subsection—

"(A) gross income does not include net capital gain,

"(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received for the taxable year, and

"(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of subsection (b).

"(4) Aggregate interest.—For purposes of this subsection, the term 'aggregate interest' means only interest includible in gross income.

"(5) Notice to shareholders.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 60 days after the close of its taxable year.

"(6) Cross reference.—

"For restriction on dividends received by a corporation, see section 243(d)(3)."

(6) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) In General.—Subsection (a) of section 26 is amended to read as follows:

"(a) Limitation Based on Amount of Tax.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).".

(b) Conforming Amendments.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) In General.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) Allowance of deduction.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) In General.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) Members of uniformed services and foreign service.—

"(A) In general.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) Qualified official extended duty.—For purposes of subparagraph (A)—

"(i) In general.—For purposes of this paragraph, the term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) Uniformed services.—For purposes of clause (i), the term 'uniformed services' shall have the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of this paragraph.

"(iii) Foreign service of the United States.—For purposes of clause (i), the term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of this paragraph.

"(iv) Extended duty.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.".

(b) Effective Date.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) In General.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

"(c) Applicable Credit Amount.—

"(1) In general.—For purposes of this section, the applicable credit amount is $345,800.

"(2) Applicable exclusion amount.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000."

(b) Effective Date.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) In General.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) Technical Amendments.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "QUALIFIED STATE TUITION PROGRAMS" and inserting "QUALIFIED TUITION PROGRAMS".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) In General.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-year spending requirement for public school construction issue.—

"(I) In general.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

"(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

"(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

"(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔, and

"(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.".

(b) CONFORMING AMENDMENT.—The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting "and section 121 of the Taxpayer Relief Act of 1998" after "1996".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

"(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

"(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(II) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting ", and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998," after "This subsection as in effect in December 1978".

(2) Subparagraph (A) section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking "in the case of an individual who did not die" and all that follows and inserting "in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—"; and

(B) by adding at the end the following:

"(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking ", and before January 1, 2001".

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

"(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'farming loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for that taxable year."

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

"Such term shall not include any farming loss (as defined in subsection (i))."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to $75 multiplied by the State population, or

"(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) CONFORMING AMENDMENT.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "February 29, 2000",

(B) by striking "24-month" and inserting "44-month", and

(C) by striking "24 months" and inserting "44 months".

(2) Technical amendment.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(3) Effective date.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) Increase in Percentages Under Alternative Incremental Credit.—

(1) In general.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) Effective date.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) Temporary Extension.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) Effective Date.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "February 29, 2000".

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) Special Rule for Contributions of Stock Made Permanent.—

(1) In general.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) Effective date.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) Expanded Public Inspection of Private Foundations' Annual Returns, Etc.—

(1) In general.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) Public Inspection of Certain Annual Returns and Applications for Exemption.—

"(1) In general.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-year limitation on inspection of returns.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) Exceptions from disclosure requirement.—

"(A) Nondisclosure of contributors.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization.

"(B) Nondisclosure of certain other information.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) Limitation on providing copies.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) Exempt status application materials.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) Conforming amendments.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) Effective date.—The amendments made by this subsection shall apply to taxable years ending after December 31, 1998.

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) Income Derived From Banking, Financing or Similar Businesses.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

"(h) Special Rule for Income Derived in the Active Conduct of Banking, Financing, or Similar Businesses.—

"(1) In general.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

"(2) Eligible controlled foreign corporation.—For purposes of this subsection—

"(A) In general.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

"(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

"(ii) conducts substantial activity with respect to such business.

"(B) Predominantly engaged.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

"(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons, or

"(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations).

"(3) Qualified banking or financing income.—For purposes of this subsection—

"(A) In general.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation—

"(i) which is derived in the active conduct of a banking, financing, or similar business by—

"(I) such eligible controlled foreign corporation, or

"(II) a qualified business unit of such eligible controlled foreign corporation,

"(ii) which is derived from 1 or more transactions—

"(I) with customers located in a country other than the United States, and

"(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

"(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

"(B) Limitation on nonbanking businesses.—No income of an eligible controlled foreign corporation not described in paragraph (2)(B)(ii) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

"(C) Substantial activity requirement for cross border income.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

"(D) Determinations made separately.—For purposes of this subsection, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

"(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and "(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) issuing letters of credit or providing guarantees,

"(E) providing charge and credit card services, or

"(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

"(i) the corporation (or qualified business unit) rendering services or making facilities available, or

"(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

"(5) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

"(B) HOME COUNTRY.—Except as provided in regulations—

"(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

"(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

"(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

"(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

"(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

"(6) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

"(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

"(B) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

"(i) an entity which is not engaged in regular and continuous transactions with customers which are not related persons, or

"(ii) to the extent provided in regulations—

"(I) one or more entities in order to satisfy any home country requirement under this subsection, or

"(II) a special purpose vehicle, including a securitization vehicle, an intragroup financing arrangement, or any similar entity or arrangement, and

"(C) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

"(7) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

"(8) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends."

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

"(a) INSURANCE INCOME.—

"(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

"(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e))."

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

"(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

"(1) EXEMPT INSURANCE INCOME DEFINED.—

"(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

"(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

"(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

"(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

"(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

"(i) in the case of the qualifying insurance company, only net premiums, items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

"(ii) in the case of a qualifying insurance company branch, only net premiums, items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(2) EXEMPT CONTRACT.—

"(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

"(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

"(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

"(I) which cover applicable home country risks, and

"(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

"(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

"(i) conducts substantial activity with respect to an insurance business in its home country, and

"(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

"(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

"(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

"(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

"(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

"(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)), except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

"(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

"(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

"(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

"(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

"(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

"(A) such contract is regulated as a life insurance or annuity contract by the corporation's home country, and

"(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

"(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

"(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

"(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

"(A) the rules of section 954(h)(6) shall apply,

"(B) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

"(C) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

"(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

"(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

"(D) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

"(E) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (C), the determination of where risks are located shall be made under the principles of section 953.

"(8) COORDINATION WITH SUBSECTION (c).—This subsection and section 954(i) shall not apply to related person insurance income to which subsection (c) applies.

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

"(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

"(11) CROSS REFERENCE.—

"For income exempt from foreign personal holding company income, see section 954(i)."

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

"(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

"(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

"(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

"(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

"(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

"(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

"(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

"(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

"(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

"(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

"(i) the interest rate determined for the functional currency of the company's or branch's home country, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

"(ii) such company or branch shall use the appropriate foreign loss payment pattern.

"(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

"(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

"(ii) the reserve determined under paragraph (5).

"(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

"(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

"(A) the interest rate determined for the functional currency of the company's or branch's home country, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

"(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

"(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

"(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953."

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i)."

(c) Special Rules for Dealers.—Section 954(c)(2)(C) is amended to read as follows:

"(C) Exception for dealers.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

"(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

"(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity)."

(d) Exemption From Foreign Base Company Services Income.—Paragraph (2) of section 954(e) is amended by inserting "or" at the end of subparagraph (A), by striking "; or" at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

"Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i)."

(e) Exemption for Gain.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting "other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) for the taxable year" before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) Extension of Duty-Free Treatment Under System.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) Retroactive Application for Certain Liquidations and Reliquidations.—

(1) In general.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act, shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) Requests.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) In General.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) Conforming Amendments.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) Effective Date.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) Definitions.—For purposes of this title—

(1) 1986 code.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1998 act.—The term "1998 Act" means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 act.—The term "1997 Act" means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) Coordination With Other Titles.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) Amendment Related to Section 1101 of 1998 Act.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) Amendment Related to Section 3001 of 1998 Act.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

"Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).".

(c) Amendments Related to Section 3201 of 1998 Act.—

(1) Section 7421(a) of the 1986 Code is amended by striking "6015(d)" and inserting "6015(e)".

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking "of this section" and inserting "of subsection (b) or (f)".

(d) Amendment Related to Section 3301 of 1998 Act.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking "The amendments" and inserting "Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments".

(e) Amendment Related to Section 3401 of 1998 Act.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking "7443(b)" and inserting "7443A(b)"; and

(2) in paragraph (2), by striking "7443(c)" and inserting "7443A(c)".

(f) Amendment Related to Section 3433 of 1998 Act.—Section 7421(a) of the 1986 Code is amended by inserting "6331(i)," after "6246(b),".

(g) Amendment Related to Section 3708 of 1998 Act.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting "(f)(5)," after "(c), (e),".

(h) Amendment Related to Section 5001 of 1998 Act.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking "paragraph (7)(A)" and inserting "paragraph (7)(A)(i)".

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(i) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) Amendment Related to Section 202 of 1997 Act.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans)."

(b) Provision Related to Section 311 of 1997 Act.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) AMENDMENT RELATED TO SECTION 506 OF 1997 ACT.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

"For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.".

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) AMENDMENTS RELATED TO SECTION 904 OF 1997 ACT.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

"(1) IN GENERAL.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

"(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

"(i) which is administered after September 30, 1988, and

"(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

"(B) the payment of all expenses of administration (but not in excess of $6,000,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.".

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

"(3) LIMITATION ON TRANSFERS TO VACCINE INJURY COMPENSATION TRUST FUND.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.".

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting "or 1998" after "1997", and

(B) by amending subsection (d) to read as follows:

"(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.".

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting "Robert T. Stafford" before "Disaster".

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

"(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated."

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

"If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary."

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking "under such contracts" in the last sentence and inserting "under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A".

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

"(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(3) Paragraph (1) of section 873(b) is amended to read as follows:

"(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States."

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

"(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).".

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking "(j)(1) or (2)" in the material preceding subparagraph (A) and in subparagraph (F) and inserting "(j)(1), (2), or (5)".

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

"(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENT.—Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking "rehabilitation plan" and inserting "plan for employment".

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the "American Community Renewal Act of 1998".

SEC. 602. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness.

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation, and small business formation in many urban centers.

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment.

(b) PURPOSE.—The purpose of this title is to increase job creation, small business expansion and formation, educational opportunities, and homeownership, and to foster moral renewal, in economically depressed areas by providing Federal tax incentives, regulatory reforms, school reform pilot projects, and homeownership incentives.

Subtitle A—Designation and Evaluation of Renewal Communities

SEC. 611. SHORT TITLE.

This subtitle may be cited as the "Renewing American Communities Act of 1998".

SEC. 612. STATEMENT OF PURPOSE.

It is the purpose of this subtitle to provide for the establishment of renewal communities in order to stimulate the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and to promote revitalization of economically distressed areas primarily by providing or encouraging—

(1) tax relief at the Federal, State, and local levels;

(2) regulatory relief at the Federal, State, and local levels; and

(3) improved local services and an increase in the economic stake of renewal community residents in their own community and its development, particularly through the increased involvement of private, local, and neighborhood organizations.

SEC. 613. DESIGNATION OF RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 of the Act is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.

"PART I—DESIGNATION

"Sec. 1400E. Designation of Renewal Communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior,

designates as a renewal community.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 20 percent must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined under the most recent census data available),

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(C) ADDITIONAL DESIGNATIONS TO REPLACE REVOKED DESIGNATIONS.—

"(i) IN GENERAL.—The Secretary of Housing and Urban Development may designate one additional area under subparagraph (A) to replace each area for which the designation is revoked under subsection (b)(2), but in no event may more than 20 areas designated under this subsection bear designations as renewal communities at any time.

"(ii) EXTENSION OF TIME LIMIT ON DESIGNATIONS.—In the case of any designation made under this subparagraph, paragraph (4)(B) shall be applied by substituting '36-month' for '24-month'.

"(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

"(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (C), (D), and (E) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first half of the designations made under this section, the nominated areas designated as renewal communities shall be chosen first from nominated areas which are enterprise zones or empowerment communities (and are otherwise eligible for designation under this section), and then from other nominated areas which are so eligible.

"(D) SEPARATE APPLICATION TO RURAL AND OTHER AREAS.—Subparagraph (A) shall be applied separately with respect to areas described in paragraph (2)(B) and to other areas.

"(4) LIMITATION ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the State in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination pursuant to subsection (a)(4)(C)(ii), or

"(C) the date the Secretary of Housing and Urban Development revokes such designation under paragraph (2).

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may, after a hearing on the record involving officials of the State or local government involved (or both, if applicable), revoke the designation of an area if the Secretary of Housing and Urban Development determines that the local government or State in which the area is located is not complying substantially with the State or local commitments, respectively, described in subsection (d).

"(c) AREA AND ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of a local government,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, as determined by the most recent census data available, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the appropriate available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate (as determined by the most recent census data available) for each population census tract (or where not tracted, the equivalent county division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was at least 20 percent for the period to which such data relate, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) COURSE OF ACTION.—

"(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus realty (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia."

SEC. 614. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in accomplishing the purposes of this title.

SEC. 615. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) TAX REDUCTIONS.—Any reduction of taxes, with respect to any renewal community designated under section 1400E of the Internal Revenue Code of 1986 (as added by this subtitle), under any plan of action under section 1400E(d) of such Code shall be disregarded in determining the eligibility of a State or local government for, or the amount or extent of, any assistance or benefits under any law of the United States (other than subchapter X of chapter 1 of such Code).

(b) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of a renewal community under section 1400E of such Code (as added by this subtitle) shall not—

(1) constitute approval of a Federal or Federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.)), or

(2) entitle any person displaced from real property located in such community to any rights or any benefits under such Act.

(c) RENEWAL COMMUNITIES TREATED AS LABOR SURPLUS AREAS.—Any area which is designated as a renewal community under section 1400E of such Code (as added by this subtitle) shall be treated for all purposes under Federal law as a labor surplus area.

(d) COORDINATION WITH JOB TRAINING PROGRAMS.—Renewal communities are encouraged to coordinate efforts with job training providers who are public, private not-for-profit, or private for-profit entities.

Subtitle B—Tax Incentives for Renewal Communities

SEC. 621. TAX TREATMENT OF RENEWAL COMMUNITIES.

Subchapter X of chapter 1 (as added by subtitle A) is amended by adding at the end the following new parts:

"PART II—RENEWAL COMMUNITY CAPITAL GAIN

"Sec. 1400F. Renewal community capital gain.
"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community asset' means—

"(A) any qualified community stock,

"(B) any qualified community business property, and

"(C) any qualified community partnership interest.

"(2) QUALIFIED COMMUNITY STOCK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

"(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

"(B) Redemptions.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

"(3) Qualified community business property.—

"(A) In general.—The term 'qualified community business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

"(ii) the original use of such property in the renewal community commences with the taxpayer, and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

"(B) Special rule for substantial improvements.—

"(i) In general.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

"(I) property which is substantially improved by the taxpayer before January 1, 2007, and

"(II) any land on which such property is located.

"(ii) Substantial improvement.—For purposes of clause (i), property shall be treated as substantially improved by the taxpayer only if, during any 24-month period beginning after the date on which the designation of the renewal community took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of—

"(I) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or

"(II) $5,000.

"(4) Qualified community partnership interest.—The term 'qualified community partnership interest' means any interest in a partnership if—

"(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

"(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(C) shall apply for purposes of this paragraph.

"(5) Treatment of subsequent purchasers.—The term 'qualified community asset' includes any property which would be a qualified community asset but for paragraph (2)(A)(i), (3)(A)(ii), or (4)(A) in the hands of the taxpayer if such property was a qualified community asset in the hands of all prior holders.

"(6) 10-year safe harbor.—If any property ceases to be a qualified community asset by reason of paragraph (2)(A)(iii), (3)(A)(iii), or (4)(C) after the 10-year period beginning on the date the taxpayer acquired such property, such property shall continue to be treated as meeting the requirements of such paragraph; except that the amount of gain to which subsection (a) applies on any sale or exchange of such property shall not exceed the amount which would be qualified capital gain had such property been sold on the date of such cessation.

"(7) Treatment of community designation terminations.—The termination of any designation of an area as a renewal community shall be disregarded for purposes of determining whether any property is a qualified community asset.

"(c) Other Definitions and Special Rules.—For purposes of this section—

"(1) Qualified capital gain.—Except as otherwise provided in this subsection, the term 'qualified capital gain' means any long-term capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years (determined without regard to any period before the designation of the renewal community).

"(2) Gain before 2000 or after 2006 not qualified.—The term 'qualified capital gain' shall not include any gain attributable to periods before January 1, 2000, or after December 31, 2006.

"(3) Certain gain not qualified.—The term 'qualified capital gain' shall not include any gain which would be treated as ordinary income under section 1245 or under section 1250 if section 1250 applied to all depreciation rather than the additional depreciation.

"(4) Intangibles and land not integral part of DC Zone business.—The term 'qualified capital gain' shall not include any gain which is attributable to real property, or an intangible asset, which is not an integral part of a DC Zone business.

"(5) Related party transactions.—The term 'qualified capital gain' shall not include any gain attributable, directly or indirectly, in whole or in part, to a transaction with a related person. For purposes of this paragraph, persons are related to each other if such persons are described in section 267(b) or 707(b)(1).

"(d) Certain Other Rules To Apply.—Rules similar to the rules of subsections (g), (h), (i)(2), and (j) of section 1202 shall apply for purposes of this section.

"(e) Sales and Exchanges of Interests in Partnerships and S Corporations Which Are Qualified Community Businesses.—In the case of the sale or exchange of an interest in a partnership, or of stock in an S corporation, which was a renewal community business during substantially all of the period the taxpayer held such interest or stock, the amount of qualified capital gain shall be determined without regard to—

"(1) any intangible, and any land, which is not an integral part of any qualified business entity (as defined in section 1400G(b)), and

"(2) gain attributable to periods before the designation of an area as a renewal community.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

"(a) In General.—For purposes of this part, the term 'renewal community business' means—

"(1) any qualified business entity, and

"(2) any qualified proprietorship.

Such term shall include any trades or businesses which would qualify as a renewal community business if such trades or businesses were separately incorporated. Such term shall not include any trade or business of producing property of a character subject to the allowance for depletion under section 611.

"(b) Qualified Business Entity.—For purposes of this section, the term 'qualified business entity' means, with respect to any taxable year, any corporation or partnership if for such year—

"(1) every trade or business of such entity is the active conduct of a qualified business within a renewal community,

"(2) at least 80 percent of the total gross income of such entity is derived from the active conduct of such business,

"(3) substantially all of the use of the tangible property of such entity (whether owned or leased) is within a renewal community,

"(4) substantially all of the intangible property of such entity is used in, and exclusively related to, the active conduct of any such business,

"(5) substantially all of the services performed for such entity by its employees are performed in a renewal community,

"(6) at least 35 percent of its employees are residents of a renewal community,

"(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(8) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property.

"(c) Qualified Proprietorship.—For purposes of this section, the term 'qualified proprietorship' means, with respect to any taxable year, any qualified business carried on by an individual as a proprietorship if for such year—

"(1) at least 80 percent of the total gross income of such individual from such business is derived from the active conduct of such business in a renewal community,

"(2) substantially all of the use of the tangible property of such individual in such business (whether owned or leased) is within a renewal community,

"(3) substantially all of the intangible property of such business is used in, and exclusively related to, the active conduct of such business,

"(4) substantially all of the services performed for such individual in such business by employees of such business are performed in a renewal community,

"(5) at least 35 percent of such employees are residents of a renewal community,

"(6) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

"(7) less than 5 percent of the average of the aggregate unadjusted bases of the property of such individual which is used in such business is attributable to nonqualified financial property.

For purposes of this subsection, the term 'employee' includes the proprietor.

"(d) Qualified Business.—For purposes of this section—

"(1) In general.—Except as otherwise provided in this subsection, the term 'qualified business' means any trade or business.

"(2) Rental of real property.—The rental to others of real property located in a renewal community shall be treated as a qualified business if and only if—

"(A) the property is not residential rental property (as defined in section 168(e)(2)), and

"(B) at least 50 percent of the gross rental income from the real property is from renewal community businesses.

"(3) Rental of tangible personal property.—The rental to others of tangible personal property shall be treated as a qualified business if and only if substantially all of the rental of such property is by renewal community businesses or by residents of a renewal community.

"(4) TREATMENT OF BUSINESS HOLDING INTANGIBLES.—The term 'qualified business' shall not include any trade or business consisting predominantly of the development or holding of intangibles for sale or license.

"(5) CERTAIN BUSINESSES EXCLUDED.—The term 'qualified business' shall not include—

"(A) any trade or business consisting of the operation of any facility described in section 144(c)(6)(B), and

"(B) any trade or business the principal activity of which is farming (within the meaning of subparagraph (A) or (B) of section 2032A(e)(5)), but only if, as of the close of the preceding taxable year, the sum of—

"(i) the aggregate unadjusted bases (or, if greater, the fair market value) of the assets owned by the taxpayer which are used in such a trade or business, and

"(ii) the aggregate value of assets leased by the taxpayer which are used in such a trade or business,

exceeds $500,000.

"(6) CONTROLLED GROUPS.—For purposes of paragraph (5)(B), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single taxpayer.

"(e) NONQUALIFIED FINANCIAL PROPERTY.—For purposes of this section, the term 'nonqualified financial property' means debt, stock, partnership interests, options, futures contracts, forward-contracts, warrants, notional principal contracts, annuities, and other similar property specified in regulations; except that such term shall not include—

"(1) reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less, or

"(2) debt instruments described in section 1221(4).

"PART III—FAMILY DEVELOPMENT ACCOUNTS

"Sec. 1400H. Family development accounts.
"Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.
"Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

"(a) ALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—There shall be allowed as a deduction—

"(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

"(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

"(2) LIMITATION.—

"(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

"(i) $2,000, or

"(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount allowable as a deduction to any person for any taxable year by reason of paragraph (1)(B) shall not exceed $1,000 with respect to any qualified individual.

"(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

"(A) IN GENERAL.—In the case of an individual to whom this subparagraph applies for the taxable year, the limitation of subparagraph (A) of paragraph (2) shall be equal to the lesser of—

"(i) the dollar amount in effect under paragraph (2)(A)(i) for the taxable year, or

"(ii) the sum of—

"(I) the compensation includible in such individual's gross income for the taxable year, plus—

"(II) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount allowed as a deduction under paragraph (1) to such spouse for such taxable year.

"(B) INDIVIDUALS TO WHOM SUBPARAGRAPH (A) APPLIES.—Subparagraph (A) shall apply to any individual if—

"(i) such individual files a joint return for the taxable year, and

"(ii) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.

"(4) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

"(b) TAX TREATMENT OF DISTRIBUTIONS.—

"(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

"(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

"(3) SPECIAL RULES.—Rules similar to the rules of paragraphs (4) and (5) of section 408(d) shall apply for purposes of this section.

"(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

"(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term 'qualified family development expenses' means any of the following:

"(A) Qualified postsecondary educational expenses.

"(B) First-home purchase costs.

"(C) Qualified business capitalization costs.

"(D) Qualified medical expenses.

"(E) Qualified rollovers.

"(3) QUALIFIED POSTSECONDARY EDUCATIONAL EXPENSES.—

"(A) IN GENERAL.—The term 'qualified postsecondary educational expenses' means postsecondary educational expenses paid to an eligible educational institution.

"(B) POSTSECONDARY EDUCATIONAL EXPENSES.—The term 'postsecondary educational expenses' means tuition, fees, room, board, books, supplies, and equipment required for the enrollment or attendance of a student at an eligible educational institution.

"(C) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

"(i) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1), 1141(a)), as such sections are in effect on the date of the enactment of this section.

"(ii) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(D) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified postsecondary educational expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135.

"(4) FIRST-HOME PURCHASE COSTS.—

"(A) IN GENERAL.—The term 'first-home purchase costs' means qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer.

"(B) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(C) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e)).

"(D) QUALIFIED FIRST-TIME HOMEBUYER.—

"(i) IN GENERAL.—The term 'qualified first-time homebuyer' means an individual if such individual (and, in the case of a married individual, the individual's spouse) has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

"(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subsection applies is entered into.

"(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

"(A) IN GENERAL.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(B) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(C) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(D) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

"(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity, "(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

"(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

"(6) QUALIFIED MEDICAL EXPENSES.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer. Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) TAX TREATMENT OF ACCOUNTS.—

"(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations).

"(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $2,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The trustee is a bank (as defined in section 408(n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the trust will be consistent with the requirements of this section.

"(3) No part of the trust funds will be invested in life insurance contracts.

"(4) The interest of an individual in the balance in his account is nonforfeitable.

"(5) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

"(6) Under regulations prescribed by the Secretary, rules similar to the rules of section 401(a)(9) and the incidental death benefit requirements of section 401(a) shall apply to the distribution of the entire interest of an individual for whose benefit the trust is maintained.

"(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS.—For purposes of this title, any amount paid by an employer to a family development account shall be treated as payment of compensation to the employee (other than a self-employed individual who is an employee within the meaning of section 401(c)(1)) includible in his gross income in the taxable year for which the amount was contributed, whether or not a deduction for such payment is allowable under this section to the employee.

"(5) ZERO BASIS.—The basis of an individual in any family development account of such individual shall be zero.

"(6) CUSTODIAL ACCOUNTS.—For purposes of this section, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute a family development account described in this section. For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

"(7) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(8) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in paragraph (1).

For purposes of this subsection, the portion of a distributed amount which is attributable to amounts contributed under section 1400I is the amount which bears the same ratio to the distributed amount as the aggregate amount contributed under section 1400I to all family development accounts of the individual bears to the aggregate amount contributed to such accounts from all sources.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made pursuant to subsection (e)(6),

"(C) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(D) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior,

designates as an FDA matching demonstration area.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 25 percent of the renewal communities as FDA matching demonstration areas.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f)) who is a resident throughout the taxable year of an FDA matching demonstration area an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) LIMITATIONS.—

"(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual.

"(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

"SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

"(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

"(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary. Such designation shall be made in such manner as the Secretary prescribes by regulations.

"(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

"(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

"(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

"PART IV—ADDITIONAL INCENTIVES

"Sec. 1400K. Commercial revitalization credit.

"Sec. 1400L. Increase in expensing under section 179.

"Sec. 1400M. Expensing of renewal community environmental remediation costs.

"SEC. 1400K. COMMERCIAL REVITALIZATION TAX CREDIT.

"(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

"(b) APPLICABLE PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—The term 'applicable percentage' means—

"(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

"(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

"(2) CREDIT PERIOD.—

"(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

"(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

"(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

"(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

"(A) such building is located in a renewal community and is placed in service after the designation of such renewal community under section 1400E,

"(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

"(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

"(2) QUALIFIED REVITALIZATION EXPENDITURE.—

"(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

"(i) for property for which depreciation is allowable under section 168 and which is—

"(I) nonresidential real property, or

"(II) an addition or improvement to property described in subclause (I),

"(ii) in connection with the construction or substantial rehabilitation or reconstruction of a qualified revitalization building, or

"(iii) for the acquisition of land in connection with the qualified revitalization building.

"(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

"(i) $10,000,000, reduced by

"(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

"(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

"(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

"(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

"(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

"(5) SUBSTANTIAL REHABILITATION OR RECONSTRUCTION.—For purposes of this subsection, a rehabilitation or reconstruction shall be treated as a substantial rehabilitation or reconstruction only if the qualified revitalization expenditures in connection with the rehabilitation or reconstruction exceed 25 percent of the fair market value of the building (and its structural components) immediately before the rehabilitation or reconstruction.

"(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

"(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation or reconstruction of a building shall be treated as a separate building.

"(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

"(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

"(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

"(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

"(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

"(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—

"(i) IN GENERAL.—The State commercial revitalization credit ceiling applicable to any State for any calendar year is $2,000,000 for each renewal community in the State.

"(ii) SPECIAL RULE WHERE COMMUNITY LOCATED IN MORE THAN 1 STATE.—If a renewal community is located in more than 1 State, a State's share of the amount specified in clause (i) with respect to such community shall be an amount that bears the same ratio to $2,000,000 as the population in the State bears to the population in all States in which such community is located.

"(iii) OTHER SPECIAL RULES.—Rules similar to the rules of subparagraphs (D), (E), (F), and (G) of section 42(h)(3) shall apply for purposes of this subsection.

"(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

"(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

"(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

"(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

"(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

"(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

"(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

"(B) which considers—

"(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

"(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

"(iii) the active involvement of residents and nonprofit groups within the renewal community, and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2002.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) QUALIFIED RENEWAL PROPERTY.—

"(1) GENERAL RULE.—For purposes of this section—

"(A) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

"(ii) the original use of which in a renewal community commences with the taxpayer, and

"(iii) substantially all of the use of which is in a renewal community and is in the active conduct of a qualified business (as defined in section 1400G(d)) by the taxpayer in such renewal community.

"(B) SPECIAL RULE FOR SUBSTANTIAL RENOVATIONS.—In the case of any property which is substantially renovated by the taxpayer, the requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied. For purposes of the preceding sentence, property shall be treated as substantially renovated by the taxpayer only if, during any 24-month period beginning after the date on which the designation of the renewal community took effect, additions to basis with respect to such property in the hands of the taxpayer exceed the greater of (i) an amount equal to the adjusted basis at the beginning of such 24-month period in the hands of the taxpayer, or (ii) $5,000.

"(2) SPECIAL RULES FOR SALE-LEASEBACKS.—For purposes of paragraph (1)(A)(ii), if property is sold and leased back by the taxpayer within 3 months after the date such property was originally placed in service, such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback.

"SEC. 1400M. EXPENSING OF RENEWAL COMMUNITY ENVIRONMENTAL REMEDIATION COSTS.

"(a) TREATMENT AS EXPENSE.—A taxpayer may elect to treat any renewal community environmental remediation cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowable as a deduction for the taxable year in which the cost is paid or incurred.

"(b) RENEWAL COMMUNITY ENVIRONMENTAL REMEDIATION COST.—For purposes of this section—

"(1) IN GENERAL.—The term 'renewal community environmental remediation cost' means any cost which—

"(A) is chargeable to capital account (determined without regard to this section),

"(B) is paid or incurred in connection with the abatement or control of environmental contaminants at a site located within a renewal community, and

"(C) is certified by the applicable Federal or State authority as being required by, and in compliance with, applicable Federal and State laws governing abatement and control of environmental contaminants.

"(2) EXCEPTIONS.—Such term shall not include any amount paid or incurred—

"(A) for equipment which is used in the environmental remediation and which is of a character subject to an allowance for depreciation or amortization, or

"(B) in connection with a site which is on the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605(a)(8)(B)).

No deduction shall be allowed under this section for any amount which is allowed as a deduction under any other provision of this subtitle.

"(c) SPECIAL RULES.—For purposes of this section—

"(1) LIMITATION BASED ON INCOME FROM TRADE OR BUSINESS.—The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed the aggregate amount of taxable income of the taxpayer for such taxable year which is derived from the active conduct by the taxpayer of any trade or business during such taxable year. For purposes of this paragraph, rules similar to the rules of subparagraphs (B) and (C) of section 179(b)(3) shall apply. In the case of a partnership, S corporation, trust or other pass thru entity, this paragraph shall be applied at both the entity and owner levels.

"(2) RECAPTURE RULES.—

"(A) PROPERTY NOT USED IN TRADE OR BUSINESS.—The Secretary shall, by regulations, provide for recapturing the benefit of any deduction allowable under subsection (a) with respect to any property not used predominantly in a trade or business at any time.

"(B) TREATMENT OF GAIN AS ORDINARY INCOME.—For purposes of section 1245—

"(i) the deduction allowable under subsection (a) shall be treated as a deduction allowable to the taxpayer for depreciation or amortization; and

"(ii) property (other than section 1245 property) to which the deduction would otherwise have been chargeable shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.

"(d) TERMINATION.—This section shall not apply to any cost paid or incurred after December 31, 2006."

SEC. 622. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

"(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) QUALIFIED FIRST AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the individual is a resident of such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 623. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A)."

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

"(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(b)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(b)(3) shall be treated as an amount not contributed."

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(7) (relating to family development accounts)."

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(b)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(10) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) CLERICAL AMENDMENTS.—

(1) The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

(2) The table of parts for subchapter X of chapter 1 (as added by subtitle A) is amended by adding at the end the following new items:

"Part II. Renewal community capital gain and stock.

"Part III. Family development accounts.

"Part IV. Additional Incentives."

The SPEAKER pro tempore. The amendment printed in the bill, modified by the amendment printed in House report 105–744, is adopted.

The text of H.R. 4579 as amended by the amendment printed in the bill and

modified by the amendment printed in House Report 105–744 is as follows:

H.R. 4579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Relief Act of 1998".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Designation of and tax incentives for renewal communities.
Sec. 603. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 604. Extension of work opportunity tax credit for renewal communities
Sec. 605. Conforming and clerical amendments.
Sec. 606. Evaluation and reporting requirements.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting "116," before "137".

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116."

(2) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(5) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(6) Section 857(c) is amended to read as follows:

"(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements

of this part shall not be considered as a dividend.

"(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

"(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

"(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

"(c) APPLICABLE CREDIT AMOUNT.—

"(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

"(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "STATE".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

"(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

"(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

"(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

"(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

"(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

"(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

"(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

"(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

"(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

"(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

"(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.".

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking "after 2001 and before 2003" and inserting "after 2007 and before 2009"; and

(B) in subclause (II), by striking "2000" and inserting "2006".

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting "and section 121 of the Taxpayer Relief Act of 1998" after "1996".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

"(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

"(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(II) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(b) Conforming Amendments.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting ", and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998," after "This subsection as in effect in December 1978".

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking "in the case of an individual who did not die" and all that follows and inserting "in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—"; and

(B) by adding at the end the following:

"(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(c) Effective Date.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) General Rule.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) Dollar limitation.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking ", and before January 1, 2001".

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) In General.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

"(G) Farming losses.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

(b) Farming Loss.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) Rules Relating to Farming Losses.—For purposes of this section—

"(1) In general.—The term 'farming loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) Coordination with subsection (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) Election.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year."

(c) Coordination With Farm Disaster Losses.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

"Such term shall not include any farming loss (as defined in subsection (i))."

(d) Effective Date.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) In General.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) In general.—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to $75 multiplied by the State population, or

"(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) Conforming Amendment.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) Effective Date.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) Temporary Extension.—

(1) In general.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "February 29, 2000",

(B) by striking "24-month" and inserting "44-month", and

(C) by striking "24 months" and inserting "44 months".

(2) Technical amendment.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(3) Effective date.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) Increase in Percentages Under Alternative Incremental Credit.—

(1) In general.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) Effective date.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) Temporary Extension.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) Effective Date.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "February 29, 2000".

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) Special Rule for Contributions of Stock Made Permanent.—

(1) In general.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) Effective date.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) Expanded Public Inspection of Private Foundations' Annual Returns, Etc.—

(1) In general.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) Public Inspection of Certain Annual Returns and Applications for Exemption.—

"(1) In general.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, *the exempt status application materials of such organization,*

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

"(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

"(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) INCOME DERIVED FROM BANKING, FINANCING OR SIMILAR BUSINESSES.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

"(h) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF BANKING, FINANCING, OR SIMILAR BUSINESSES.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

"(2) ELIGIBLE CONTROLLED FOREIGN CORPORATION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

"(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

"(ii) conducts substantial activity with respect to such business.

"(B) PREDOMINANTLY ENGAGED.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

"(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

"(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

"(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

"(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

"(i) is derived in the active conduct of a banking, financing, or similar business by—

"(I) such eligible controlled foreign corporation, or

"(II) a qualified business unit of such eligible controlled foreign corporation,

"(ii) is derived from 1 or more transactions—

"(I) with customers located in a country other than the United States, and

"(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

"(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

"(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

"(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

"(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

"(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) issuing letters of credit or providing guarantees,

"(E) providing charge and credit card services, or

"(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

"(i) the corporation (or qualified business unit) rendering services or making facilities available, or

"(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

"(5) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

"(B) HOME COUNTRY.—Except as provided in regulations—

"(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

"(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

"(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

"(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

"(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

"(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

"(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

"(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

"(i) one or more entities in order to satisfy any home country requirement under this subsection, or

"(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

"(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

"(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends."

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

"(a) INSURANCE INCOME.—

"(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

"(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e))."

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

"(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

"(1) EXEMPT INSURANCE INCOME DEFINED.—

"(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

"(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

"(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

"(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

"(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

"(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and

"(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(2) EXEMPT CONTRACT.—

"(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

"(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

"(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

"(I) which cover applicable home country risks, and

"(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

"(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

"(i) conducts substantial activity with respect to an insurance business in its home country, and

"(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

"(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

"(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

"(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

"(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

"(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

"(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

"(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

"(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

"(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

"(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

"(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

"(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

"(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

"(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

"(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

"(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

"(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral

of any item in order to claim the benefits of this subsection or section 954(i),

"(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

"(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

"(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

"(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

"(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

"(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

"(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

"(11) CROSS REFERENCE.—

"For income exempt from foreign personal holding company income, see section 954(i)."

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

"(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

"(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

"(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

"(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

"(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

"(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

"(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

"(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

"(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

"(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

"(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

"(ii) such company or branch shall use the appropriate foreign loss payment pattern.

"(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

"(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

"(ii) the reserve determined under paragraph (5).

"(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

"(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

"(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

"(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

"(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

"(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953."

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i)."

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

"(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

"(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

"(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity)."

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting "or" at the end of subparagraph (A), by striking ", or" at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

"Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i)."

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting "other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year" before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would

have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) Requests.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) In General.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) Conforming Amendments.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) Effective Date.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) Definitions.—For purposes of this title—

(1) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term "1998 Act" means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–206).

(3) 1997 ACT.—The term "1997 Act" means the Taxpayer Relief Act of 1997 (Public Law 105–34).

(b) Coordination With Other Titles.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) Amendment Related to Section 1101 of 1998 Act.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) Amendment Related to Section 3001 of 1998 Act.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

"Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).".

(c) Amendments Related to Section 3201 of 1998 Act.—

(1) Section 7421(a) of the 1986 Code is amended by striking "6015(d)" and inserting "6015(e)".

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking "of this section" and inserting "of subsection (b) or (f)".

(d) Amendment Related to Section 3301 of 1998 Act.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking "The amendments" and inserting "Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments".

(e) Amendment Related to Section 3401 of 1998 Act.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking "7443(b)" and inserting "7443A(b)"; and

(2) in paragraph (2), by striking "7443(c)" and inserting "7443A(c)".

(f) Amendment Related to Section 3433 of 1998 Act.—Section 7421(a) of the 1986 Code is amended by inserting "6331(i)," after "6246(b),".

(g) Amendment Related to Section 3708 of 1998 Act.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting "(f)(5)," after "(c), (e),".

(h) Amendment Related to Section 5001 of 1998 Act.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking "paragraph (7)(A)" and inserting "paragraph (7)(A)(i)".

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company. The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term "qualified partnership" means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) Amendment Related to Section 202 of 1997 Act.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans)."

(b) Provision Related to Section 311 of 1997 Act.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) Amendment Related to Section 506 of 1997 Act.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

"For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.".

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) Amendments Related to Section 904 of 1997 Act.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

"(1) In General.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

"(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

"(i) which is administered after September 30, 1988, and

"(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

"(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.".

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

"(3) Limitation on Transfers to Vaccine Injury Compensation Trust Fund.—No amount

may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.".

(e) AMENDMENTS RELATED TO SECTION 915 OF 1997 ACT.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting "or 1998" after "1997", and

(B) by amending subsection (d) to read as follows:

"(d) EFFECTIVE DATE.—This section shall apply to taxable years ending with or within calendar year 1997.".

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting "Robert T. Stafford" before "Disaster".

(f) AMENDMENTS RELATED TO SECTION 1012 OF 1997 ACT.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(g) AMENDMENT RELATED TO SECTION 1082 OF 1997 ACT.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

"(iv) COORDINATION WITH PARAGRAPH (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated."

(h) AMENDMENT RELATED TO SECTION 1084 OF 1997 ACT.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

"If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary."

(i) AMENDMENT RELATED TO SECTION 1205 OF 1997 ACT.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking "under such contracts" in the last sentence and inserting "under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A".

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) IN GENERAL.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

"(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(3) Paragraph (1) of section 873(b) is amended to read as follows:

"(1) LOSSES.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States."

(c) EFFECTIVE DATES.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) AMENDMENTS RELATED TO SECTION 6103 OF 1986 CODE.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

"(5) DEPARTMENT OF AGRICULTURE.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).".

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking "(j)(1) or (2)" in the material preceding subparagraph (A) and in subparagraph (F) and inserting "(j)(1), (2), or (5)".

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) AMENDMENT RELATED TO SECTION 9004 OF TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

"(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) CLERICAL AMENDMENTS.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking "rehabilitation plan" and inserting "plan for employment". The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking "Section" and inserting "section".

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the "American Community Renewal Act of 1998".

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secrrtary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 4 must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

"(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) PRIORITY FOR EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES WITH RESPECT TO FIRST HALF OF DESIGNATIONS.—With respect to the first 10 designations made under this section—

"(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

"(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

"(4) LIMITATION ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the States in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination, or

"(C) the date the Secretary of Housing and Urban Development revokes such designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

"(c) AREA AND ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of one or more local governments,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) COURSE OF ACTION.—

"(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

“(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

“(C) the District of Columbia.

“(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

“PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

“Sec. 1400F. Renewal community capital gain.
“Sec. 1400G. Renewal community business defined.

“SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

“(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

“(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified community asset’ means—

“(A) any qualified community stock,

“(B) any qualified community partnership interest, and

“(C) any qualified community business property.

“(2) QUALIFIED COMMUNITY STOCK.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘qualified community stock’ means any stock in a domestic corporation if—

“(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

“(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

“(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

“(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

“(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term ‘qualified community partnership interest’ means any interest in a partnership if—

“(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

“(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

“(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business. A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

“(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified community business property’ means tangible property if—

“(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

“(ii) the original use of such property in the renewal community commences with the taxpayer, and

“(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

“(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

“(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

“(ii) any land on which such property is located.

“(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

“SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

“For purposes of this part, the term ‘renewal community business’ means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

“(1) references to renewal communities were substituted for references to empowerment zones in such section; and

“(2) ‘80 percent’ were substituted for ‘50 percent’ in subsections (b)(2) and (c)(1) of such section.

“PART III—FAMILY DEVELOPMENT ACCOUNTS

“Sec. 1400H. Family development accounts for renewal community EITC recipients.
“Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.
“Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

“SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

“(a) ALLOWANCE OF DEDUCTION.—

“(1) IN GENERAL.—There shall be allowed as a deduction—

“(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

“(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

“(2) LIMITATION.—

“(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

“(i) $2,000, or

“(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

“(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

“(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

“(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

“(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

“(b) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

“(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

“(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified family development distribution’ means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

“(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term ‘qualified family development expenses’ means any of the following:

“(A) Qualified higher education expenses.

“(B) Qualified first-time homebuyer costs.

“(C) Qualified business capitalization costs.

“(D) Qualified medical expenses.

“(E) Qualified rollovers.

“(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified higher education expenses’ has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

“(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ‘postsecondary vocational educational school’ means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

“(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

“(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ‘qualified first-time homebuyer costs’ means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

“(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

“(A) IN GENERAL.—The term ‘qualified business capitalization costs’ means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

“(B) QUALIFIED EXPENDITURES.—The term ‘qualified expenditures’ means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

“(C) QUALIFIED BUSINESS.—The term ‘qualified business’ means any business that does not contravene any law.

“(D) QUALIFIED PLAN.—The term ‘qualified plan’ means a business plan which meets such requirements as the Secretary may specify.

“(6) QUALIFIED MEDICAL EXPENSES.—The term ‘qualified medical expenses’ means any amount

paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) QUALIFIED ROLLOVERS.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) TAX TREATMENT OF ACCOUNTS.—

"(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

"(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

"(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) LIMITATIONS.—

"(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

"(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of

FDA matching demonstration areas of the availability of the benefits under this section.

''(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

''SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

''(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

''(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

''(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

''PART IV—ADDITIONAL INCENTIVES

''Sec. 1400K. Commercial revitalization credit.

''Sec. 1400L. Increase in expensing under section 179.

''SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

''(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section—

''(1) IN GENERAL.—The term 'applicable percentage' means—

''(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

''(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

''(2) CREDIT PERIOD.—

''(A) IN GENERAL.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

''(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

''(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after December 31, 1999,

''(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

''(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I), and

''(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

''(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

''(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

''(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

''(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—The State commercial revitalization credit ceiling applicable to any State—

''(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

''(ii) zero for each calendar year thereafter.

''(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

''(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2006.

''SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

''(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

''(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) Recapture.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) Qualified Renewal Property.—For purposes of this section—

"(1) In general.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) Certain rules to apply.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section."

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) Extension.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) Renewal communities included.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E)."

(b) Extension of Termination Date for Renewal Communities.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2006, in the case of a renewal community, as defined in section 1400E)."

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) Extension.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) Extension of credit for renewal communities.—

"(A) In general.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) Qualified first- and second-year wages.—For purposes of subparagraph (A)—

"(i) In general.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) Qualified first-year wages.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) Qualified second-year wages.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) Congruent Treatment of Renewal Communities and Enterprise Zones for Purposes of Youth Residence Requirements.—

(1) High-risk youth.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) Qualified summer youth employee.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) Headings.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) Deduction for Contributions to Family Development Accounts Allowable Whether or Not Taxpayer Itemizes.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) Family development accounts.—The deduction allowed by section 1400H(a)(1)(A)."

(b) Tax on Excess Contributions.—

(1) Tax imposed.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) Excess contributions.—Section 4973 is amended by adding at the end the following new subsection:

"(g) Family Development Accounts.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I). For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed."

(c) Tax on Prohibited Transactions.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) Special rule for family development accounts.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) Information Relating to Certain Trusts and Annuity Plans.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) Inspection of Applications for Tax Exemption.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) Failure To Provide Reports on Family Development Accounts.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts)."

(g) Conforming Amendments Regarding Commercial Revitalization Credit.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) No carryback of section 1400K credit before date of enactment.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) The last sentence of section 50(b)(3) is amended to read as follows: "If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit."

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

SEC. . EXCLUSION OF EFFECTS OF THIS ACT FROM PAYGO SCORECARD.

Upon the enactment of this Act, the Director of the Office of Management and Budget shall not make any estimates of changes in receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of this Act.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider the further amendment printed in the CONGRESSIONAL RECORD numbered 1, which shall be considered as read and debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

Pursuant to the order of the House today, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL) each will control 15 minutes of debate on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4579 and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Federal Government is clearly too big, it spends too much, and taxes are too high; in fact, the highest in peacetime history.

Today we can do something about it. With this bill, we let the American people keep more of their hard-earned money, and when they do, there will be less money in Washington for the politicians to spend, downsizing Washington in power and upsiding the power of people.

Earlier today we set aside 90 percent of the surplus until social security can be saved. Today we can help overtaxed husbands and wives, farmers and ranchers, small businesses, and senior citizens. Our tax plan reduces the marriage penalty, makes health care more affordable for small business owners, reduces death taxes, and it fixes an unfair work penalty for senior citizens who decide that they would like to continue to work. Five hundred thousand senior citizens will be benefited by this provision.

It also eliminates all taxation on interest and dividends for 32 million people. Importantly, it provides badly needed help for farmers and ranchers, who have been hit particularly hard this year.

Finally, the plan simplifies the tax code for millions of Americans. Fewer forms will need to be filled out, making April 15 less of a burden on millions of taxpayers.

This plan protects social security and it cuts taxes, but Mr. Speaker, it also stops the politicians in Washington from wasting taxpayer money by taking it away from them before they have a chance to create new spending ideas.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not prepared to debate the distinguished chairman of the Committee on Ways and Means. I have been hearing for the last 3½ years that the Republicans had a tax plan that was going to pull up the IRS by the roots, so I have been studying that. I have been studying the value-added tax, the VAT. I have been studying the sales tax. Now they come up with a Democratic bill. It is really unfair to do this at election time. It catches us at a complete disadvantage.

The only problem we have, of course, is that we had thought that we had adopted rules in the budget which says that we do not spend what we have not got. Now they are changing the rules on that and they are saying, that is different if it is a tax cut, and it is especially different if it is just before the election.

What are we going to believe? Are we going to pull up the tax code by the roots and get rid of it with a simplified code that we can put on a postal card, or are we going to single out special people and give them tax cuts that we would want to give to them after we fix social security first?

I suspect that we will do all of these things maybe next year with a different Congress, but it surprises me how fluid we can be in terms of tax policy. So much for deep-sixing the tax code. So much for another attempt to raid the social security trust fund.

Mr. Speaker, I yield 2 minutes to my friend, the gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I have serious reservations, just like the gentleman from New York (Mr. RANGEL) and many others concerning the timing of this particular bill, as well as the justification for it, because the fact is, we had a significant tax cut last year in 1997.

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And it was so significant, it was very, very helpful to our society and we needed it. But why do we want to come back at this particular time? And the fact is, we are raiding the Social Security system. We are raiding it because that is a contract between the government and the people.

Like most Members, I support tax cuts. But the timing of this, even though the provisions are good, and how could we be against it? And I like what has been proposed, but there is no surplus unless we count the Social Security surplus. The projected surplus may never materialize. We need to reserve all the budget surplus for Social Security reform and abandoning fiscal discipline is the wrong message to send to financial markets.

Over the next 5 years, the total budget surplus is $520 billion, but if one excludes the part of the surplus that belongs to Social Security, there is, in fact, a deficit in the budget of $137 billion. There is no significant budget surplus until 2006, 8 years from now.

Mr. Speaker, we did go through the numbers, and we know that this tax plan sounds good, but it also is not going to solve our problems when it comes to a solvent Social Security system.

We need the President working in concert with the U.S. House of Representatives and the United States

Senate to come up with something that is workable and fair and to keep our contract with our senior citizens.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is like a broken record on the other side. Perhaps the same speech writer writes the same speeches for every one of them, and if they say "raiding the Social Security trust fund" over and over again, perhaps people who do not know differently will believe it. But it is unsupportable. It is false. And they know it is false.

So, every time that that phrase is used, it has been preprogrammed to create an impression that is false. The administration representative from Social Security, appointed by President Clinton, testified in our committee that it was false.

I expect they will keep using it because they think they can convince people as to something that is insupportable. I expect it will not be last time, but hopefully this will be the last time that I have to speak to this, and that those who listen to these speeches will understand when the term "raiding the Social Security trust fund" is used that it is insupportable, it cannot be documented, and they know it.

Mr. Speaker, I yield 2½ minutes to the respected gentleman from Louisiana (Mr. McCRERY) a member of the Committee on Ways and Means.

Mr. McCRERY. Mr. Speaker, I commend the gentleman from Texas (Chairman ARCHER) for the inclusion in this bill of the provision to modify and extend the present law treatment of active financial services income under subpart F of the Internal Revenue Code.

The provision permits United States-based insurance companies, banks, financial institutions, and securities dealers to be treated like other United States companies doing business abroad. It is critical to the global competitiveness of the United States financial services industry. And I might say, in light of the just completed vote on fast track, perhaps a vital necessity.

In particular, I commend Chairman ARCHER and the staff for the resolution of the question relating to the interaction of this provision with the use of so-called hybrid arrangements. In January of this year, the Treasury Department issued Notice 98–11 attacking the use of hybrid arrangements by United States-owned foreign companies. Chairman ARCHER, along with a bipartisan majority of the Committee on Ways and Means, strongly and rightly opposed Treasury's actions.

In response to the overwhelming concern expressed by the committee, the Treasury Department issued Notice 98–35, which provided specific rules with respect to the use of hybrid arrangements and allowed Congress time to review the important policy issues involved.

Mr. Speaker, the United States financial services industry is a critical component to United States productiveness both here and abroad. We should not create or endorse policies that hamstring their ability to compete in the global marketplace. This provision is intended to improve the capability of the United States financial services industry to compete with their foreign counterparts, and because of the importance of this issue, I am very pleased that it was included in this legislation.

At this time I would like to enter into a colloquy with the gentleman from Texas (Mr. ARCHER), chairman of the Committee on Ways and Means.

Mr. Speaker, earlier this year, in response to concerns raised by the gentleman from Texas and a bipartisan majority of our committee, the Treasury Department announced its intentions to withdraw Notice 98–11 and the related temporary regulations on so-called hybrid entities. Treasury agreed not to finalize future regulations in this area any earlier than January 1, 2000, in order to allow Congress the opportunity to fully consider the tax policy issues involved.

Mr. Speaker, I would ask the gentleman, am I correct that nothing in the proposal before us would alter the Treasury Department's agreement to allow Congress the opportunity to fully consider the tax policy issues involved before finalizing any regulations in this area?

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. McCRERY. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, the gentleman is correct. There is nothing in the proposal that would alter the agreement with the Treasury Department.

Mr. McCRERY. Mr. Speaker, reclaiming my time, I thank the gentleman for that, and I would like to add that contrary to what we will probably hear over and over here, not one penny of the money for this tax cut will be taken from the Social Security trust fund. Please, let us get off that and talk about the merits of this tax bill.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we were able to go to C-SPAN and pick up the rest of Ms. Chesser's remarks where she indicated that this tax cut would have a negative impact in the future in bringing about the solvency of the Social Security system.

Since there is such a widespread belief that our senior citizens have no idea what we are doing, perhaps we can print up some educational material for the Members tomorrow so that they would know that we only are saying it over and over so that they will see that it is true.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KLINK).

Mr. KLINK. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), our ranking member, for yielding me this time.

Mr. Speaker, I think that we all know, or should all know, that if it was not for excess Social Security taxes from the hard-earned paychecks of Americans, there would be no surplus. We can play semantical games with the term "trust fund," but if it was not for those Social Security taxes that are coming into the Federal Government, there would be no surplus.

Let us not talk about the speeches that are emanating from this side of the aisle. Let us talk about some other speeches, like that from William Niskanen, the Chairman of the Cato Institute, who said though House Republicans portray the tax cuts as an economic booster, economists seem unimpressed with the package and not persuaded that it was needed. "It's entirely political. It's responsive to the narrow constituencies of the Republican party. It makes no sense either on a tax basis or a macro[economic] basis."

Let us talk about Allen Sinai, the chief global economist for Primark Decision Economics, who said that whatever small economic stimulus this tax cut might provide, it could be costly in other ways. "The economy does not need domestic macroeconomic stimulus at this time. The economy needs interest rate cuts that will help stabilize the world economy and world markets [which are] the biggest threat to this economy."

This is Republican hocus-pocus: We will give an election year tax cut with one hand, but hand voters higher interest rates, so all their payments, their house payments, their car payments, their credit card payments are all a lot higher.

Let us talk about what the Concord Coalition said. "Without dipping into funds earmarked for Social Security, there is no budget surplus to spend."

Let us talk about Ohio Republican Governor George Voinovich who called for segregating Social Security money from the rest of the budget and said he agreed with President Clinton, and his Democrat opponent, Mary Boyle, that any tax cuts must wait until the retirement needs of baby boomers are guaranteed.

Let us talk about PETE DOMENICI, a Republican Senator in the other body, and PHIL GRAMM, who agree with us. Social Security must be saved first.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), the chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I say to the gentleman from

Pennsylvania (Mr. KLINK) I will take it. If this bill directs benefits to the "narrow base of the Republican party," absolutely. You bet it does, because it directs itself to the interests of all the working people of America. The great middle-class that has made this economic boom possible.

Mr. Speaker, I rise in strong support of this important tax cut. I thank the gentleman from Texas (Mr. ARCHER) for his determined leadership to bring this bill to the floor that does provide middle-class tax relief and strengthens our economy.

Last year, remember, we balanced the budget, cut taxes, invested money in important programs such as children's health and health research. With the surplus predicted to be over $1.6 trillion over the next 10 years, we can both protect Social Security and cut taxes for working class Americans.

Simplistic slogans like "every dollar of the surplus should go to Social Security" sound politically correct, but ring hollow in the face of facts. The President himself has supported spending billions of surplus dollars on other items, including maintaining a military presence to help the people of Bosnia. If we can use the surplus to help the people of Bosnia, then we can certainly help the American people by returning a small portion of the surplus to their pocketbooks.

This legislation is about fairness for hard-working middle-class families and protecting their economic future. It is sound, balanced and needed tax policy which will have a sweeping impact on taxpayers across the country.

It helps families by beginning the process of eliminating the marriage penalty. Small businesses will get help to buy equipment and create jobs. Communities that need to build new schools or repair existing ones will receive a boost. And people needing affordable housing will get help. Seniors too will be benefited by this strong bill. Members' support is recommended.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me some time today.

Mr. Speaker, I rise in strong opposition to the Republican tax cut bill. Taxes really are like powerful medicine, and yet we take our medicine as we pay our taxes because we know it is key to survival.

I want tax cuts like everyone else. But when it comes to taxes, we are the doctors. The patient is a vital and viable Social Security system. And like any institution with longevity, the Social Security system needs constant checkups and tuning. We are in the process of tuning, of making adjustments so that Social Security can remain the rock that this Nation created.

The Republican tax bill threatens the health and the life of Social Security. The Republican tax cut is not only irresponsible, but the cut really is a killer. The Republicans plan to pay for these cuts with a budget surplus that really does not exist. The Congressional Budget Office says 98 percent of this surplus is from the Social Security trust fund. The tax cuts come from robbing Social Security.

Our social and physical health is really fundamental in this country and our parents and our grandparents work, our children and our grandchildren will work, and for those who have not had the opportunity to work we must support job training and job creation as a national commitment.

Most Americans believe in the work ethic, but 64 percent of Americans also believe in avoiding cuts in Medicare and education, and they believe that that is more important than cutting taxes.

Only 12 percent of Americans choose a tax cut before reforming the Social Security and Medicare systems and reducing the national debt. Americans care deeply about being leaders in inventiveness, in creativity, in commercial acumen, in productivity. We must also become leaders in caring for our seniors, our children, our families, and being responsible.

We must stabilize Social Security before we start spending money we do not have. Vote "no" on the Republican tax bill.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER) a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, this is an exciting week, because this week we are actually doing the people's business, something the folks back home have asked us to do for a long time.

Today we have a great opportunity because not only have we passed legislation which sets aside $1.4 trillion for the effort to save Social Security, twice what the President originally asked for, but we also address an issue which I have often raised. That is the issue of answering the question: Is it right, is it fair that millions of married working couples pay higher taxes just because they are married? That married working couples with two incomes are forced under our Tax Code to pay more just because they are married?

We have answered that issue by making an extra piece of the tax cut included in this package the elimination of the marriage penalty for a majority of those who suffer it. In fact, by doubling the standard deduction, 28 million married working couples will see an extra $243 during a year because we eliminate the marriage penalty for majority of those who suffer from it. Mr. Speaker, that is a car payment.

☐ 1930

Our opponents on the other side of the aisle keep raising a funny statement. They keep saying somehow that we are eliminating the marriage tax penalty for a majority of those who have suffered somehow by taking money out of the Social Security trust fund. As Judith Chesser, deputy commissioner of the Social Security Administration said a week ago, this tax legislation has no impact on the Social Security trust fund at all. She gave a definitive simple answer, no, when asked that question.

The people of Illinois are big winners today because not only do we set aside $1.4 trillion to save Social Security but we help married working couples in Illinois. We help family farmers in Illinois. We help small business in Illinois. We help schools in Illinois. We also help parents who want to send their kids to college in Illinois.

This is a big winner for the taxpayer. Let us do the right thing. Let us give bipartisan support to this effort to save Social Security, to eliminate the marriage tax penalty, to help families, to help small business, to help agriculture.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in opposition to the Social Security raid. I believe in tax cuts but not at the expense of Social Security.

The tax bill before us would drain $80 billion from the Social Security trust fund. This is money which Americans have invested for their retirement. It is money which Social Security needs for its long-term solvency when the baby boomers retire. But do not take my word for it. Take the word of economists and experts.

Henry Aaron, senior fellow at the Brookings Institution, believes that it would be imprudent to use the surplus for tax cuts. Chairman Alan Greenspan, when asked if he supports spending the Social Security surplus tax for cuts replied, I have always emphasized that we should be aiming for budgetary surpluses and using the proceeds to retire outstanding Federal debt.

Listen to our Republican colleagues, the gentleman from Wisconsin (Mr. NEUMANN) said it well when he stated on the floor of the House, there is no business in America that would go to their pension fund, take money out of the pension fund, and use it for pay raises. So why does Congress think it can use Social Security surpluses for tax cuts? This is a totally unreasonable proposal.

Unless, however, the Republican leadership does not truly believe in Social Security.

I believe that they do not. Listen to their words. In 1984, Majority Leader ARMEY said that Social Security was a bad retirement, a rotten trick on the American people. I think we are going to have to bite the bullet on Social Security and phase it out over a period of time.

Speaker of the House NEWT GINGRICH, on November 10, called for the program to be replaced over time by mandatory individual retirement accounts. This is in 1986.

Under his proposal the program's payroll tax, which he calls anti-savings and anti-jobs, would be abolished and replaced with a value-added tax. They do not believe in it.

However, the American public believes in it. And when questioned, 90 percent said that they did not want to spend Social Security surpluses for tax cuts. Social Security is too important, too important a part of our lives to be jeopardized for a short-term gain.

I urge my colleagues, oppose this tax bill which raids the Social Security trust fund.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), who does great work on the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I rise in strong support of the Taxpayer Protection Act, which provides needed tax relief for working families and middle class taxpayers or, as my fellow member from Pennsylvania described it, the narrow base of the Republican Party.

H.R. 4579 contains a key provision that will enable students and their parents to save for college in tax exempt accounts. Recently a Republican Congress provided tax exempt status to state prepaid tuition programs. This legislation awards the same preferential tax treatment to private prepaid programs as well. These programs will allow families to buy college credits at today's prices and bank them for the future, avoiding tuition inflation and making a college education affordable for many students.

Both the contributions and earnings on distributions from qualified State and private tuition programs will now be tax free. By extending the same tax exempt status to private colleges and universities, we level the playing field and provide students additional choices and opportunities to save for a college education without harming the Social Security trust fund.

Mr. Speaker, I urge bipartisan support for this tax relief package to help more Americans achieve the American dream.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this tax cut sounds so very attractive, but it is really not as attractive as it seems in that what it is doing is taking from Peter to pay Paul. And what I am concerned about, Paul is made up of seniors and people who will be seniors, those people who are young now will soon be old. They have been paying into this system. It is unfair to take some of their money and leave the rest of it for a tax break.

Despite the fact that what you want to do is good, but you just do not have the way to do it, so you are taking it out of Social Security trust fund.

Now, this bill sets aside 90 percent of the total Federal budget surplus for Social Security and permits the remaining 10 percent to be used for a tax cut. But I want to look at how this formula would work if it were the law today.

In the first 10 months of the current fiscal year, the total Federal budget surplus is $43 billion. Under the Republican formula, only 90 percent or 39 billion would be saved for Social Security and the remaining 4 billion would pay for a tax cut. But this year Social Security is running a surplus of 167 billion. And the rest of the Federal Government is running on a deficit of 124 billion. So under this bill, I want Members to listen to me, we would be taking 4 billion of this year's Social Security surplus and using it for a tax cut. Just take that as an example to show my colleagues that we are using the wrong pot of money. We are using money that is going to undermine the Social Security surplus.

I want Members who think the people in this country are blind, they are not here, but they are not blind. They hear this. They know what you are doing, and they know who you are.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, let me just repeat one thing that I think the American people need to hear over and over and over again. The other side is going to continue to try and perpetuate this fraud that somehow we are raiding Social Security for this tax relief plan. The fact of the matter is that not one penny of this tax relief plan comes out of the Social Security taxes. It is coming from people, income taxes that people in this country, hard-working Americans have overpaid.

It is coming out of the income tax surplus that we have generated from the hard work of the American people, not from Social Security. The American people need to hear it over and over again because the other side continues to perpetuate this fraud.

I just wanted to thank the chairman, distinguished chairman of the House Committee on Ways and Means, the gentleman from Texas (Mr. ARCHER), for structuring a tax package that is so beneficial to the farmers and ranchers of South Dakota and across this country. There are so many good things in this tax bill that are going to help the economic crisis that we are facing in rural America, from death tax relief to deductibility for self-employed people of health insurance premiums to a loss carry-back provision that allows you to offset this year's losses against profits in past years and gets tax money back from the IRS, to the income averaging provisions that are made permanent under this bill. This is a very positive tax relief package for agriculture. It will do a great deal to assist our farmers and ranchers who are trying to make a living out there right now.

I want to reiterate one point, because you are going to hear it over and over again, that they are raiding Social Security. I just want to ask the American people to think about who do you believe is going to save Social Security. The people who are committing 90 percent of this surplus or $1.4 trillion, or those who for years have not put a dime into the Social Security trust fund?

We have a commitment to save Social Security. We have a commitment to bring tax relief to the hard-working people, the families of this country and to the farmers and ranchers in South Dakota and across America. I want to ask that Members on both sides of the aisle support this important tax relief bill.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, it would certainly give me a greater sense of collaboration if I could come to the floor of the House and find some opportunity to support legislation that deals with the question of taxes.

I have supported tax cuts in the past. I do believe there is merit to providing relief in certain areas, particularly the marriage penalty. But I do think that although there are some who will refute our arguments, that you cannot get away from the truth. Social Security claims the hearts and minds of many Americans. In fact, Social Security is one that most Americans understand as a trust between them and this government.

In fact, let me share with the Speaker an excerpt from a letter sent out in 1936 as a mass mailing to people throughout the country. They were referring to the Social Security law.

Under this law the United States Government will send checks every month to retired workers, both men and women, after they have passed their 65th birthday. This means that if you work in some factory, shop, mine, mill, store, office or almost any other kind of business or factory, notice we are talking about working men and women, you will be earning benefits that will come to you later on. From the time you are 65 years old or more and stop working, you will get a government check every month of the year.

I would just simply say that the tax bill does not answer the question of the trust the American people have put in us. We need to vote against this tax bill because we must save Social Security.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time for this evening to the gentleman from Michigan (Mr. SMITH).

The SPEAKER pro tempore (Mr. SNOWBARGER). The gentleman from Michigan (Mr. SMITH) is recognized for 2 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I just want to express my emotions that it is so disconcerting to have Members stand up and say, gosh, let us save Social Security. Why do they not do something to save Social Security instead of just talking about it?

We have several bills introduced. The only Member on that side of the aisle, the only Democrat that has come up with a plan to save Social Security is the gentleman from Texas (Mr. STENHOLM). On this side of the aisle we have got several others. We have got the gentleman from Arizona (Mr. KOLBE), the gentleman from South Carolina (Mr. SANFORD), the gentleman from Illinois (Mr. PORTER).

If you do not like any of those bills, why in the world do you not bring over a bill from the Senate? Over in the Senate we have Senator MOYNIHAN, Senator KERREY, Senator GREGG, Senator BREAUX, Senator GRAMM, Senator DOMENICI. Have you looked at any of those bills that would save Social Security? Or do you just want to talk about it? Do you just want to say, hey, let us not have any tax cuts, let us save Social Security.

I just urge my colleagues in this House to look at some of this legislation. I introduced my first Social Security bill when I came here in 1993. Then I introduced another bill last session, and H.R. 3082, the last year of this session.

□ 1945

Social Security is a huge problem. It is an important program. And you say this, I hear everybody say it, but I see so few do anything about it.

If I would have one suggestion, it would be that everybody take this very seriously, that you start looking at the bills that are now proposed and you come up with improvements to that legislation so we can really do it and quit talking about it, because it is an important program that so many people depend on.

We developed a program in 1934 that was a pay-as-you-go program, that as you run out of people working, paying their taxes in to provide the benefits for existing retirees, it has developed a huge demographic problem, it needs to be dealt with. The longer we put off the solution, the more drastic that solution is going to have to be.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi (Mr. TAYLOR).

The SPEAKER pro tempore (Mr. SNOWBARGER). The gentleman from Mississippi is recognized for 1½ minutes.

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to thank the gentleman for yielding time. I also want to thank the gentleman from Mobile, AL (Mr. Callahan). We have agreed to pair on this. Hurricane Georges will undoubtedly hit either his congressional district or mine. We have reached the decision that the best place for us to be tomorrow with is with our families and with our constituents. The gentleman from Alabama is going to vote for it. I am going to vote against it.

Our Nation is $5.5 trillion in debt. We owe the Social Security trust fund $800 million. As a Nation we squander $365 billion a year, that is $1 billion a day, on interest on the national debt. Yet because for the first time in 30 years we are not borrowing money to make ends meet, we are deciding to find all sorts of new ways to give it away. That is wrong. It totally ignores national defense.

This year's Republican Congress will spend $30 billion less in real dollars, in 1998 dollars, than they did in 1995 on defense. We are sending kids out in 30-year-old warships, 30-year-old helicopters, 30-year-old warplanes. The consequences of that can be dead young Americans in some future war. If we have any money left over, we need to take care of that.

We owe the Social Security trust fund $800 million. That is a pledge that has to be fulfilled. Above all, if you have seen Private Ryan, there is an entire generation of Americans who served this country in the military who were promised free health care for life if they fulfilled their end of the obligation and now when they are too old to do anything about it, we are not fulfilling it. The defense health care is underfunded by $600 million next year. Yet we can find time to give big contributors a tax break but not keep the promises we have already made.

For those reasons, I want to be recorded as voting "no."

PARLIAMENTARY INQUIRY

Mr. TAYLOR of Mississippi. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. TAYLOR of Mississippi. Mr. Speaker, the gentleman from Alabama (Mr. CALLAHAN) and myself have agreed to pair tomorrow on the vote on the tax package. I would like for my statement to be included in the RECORD at that time, but I will not be here tomorrow to do so. Therefore, I am asking if it would be in order to ask at this time that that statement be included in the RECORD.

The SPEAKER pro tempore. The gentleman may ask unanimous consent to do so.

Mr. TAYLOR of Mississippi. Mr. Speaker, I ask unanimous consent that my statement be included in the RECORD at the appropriate place tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Pursuant to the order of the House, the Chair postpones further consideration of H.R. 4579 until tomorrow.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SAVE SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, I rise today to speak out against another case of reverse Robin Hood. But this time it is stealing from our seniors to give out tax breaks in an election year. When we talk about Social Security, we are talking about one of the most important programs in the history of the United States. This program ensures that our seniors and our disabled will be taken care of. The Social Security program is the result of hard work by working families across this Nation. By dipping into the Social Security cookie jar, we jeopardize the security of seniors who count on these monthly checks during their retirement.

Let me close with a tribute today to the late Claude Pepper, one of the most important advocates for the elderly and for Social Security expansion in the United States Congress. Claude Pepper cared about seniors across this Nation and he fought to protect them so that they could enjoy their elderly years in life without being afraid of where their next check was coming from. As a Member of Congress from the State of Florida, Claude Pepper's legacy for fighting for the rights of seniors and the poor speaks for itself. He would not stand for election-year gimmicks that punished the working families who have contributed to the Social Security trust fund. In the name of decency and in the name of Claude Pepper, the leadership of this House should vote to save Social Security first. This is a mean-spirited attack on the needy. We have a responsibility to today's seniors and to tomorrow's seniors to protect this valuable program.

ENDING MARRIAGE TAX PENALTY

The SPEAKER pro tempore (Mr. BOEHLERT). Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I appreciate the opportunity to air a few moments of thoughts regarding some issues important to this Congress and not just to the politicians that were elected to this House but to the folks back home in Illinois. I represent a very diverse district. I represent the south suburbs of Chicago and the south side of the city of Chicago, a lot of rural and bedroom communities. They often ask important questions. One of the most important questions we have this year is they know that Social Security long-term has financial problems and they know there is unfairness in the tax code. They say there is a question out there, can we save Social Security and can we eliminate the marriage tax penalty, for example, in the same effort?

We Republicans believe that you can, that you can save Social Security and you can bring greater fairness to our tax code by working to eliminate the marriage tax penalty, and we have a plan. When I think of Social Security, just like everyone, you always think of your own family and how issues affect your family. When I think of Social Security, I think of my mom and dad, Marilyn and LaVern Weller, a couple of farmers back home in Illinois who are retired and on Social Security. I also think of my Aunt Mary and my Aunt Eileen, my Uncle Jack and Uncle Bob who are also on Social Security. When I think of the marriage tax penalty, I think of my sister Pat and her husband Rich, a teacher and a farmer back in rural Sheldon, Illinois, and they like 28 million other married working couples with two incomes suffer the marriage tax penalty.

We have had a big victory today in the passage of legislation which will help save Social Security by setting aside $1.4 trillion, twice what President Clinton suggested back in January we set aside, more than two times the $600 billion, in fact $1.4 trillion we are setting aside for the future efforts over the next couple of years to save Social Security. This is a big victory for people like my mom and dad and the senior citizens in Illinois.

I am often asked as well as we work to bring fairness to the tax code a pretty simple question, and, that is, is it fair, is it right that under our current tax code that almost 28 million married working couples, people like my sister Pat and her husband Rich who because they have two incomes under our tax code pay more in taxes just because they are married under our tax code? A lot of us think that is wrong. That is why addressing the marriage tax penalty is such a priority. We have answered the call for bringing fairness to the tax code by making the centerpiece of the legislation this House is going to vote on tomorrow legislation which will eliminate for a majority of those 28 million married working couples paying the marriage tax penalty, will eliminate the marriage tax penalty.

In fact, I have an example here of a machinist and a school teacher in Joliet, Illinois. They live in the south suburbs. They have a combined income of $50,000. Currently under our tax code, because the standard deduction for joint filers, for married couples, is now twice what it is for a single, if you figure in their personal exemptions and then give them the standard deduction when they file jointly, that standard deduction currently is only $6,900. If we want to be fair about it, the standard deduction for a joint filer should always be twice what it is for single filers. We do that in the tax package we are going to vote on tomorrow. The result is for this machinist and this school teacher in Joliet, Illinois, with a standard deduction now of $8,500, twice what it is for a single person, they will see a net benefit of $240 in higher take-home pay as a result of our efforts to eliminate the marriage tax penalty.

Now, we eliminate the marriage tax penalty for a majority of those married couples who suffer it by doubling the standard deduction. Not only is that an issue of bringing fairness to the tax code but because we double the standard deduction for married working couples, we also simplify the tax code. The reason we simplify the tax code, now as a result of doubling the standard deduction which 28 million married working couples will enjoy and benefit from, seeing an extra $240 in higher take-home pay, that is an extra car payment, 6 million of those couples will no longer need to itemize. We are simplifying their taxes. In fact they will no longer need to use the Schedule A. All they will need now is just to use the 1040–EZ. That is simplification.

Now, the opponents, some of whom we have heard from this evening and who oppose our efforts to eliminate the marriage tax penalty for a majority of those who suffer it, they claim that somehow our effort to eliminate the marriage tax penalty somehow will hurt and take money out of the Social Security trust fund. Now, there is an important question that was asked in the House Committee on Ways and Means this past week when we acted and produced our effort to save Social Security and eliminate the marriage tax penalty. We asked the representative, the Deputy Commissioner of the Social Security Administration, are those charges true? Is as a result of the tax cut being considered by the committee and of course voted on tomorrow, on Saturday, will there be any impact on the moneys in the Social Security trust fund? Judy Chesser, who is the Deputy Commissioner of the Social Security Administration, had a very simple answer. Frankly for someone in the bureaucracy, it was very short, sweet and to the point. She said, "No." By saying "no," that means the Social Security trust fund is not impacted.

Ladies and gentlemen, we are going to vote on a tax package tomorrow that the centerpiece eliminates the marriage tax penalty for millions, in fact the majority of those who suffer it. This package is good because it helps married couples in Illinois, helps family farmers, helps small businesspeople, helps schools in Illinois and helps parents who want to send their kids off to college.

We can save Social Security. We can eliminate the marriage tax penalty. We have a good opportunity to do that tomorrow. It deserves bipartisan support. I urge bipartisan support for the Save Social Security Act which passed today as well as the 1998 Taxpayer Relief Act. Let us save Social Security. Let us eliminate the marriage tax penalty.

□ 2000

CUT TAXES ONLY AFTER TRULY BALANCING THE BUDGET

The SPEAKER pro tempore (Mr. SNOWBARGER). Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I share with the previous Member the commitment to finding a way to reduce taxes. Really the question is, however, not do we have a commitment to reduce taxes and believe that the bill that has been brought up or will be brought up tomorrow is a fair bill in that respect. The question is the timing.

The previous speaker I think laid out quite clearly the issue, and that is to what extent are we selling a phony package to the American people by saying to them we have a surplus and we can balance the budget and go through a tax cut, without somehow compromising our commitment to stay the course and not add to our Nation's debt and not make it more difficult to solve the Social Security problems in the future?

The simple answer is, we do not have a balanced budget. We are borrowing this year approximately $104 billion from the Social Security trust fund. This money is going into the general fund and supporting Federal programs.

We are going to have a deficit of approximately $70 billion this year, an on-budget deficit of $70 billion.

What does this mean? It means that we have not adequately planned for the future. We have not adequately planned for 1998, and we are proposing a tax cut when we have not balanced the budget. I think this is tragic.

It also points up the fact that we do not yet even have a budget for the next fiscal year, and this too is tragic. Here we are, we are five months and 24 days past the deadline for having a budget agreement in Congress, and we do not yet have one. The House and the Senate have not agreed. No budget resolution.

We do not have guidance for the Committee on Appropriations, we do not have guidance for the Committee on Ways and Means. The committees are free-lancing it. The Committee on Ways and Means has come out with a tax cut package. They do not know how it fits into a budget, because we do not have a budget. And here we are in this chamber saying to state and local government, act responsibly. Act fiscally responsibly, so when we grant you money, we know and you know that you are properly budgeting for your operations.

We say to the United Nations, act fiscally responsibly; prepare a budget. We do not have a budget.

We say to nonprofit entities and others that apply for Federal grants, have a budget. Show us your budget. We do not have a budget.

This is a very, very unfortunate situation. The leadership in this body and on the other end of the building have not even appointed conferees to agree on what a budget resolution should look like and bring it back to each chamber for a vote. We have a failure of leadership. We need to address the question of what is the Federal budget to be for 1999, and we are only six days away from the beginning of the next fiscal year. No budget.

I submit that the tax cut package, as attractive as it is and as much as we all would like to vote on it and go back home and beat our chest and say what wonderful Members of Congress we are, the tax cut package ought to be deferred in terms of its implementation until the leadership in this body has developed a budget for the next fiscal year and until we know that we have eliminated the scourge of the deficit spending that has haunted this government.

We cannot afford to add to the deficit. We cannot afford to add to the debt. I know from talking to my friends and neighbors at home that they are all for tax cuts, but they also recognize that we have to act responsibly, and they want us to make sure we balance the budget first, and they want us to make sure we stop borrowing from Social Security.

We are continuing to do that, and this is going to handicap our ability to fix the Social Security program, because all of that borrowing goes right into the U.S. Treasury and we are postponing the day of reckoning.

SHORTFALLS IN FUNDING FOR NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HUNTER) is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, I talked yesterday about the problems with national security that are now becoming acknowledged, not only by Members of the Congress, but also, for the first time in four years, by the President himself.

Now that the President has admitted that there is a shortfall in funding for national security, the services themselves are coming forward and testifying, as they did today, and telling us what the problem is. They now feel that they are not circumventing their commander-in-chief if they lay their cards on the table before Congress. And let me tell you, Mr. Speaker, I was pretty shocked by the numbers and the situations that were described today by the Army, the Navy, the Marine Corps and the Air Force, and I want to share those numbers and those shortfalls with you.

First I want to point your attention to what is known as mission capable rates. Mission capable rates mean when we have an aircraft carrier off the shores of the Middle East and we have planes on that carrier. We make an analysis as to whether or not its planes can fly out, hit their targets and return safely to the carrier. That is a pretty important part of our power projection with the U.S. Navy.

Our mission capable rate, that means the ability of the airplane to fly off the carrier, wheels up, move that two or three or four hundred miles to its target, drop its ordnance and come back, that rate has gone down from 69 percent in 1993 to 61 percent today.

With the Air Force, the mission capable rate of their aircraft has gone down from 83.4 percent in 1991 to 74 percent today. That means 25 percent of their aircraft are not mission capable. They cannot do their job.

With the Marines, we have gone down from 77 percent in 1995 to only 61 percent mission capable rate today.

Mr. Speaker, the Navy and the Marine Corps and the Army also talked about other aspects of their equipment that are now in shortfall. You know we had a 600 ship Navy a few years ago under president Ronald Reagan. With the dissolution of the Soviet Union, we decided we could bring that Navy down some. But this president, President Clinton, is building ships at such a slow rate that we are building to a 200 ship Navy. We are going from a 600 ship Navy to a 200 ship Navy, and we cannot accomplish our responsibilities around the world with a fleet that small.

With respect to ammunition, the service chiefs told us that our ammunition shortfall now is 1.7 billion for the Army and 193 million for the United States Marine Corps. Ammunition is pretty basic, and we do not have what we need.

With respect to equipment, this CH-46 helicopter is right now the mainstay for the United States Marine Corps until they get the V-22. That aircraft, which has had a number of crashes in the last several years, is over 40 years old. Their attack vehicle, their amphibious vehicle that they ride out of the ships on and go right up on the beaches when they have to make a front-on assault, that vehicle is an average of 26 years old.

With respect to personnel, the United States Air Force is going to be 700 pilots short this year and the United States Navy is going to be 18,000 sailors short this year. The U.S. Marine Corps aviators are having a separation rate, that means the rate where they come in and tell their unit I am leaving; I could reenlist, but I am leaving; I am going to go into private enterprise. I may be a pilot for an airline, I am leaving. Only 42 percent of them separated in 1995. Most of them stayed on with the Marine Corps. Today, 92 percent of our pilots are leaving. They are getting out of Dodge. They are going into the private sector. That leaves us short.

So, Mr. Speaker, I will continue over the next several weeks to talk a little bit more about the shortages we have in defense, and lastly I will talk a little bit about what we are going to have to do in terms of putting resources into defense to rebuild our military.

SECURING SOCIAL SECURITY BEFORE CUTTING TAXES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think it is important that we did several things today, and I do want to comment on one of the earlier speaker's assessment of the pending tax bill, for, as I was saying earlier in debate, we all understand the value of giving relief to working men and women.

Interestingly enough, the substitute tax relief bill that the Democrats are proposing does that very thing. But it has one singular common sense provision: It recognizes that Social Security is a Contract with America. It is a trust. It is a fund that we are committed to securing. You cannot secure a trust fund if you raid it.

So the one difference I have with my colleagues is I am prepared to vote for tax relief, after we have secured Social Security, after we have been told by the Social Security trustees, "You have fixed Social Security for those who are receiving it now, for those who receive it 10 years from now, and those who may receive it way into the next century."

So I hope my colleagues will consider the reasonableness of legislation that does not spend dollars we do not have, and waits in fact a year from now when we can truly confirm that we have fixed Social Security.

Today we did something else, Mr. Speaker, and I would like to just comment briefly on the fast-track legislation, because most of us agree that trade, which creates jobs, has to be a bipartisan approach or has to have a bipartisan approach.

The one thing that is attractive to Americans when you speak of trade is jobs. It is opportunities for small businesses. It is the ability to sell one's wares and ideas internationally and be assured to get a good dollar and fair compensation for that.

I have been on record supporting the African Growth and Opportunity Act which passed the House this past summer, giving opportunity to small businesses, providing dollars for infrastructure support, opening up Africa to the many opportunities or many business opportunities for both Americans and Africans to work together.

I have supported the Caribbean Basin Initiative, which works with our Caribbean friends, again establishing opportunities for our business opportunity, to work free of barriers.

At the same time, this legislation was brought to the floor of the House in a bad manner and at a bad time. For example, we are facing financial crises around the world, but the Republicans have not seen fit to fund the International Monetary Fund. Why? Because that is not popular.

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That sounds off negative connotations. I would simply argue that seeing governments collapse or financial systems collapse, when we have the opportunity to work with the IMF, is irresponsible.

Yet, we bring a trade bill that is not collaborative, does not work with Members on both sides of the aisle, does not work with business and working Americans to discuss issues dealing with the environment and dealing with the question of working conditions.

Last year when we were talking about this issue, I offered an amendment to work on the question of difficulties in Texas along the border. Let me read it, Mr. Speaker, my amendment, called "Review of conditions along United States-Mexican border".

> The President shall establish a task force to review conditions along the United States-Mexican border relating to housing, labor, the environment, and other relevant issues, as they relate to United States companies that are located along the border.
>
> The task force should determine the ways in which partnerships made up of public and private entities can improve conditions along the border. The President shall report to Congress not later than 1 year after the date of the enactment of this act on the results of the review under subsection A.

My understanding is, without a call to my office, this was put into the present bill. The tragedy is that the bill failed because we did not have collaboration. We had politics. In fact, Members of the other party were quoted as saying, "We want to see who will get on the line and vote for fast track, Democrats, so we can go in their districts, if they do not vote for it, and threaten their elections."

This is not the spirit in which we should work. We should be working in a bipartisan manner to tell Americans that, yes, trade is good. Trade brings about jobs.

At the same time, we will not abdicate our responsibilities for ensuring that trade does not negatively impact on our environment; that safety rules are not eliminated or violated, as we travel from one country to the next, moving from surrounding countries and bringing large trucks into our boundaries; that we require safety standards; and yes, that we ensure that jobs are not lost, and that there are good and positive working conditions.

Mr. Speaker, I would simply say, we can work on trade issues. We can create jobs. We can help business. We can help small businesses. But this House must do it together.

We must ensure that Americans realize that trade is about jobs and the environment and working together.

COMMENDING THE HOUSE FOR OUTSTANDING WORK ON SAVING SOCIAL SECURITY AND IMPROVING THE LIVES AND HEALTH OF SENIOR CITIZENS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FOX) is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise to address the House this evening to commend the House for its outstanding work. I appreciate the time to address the House, because I think it is very important. With the passage today of the Save Social Security Act, it is one more way to make sure that our senior citizens are protected. This new legislation will make sure that with any budget surplus, and with the $1.4 trillion, the first money from that surplus will go to the social security trust fund for our senior citizens.

Mr. Speaker, with senior citizens living longer we want to make sure they live better. We wanted to make sure we strengthen the social security system. We also at the same time want to look to improving health care for our seniors and others. That is why the House is to be congratulated for leading the way here in Congress and in Washington on FDA reform, to make sure we speed up the approval of lifesaving drugs and medical devices.

That legislation, while we are waiting for a cure or vaccine for many illnesses, will help us be able to make sure that we are helping with clinical trials and with third-party review, and be able to make sure that we help our citizens live longer and better.

I am interested in also pointing out that here in Congress and the House we have worked to double the NIH funding, the National Institutes of Health. That is very important when it comes to increasing the research monies that are allocated for breast cancer research, uterine cancer, ovarian cancer, prostate cancer. It is coming at a very important time.

Tomorrow, Mr. Speaker, we are having the first ever march of its kind, a march to fight against cancer, to find a cure in our lifetime for all the cancers. This is an important march where very important health care providers, health care practitioners, researchers, and entertainers will be here on the Washington Mall, together with elected officials, to make sure we stand arm in arm to make sure the kind of dollars, resources, and emphasis is placed on cures for cancer.

That dovetails with legislation that I have introduced, Mr. Speaker, to protect our senior citizens, the Senior Citizen Bill of Rights. In that legislation we are going to roll back the 1993 tax on Social Security. We are going to keep social security off-budget, so it is not used for other purposes, but used for seniors and their security.

It will also address the notch baby problem, those babies born between 1917 and 1926 who are in their golden years and should be able to have the full benefits that other Social Security recipients have. Our notch baby provision will be addressed in that legislation.

We also, in the Senior Citizen Bill of Rights, increase the penalties for those who would commit fraud against senior citizens, such as telemarketing fraud and others who would prey upon our senior citizens and take away their life savings.

Also our legislation calls for elimination of the inheritance taxes. Many people have a family business, a family farm, and they take the money and have to give it to Uncle Sam, instead of making sure the next generation of the family can enjoy the fruits of labor that many of our families and friends have built up over a lifetime.

Finally, we have patient protection. We have legislation this House has adopted to make sure, Mr. Speaker, that doctors have the final say in making sure our patients get the medical advice they need, get the referrals to specialists they need, get the admissions to hospitals that they need, and as well, have the right to appeal a wrongful denial of health care on behalf of their patients and our constituents.

I think we have done a great deal to move forward in health care as far as senior citizens, on their rights, on their security, and making sure, above all, that Social Security and Medicare are protected and saved and strengthened.

The final item which I think we will embark on is the fact that we make sure with Medicare we have those new prevention programs on an annual basis, the mammograms that are annual, we have the pap smears, we also have the colorectal cancer screening, the diabetes screening, and osteoporosis.

Those kinds of prevention programs we fought for are making a difference, and the fact that those who would now defraud Medicare are eligible for jail terms and loss of rights to be a provider are strengthening Medicare the way citizens want.

We need to move forward, together with much other legislation, but we certainly have to take this time to look at what we have done for our seniors, and to make sure we redouble our efforts to do even more.

CONFERENCE REPORT ON H.R. 4060

Mr. McDADE submitted the following conference report and statement on the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–749)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4060) "making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, $161,747,000, to remain available until expended, of which funds are provided for the following projects in the amounts specified:

Delaware Bay Coastline, Delaware and New Jersey, $419,000;

Tampa Harbor, Alafia Channel, Florida, $200,000;

Barnegat Inlet to Little Egg Harbor Inlet, New Jersey, $322,000;

Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, $113,000;

Great Egg Harbor Inlet to Townsend's Inlet, New Jersey, $200,000;

Lower Cape May Meadows—Cape May Point, New Jersey, $100,000;

Manasquan Inlet to Barnegat Inlet, New Jersey, $300,000;

Raritan Bay to Sandy Hook Bay, New Jersey, $750,000; and

Townsend's Inlet to Cape May Inlet, New Jersey, $250,000:

Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $700,000 of the funds appropriated in Public Law 102–377 for the Red River Waterway, Shreveport, Louisiana, to Daingerfield, Texas, project for the feasibility phase of the Red River Navigation, Southwest Arkansas, study: Provided further, That the Secretary of the Army is directed to use $500,000 of the funds appropriated herein to implement section 211(f)(7) of Public Law 104–303 (110 Stat. 3684) and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the Hunting Bayou element of the project for flood control, Buffalo Bayou and tributaries, Texas: Provided further, That the Secretary of the Army is directed to use $300,000 of the funds appropriated herein to implement section 211(f)(8) of Public Law 104–303 (110 Stat. 3684) and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the project for flood control, White Oak Bayou watershed, Texas.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,429,885,000, to remain available until expended, of which such sums as are necessary for the Federal share of construction costs for facilities under the Dredged Material Disposal Facilities program shall be derived from the Harbor Maintenance Trust Fund, as authorized by Public Law 104–303; and of which such sums as are necessary pursuant to Public Law 99–662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for the Lock and Dam 25, Mississippi River, Illinois and Missouri; Lock and Dam 14, Mississippi River, Iowa; Lock and Dam 24, Part 1, Mississippi River, Illinois and Missouri; and Lock and Dam 3, Mississippi River, Minnesota, projects, and of which funds are provided for the following projects in the amounts specified:

Norco Bluffs, California, $4,400,000;

Panama City Beaches, Florida, $6,000,000;

Tybee Island, Georgia, $1,200,000;

Indiana Shoreline Erosion, Indiana, $700,000;

Indianapolis Central Waterfront, Indiana, $4,000,000;

Ohio River Flood Protection, Indiana, $750,000;

Harlan/Clover Fork, Williamsburg, Pike County, Middlesboro, Martin County, and Town of Martin, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project in Kentucky, $25,230,000;

Southern and Eastern Kentucky, Kentucky, $4,000,000;

Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $16,000,000;

Lake Pontchartrain (Jefferson Parish) Stormwater Discharge, Louisiana, $4,500,000;

Southeast Louisiana, Louisiana, $75,000,000;

Jackson County, Mississippi, $6,200,000;

Pascagoula Harbor, Mississippi, $12,000,000;

Passaic River Streambank Restoration, New Jersey, $3,000,000;

Lackawanna River, Olyphant, Pennsylvania, $6,800,000;

Lackawanna River, Scranton, Pennsylvania, $40,551,000;

South Central Pennsylvania Environment Improvement Program, $39,000,000, of which $13,000,000 shall be available only for water-related environmental infrastructure and resource protection and development projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe counties in Pennsylvania in accordance with the purposes of subsection (a) and requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992, as amended;

Wallisville Lake, Texas, $5,500,000;

Virginia Beach, Virginia (Hurricane Protection), $18,000,000;

Upper Mingo County (including Mingo County Tributaries), Lower Mingo County (Kermit), Wayne County, Hatfield Bottom, and McDowell County, elements of the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River project in West Virginia, $11,350,000; and

West Virginia and Pennsylvania Flood Control, West Virginia and Pennsylvania, $750,000: Provided, That the Secretary of the Army is directed to incorporate the economic analyses for the Green Ridge and Plot sections of the Lackawanna River, Scranton, Pennsylvania, project with the economic analysis for the Albright Street section of the project, and to cost-share and implement these combined sections as a single project with no separable elements, except that each section may be undertaken individually when the non-Federal sponsor provides the applicable local cooperation requirements: Provided further, That any funds heretofore appropriated and made available in Public Law 103–126 for projects associated with the restoration of the Lackawanna River Basin Greenway Corridor, Pennsylvania, may be utilized by the Secretary of the Army in carrying out other projects and activities on the Lackawanna River in Pennsylvania: Provided further, That the Secretary of the Army is directed to use $4,500,000 of the funds appropriated herein to implement section 211(f)(6) of Public Law 104–303 (110 Stat. 3683) and to reimburse the non-Federal sponsor a portion of the Federal share of project construction costs for the flood control components comprising the Brays Bayou element of the project for flood control, Buffalo Bayou and tributaries, Texas: Provided further, That the navigation project for Cook Inlet Navigation, Alaska, authorized by Section 101(b)(2) of Public Law 104–303 is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $12,600,000 with an estimated first Federal cost of $9,450,000 and an estimated first non-Federal cost of $3,150,000: Provided further, That the flood control project for West Sacramento, California, authorized by Section 101(4) of Public Law 102–580 is modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $32,900,000 with an estimated first Federal cost of $24,700,000 and an estimated first non-Federal cost of $8,200,000: Provided further, That the flood control project for Sacramento River, Glenn-Colusa Irrigation District, California, authorized by Section 2 of the Act entitled "An Act to provide for the control of floods of the Mississippi River and the Sacramento River, and for other purposes", approved March 1, 1917 (39 Stat. 949), is modified *to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct the project at a total cost of $20,700,000 with an estimated first Federal cost of $15,570,000 and an estimated first non-Federal cost of $5,130,000: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $4,000,000 provided herein to construct bluff stabilization measures at authorized locations for Natchez Bluff, Mississippi, at a total estimated cost of $26,065,000 with an estimated first Federal cost of $19,549,000 and an estimated first non-Federal cost of $6,516,000 and to award continuing contracts, which are not to be considered fully funded: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, may use up to $5,000,000 of the funding appropriated herein for construction of an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River, except that funds shall not become available unless the Secretary of the Army determines that an emergency (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) exists with respect to the emergency need for the outlet and reports to Congress that the construction is technically sound, economically justified, and environmentally acceptable and in compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.): Provided further, That the economic justification for the emergency outlet shall be prepared in accordance with the principles and guidelines for economic evaluation as required by regulations and procedures of the Army Corps of Engineers for all flood control projects, and that the economic justification be fully described, including the analysis of the benefits and costs, in the project plan documents: Provided further, That the plans for the emergency outlet shall be reviewed and, to be effective, shall contain assurances provided by the Secretary of State, after consultation with the International Joint Commission, that the project will not violate the requirements or intent of the Treaty Between the United States and Great Britain Relating to Boundary Waters Between the United States and Canada, signed at Washington January 11, 1909 (36 Stat. 2448; TS 548) (commonly known as the "Boundary Waters Treaty of 1909"): Provided further, That the Secretary of the Army shall submit the final plans and other documents for the emergency outlet to Congress: Provided further, That no funds made available under this Act or any other Act for any fiscal year may be used by the Secretary of the Army to carry out the portion of the feasibility study of the Devils Lake Basin, North Dakota, authorized under the Energy and Water Development Appropriations Act, 1993 (Public Law 102–377), that addresses the needs of the area for stabilized lake levels through inlet controls, or to otherwise study any facility or carry out any activity that would permit the transfer of water from the Missouri River Basin into Devils Lake: Provided further, That, the Secretary of the Army, acting through the Chief of Engineers, is directed to transfer remaining General Investigations funds previously appropriated for the Juniata River, Pennsylvania, study and Mussers Dam, Pennsylvania, project to Construction, General for use in equal amounts at Broad Top/Coaldale, Bedford County, Pennsylvania, and Mont Alto Borough, Franklin County, Pennsylvania, which are part of the South Central Pennsylvania Environment Improvement Program.*

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), $321,149,000, to remain available until expended.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, $1,653,252,000, to remain available until expended, of which such sums as become available from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 460l), may be derived from that account for construction, operation, and maintenance of outdoor recreation facilities, and of which $4,200,000 is provided for repair of Chickamauga Lock, Tennessee: Provided, That no funds, whether appropriated, contributed, or otherwise provided, shall be available to the United States Army Corps of Engineers for the purpose of acquiring land in Jasper County, South Carolina, in connection with the Savannah Harbor navigation project: Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake authorized maintenance and repairs on the Allegheny River, Pennsylvania, project, using $6,000,000 of funds provided under this heading in Public Law 105–62 for extending the navigation channel on the Allegheny River, Pennsylvania, project to provide passenger boat access to the Kittanning, Pennsylvania, Riverfront Park.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, $106,000,000, to remain available until expended.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to clean up contaminated sites throughout the United States where work was performed as part of the Nation's early atomic energy program, $140,000,000, to remain available until expended: Provided, That the response actions by the U.S. Army Corps of Engineers under this program shall consist of the following functions and activities to be performed at eligible sites where remediation has not been completed: sampling and assessment of contaminated areas, characterization of site conditions, determination of the nature and extent of contamination, selection of the necessary and appropriate response actions as the lead Federal agency, preparation of designation reports, cleanup and closeout of sites, and any other functions determined by the Chief of Engineers as necessary for remediation: Provided further, That response actions by the U.S. Army Corps of Engineers under this program shall be subject to the administrative, procedural, and regulatory provisions of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R., Chapter 1, Part 300: Provided further, That, except as stated herein, these provisions do not alter, curtail or limit the authorities, functions or responsibilities of other agencies under the Atomic Energy Act, 42 U.S.C. 2011 et seq.: Provided further, That any sums recovered under CERCLA for response actions, or recovered from a contractor, insurer, surety, or other person to reimburse the U.S. Army Corps of Engineers for any expenditures for response actions, shall be credited to the account used to fund response actions on eligible sites, and will be available for response action costs for any eligible site: Provided further, That the Secretary of Energy may exercise the authority of 42 U.S.C. 2208 to make payments in lieu of taxes for Federally-owned property where Formerly Utilized Sites Remedial Action Program activities are conducted, regardless of which Federal agency has acquired the property and notwithstanding references to "the activities of the Commission" in 42 U.S.C. 2208: Provided further, That the unexpended balances of prior appropriations provided for these activities in this Act or any previous Energy and Water Development Appropriations Act may be transferred to and merged with this appropriation account, and thereafter, may be accounted for as one fund for the same time period as originally enacted.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Coastal Engineering Research Board, the Humphreys Engineer Center Support Activity, the Water Resources Support Center, and headquarters support functions at the USACE Finance Center; $148,000,000, to remain available until expended: Provided, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the division offices.

REVOLVING FUND

Using amounts available in the Revolving Fund, the Secretary of the Army is authorized to renovate office space in the General Accounting Office headquarters building in Washington, DC, for use by the Corps and GAO. The Secretary is authorized to enter into a lease with GAO to occupy such renovated space as appropriate, for the Corps' headquarters. The Secretary shall ensure that the Revolving Fund is appropriately reimbursed from appropriations of the Corps' benefitting programs by collection each year of amounts sufficient to repay the capitalized cost of such renovation and through rent reductions or rebates from GAO.

ADMINISTRATIVE PROVISION

Appropriations in this title shall be available for official reception and representation expenses (not to exceed $5,000); and during the current fiscal year the Revolving Fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. Notwithstanding any other provisions of law, no fully allocated funding policy shall be applied to projects for which funds are identified in the Committee reports accompanying this Act under the Construction, General; Operation and Maintenance, General; and Flood Control, Mississippi River and Tributaries, appropriation accounts: Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake these projects using continuing contracts, as authorized in section 10 of the Rivers and Harbors Act of September 22, 1922 (33 U.S.C. 621).

SEC. 102. None of the funds made available in this Act may be used to revise the Missouri River Master Water Control Manual when it is made known to the Federal entity or official to which the funds are made available that such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in States *that have rivers draining into the Missouri River below the Gavins Point Dam.*

TITLE II

DEPARTMENT OF THE INTERIOR

Central Utah Project

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For carrying out activities authorized by the Central Utah Project Completion Act, and for activities related to the Uintah and Upalco Units authorized by 43 U.S.C. 620, $41,217,000, to remain available until expended, of which $15,476,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account: Provided, That of the amounts deposited into that account, $5,000,000 shall be considered the Federal contribution authorized by paragraph 402(b)(2) of the Central Utah Project Completion Act and $10,476,000 shall be available to the Utah Reclamation Mitigation and Conservation Commission to carry out activities authorized under that Act.

In addition, for necessary expenses incurred in carrying out related responsibilities of the Secretary of the Interior, $1,283,000, to remain available until expended.

Bureau of Reclamation

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

WATER AND RELATED RESOURCES

(INCLUDING TRANSFER OF FUNDS)

For management, development, and restoration of water and related natural resources and for related activities, including the operation, maintenance and rehabilitation of reclamation and other facilities, participation in fulfilling related Federal responsibilities to Native Americans, and related grants to, and cooperative and other agreements with, State and local governments, Indian Tribes, and others, $642,845,000, to remain available until expended, of which $2,800,000 shall be for construction of the Tooele Wastewater Treatment and Reuse, Utah, project, and of which $1,873,000 shall be available for transfer to the Upper Colorado River Basin Fund and $45,990,000 shall be available for transfer to the Lower Colorado River Basin Development Fund, and of which such amounts as may be necessary may be advanced to the Colorado River Dam Fund: Provided, That such transfers may be increased or decreased within the overall appropriation under this heading: Provided further, That of the total appropriated, the amount for program activities that can be financed by the Reclamation Fund or the Bureau of Reclamation special fee account established by 16 U.S.C. 460l–6a(i) shall be derived from that Fund or account: Provided further, That funds contributed under 43 U.S.C. 395 are available until expended for the purposes for which contributed: Provided further, That funds advanced under 43 U.S.C. 397a shall be credited to this account and are available until expended for the same purposes as the sums appropriated under this heading: Provided further, That of the total appropriated, $25,800,000 shall be derived by transfer of unexpended balances from the Bureau of Reclamation Working Capital Fund: Provided further, That funds available for expenditure for the Departmental Irrigation Drainage Program may be expended by the Bureau of Reclamation for site remediation on a non-reimbursable basis: Provided further, That the amount authorized for Indian municipal, rural, and industrial water features by section 10 of Public Law 89–108, as amended by section 8 of Public Law 99–294 and section 1701(b) of Public Law 102–575, is increased by $2,000,000 (October 1997 prices): Provided further, That the Secretary of the Interior is directed to use not to exceed $3,600,000 of funds appropriated herein as the Bureau of Reclamation share for completion of the McCall Area Wastewater Reclamation and Reuse, Idaho, project authorized in Public Law 105–62 and described in PN–FONSI–96–05.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

For the cost of direct loans and/or grants, $7,996,000, to remain available until expended, as authorized by the Small Reclamation Projects Act of August 6, 1956, as amended (43 U.S.C. 422a–422l): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $38,000,000.

In addition, for administrative expenses necessary to carry out the program for direct loans and/or grants, $425,000, to remain available until expended: Provided, That of the total sums appropriated, the amount of program activities that can be financed by the Reclamation Fund shall be derived from that Fund.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, $33,130,000, to be derived from such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f), and 3406(c)(1) of Public Law 102–575, to remain available until expended: Provided, That the Bureau of Reclamation is directed to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575.

CALIFORNIA BAY-DELTA ECOSYSTEM RESTORATION

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Department of the Interior and other participating Federal agencies in carrying out the California Bay-Delta Environmental Enhancement and Water Security Act, consistent with plans to be approved by the Secretary of the Interior, in consultation with such Federal agencies, $75,000,000, to remain available until expended, of which such amounts as may be necessary to conform with such plans shall be transferred to appropriate accounts of such Federal agencies: Provided, That such funds may be obligated only as non-Federal sources provide their share in accordance with the cost-sharing agreement required under section 102(d) of such Act: Provided further, That such funds may be obligated prior to the completion of a final programmatic environmental impact statement only if: (1) consistent with 40 CFR 1506.1(c); and (2) used for purposes that the Secretary finds are of sufficiently high priority to warrant such an expenditure.

POLICY AND ADMINISTRATION

For necessary expenses of policy, administration, and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, $47,000,000, to be derived from the Reclamation Fund and be nonreimbursable as provided in 43 U.S.C. 377: Provided, That no part of any other appropriation in this Act shall be available for activities or functions budgeted as policy and administration expenses.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed six passenger motor vehicles for replacement only.

TITLE III

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

Energy Supply

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for energy supply, and uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of not to exceed 22 passenger motor vehicles for replacement only, $727,091,000, of which not to exceed $3,000 may be used for official reception and representation expenses for transparency activities.

Non-Defense Environmental Management

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for non-defense environmental management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction or expansion, $431,200,000, to remain available until expended.

Uranium Enrichment Decontamination and Decommissioning Fund

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions and other activities of title II of the Atomic Energy Act of 1954 and title X, subtitle A of the Energy Policy Act of 1992, $220,200,000, to be derived from the Fund, to remain available until expended: Provided, That $30,000,000 of amounts derived from the Fund for such expenses shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

Science

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for science activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, and purchase of not to exceed 5 passenger motor vehicles for replacement only, $2,682,860,000, to remain available until expended: Provided, That $7,600,000 of the unobligated balances originally available for Superconducting Super Collider termination activities shall be made available for other activities under this heading.

Nuclear Waste Disposal

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, $169,000,000, to remain available until expended, of which $165,000,000 is to be derived from the Nuclear Waste Fund; and of which not to exceed $250,000 may be provided to the Department of Energy to reimburse the State of Nevada solely for expenditures, other than salaries and expenses of State employees, to conduct scientific oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, and not to exceed $5,540,000 may be provided to affected local governments, as defined in Public Law 97–425, to conduct appropriate activities pursuant to the Act: Provided, That the distribution of the funds to the units of local government shall be *determined by the Department of Energy: Provided further, That the funds shall be made available to the units of local government by direct payment: Provided further, That within ninety days of the completion of each Federal fiscal year, each local entity shall provide certification to the Department of Energy, that all funds expended from such payments have been expended for activities as defined in Public Law 97–425. Failure to provide such certification shall cause such entity to be prohibited from any further funding provided for similar activities: Provided further, That none of the funds herein appropriated may be: (1) used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for lobbying activity as provided in 18 U.S.C. 1913; (2) used for litigation expenses; or (3) used to support multi-state efforts or other coalition building activities inconsistent with the restrictions contained in this Act.*

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for departmental administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000), $200,475,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511 et seq.): Provided, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: Provided further, That moneys received by the Department for miscellaneous revenues estimated to total $136,530,000 in fiscal year 1999 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95–238, notwithstanding the provisions of 31 U.S.C. 3302: Provided further, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation from the General Fund estimated at not more than $63,945,000.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $29,000,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other incidental expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; the purchase of not to exceed one fixed wing aircraft; and the purchase of passenger motor vehicles (not to exceed 32 for replacement only, and one bus), $4,400,000,000, to remain available until expended: Provided, That funding for any ballistic missile defense program undertaken by the Department of Energy for the Department of Defense shall be provided by the Department of Defense according to procedures established for Work for Others by the Department of Energy.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental restoration and waste management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed 3 new sedans and 6 for replacement only, of which 3 are sedans, 2 are buses, and 1 is an ambulance), $4,310,227,000, to remain available until expended.

DEFENSE FACILITIES CLOSURE PROJECTS

For expenses of the Department of Energy to accelerate the closure of defense environmental management sites, including the purchase, construction and acquisition of plant and capital equipment and other necessary expenses, $1,038,240,000, to remain available until expended.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

For Department of Energy expenses for privatization projects necessary for atomic energy defense environmental management activities authorized by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), $228,357,000, to remain available until expended.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, $1,696,676,000, to remain available until expended.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97–425, as amended, including the acquisition of real property or facility construction or expansion, $189,000,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93–454, are approved for official reception and representation expenses in an amount not to exceed $1,500.

During fiscal year 1999, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $7,500,000, to remain available until expended; in addition, notwithstanding 31 U.S.C. 3302, not to exceed $28,000,000 in reimbursements, of which $20,000,000 is for transmission wheeling and ancillary services and $8,000,000 is for power purchases at the Richard B. Russell Project, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $26,000,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed $4,200,000 in reimbursements, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7152), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, $203,000,000, to remain available until expended, of which $193,787,000 shall be derived from the Department of the Interior Reclamation Fund: Provided, That of the amount herein appropriated, $5,036,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $1,010,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed $3,000), $167,500,000, to remain available until expended: Provided, That notwithstanding any other provision of law, not to exceed $167,500,000 of revenues from fees and annual charges, and other services and collections in fiscal year 1999 shall be retained and used for necessary expenses in this account, and shall remain available until expended: Provided further, That the sum herein appropriated from the General Fund shall be reduced as revenues are received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation from the General Fund estimated at not more than $0.

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

SEC. 301. (a) None of the funds appropriated by this Act or any prior appropriations Act may be used to award a management and operating contract unless such contract is awarded using competitive procedures or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

(b) At least 60 days before a contract award, amendment, or modification for which the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the subcommittees of the waiver and setting forth the reasons for the waiver.

SEC. 302. (a) None of the funds appropriated by this Act or any prior appropriations Act may be used to award, amend, or modify a contract in a manner that deviates from the Federal Acquisition Regulation, unless the Secretary of

Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. The Secretary may not delegate the authority to grant such a waiver.

(b) At least 60 days before a contract award, amendment, or modification for which the Secretary intends to grant such a waiver, the Secretary shall submit to the Subcommittees on Energy and Water Development of the Committees on Appropriations of the House of Representatives and the Senate a report notifying the subcommittees of the waiver and setting forth the reasons for the waiver.

SEC. 303. None of the funds appropriated by this Act or any prior appropriations Act may be used to—

(1) develop or implement a workforce restructuring plan that covers employees of the Department of Energy; or

(2) provide enhanced severance payments or other benefits for employees of the Department of Energy; under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644; 42 U.S.C. 7274h).

SEC. 304. None of the funds appropriated by this Act or any prior appropriations Act may be used to augment the $29,900,000 made available for obligation by this Act for severance payments and other benefits and community assistance grants under section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2644; 42 U.S.C. 7274h).

SEC. 305. None of the funds appropriated by this Act or any prior appropriations Act may be used to prepare or initiate Requests For Proposals (RFPs) for a program if the program has not been funded by Congress.

(TRANSFERS OF UNEXPENDED BALANCES)

SEC. 306. The unexpended balances of prior appropriations provided for activities in this Act may be transferred to appropriation accounts for such activities established pursuant to this title. Balances so transferred may be merged with funds in the applicable established accounts and thereafter may be accounted for as one fund for the same time period as originally enacted.

SEC. 307. Notwithstanding 41 U.S.C. section 254c(a), the Secretary of Energy may use funds appropriated by this Act to enter into multiyear contracts for the acquisition of property or services without obligating the estimated costs associated with any necessary cancellation or termination of the contract. The Secretary of Energy may pay costs of termination or cancellation from—

(1) appropriations originally available for the performance of the contract concerned;

(2) appropriations currently available for procurement of the type of property or services concerned, and not otherwise obligated; or

(3) funds appropriated for those payments.

SEC. 308. None of the funds in this Act may be used to dispose of transuranic waste in the Waste Isolation Pilot Plant which contains concentrations of plutonium in excess of 20 percent by weight for the aggregate of any material category on the date of enactment of this Act, or is generated after such date.

SEC. 309. CHANGE OF NAME OF THE OFFICE OF ENERGY RESEARCH. (a) IN GENERAL.—Section 209 of the Department of Energy Organization Act (42 U.S.C. 7139) is amended—

(1) in the section heading, by striking "ENERGY RESEARCH" and inserting "SCIENCE"; and

(2) in subsection (a), by striking "Energy Research" and inserting "Science".

(b) CONFORMING AMENDMENTS.—

(1) TABLE OF CONTENTS.—The table of contents in the first section of the Department of Energy Organization Act (42 U.S.C. prec. 7101) is amended by striking the item relating to section 209 and inserting the following:

"Section 209. Office of Science.".

(2) REFERENCES IN OTHER LAW.—Each of the following is amended by striking "Energy Research" and inserting "Science":

(A) The item relating to the Director, Office of Energy Research, Department of Energy in section 5315 of title 5, United States Code.

(B) Section 2902(b)(6) of title 10, United States Code.

(C) Section 406(h)(2)(A)(v) of the Public Health Service Act (42 U.S.C. 284a(h)(2)(A)(v)).

(D) Sections 3167(3) and 3168 of the Department of Energy Science Education Enhancement Act (42 U.S.C. 7381d(3), 7381e).

(E) Paragraphs (1) and (2) of section 224(b) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10204(b)).

(F) Section 2203(b)(3)(A)(i) of the Energy Policy Act of 1992 (42 U.S.C. 13503(b)(3)(A)(i)).

SEC. 310. MAINTENANCE OF SECURITY AT DOE URANIUM ENRICHMENT PLANTS.—Section 3107(h) of the USEC Privatization Act (42 U.S.C. 2297h–5(h)) is amended in paragraph (1), by striking "an adequate number of security guards" and inserting "all security police officers"; and by inserting the following paragraph:

"(2) FUNDING.—

"(A) The costs of arming and providing arrest authority to the security police officers required under paragraph (1) shall be paid as follows:

"(i) the Department of Energy (the "Department") shall pay the percentage of the costs equal to the percentage of the total number of employees at the gaseous diffusion plant who are (I) employees of the Department or the contractor or subcontractors of the Department or (II) employees of the private entity leasing the gaseous diffusion plant who perform work on behalf of the Department (including employees of a contractor or subcontractor of the private entity), and

"(ii) the private entity leasing the gaseous diffusion plant shall pay the percentage of the costs equal to the percentage of the total number of employees at the gaseous diffusion plant who are employees of the private entity (including employees of a contractor or subcontractor) other than those employees who perform work for the Department.

"(B) Neither the private entity leasing the gaseous diffusion plant nor the Department shall reduce its payments under any contract or lease or take other action to offset its share of the costs referred to in subparagraph (A), and the Department shall not reimburse the private entity for the entity's share of these costs.

"(C) Nothing in this subsection shall alter the Department's responsibilities to pay the safety, safeguards and security costs associated with the Department's highly enriched uranium activities.".

SEC. 311. None of the funds in this Act may be used by the Department of Energy to conduct pilot projects simulating external regulation unless the Nuclear Regulatory Commission, the Occupational Safety and Health Administration, and the appropriate State and local regulatory entities are included in the pilot projects.

SEC. 312. Of the amounts provided in this title under the heading, "Atomic Energy Defense Activities, Weapons Activities", $57,000,000 shall not be available for obligation until September 30, 1999.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, notwithstanding section 405 of said Act, for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission, for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, $66,400,000, to remain available until expended.

DENALI COMMISSION

For expenses of the Denali Commission including the purchase, construction and acquisition of plant and capital equipment as necessary and other expenses, $20,000,000, to remain available until expended, subject to enactment of authorization by law.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100–456, section 1441, $16,500,000, to remain available until expended.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including official representation expenses (not to exceed $15,000); $465,000,000, to remain available until expended: Provided, That of the amount appropriated herein, $17,000,000 shall be derived from the Nuclear Waste Fund: Provided further, That revenues from licensing fees, inspection services, and other services and collections estimated at $444,800,000 in fiscal year 1999 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: Provided further, That $3,200,000 of the funds herein appropriated for regulatory reviews and other assistance provided to the Department of Energy and other Federal agencies shall be excluded from license fee revenues, notwithstanding 42 U.S.C. 2214: Provided further, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation estimated at not more than $20,200,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $4,800,000, to remain available until expended: Provided, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1999 so as to result in a final fiscal year 1999 appropriation estimated at not more than $0.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100–203, section 5051, $2,600,000, to be derived from the Nuclear Waste Fund, and to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. None of the funds appropriated by this Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in section 1913 of title 18, United States Code.

SEC. 502. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 503. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the "Cleanup Program—Alternative Repayment Plan" and the "SJVDP—Alternative Repayment Plan" described in the report entitled "Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995", prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal Reclamation law.

SEC. 504. None of the funds made available in this or any other Act may be used to restart the High Flux Beam Reactor.

SEC. 505. Section 6101(a)(3) of the Omnibus Budget Reconciliation Act of 1990, as amended, (42 U.S.C. 2214(a)(3)) is amended by striking "September 30, 1998" and inserting "September 30, 1999".

SEC. 506. (a) Funds appropriated for "Nuclear Regulatory Commission—Salaries and Expenses" shall be available to the Commission for the following additional purposes:

(1) Employment of aliens.

(2) Services authorized by section 3109 of title 5, United States Code.

(3) Publication and dissemination of atomic information.

(4) Purchase, repair, and cleaning of uniforms.

(5) Reimbursements to the General Services Administration for security guard services.

(6) Hire of passenger motor vehicles and aircraft.

(7) Transfers of funds to other agencies of the Federal Government for the performance of the work for which such funds are appropriated, and such transferred funds may be merged with the appropriations to which they are transferred.

(8) Transfers to the Office of Inspector General of the Commission, not to exceed an additional amount equal to 5 percent of the amount otherwise appropriated to the Office for the fiscal year. Notice of such transfers shall be submitted to the Committees on Appropriations.

(b) Funds appropriated for "Nuclear Regulatory Commission—Office of Inspector General" shall be available to the Office for the additional purposes described in paragraphs (2) and (7) of subsection (a).

(c) Moneys received by the Commission for the cooperative nuclear research program, services rendered to State governments, foreign governments, and international organizations, and the material and information access authorization programs, including criminal history checks under section 149 of the Atomic Energy Act of 1954 (42 U.S.C. 2169) may be retained and used for salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302, and shall remain available until expended.

(d) Notwithstanding section 663(c)(2)(D) of Public Law 104–208, and to facilitate targeted workforce downsizing and restructuring, the Chairman of the Nuclear Regulatory Commission may use funds appropriated in this Act to exercise the authority provided by section 663 of that Act with respect to employees who voluntarily separate from the date of enactment of this Act through December 31, 2000. All of the requirements in section 663 of Public Law 104–208, except for section 663(c)(2)(D), apply to the exercise of authority under this section.

(e) Subsections (a), (b), and (c) of this section shall apply to fiscal year 1999 and each succeeding fiscal year.

(TRANSFER OF FUNDS)

SEC. 507. FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA, CRIMINAL JUSTICE SYSTEM.—Of the amounts appropriated as a Federal payment under the District of Columbia Appropriations Act, 1998, to the Pretrial Services, Defense Services, Parole, Adult Probation and Offender Supervision Trustee, $1,700,000 are hereby transferred to the District of Columbia Courts for court operations.

DESIGNATION OF VIC FAZIO YOLO WILDLIFE AREA

SEC. 508. The wetlands located in Yolo County, California, and known as the Yolo Basin Wetlands, shall be known and designated as the "Vic Fazio Yolo Wildlife Area". Any reference in law, map, regulation, document, paper, or other record of the United States to the wetlands shall be deemed to be a reference to the "Vic Fazio Yolo Wildlife Area".

DALE BUMPERS WILDLIFE RESOURCES PROTECTION ACT

SEC. 509. The Arkansas Wilderness Act of 1984 (Public Law 98–508, 98 Stat. 2349) is amended by adding at the end thereof the following new section:

"SEC. 8. RECOGNIZING THE CONTRIBUTIONS OF SENATOR DALE BUMPERS.

"(a) DEDICATION.—The nine areas in the State of Arkansas comprising approximately 91,100 acres designated as components of the National Wilderness Preservation System pursuant to this Act are hereby dedicated to United States Senator Dale Bumpers in recognition of his leadership and outstanding contributions to the designation of wilderness in the State of Arkansas and to the protection and preservation of natural resources for the benefit of the people of the United States.

"(b) SHORT TITLE.—In further recognition of his efforts to protect wilderness resources in the State of Arkansas, this Act shall, upon enactment of this section, be known as the 'Dale Bumpers Wilderness Resources Protection Act'.

"(c) PUBLIC NOTIFICATION.—Not later than 180 days after the date of enactment of this section, the Secretary of Agriculture, acting through the Chief of the Forest Service, shall take such actions as may be necessary to recognize the contributions of Senator Dale Bumpers to the preservation of wilderness in the State of Arkansas. Such actions shall include, but not be limited to, appropriate signs and other materials, commemorative markers, maps, interpretive programs or other means as will adequately inform the public of the efforts of Senator Bumpers to preserve and protect National Forest wilderness areas in the State of Arkansas.".

This Act may be cited as the "Energy and Water Development Appropriations Act, 1999".

And the Senate agree to the same.

JOSEPH MCDADE,
HAROLD ROGERS,
JOE KNOLLENBERG,
ROD FRELINGHUYSEN,
MIKE PARKER,
SONNY CALLAHAN,
JAY DICKEY,
BOB LIVINGSTON,
VIC FAZIO,
PETER J. VISCLOSKY,
CHET EDWARDS,
ED PASTOR,
DAVID OBEY,
Managers on the Part of the House.

PETE DOMENICI,
THAD COCHRAN,
SLADE GORTON,
MITCH MCCONNELL,
R. F. BENNETT,
CONRAD BURNS,
LARRY E. CRAIG,
TED STEVENS,
HARRY REID,
ROBERT BYRD,
FRITZ HOLLINGS,
PATTY MURRAY,
HERB KOHL,
BYRON L. DORGAN,
DANIEL INOUYE,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

The language and allocations set forth in House Report 105–581 and Senate Report 105–206 should be compiled with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not contradicted by the report of the Senate or the conference, and Senate report language which is not contradicted by the report of the House or the conference is approved by the committee of conference. The statement of managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where both the House report and Senate report address a particular issue not specifically addressed in the conference report or joint statement of managers, the conferees have determined that the House and Senate reports are not inconsistent and are to be interpreted accordingly. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

Senate amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

TITLE I

DEPARTMENT OF DEFENSE—CIVIL

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Corps of Engineers. Additional items of conference agreement are discussed below.

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

The conference agreement appropriates $161,747,000 for General Investigations instead of $162,823,000 as proposed by the House and $165,390,000 as proposed by the Senate.

The conference agreement includes $100,000 for a reconnaissance study of flood control and related purposes along Burnt Corn Creek and Murder Creek in the vicinity of Brewton and East Brewton, Alabama.

The conference agreement includes $100,000 for a reconnaissance study of the City of Folsom, California, project, as authorized by Section 503 of the Water Resources Development Act of 1996.

The conference agreement includes final year funding to conclude demonstration studies on the seismic reliability of public infrastruture in California.

The conferees direct that the funds provided for the Delaware Bay Coastline, Delaware and New Jersey, project be distributed as follows: $119,000 for the Villas and Vicinity portion; $100,000 for the Roosevelt/Lewes Beach portion; and $200,000 for the Port Mahon portion of the project.

The conference agreement includes $100,000 for a reconnaissance study of the efficiency of existing water systems serving sugar cane plantations and surrounding communities in the State of Hawaii.

The conference agreement does not include funding for the Panther Creek, Kentucky, project in the General Investigations account. Funding for this project has been provided in the Construction, General account, under the Section 205 Small Flood Control Projects program of the Corps of Engineers.

The conference agreement includes $113,000 for the Absecon Island element of the Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, project.

The conferees direct that the funds provided for the Raritan Bay to Sandy Hook Bay, New Jersey, project be distributed as follows: $225,000 for the Cliffwood Beach element; $325,000 for the Union Beach element; $100,000 for the Leonardo element; and $100,000 for the Port Monmouth element of the project.

The conference agreement includes $100,000 for a reconnaissance study of flood control and related purposes within the Woodbridge and Rahway river basins in New Jersey.

The conference agreement includes $500,000 for a feasibility study of the Packery Channel, Corpus Christi, Texas, project.

The conference agreement includes $100,000 for a reconnaissance study as directed by the Water Resources and Development Act of 1996 to determine the minimum safe height for levees along the Columbia River in the Tri-Cities area.

The conference agreement includes $100,000 for a reconnaissance study of flooding problems in the Skokomish River Basin, Washington.

The conference agreement includes $27,000,000 for Research and Development as proposed by the House instead of $30,000,000 as proposed by the Senate. Of the amount provided, $750,000 is for the Zebra Mussel Research Program.

The conferees have included language in the bill earmarking funds for the following projects in the amounts specified: Delaware Bay Coastline, Delaware and New Jersey, $419,000; Tampa Harbor, Alafia Channel, Florida, $200,000; Barnegat Inlet to Little Egg Harbor Inlet, New Jersey, $322,000; Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, $113,000; Great Egg Harbor Inlet to Townsend's Inlet, New Jersey, $200,000; Lower Cape May Meadows—Cape May Point, New Jersey, $100,000; Manasquan Inlet to Barnegat Inlet, New Jersey, $300,000; Raritan Bay to Sandy Hook Bay, New Jersey, $750,000; and Townsend's Inlet to Cape May Inlet, New Jersey, $250,000.

The conference agreement deletes funds earmarked in the Senate bill for the Atlanta Watershed, Atlanta, Georgia, project.

The conference agreement deletes language contained in the Senate bill providing funds for Rehoboth and Dewey Beaches, Delaware. The amount appropriated for General Investigations includes $150,000 for this element of the Delaware Coast from Cape Henlopen to Fenwick Island, Delaware, project.

The conference agreement deletes language contained in the Senate bill providing funds for Fort Pierce Shore Protection, Florida. This project has been funded in the Construction, General account.

The conference agreement deletes language contained in the Senate bill providing funds for the Lido Key Beach, Florida, project. The amount appropriated for General Investigations includes $268,000 for this project. The conference agreement also deletes language contained in the Senate bill providing funds for the Paducah, Kentucky, project. The amount appropriated for General Investigations includes $100,000 for a reconnaissance study of the project. The conference agreement also deletes language contained in the Senate bill providing funds for the Lake Pontchartrain Basin Comprehensive Study, Louisiana, project.

The conference agreement includes language proposed by both the House and Senate directing the Corps of Engineers to use $700,000 of previously appropriated funds to continue the feasibility phase of the Red River Navigation, Southwest Arkansas, project.

The conference agreement includes language proposed by the House directing the Corps of Engineers to use $500,000 to implement Section 211(f)(7) of the Water Resources Development Act of 1996 and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the Hunting Bayou, Texas, project, and language proposed by the House directing the Corps of Engineers to use $300,000 to implement Section 211(f)(8) of the Water Resources Development Act of 1996 and to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the White Oak Bayou, Texas, project.

CONSTRUCTION, GENERAL

The conference agreement appropriates $1,429,885,000 for Construction, General instead of $1,456,529,000 as proposed by the House and $1,248,068,000 as proposed by the Senate.

The conference agreement includes $585,000 for channel extension work at the Mobile Harbor, Alabama, project.

The conference agreement provides $3,500,000 for the Red River Emergency Bank Protection, Arkansas, project. Using those funds, the Corps of Engineers is directed to proceed with the components of the project identified in the House and Senate reports.

The conferees direct the Corps of Engineers to complete a reevaluation report of the Sacramento River Deepwater Ship Channel, California, project using available funds.

Funds provided for the Sacramento River Bank Protection Project in California will permit the Corps of Engineers to complete reinforcement and protection work on a five-mile section of Reclamation District 108's so-called Back Levee, the left bank of the Colusa Basin Drain.

The conferees direct that none of the funds provided for the Dade County, Florida, project shall be used for the acquisition of foreign source materials for the project unless the Secretary of the Army provides written certification to the Committees on Appropriations that domestic sources of materials are not available.

It is the intent of conferees that the Secretary of the Army, acting through the Chief of Engineers, use appropriations for the Chicago Shoreline, Illinois, project for construction and reimbursement to the non-Federal interest for the Federal share of any costs incurred by the non-Federal interest in reconstructing the revetment structures protecting Solidarity Drive in Chicago completed prior to execution of the Project Cooperation Agreement due to emergency circumstances associated with the potential collapse of existing revetment. It is the intent of the conferees that design, engineering, contracting and construction management of the Chicago Shoreline, Illinois, project be carried out directly by the Secretary of the Army, acting through the Chief of Engineers, except for these segments authorized in subsections 101(a)(12)(A) and (B) of Public Law 104-303.

The conferees remain supportive of the Des Plaines Wetlands Demonstration, Illinois, project and understand that sufficient funds will be carried forward into fiscal year 1999 to meet project requirements for the coming year.

The conference agreement includes $1,000,000 for construction of the Comite River, Louisiana, project.

The conference agreement includes $3,800,000 for the Mississippi River, Gulf Outlet, Louisiana, project. The Corps of Engineers is directed to use these funds to begin construction of, and implementation of the community impact mitigation plan for, the Inner Harbor Navigation Canal Lock replacement element of the project.

The conference agreement includes $6,200,000 for the Jackson County, Mississippi, environmental infrastructure project as authorized by section 504 of the Water Resources Development Act of 1996. Because of the importance of this project, the Corps of Engineers is encouraged to include within the terms of the local cooperation agreement for construction the determination that all work completed after January 17, 1995 by non-Federal interests which is compatible with the project shall be considered part of the project and may be credited by the Secretary toward the non-Federal share of the cost of the project. Such work shall include those activities addressed by the Corps of Engineers conceptual design review report dated June 30, 1994.

The conferees would not oppose the execution of a contract for the Pascagoula Harbor, Mississippi, phase II dredging project that includes modifications for the extension of Bayou Cassotte.

The conference agreement includes a total of $38,500,000 for the Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River, West Virginia, Virginia and Kentucky, project. These funds are to be distributed as follows: $10,000,000 for the Harlan/Clover Fork, Kentucky, element; $1,000,000 for the Cumberland City/Harlan County, Kentucky, element; $1,500,000 for the Williamsburg, Kentucky, element; $5,000,000 for the Middlesboro, Kentucky, element; $4,150,000 for the Pike County, Kentucky, element; $3,850,000 for the Martin County, Kentucky, element; $730,000 for the Town of Martin, Kentucky, element; $920,000 for the Grundy, Virginia, element; $300,000 for the Hatfield Bottom, West Virginia, element; $3,400,000 for the Lower Mingo County (Kermit), West Virginia, element; $4,500,000 for the McDowell County, West Virginia, element; $1,475,000 for the Upper Mingo County, West Virginia, element; and $1,675,000 for the Wayne County, West Virginia, element.

The conference agreement includes $60,000,000 for the Columbia River Fish Mitigation, Washington, Oregon, and Idaho, project instead of $7,758,000 as proposed by the House and $95,000,000 as proposed by the Senate. Funds are provided for phase I only of the John Day Reservoir drawdown study as outlined in the scoping document and report of the Corps of Engineers dated February 22, 1998. Funds are also provided to continue the lower Snake River feasibility study and to continue ongoing construction activity.

The conference agreement includes $11,200,000 for the Section 206 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports.

The conference agreement includes $2,000,000 for the Section 103 program. Using those funds, the Corps of Engineers is directed to proceed with the project described in the House report.

The conferees recognize the serious erosion problems being experienced on the east end of Dauphin Island, Alabama. To counter this threat to property and habitat, the conferees urge the U.S. Army Corps of Engineers, acting in coordination with non-Federal interests, to initiate a small beach restoration project on the east end of Dauphin Island, Alabama, utilizing alternative sand recapture technologies. Additionally, the conferees encourage the U.S. Army Corps of Engineers to work with non-Federal interests to begin near-shore disposal of appropriate dredge material on the east end of Dauphin Island, Alabama.

The conference agreement includes $300,000 for the Section 208 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House report.

The conference agreement includes $7,000,000 for the Section 14 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports.

The conference agreement includes $34,800,000 for the Section 205 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. Of the amount provided for the Section 205 program, $100,000 is for the Port Indian, West Norriton Township, Pennsylvania, project; $100,000 is for studies of flooding problems along the Mad River, New Haven River, Otter Creek, White River, Waits River and affected tributaries in Vermont; and $1,550,000 is for the Cedar River, Washington, flood damage reduction project.

The conference agreement includes $200,000 for the Section 111 program. Using those funds, the Corps of Engineers is directed to proceed with the project described in the House report.

The conference agreement includes $6,000,000 for the Section 107 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. The conferees strongly urge the Corps of Engineers to consider the concept design developed by the State of Minnesota in the planning and design of the Duluth (McQuade Road) Harbor, Minnesota, project.

The conference agreement includes $11,000,000 for the Section 1135 program. Using those funds, the Corps of Engineers is directed to proceed with the projects described in the House and Senate reports. Of the amount provided for the Section 1135 program, $500,000 is for the Green-Duwamish Ecosystem Restoration project and $1,758,000 is for the Lower Hamm Creek, Washington, project.

The conference agreement includes language proposed by the House providing funds specifically for Part I of the Lock and Dam 24, Mississippi River, Illinois and Missouri, project instead of language proposed by the Senate providing funds to the project without reference to Part I.

The conferees have included language in the bill earmarking funds for the following projects in the amounts specified: Norco Bluffs, California, $4,400,000; Panama City Beaches, Florida, $6,000,000; Tybee Island, Georgia, $1,200,000; Indiana Shoreline Erosion, Indiana, $700,000; Indianapolis Central Waterfront, Indiana, $4,000,000; Ohio River Flood Protection, Indiana, $750,000; Harlan/Clover Fork, Williamsburg, Middlesboro, Martin County, Pike County and Town of Martin (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $25,230,000; Southern and Eastern Kentucky, Kentucky, $4,000,000; Lake Pontchartrain and Vicinity (Hurricane Protection), Louisiana, $16,000,000; Lake Pontchartrain Stormwater Discharge, Louisiana, $4,500,000; Southeast Louisiana, Louisiana, $75,000,000; Jackson County, Mississippi, $6,200,000; Natchez Bluff, Mississippi, $4,000,000; Pascagoula Harbor, Mississippi, $12,000,000; Passaic River Streambank Restoration, New Jersey, $3,000,000; Lackawanna River, Olyphant, Pennsylvania, $6,800,000; Lackawanna River, Scranton, Pennsylvania, $40,551,000; South Central Pennsylvania Environment Improvement Program, Pennsylvania, $39,000,000; Wallisville Lake, Texas, $5,500,000; Virginia Beach, Virginia (Hurricane Protection), $18,000,000; Upper Mingo County, Lower Mongo County, Wayne County, Hatfield Bottom, and McDowell County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), West Virginia, $11,350,000; and West Virginia and Pennsylvania Flood Control, West Virginia and Pennsylvania, $750,000.

The conference agreement includes language proposed by the House providing that, of the amount provided for the South Central Pennsylvania Environment Improvement Program, $13,000,000 shall be available only for water-related environmental infrastructure and resource protection and development projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike and Monroe counties in Pennsylvania in accordance with the purposes of subsection (a) and requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992, as amended. These funds are provided for water-related environmental infrastructure projects at the following sites in the amounts specified: Athens Township, Bradford County, $1,000,000; Central Bradford Progress Authority, Bradford County, $2,000,000; Towanda Area Municipal Authority, Bradford County, $450,000; South Abington Water Authority, Lackawanna County, $350,000; Borough of Clark Summit, Lackawanna County, $500,000; Covington Township Sewer Authority, Lackawanna County, $1,000,000; Moosic Borough, Lackawanna County, $700,000; Williamsport Municipal Authority, Lycoming County, $400,000; Lycoming County Water and Sewer Authority, $2,700,000; Tobyhanna Township, Monroe County, $200,000; Pike County $3,000,000; and Sullivan County, $700,000.

Of the remaining amount provided for the South Central Pennsylvania Environment Improvement Program, funds are provided for water-related environmental infrastructure projects at the following sites in the amounts specified: Broad Top Township; Bedford County, $500,000; Chestnut Ridge Municipal Authority, Bedford County, $2,000,000; Northern Blair County Regional Sewer Authority, Blair County, $650,000; Burnside Borough, Clearfield County, $50,000; Graham Township, Clearfield County, $500,000; Curwensville Municipal Authority, Clearfield County, $500,000; Glen Hope Water Association, Clearfield County, $100,000; Irvona Municipal Authority, Clearfield County, $500,000; West Decatur Township, Clearfield County, $200,000; Guilford Township, Franklin County, $500,000; Alexandria Borough/Porter Township, Huntingdon County, $500,000; Mount Union, Huntingdon County, $500,000; Huntingdon Borough, Huntingdon County, $850,000; Orbisonia Borough, Huntingdon County, $300,000; Mifflintown Municipal Authority, Juniata County, $500,000; Juniata Terrace Borough, Mifflin County, $500,000; Adams Township, Snyder County, $350,000; and Middleburg Borough, Snyder County, $1,000,000.

The conference agreement includes language proposed by the House directing the Secretary of the Army to incorporate the economic analyses for the Green Ridge and Plot Sections of the Lackawanna River, Scranton, Pennsylvania, project with the analysis for the Albright Street section of the project and cost-share and implement the combined sections as a single project. The conference agreement also includes language proposed by the House making funds previously appropriated for the restoration of the Lackawanna River Basin Corridor, Pennsylvania, available for other projects and activities on the Lackawanna River in Pennsylvania.

The conference agreement includes language proposed by the House directing the Secretary of the Army to implement Section 211(f)(6) of the Water Resources Development Acg of 1996 and to reimburse the non-Federal sponsor for a portion of the Federal share of the project costs for the Brays Bayou, Texas, project. The conference agreement includes $4,500,000 to implement this direction instead of $6,000,000 as proposed by the House and $3,000,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate that increases the appropriation ceiling for the Cook Inlet, Alaska, project and for the Natchez Bluff, Mississippi, project. In addition, the conference agreement includes language that increases the appropriation ceiling for the West Sacramento, California, project, and the Sacramento River, Glenn-Colusa Irrigation District, California, project.

The conference agreement includes language providing that the Corps of Engineers may use up to $5,000,000, instead of $8,000,000 as proposed by the Senate, to construct an emergency outlet from Devils Lake, North Dakota, to the Sheyenne River. The Corps may proceed with this project using available funds. The conference agreement deletes language proposed by the Senate designating the appropriation as an emergency. The conference agreement includes language proposed by the Senate subjecting the expenditure of funds on this project to a number of conditions. Although the conferees do not specifically endores the Senate report language regarding this project, they are prepared to consider providing additional resources if circumstances warrant.

The conference agreement includes language providing for the transfer of remaining General Investigations funds previously appropriated for the Juniata River, Pennsylvania, study and the Mussers Dam, Pennsylvania, project to Construction, General for use in specified components of the South Central Pennsylvania Environment Improvement Program.

The conference agreement deletes language proposed by the Senate directing the Corps of Engineers to use funds previously appropriated for the LaFarge Lake, Kickapoo River, Wisconsin, project to complete and transmit to the appropriated for the LaFarge Lake, Kickapoo River, Wisconsin, project to complete and transmit to the appropriate committees of Congress by January 15, 1999 a decision document on the advisability of undertaking activities authorized by Public Law 104–303.

The conference agreement deletes language proposed by the Senate earmarking funds for: a demonstration of sediment remediation technology; the Belle Isle Shoreline Erosion Protection, Michigan, project; the Riverfront Towers to Renaissance Center Shoreline Protection, Michigan, project; and the Great Lakes Basin Sea Lamprey Control, Michigan, project.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

The conference agreement appropriates $321,149,000 for Flood Control, Mississippi River and Tributaries instead of $312,077,000 as proposed by the House and $313,234,000 as proposed by the Senate.

The conferees observe that Congress provided $1,500,000 above the budget request in fiscal year 1998 for a grant study of Morganza, Louisiana, to the Gulf of Mexico. These funds were provided to the Corps of Engineers to expedite preconstruction engineering and design as recommended in the report issued in response to Section 425 of the Water Resources Development Act of 1996.

OPERATION AND MAINTENANCE, GENERAL

The conference agreement appropriates $1,653,252,000 for Operation and Maintenance, General instead of $1,637,719,000 as proposed by the House and $1,667,572,000 as proposed by the Senate.

The Corps of Engineers is directed to use such available funds as are necessary to continue environmental studies and other activities related to evaluation of the water allocation formulas for the Apalachicola—Chattahooche-Flint (ACF) and Alabama-Coosa-Tallapoosa (ACT) River Basins.

The conference agreement includes $24,993,000 for operation and maintenance of the McClellan-Kerr Arkansas River Navigation System, Arkansas, project. Within this amount, $3,900,000 is for the acqusition and installation of tow haulage equipment for system locks.

The conference agreement includes $5,200,000 for operation and maintenance of the Apalochicola Chattahooche and Flint Rivers, Georgia, Alabama and Florida, project. The amount above the budget request is for model studies of the Chipola Cutoff to the Corley Slough reach of the river.

The amount above the budget request provided for the Kaskaskia River Navigation, Illinois, project is for the purpose described in the Senate Report.

The conference agreement includes $4,677,000 for operation and maintenance of Wolf Creek Dam, Lake Cumberland, Kentucky, project. The amount above the budget request is for the Corps of Engineers to complete construction of the debris rack at Lake Cumberland, along with landscaping, fencing and bank paving.

The conferees understand that failure of a containment dike threatens to severely impact critical habitat at the Blackwater Wildlife Refuge in Maryland and that the Corps of Engineers has been approached to offer assistance in resolving the problem. Given the potential impact to this significant wildlife resource, the Corps is encouraged to continue to work with interested parties and to use available authorities and resources as appropriate to assist in correcting the damaged dike.

The conferees direct the Corps of Engineers to repair the west breakwater at the Cedar River Harbor, Michigan, project, using funds previously appropriated for the project.

The conferees urge the Corps of Engineers to complete a section 111 report for the Ludington Harbor, Michigan, project to determine critical areas affected by the project, within available funds.

The conferees are aware of the deteriorated condition of the Owasco Seawall, which threatens the water supply of Auburn, New York. The Corps of Engineers is directed to conduct emergency repairs and rehabilitate the east seawall, utilizing fully such authorities as exist in law.

The conference agreement includes $9,546,000 for operation and maintenance of the Garrison Dam, Lake Sakakawea, North Dakota, project. The amount above the budget request is for mosquito control activities at Lake Sakakawea.

The conferees have been informed of the potential need for mitigation dredging of the Charleston Harbor, South Carolina, navigation channel. The Corps of Engineers is directed to review the situation and to use available funds to perform additional dredging if safety conditions warrant.

The amount above the budget request for the Fort Randall Dam, Lake Francis Case, South Dakota, project is provided for the purposes described in the Senate Report.

The conference agreement includes $10,900,000 for the Grays Harbor and Chehalis River, Washington, project. Of this amount, $4,000,000 is for continued implementation of the south jetty maintenance project.

The conference agreement includes $550,000 for the Tri-Cities Area, Washington, project. This funding is for NEPA and CERCLA costs associated with land conveyance pursuant to section 501(i) of Public Law 104–303, the Water Resources Development Act of 1996.

The conference agreement includes $2,000,000 for the Willapa River and Harbor, Washington, project for the Corps of Engineers to determine the appropriate, cost effective, stable channel alignment that will eliminate current unacceptable impacts, and to initiate work once a decision is made. In determining the appropriate alignment, the Corps is to pay particular attention to the erosion damage occurring to State Highway 105, the importance of the highway for access and egress to the local area, and the potential cost of road relocation if the highway is destroyed or has to be rerouted.

The conferees are aware of a plan for the regionalization of water control management activities for projects operated by the Corps of Engineers. The conferees direct the Corps to brief the Committees on Appropriations of the House and Senate on the elements of such plan (and its impacts on current division and district operations and resources) prior to the plan's adoption.

The conference agreement deletes language proposed by the House providing for the derivation of funding from the Harbor Maintenance Trust Fund.

The conference agreement includes language in the bill proposed by the House earmarking $4,200,000 for the repair of Chickamauga Lock in Tennessee. Within this amount, such funds as are necessary may be expended on studies associated with the repair work, including assessments, evaluations, or analyses of the existing lock. The conference agreement deletes language proposed by the House making the appropriation for Chickamauga Lock subject to authorization.

The conference agreement deletes language contained in the Senate bill providing funds for the Ponce DeLeon Inlet, Florida, project. The amount appropriated for Operation and Maintenance, General includes $4,000,000 for this project.

The conference agreement deletes language contained in the Senate bill providing funds for the Delaware River, Philadelphia to the Sea, Pea Patch Island, Delaware and New Jersey, project. The amount appropriated for Operation and Maintenance, General includes $750,000 for this project.

The conference agreement deletes language contained in the Senate bill providing funds for the Yaquina Bay and Harbor, North Marina Breakwater, Oregon, project. The amount appropriated for Operation and Maintenance, General includes $1,069,000 for this project.

The conference agreement deletes language proposed by the Senate making available $460,000 for the Omaha District to pay pending takings claims for flooding of property adjacent to the Missouri River. The conferees direct the Corps of Engineers to expeditiously process such claims and make prompt payment upon their disposition by settlement, adjudication, arbitration, or administrative process.

The conference agreement also deletes language proposed by the Senate providing funding for the Missouri River Between Fort Peck Dam and Gavins Point, South Dakota and Montana, project. The amount appropriated for Operation and Maintenance, General includes $3,000,000 for this project.

The conference agreement includes language proposed by the Senate which provides that none of the funds appropriated in the Act shall be used for the purpose of acquiring land in Jasper County, South Carolina, in connection with the Savannah Habor navigation project. The conference agreement deletes language proposed by the Senate providing funds to reimburse the Tri-Cities Power Authority for the reevaluation study of the Bluestone lake, West Virginia, project.

The conference agreement includes language directing the Secretary of the Army to undertake maintenance and repairs on the Allegheny River, Pennsylvania, project, using $6,000,000 provided in Public Law 105–62 for extending the navigation channel on the Allegheny River, Pennsylvania, project to provide passenger boat access to the Kittanning, Pennsylvania, Riverfront Park.

REGULATORY PROGRAM

The conference agreement appropriates $106,000,000 for the Regulatory Program as proposed by the Senate instead of $110,000,000 as proposed by the House.

The conference agreement deletes language proposed by the Senate providing funding for the National Contaminated Sediment Task Force.

FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $140,000,000 for the Formerly Utilized Sites Remedial Action Program (FUSRAP) as proposed by both the House and the Senate, and adopts with modifications the statutory provisions proposed by the Senate. The modifications to the language clarify the authority of the Corps of Engineers as the lead Federal agency; permit the use of recovered or contributed funds for credit in the FUSRAP account and use on projects; and permit the Department of Energy to continue to make payments in lieu of taxes for Federally-owned property where FUSRAP activities are conducted.

GENERAL EXPENSES

The conference agreement appropriates $148,000,000 for General Expenses as proposed by the House and the Senate.

The conference agreement includes language proposed by the House making funding specifically available for headquarters support functions at the USACE Finance Center. The conference agreement deletes language proposed by the House prohibiting the use of funds to support an office of congressional affairs within the executive office of the Chief of Engineers. The conference agreement deletes language proposed by the Senate making funds available for the implementation of a plan to reduce the number of division offices of the Corps of Engineers.

The conferees are aware of a Defense Finance and Accounting Service initiative to assume the finance and accounting support functions which are now performed by the U.S. Corps of Engineers Finance and Accounting Center in Memphis, Tennessee. Because more than ninety-five percent of the Corps-wide operating budget is project funded, active oversight of accounting for operational and project costs is necessary to achieve maximum efficiency for project customers. To this end, the conferees are committed to the highest possible levels of finance and accounting support for the Corps. The Corps must continue to be a competitive engineering service provider, which necessitates full integration of financial and other business processes. This can be achieved only by retaining all of its finance and accounting activities at a central location: the U.S. Army Corps of Engineers Finance and Accounting Center. To ensure that the proposed capitalization by the Defense Finance and Accounting Service fully recognizes Corps missions and responsibilities, the Chief of Engineers is directed to report to the Committees on Appropriations on the progress of capitalization once detailed plans have been formulated.

REVOLVING FUND

The conference agreement deletes language proposed by the Senate which permits the Corps of Engineers to use amounts in the Revolving Fund for an addition to the Alaska District's main office building on Elemendorf Air Force Base and which directs that the Revolving Fund shall be reimbursed from the benefitting appropriations by collections each year of user fees sufficient to repay the capital cost of the asset and to operate and maintain the asset. The conferees understand that the language is no longer required.

The conference agreement includes language proposed by the Senate authorizing the Secretary of the Army to use amounts in the Revolving Fund for activities associated with the relocation of the headquarters of the Corps of Engineers and requiring that the Revolving Fund be appropriately reimbursed.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. The conference agreement includes a provision proposed by the Senate directing the Secretary of the Army, acting through the Chief of Engineers, to undertake work funded in the conference agreement using continuing contracts and providing that no fully allocated funding policy shall apply to projects for which funds are provided in the conference agreement.

SEC. 102. The conference agreement includes language proposed by the Senate providing that none of the funds made available in the conference agreement may be used to revise the Missouri River Master Water Control Manual if such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in states that have rivers draining into the Missouri River below the Gavins Point Dam.

Provision not included in the conference agreement.—The conference agreement deletes language proposed by the Senate authorizing and directing the Secretary of the Army to provide planning, design, and construction assistance to non-Federal interests in carrying out water related environmental infrastructure and environmental resources development projects in the State of Alaska and earmarking $5,000,000 for such activities.

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CORPS OF ENGINEERS - GENERAL INVESTIGATIONS

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ALABAMA				
	ALABAMA RIVER BELOW CLAIBORNE LOCK AND DAM, AL	---	---	350,000	---
	BALDWIN COUNTY, AL	---	---	100,000	---
	BAYOU LABATRE, AL	---	---	100,000	---
(SPE)	BIRMINGHAM WATERSHEDS, VILLAGE CREEK, AL	250,000	---	250,000	---
(N)	BLACK WARRIOR-TOMBIGBEE WATERWAY, AL	500,000	---	250,000	---
	BREWTON AND EAST BREWTON, AL	---	---	100,000	---
(SPE)	CAHABA RIVER WATERSHED, AL	50,000	---	50,000	---
(N)	DOG RIVER, AL	100,000	---	100,000	---
	ALASKA				
(N)	AKUTAN HARBOR, AK	140,000	---	140,000	---
(FDP)	ANIAK, AK	200,000	---	200,000	---
(N)	ANCHORAGE HARBOR DEEPENING, AK	---	---	100,000	---
	BREVIG MISSION, AK	---	---	200,000	---
(E)	CHENA RIVER WATERSHED, AK	150,000	---	150,000	---
(N)	COASTAL STUDIES NAVIGATION IMPROVEMENT, AK	300,000	---	300,000	---
(N)	DOUGLAS HARBOR EXPANSION, AK	150,000	---	150,000	---
(N)	FALSE PASS HARBOR, AK	250,000	---	---	---
(N)	KENAI RIVER NAVIGATION, AK	100,000	---	100,000	---
(E)	KENAI RIVER WATERSHED, AK	110,000	---	---	---
(E)	MATANUSKA RIVER WATERSHED STUDY, AK	100,000	---	---	---
	NAKNEK RIVER WATERSHED	---	---	100,000	---
(N)	NOME HARBOR IMPROVEMENTS, AK	---	209,000	---	225,000
(N)	NOME HARBOR IMPROVEMENTS, AK	10,000	---	10,000	---
(N)	PORT LIONS HARBOR, AK	100,000	---	100,000	---
(N)	SAND POINT HARBOR, AK	---	217,000	---	217,000
(N)	SEWARD HARBOR, AK	---	150,000	---	225,000
(E)	SHIP CREEK WATERSHED, AK	150,000	---	150,000	---
(N)	SITKA LIGHTERING FACILITY, AK	100,000	---	100,000	---
(N)	VALDEZ HARBOR EXPANSION, AK	118,000	---	218,000	---
(N)	WRANGELL HARBOR, AK	---	60,000	---	60,000
(N)	WRANGELL HARBOR, AK	67,000	---	67,000	---
	AMERICAN SAMOA				
	TUTUILA, AMERICAN SAMOA	---	---	100,000	---
	ARIZONA				
	COLONIAS ALONG U.S.-MEXICO BORDER, AZ AND TX	---	---	600,000	---
(FDP)	GILA RIVER, NORTH SCOTTSDALE, AZ	272,000	---	272,000	---
(FDP)	GILA RIVER, SANTA CRUZ RIVER BASIN, AZ	407,000	---	407,000	---
	LITTLE COLORADO RIVER WATERSHED, AZ	---	---	100,000	---
	RILLITO RIVER, PIMA COUNTY, AZ	---	---	200,000	---
(FDP)	RIO DE FLAG, FLAGSTAFF, AZ	460,000	---	613,000	---
(E)	RIO SALADO, SALT RIVER, AZ	---	938,000	---	2,000,000
	SANTA CRUZ RIVER (PASEO DE LAS IGLESIAS), AZ	---	---	100,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(E)	TRES RIOS, AZ	610,000	---	610,000	---
(FC)	TUCSON DRAINAGE AREA, AZ	---	329,000	---	329,000
	ARKANSAS				
	ARKANSAS RIVER, FORT SMITH, AR	---	---	100,000	---
(FDP)	MAY BRANCH, FORT SMITH, AR	250,000	---	250,000	---
(N)	WHITE RIVER NAVIGATION TO NEWPORT, AR	---	400,000	---	900,000
	CALIFORNIA				
(E)	ALISO CREEK WATERSHED MANAGEMENT, CA	290,000	---	290,000	---
(FC)	AMERICAN RIVER WATERSHED, CA	---	50,000	---	50,000
(FDP)	ARROYO PASAJERO, CA	200,000	---	200,000	---
(E)	BOLINAS LAGOON ECOSYSTEM RESTORATION, CA	100,000	---	175,000	---
	CITIES OF ARCADIA AND SIERRA MADRE, CA	---	---	247,000	---
	CITY OF FOLSOM, CA	---	---	100,000	---
	CITY OF HUNTINGTON BEACH, CA	---	---	350,000	---
	CLEAR LAKE BASIN WATERSHED RESTORATION, CA	---	---	300,000	---
(E)	HAMILTON AIRFIELD WETLANDS RESTORATION, CA	500,000	---	500,000	---
	HUNTINGTON BEACH, BLUFFTOP PARK, CA	---	---	100,000	---
(E)	IMPERIAL COUNTY WATERSHED STUDY, CA	265,000	---	---	---
(FC)	KAWEAH RIVER, CA	---	1,165,000	---	1,165,000
(FDP)	KERN RIVER VALLEY, ISABELLA LAKE, CA	100,000	---	---	---
(E)	LAGUNA DE SANTA ROSA, RUSSIAN RIVER, CA	150,000	---	150,000	---
(E)	MALIBU CREEK WATERSHED, CA	100,000	---	---	---
	MARE ISLAND STRAIT DREDGING EXPANSION, CA	---	---	100,000	---
(N)	MARINA DEL REY AND BALLONA CREEK, CA	520,000	---	520,000	---
(SPE)	MOJAVE RIVER DAM, CA	300,000	---	300,000	---
(E)	MORRO BAY ESTUARY, CA	100,000	---	100,000	---
(SPE)	MUGU LAGOON, CA	100,000	---	100,000	---
(FDP)	N CA STREAMS, DRY CREEK, MIDDLETOWN, CA	100,000	---	100,000	---
(E)	N CA STREAMS, FAIRFIELD STREAMS AND CORDELIA MARSH, CA	300,000	---	300,000	---
(E)	N CA STREAMS, LOWER SACRAMENTO RVR RIPARIAN REVEGETATI	250,000	---	---	---
(E)	N CA STREAMS, MIDDLE CREEK, CA	200,000	---	200,000	---
(FDP)	N CA STREAMS, VACAVILLE, DIXON AND VICINITY, CA	300,000	---	300,000	---
(FC)	N CA STREAMS, YUBA RIVER BASIN, CA	---	100,000	---	100,000
(FC)	NAPA RIVER, CA	---	744,000	---	744,000
(E)	NAPA RIVER, SALT MARSH RESTORATION, CA	300,000	---	300,000	---
	NAPA VALLEY WATERSHED MANAGEMENT, CA	---	---	100,000	---
(E)	NEWPORT BAY HARBOR, CA	142,000	---	142,000	---
	NEWPORT BAY (LA-3 SITE DESIGNATION STUDY), CA	---	---	350,000	---
	NEWPORT BAY/SAN DIEGO CREEK WATERSHED, CA	---	---	250,000	---
(N)	OAKLAND HARBOR, CA	---	300,000	---	300,000
	ORANGE COUNTY, SANTA ANA RIVER BASIN, CA	---	---	100,000	---
(FC)	PAJARO RIVER AT WATSONVILLE, CA	---	433,000	---	325,000
(N)	PILLAR POINT HARBOR, CA	100,000	---	100,000	---
(N)	PORT OF STOCKTON, CA	30,000	---	150,000	---
(E)	PRADO BASIN WATER SUPPLY, CA	333,000	---	333,000	---
	RANCHO PALOS VERDES, CA	---	---	---	200,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
(N)	REDWOOD CITY HARBOR, CA	200,000	---	200,000	---
(E)	RUSSIAN RIVER ECOSYSTEM RESTORATION, CA	285,000	---	285,000	---
(SPE)	SACRAMENTO - SAN JOAQUIN DELTA, CA	555,000	---	555,000	---
(E)	SACRAMENTO AND SAN JOAQUIN COMPREHENSIVE BASIN STUDY,	3,500,000	---	3,500,000	---
	SACRAMENTO WATERSHED MANAGEMENT PLAN, CA	---	---	400,000	---
	SAN BERNARDINO COUNTY, CA	---	---	100,000	---
(BE)	SAN CLEMENTE CREEK, CA	---	50,000	---	50,000
(N)	SAN DIEGO HARBOR (DEEPENING), CA	260,000	---	260,000	---
(N)	SAN DIEGO HARBOR, NATIONAL CITY, CA	100,000	---	100,000	---
(N)	SAN FRANCISCO BAY, CA	200,000	---	200,000	---
(E)	SAN JOAQUIN R BASIN, PINE FLAT DAM, F&WL HABITAT RESTO	265,000	---	265,000	---
(RCP)	SAN JOAQUIN R BASIN, STOCKTON METRO AREA, FARMINGTON D	500,000	---	500,000	---
(E)	SAN JOAQUIN RIVER BASIN, CONSUMNES & MOKELUMNE RIVERS,	18,000	---	18,000	---
(FC)	SAN JOAQUIN RIVER BASIN, SOUTH SACRAMENTO COUNTY STREA	---	900,000	---	900,000
(FDP)	SAN JOAQUIN RIVER BASIN, STOCKTON METROPOLITAN AREA, C	400,000	---	400,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, TULE RIVER, CA	103,000	---	103,000	100,000
(FDP)	SAN JOAQUIN RIVER BASIN, TUOLUMNE RIVER, CA	40,000	---	40,000	---
(FDP)	SAN JOAQUIN RIVER BASIN, WEST STANISLAUS COUNTY, CA	100,000	---	200,000	---
(E)	SAN JUAN CREEK WATERSHED MANAGEMENT, CA	535,000	---	535,000	---
(E)	SAN PABLO BAY WATERSHED, CA	100,000	---	500,000	---
(FDP)	SANTA BARBARA COUNTY STREAMS, LOWER MISSION CREEK, CA.	129,000	---	129,000	---
(FDP)	SANTA MARGARITA RIVER AND TRIBUTARIES, CA	400,000	---	800,000	---
(N)	SOUTHAMPTON SHOAL CHANNEL AND EXTENSION, CA	460,000	---	530,000	---
	SOUTHEAST LOS ANGELES CNTY WATER CONSERVATION & SUPPLY	---	---	300,000	---
	SOUTHERN CALIFORNIA AQUATIC RESOURCES, CA	---	---	300,000	---
	STRONG AND CHICKEN RANCH SLOUGHS, CA	---	---	100,000	---
	SUTTER BASIN, CA	---	---	100,000	---
(E)	TAHOE BASIN, CA & NV	400,000	---	400,000	---
(SPE)	TIJUANA RIVER ENVIRONMENTAL RESTORATION, CA	150,000	---	200,000	---
	TUOLUMNE RIVER & TRIBUTARIES, CA	---	---	100,000	---
(FC)	UPPER GUADALUPE RIVER, CA	---	575,000	---	575,000
(FDP)	UPPER PENITENCIA CREEK, CA	250,000	---	250,000	---
	UPPER SANTA ANA RIVER WATERSHED, CA	---	---	100,000	---
(N)	VENTURA HARBOR SAND BYPASS, CA	250,000	---	250,000	---
(FDP)	WHITEWATER RIVER BASIN, CA	310,000	---	310,000	---
(FDP)	WHITE RIVER, POSO AND DEER CREEKS, CA	---	---	100,000	---
	COLORADO				
(RCP)	CHATFIELD, CHERRY CREEK AND BEAR CREEK RESERVOIRS, CO.	158,000	---	158,000	---
	CONNECTICUT				
(E)	COASTAL CONNECTICUT ECOSYSTEM RESTORATION, CT	250,000	---	200,000	---
	DELAWARE				
(N)	C&D CANAL, BALTIMORE HBR CONN CHANNELS, DE & MD (DEEPE	---	600,000	---	600,000
(SP)	DELAWARE BAY COASTLINE, DE & NJ	51,000	---	---	419,000
(SP)	DELAWARE COAST FROM CAPE HENLOPEN TO FENWICK ISLAND, D	150,000	---	150,000	250,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	FLORIDA				
(FDP)	BISCAYNE BAY, FL	100,000	---	100,000	---
(FC)	CEDAR HAMMOCK, WARES CREEK, FL	---	242,000	---	242,000
(N)	FORT PIERCE HARBOR, FL	270,000	---	270,000	---
(N)	HILLSBORO INLET, FL	---	262,000	---	262,000
(N)	INTRACOASTAL WATERWAY, PALM BEACH COUNTY, FL	---	270,000	---	270,000
(N)	JACKSONVILLE HARBOR, FL	---	600,000	---	600,000
(N)	LAKE WORTH INLET SAND TRANSFER PLANT, FL	---	297,000	---	297,000
	LIDO KEY BEACH, FL	---	---	268,000	---
(BE)	NASSAU COUNTY, FL	---	86,000	---	86,000
(N)	PONCE DE LEON INLET, FL	---	370,000	---	370,000
(N)	PORT EVERGLADES HARBOR, FL	---	262,000	---	262,000
	ST JOHNS RIVER, FL	---	---	---	100,000
(N)	ST LUCIE INLET, FL	---	205,000	---	205,000
	TAMPA HARBOR, ALAFIA CHANNEL, FL	---	---	---	200,000
	GEORGIA				
(FDP)	AUGUSTA, GA	200,000	---	200,000	---
(N)	BRUNSWICK HARBOR, GA	---	250,000	---	250,000
(FDP)	CHATHAM COUNTY FLOOD CONTROL, GA	125,000	---	125,000	---
(FDP)	CITY OF SAVANNAH FLOOD CONTROL, GA	125,000	---	125,000	---
(E)	LONG ISLAND, MARSH AND JOHNS CREEKS, GA	100,000	---	---	---
(E)	METRO ATLANTA WATERSHED, GA	550,000	---	550,000	---
(RCP)	NEW SAVANNAH BLUFF LOCK AND DAM, GA & SC	350,000	---	350,000	---
(N)	SAVANNAH HARBOR EXPANSION, GA	---	250,000	---	250,000
(COM)	SAVANNAH RIVER BASIN COMPREHENSIVE, GA & SC	300,000	---	300,000	---
	HAWAII				
(E)	ALA WAI CANAL, OAHU, HI	100,000	---	100,000	---
(N)	BARBERS POINT HARBOR MODIFICATION, OAHU, HI	136,000	---	136,000	---
	HAWAII WATER MANAGEMENT, HI	---	---	100,000	---
(N)	HONOLULU HARBOR MODIFICATIONS, OAHU, HI	125,000	---	125,000	---
(N)	KAHULUI HARBOR, HI	---	---	100,000	---
(N)	KIKIAOLA SMALL BOAT HARBOR, KAUAI, HI	---	100,000	---	100,000
(FDP)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	318,000	---	318,000	---
(FC)	WAILUPE STREAM FLOOD CONTROL STUDY, OAHU, HI	---	40,000	---	40,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ILLINOIS				
(FDP)	ALEXANDER AND PULASKI COUNTIES, IL	178,000	---	178,000	---
(FC)	DES PLAINES RIVER, IL	---	300,000	---	300,000
(RCP)	ILLINOIS RIVER ECOSYSTEM RESTORATION, IL	479,000	---	479,000	---
	ILLINOIS SHORELINE EROSION (INTERIM IV), IL	---	---	140,000	---
(FDP)	KANKAKEE RIVER BASIN, IL & IN	940,000	---	940,000	---
(FDP)	MISSISSIPPI RIVER AT QUINCY, IL	195,000	---	195,000	---
(FC)	NUTWOOD DRAINAGE AND LEVEE DISTRICT, IL	---	325,000	---	325,000
(SPE)	PEORIA RIVERFRONT DEVELOPMENT, IL	377,000	---	377,000	---
	ROCK RIVER DRAINAGE BASIN, IL	---	---	100,000	---
(SPE)	UPPER MISS RVR SYS FLOW FREQUENCY STUDY, IL, IA, MN, M	1,331,000	---	1,331,000	---
(RCP)	UPPER MISSISSIPPI & ILLINOIS NAV STUDY, IL, IA, MN, MO	5,700,000	---	5,700,000	---
(RDP)	WAUKEGAN HARBOR, IL	73,000	---	73,000	---
(FC)	WOOD RIVER DRAINAGE AND LEVEE DISTRICT, MADISON COUNTY	---	175,000	---	175,000
(FDP)	WOOD RIVER LEVEE, IL	100,000	---	100,000	---
	INDIANA				
	BEAUTY CREEK WATERSHED, VALPARAISO, IN	---	---	100,000	---
	DEEP RIVER BASIN, IN	---	---	100,000	---
(FC)	MIDDLE WABASH, GREENFIELD BAYOU ENVIRON RESTORATION, I	---	200,000	---	200,000
	OHIO RIVER GREENWAY, IN	---	---	---	250,000
(E)	TIPPECANOE RIVER, IN	200,000	---	---	---
	WOLF AND GEORGE LAKES, IN	---	---	100,000	---
	IOWA				
(FDP)	DES MOINES AND RACCOON RIVERS, IA	218,000	---	218,000	---
(FDP)	INDIAN CREEK, COUNCIL BLUFFS, IA	---	---	100,000	---
	KANSAS				
(RCP)	TOPEKA, KS	200,000	---	200,000	---
(FC)	TURKEY CREEK BASIN, KS & MO	---	400,000	---	400,000
	KENTUCKY				
(FDP)	AUGUSTA, KY	318,000	---	318,000	---
	GRAYSON LAKE, KY	---	---	50,000	---
(N)	GREEN AND BARREN RIVERS NAVIGATION DISPOSITION STUDY,	255,000	---	255,000	---
(FDP)	GREENUP, KY	---	---	100,000	---
(FDP)	KENTUCKY RIVER TRIBUTARIES, FRANKFORT, KY	200,000	---	200,000	---
(FDP)	LEXINGTON, FAYETTE COUNTY, KY	228,000	---	228,000	---
(FDP)	LICKING RIVER, CYNTHIANA, KY	250,000	---	250,000	---
(FDP)	LICKING RIVER, FALMOUTH, KY	250,000	---	250,000	---
(FC)	METROPOLITAN LOUISVILLE, BEARGRASS CREEK, KY	---	356,000	---	356,000
(FDP)	METROPOLITAN LOUISVILLE, MILL CREEK BASIN, KY	295,000	---	295,000	---
	METROPOLITAN LOUISVILLE, SOUTHWEST, KY	---	---	155,000	---
(N)	OHIO RIVER MAIN STEM SYSTEMS STUDY, KY, IL, IN, PA, WV	10,150,000	---	10,150,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
(FDP)	OLIVE HILL, KY	218,000	---	218,000	---
(FDP)	PADUCAH, KY	---	---	100,000	---
(FDP)	PANTHER CREEK, KY	150,000	---	---	---
	RUSSELL, KY	---	---	100,000	---
	LOUISIANA				
(FDP)	AMITE RIVER, DARLINGTON RESERVOIR, LA	400,000	---	400,000	---
	CALCASIEU LOCK, LA	---	---	100,000	---
(FC)	COMITE RIVER, LA	---	100,000	---	---
(FC)	EAST BATON ROUGE PARISH, LA	---	395,000	---	395,000
(N)	EAST FORK CALCASIEU PASS, LA (SEC. 509)	---	---	100,000	---
(N)	INTRACOASTAL WATERWAY LOCKS, LA	550,000	---	600,000	---
(FDP)	JEFFERSON PARISH, LA	428,000	---	428,000	---
(FDP)	LAFAYETTE PARISH, LA	550,000	---	550,000	---
(N)	MISSISSIPPI RIVER SHIP CHANNEL IMPROVEMENTS, LA	415,000	---	415,000	---
(FDP)	ORLEANS PARISH, LA	574,000	---	574,000	---
	PORT FOURCHON, LA	---	---	---	50,000
(FDP)	WALLACE LAKE AREA, LA	300,000	---	300,000	---
(FDP)	WEST SHORE, LAKE PONTCHARTRAIN, LA	388,000	---	388,000	---
	MARYLAND				
(E)	ANACOSTIA RIVER FEDERAL WATERSHED IMPACT ASSESSMENT, M	300,000	---	300,000	---
(FDP)	ANACOSTIA RIVER, NORTHWEST BRANCH, MD & DC	108,000	---	108,000	---
(FDP)	ANACOSTIA RIVER, PG COUNTY LEVEE, MD & DC	231,000	---	231,000	---
(N)	BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MD & VA	---	207,000	---	207,000
(FDP)	BALTIMORE METROPOLITAN, DEEP RUN/TIBER HUDSON, MD	35,000	---	35,000	---
(FC)	BALTIMORE METROPOLITAN, DEEP RUN/TIBER HUDSON, MD	---	50,000	---	50,000
(FDP)	BALTIMORE METROPOLITAN, GWYNNS FALLS, MD	199,000	---	199,000	---
	CHESAPEAKE BAY INTEGRATED ECOSYSTEM & ATLANTIC COAST SHELF MODEL, MD	---	---	400,000	---
(SP)	EASTERN SHORE, MD	---	---	100,000	---
(E)	HAVRE DE GRACE, MD	110,000	---	---	---
(E)	LOWER POTOMAC ESTUARY WATERSHED, MATTAWOMAN, MD	300,000	---	300,000	---
(E)	LOWER POTOMAC ESTUARY WATERSHED, WICOMICO AND ST MARY'	200,000	---	200,000	---
(FDP)	NORTH BRANCH POTOMAC RIVER, GEORGES CREEK, MD	200,000	---	200,000	---
(FDP)	PATUXENT RIVER, ANNE ARUNDEL COUNTY, MD	200,000	---	200,000	---
(FDP)	PATUXENT RIVER, PRINCE GEORGES COUNTY, MD	360,000	---	360,000	---
(E)	SMITH ISLAND ENVIRONMENTAL RESTORATION, MD	300,000	---	300,000	---
	MASSACHUSETTS				
(E)	BLACKSTONE RIVER WATERSHED RESTORATION, MA & RI	393,000	---	393,000	---
(E)	COASTAL MASSACHUSETTS ECOSYSTEM RESTORATION, MA	100,000	---	---	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	MICHIGAN				
	PAW PAW RIVER, MI	---	---	100,000	---
	SAULT STE MARIE, MI	---	---	---	500,000
	MINNESOTA				
(FC)	CROOKSTON, MN	---	255,000	---	255,000
(FC)	GRAND FORKS, ND - EAST GRAND FORKS, MN	---	945,000	---	945,000
	MISSISSIPPI				
(E)	BAYOU PIERRE, MS	100,000	---	---	---
(N)	PASCAGOULA HARBOR, BAYOU CASOTTE EXTENSION, MS	150,000	---	150,000	---
(FC)	PEARL RIVER WATERSHED, MS	---	400,000	---	100,000
	MISSOURI				
(FDP)	BALLWIN, ST LOUIS COUNTY, MO	100,000	---	100,000	---
(FC)	BLUE RIVER BASIN, KANSAS CITY, MO	---	457,000	---	457,000
(FDP)	CHESTERFIELD, MO	300,000	---	300,000	---
(FDP)	FESTUS AND CRYSTAL CITY, MO	61,000	---	61,000	---
(FC)	FESTUS AND CRYSTAL CITY, MO	---	153,000	---	100,000
(RCP)	KANSAS CITY, MO & KS	245,000	---	450,000	---
(FC)	LOWER RIVER DES PERES, MO	---	64,000	---	64,000
(FDP)	LOWER RIVER DES PERES, MO	30,000	---	30,000	---
(RCP)	MISSOURI RIVER LEVEE SYSTEM, UNITS L455 & R460-471, MO	311,000	---	311,000	---
(RCP)	ST LOUIS FLOOD PROTECTION, MO	200,000	---	200,000	---
(N)	ST LOUIS HARBOR, MO & IL	---	314,000	---	314,000
(FDP)	SWOPE PARK INDUSTRIAL AREA, KANSAS CITY, MO	196,000	---	196,000	---
	NEBRASKA				
(FC)	ANTELOPE CREEK, LINCOLN, NE	---	74,000	---	74,000
(FDP)	ANTELOPE CREEK, LINCOLN, NE	160,000	---	160,000	---
(FDP)	LOWER PLATTE RIVER AND TRIBUTARIES, NE	310,000	---	310,000	---
	NEVADA				
(FDP)	CARSON RIVER, NV	---	---	100,000	---
	FALLON, NV	---	---	100,000	---
(E)	LOWER LAS VEGAS WASH WETLANDS, NV	300,000	---	300,000	---
(E)	LOWER TRUCKEE RIVER, PYRAMID LAKE PAIUTE RESERVATION,	230,000	---	230,000	---
(E)	LOWER TRUCKEE RIVER, WASHOE COUNTY, NV	50,000	---	50,000	---
(FC)	TRUCKEE MEADOWS, NV	---	500,000	---	1,100,000
(E)	WALKER RIVER BASIN, NV	150,000	---	400,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	NEW JERSEY				
	ARTHUR KILL CHANNEL, PERTH AMBOY, NJ	---	---	100,000	---
(E)	BARNEGAT BAY, NJ	400,000	---	400,000	---
	BARNEGAT INLET TO LITTLE EGG HARBOR INLET, NJ	---	---	322,000	---
	BRIGANTINE INLET TO GREAT EGG HARBOR INLET, NJ	---	---	---	113,000
	GREAT EGG HARBOR INLET TO TOWNSENDS INLET, NJ	---	---	200,000	---
	LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NJ	---	---	---	100,000
	MANASQUAN INLET TO BARNEGAT INLET, NJ	---	---	---	300,000
(E)	NEW JERSEY INTRACOASTAL WATERWAY, ENV RESTORATION, NJ.	400,000	---	400,000	---
(SP)	RARITAN BAY TO SANDY HOOK BAY, NJ	425,000	---	650,000	100,000
(FDP)	SOUTH RIVER, RARITAN RIVER BASIN, NJ	382,000	---	382,000	---
	TOWNSENDS INLET TO CAPE MAY INLET, NJ	---	---	---	250,000
(FDP)	UPPER PASSAIC RIVER AND TRIBS, LONG HILL, MORRIS COUNT	100,000	---	100,000	---
(FDP)	UPPER ROCKAWAY RIVER, MORRIS COUNTY, NJ	100,000	---	100,000	---
	WOODBRIDGE AND RAHWAY, NJ	---	---	100,000	---
	NEW MEXICO				
(E)	RIO GRANDE WATER MANAGEMENT, NM, CO & TX	210,000	---	210,000	---
(E)	SW VALLEY FLOOD DAMAGE REDUCTION STUDY, ALBUQUERQUE, N	210,000	---	210,000	---
	NEW YORK				
(RCP)	ADDISON, NY	92,000	---	92,000	---
(N)	ARTHUR KILL CHANNEL, HOWLAND HOOK MARINE TERMINAL, NY.	---	845,000	---	1,100,000
(FDP)	AUSABLE RIVER BASIN, ESSEX AND CLINTON COUNTIES, NY	100,000	---	100,000	---
(FDP)	BOQUET RIVER BASIN AND TRIBUTARIES, ESSEX COUNTY, NY	100,000	---	100,000	---
	BRONX RIVER, NY	---	---	100,000	---
(E)	CHEMUNG RIVER BASIN ENVIRONMENTAL RESTORATION, NY & PA	400,000	---	400,000	---
(E)	FLUSHING BAY AND CREEK, NY	250,000	---	250,000	---
(N) -	HUDSON RIVER HABITAT RESTORATION, NY	250,000	---	250,000	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, ARVERNE, NY.	100,000	---	---	---
(SP)	JAMAICA BAY, MARINE PARK AND PLUMB BEACH, NY	300,000	---	300,000	---
(FDP)	LINDENHURST, NY	100,000	---	100,000	---
(N)	NEW YORK AND NEW JERSEY HARBOR, NY & NJ	7,902,000	---	7,902,000	---
(N)	NEW YORK HARBOR ANCHORAGE AREAS, NY	125,000	---	125,000	---
(SP)	NORTH SHORE OF LONG ISLAND, BAYVILLE, NY	210,000	---	210,000	---
	ONEIDA LAKE, NY	---	---	100,000	---
(SPE)	ONONDAGA LAKE, NY	125,000	---	125,000	---
	OTSEGO LAKE, NY	---	---	250,000	---
	SAW MILL RIVER BASIN, NY	---	---	100,000	---
(E)	SOUTH SHORE OF LONG ISLAND, NY	100,000	---	100,000	---
(SP)	SOUTH SHORE OF STATEN ISLAND, NY	250,000	---	250,000	---
(FDP)	SUSQUEHANNA RIVER BASIN WATER MANAGEMENT, NY, PA & MD.	320,000	---	320,000	---
(E)	UPPER DELAWARE RIVER WATERSHED, NY	351,000	---	351,000	---
(E)	UPPER SUSQUEHANNA RIVER BASIN ENVIRON RESTORATION, NY.	300,000	---	400,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		INVESTIGATIONS	PLANNING	INVESTIGATIONS	PLANNING
	NORTH CAROLINA				
(FC)	BRUNSWICK COUNTY BEACHES, NC...........................	---	658,000	---	658,000
(SP)	DARE COUNTY BEACHES, NC................................	342,000	---	342,000	---
	LOCKWOODS FOLLY INLET, NC..............................	---	---	100,000	---
	NEUSE RIVER BASIN, NC..................................	---	---	100,000	---
(E)	TENNESSEE RIVER AND TRIBS, EASTERN BAND CHEROKEE NATIO	300,000	---	300,000	---
(E)	TENNESSEE RIVER AND TRIBS, FRANKLIN, MACON COUNTY, NC.	305,000	---	305,000	---
	NORTH DAKOTA				
(SPE)	DEVILS LAKE, ND..	300,000	---	300,000	---
	OHIO				
(FDP)	COLUMBUS METROPOLITAN AREA, OH.........................	100,000	---	100,000	---
(E)	GREAT MIAMI RIVER, OXBOW AREA, OH......................	250,000	---	---	---
(E)	HOCKING RIVER BASIN ENV RESTORATION, MONDAY CREEK, OH.	500,000	---	500,000	---
(E)	HOCKING RIVER BASIN ENV RESTORATION, SUNDAY CREEK, OH.	300,000	---	---	---
(N)	MAUMEE RIVER, OH.......................................	223,000	---	223,000	---
	OKLAHOMA				
(FDP)	CIMARRON RIVER AND TRIBUTARIES, OK, KS, NM & CO.......	100,000	---	---	---
	OREGON				
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA..	335,000	---	335,000	---
(N)	COLUMBIA RIVER NAVIGATION CHANNEL DEEPENING, OR & WA..	---	300,000	---	300,000
(E)	COLUMBIA SLOUGH, OR....................................	275,000	---	275,000	---
(E)	LOWER COLUMBIA RIVER ECOSYSTEM RESTORATION, OR & WA...	100,000	---	---	---
(E)	TILLAMOOK BAY AND ESTUARY ECOSYSTEM RESTORATION, OR...	168,000	---	168,000	---
(E)	WALLA WALLA RIVER WATERSHED, OR & WA...................	240,000	---	240,000	---
(COM)	WILLAMETTE RIVER BASIN REVIEW, OR......................	440,000	---	440,000	---
(E)	WILLAMETTE RIVER FLOODPLAIN RESTORATION, OR............	278,000	---	278,000	---
(MP)	WILLAMETTE RIVER TEMPERATURE CONTROL, OR...............	---	29,000	---	1,000,000
	PENNSYLVANIA				
	BEAVER RIVER, PA.......................................	---	---	---	375,000
(FDP)	BLOOMSBURG, PA...	210,000	---	210,000	---
(E)	CONEMAUGH RVR BASIN, NANTY GLO ENVIRONMENTAL RESTORATI	---	227,000	---	227,000
(E)	LOWER WEST BR, SUS RIVER, ENV RESTORATION, BUFFALO CRE	120,000	---	120,000	---
(FDP)	LOWER WEST BRANCH SUSQUEHANNA RIVER, LYCOMING CREEK, P	200,000	---	---	---
(E)	TURTLE CREEK BASIN, BRUSH CREEK ENV RESTORATION, PA...	150,000	---	---	---
(E)	TURTLE CREEK BASIN, LYONS RUN ENV RESTORATION, PA.....	150,000	---	---	---
(E)	TURTLE CREEK BASIN, UPPER TURTLE CREEK ENV RESTORATION	150,000	---	150,000	---
(RCP)	YOUGHIOGHENY LAKE, PA..................................	148,000	---	148,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	PUERTO RICO				
(FC)	RIO GUANAJIBO, PR	---	600,000	---	600,000
(FC)	RIO NIGUA AT SALINAS, PR	---	306,000	---	306,000
	RHODE ISLAND				
(E)	RHODE ISLAND SOUTH COAST, HABITAT REST AND STRM DMG RE	350,000	---	200,000	---
	RHODE ISLAND ECOSYSTEM RESTORATION, RI	---	---	200,000	---
	SOUTH CAROLINA				
(RCP)	ATLANTIC INTRACOASTAL WATERWAY, SC	500,000	---	500,000	---
(E)	CHARLESTON ESTUARY, SC	175,000	---	175,000	---
(SP)	PAWLEY'S ISLAND, SC	150,000	---	150,000	---
(E)	SANTEE, COOPER, CONGAREE RIVERS, SC	150,000	---	150,000	---
(E)	YADKIN - PEE DEE RIVER WATERSHED, SC & NC	150,000	---	150,000	---
	SOUTH DAKOTA				
(FDP)	JAMES RIVER, SD & ND	90,000	---	90,000	---
(FC)	WATERTOWN AND VICINITY, SD	---	380,000	---	380,000
	TENNESSEE				
	DAVIDSON COUNTY, TN	---	---	100,000	---
(E)	DUCK RIVER WATERSHED, TN	300,000	---	100,000	---
	FRENCH BROAD WATERSHED, TN	---	---	100,000	---
(FC)	METRO CENTER LEVEE, DAVIDSON COUNTY, TN	---	250,000	---	250,000
	NOLICHUCKY WATERSHED, TN	---	---	100,000	---
(E)	NORTH CHICKAMAUGA CREEK, TN	250,000	---	250,000	---
	TEXAS				
(FDP)	BUFFALO BAYOU AND TRIBUTARIES, WHITE OAK BAYOU, TX	300,000	---	300,000	---
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	280,000	---	280,000	---
(E)	CYPRESS VALLEY WATERSHED, TX	300,000	---	300,000	---
(FC)	DALLAS FLOODWAY EXTENSION, TRINITY RIVER, TX	---	1,330,000	---	1,330,000
(FC)	FORT WORTH SUMPS 14 AND 15, UPPER TRINITY RIVER BASIN,	---	490,000	---	490,000
(RCP)	GIWW, BRAZOS RIVER TO PORT O'CONNOR, TX	935,000	---	935,000	---
(N)	GIWW, HIGH ISLAND TO BRAZOS RIVER, TX	1,100,000	---	1,100,000	---
(RCP)	GIWW, PORT O'CONNOR TO CORPUS CHRISTI BAY, TX	400,000	---	400,000	---
(FC)	GRAHAM, TX (BRAZOS RIVER BASIN)	---	64,000	---	64,000
(FC)	GREENS BAYOU, HOUSTON, TX	---	600,000	---	600,000
(FC)	HUNTING BAYOU, HOUSTON, TX	---	500,000	---	500,000
(FC)	JOHNSON CREEK, UPPER TRINITY BASIN, ARLINGTON, TX	---	600,000	---	600,000
(FDP)	MIDDLE BRAZOS RIVER, TX	200,000	---	200,000	---
(N)	NECHES RIVER AND TRIBUTARIES SALTWATER BARRIER, TX	---	1,050,000	---	1,050,000
	PACKERY CHANNEL, CORPUS CHRISTI, TX	---	---	500,000	---
(FDP)	NORTHWEST EL PASO, TX	180,000	---	180,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	ONION CREEK, TX	---	---	100,000	---
(FC)	PECAN BAYOU, BROWNWOOD, TX	---	350,000	---	350,000
(E)	PLAINVIEW, BRAZOS RIVER BASIN, TX	150,000	---	150,000	---
(FC)	RAYMONDVILLE DRAIN, TX	---	400,000	---	400,000
(N)	SABINE - NECHES WATERWAY, TX	500,000	---	500,000	---
(FC)	SOUTH MAIN CHANNEL, TX	---	600,000	---	600,000
	SULPHUR RIVER, TX	---	---	100,000	---
(FDP)	UPPER TRINITY RIVER BASIN, TX	1,000,000	---	1,000,000	---
	UTAH				
(FDP)	PROVO AND VICINITY, UT	150,000	---	150,000	---
	VIRGIN ISLANDS				
(N)	CROWN BAY CHANNEL, VI	---	130,000	---	130,000
	VIRGINIA				
(N)	AIWW, BRIDGES AT DEEP CREEK, VA	425,000	---	425,000	---
	CHESAPEAKE BAY SHORELINE, HAMPTON, VA	---	---	150,000	---
(SPE)	ELIZABETH RIVER BASIN, ENVIR RESTORATION, HAMPTON ROAD	450,000	---	450,000	---
(N)	JAMES RIVER, VA	190,000	---	190,000	---
(N)	NORFOLK HARBOR AND CHANNELS, CRANEY ISLAND, VA	250,000	---	250,000	---
(FDP)	POQUOSON, VA	100,000	---	100,000	---
	PULASKI, VA	---	---	100,000	---
(E)	POWELL RIVER WATERSHED, VA	400,000	---	400,000	---
(E)	PRINCE WILLIAM COUNTY WATERSHED, VA	250,000	---	250,000	---
(E)	RAPPAHANNOCK RIVER, EMBREY DAM, VA	200,000	---	200,000	---
	WASHINGTON				
(N)	BLAIR WATERWAY, TACOMA HARBOR, WA	---	176,000	---	---
(N)	BLAIR WATERWAY, TACOMA HARBOR, WA	49,000	---	---	---
	CHEHALIS RIVER, WA	---	---	200,000	---
	COLUMBIA RIVER, TRI-CITIES AREA, WA	---	---	100,000	---
(E)	DUWAMISH AND GREEN RIVER BASIN, WA	428,000	---	---	---
(FC)	HOWARD HANSON DAM, WA	---	600,000	---	600,000
(RCP)	LAKE WASHINGTON SHIP CANAL, WA	100,000	---	100,000	---
	OCEAN SHORES, WA	---	---	100,000	---
	TRI-CITIES AREA, WA	---	---	100,000	---
(N)	PUGET SOUND CONFINED DISPOSAL SITES, WA	665,000	---	665,000	---
(FDP)	RODEO LAKE, OTHELLO, WA	---	---	100,000	---
(FDP)	SKAGIT RIVER, WA	678,000	---	678,000	---
	SKOKOMISH RIVER BASIN, WA	---	---	100,000	---
(E)	STILLAGUAMISH RIVER BASIN, WA	156,000	---	156,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES INVESTIGATIONS	BUDGET ESTIMATES PLANNING	CONFERENCE ALLOWANCE INVESTIGATIONS	CONFERENCE ALLOWANCE PLANNING
	WEST VIRGINIA				
(E)	CHEAT RIVER BASIN, BEAVER CREEK ENVIRON RESTORATION, W	215,000	---	215,000	---
(E)	CHEAT RIVER BASIN, SOVERN RUN ENVIRON RESTORATION, WV.	137,000	---	137,000	---
(N)	KANAWHA RIVER NAVIGATION, WV	800,000	---	800,000	---
	LOWER MUD RIVER, WV	---	---	300,000	---
	MORGANTOWN, WV	---	---	200,000	---
(FDP)	MERCER COUNTY, WV	350,000	---	350,000	---
(FC)	NORTH BRANCH POTOMAC RIVER ENVIRON RESTORATION, WV, MD	---	240,000	---	240,000
(FDP)	NORTH BRANCH POTOMAC RIVER ENVIRON RESTORATION, WV, MD	69,000	---	69,000	---
(E)	TYGART THREE-WATERSHED ECOSYSTEM RESTORATION, FORDS RU	100,000	---	100,000	---
(E)	TYGART THREE-WATERSHED ECOSYSTEM RESTORATION, MAPLE RU	287,000	---	287,000	---
(FC)	WEST VIRGINIA STATEWIDE FLOOD PROTECTION PLAN	---	---	624,000	---
	WYOMING				
(E)	JACKSON HOLE RESTORATION, WY	202,000	---	202,000	---
	MISCELLANEOUS				
	COASTAL FIELD DATA COLLECTION	1,500,000	---	1,300,000	---
	ENVIRONMENTAL DATA STUDIES	100,000	---	100,000	---
	FLOOD DAMAGE DATA	500,000	---	400,000	---
	FLOOD PLAIN MANAGEMENT SERVICES	9,400,000	---	9,000,000	---
	GREAT LAKES REMEDIAL ACTION PROGRAM (SEC. 401)	---	---	500,000	---
	HYDROLOGIC STUDIES	600,000	---	500,000	---
	INTERNATIONAL WATER STUDIES	1,900,000	---	1,000,000	---
	OTHER COORDINATION PROGRAMS	8,400,000	---	8,000,000	---
	PLANNING ASSISTANCE TO STATES	5,300,000	---	6,300,000	---
	PRECIPITATION STUDIES (NATIONAL WEATHER SERVICE)	450,000	---	400,000	---
	REMOTE SENSING/GEOGRAPHIC INFORMATION SYSTEM SUPPORT	400,000	---	400,000	---
	RESEARCH AND DEVELOPMENT	30,000,000	---	27,000,000	---
	SCIENTIFIC AND TECHNICAL INFORMATION CENTERS	100,000	---	100,000	---
	STREAM GAGING (U.S. GEOLOGICAL SURVEY)	900,000	---	900,000	---
	TRANSPORTATION SYSTEMS	850,000	---	800,000	---
	TRI-SERVICE CADD/GIS TECHNOLOGY CENTER	650,000	---	650,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-25,777,000	---	-27,420,000	---
	TOTAL, GENERAL INVESTIGATIONS	123,151,000	26,849,000	128,849,000	32,898,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	ALABAMA		
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, VICINITY OF JACKSO	500,000	500,000
	MOBILE HARBOR, AL	---	585,000
(MP)	WALTER F GEORGE POWERHOUSE AND DAM, AL & GA (MAJOR REH	1,000,000	---
(MP)	WALTER F GEORGE POWERPLANT, AL & GA (MAJOR REHAB)	4,000,000	4,000,000
	ALASKA		
(N)	CHIGNIK HARBOR	---	748,000
(N)	COOK INLET, AK	---	6,000,000
(N)	KAKE HARBOR, AK	5,000,000	5,000,000
(N)	ST. PAUL HARBOR	---	5,000,000
	ARIZONA		
(FC)	CLIFTON, AZ	1,600,000	1,500,000
	ARKANSAS		
(MP)	DARDANELLE LOCK AND DAM POWERHOUSE, AR (MAJOR REHAB)	5,000,000	5,000,000
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	550,000	550,000
(N)	MONTGOMERY POINT LOCK AND DAM, AR	19,000,000	44,000,000
	RED RIVER EMERGENCY BANK PROTECTION, AR	---	3,500,000
	RED RIVER WTRWY, INDEX, AR TO DENISON DAM, AR,LA,OK,TX	---	800,000
	CALIFORNIA		
(FC)	AMERICAN RIVER WATERSHED (COMMON ELEMENTS), CA	1,000,000	15,000,000
	AMERICAN RIVER WATERSHED (NATOMAS)	---	9,000,000
(FC)	CORTE MADERA CREEK, CA	500,000	500,000
(FC)	COYOTE AND BERRYESSA CREEKS, CA	100,000	100,000
	CRESCENT CITY HARBOR, CA	---	340,000
(FC)	GUADALUPE RIVER, CA	4,000,000	7,000,000
(N)	HUMBOLDT HARBOR AND BAY, CA	3,600,000	6,000,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	11,000,000	50,000,000
(N)	LOS ANGELES HARBOR, CA	12,000,000	52,000,000
(FC)	LOWER SACRAMENTO AREA LEVEE RECONSTRUCTION, CA	952,000	952,000
(FC)	MARYSVILLE/YUBA CITY LEVEE RECONSTRUCTION, CA	746,000	1,000,000
(FC)	MERCED COUNTY STREAMS, CA	500,000	900,000
(FC)	MID-VALLEY AREA LEVEE RECONSTRUCTION, CA	1,700,000	1,700,000
	NORCO BLUFFS, CA	---	4,400,000
	PORT OF LONG BEACH, CA	---	6,000,000
(FC)	SACRAMENTO RIVER BANK PROTECTION PROJECT, CA	7,080,000	10,080,000
(FC)	SACRAMENTO RIVER, GLENN-COLUSA IRRIGATION DISTRICT, CA	700,000	2,000,000
(FC)	SAN LORENZO RIVER, CA	2,800,000	3,200,000
(FC)	SANTA ANA RIVER MAINSTEM, CA	20,035,000	44,000,000
	SANTA MONICA BREAKWATER, CA	---	3,026,000
(FC)	SANTA PAULA CREEK, CA	2,700,000	4,000,000
(FC)	UPPER SACRAMENTO AREA LEVEE RECONSTRUCTION, CA	400,000	400,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(FC)	WEST SACRAMENTO, CA	2,500,000	13,000,000
	CONNECTICUT		
	FAULKNER ISLAND, CT	---	2,600,000
	DELAWARE		
(BE)	DELAWARE COAST PROTECTION, DE	233,000	233,000
	FLORIDA		
	BROWARD COUNTY, FL	---	1,500,000
(N)	CANAVERAL HARBOR DEEPENING, FL	640,000	800,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	40,800,000	21,000,000
	DADE COUNTY, FL	---	5,700,000
(E)	EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION, FL	20,000,000	7,000,000
	FORT PIERCE SHORE PROTECTION, FL	---	300,000
	INDIAN RIVER COUNTY, FL	---	100,000
(MP)	JIM WOODRUFF LOCK AND DAM POWERHOUSE, FL & GA (MAJOR R	5,000,000	5,000,000
(E)	KISSIMMEE RIVER, FL	27,300,000	8,000,000
	LEE COUNTY, FL	---	300,000
	MIAMI HARBOR CHANNEL, FL	---	8,000,000
	PALM VALLEY BRIDGE, FL	---	2,000,000
	PANAMA CITY BEACHES, FL	---	6,000,000
	PINELLAS COUNTY, FL	---	5,000,000
	ST JOHNS COUNTY, FL	---	250,000
	GEORGIA		
(MP)	BUFORD POWERHOUSE, GA (MAJOR REHAB)	4,000,000	4,000,000
(MP)-	HARTWELL LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	5,900,000	5,900,000
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	1,685,000	1,685,000
(MP)	THURMOND LAKE POWERHOUSE, GA & SC (MAJOR REHAB)	9,500,000	9,500,000
	TYBEE ISLAND, GA	---	1,200,000
	HAWAII		
(FC)	IAO STREAM FLOOD CONTROL, MAUI, HI (DEF CORR)	270,000	270,000
(N)	MAALAEA HARBOR, MAUI, HI	230,000	400,000
	ILLINOIS		
(N)	CHAIN OF ROCKS CANAL, MISSISSIPPI RIVER, IL (DEF CORR)	700,000	500,000
	CHICAGO SANITARY AND SHIP CANAL DISPERSAL BARRIER, IL.	---	300,000
(BE)	CHICAGO SHORELINE, IL	5,050,000	10,050,000
(FC)	EAST ST LOUIS, IL	500,000	500,000
	EAST ST LOUIS & VICINITY (INTERIOR FLOOD CONTROL), IL.	---	375,000
(N)	LOCK AND DAM 24 PART 1, MISS RIVER, IL & MO (MAJOR REH	7,100,000	7,400,000
(N)	LOCK AND DAM 24 PART 2, MISS RIVER, IL & MO (MAJOR REH	2,400,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	LOCK AND DAM 25, MISSISSIPPI RIVER, IL & MO (MAJOR REH	4,900,000	6,000,000
(FC)	LOVES PARK, IL	200,000	200,000
(FC)	MCCOOK AND THORNTON RESERVOIRS, IL	900,000	3,250,000
(N)	MELVIN PRICE LOCK AND DAM, IL & MO	1,330,000	1,330,000
	O'HARE RESERVOIR, IL	---	1,000,000
(N)	OLMSTED LOCKS AND DAM, IL & KY	54,500,000	54,500,000
(N)	UPPER MISS RVR SYSTEM ENV MGMT PROGRAM, IL, IA, MN, MO	18,355,000	18,900,000
	INDIANA		
(FC)	FORT WAYNE METROPOLITAN AREA, IN	5,900,000	6,700,000
	INDIANA SHORELINE EROSION, IN	---	700,000
	INDIANAPOLIS CENTRAL WATERFRONT, IN	---	4,000,000
(FC)	LITTLE CALUMET RIVER, IN	4,000,000	7,000,000
	OHIO RIVER FLOOD PROTECTION, IN	---	750,000
(FC)	PATOKA LAKE, IN (MAJOR REHAB)	3,600,000	---
	WABASH RIVER, NEW HARMONY, IN	---	2,000,000
	IOWA		
(N)	LOCK AND DAM 14, MISSISSIPPI RIVER, IA (MAJOR REHAB)	4,400,000	4,400,000
(N)	MISSOURI RIVER FISH AND WILDLIFE MITIGATION, IA, NE, K	1,391,000	8,000,000
(FC)	MISSOURI RIVER LEVEE SYSTEM, IA, NE, KS & MO	824,000	900,000
(FC)	MUSCATINE ISLAND, IA	290,000	1,000,000
(FC)	PERRY CREEK, IA	1,367,000	3,500,000
	KANSAS		
(FC)	ARKANSAS CITY, KS	300,000	2,000,000
(FC)	WINFIELD, KS	2,330,000	2,330,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY & TN	300,000	1,600,000
(FC)	DEWEY LAKE, KY (DAM SAFETY)	900,000	900,000
	KENTUCKY LOCK AND DAM, KY	---	8,500,000
(N)	MCALPINE LOCKS AND DAM, KY & IN	1,000,000	5,300,000
(FC)	METROPOLITAN LOUISVILLE, POND CREEK, KY	1,500,000	1,500,000
	SOUTHERN AND EASTERN KENTUCKY, KY	---	4,000,000
	LOUISIANA		
(FC)	ALOHA - RIGOLETTE, LA	320,000	800,000
	COMITE RIVER, LA	---	1,000,000
(FC)	LAKE PONTCHARTRAIN AND VICINITY, LA (HURRICANE PROTECT	5,676,000	16,000,000
	LAKE PONTCHARTRAIN STORMWATER DISCHARGE, LA	---	4,500,000
(FC)	LAROSE TO GOLDEN MEADOW, LA (HURRICANE PROTECTION)	250,000	1,600,000
(N)	MISSISSIPPI RIVER, GULF OUTLET, LA	2,000,000	3,800,000
	MISSISSIPPI RIVER SHIP CHANNEL, GULF TO BATON ROUGE, L	---	1,000,000
(FC)	NEW ORLEANS TO VENICE, LA (HURRICANE PROTECTION)	500,000	750,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	5,392,000	8,000,000
(FC)	SOUTHEAST LOUISIANA, LA	15,279,000	75,000,000
(FC)	WEST BANK VICINITY OF NEW ORLEANS, LA	3,936,000	7,000,000
	MARYLAND		
(E)	ANACOSTIA RIVER AND TRIBUTARIES, MD & DC	36,000	2,400,000
(BE)	ASSATEAGUE ISLAND, MD	4,000,000	---
(BE)	ATLANTIC COAST OF MARYLAND, MD	100,000	100,000
	CHESAPEAKE BAY ENVIRONMENTAL RESTORATION AND PROTECTION PROGRAM, MD, VA, PA	---	750,000
(E)	CHESAPEAKE BAY OYSTER RECOVERY, MD	23,000	543,000
(E)	POPLAR ISLAND, MD	157,000	6,300,000
	MASSACHUSETTS		
(N)	BOSTON HARBOR, MA	40,000	7,500,000
(FC)	HODGES VILLAGE DAM, MA (MAJOR REHAB)	5,443,000	5,443,000
(FC)	ROUGHANS POINT, REVERE, MA	2,680,000	2,680,000
(FC)	TOWN BROOK, QUINCY AND BRAINTREE, MA	20,000	300,000
	MINNESOTA		
(N)	LOCK AND DAM 3, MISSISSIPPI RIVER, MN (MAJOR REHAB)	6,200,000	6,200,000
(FC)	MARSHALL, MN	40,000	1,500,000
(N)	PINE RIVER DAM, CROSS LAKE, MN (DAM SAFETY)	1,487,000	1,487,000
	ST CROIX RIVER, STILLWATER, MN	---	2,000,000
	MISSISSIPPI		
	JACKSON COUNTY, MS	---	6,200,000
(E)	NATCHEZ BLUFF, MS	---	4,000,000
	PASCAGOULA HARBOR, MS	---	12,000,000
	MISSOURI		
(FC)	BLUE RIVER CHANNEL, KANSAS CITY, MO	9,600,000	15,300,000
(FC)	CAPE GIRARDEAU, JACKSON, MO	400,000	2,000,000
(FC)	MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MO	1,980,000	3,800,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	1,200,000	1,600,000
(FC)	ST GENEVIEVE, MO	4,617,000	6,200,000
(MP)	TABLE ROCK LAKE, MO & AR (DAM SAFETY)	2,650,000	2,650,000
	NEBRASKA		
(FC)	MISSOURI NATIONAL RECREATIONAL RIVER, NE & SD	125,000	125,000
(FC)	WOOD RIVER, GRAND ISLAND, NE	69,000	500,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NEVADA		
(FC)	TROPICANA AND FLAMINGO WASHES, NV	12,295,000	23,000,000
	NEW JERSEY		
(BE)	CAPE MAY INLET TO LOWER TOWNSHIP, NJ	60,000	1,000,000
(BE)	GREAT EGG HARBOR INLET AND PECK BEACH, NJ	150,000	150,000
(FC)	MOLLY ANN'S BROOK AT HALEDON, PROSPECT PARK AND PATERS	4,170,000	4,170,000
(N)	NEW YORK HARBOR & ADJACENT CHANNELS, PORT JERSEY CHANN	300,000	5,000,000
(FC)	PASSAIC RIVER PRESERVATION OF NATURAL STORAGE AREAS, N	200,000	1,000,000
	PASSAIC RIVER STREAMBANK RESTORATION, NJ	---	3,000,000
(FC)	RAMAPO RIVER AT OAKLAND, NJ	75,000	3,000,000
	RARITAN BAY TO SANDY HOOK BAY, NJ	---	150,000
	RARITAN RIVER BASIN, GREEN BROOK SUB-BASIN, NJ	---	9,900,000
(BE)	SANDY HOOK TO BARNEGAT INLET, NJ	3,300,000	10,000,000
	NEW MEXICO		
(FC)	ABIQUIU DAM EMERGENCY GATES, NM	3,569,000	3,569,000
(FC)	ACEQUIAS IRRIGATION SYSTEM, NM	150,000	500,000
(FC)	ALAMOGORDO, NM	300,000	300,000
(FC)	GALISTEO DAM, NM (DAM SAFETY)	2,000,000	2,500,000
(FC)	LAS CRUCES, NM	150,000	3,470,000
(FC)	MIDDLE RIO GRANDE FLOOD PROTECTION, BERNALILLO TO BELE	510,000	510,000
(FC)	RIO GRANDE FLOODWAY, SAN ACACIA TO BOSQUE DEL APACHE,.	300,000	750,000
	NEW YORK		
(BE)	ATLANTIC COAST OF NYC, ROCKAWAY INLET TO NORTON POINT,	300,000	800,000
(BE)	EAST ROCKAWAY INLET TO ROCKAWAY INLET AND JAMAICA BAY,	300,000	3,300,000
(BE)	FIRE ISLAND INLET TO JONES INLET, NY	200,000	2,500,000
(BE)	FIRE ISLAND INLET TO MONTAUK POINT, NY	2,400,000	4,400,000
	HUDSON RIVER, ATHENS, NY	---	3,000,000
(N)	KILL VAN KULL AND NEWARK BAY CHANNEL, NY & NJ	32,000,000	30,000,000
	LONG BEACH ISLAND, NY	---	7,500,000
	NEW YORK CITY WATERSHED, NY	---	1,000,000
	NEW YORK STATE CANAL SYSTEM, NY	---	1,800,000
	ORCHARD BEACH, NY	---	2,000,000
	NORTH CAROLINA		
(N)	AIWW, REPLACEMENT OF FEDERAL HIGHWAY BRIDGES, NC	6,000,000	6,000,000
(N)	WILMINGTON HARBOR, NC	5,300,000	8,300,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	NORTH DAKOTA		
(FC)	BUFORD-TRENTON IRRIGATION DISTRICT LAND ACQUISITION, N	2,000,000	2,000,000
(FC)	DEVILS LAKE EMERGENCY OUTLET, ND	15,000,000	---
(MP)	GARRISON DAM AND POWER PLANT, ND (MAJOR REHAB)	274,000	274,000
(FC)	HOMME LAKE, ND (DAM SAFETY)	750,000	750,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (DAM SAFETY)	499,000	499,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND (MAJOR REHAB)	1,000,000	1,000,000
(FC)	SHEYENNE RIVER, ND	400,000	400,000
	OHIO		
(FC)	BEACH CITY LAKE, MUSKINGUM RIVER LAKES, OH (DAM SAFETY	200,000	200,000
(FC)	HOLES CREEK, WEST CARROLLTON, OH	1,131,000	1,131,000
(FC)	METROPOLITAN REGION OF CINCINNATI, DUCK CREEK, OH	669,000	669,000
(FC)	MILL CREEK, OH	700,000	700,000
(FC)	WEST COLUMBUS, OH	1,800,000	14,000,000
	OKLAHOMA		
(FC)	MINGO CREEK, TULSA, OK	6,328,000	6,328,000
(FC)	SKIATOOK LAKE, OK (DAM SAFETY)	500,000	500,000
(MP)	TENKILLER FERRY LAKE, OK (DAM SAFETY)	25,000	2,300,000
	OREGON		
(MP)	BONNEVILLE POWERHOUSE PHASE II, OR & WA (MAJOR REHAB)	8,000,000	8,000,000
(MP)	COLUMBIA RIVER TREATY FISHING ACCESS SITES, OR & WA	1,700,000	2,500,000
(FC)	ELK CREEK LAKE, OR	300,000	300,000
	PENNSYLVANIA		
(FC)	JOHNSTOWN, PA (MAJOR REHAB)	4,450,000	6,450,000
(FC)	LACKAWANNA RIVER, OLYPHANT, PA	50,000	6,800,000
(FC)	LACKAWANNA RIVER, SCRANTON, PA	100,000	40,551,000
(N)	LOCKS AND DAMS 2, 3 AND 4, MONONGAHELA RIVER, PA	4,500,000	26,500,000
(BE)	PRESQUE ISLE PENINSULA, PA (PERMANENT)	500,000	500,000
(FC)	SAW MILL RUN, PITTSBURGH, PA	400,000	1,200,000
	SOUTH CENTRAL PA ENVIRONMENT IMPROVEMENT, PA	---	39,000,000
	SOUTHEASTERN PENNSYLVANIA, PA	---	750,000
(FC)	WYOMING VALLEY, PA (LEVEE RAISING)	3,250,000	4,000,000
	PUERTO RICO		
(FC)	PORTUGUES AND BUCANA RIVERS, PR	6,082,000	6,500,000
(FC)	RIO DE LA PLATA, PR	426,000	3,000,000
(FC)	RIO PUERTO NUEVO, PR	7,052,000	7,052,000
(N)	SAN JUAN HARBOR, PR	500,000	3,300,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	SOUTH CAROLINA		
	CHARLESTON HARBOR, SC	---	22,000,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	500,000	500,000
(BE)	MYRTLE BEACH, SC	3,000,000	3,000,000
	SOUTH DAKOTA		
(FC)	BIG SIOUX RIVER, SIOUX FALLS, SD	2,200,000	---
	TENNESSEE		
	BLACK FOX, MURFREE AND OAKLANDS SPRINGS WETLANDS, TN	---	500,000
	TENNESSEE RIVER, HAMILTON COUNTY, TN	---	1,500,000
	TEXAS		
	BEALS CREEK, BIG SPRING, TX	---	1,200,000
	BRAYS BAYOU, TX	---	4,500,000
(N)	CHANNEL TO VICTORIA, TX	1,560,000	1,560,000
(FC)	CLEAR CREEK, TX	1,770,000	1,770,000
(FC)	EL PASO, TX	400,000	4,000,000
	GIWW, ARANSAS NATIONAL WILDLIFE, REFUGE, TX	---	3,200,000
(N)	HOUSTON - GALVESTON NAVIGATION CHANNELS, TX	5,220,000	49,000,000
(FC)	MCGRATH CREEK, WICHITA FALLS, TX	1,514,000	1,514,000
(FC)	SAN ANTONIO CHANNEL IMPROVEMENT, TX	800,000	800,000
(FC)	SIMS BAYOU, HOUSTON, TX	9,450,000	12,000,000
(FC)	WACO LAKE, TX (DAM SAFETY)	500,000	3,934,000
	WALLISVILLE LAKE, TX	---	5,500,000
	UTAH		
(FC)	UPPER JORDAN RIVER, UT	200,000	850,000
	VIRGINIA		
(N)	AIWW, BRIDGE AT GREAT BRIDGE, VA	393,000	3,800,000
(N)	NORFOLK HARBOR AND CHANNELS (DEEPENING), VA	420,000	420,000
(FC)	ROANOKE RIVER UPPER BASIN, HEADWATERS AREA, VA	200,000	600,000
	VIRGINIA BEACH, VA	---	18,000,000
	VIRGINIA BEACH, VA (REIMBURSEMENT)	---	1,460,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE ALLOWANCE
	WASHINGTON		
(MP)	COLUMBIA RIVER FISH MITIGATION, WA, OR & ID..........	117,000,000	60,000,000
(MP)	LOWER SNAKE RIVER FISH & WILDLIFE COMPENSATION, WA, OR	650,000	650,000
(MP)	THE DALLES POWERHOUSE (UNITS 1-14), WA & OR (MAJOR REH	900,000	2,000,000
	WEST VIRGINIA		
	GREENBRIER RIVER BASIN, WV............................	---	1,000,000
(FC)	LEVISA AND TUG FORKS AND UPPER CUMBERLAND RIVER, WV, V	3,000,000	38,500,000
(N)	LONDON LOCKS AND DAM, KANAWHA RIVER, WV (MAJOR REHAB).	1,700,000	---
(N)	MARMET LOCK, KANAWHA RIVER, WV........................	1,500,000	6,500,000
(N)	ROBERT C BYRD LOCKS AND DAM, WV & OH..................	7,000,000	8,000,000
	SOUTHERN WEST VA ENVIRONMENTAL INFRASTRUCTURE PROG, WV	---	1,500,000
(FC)	TYGART LAKE, WV (DAM SAFETY)..........................	2,400,000	2,400,000
	WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL..........	---	750,000
(N)	WINFIELD LOCKS AND DAM, WV............................	4,500,000	4,500,000
	WISCONSIN		
	LAFARGE LAKE, KICKAPOO RIVER, WI......................	---	2,800,000
(FC)	PORTAGE, WI...	3,199,000	3,199,000
	MISCELLANEOUS		
	AQUATIC PLANT CONTROL PROGRAM.........................	2,000,000	3,000,000
	AQUATIC ECOSYSTEM RESTORATION (SECTION 206)...........	2,000,000	11,200,000
	BEACH EROSION CONTROL PROJECTS (SECTION 103)..........	2,600,000	2,000,000
	BENEFICIAL USES OF DREDGED MATERIAL (SECTION 204).....	200,000	350,000
	CLEARING AND SNAGGING PROJECT (SECTION 208)...........	100,000	300,000
	DREDGED MATERIAL DISPOSAL FACILITIES PROGRAM..........	2,000,000	3,500,000
	EMERGENCY STREAMBANK & SHORELINE PROTECTION (SEC. 14).	15,000,000	7,000,000
	EMPLOYEES' COMPENSATION...............................	18,289,000	18,289,000
	FLOOD CONTROL PROJECTS (SECTION 205)..................	26,500,000	34,800,000
	INLAND WATERWAYS USERS BOARD - BOARD EXPENSE..........	45,000	45,000
	INLAND WATERWAYS USERS BOARD - CORPS EXPENSE..........	185,000	185,000
	NAVIGATION MITIGATION PROJECT (SECTION 111)...........	100,000	200,000
	NAVIGATION PROJECTS (SECTION 107).....................	2,700,000	6,000,000
	PROJECT MODIFICATIONS FOR IMPROVEMENT OF THE ENVIRONME	5,300,000	11,000,000
	RIVERINE ECOSYSTEM RESTORATION AND FLOOD HAZARD MITIGA	25,000,000	---
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE........	-32,388,000	-62,046,000
	TOTAL, CONSTRUCTION GENERAL........................	806,000,000	1,429,885,000

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CORPS OF ENGINEERS - FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	GENERAL INVESTIGATIONS		
	SURVEYS:		
	GENERAL STUDIES:		
	DONALDSONVILLE TO GULF OF MEXICO	---	100,000
(FDP)	MISSISSIPPI RIVER, ALEXANDER COUNTY, IL AND SCOTT	100,000	100,000
(FDP)	ALEXANDRIA, LA TO THE GULF OF MEXICO	500,000	500,000
(FDP)	MORGANZA, LA TO THE GULF OF MEXICO	755,000	755,000
(FDP)	MEMPHIS METRO AREA, TN & MS	800,000	800,000
(FDP)	REELFOOT LAKE, TN & KY	66,000	66,000
	SOUTHEAST ARKANSAS, AR	---	500,000
(FDP)	WOLF RIVER, MEMPHIS, TN	190,000	190,000
(FC)	BAYOU METO BASIN, AR	2,500,000	2,500,000
(FC)	REELFOOT LAKE, TN & KY	450,000	450,000
	COLLECTION AND STUDY OF BASIC DATA	360,000	360,000
	SUBTOTAL, GENERAL INVESTIGATIONS	5,721,000	6,321,000
	CONSTRUCTION		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	44,599,000	44,599,000
(FC)	EIGHT MILE CREEK, AR	581,000	581,000
(FC)	GRAND PRAIRIE REGION, AR	11,500,000	8,000,000
(FC)	HELENA AND VICINITY, AR	910,000	910,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN	23,750,000	30,750,000
(FC)	ST FRANCIS RIVER BASIN, AR & MO	4,900,000	4,900,000
(FC)	WHITEMAN'S CREEK, AR	674,000	674,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	7,500,000	7,500,000
(FC)	ATCHAFALAYA BASIN, LA	21,023,000	27,000,000
(FC)	LOUISIANA STATE PENITENTIARY, LA	400,000	4,500,000
(FC)	MISSISSIPPI AND LOUISIANA ESTUARINE AREAS, LA & MS	250,000	250,000
(FC)	MISSISSIPPI DELTA REGION, LA	14,000,000	16,000,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	10,100,000	10,100,000
	YAZOO BASIN, MS:	(18,665,000)	(30,565,000)
(FC)	BIG SUNFLOWER RIVER, MS	3,450,000	4,500,000
(FC)	DEMONSTRATION EROSION CONTROL, MS	3,900,000	13,500,000
(FC)	MAIN STEM, MS	25,000	25,000
(FC)	REFORMULATION UNIT, MS	1,840,000	1,840,000
(FC)	TRIBUTARIES, MS	200,000	200,000
(FC)	UPPER YAZOO PROJECTS, MS	9,250,000	10,000,000
	YAZOO BACKWATER PUMP	---	500,000
(FC)	ST JOHNS BAYOU AND NEW MADRID FLOODWAY, MO	250,000	6,000,000
(FC)	NONCONNAH CREEK, FLOOD CONTROL FEATURE, TN & MS	122,000	370,000
(FC)	WEST TENNESSEE TRIBUTARIES, TN	3,750,000	3,750,000
	SUBTOTAL, CONSTRUCTION	162,974,000	196,449,000
	MAINTENANCE		
(FC)	CHANNEL IMPROVEMENT, AR, IL, KY, LA, MS, MO & TN	53,329,000	53,329,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	HELENA HARBOR, PHILLIPS COUNTY, AR	293,000	293,000
(FC)	INSPECTION OF COMPLETED WORKS, AR	457,000	457,000
(FC)	LOWER ARKANSAS RIVER, NORTH BANK, AR	112,000	112,000
(FC)	LOWER ARKANSAS RIVER, SOUTH BANK, AR	124,000	124,000
(FC)	MISSISSIPPI RIVER LEVEES, AR, IL, KY, LA, MS, MO & TN.	6,271,000	6,500,000
(FC)	ST FRANCIS RIVER BASIN, AR & MO	7,600,000	9,300,000
(FC)	TENSAS BASIN, BOEUF AND TENSAS RIVERS, AR & LA	2,374,000	2,374,000
(FC)	WHITE RIVER BACKWATER, AR	1,400,000	1,400,000
(FC)	INSPECTION OF COMPLETED WORKS, IL	47,000	47,000
(FC)	INSPECTION OF COMPLETED WORKS, KY	26,000	26,000
(FC)	ATCHAFALAYA BASIN, FLOODWAY SYSTEM, LA	613,000	613,000
(FC)	ATCHAFALAYA BASIN, LA	9,425,000	10,500,000
(FC)	BATON ROUGE HARBOR, DEVIL SWAMP, LA	146,000	146,000
(FC)	BAYOU COCODRIE AND TRIBUTARIES, LA	90,000	90,000
(FC)	BONNET CARRE, LA	975,000	1,800,000
(FC)	INSPECTION OF COMPLETED WORKS, LA	368,000	368,000
(FC)	LOWER RED RIVER, SOUTH BANK LEVEES, LA	1,773,000	1,773,000
(FC)	MISSISSIPPI DELTA REGION, LA	402,000	402,000
(FC)	OLD RIVER, LA	4,100,000	4,100,000
(FC)	TENSAS BASIN, RED RIVER BACKWATER, LA	2,820,000	2,820,000
(N)	GREENVILLE HARBOR, MS	361,000	361,000
(FC)	INSPECTION OF COMPLETED WORKS, MS	195,000	195,000
(N)	VICKSBURG HARBOR, MS	247,000	247,000
	YAZOO BASIC, MS:	(20,966,000)	(24,711,000)
(FC)	ARKABUTLA LAKE, MS	3,193,000	3,700,000
(FC)	BIG SUNFLOWER RIVER, MS	242,000	2,500,000
(FC)	ENID LAKE, MS	3,273,000	3,273,000
(FC)	GREENWOOD, MS	837,000	837,000
(FC)	GRENADA LAKE, MS	4,330,000	4,330,000
(FC)	MAIN STEM, MS	1,631,000	1,631,000
(FC)	SARDIS LAKE, MS	4,320,000	5,300,000
(FC)	TRIBUTARIES, MS	1,238,000	1,238,000
(FC)	WILL M WHITTINGTON AUX CHAN, MS	498,000	498,000
(FC)	YAZOO BACKWATER AREA, MS	621,000	621,000
(FC)	YAZOO CITY, MS	783,000	783,000
(FC)	INSPECTION OF COMPLETED WORKS, MO	210,000	210,000
(FC)	WAPPAPELLO LAKE, MO	6,833,000	6,833,000
(FC)	INSPECTION OF COMPLETED WORKS, TN	118,000	118,000
(N)	MEMPHIS HARBOR, MCKELLAR LAKE, TN	1,400,000	1,400,000
(FC)	MAPPING	998,000	998,000
	SUBTOTAL, MAINTENANCE	124,073,000	131,647,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-12,768,000	-13,268,000
	TOTAL, FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES	280,000,000	321,149,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	ALABAMA		
(N)	ALABAMA - COOSA RIVER, AL	4,900,000	4,900,000
(N)	BAYOU LA BATRE, AL	1,800,000	1,800,000
(N)	BLACK WARRIOR AND TOMBIGBEE RIVERS, AL	16,000,000	20,000,000
	BON SECOUR RIVER, AL	---	500,000
(N)	GULF INTRACOASTAL WATERWAY, AL	7,726,000	7,726,000
(FC)	INSPECTION OF COMPLETED WORKS, AL	30,000	30,000
(MP)	MILLERS FERRY LOCK AND DAM, WILLIAM "BILL" DANNELLY LA	4,000,000	7,325,000
(N)	MOBILE HARBOR, AL	21,000,000	24,400,000
(N)	PROJECT CONDITION SURVEYS, AL	300,000	300,000
(MP)	ROBERT F HENRY LOCK AND DAM, AL	3,900,000	5,000,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, AL	20,000	20,000
(N)	TENNESSEE - TOMBIGBEE WATERWAY, AL & MS	17,000,000	20,200,000
(MP)	WALTER F GEORGE LOCK AND DAM, AL & GA	6,400,000	6,400,000
	ALASKA		
(N)	ANCHORAGE HARBOR, AK	1,600,000	1,600,000
(FC)	CHENA RIVER LAKES, AK	1,591,000	1,591,000
(N)	DILLINGHAM HARBOR, AK	592,000	592,000
(N)	HOMER HARBOR, AK	243,000	243,000
(FC)	INSPECTION OF COMPLETED WORKS, AK	20,000	20,000
(N)	NINILCHIK HARBOR, AK	200,000	200,000
(N)	NOME HARBOR, AK	265,000	265,000
(N)	PROJECT CONDITION SURVEYS, AK	489,000	489,000
	ST. PAUL HARBOR AK	---	500,000
	WRANGELL NARROWS, AK	---	600,000
	ARIZONA		
(FC)	ALAMO LAKE, AZ	1,114,000	1,114,000
(FC)	INSPECTION OF COMPLETED WORKS, AZ	73,000	73,000
(FC)	PAINTED ROCK DAM, AZ	1,079,000	1,079,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, AZ	25,000	25,000
(FC)	WHITLOW RANCH DAM, AZ	192,000	192,000
	ARKANSAS		
(MP)	BEAVER LAKE, AR	3,585,000	3,585,000
(MP)	BLAKELY MT DAM, LAKE OUACHITA, AR	5,464,000	5,464,000
(FC)	BLUE MOUNTAIN LAKE, AR	998,000	998,000
(MP)	BULL SHOALS LAKE, AR	4,652,000	4,652,000
(MP)	DARDANELLE LOCK AND DAM, AR	5,861,000	5,861,000
(MP)	DEGRAY LAKE, AR	3,988,000	3,988,000
(FC)	DEQUEEN LAKE, AR	965,000	965,000
(FC)	DIERKS LAKE, AR	954,000	954,000
(FC)	GILLHAM LAKE, AR	896,000	896,000
(MP)	GREERS FERRY LAKE, AR	4,148,000	4,148,000
(N)	HELENA HARBOR, PHILLIPS COUNTY, AR	278,000	278,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	INSPECTION OF COMPLETED WORKS, AR	253,000	253,000
(N)	MCCLELLAN - KERR ARKANSAS RIVER NAVIGATION SYSTEM, AR.	22,093,000	24,993,000
(FC)	MILLWOOD LAKE, AR	1,571,000	1,571,000
(MP)	NARROWS DAM, LAKE GREESON, AR	3,834,000	3,834,000
(FC)	NIMROD LAKE, AR	1,397,000	1,397,000
(MP)	NORFORK LAKE, AR	3,471,000	3,471,000
(N)	OSCEOLA HARBOR, AR	383,000	383,000
(N)	OUACHITA AND BLACK RIVERS, AR & LA	6,332,000	6,332,000
(MP)	OZARK - JETA TAYLOR LOCK AND DAM, AR	4,185,000	4,185,000
(N)	PROJECT CONDITION SURVEYS, AR	4,000	4,000
(N)	WHITE RIVER, AR	2,747,000	2,747,000
(N)	YELLOW BEND PORT, AR	119,000	119,000
	CALIFORNIA		
(FC)	BLACK BUTTE LAKE, CA	1,782,000	1,782,000
(FC)	BUCHANAN DAM, H V EASTMAN LAKE, CA	1,820,000	1,820,000
(N)	CHANNEL ISLANDS HARBOR, CA	3,246,000	3,246,000
(FC)	COYOTE VALLEY DAM, LAKE MENDOCINO, CA	3,121,000	3,121,000
(FC)	DRY CREEK (WARM SPRINGS) LAKE AND CHANNEL, CA	4,060,000	4,060,000
(FC)	FARMINGTON DAM, CA	374,000	374,000
(FC)	HIDDEN DAM, HENSLEY LAKE, CA	1,843,000	1,843,000
(N)	HUMBOLDT HARBOR AND BAY, CA	3,910,000	3,910,000
(FC)	INSPECTION OF COMPLETED WORKS, CA	973,000	973,000
(FC)	ISABELLA LAKE, CA	1,401,000	1,401,000
(N)	LOS ANGELES - LONG BEACH HARBOR MODEL, CA	165,000	165,000
(FC)	LOS ANGELES COUNTY DRAINAGE AREA, CA	3,613,000	3,613,000
	MARINA DEL RAY, CA	---	1,500,000
(FC)	MERCED COUNTY STREAMS, CA	288,000	288,000
(FC)	MOJAVE RIVER DAM, CA	237,000	237,000
	MORRO BAY HARBOR, CA	---	1,000,000
	MOSS LANDING HARBOR, CA	---	1,000,000
(FC)	NEW HOGAN LAKE, CA	1,732,000	1,732,000
(MP)	NEW MELONES LAKE, DOWNSTREAM CHANNEL, CA	1,101,000	1,101,000
(N)	OAKLAND HARBOR, CA	3,424,000	3,424,000
(N)	OCEANSIDE HARBOR, CA	622,000	622,000
(FC)	PINE FLAT LAKE, CA	2,197,000	2,197,000
(N)	PROJECT CONDITION SURVEYS, CA	1,100,000	1,100,000
	REDWOOD CITY HARBOR, CA	---	2,500,000
(N)	RICHMOND HARBOR, CA	5,384,000	5,384,000
(N)	SACRAMENTO RIVER (30 FOOT PROJECT), CA	2,182,000	2,182,000
(N)	SACRAMENTO RIVER AND TRIBUTARIES (DEBRIS CONTROL), CA.	1,069,000	1,069,000
(N)	SACRAMENTO RIVER SHALLOW DRAFT CHANNEL, CA	133,000	133,000
(N)	SAN FRANCISCO BAY, DELTA MODEL STRUCTURE, CA	2,211,000	2,211,000
(N)	SAN FRANCISCO HARBOR AND BAY (DRIFT REMOVAL), CA	2,392,000	2,392,000
(N)	SAN FRANCISCO HARBOR, CA	2,339,000	2,339,000
(N)	SAN JOAQUIN RIVER, CA	3,004,000	3,004,000
(N)	SAN PABLO BAY AND MARE ISLAND STRAIT, CA	1,500,000	1,500,000
(FC)	SANTA ANA RIVER BASIN, CA	3,023,000	3,023,000
(N)	SANTA BARBARA HARBOR, CA	1,541,000	1,541,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	SCHEDULING RESERVOIR OPERATIONS, CA	1,081,000	1,081,000
(FC)	SUCCESS LAKE, CA	1,890,000	2,390,000
(N)	SUISUN BAY CHANNEL, CA	1,044,000	1,044,000
(FC)	TERMINUS DAM, LAKE KAWEAH, CA	1,570,000	1,570,000
(N)	VENTURA HARBOR, CA	2,705,000	2,705,000
(N)	YUBA RIVER, CA	35,000	35,000
	COLORADO		
(FC)	BEAR CREEK LAKE, CO	460,000	460,000
(FC)	CHATFIELD LAKE, CO	648,000	648,000
(FC)	CHERRY CREEK LAKE, CO	965,000	965,000
(FC)	INSPECTION OF COMPLETED WORKS, CO	101,000	101,000
(FC)	JOHN MARTIN RESERVOIR, CO	1,771,000	1,771,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, CO	398,000	398,000
(FC)	TRINIDAD LAKE, CO	767,000	767,000
	CONNECTICUT		
(FC)	BLACK ROCK LAKE, CT	440,000	440,000
(FC)	COLEBROOK RIVER LAKE, CT	516,000	516,000
	FIVE MILE RIVER, CT	---	700,000
(FC)	HANCOCK BROOK LAKE, CT	216,000	216,000
(FC)	HOP BROOK LAKE, CT	867,000	867,000
(FC)	INSPECTION OF COMPLETED WORKS, CT	33,000	33,000
(FC)	MANSFIELD HOLLOW LAKE, CT	418,000	418,000
(FC)	NORTHFIELD BROOK LAKE, CT	319,000	319,000
(N)	PROJECT CONDITION SURVEYS, CT	971,000	971,000
(FC)	STAMFORD HURRICANE BARRIER, CT	295,000	295,000
(FC)	THOMASTON DAM, CT	672,000	672,000
(FC)	WEST THOMPSON LAKE, CT	496,000	496,000
	DELAWARE		
(N)	CEDAR CREEK, DE	250,000	250,000
(N)	CHESAPEAKE AND DELAWARE CANAL - ST GEORGE'S BRIDGE REP	14,000,000	14,000,000
(N)	INDIAN RIVER INLET AND BAY, DE	280,000	280,000
(N)	INTRACOASTAL WATERWAY, DELAWARE R TO CHESAPEAKE BAY, D	12,816,000	12,816,000
(N)	INTRACOASTAL WATERWAY, REHOBOTH BAY TO DELAWARE BAY, D	43,000	43,000
(N)	MISPILLION RIVER, DE	225,000	225,000
(N)	PROJECT CONDITION SURVEYS, DE	50,000	50,000
(N)	WILMINGTON HARBOR, DE	5,590,000	5,590,000
	DISTRICT OF COLUMBIA		
(FC)	INSPECTION OF COMPLETED WORKS, DC	5,000	5,000
(N)	POTOMAC AND ANACOSTIA RIVERS (DRIFT REMOVAL), DC	880,000	880,000
(N)	POTOMAC RIVER BELOW WASHINGTON, DC	183,000	183,000
(N)	PROJECT CONDITION SURVEYS, DC	32,000	32,000
(N)	WASHINGTON HARBOR, DC	35,000	35,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	FLORIDA		
(N)	AIWW, NORFOLK, VA TO ST JOHNS RIVER, FL, GA, SC, NC &.	30,000	30,000
(N)	CANAVERAL HARBOR, FL	3,367,000	3,367,000
(FC)	CENTRAL AND SOUTHERN FLORIDA, FL	8,598,000	8,598,000
(N)	CHARLOTTE HARBOR, FL	40,000	2,500,000
(N)	FERNANDINA HARBOR, FL	1,615,000	1,615,000
	FORT MYERS BEACH, FL	---	1,000,000
(N)	FORT PIERCE HARBOR, FL	441,000	441,000
(FC)	INSPECTION OF COMPLETED WORKS, FL	75,000	75,000
(N)	INTRACOASTAL WATERWAY, CALOOSAHATCHEE R TO ANCLOTE R,	88,000	88,000
(N)	INTRACOASTAL WATERWAY, JACKSONVILLE TO MIAMI, FL	3,153,000	3,153,000
(N)	JACKSONVILLE HARBOR, FL	7,625,000	7,625,000
(MP)	JIM WOODRUFF LOCK AND DAM, LAKE SEMINOLE, FL, AL & GA.	5,400,000	5,400,000
	LA GRANGE BAYOU, FL	---	250,000
(N)	MANATEE HARBOR, FL	20,000	20,000
(N)	MIAMI HARBOR, FL	200,000	200,000
(N)	OKEECHOBEE WATERWAY, FL	3,159,000	3,159,000
(N)	OKLAWAHA RIVER, FL	5,000	5,000
(N)	PALM BEACH HARBOR, FL	2,190,000	4,000,000
(N)	PANAMA CITY HARBOR, FL	20,000	20,000
(N)	PONCE DE LEON INLET, FL	30,000	4,000,000
(N)	PORT EVERGLADES HARBOR, FL	50,000	50,000
(N)	PROJECT CONDITION SURVEYS, FL	425,000	425,000
	REMOVAL OF AQUATIC GROWTH, FL	2,700,000	2,700,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, FL	34,000	34,000
	SCIPIO CREEK, FL	---	500,000
(N)	ST AUGUSTINE HARBOR, FL	60,000	60,000
(N)	ST LUCIE INLET, FL	60,000	60,000
(N)	TAMPA HARBOR, FL	5,201,000	5,201,000
(N)	WITHLACOOCHIE RIVER, FL	34,000	34,000
	GEORGIA		
(MP)	ALLATOONA LAKE, GA	4,900,000	4,900,000
(N)	APALACHICOLA CHATTAHOOCHEE AND FLINT RIVERS, GA, AL &.	4,700,000	5,200,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, GA	2,162,000	2,162,000
(N)	BRUNSWICK HARBOR, GA	9,728,000	9,728,000
(MP)	BUFORD DAM AND LAKE SIDNEY LANIER, GA	6,400,000	6,400,000
(MP)	CARTERS DAM AND LAKE, GA	4,600,000	4,600,000
(MP)	HARTWELL LAKE, GA & SC	8,588,000	8,588,000
(FC)	INSPECTION OF COMPLETED WORKS, GA	41,000	41,000
(MP)	J STROM THURMOND LAKE, GA & SC	8,200,000	8,200,000
(MP)	RICHARD B RUSSELL DAM AND LAKE, GA & SC	6,380,000	6,380,000
(N)	SAVANNAH HARBOR, GA	8,161,000	13,700,000
(N)	SAVANNAH RIVER BELOW AUGUSTA, GA	200,000	200,000
(MP)	WEST POINT DAM AND LAKE, GA & AL	4,800,000	4,800,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	HAWAII		
(N)	BARBERS POINT HARBOR, HI	916,000	916,000
(N)	HONOLULU HARBOR, HI	1,580,000	1,580,000
(FC)	INSPECTION OF COMPLETED WORKS, HI	262,000	262,000
(N)	KAHULUI HARBOR, HI	910,000	910,000
(N)	NAWILIWILI HARBOR, HI	962,000	962,000
(N)	PORT ALLEN HARBOR, KAUAI, HI	292,000	292,000
(N)	PROJECT CONDITION SURVEYS, HI	416,000	416,000
	IDAHO		
(MP)	ALBENI FALLS DAM, ID	1,432,000	1,432,000
(MP)	DWORSHAK DAM AND RESERVOIR, ID	3,743,000	3,743,000
(FC)	INSPECTION OF COMPLETED WORKS, ID	89,000	89,000
(FC)	LUCKY PEAK LAKE, ID	975,000	975,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, ID	190,000	190,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ID	62,000	62,000
	ILLINOIS		
(N)	CALUMET HARBOR AND RIVER, IL & IN	1,444,000	1,444,000
(FC)	CARLYLE LAKE, IL	6,337,000	6,337,000
(N)	CHICAGO HARBOR, IL	4,889,000	4,889,000
(N)	CHICAGO RIVER, IL	362,000	362,000
(FC)	FARM CREEK RESERVOIRS, IL	135,000	135,000
(N)	ILLINOIS WATERWAY, IL & IN	22,934,000	22,934,000
(FC)	INSPECTION OF COMPLETED WORKS, IL	657,000	657,000
(N)	KASKASKIA RIVER NAVIGATION, IL	2,273,000	2,600,000
(N)	LAKE MICHIGAN DIVERSION, IL	537,000	1,037,000
(FC)	LAKE SHELBYVILLE, IL	4,219,000	4,500,000
(N)	MISS R BETWEEN MO R AND MINNEAPOLIS, IL, IA, MN, MO &.	96,985,000	93,000,000
(N)	PROJECT CONDITION SURVEYS, IL	72,000	72,000
(FC)	REND LAKE, IL	3,868,000	3,868,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, IL	96,000	96,000
(N)	WAUKEGAN HARBOR, IL	995,000	995,000
	INDIANA		
(FC)	BROOKVILLE LAKE, IN	776,000	776,000
(N)	BURNS WATERWAY HARBOR, IN	925,000	925,000
(FC)	CAGLES MILL LAKE, IN	797,000	797,000
(FC)	CECIL M HARDEN LAKE, IN	924,000	924,000
(N)	INDIANA HARBOR, IN	564,000	564,000
(FC)	INSPECTION OF COMPLETED WORKS, IN	80,000	80,000
(FC)	J EDWARD ROUSH LAKE, IN	733,000	733,000
(N)	MICHIGAN CITY HARBOR, IN	57,000	57,000
(FC)	MISSISSINEWA LAKE, IN	851,000	851,000
(FC)	MONROE LAKE, IN	806,000	806,000
(FC)	PATOKA LAKE, IN	836,000	836,000

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	PROJECT CONDITION SURVEYS, IN.	67,000	67,000
(FC)	SALAMONIE LAKE, IN.	768,000	768,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, IN.	62,000	62,000
	IOWA		
(FC)	CORALVILLE LAKE, IA.	2,615,000	2,615,000
(FC)	INSPECTION OF COMPLETED WORKS, IA.	170,000	170,000
(FC)	MISSOURI RIVER - KENSLERS BEND, NE TO SIOUX CITY, IA.	154,000	154,000
(N)	MISSOURI RIVER - SIOUX CITY TO MOUTH, IA, NE, KS & MO.	6,280,000	6,280,000
(FC)	RATHBUN LAKE, IA.	2,156,000	2,156,000
(FC)	RED ROCK DAM AND LAKE RED ROCK, IA.	3,365,000	3,365,000
(FC)	SAYLORVILLE LAKE, IA.	4,170,000	4,170,000
	KANSAS		
(FC)	CLINTON LAKE, KS.	2,389,000	2,389,000
(FC)	COUNCIL GROVE LAKE, KS.	956,000	956,000
(FC)	EL DORADO LAKE, KS.	461,000	461,000
(FC)	ELK CITY LAKE, KS.	585,000	585,000
(FC)	FALL RIVER LAKE, KS.	1,092,000	1,092,000
(FC)	HILLSDALE LAKE, KS.	949,000	949,000
(FC)	INSPECTION OF COMPLETED WORKS, KS.	267,000	267,000
(FC)	JOHN REDMOND DAM AND RESERVOIR, KS.	913,000	913,000
(FC)	KANOPOLIS LAKE, KS.	1,352,000	1,352,000
(FC)	MARION LAKE, KS.	1,206,000	1,206,000
(FC)	MELVERN LAKE, KS.	1,683,000	1,683,000
(FC)	MILFORD LAKE, KS.	1,699,000	1,699,000
(FC)	PEARSON - SKUBITZ BIG HILL LAKE, KS.	787,000	787,000
(FC)	PERRY LAKE, KS.	1,850,000	1,850,000
(FC)	POMONA LAKE, KS.	1,632,000	1,632,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, KS.	333,000	333,000
(FC)	TORONTO LAKE, KS.	440,000	440,000
(FC)	TUTTLE CREEK LAKE, KS.	1,977,000	1,977,000
(FC)	WILSON LAKE, KS.	1,655,000	1,655,000
	KENTUCKY		
(MP)	BARKLEY DAM AND LAKE BARKLEY, KY & TN.	8,005,000	8,005,000
(FC)	BARREN RIVER LAKE, KY.	2,077,000	2,077,000
(N)	BIG SANDY HARBOR, KY.	1,170,000	1,170,000
(FC)	BUCKHORN LAKE, KY.	1,317,000	1,317,000
(FC)	CARR CREEK LAKE, KY.	1,406,000	1,406,000
(FC)	CAVE RUN LAKE, KY.	808,000	808,000
(FC)	DEWEY LAKE, KY.	1,431,000	1,431,000
(N)	ELVIS STAHR (HICKMAN) HARBOR, KY.	325,000	325,000
(FC)	FISHTRAP LAKE, KY.	1,450,000	1,450,000
(FC)	GRAYSON LAKE, KY.	1,048,000	1,048,000
(N)	GREEN AND BARREN RIVERS, KY.	1,601,000	1,601,000
(FC)	GREEN RIVER LAKE, KY.	1,672,000	1,672,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	INSPECTION OF COMPLETED WORKS, KY	105,000	105,000
(N)	KENTUCKY RIVER, KY	4,488,000	4,488,000
(MP)	LAUREL RIVER LAKE, KY	1,266,000	1,266,000
(N)	LICKING RIVER OPEN CHANNEL WORK, KY	17,000	17,000
(FC)	MARTINS FORK LAKE, KY	686,000	686,000
(FC)	MIDDLESBORO CUMBERLAND RIVER BASIN, KY	52,000	52,000
(FC)	NOLIN LAKE, KY	1,764,000	1,764,000
(N)	OHIO RIVER LOCKS AND DAMS, KY, IL, IN, OH, PA & WV	59,814,000	55,814,000
(N)	OHIO RIVER OPEN CHANNEL WORK, KY, IL, IN, OH, PA & WV.	5,447,000	5,447,000
(FC)	PAINTSVILLE LAKE, KY	920,000	920,000
(N)	PROJECT CONDITION SURVEYS, KY	4,000	4,000
(FC)	ROUGH RIVER LAKE, KY	1,531,000	1,531,000
(FC)	TAYLORSVILLE LAKE, KY	1,056,000	1,056,000
(MP)	WOLF CREEK DAM, LAKE CUMBERLAND, KY	3,927,000	4,677,000
(FC)	YATESVILLE LAKE, KY	1,090,000	1,090,000
	LOUISIANA		
(N)	ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF AND BLACK, L	7,681,000	7,681,000
(N)	BARATARIA BAY WATERWAY, LA	1,450,000	1,450,000
(FC)	BAYOU BODCAU RESERVOIR, LA	481,000	481,000
(N)	BAYOU LAFOURCHE AND LAFOURCHE JUMP WATERWAY, LA	5,000	5,000
(FC)	BAYOU PIERRE, LA	25,000	25,000
(N)	BAYOU TECHE AND VERMILION RIVER, LA	50,000	50,000
(N)	BAYOU TECHE, LA	140,000	2,750,000
(FC)	CADDO LAKE, LA	114,000	114,000
(N)	CALCASIEU RIVER AND PASS, LA	6,980,000	7,000,000
(N)	FRESHWATER BAYOU, LA	2,960,000	2,960,000
(N)	GULF INTRACOASTAL WATERWAY, LA & TX	19,561,000	21,000,000
(N)	HOUMA NAVIGATION CANAL, LA	841,000	841,000
(FC)	INSPECTION OF COMPLETED WORKS, LA	423,000	423,000
(N)	LAKE PROVIDENCE HARBOR, LA	368,000	368,000
(N)	MADISON PARISH PORT, LA	43,000	43,000
(N)	MERMENTAU RIVER, LA	2,808,000	2,808,000
(N)	MISSISSIPPI RIVER OUTLETS AT VENICE, LA	1,095,000	1,095,000
(N)	MISSISSIPPI RIVER, BATON ROUGE TO THE GULF OF MEXICO,.	46,220,000	46,220,000
(N)	MISSISSIPPI RIVER, GULF OUTLET, LA	11,580,000	13,000,000
(N)	PROJECT CONDITION SURVEYS, LA	80,000	80,000
(N)	RED RIVER WATERWAY, MISSISSIPPI RIVER TO SHREVEPORT, L	8,337,000	9,837,000
	REMOVAL OF AQUATIC GROWTH, LA	1,960,000	1,960,000
	TCHEFUNCTE RIVER AND BOGUE FALAYA RIVER, LA	---	250,000
(FC)	WALLACE LAKE, LA	184,000	184,000
(N)	WATERWAY FROM EMPIRE TO THE GULF, LA	5,000	5,000
(N)	WATERWAY FROM INTRACOASTAL WATERWAY TO B DULAC, LA	165,000	165,000

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	MAINE		
(FC)	INSPECTION OF COMPLETED WORKS, ME	15,000	15,000
(N)	KENNEBEC RIVER, ME	301,000	301,000
(N)	PORTLAND HARBOR, ME	400,000	4,500,000
(N)	PROJECT CONDITION SURVEYS, ME	1,596,000	1,596,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ME	17,000	17,000
	MARYLAND		
(N)	BALTIMORE HARBOR (DRIFT REMOVAL), MD	440,000	440,000
(N)	BALTIMORE HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS),	570,000	570,000
(N)	BALTIMORE HARBOR AND CHANNELS (50 FOOT), MD	14,558,000	14,558,000
(N)	CHESTER RIVER, MD	335,000	335,000
(FC)	CUMBERLAND, MD AND RIDGELEY, WV	105,000	105,000
(FC)	INSPECTION OF COMPLETED WORKS, MD	32,000	32,000
(FC)	JENNINGS RANDOLPH LAKE, MD & WV	1,492,000	1,492,000
(N)	KNAPPS NARROWS, MD	70,000	70,000
(N)	NANTICOKE RIVER NORTHWEST FORK, MD	75,000	75,000
	NORTHEAST RIVER, MD	---	450,000
(N)	OCEAN CITY HARBOR AND INLET AND SINEPUXENT BAY, MD	330,000	330,000
(N)	PROJECT CONDITION SURVEYS, MD	306,000	306,000
(N)	ROCK HALL HARBOR, MD	260,000	260,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, MD	83,000	83,000
	SHALLOW CREEK, MD	---	250,000
(N)	TWITCH COVE AND BIG THOROFARE RIVER, MD	575,000	575,000
(N)	WICOMICO RIVER, MD	305,000	305,000
	MASSACHUSETTS		
	AUNT LYDIA'S COVE, MA	---	750,000
(FC)	BARRE FALLS DAM, MA	409,000	409,000
(FC)	BIRCH HILL DAM, MA	695,000	695,000
(N)	BOSTON HARBOR, MA	7,000,000	7,000,000
(FC)	BUFFUMVILLE LAKE, MA	367,000	367,000
(N)	CAPE COD CANAL, MA	8,416,000	8,416,000
(FC)	CHARLES RIVER NATURAL VALLEY STORAGE AREA, MA	232,000	232,000
(FC)	CONANT BROOK LAKE, MA	133,000	133,000
(FC)	EAST BRIMFIELD LAKE, MA	273,000	273,000
(FC)	HODGES VILLAGE DAM, MA	349,000	349,000
(FC)	INSPECTION OF COMPLETED WORKS, MA	72,000	72,000
(FC)	KNIGHTVILLE DAM, MA	381,000	381,000
(FC)	LITTLEVILLE LAKE, MA	526,000	526,000
(FC)	NEW BEDFORD FAIRHAVEN AND ACUSHNET HURRICANE BARRIER,	329,000	329,000
(N)	NEWBURYPORT HARBOR, MA	594,000	594,000
(N)	PROJECT CONDITION SURVEYS, MA	873,000	873,000
(FC)	TULLY LAKE, MA	401,000	401,000
(FC)	WEST HILL DAM, MA	633,000	633,000
(FC)	WESTVILLE LAKE, MA	333,000	333,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MICHIGAN		
(N)	CHANNELS IN LAKE ST CLAIR, MI	110,000	110,000
(N)	CHARLEVOIX HARBOR, MI	194,000	194,000
(N)	DETROIT RIVER, MI	2,392,000	2,392,000
(N)	FRANKFORT HARBOR, MI	49,000	49,000
(N)	GRAND HAVEN HARBOR, MI	704,000	704,000
(N)	HOLLAND HARBOR, MI	497,000	497,000
(FC)	INSPECTION OF COMPLETED WORKS, MI	205,000	205,000
(N)	KEWEENAW WATERWAY, MI	286,000	286,000
(N)	LELAND HARBOR, MI	154,000	154,000
(N)	LEXINGTON HARBOR, MI	259,000	259,000
(N)	LUDINGTON HARBOR, MI	1,641,000	1,641,000
(N)	MANISTEE HARBOR, MI	421,000	421,000
(N)	MARQUETTE HARBOR, MI	247,000	247,000
(N)	MENOMINEE HARBOR, MI & WI	4,000	4,000
(N)	MONROE HARBOR, MI	622,000	622,000
(N)	MUSKEGON HARBOR, MI	881,000	881,000
(N)	ONTONAGON HARBOR, MI	724,000	724,000
	PENTWATER HARBOR, MI	---	1,900,000
(N)	PROJECT CONDITION SURVEYS, MI	367,000	367,000
(N)	ROUGE RIVER, MI	416,000	416,000
(N)	SAGINAW RIVER, MI	1,275,000	1,275,000
(N)	SAUGATUCK HARBOR, MI	2,003,000	2,003,000
(FC)	SEBEWAING RIVER (ICE JAM REMOVAL), MI	10,000	10,000
(N)	ST CLAIR RIVER, MI	571,000	571,000
(N)	ST JOSEPH HARBOR, MI	1,422,000	1,422,000
(MP)	ST MARYS RIVER, MI	20,720,000	20,720,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MI	3,192,000	3,192,000
(N)	WHITE LAKE HARBOR, MI	1,874,000	1,874,000
	MINNESOTA		
	ALTERNATIVE TECHNOLOGY PROJECT, DULUTH, MN	---	500,000
(FC)	BIGSTONE LAKE WHETSTONE RIVER, MN & SD	566,000	566,000
(N)	DULUTH - SUPERIOR HARBOR, MN & WI	4,085,000	4,085,000
(FC)	INSPECTION OF COMPLETED WORKS, MN	97,000	97,000
(FC)	LAC QUI PARLE LAKES, MINNESOTA RIVER, MN	490,000	490,000
(N)	MINNESOTA RIVER, MN	155,000	155,000
(FC)	ORWELL LAKE, MN	797,000	797,000
(N)	PROJECT CONDITION SURVEYS, MN	17,000	17,000
(FC)	RED LAKE RESERVOIR, MN	444,000	444,000
(N)	RESERVOIRS AT HEADWATERS OF MISSISSIPPI RIVER, MN	3,699,000	3,699,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MN	31,000	31,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
	MISSISSIPPI		
(N)	BILOXI HARBOR, MS	10,000	10,000
(N)	CLAIBORNE COUNTY PORT, MS	8,000	8,000
(FC)	EAST FORK, TOMBIGBEE RIVER, MS	120,000	120,000
(N)	GULFPORT HARBOR, MS	2,200,000	2,200,000
(FC)	INSPECTION OF COMPLETED WORKS, MS	114,000	114,000
(N)	MOUTH OF YAZOO RIVER, MS	101,000	101,000
(FC)	OKATIBBEE LAKE, MS	1,700,000	1,700,000
(N)	PASCAGOULA HARBOR, MS	2,900,000	2,900,000
(N)	PEARL RIVER, MS & LA	263,000	263,000
(N)	PROJECT CONDITION SURVEYS, MS	4,000	4,000
(N)	ROSEDALE HARBOR, MS	415,000	415,000
(N)	YAZOO RIVER, MS	15,000	15,000
	MISSOURI		
(N)	CARUTHERSVILLE HARBOR, MO	159,000	159,000
(MP)	CLARENCE CANNON DAM AND MARK TWAIN LAKE, MO	4,445,000	4,445,000
(FC)	CLEARWATER LAKE, MO	2,067,000	2,067,000
(MP)	HARRY S TRUMAN DAM AND RESERVOIR, MO	7,444,000	7,444,000
(FC)	INSPECTION OF COMPLETED WORKS, MO	377,000	377,000
(FC)	LITTLE BLUE RIVER LAKES, MO	777,000	777,000
(FC)	LONG BRANCH LAKE, MO	814,000	814,000
(N)	MISS RIVER BTWN THE OHIO AND MO RIVERS (REG WORKS), MO	13,908,000	13,908,000
(N)	NEW MADRID HARBOR, MO	206,000	206,000
(FC)	POMME DE TERRE LAKE, MO	1,789,000	1,789,000
(N)	PROJECT CONDITION SURVEYS, MO	5,000	5,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, MO	50,000	50,000
(FC)	SMITHVILLE LAKE, MO	1,049,000	1,049,000
(N)	SOUTHEAST MISSOURI PORT, MISSISSIPPI RIVER, MO	280,000	280,000
(MP)	STOCKTON LAKE, MO	3,560,000	3,560,000
(MP)	TABLE ROCK LAKE, MO	5,051,000	5,051,000
(FC)	WAPPAPELLO LAKE, MO	20,000	20,000
	MONTANA		
(MP)	FT PECK DAM AND LAKE, MT	4,671,000	4,671,000
(FC)	INSPECTION OF COMPLETED WORKS, MT	23,000	23,000
(MP)	LIBBY DAM, LAKE KOOCANUSA, MT	1,570,000	1,570,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, MT	67,000	67,000
	NEBRASKA		
(MP)	GAVINS POINT DAM, LEWIS AND CLARK LAKE, NE & SD	7,138,000	7,138,000
(FC)	HARLAN COUNTY LAKE, NE	1,679,000	1,679,000
(FC)	INSPECTION OF COMPLETED WORKS, NE	170,000	170,000
	MISSOURI NATIONAL RECREATIONAL RIVER, NE	---	350,000
(MP)	MISSOURI R MASTER WTR CONTROL MANUAL, NE, IA, KS, MO	1,900,000	1,900,000
(MP)	MISSOURI RIVER BASIN COLLABORATIVE WATER PLANNING, NE	200,000	200,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	PAPILLION CREEK & TRIBUTARIES LAKES, NE	597,000	597,000
(FC)	SALT CREEK AND TRIBUTARIES, NE	786,000	786,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, NE	113,000	113,000
	NEVADA		
(FC)	INSPECTION OF COMPLETED WORKS, NV	36,000	36,000
(FC)	MARTIS CREEK LAKE, NV & CA	588,000	588,000
(FC)	PINE AND MATHEWS CANYONS LAKES, NV	284,000	284,000
	NEW HAMPSHIRE		
(FC)	BLACKWATER DAM, NH	410,000	410,000
	COCHECHO RIVER, NH	---	1,000,000
(FC)	EDWARD MACDOWELL LAKE, NH	522,000	522,000
(FC)	FRANKLIN FALLS DAM, NH	591,000	591,000
(FC)	HOPKINTON - EVERETT LAKES, NH	964,000	964,000
(FC)	INSPECTION OF COMPLETED WORKS, NH	10,000	10,000
(FC)	OTTER BROOK LAKE, NH	493,000	493,000
(N)	PROJECT CONDITION SURVEYS, NH	126,000	126,000
(FC)	SURRY MOUNTAIN LAKE, NH	485,000	485,000
	NEW JERSEY		
(N)	BARNEGAT INLET, NJ	1,050,000	1,050,000
(N)	COLD SPRING INLET, NJ	390,000	390,000
(N)	DELAWARE RIVER AT CAMDEN, NJ	305,000	305,000
(N)	DELAWARE RIVER, PHILADELPHIA TO THE SEA, NJ, PA & DE	16,650,000	17,400,000
(N)	DELAWARE RIVER, PHILADELPHIA, PA TO TRENTON, NJ	1,000,000	1,000,000
(FC)	INSPECTION OF COMPLETED WORKS, NJ	429,000	429,000
(N)	NEW JERSEY INTRACOASTAL WATERWAY, NJ	2,195,000	2,195,000
(N)	NEWARK BAY, HACKENSACK AND PASSAIC RIVERS, NJ	590,000	590,000
(N)	PROJECT CONDITION SURVEYS, NJ	805,000	805,000
	NEW MEXICO		
(FC)	ABIQUIU DAM, NM	1,287,000	1,287,000
(FC)	COCHITI LAKE, NM	1,944,000	1,944,000
(FC)	CONCHAS LAKE, NM	1,293,000	1,293,000
(FC)	GALISTEO DAM, NM	277,000	277,000
(FC)	INSPECTION OF COMPLETED WORKS, NM	83,000	83,000
(FC)	JEMEZ CANYON DAM, NM	339,000	339,000
(FC)	SANTA ROSA DAM AND LAKE, NM	969,000	969,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, NM	124,000	124,000
(FC)	TWO RIVERS DAM, NM	337,000	337,000
	UPPER RIO GRANDE WATER OPERATIONS MODEL	---	850,000
	NEW YORK		
(FC)	ALMOND LAKE, NY	449,000	449,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	ARKPORT DAM, NY	227,000	227,000
(N)	BAY RIDGE AND RED HOOK CHANNELS, NY	75,000	75,000
(N)	BLACK ROCK CHANNEL AND TONAWANDA HARBOR, NY	4,057,000	4,057,000
(N)	BRONX RIVER, NY	700,000	700,000
(N)	BUFFALO HARBOR, NY	1,027,000	1,027,000
(N)	BUTTERMILK CHANNEL, NY	730,000	730,000
(N)	DUNKIRK HARBOR, NY	434,000	434,000
(N)	EAST ROCKAWAY INLET, NY	2,000,000	2,000,000
(FC)	EAST SIDNEY LAKE, NY	384,000	384,000
(N)	EASTCHESTER CREEK, NY	900,000	900,000
(N)	FIRE ISLAND INLET TO JONES INLET, NY	1,650,000	1,650,000
(N)	FLUSHING BAY AND CREEK, NY	75,000	75,000
(N)	HUDSON RIVER, NY	2,380,000	2,380,000
(FC)	INSPECTION OF COMPLETED WORKS, NY	543,000	543,000
(N)	JAMAICA BAY, NY	1,000,000	1,000,000
	MAMARONECK HARBOR, NY	---	1,500,000
(FC)	MT MORRIS LAKE, NY	1,340,000	1,340,000
(N)	NEW YORK AND NEW JERSEY CHANNELS, NY	760,000	760,000
(N)	NEW YORK HARBOR (DRIFT REMOVAL), NY & NJ	4,930,000	4,930,000
(N)	NEW YORK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS)	740,000	740,000
(N)	NEW YORK HARBOR, NY	3,310,000	3,310,000
(N)	OSWEGO HARBOR, NY	345,000	345,000
(N)	PROJECT CONDITION SURVEYS, NY	1,710,000	1,710,000
(N)	ROCHESTER HARBOR, NY	680,000	680,000
(FC)	SOUTHERN NEW YORK FLOOD CONTROL PROJECTS, NY	715,000	715,000
(N)	STURGEON POINT HARBOR, NY	15,000	15,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, NY	538,000	538,000
(N)	WESTCHESTER CREEK, NY	700,000	700,000
(FC)	WHITNEY POINT LAKE, NY	517,000	517,000
	NORTH CAROLINA		
	AVON HARBOR, NC	---	1,000,000
(N)	ATLANTIC INTRACOASTAL WATERWAY, NC	5,454,000	5,454,000
(FC)	B EVERETT JORDAN DAM AND LAKE, NC	1,119,000	1,119,000
(N)	BEAUFORT HARBOR, NC	350,000	350,000
(N)	BOGUE INLET AND CHANNEL, NC	490,000	490,000
(N)	CAPE FEAR RIVER ABOVE WILMINGTON, NC	667,000	667,000
(N)	CAROLINA BEACH INLET, NC	700,000	700,000
(FC)	FALLS LAKE, NC	842,000	842,000
(FC)	INSPECTION OF COMPLETED WORKS, NC	22,000	22,000
(N)	LOCKWOODS FOLLY RIVER, NC	503,000	503,000
(N)	MANTEO (SHALLOWBAG) BAY, NC	4,865,000	4,865,000
(N)	MOREHEAD CITY HARBOR, NC	3,885,000	3,885,000
(N)	NEW RIVER INLET, NC	800,000	800,000
(N)	NEW TOPSAIL INLET AND CONNECTING CHANNELS, NC	575,000	575,000
(N)	PAMLICO AND TAR RIVERS, NC	75,000	75,000
(N)	PROJECT CONDITION SURVEYS, NC	59,000	59,000
(N)	ROANOKE RIVER, NC	75,000	75,000
(FC)	W KERR SCOTT DAM AND RESERVOIR, NC	1,472,000	1,472,000

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	WILMINGTON HARBOR, NC	5,700,000	5,700,000
	NORTH DAKOTA		
(FC)	BOWMAN - HALEY LAKE, ND	179,000	179,000
(MP)	GARRISON DAM, LAKE SAKAKAWEA, ND	9,471,000	9,546,000
(FC)	HOMME LAKE, ND	177,000	177,000
(FC)	INSPECTION OF COMPLETED WORKS, ND	105,000	105,000
(FC)	LAKE ASHTABULA AND BALDHILL DAM, ND	1,206,000	1,206,000
(FC)	PIPESTEM LAKE, ND	409,000	409,000
(FC)	SOURIS RIVER, ND	276,000	276,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, ND	31,000	31,000
	OHIO		
(FC)	ALUM CREEK LAKE, OH	628,000	628,000
(N)	ASHTABULA HARBOR, OH	1,420,000	1,420,000
(FC)	BERLIN LAKE, OH	3,189,000	3,189,000
(FC)	CAESAR CREEK LAKE, OH	1,060,000	1,060,000
(FC)	CLARENCE J BROWN DAM, OH	724,000	724,000
(N)	CLEVELAND HARBOR, OH	6,456,000	6,456,000
(N)	CONNEAUT HARBOR, OH	325,000	325,000
(FC)	DEER CREEK LAKE, OH	720,000	720,000
(FC)	DELAWARE LAKE, OH	680,000	680,000
(FC)	DILLON LAKE, OH	768,000	768,000
(N)	FAIRPORT HARBOR, OH	385,000	385,000
(N)	HURON HARBOR, OH	1,000,000	1,000,000
(FC)	INSPECTION OF COMPLETED WORKS, OH	217,000	217,000
(N)	LORAIN HARBOR, OH	530,000	530,000
	MAHONING RIVER, OH AND PA	---	250,000
(FC)	MASSILLON LOCAL PROTECTION PROJECT, OH	25,000	25,000
(FC)	MICHAEL J KIRWAN DAM AND RESERVOIR, OH	1,032,000	1,032,000
(FC)	MOSQUITO CREEK LAKE, OH	1,234,000	1,234,000
(FC)	MUSKINGUM RIVER LAKES, OH	6,186,000	6,186,000
(FC)	NORTH BRANCH KOKOSING RIVER LAKE, OH	319,000	319,000
(FC)	PAINT CREEK LAKE, OH	595,000	595,000
(N)	PROJECT CONDITION SURVEYS, OH	75,000	75,000
	ROCKY RIVER, OH	---	750,000
(FC)	ROSEVILLE LOCAL PROTECTION PROJECT, OH	30,000	30,000
(N)	SANDUSKY HARBOR, OH	935,000	935,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, OH	166,000	166,000
(N)	TOLEDO HARBOR, OH	3,385,000	3,385,000
(FC)	TOM JENKINS DAM, OH	251,000	251,000
(FC)	WEST FORK OF MILL CREEK LAKE, OH	543,000	543,000
(FC)	WILLIAM H HARSHA LAKE, OH	818,000	818,000
	OKLAHOMA		
(FC)	ARCADIA LAKE, OK	347,000	347,000
(FC)	BIRCH LAKE, OK	635,000	635,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	BROKEN BOW LAKE, OK	1,350,000	1,350,000
(FC)	CANDY LAKE, OK	18,000	18,000
(FC)	CANTON LAKE, OK	1,509,000	1,509,000
(FC)	COPAN LAKE, OK	618,000	618,000
(MP)	EUFAULA LAKE, OK	4,074,000	4,074,000
(MP)	FORT GIBSON LAKE, OK	3,647,000	3,647,000
(FC)	FORT SUPPLY LAKE, OK	696,000	696,000
(FC)	GREAT SALT PLAINS LAKE, OK	240,000	240,000
(FC)	HEYBURN LAKE, OK	651,000	651,000
(FC)	HUGO LAKE, OK	1,285,000	1,285,000
(FC)	HULAH LAKE, OK	433,000	433,000
(FC)	INSPECTION OF COMPLETED WORKS, OK	75,000	75,000
(FC)	KAW LAKE, OK	1,446,000	1,446,000
(MP)	KEYSTONE LAKE, OK	3,367,000	3,367,000
(FC)	OOLOGAH LAKE, OK	1,915,000	1,915,000
(FC)	OPTIMA LAKE, OK	54,000	54,000
(FC)	PENSACOLA RESERVOIR, LAKE OF THE CHEROKEES, OK	36,000	36,000
(FC)	PINE CREEK LAKE, OK	1,112,000	1,112,000
(MP)	ROBERT S KERR LOCK AND DAM AND RESERVOIRS, OK	3,695,000	3,695,000
(FC)	SARDIS LAKE, OK	908,000	908,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, OK	344,000	344,000
(FC)	SKIATOOK LAKE, OK	869,000	869,000
(MP)	TENKILLER FERRY LAKE, OK	3,296,000	3,296,000
(FC)	WAURIKA LAKE, OK	1,393,000	1,393,000
(MP)	WEBBERS FALLS LOCK AND DAM, OK	3,795,000	3,795,000
(FC)	WISTER LAKE, OK	1,201,000	1,201,000
	OREGON		
(FC)	APPLEGATE LAKE, OR	740,000	740,000
(FC)	BLUE RIVER LAKE, OR	233,000	233,000
(MP)	BONNEVILLE LOCK AND DAM, OR & WA	5,111,000	5,111,000
(N)	CHETCO RIVER, OR	383,000	383,000
(N)	COLUMBIA & LWR WILLAMETTE R BLW VANCOUVER, WA & PORTLA	12,122,000	12,122,000
	COLUMBIA AND LOWER WILLAMETTE RIVERS BELOW VANCOUVER, WA AND PORTLAND, ASTORIA BOAT BASIN NORTH BREAKWATER	---	4,000,000
(N)	COLUMBIA RIVER AT THE MOUTH, OR & WA	6,960,000	6,960,000
(N)	COLUMBIA RIVER BETWEEN VANCOUVER, WA AND THE DALLES, O	391,000	391,000
(N)	COOS BAY, OR	4,601,000	4,601,000
(N)	COQUILLE RIVER, OR	421,000	421,000
(FC)	COTTAGE GROVE LAKE, OR	751,000	751,000
(MP)	COUGAR LAKE, OR	855,000	855,000
(N)	DEPOE BAY, OR	9,000	9,000
(MP)	DETROIT LAKE, OR	951,000	951,000
(FC)	DORENA LAKE, OR	399,000	399,000
(FC)	FALL CREEK LAKE, OR	523,000	523,000
(FC)	FERN RIDGE LAKE, OR	905,000	905,000
(MP)	GREEN PETER - FOSTER LAKES, OR	1,245,000	1,245,000
(MP)	HILLS CREEK LAKE, OR	422,000	422,000
(FC)	INSPECTION OF COMPLETED WORKS, OR	180,000	180,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(MP)	JOHN DAY LOCK AND DAM, OR & WA	3,936,000	3,936,000
(MP)	LOOKOUT POINT LAKE, OR	1,941,000	1,941,000
(MP)	LOST CREEK LAKE, OR	2,889,000	2,889,000
(MP)	MCNARY LOCK AND DAM, OR & WA	3,304,000	3,304,000
(N)	PORT ORFORD, OR	502,000	502,000
(N)	PROJECT CONDITION SURVEYS, OR	135,000	135,000
(N)	ROGUE RIVER, OR	1,056,000	1,056,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, OR	120,000	120,000
(N)	SIUSLAW RIVER, OR	878,000	878,000
(N)	SKIPANON CHANNEL, OR	175,000	175,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, OR	7,000	7,000
(N)	TILLAMOOK BAY AND BAR, OR	13,000	13,000
(N)	UMPQUA RIVER, OR	1,294,000	1,294,000
(N)	WILLAMETTE RIVER AT WILLAMETTE FALLS, OR	497,000	497,000
(FC)	WILLAMETTE RIVER BANK PROTECTION, OR	499,000	499,000
(FC)	WILLOW CREEK LAKE, OR	590,000	590,000
(N)	YAQUINA BAY AND HARBOR, OR	2,891,000	3,960,000
	PENNSYLVANIA		
(N)	ALLEGHENY RIVER, PA	6,791,000	8,291,000
(FC)	ALVIN R BUSH DAM, PA	659,000	659,000
(FC)	AYLESWORTH CREEK LAKE, PA	223,000	223,000
(FC)	BELTZVILLE LAKE, PA	916,000	916,000
(FC)	BLUE MARSH LAKE, PA	2,236,000	2,236,000
(FC)	CONEMAUGH RIVER LAKE, PA	1,149,000	1,149,000
(FC)	COWANESQUE LAKE, PA	1,512,000	1,512,000
(FC)	CROOKED CREEK LAKE, PA	1,648,000	1,648,000
(FC)	CURWENSVILLE LAKE, PA	672,000	804,000
(FC)	EAST BRANCH CLARION RIVER LAKE, PA	916,000	916,000
(N)	ERIE HARBOR, PA	15,000	15,000
(FC)	FOSTER JOSEPH SAYERS DAM, PA	723,000	723,000
(FC)	FRANCIS E WALTER DAM, PA	688,000	688,000
(FC)	GENERAL EDGAR JADWIN DAM AND RESERVOIR, PA	271,000	271,000
(FC)	INSPECTION OF COMPLETED WORKS, PA	215,000	215,000
(FC)	JOHNSTOWN, PA	288,000	1,388,000
(FC)	KINZUA DAM AND ALLEGHENY RESERVOIR, PA	1,423,000	1,423,000
(FC)	LOYALHANNA LAKE, PA	1,121,000	1,121,000
(FC)	MAHONING CREEK LAKE, PA	1,930,000	1,930,000
(N)	MONONGAHELA RIVER, PA	14,438,000	14,438,000
(N)	PROJECT CONDITION SURVEYS, PA	15,000	15,000
(FC)	PROMPTON LAKE, PA	408,000	408,000
(FC)	PUNXSUTAWNEY, PA	14,000	14,000
(FC)	RAYSTOWN LAKE, PA	3,084,000	4,690,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, PA	56,000	56,000
(N)	SCHUYLKILL RIVER, PA	50,000	50,000
(FC)	SHENANGO RIVER LAKE, PA	2,167,000	2,167,000
(FC)	STILLWATER LAKE, PA	333,000	333,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, PA	66,000	66,000
(FC)	TIOGA - HAMMOND LAKES, PA	1,917,000	1,917,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	TIONESTA LAKE, PA	1,437,000	1,437,000
(FC)	UNION CITY LAKE, PA	284,000	284,000
(FC)	WOODCOCK CREEK LAKE, PA	798,000	798,000
(FC)	YORK INDIAN ROCK DAM, PA	566,000	566,000
(FC)	YOUGHIOGHENY RIVER LAKE, PA & MD	1,795,000	1,795,000
	RHODE ISLAND		
(FC)	INSPECTION OF COMPLETED WORKS, RI	5,000	5,000
(N)	PROJECT CONDITION SURVEYS, RI	527,000	527,000
(N)	PROVIDENCE RIVER AND HARBOR, RI	1,143,000	1,143,000
	SOUTH CAROLINA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, SC	3,325,000	3,425,000
(N)	CHARLESTON HARBOR, SC	4,716,000	5,616,000
(N)	COOPER RIVER, CHARLESTON HARBOR, SC	3,211,000	3,211,000
(N)	FOLLY RIVER, SC	230,000	430,000
(N)	GEORGETOWN HARBOR, SC	2,414,000	2,414,000
(FC)	INSPECTION OF COMPLETED WORKS, SC	24,000	24,000
	LITTLE RIVER INLET, SC & NC	---	40,000
	MURRELLS INLET, SC	---	42,000
	PORT ROYAL, SC	---	100,000
(N)	PROJECT CONDITION SURVEYS, SC	40,000	40,000
(N)	SHIPYARD RIVER, SC	270,000	270,000
(N)	TOWN CREEK, SC	340,000	340,000
	SOUTH DAKOTA		
(MP)	BIG BEND DAM, LAKE SHARPE, SD	6,476,000	6,576,000
(FC)	COLD BROOK LAKE, SD	204,000	204,000
(FC)	COTTONWOOD SPRINGS LAKE, SD	184,000	184,000
(MP)	FORT RANDALL DAM, LAKE FRANCIS CASE, SD	7,417,000	7,567,000
(FC)	INSPECTION OF COMPLETED WORKS, SD	14,000	14,000
(FC)	LAKE TRAVERSE, SD & MN	1,440,000	1,440,000
(MP)	MISSOURI R BETWEEN FORT PECK DAM AND GAVINS PT, SD, MT	3,000,000	3,000,000
(MP)	OAHE DAM, LAKE OAHE, SD & ND	8,467,000	9,217,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, SD	70,000	70,000
	TENNESSEE		
(MP)	CENTER HILL LAKE, TN	5,635,000	5,635,000
(MP)	CHEATHAM LOCK AND DAM, TN	4,826,000	4,826,000
(MP)	CORDELL HULL DAM AND RESERVOIR, TN	4,554,000	4,554,000
(MP)	DALE HOLLOW LAKE, TN	3,810,000	3,810,000
(FC)	INSPECTION OF COMPLETED WORKS, TN	18,000	18,000
(MP)	J PERCY PRIEST DAM AND RESERVOIR, TN	3,571,000	3,571,000
(MP)	OLD HICKORY LOCK AND DAM, TN	5,925,000	5,925,000
(N)	PROJECT CONDITION SURVEYS, TN	5,000	5,000
(N)	TENNESSEE RIVER, TN	12,886,000	12,886,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	WOLF RIVER HARBOR, TN	285,000	285,000
	TEXAS		
(FC)	AQUILLA LAKE, TX	585,000	585,000
(FC)	ARKANSAS - RED RIVER BASINS CHLORIDE CONTROL - AREA VI	1,090,000	1,090,000
(N)	BARBOUR TERMINAL CHANNEL, TX	909,000	909,000
(FC)	BARDWELL LAKE, TX	1,465,000	1,465,000
(N)	BAYPORT SHIP CHANNEL, TX	1,170,000	1,170,000
(FC)	BELTON LAKE, TX	2,835,000	2,835,000
(FC)	BENBROOK LAKE, TX	2,080,000	2,080,000
(N)	BRAZOS ISLAND HARBOR, TX	1,400,000	1,400,000
(FC)	BUFFALO BAYOU AND TRIBUTARIES, TX	2,175,000	2,175,000
(FC)	CANYON LAKE, TX	2,516,000	2,516,000
	CHANNEL TO LIBERTY, TX	---	600,000
(N)	CHANNEL TO PORT MANSFIELD, TX	1,790,000	1,790,000
(N)	CORPUS CHRISTI SHIP CHANNEL, TX	6,845,000	6,845,000
	CORPUS CHRISTI SHIP CHANNEL (RINCON CANAL), TX	---	275,000
(MP)	DENISON DAM, LAKE TEXOMA, TX	5,895,000	5,895,000
(FC)	ESTELLINE SPRINGS EXPERIMENTAL PROJECT, TX	14,000	14,000
(FC)	FERRELLS BRIDGE DAM, LAKE O' THE PINES, TX	2,584,000	2,584,000
(N)	FREEPORT HARBOR, TX	4,050,000	4,050,000
(N)	GALVESTON HARBOR AND CHANNEL, TX	1,755,000	1,755,000
(N)	GIWW, CHANNEL TO VICTORIA, TX	1,160,000	1,160,000
(N)	GIWW, CHOCOLATE BAYOU, TX	100,000	100,000
(FC)	GRANGER DAM AND LAKE, TX	1,578,000	1,578,000
(FC)	GRAPEVINE LAKE, TX	2,388,000	2,388,000
(N)	GREENS BAYOU CHANNEL, TX	660,000	660,000
(N)	GULF INTRACOASTAL WATERWAY, TX	18,381,000	18,381,000
(FC)	HORDS CREEK LAKE, TX	1,378,000	1,378,000
(N)	HOUSTON SHIP CHANNEL, TX	7,930,000	7,930,000
(FC)	INSPECTION OF COMPLETED WORKS, TX	355,000	355,000
(FC)	JIM CHAPMAN LAKE, TX	3,302,000	3,302,000
(FC)	JOE POOL LAKE, TX	863,000	863,000
(FC)	LAKE KEMP, TX	208,000	208,000
(FC)	LAVON LAKE, TX	3,851,000	3,851,000
(FC)	LEWISVILLE DAM, TX	3,170,000	3,170,000
(N)	MATAGORDA SHIP CHANNEL, TX	110,000	110,000
(N)	MOUTH OF THE COLORADO RIVER, TX	1,770,000	1,770,000
(FC)	NAVARRO MILLS LAKE, TX	1,554,000	1,554,000
(FC)	NORTH SAN GABRIEL DAM AND LAKE GEORGETOWN, TX	1,817,000	1,817,000
(FC)	O C FISHER DAM AND LAKE, TX	893,000	893,000
(FC)	PAT MAYSE LAKE, TX	928,000	928,000
(FC)	PROCTOR LAKE, TX	1,711,000	1,711,000
(N)	PROJECT CONDITION SURVEYS, TX	50,000	50,000
(FC)	RAY ROBERTS LAKE, TX	777,000	777,000
(N)	SABINE - NECHES WATERWAY, TX	7,200,000	7,200,000
(MP)	SAM RAYBURN DAM AND RESERVOIR, TX	4,346,000	4,346,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, TX	222,000	222,000
(FC)	SOMERVILLE LAKE, TX	3,033,000	3,033,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	STILLHOUSE HOLLOW DAM, TX	1,888,000	1,888,000
(MP)	TOWN BLUFF DAM, B A STEINHAGEN LAKE, TX	1,612,000	1,612,000
(FC)	WACO LAKE, TX	2,299,000	2,299,000
(FC)	WALLISVILLE LAKE, TX	780,000	780,000
(MP)	WHITNEY LAKE, TX	3,815,000	3,815,000
(FC)	WRIGHT PATMAN DAM AND LAKE, TX	2,605,000	2,605,000
	UTAH		
(FC)	INSPECTION OF COMPLETED WORKS, UT	55,000	55,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, UT	496,000	496,000
	VERMONT		
(FC)	BALL MOUNTAIN LAKE, VT	731,000	731,000
	BURLINGTON HARBOR BREAKWATER, VT	---	875,000
(FC)	INSPECTION OF COMPLETED WORKS, VT	28,000	28,000
(N)	NARROWS OF LAKE CHAMPLAIN, VT & NY	536,000	536,000
(FC)	NORTH HARTLAND LAKE, VT	586,000	586,000
(FC)	NORTH SPRINGFIELD LAKE, VT	680,000	680,000
(FC)	TOWNSHEND LAKE, VT	547,000	547,000
(FC)	UNION VILLAGE DAM, VT	602,000	602,000
	VIRGINIA		
(N)	ATLANTIC INTRACOASTAL WATERWAY, VA	2,300,000	2,300,000
(N)	CHANNEL TO NEWPORT NEWS, VA	45,000	45,000
(N)	CHINCOTEAGUE INLET, VA	800,000	800,000
(FC)	GATHRIGHT DAM AND LAKE MOOMAW, VA	1,602,000	1,602,000
(N)	HAMPTON RDS, NORFOLK & NEWPORT NEWS HBR, VA (DRIFT REM	912,000	912,000
(FC)	INSPECTION OF COMPLETED WORKS, VA	84,000	84,000
(N)	JAMES RIVER CHANNEL, VA	3,333,000	4,100,000
(MP)	JOHN H KERR LAKE, VA & NC	7,950,000	7,950,000
(FC)	JOHN W FLANNAGAN DAM AND RESERVOIR, VA	1,246,000	1,246,000
(N)	NORFOLK HARBOR (PREVENTION OF OBSTRUCTIVE DEPOSITS), V	280,000	280,000
(N)	NORFOLK HARBOR, VA	6,483,000	6,483,000
(FC)	NORTH FORK OF POUND RIVER LAKE, VA	333,000	333,000
(MP)	PHILPOTT LAKE, VA	2,027,000	2,027,000
(N)	POTOMAC RIVER AT ALEXANDRIA, VA	180,000	180,000
(N)	PROJECT CONDITION SURVEYS, VA	723,000	723,000
(N)	RUDEE INLET, VA	794,000	794,000
(N)	THIMBLE SHOAL CHANNEL, VA	159,000	159,000
(N)	WATERWAY ON THE COAST OF VIRGINIA, VA	1,115,000	1,115,000
	WASHINGTON		
(MP)	CHIEF JOSEPH DAM, WA	1,019,000	1,019,000
(N)	COLUMBIA RIVER AT BAKER BAY, WA & OR	3,000	3,000
(N)	COLUMBIA RIVER BETWEEN CHINOOK AND SAND ISLAND, WA	6,000	6,000
(N)	EVERETT HARBOR AND SNOHOMISH RIVER, WA	1,212,000	1,212,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(N)	GRAYS HARBOR AND CHEHALIS RIVER, WA	6,900,000	10,900,000
(FC)	HOWARD HANSON DAM, WA	1,421,000	1,421,000
(MP)	ICE HARBOR LOCK AND DAM, WA	2,269,000	2,269,000
(FC)	INSPECTION OF COMPLETED WORKS, WA	175,000	175,000
(N)	LAKE WASHINGTON SHIP CANAL, WA	7,608,000	7,608,000
(MP)	LITTLE GOOSE LOCK AND DAM, WA	1,069,000	1,069,000
(MP)	LOWER GRANITE LOCK AND DAM, WA	2,389,000	2,389,000
(MP)	LOWER MONUMENTAL LOCK AND DAM, WA	1,169,000	1,169,000
(FC)	MILL CREEK LAKE, WA	1,722,000	1,722,000
(FC)	MT ST HELENS, WA	404,000	404,000
(FC)	MUD MOUNTAIN DAM, WA	2,188,000	2,188,000
(N)	PROJECT CONDITION SURVEYS, WA	302,000	302,000
(N)	PUGET SOUND AND TRIBUTARY WATERS, WA	1,013,000	1,013,000
(N)	QUILLAYUTE RIVER, WA	1,213,000	1,213,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, WA	400,000	400,000
(N)	SEATTLE HARBOR, WA	780,000	780,000
(FC)	STILLAGUAMISH RIVER, WA	180,000	180,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, WA	58,000	58,000
(N)	SWINOMISH CHANNEL, WA	457,000	457,000
(FC)	TACOMA, PUYALLUP RIVER, WA	68,000	68,000
(MP)	THE DALLES LOCK AND DAM, WA & OR	1,929,000	1,929,000
(N)	WILLAPA RIVER AND HARBOR, WA	75,000	2,000,000
	SEATTLE HARBOR, EAST WATERWAY CHANNEL DEPENING, WA	---	1,400,000
	TRI-CITIES AREA, WASHINGTON	---	550,000
	WEST VIRGINIA		
(FC)	BEECH FORK LAKE, WV	976,000	976,000
(FC)	BLUESTONE LAKE, WV	1,021,000	1,441,000
(FC)	BURNSVILLE LAKE, WV	1,294,000	1,294,000
(FC)	EAST LYNN LAKE, WV	1,513,000	1,513,000
(N)	ELK RIVER HARBOR, WV	385,000	385,000
(FC)	ELKINS, WV	11,000	11,000
(FC)	INSPECTION OF COMPLETED WORKS, WV	103,000	103,000
(N)	KANAWHA RIVER LOCKS AND DAMS, WV	8,130,000	8,130,000
(FC)	R D BAILEY LAKE, WV	1,484,000	1,484,000
(FC)	STONEWALL JACKSON LAKE, WV	914,000	914,000
(FC)	SUMMERSVILLE LAKE, WV	1,298,000	1,298,000
(FC)	SUTTON LAKE, WV	1,470,000	1,470,000
(N)	TYGART LAKE, WV	2,235,000	2,235,000
	WISCONSIN		
(N)	ASHLAND HARBOR, WI	171,000	171,000
(FC)	EAU GALLE RIVER LAKE, WI	674,000	674,000
(N)	FOX RIVER, WI	2,360,000	3,000,000
(N)	GREEN BAY HARBOR, WI	1,212,000	1,212,000
(N)	GREEN BAY HARBOR, WI (DIKE DISPOSAL)	3,603,000	3,603,000
(FC)	INSPECTION OF COMPLETED WORKS, WI	42,000	42,000
(N)	KEWAUNEE HARBOR, WI	325,000	325,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATE	CONFERENCE
(FC)	LA FARGE LAKE, WI	51,000	51,000
(N)	MANITOWOC HARBOR, WI	274,000	274,000
(N)	MILWAUKEE HARBOR, WI	1,629,000	1,629,000
(N)	PORT WASHINGTON HARBOR, WI	201,000	201,000
(N)	PROJECT CONDITION SURVEYS, WI	8,000	8,000
(N)	SHEBOYGAN HARBOR, WI	619,000	619,000
(N)	STURGEON BAY, WI	475,000	475,000
(N)	SURVEILLANCE OF NORTHERN BOUNDARY WATERS, WI	27,000	27,000
	WYOMING		
(FC)	JACKSON HOLE LEVEES, WY	1,506,000	1,506,000
(FC)	SCHEDULING RESERVOIR OPERATIONS, WY	340,000	340,000
	MISCELLANEOUS		
	COASTAL INLET RESEARCH PROGRAM	4,000,000	2,500,000
	CULTURAL RESOURCES (NAGPRA/CURATION)	2,000,000	1,500,000
	DREDGING DATA AND LOCK PERFORMANCE MONITORING SYSTEM	1,075,000	500,000
	DREDGING OPERATIONS AND ENVIRONMENTAL RESEARCH (DOER)	8,000,000	5,000,000
	DREDGING OPERATIONS TECHNICAL SUPPORT (DOTS) PROGRAM	2,000,000	1,500,000
	EARTHQUAKE HAZARDS PROGRAM FOR BUILDINGS AND LIFELINES	2,000,000	1,900,000
	GREAT LAKES SEDIMENT TRANSPORT MODELS	---	500,000
	HARBOR MAINTENANCE FEE DATA COLLECTION	575,000	500,000
	MANAGEMENT TOOLS FOR O&M	600,000	---
	MISSISSIPPI RIVER BASIN MAIN STEM MODEL DEVELOPMENT	2,000,000	1,000,000
	MONITORING OF COASTAL NAVIGATION PROJECTS	2,000,000	1,500,000
	NATIONAL DAM SAFETY PROGRAM	40,000	20,000
	NATIONAL EMERGENCY PREPAREDNESS PROGRAMS (NEPP)	6,000,000	5,500,000
	NATIONAL RECREATION MANAGEMENT SUPPORT (NRMS) PROGRAM	1,850,000	1,000,000
	PERFORMANCE BASED BUDGETING SUPPORT PROGRAM	515,000	415,000
	PROTECT, CLEAR AND STRAIGHTEN CHANNELS (SECTION 3)	50,000	50,000
	RELIABILITY MODELS PROGRAM FOR MAJOR REHABILITATION	675,000	500,000
	REMOVAL OF SUNKEN VESSELS	500,000	500,000
	WATER OPERATIONS TECHNICAL SUPPORT (WOTS) PROGRAM	850,000	750,000
	WATERBORNE COMMERCE STATISTICS	4,400,000	4,000,000
	REDUCTION FOR ANTICIPATED SAVINGS AND SLIPPAGE	-22,918,000	-44,253,000
	TOTAL, OPERATION AND MAINTENANCE	1,603,000,000	1,653,252,000

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

The conference agreement appropriates $42,500,000 to carry out the provisions of the Central Utah Project Completion Act instead of $40,948,000 as proposed by the House and $44,948,000 as proposed by the Senate. The amount above the budget request is for Central Utah Project construction.

BUREAU OF RECLAMATION

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Bureau of Reclamation. Additional items of conference agreement are discussed below.

WATER AND RELATED RESOURCES

The conference agreement appropriates $617,045,000 for Water and Related Resources instead of $596,254,000 as proposed by the House and $671,869,000 as proposed by the Senate.

The conference agreement includes $45,990,000 for the Central Arizona Project. The conferees direct that $3,718,000 of the reduction below the budget request be distributed as described in the House report.

The conferees understand that the Department of the Interior has not responded to a request for exemption from the Reclamation Reform Act of 1982 submitted by the Harquahala Valley Irrigation District. The managers urge the Department to respond to this request as expeditiously as possible.

The conference agreement includes $4,900,000 for the American River Division of the Central Valley Project for the Placer County Water Agency permanent replacement pumping facility.

The conference agreement includes $2,250,000 for the Delta Division of the Central Valley Project for construction of the fish screen at the Contra Costa Canal intake at Rock Slough.

Of the amount provided for Miscellaneous Project Programs, Central Valley Project, $5,500,000 is for Refuge Water Supply.

The conference agreement includes $13,776,000 for resources management and development activities of the Sacramento River Division of the Central Valley Project. The conferees that the amount above the budget request be distributed as follows: an addition of $850,000 for the integrated resources management program of the Colusa Basin Drainage District; an addition of $600,000 for the Hamilton City Pumping Plant of the Glenn Colusa Irrigation District; and $400,000 for the Winter-Run Chinook Salmon Captive Broodstock Program.

The conference agreement includes $200,000 in final year funding for the Walker River Basin, Nevada, project.

The conference agreement includes $2,100,000 for the Upper Rio Grande Basin Water Management and Technical Assistance Program in New Mexico. Of this amount, $2,000,000 is for the confirmatory well drilling program described in the Senate report.

The conference agreement includes $200,000 for a feasibility study of the Curry and Roosevelt County portion of the Ute Reservoir Pipeline project.

The conference agreement includes $15,248,000 for the Endangered Species Recovery Implementation program. Of this amount, $700,000 is for endangered species recovery activities in the San Juan River Basin.

The conference agreement includes $6,000,000 for the Reclamation Recreation Management (Title XXVIII) program. Of this amount, $2,500,000 is for projects in Colorado, including the Bonny Reservoir Project; $2,000,000 is for recreation facility improvements in New Mexico, as described in the Senate report; and $1,500,000 is for the Yuma West Wetlands Restoration project.

The conferees have not provided funding for the proposed Unscheduled Maintenance program. The conferees note, however, that generous funding has been provided for facilities operations, maintenance and rehabilitation for Bureau projects throughout the West. The conferees expect the Bureau to efficiently manage these resources and to reorder priorities and utilize its existing reprogramming authority to address unanticipated needs as they arise.

The conferees are aware that, contrary to the Department of the Interior's budget justification, the Department has failed to finalize an implementation plan for the Anadromous Fish Restoration Plan (AFRP) in fiscal year 1999. The conferees believe that the activities carried out under the AFRP should be based on sound science and carried out in a manner that is consistent with and complementary to the activities being undertaken by the CALFED program. Further, without such an implementation plan, the conferees are unable to determine whether or not the activities proposed to be carried out under the AFRP are ecologically justified as well as reasonable and prudent. The conferees direct the Department to provide the relevant committees of the House and Senate, as soon as possible the Department's ARFP implementation plan and an explanation of how each activity expected to be undertaken with funds appropriated in fiscal year 1999 is consistent with such implementation plan.

The Department is directed to conform to the following reprogramming guidelines. The Bureau is permitted to transfer, without prior Congressional approval and without regard to percentage limitation, not more than $5,000,000 in any one case to provide adequate funds for settled contractor claims, increased contractor earnings due to accelerated rates of operations, and real estate deficiency judgments, provided that such reprogramming is necessary to discharge legal obligations of the Bureau of Reclamation.

As to each project within the Resources Management and Development category for which $2,000,000 or more is available at the beginning of the fiscal year, the Bureau is permitted to transfer to such project in that fiscal year no more than fifteen percent of the amount available at the beginning of the fiscal year for such project, without prior Congressional approval. As to each project within the Resources Management and Development category for which less than $2,000,000 is available at the beginning of the fiscal year, the Bureau is permitted to transfer to such project no more than $300,000 in that fiscal year without prior Congressional approval.

The Bureau if further permitted to transfer funds within the Facility Operation, Maintenance and Rehabilitation category without prior Congressional approval and without regard to percentage or dollar limitation.

The Bureau may not transfer, without prior Congressional approval, more than $500,000 from either the Facilities Operation, Maintenance and Rehabilitation category or the Resources Management and Development category to any project in the other category. The Bureau is prohibited from initiating any program, project or activity through an internal reprogramming action.

The conference agreement includes language proposed by the House and Senate providing that, of the total amount provided for Water and Related Resources, $25,800,000 shall be derived by transfer of unexpended balances from the Bureau of Reclamation Working Capital Fund.

The conference agreement includes language providing for the transfer of $45,990,000 to the Lower Colorado River Basin Development Fund instead of $49,908,000 as proposed by the House and $46,218,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate providing that funds available for expenditure for the Departmental Irrigation Drainage Program may be expended for site remediation on a non-reimbursable basis.

The conference agreement includes language proposed by the Senate to increase the authorized level of appropriations for Indian municipal, rural, and industrial features of the Garrison Unit Diversion project.

The conference agreement includes language proposed by the Senate providing $3,600,000 to complete the McCall Area Wastewater Reclamation and Reuse, Idaho, project.

The conference agreement deletes language proposed by the Senate providing funding to study measures to increase the efficiency of existing water systems developed to serve sugar cane plantations and surrounding communities in the State of Hawaii. Funding for such a study has been included in the General Investigations account of the Corps of Engineers.

The conference agreement deletes language proposed by the Senate waiving the scheduled annual payments for fiscal years 1998 and 1999 under section 208 of Public Law 100–202.

The conference agreement includes language providing $2,800,000 for the Tooele Wastewater Treatment and Reuse Project.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

The conference agreement appropriates $8,421,000 for the Bureau of Reclamation Loan Program Account instead of $12,425,000 as proposed by both the House and the Senate.

CENTRAL VALLEY PROJECT RESTORATION FUND

The conference agreement appropriates $33,130,000 for the Central Valley Project Restoration Fund as proposed by the House instead of $39,500,000 as proposed by the Senate.

The conference agreement includes language proposed by both the House and Senate which directs the Bureau of Reclamation to assess and collect the full amount of the additional mitigation and restoration payments authorized by section 3407(d) of Public Law 102–575.

CALIFORNIA BAY-DELTA ECOSYSTEM RESTORATION

The conference agreement appropriates $75,000,000 for the California Bay-Delta Ecosystem Restoration program as proposed by the House instead of $65,000,000 as proposed by the Senate.

POLICY AND ADMINISTRATION

The conference agreement appropriates $47,000,000 for Policy and Administration instead of $46,000,000 as proposed by the House and $48,000,000 as proposed by the Senate.

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BUREAU OF RECLAMATION

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		RESOURCES MGMT & DEVELOPMENT	FACILITIES OM&R	RESOURCES MGMT & DEVELOPMENT	FACILITIES OM&R
	WATER AND RELATED RESOURCES				
	ARIZONA				
	AK CHIN WATER RIGHTS SETTLEMENT ACT PROJECT	---	7,080,000	---	7,080,000
	CENTRAL ARIZONA PROJECT (LCRBDF)	49,908,000	---	45,990,000	---
	COLORADO RIVER BASIN SALINITY CONTROL, TITLE I	2,407,000	6,966,000	2,407,000	6,966,000
	COLORADO RIVER FRONT WORK AND LEVEE SYSTEM	2,950,000	---	2,950,000	---
	NORTHERN AZ WATER MANAGEMENT AND TECH ASST PROGRAM	650,000	---	---	---
	SALT RIVER PROJECT, HORSE MESA DAM	---	1,500,000	---	1,500,000
	SOUTH/CENTRAL AZ WATER MANAGEMENT & TECH ASST PROGRAM	1,050,000	---	525,000	---
	SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT	3,000,000	---	3,000,000	---
	TUCSON AREA WATER RECLAMATION STUDY	---	---	200,000	---
	TRES RIOS WETLANDS DEMONSTRATION	400,000	---	1,200,000	---
	YUMA AREA PROJECTS	---	22,213,000	---	22,213,000
	CALIFORNIA				
	CACHUMA PROJECT	531,000	6,160,000	531,000	6,160,000
	CALIFORNIA WATER MANAGEMENT AND TECH ASST PROGRAM	1,863,000	---	600,000	---
	CALLEGUAS MUNICIPAL WATER DISTRICT RECYCLING PROJECT	1,300,000	---	---	---
	CENTRAL VALLEY PROJECT:				
	AMERICAN RIVER DIVISION	9,722,000	9,558,000	9,176,000	9,558,000
	CENTRAL VALLEY PROJECT IMPROVEMENT ACT	1,222,000	---	1,222,000	---
	DELTA DIVISION	13,216,000	4,791,000	15,215,000	4,791,000
	EAST SIDE DIVISION	413,000	3,543,000	413,000	3,543,000
	FRIANT DIVISION	2,602,000	2,196,000	2,602,000	2,196,000
	MISCELLANEOUS PROJECT PROGRAMS	15,846,000	2,754,000	15,846,000	2,754,000
	SACRAMENTO RIVER DIVISION	11,926,000	735,000	13,776,000	735,000
	SAN FELIPE DIVISION	692,000	---	692,000	---
	SAN JOAQUIN DIVISION	7,900,000	---	7,900,000	---
	SHASTA DIVISION	4,457,000	8,965,000	4,457,000	8,965,000
	TRINITY RIVER DIVISION	3,653,000	6,759,000	3,653,000	6,759,000
	WATER AND POWER OPERATIONS	1,014,000	5,063,000	1,014,000	5,063,000
	WEST SAN JOAQUIN DIVISION, SAN LUIS UNIT	5,331,000	6,993,000	5,331,000	6,993,000
	YIELD FEASIBILITY INVESTIGATION	2,000,000	---	2,000,000	---
	LONG BEACH/LA COUNTY WATER RECLAMATION PROJECT	1,300,000	---	---	---
	LOS ANGELES AREA WATER RECLAMATION AND REUSE	10,000,000	---	10,000,000	---
	LOWER COLORADO WATER MANAGEMENT AND TECH ASST PROGRAM	500,000	---	150,000	---
	NORTH SAN DIEGO COUNTY AREA WATER RECYCLING PROJECT	1,300,000	---	---	---
	ORANGE COUNTY REGIONAL WATER RECLAMATION PROJECT	1,000,000	---	---	---
	ORLAND PROJECT	---	685,000	---	685,000
	SALTON SEA RESEARCH PROJECT	400,000	---	400,000	---
	SAN DIEGO AREA WATER RECLAMATION PROGRAM	13,000,000	---	13,000,000	---
	SAN GABRIEL BASIN PROJECT	2,500,000	---	2,500,000	---
	SAN JOSE AREA WATER RECLAMATION AND REUSE	3,000,000	---	3,000,000	---
	SOLANO PROJECT	906,000	975,000	906,000	975,000
	SO. CALIF. COMPREHENSIVE WATER RECLAMATION STUDY	200,000	---	200,000	---
	SOUTHERN CALIFORNIA WATER MGMT AND TECH ASST PROGRAM	680,000	---	320,000	---

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BUREAU OF RECLAMATION

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES		CONFERENCE ALLOWANCE	
		RESOURCES MGMT & DEVELOPMENT	FACILITIES OM&R	RESOURCES MGMT & DEVELOPMENT	FACILITIES OM&R
	COLORADO				
	ANIMAS-LAPLATA PROJECT, SECTIONS 5 & 8	3,000,000	---	3,000,000	---
	COLLBRAN PROJECT	1,206,000	1,039,000	1,206,000	1,039,000
	COLORADO-BIG THOMPSON PROJECT	104,000	7,158,000	104,000	7,158,000
	COLORADO WATER MANAGEMENT AND TECH ASST PROGRAM	733,000	---	300,000	---
	FRUITGROWERS DAM PROJECT	50,000	12,000	50,000	12,000
	FRYINGPAN-ARKANSAS PROJECT	160,000	4,447,000	160,000	4,447,000
	GRAND VALLEY UNIT, CRBSCP	506,000	150,000	506,000	150,000
	LEADVILLE/ARKANSAS RIVER RECOVERY PROJECT	722,000	908,000	720,000	908,000
	LOWER GUNNISON BASIN UNIT, CRBSCP	---	318,000	---	318,000
	MANCOS PROJECT	55,000	18,000	55,000	18,000
	PARADOX UNIT, CRBSCP	---	2,474,000	---	2,474,000
	PINE RIVER PROJECT	76,000	46,000	76,000	46,000
	SAN LUIS VALLEY PROJECT, CLOSED BASIN/CONEJOS	234,000	3,152,000	234,000	3,152,000
	UNCOMPAHGRE PROJECT	79,000	18,000	79,000	18,000
	UPPER COLORADO RIVER BASIN SELENIUM STUDY	440,000	---	440,000	---
	IDAHO				
	BOISE AREA PROJECTS	2,837,000	2,340,000	2,837,000	2,340,000
	COLUMBIA-SNAKE RIVER SALMON RECOVERY PROJECT	13,116,000	---	10,500,000	---
	DRAIN WATER MANAGEMENT STUDY, BOISE PROJECT	50,000	---	50,000	---
	IDAHO WATER MANAGEMENT AND TECH ASST PROGRAM	715,000	---	547,000	---
	MINIDOKA AREA PROJECTS	3,639,000	1,832,000	3,639,000	1,832,000
	MINIDOKA NORTHSIDE DRAINWATER PROJECT	300,000	---	300,000	---
	MCCALL AREA WASTEWATER RECLAMATION AND REUSE	---	---	3,600,000	---
	KANSAS				
	EQUUS BEDS GROUNDWATER RECHARGE DEMONSTRATION PROJECT	---	---	500,000	---
	KANSAS WATER MANAGEMENT AND TECH ASST PROGRAM	613,000	---	515,000	---
	WICHITA PROJECT	---	188,000	---	188,000
	MONTANA				
	FORT PECK RURAL WATER SYSTEM	---	---	1,500,000	---
	FORT PECK RESERVATION, MR&I WATER SYSTEM	---	---	360,000	---
	HUNGRY HORSE PROJECT	---	770,000	---	770,000
	MILK RIVER PROJECT	250,000	479,000	250,000	479,000
	MONTANA WATER MANAGEMENT AND TECH ASST PROGRAM	863,000	---	315,000	---
	ROCKY BOYS INDIAN WTR RIGHTS SETTLEMENT STUDY	1,000,000	---	1,000,000	---

TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	NEBRASKA				
	MIRAGE FLATS PROJECT	44,000	22,000	44,000	22,000
	NEBRASKA WATER MANAGEMENT AND TECH ASST PROGRAM	337,000	---	180,000	---
	NEVADA				
	CARSON RIVER BASIN GROUNDWATER STUDY, NV	---	---	100,000	---
	LAKE TAHOE REGIONAL WETLANDS DEVEL., NV	---	---	500,000	---
	LAS VEGAS SHALLOW AQUIFER DESALINATION, NV	---	---	2,300,000	---
	NEWLANDS PROJECT	5,360,000	344,000	5,360,000	344,000
	SOUTHERN NEVADA/UTAH WATER MGMT AND TECH ASST PROGRAM	125,000	---	---	---
	SPARKS WATER RECLAMATION AND REUSE	---	---	250,000	---
	WALKER RIVER BASIN	---	---	200,000	---
	WASHOE PROJECT	1,021,000	590,000	1,008,000	590,000
	NEW MEXICO				
	CARLSBAD PROJECT	845,000	490,000	845,000	490,000
	MIDDLE RIO GRANDE PROJECT	2,015,000	8,929,000	2,015,000	8,929,000
	PECOS RIVER BASIN WATER SALVAGE PROJECT	---	178,000	---	178,000
	RIO GRANDE PROJECT	685,000	2,972,000	685,000	2,972,000
	SAN JUAN RIVER BASIN WATER MGMT AND TECH ASST PROGRAM	171,000	---	100,000	---
	SAN JUAN GALLUP-NAVAJO WATER SUPPLY	---	---	150,000	---
	SAN JUAN RIVER GALLUP. MT. TAYLOR MINE	---	---	200,000	---
	SOUTHERN NM/WEST TX WATER MGMT AND TECH ASST PROGRAM	225,000	---	200,000	---
	UPPER RIO GRANDE BSN WATER MGMT AND TECH ASST PROGRAM	356,000	---	2,100,000	---
	UTE RESERVOIR PIPELINE	---	---	200,000	---
	VELARDE COMMUNITY DITCH PROJECT	3,995,000	---	3,995,000	---
	NORTH DAKOTA				
	DAKOTA TRIBES WATER MANAGEMENT AND TECH ASST PROGRAM	165,000	---	165,000	---
	DAKOTA WATER MANAGEMENT AND TECH ASST PROGRAM	362,000	---	250,000	---
	GARRISON DIVERSION UNIT, P-SMBP	20,402,000	3,712,000	22,402,000	3,712,000
	OKLAHOMA				
	ARBUCKLE PROJECT	---	140,000	---	140,000
	MCGEE CREEK PROJECT	---	493,000	---	493,000
	MOUNTAIN PARK PROJECT	---	193,000	---	193,000
	NORMAN PROJECT	---	126,000	---	126,000
	OKLAHOMA WATER MANAGEMENT AND TECH ASST PROGRAM	367,000	---	255,000	---
	WASHITA BASIN PROJECT	---	599,000	---	599,000
	W.C. AUSTIN PROJECT	---	223,000	---	223,000
	OREGON				
	CENTRAL OREGON IRRIG. SYS. CONSERVATION FEASIBILITY	125,000	---	125,000	---
	CROOKED RIVER PROJECT	116,000	318,000	116,000	318,000

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	DESCHUTES ECOSYSTEM RESTORATION PROJECT	1,000,000	---	500,000	---
	DESCHUTES PROJECT	105,000	115,000	100,000	115,000
	GRANDE RONDE WATER OPTIMIZATION STUDY	50,000	---	50,000	---
	KLAMATH PROJECT	5,429,000	354,000	5,429,000	354,000
	OREGON WATER MANAGEMENT AND TECH ASST PROGRAM	910,000	---	525,000	---
	ROGUE RIVER BASIN PROJECT, TALENT DIVISION	93,000	1,105,000	93,000	1,105,000
	TUALATIN PROJECT	13,000	96,000	13,000	96,000
	UMATILLA BASIN PROJECT, PHASE III STUDY	200,000	---	200,000	---
	UMATILLA PROJECT	331,000	1,815,000	331,000	1,815,000
	SOUTH DAKOTA				
	MID-DAKOTA RURAL WATER PROJECT	10,000,000	---	15,000,000	---
	MNI WICONI PROJECT	26,717,000	4,627,000	26,717,000	4,627,000
	RAPID CITY WASTEWATER REUSE STUDY	100,000	---	100,000	---
	RAPID VALLEY PROJECT	---	16,000	---	16,000
	TEXAS				
	CANADIAN RIVER PROJECT	---	92,000	---	92,000
	NUECES RIVER PROJECT	---	324,000	---	324,000
	EL PASO-LAS CRUCES REGIONAL SUSTAINABLE WATER PROJ	---	---	200,000	---
	EL PASO WATER RECLAMATION & REUSE	---	---	750,000	---
	PALMETTO BEND PROJECT	---	504,000	---	504,000
	SAN ANGELO PROJECT	---	2,017,000	---	2,017,000
	TEXAS WATER MANAGEMENT AND TECH ASST PROGRAM	325,000	---	400,000	---
	UTAH				
	CENTRAL UTAH PROJECT, BONNEVILLE	800,000	451,000	800,000	451,000
	HYRUM PROJECT	38,000	23,000	38,000	23,000
	MOON LAKE PROJECT	11,000	19,000	11,000	19,000
	NAVAJO SANDSTONE AQUIFER RECHARGE STUDY	---	---	100,000	---
	NEWTON PROJECT	33,000	9,000	33,000	9,000
	NORTHERN UTAH WATER MANAGEMENT AND TECH ASST PROGRAM	278,000	---	260,000	---
	OGDEN RIVER PROJECT	47,000	12,000	47,000	12,000
	PROVO RIVER PROJECT	265,000	197,000	241,000	197,000
	SCOFIELD PROJECT	40,000	3,000	40,000	3,000
	SOUTHERN UTAH WATER MANAGEMENT AND TECH ASST PROGRAM	403,000	---	200,000	---
	STRAWBERRY VALLEY PROJECT	84,000	3,000	84,000	3,000
	TOOELE WASTEWATER TREATMENT & REUSE PROJECT	800,000	---	2,800,000	---
	WEBER BASIN PROJECT	1,445,000	3,525,000	1,427,000	3,525,000
	WEBER RIVER PROJECT	210,000	7,000	210,000	7,000
	WASHINGTON				
	COLUMBIA BASIN PROJECT	3,865,000	6,749,000	3,712,000	6,749,000
	WASHINGTON WATER MANAGEMENT AND TECH ASST PROGRAM	395,000	---	200,000	---
	YAKIMA PROJECT	204,000	9,764,000	204,000	9,764,000
	YAKIMA RIVER BASIN WTR ENHANCEMENT PROJECT	8,980,000	---	8,980,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	WYOMING				
	KENDRICK PROJECT	4,000	2,660,000	4,000	2,660,000
	NORTH PLATTE PROJECT	84,000	1,126,000	84,000	1,126,000
	SHOSHONE PROJECT	34,000	845,000	34,000	845,000
	WYOMING WATER MANAGEMENT AND TECH ASST PROGRAM	300,000	---	150,000	---
	VARIOUS				
	COLORADO RIVER BASIN SALINITY CONTROL, T. II BASINWIDE	12,300,000	---	12,300,000	---
	COLORADO RIVER STORAGE PROJECT, SEC. 5	1,931,000	902,000	1,931,000	902,000
	COLORADO RIVER STORAGE, SECT. 8, REC. FISH & WILDLIFE.	3,682,000	---	3,476,000	---
	COLORADO RIVER WATER QUALITY IMPROVEMENT	75,000	---	75,000	---
	DEPARTMENT IRRIGATION DRAINAGE PROGRAM	3,505,000	---	3,103,000	---
	EFFICIENCY INCENTIVES PROGRAM	5,250,000	---	3,000,000	---
	ENDANGERED SPECIES RECOVERY IMPLEMENTATION	15,007,000	---	15,248,000	---
	ENVIRONMENTAL PROGRAM ADMINISTRATION	1,993,000	---	1,979,000	---
	EXAMINATION OF EXISTING STRUCTURES	---	3,898,000	---	3,898,000
	FEDERAL BUILDING SEISMIC SAFETY PROGRAM	---	281,000	---	281,000
	GENERAL PLANNING ACTIVITIES	2,247,000	---	1,700,000	---
	LAND RESOURCES MANAGEMENT	6,129,000	---	6,129,000	---
	LOWER COLORADO RIVER OPERATIONS PROGRAM	6,603,000	---	5,752,000	---
	MISCELLANEOUS FLOOD CONTROL OPERATIONS	24,000	950,000	24,000	950,000
	NATIONAL FISH & WILDLIFE FOUNDATION	1,500,000	---	1,500,000	---
	NATIVE AMERICAN AFFAIRS	8,905,000	---	7,680,000	---
	NEGOTIATION & ADMINISTRATION OF WATER MARKETING	884,000	---	662,000	---
	OPERATION & MAINTENANCE PROGRAM MANAGEMENT	85,000	464,000	85,000	464,000
	PICK-SLOAN MISSOURI BASIN - OTHER PROJECTS	2,668,000	23,678,000	2,450,000	23,678,000
	POWER PROGRAM SERVICES	1,023,000	550,000	1,023,000	550,000
	PUBLIC ACCESS AND SAFETY PROGRAM	371,000	9,000	371,000	9,000
	RECLAMATION LAW ADMINISTRATION	4,873,000	---	4,696,000	---
	RECLAMATION RECREATION MANAGEMENT - TITLE 28	4,440,000	---	6,000,000	---
	RECREATION & FISH & WILDLIFE PROG. ADMINININISTRATION	1,891,000	---	1,891,000	---
	SAFETY OF DAMS:				
	DEPARTMENT DAM SAFETY PROGRAM	---	1,500,000	---	1,500,000
	SAFETY OF DAMS EVALUATION & MODIFICATION	---	56,550,000	---	47,763,000
	SCIENCE AND TECHNOLOGY:				
	APPLIED SCIENCE AND TECHNOLOGY DEVELOPMENT	6,140,000	---	3,242,000	---
	DESALINATION RESEARCH DEVELOPMENT PROGRAM	1,300,000	---	2,500,000	---
	GROUNDWATER RECHARGE	250,000	---	250,000	---
	HYDROELECTRIC INFRASTR. PROTECTION & ENHANCE	700,000	---	700,000	---
	TECHNOLOGY ADVANCEMENT	300,000	---	285,000	---
	WATERSHED/RIVER SYSTEMS MANAGEMENT	1,500,000	---	1,000,000	---
	SITE SECURITY	---	5,000,000	---	5,000,000
	SOIL & MOISTURE CONSERVATION	144,000	---	144,000	---
	TITLE XVI WATER RECLAMATION & REUSE STUDY	2,100,000	---	---	---
	UNITED STATES/MEXICO BORDER ISSUES	100,000	---	100,000	---
	UNSCHEDULED MAINTENANCE	---	1,500,000	---	---
	WATER MANAGEMENT CONSERVATION PROGRAM	7,551,000	---	6,000,000	---

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TYPE OF PROJECT	PROJECT TITLE	BUDGET ESTIMATES RESOURCES MGMT & DEVELOPMENT	BUDGET ESTIMATES FACILITIES OM&R	CONFERENCE ALLOWANCE RESOURCES MGMT & DEVELOPMENT	CONFERENCE ALLOWANCE FACILITIES OM&R
	WETLANDS DEVELOPMENT	7,296,000	---	5,700,000	---
	UNDISTRIBUTED REDUCTION BASED ON ANTICIPATED DELAYS	---	-30,093,000	---	-39,050,000
	WORKING CAPITAL FUND TRANSFER	-25,800,000	---	-25,800,000	---
	TOTAL, WATER AND RELATED RESOURCES	396,863,000	243,261,000	393,028,000	224,017,000
	LOAN PROGRAM				
	CALIFORNIA				
	CASTROVILLE IRRIGATION WATER	2,600,000	---	2,600,000	---
	CHINO BASIN DESALINATION	2,114,000	---	2,114,000	---
	SALINAS VALLEY	1,700,000	---	1,700,000	---
	SAN SEVAINE PROJECT	781,000	---	781,000	---
	TEMESCAL VALLEY PROJECT	801,000	---	801,000	---
	OREGON				
	MILLTOWN HILL, DOUGLAS COUNTY	4,004,000	---	---	---
	VARIOUS				
	LOAN ADMINISTRATION	425,000	---	425,000	---
	TOTAL, LOAN PROGRAM	12,425,000	---	8,421,000	---

TITLE III

DEPARTMENT OF ENERGY

The summary tables at the end of this title set forth the conference agreement with respect to the individual appropriations, programs, and activities of the Department of Energy. Additional items of conference agreements are discussed below.

REPROGRAMMINGS

The conference agreement does not provide the Department of Energy with any internal reprogramming flexibility in fiscal year 1999 unless specifically identified by the House, Senate, or conference agreement. Any reallocation of new or prior year budget authority or prior year deobligations must be submitted to the House and Senate Committees on Appropriations in advance in writing and may not be implemented prior to approval by the Committees.

DEPARTMENT OF ENERGY CONSTRUCTION STANDARDS

The Department is directed to ensure that all nuclear facilities for which construction begins in the year 2000 and beyond, with the exception of those defense nuclear facilities and naval reactor facilities deemed by the Secretary of Energy to be critical to national security needs, are constructed in accordance with Nuclear Regulatory Commission (NRC) licensing standards. The Department should ensure that this requirement does not result in a program requirement to meet two separate sets of standards (both DOE and NRC), but should ensure a smooth transition for meeting NRC standards.

DEPARTMENT OF ENERGY REPORTING REQUIREMENTS

The conferees agree with the House report language which directs the Department to take certain actions and provide to the House and Senate Committees on Appropriations reports on the computer security and year 2000 computer problem, the Department of Energy organizational structure, the functional support cost system, and augmenting Federal staff.

CONTRACTOR TRAINING

The conferees agree with the House report language on excessive contractor training costs. The conferees are also aware of a recent Inspector General report indicating that the Department was not acquiring hazardous materials training in the most cost-effective manner. The conferees direct the Department to use the most cost-effective alternatives available to meet all training needs at Departmental sites.

INAPROPRIATE USE OF APPROPRIATED FUNDS

Both the House and Senate included language citing the inappropriate use of funds by the Department. In response to congressional concerns, the Department conducted an internal review entitled: *A Review of the Department of Energy's Discretionary Financial Assistance Programs* which was prepared by the Deputy Assistant Secretary for Procurement and Assistance Management. This September 1997 report documented various shortcomings in the Department's procedures for awarding funds to certain outside groups, particularly to certain groups funded by the Office of Energy Efficiency and Renewable Energy. The conferees support the recommendations of the Department's report including the introduction of merit review and competitive procedures, and education of Department employees, contractors and financial recipients with regard to lobbying restrictions. All of these concerns have also been documented in a separate report prepared by the investigative staff of the Committee on Appropriations of the House of Representatives. The conferees commend the Department for taking an interest in these long-standing problems and fully support the Department's internal efforts to correct procedures and improve management of these programs.

After careful consideration of the House and Senate positions, the conferees have decided that the following language should guide the Department of Energy's work with industry associations. The conferees conclude that, as a general rule, appropriated funds should not be used to underwrite the operating expenses of industry associations. The restriction should not be broadly interpreted by the Department to prevent the Department from securing the services of an association for appropriate discrete tasks. In the funding of specific tasks carried out by industry associations, the Department is directed to use merit review procedures and to observe government-wide rules for financial assistance, including rules governing the payment of overhead expenses.

Financial assistance activities for information dissemination and outreach activities conducted by industry associations shall be competed, and these awards shall be processed by Headquarters Procurement Operations or the Chicago or Idaho Operations Offices. The Department is expected to make substantial progress in fiscal year 1999 in the use of broad area solicitations and other appropriate mechanisms to facilitate increased competition for discretionary financial assistance. Any non-competitive financial assistance awards in excess of $5,000 made by the Office of Energy Efficiency and Renewable Energy to trade associations or other not-for-profit groups for information dissemination or outreach activities from funds provided in this bill must be reviewed by the Assistant Secretary of Energy Efficiency and Renewable Energy. The Department shall apply these mechanisms to the extent practicable to any follow-on tasks or expansion of existing tasks under financial assistance agreements for information dissemination and outreach.

The conferees also share the Department's concerns about the structure of the Golden field office organization. In particular, the conferees are concerned about organizational arrangements under which contracting personnel report directly to project and administrative managers. While a "teaming" concept may be appropriate under certain circumstances, the conferees support the Department's statements that an independent financial assistance and contracting organization would provide clearer lines of authority and professional accountability to ensure sound grant processing and award decisions. Accordingly, the conferees direct that the financial assistance and contracting organization at the Golden field office be reorganized as an independent organization, separate from the organizations which it supports. This direction is consistent with the recommendation of the Department's procurement executive.

The conferees also support the Department's recommendation that the Department educate Department employees, contractors and recipients of Federal funds about statutory lobbying prohibitions. The conferees are very concerned about the lack of understanding of existing statutes including the Simpson-Craig amendment to the Lobbying Disclosure Act of 1995. This provision prohibits the award of Federal grants, contracts and financial assistance to 501(c)(4) organizations which engage in lobbying activities. The Department issued guidance in December 1997 to contractors and Departmental employees on lobbying prohibitions. The Department is directed to ensure that all program offices are aware of this guidance, and take all necessary steps to ensure its implementation.

COMPETING WITH PRIVATE SECTOR COMPANIES

The Department of Energy's laboratories are prohibited from competing with the private sector by numerous statutes and regulations including the Atomic Energy Act of 1954 and provisions in the Federal Acquisition Regulation regarding Federally Funded Research and Development Centers.

The conferees have received complaints that the Department of Energy has failed to enforce these provisions at the laboratories and other facilities, and that adequate recourse is not available to those that allege harm.

The conferees direct the Secretary of Energy to assess the statutory and regulatory limitations on laboratories and other Departmental entities allegedly competing with the private sector, and to ascertain what grievance mechanisms are available to the private sector. The Secretary is directed to provide this information to the Committees by March 1, 1999, and make such information readily available to the private sector.

GENERAL REDUCTIONS NECESSARY TO ACCOMMODATE SPECIFIC PROGRAM DIRECTIONS

In the event that specific program guidance contained in the House, Senate, or conference reports requires a general reduction of available funding, such reductions shall not be applied disproportionately against any program, project, or activity.

ENERGY SUPPLY

The conference agreement appropriates $727,091,000 instead of $882,834,000 as proposed by the House of $786,854,000 as proposed by the Senate. The conference report includes $3,000 for official reception and representation expenses for transparency activities as proposed by the House, instead of $25,000 as proposed by the Senate. The conference report has provided funding on an annual basis as recommended by the House instead of two-year funding as provided by the Senate. The conference report does not include bill language stipulating certain amounts for various solar and renewable programs as provided in the Senate bill. The conference report does not include the $1,500,000 provided in the Senate bill for expenses related to the U.S. membership in the Nuclear Energy Agency.

SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES

The conference agreement appropriations $365,905,000 instead of $351,405,000 as proposed by the House or $415,292,000 as proposed by the Senate.

Solar Building technology research.—The conference agreement includes $2,900,000, instead of $2,200,000 as proposed by the House or $3,860,000 as proposed by the Senate. The conferees have provided $100,000 to improve computer models that predict the reliability of solar systems made of new materials. The remainder of the funds are provided for technology development.

Photovoltaic systems research and development.—The conference agreement includes $69,683,000 as proposed by the House instead of $75,849,000 as proposed by the Senate. The conferees have provided $2,883,000 for research to be managed by the Office of

Science, the same as the amount in the budget request. Within the $66,800,000 provided to the Office of Energy Efficiency and Renewable Energy, the conferees have provided $27,000,000 for advanced materials and devices, $16,000,000 for systems engineering and reliability, $11,000,000 for fundamental research, $9,000,000 for manufacturing research and development and $1,500,000 for the PV Building Opportunities program. Within available funds, the conferees have included $1,500,000 to support ongoing photovoltaic research done by the Southeast and Southwest regional experiment stations. The conferees agree with the observations made in the House report, but have not included a prohibition regarding the Department's participation in the Million Solar Roofs Initiative. The conferees have included $1,500,000 for work on financing mechanisms, measurement and evaluation, technical standards and infrastructure such as net metering capability in support of the partnership.

Solar thermal energy systems.—The conference agreement includes $17,000,000, instead of $17,100,000 as proposed by the House or $21,618,000 as proposed by the Senate. The conferees have provided $5,500,000 for thermal systems research, $5,000,000 for dish/engine development, $3,200,000 for power tower development, $1,000,000 for the SOLMAT initiative and $1,000,000 for systems and markets/industrial assistance. The conferees direct that the Department submit its plan to complete its participation in the Solar Two project with submission of the fiscal year 2000 budget request.

Biomass/biofuels research and developments.—The conference agreement includes $99,949,000, instead of $100,799,000 as proposed by the House or $104,033,000 as proposed by the Senate. The conferees have provided $27,199,000 for research to be managed by the Office of Science, the same as the amount in the budget request.

The conference agreement includes $31,000,000 for power systems of which $15,000,000 is provided for rural development, $2,500,000 is provided for co-firing biomass with coal, $750,000 for the Plunas county ethanol project, and $1,000,000 is provided for demonstration of black liquor gasification. The recommendation includes $41,750,000 for transportation of which $4,000,000 is included for the Sacramento Valley ehtanol project. The conference agreement also includes $1,750,000 for the Gridley project which, combined with amounts provided in previous fiscal years, results in a total of $5,000,000 available for the Gridley project. The conferees urge the Department to complete the Jennings, Lousiana, plant and Vermont gasifier projects as agreed upon with its partners.

The conference agreement includes $300,000 for the Vermont methane energy production proposal and $100,000 to evaluate the amount, distribution and best method of extraction and utilization of methane gas from the Sunrise Mountain landfill in Nevada.

The recommendation also includes $2,500,000 for the Consortium for Plant Biotechnology Research, $4,600,000 for feedstock development and $2,500,000 for regional biomass each of which is to be equally derived from the power systems and transportation programs. The conferees have also provided $3,000,000 for accelerated demonstration of Federally-sponsored research for renewable energy production and environmental remediation projects at the Michigan Biotechnology Institute. The Institute will work with the Department to identify and manage projects related to the mission of the Office of Energy Efficiency and Renewable Energy. Proposals will be subject to merit review and competition.

Wind energy research and development.—The conference agreement includes $33,483,000, as proposed by the House, instead of $38,548,000 as proposed by the Senate. The conferees have provided $283,000 for research to be managed by the Office of Science, the same as the amount in the budget request. Within the $33,200,000 provided to the Office of Energy Efficiency and Renewable Energy, $10,700,000 is for applied research, $16,400,000 is for turbine research, $3,000,000 is for industry support and utility analysis, $1,300,000 is for operations at the National Wind Technology Center; and a minimum of $1,700,000, the amount requested, is for certification and standards activities. The conferees have been assured that the certification program will be in place in fiscal year 1999. The conferees welcome the attainment of one of the goals of the wind energy program. In the event that funding requirements for certification exceed the amount requested, the Department may reduce funding for other non-Energy Research wind activities to supplement the $1,700,000 provided for certification.

Renewable energy production incentive.—The conference agreement includes $4,000,000, as proposed by the Senate instead of $5,000,000 as proposed by the House.

Solar program support.—The conference agreement does not include funding for this new spending program proposed by the Administration. This is consistent with the proposal of the House. The Senate proposed $7,000,000 for this program. The conferees have provided $1,500,000 for electricity restructuring activities as part of the amount provided below for program direction.

International solar energy.—The conference agreement includes $3,750,000 instead of $500,000 as proposed by the House or $5,088,000 as proposed by the Senate. Within this amount, $2,500,000 is exclusively for the U.S. Initiative on Joint Implementation. Of this amount, $1,250,000 is to be provided expeditiously to International Utility Efficiency Partnerships, Inc. (IUEP). IUEP shall competitively award projects continuing its leadership role in reducing carbon dioxide emissions using market-based mechanisms. The Department shall consolidate any international projects funded from other solar programs under the $1,250,000 provided for joint implementation activities to be managed by the Department.

No funds provided in this or any prior Act are to be made available for the America's 21st Century or CORECT programs. The conferees have also provided $1,250,000 for the Federal Energy Technology Center for design and siting analysis for an electron scrubbing demonstration project.

. *Solar technology transfer.*—The conference agreement does not include funding for this new spending program proposed by the Administration. This is consistent with the proposal of the House. The Senate proposed $680,000 for this program.

National Renewable Energy Laboratory (NREL).—The conference agreement includes $2,000,000 as proposed by the House instead of $5,000,000 as proposed by the Senate. The conferees have provided $1,000,000 for infrastructure and general purpose equipment. The remaining $1,000,000 is to be made available following submission of a program plan by the winner of the competition for the management and operating contract at NREL.

Geothermal technology development.—The conference agreement includes $28,500,000 instead of $27,500,000 as proposed by the House or $31,250,000 as proposed by the Senate. The conferees have provided $11,000,000 for exploration and production technology, $5,000,000 for drilling technology and $6,000,000 for energy conversion technology.

The conferees have provided $6,500,000 for the geothermal heat pump deployment program as proposed by the House, a $5,500,000 increase over the amount proposed by the Senate. The conferees note that fiscal year 1999 is the last year of funding for this program.

Hydrogen research and development.—The conference agreement includes $24,008,000 instead of $18,008,000 as proposed by the House or $32,008,000 as proposed by the Senate. The conferees have provided $3,008,000 for research to be managed by the Office of Science, the same as the amount in the budget request. The conferees have provided $2,225,000 for the Hydrogen Fuel Cell Power and Refueling Station in Nevada and $350,000 for the Montana Trade Port Authority in Billings, Montana, to complete a resource assessment and feasibility study on construction of a solid waste hydrogen fuel cell manufacturing facility. The conference agreement does not include the Senate proposal to provide $250,000 for gasification of switchgrass for use in fuel cells.

Hydropower.—The conference agreement includes $2,000,000 as proposed by the House instead of $4,000,000 as proposed by the Senate and an increase of $1,250,000 over the amount provided last year. The amount provided is exclusively for cost-shared research and development of "fish-friendly" turbines.

Renewable Indian energy resources.—The conference agreement includes $3,500,000 instead of $4,000,000 as proposed by the Senate or no funds as proposed by the House. The conferees have provided $1,000,000 for the Pyramid Creek hydroelectric project, $1,000,000 for a diesel backup system at Sitka, Alaska; $1,000,000 for the Power Creek hydroelectric project and $500,000 for hydroelectric and transmission projects partially funded in fiscal year 1998.

Electric energy systems and storage.—The conference agreement includes $39,500,000 instead of $38,000,000 as proposed by the House or $42,500,000 as proposed by the Senate. The conferees have provided $32,500,000 for high-temperature superconducting research and development, $4,500,000 for energy storage systems and $2,500,000 to support a national laboratory/utility industry partnership to conduct research on reliability of the nation's electricity infrastructure including the impact of electricity restructuring on safety and reliability.

Federal buildings/remote power initiative.—The conference agreement includes $4,000,000 instead of $5,000,000 as proposed by the House and Senate. The conferees understand that the Department has been successful in identifying and funding proposals that met the criteria established last year by the Congress. The conferees direct that the funding for these programs be equally divided. Projects funded under the remote power and Federal buildings programs are required to meet a twenty-five year payback period.

Program direction.—The conference agreement includes $17,100,000 instead of $15,600,000 as proposed by the House or $16,326,000 as proposed by the Senate. The Office of Energy Efficiency and Renewable Energy continues to lead the Department in the ratio of salaries and expenses to program dollars. All funding for support service contractors and Assistant Secretary/cross-cutting activities is provided in program direction. The conference agreement includes $1,500,000 for electricity restructuring activities. The Department is directed to prepare and submit a program plan to the Committees on Appropriations describing this new program. The proposal should identify a discrete role the Department would play that would not be duplicative of services provided by the private sector, state governments or other Federal agencies. Within the amount provided, the conferees have included funds for technical assistance to states undergoing restructuring, including $150,000 in support of restructuring activities of the California Energy Commission. The conferees support the Department's efforts to continue its work with electric utilities to facilitate voluntary, cost-effective means to reduce emissions from power generation and approve the use of limited funding from program direction for this purpose.

NUCLEAR ENERGY

The conference agreement appropriates $283,966,000 instead of $227,769,000 as proposed by the House or $308,662,000 as proposed by the Senate. The conferees have provided $19,000,000 for the nuclear energy research initiative instead of $24,000,000 as recommended by the Senate or $5,000,000 as recommended by the House. The conferees have not included funding for the nuclear energy plant optimization program for which the Senate provided $10,000,000 and the House provided no funds.

Advanced radioisotope power systems.—The conference agreement includes $37,000,000 instead of $40,500,000 as provided by the Senate and $35,000,000 as provided by the House. The conferees continue to be concerned about the lack of interest the Department has shown in streamlining management, reducing the infrastructure, and reducing the extensive level of support service contractors in this program. The Department is directed to prepare a plan to streamline and reduce costs for this program. The plan is to be included with the fiscal year 2000 budget request.

University reactor fuel assistance and support.—The conference agreement includes $11,000,000 instead of $10,000,000 as provided by the Senate and $12,000,000 as provided by the House. The conferees have provided $4,500,000 for the nuclear engineering education research grant program and $1,000,000 each for the university graduate fellowship and industry matching programs. The conferees note that the Department has recommended a 50% increase for Historically Black Colleges and Universities over the amount set aside in fiscal year 1997 and a new start to begin a pre-college nuclear science and technology program. The conferees include funding for these two programs at the same levels provided in fiscal year 1997.

Termination costs.—The conference agreement provides $85,000,000 instead of $81,150,000 as recommended by the House or no funding under this heading as recommended by the Senate. The Senate provided funding for these activities in two other budget lines: Facilities and Nuclear technology research and development. The conference agreement provides funding for these activities consistent with how funds have been provided in fiscal year 1998. The conferees have provided a total of $45,000,000 for electrometallurgical-related activities including $20,000,000 for nuclear technology research and development.

Fast Flux Text Facility.—The conference agreement includes a new line item for this facility. The conferees have provided $30,000,000 instead of $31,200,000 recommended by the House in the Non-Defense Environmental Management account or $28,100,000 recommended by the Senate in the Facilities program included in the Energy Supply account.

Uranium programs.—The conference agreement includes $49,000,000 instead of $53,518,000 as proposed by the House or $55,362,000 as proposed by the Senate. The recommendation reflects the elimination of increases requested in the budget request and acceptance of decreases.

The conferees urge the Secretary to implement a program to begin the stabilization and disposal of depleted uranium hexafluoride stockpiles located at the Paducah, Kentucky, and Portsmouth, Ohio gaseous diffusion plants, and at Oak Ridge, Tennessee. The conferees urge the Secretary of Engery to develop a plan consistent with the intent of Public Law 105–204.

The conferees are aware that the Department has signed a memorandum of agreement with the United States Enrichment Corporation (USEC) to transfer $50,000,000 from USEC in the exchange for accepting the disposal of depleted uranium hexafluoride stockpiles, and an additional $16,000,000 to cover the costs of storing USEC-generated depleted uranium hexafluoride canistes. The conferees direct the Secretary to provide the House and Senate Committees on Appropriations with an accounting of how the Department intends to use this additional funding within 90 days of enactment of this legislation.

The conference agreement does not include language proposed by the House requiring submission of a report on the status of safeguards at the gaseous diffusion plants.

Isotope support.—The conference agreement includes $21,500,000 instead of $14,000,000 as proposed by the House or $22,450,000 as proposed by the Senate. The Department is directed to submit its plan for privatizing the molybdenum-99 production activities to the Committees on Appropriations no later than December 31, 1998.

Program direction.—The conferees have provided $24,700,000 which includes all direct and indirect funding for Office of Nuclear Energy employees, including those transferred to the Office of Nonproliferation and National Security. The conferees have included $3,700,000 for all support service contracts in accordance with Departmental budget rules. The conferees have not stipulated the amount to be provided for employees transferred to the Office of Nonproliferation and National Security.

The conferees note that the Department has requested $1,005,000 for travel which represents approximately $5,500 per employee of the Office of Nuclear Energy. The conferees believe this amount to be excessive. In particular, the conferees are concerned about the unprecedented level of travel undertaken by the current Director of International Nuclear Safety Programs (formerly, the Director of Nuclear Energy). The conferees have not included any travel funds for the Director in fiscal year 1999. Any changes to the amounts provided require submission and approval of a reprogramming request.

ENVIRONMENT, SAFETY AND HEALTH

The conference agreement includes $50,398,000 instead of $46,000,000 recommended by the House or $56,000,000 recommended by the Senate. The conferees have reduced the funding for support service contractors by $5,000,000 instead of $10,000,000 recommended by the House or no reduction as recommended by the Senate.

The Department is currently conducting pilot projects to determine the impacts of external regulation on various facilities. However, several of the pilot projects have included only the Nuclear Regulatory Commission (NRC) and not the Occupational Safety and Health Administration (OSHA) or affected State and local authorities. Since there are many issues involving the interface between NRC and OSHA and other State and local authorities as well as with DOE, the usefulness of these pilots to determine the full impacts of external regulation is limited. The Department is directed to include all affected regulatory authorities in all future pilot projects. The conferees have provided funding to support OSHA participation in these pilot projects.

ENERGY SUPPORT ACTIVITIES

Technical information management program.—The conference agreement includes $8,600,000 instead of $9,100,000 as proposed by the House or $8,100,000 as proposed by the Senate.

Transfer of funds to the Occupational Safety And Health Administration.—The conference agreement includes $1,000,000 to be transferred to the Occupational Safety and Health Administration (OSHA) for conducting pilot programs and other activities necessary to simulate the transition of regulatory authority over occupational safety and health at DOE facilities to OSHA.

With the funding provided, OSHA is to participate in all DOE external regulation pilot projects. OSHA has declined to participate in several of the earlier pilot projects due to limited resources. This has severely limited the usefulness of the pilots.

Field offices.—The conference agreement provides $104,127,000 instead of $85,000,000 as proposed by the House or $95,000,000 as proposed by the Senate. The conferees have provided funding for Federal employees at the Idaho field office in this account as proposed by the Senate.

Oak Ridge landlord.—The conference agreement includes $11,000,000 as proposed by the House instead of $12,500,000 as proposed by the Senate. The reduction from the budget request reflects the availability of $1,500,000 as a result of the reprogramming approved by the Committees on Appropriations on March 16, 1998.

FUNDING ADJUSTMENTS

The conference report includes two funding adjustments. The $47,905,000 adjustment represents the funding provided for renewable energy research programs managed by the Office of Energy Research and funded in the Science account. The conferees have included a prior year balance adjustment of $50,000,000 as proposed by the Senate instead of $31,535,000 as proposed by the House. The conferees have not included the general reduction of $10,795,000 as proposed by the Senate.

NON-DEFENSE ENVIRONMENTAL MANAGEMENT

The conference agreement appropriates $431,200,000 instead of $466,700,000 as proposed by the House and $418,254,000 as proposed by the Senate.

The conferees have provided funding for the Fast Flux Test Facility (FFTF) at Richland, Washington, in the Energy Supply account as proposed by the Senate, rather than in this account as proposed by the House.

The conference agreement provides an additional $5,700,000 to accelerate cleanup at the Brookhaven National Laboratory. The conferees are aware of several smaller sites and laboratories that could benefit from additional funds and urge the Department to seek additional funding in fiscal year 2000 to accelerate the cleanup of these sites.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

The conference agreement appropriates $220,200,000 instead of $225,000,000 as proposed by the House and $196,827,000 as proposed by the Senate.

The conferees understand that an increase in the authorization for the Federal reimbursement for thorium mill tailings is necessary to raise the ceiling from $65,000,000 to $140,000,000. The conferees support this necessary increase in the Federal reimbursement for thorium mill tailings.

SCIENCE

The conference agreement appropriates $2,682,860,000 for Science instead of $2,399,500,000 as proposed by the House and $2,634,207,000 as proposed by the Senate. The conference agreement deletes language proposed by the Senate earmarking funds for the University of Nevada Las Vegas.

High energy physics.—The conference agreement provides $696,500,000 for high energy physics. This is the amount provided by the House and represents a $3,000,000 increase over the budget request for facilities operations and a $2,500,000 increase for research and technology over the amount requested by the Administration. The increase is provided for maximum use of university and laboratory-based user facilities.

Nuclear physics.—The conference agreement provides $335,100,000 for nuclear physics. This is the amount provided by the House and represents a $2,500,000 increase over the amount requested by the Administration. The increase is provided for maximum use of university and laboratory-based user facilities.

Biological and environmental research.—The conference agreement includes $443,600,000 instead of $405,900,000 as recommended by the House or $407,600,000 as recommended by the Senate. The conferees have included $3,000,000 in addition to the amount in the budget request for the low-dose effects program for which an additional $5,000,000 is provided in the Defense Environmental Management account. The conferees have provided $10,500,000 only for the Institute of Molecular Biology and Medicine, to continue microbial genomics research initiated in fiscal year 1998. The conferees have also provided $8,000,000 to Sacramento County as the Local Redevelopment Authority for medical research and educational development at the McClellan nuclear reactor center, in conjunction with the University of California—Davis.

The conferees have provided $1,000,000 for the Gallo Institute of the Cancer Institute of New Jersey for regional prostate cancer research, education and treatment initiatives to develop model outreach and early diagnosis and intervention strategies, focusing on one of the highest incidence regions in the nation and of prostate cancer in minority men. The conference agreement also includes $1,000,000 to begin planning for the marine mammal research and education center at the National Energy Laboratory in Hawaii. The conferees have also provided $2,500,000 for the bone marrow transplantation/radioimmunotherapy demonstration project at the City of Hope National Medical Center in California.

The conference report includes $10,000,000 for the creation of a program to develop technologies using advanced functional brain imaging methodologies, including magnetoencephalography, for conduct of basic research in mental illness and neurological disorders. The conference report includes $2,000,000 for the State University (New York), Stony Brook, to create a comprehensive cancer institute to serve as a focal point (in conjunction with regional cancer centers, the Brookhaven National Laboratory and the Cold Springs Harbor Laboratory) for a concentrated, multi-disciplinary approach to basic and clinical research, detection and molecular analysis of cancer, and development of new diagnostics and therapies targeting cancer. The conference report includes $1,000,000 for the design, planning and construction of an interdisciplinary science facility at the University of Alabama Tuscaloosa. The conference report includes $1,000,000 for the continued construction of the Highlands University Science Center in New Mexico. The conference report includes $7,000,000 to be evenly divided between the West Virginia University National Education and Technology Center and the University of South Carolina Medical Center to support the utilization of Positron Emission Tomography.

Basic energy sciences.—The conference agreement includes $809,100,000 instead of $779,100,000 as recommended by the House or $836,100,000 as recommended by the Senate. The conferees have included $7,000,000 for the Experimental Program to Stimulate Competitive Research, the same as the House-approved level and $3,000,000 less than the amount provided by the Senate. The conference agreement also includes $500,000 for research related to identification of trace element isotopes in environmental samples to be done at the University of Nevada Las Vegas.

Spallation Neutron Source.—The recommendation includes $130,000,000 to begin construction of a new spallation neutron source. The conferees have provided $101,400,000 for line-item construction costs and $28,600,000, the amount of the budget request, for related research and development. The total amount provided is a reduction of $27,000,000 from the budget request and an increase of $107,000,000 over the current fiscal year.

Computational and technology research.—The conference agreement includes $143,000,000 instead of $138,640,000 as recommended by the House or $150,000,000 as recommended by the Senate. The conferees support the House provision regarding funding for the Next Generation Internet initiative. However, the conferees have provided $5,000,000 more than the amount provided by the House for improved utilization of the Department's existing computing infrastructure. Funding is provided for unique Internet tools for technologies that will not be available in the commercial marketplace in any reasonable timeframe and to maintain existing connections to the university community that are supported in the present research network.

FUSION ENERGY SCIENCES

The conferees have provided a total of $229,750,000 for fusion energy sciences, a $1,590,000 increase over the amount in the budget request. The conference agreement includes $223,300,000 for the fusion energy sciences program. Funding for this program has been provided in the Science account as recommended by the Senate instead of the Energy Supply account as recommended by the House. The conferees have provided up to $6,450,000 for all program direction expenses related to the fusion program within the $49,800,000 provided in the Science account for program direction. The conferees note that the Department continues to emphasize tokamak development at the expense of other promising technologies. The conferees continue to be very supportive of the increased emphasis on innovative confinement concepts and university-based experiments. The conferees encourage the Secretary to provide sufficient resources for these efforts. In particular, special emphasis should be placed on funding operations, upgrades, and enhanced design work on both existing and proposed alternative concept experiments at the proof-of-principle level, including an increase for inertial confinement.

International Thermonuclear Experimental Reactor (ITER).—The conferees note that the ITER agreement expired on July 21, 1998. For the past several years, Congress has been clear that the U.S. commitment to ITER extended only through fiscal year 1998. The Department is directed not to sign an extension of this agreement without the written consent of the authorizing and appropriations committees of the House and Senate. The conferees understand and support the value of international collaboration. The Department is encouraged to consider the possibility of utilizing the existing international fusion center in San Diego in future collaborations.

The conferees note that the description of ITER and ITER-related activities in the budget request is not comparable to the classification of these activities in fiscal year 1998, but support the orderly completion of research and development of components that can be completed in fiscal year 1999. For example, the conferees fully expect the Department to meet its commitment to the delivery and testing of the central solenoid model coil.

The conferees have included $12,200,000 as directly related to completion of ITER-related activities, including funds to complete research and development in the base technology program and to provide for orderly ITER closeout costs. The Department must submit a reprogramming request if requirements exceed the $12,200,000 provided.

Tokamak Fusion Test Reactor (TFTR).—In fiscal year 1997, Congress terminated funding for the TFTR. The conferees note that TFTR has ceased operation and that many parts of the TFTR facility will be re-used for the new National Spherical Torus Experiment. Currently, the Department is spending approximately $4,000,000 annually for care-taking of the remaining TFTR components. The Department has no immediate plans for the decommissioning of the TFTR unit, proposing to continue care-taking expenses indefinitely. The conferees have been made aware of decommissioning proposals to complete decommissioning in three years, with estimated savings of $25,000,000. The conferees direct the Department to prepare a reasonable, timely and cost-effective decommissioning plan and to submit a plan to begin decommissioning in the fiscal year 2000 budget request. The Department shall consult with the Princeton Plasma Physics Laboratory throughout the development of this plan.

University and Science Education.—The conferees have adopted the House provision to provide funding for the Laboratory Cooperative, National Science Bowl and Albert Einstein Distinguished Educator Fellowships programs within the amount provided for program direction. Consistent with action taken over the last two fiscal years, the conferees have not included funding for grade school curriculum development programs and other education initiatives included in the Department of Energy's budget request. The conferees continue to support the various programs offered through the nation's laboratories. The conferees encourage the Department to seek opportunities to support work such as that performed by the Science and Technology Alliance.

PROGRAM DIRECTION

The recommendation is $49,800,000, instead of $43,100,000 as proposed by the House or $37,600,000 as proposed by the Senate. The conferees have provided $45,300,000 for standard program direction activities including up to $6,450,000 for salaries and expenses for the Office of Fusion Energy Sciences. The conferees have also provided an additional $4,500,000 to fund the Laboratory Cooperative, National Science Bowl, and Albert Einstein Distinguished Educator Fellowships programs as proposed by the House. The conferees take this action to establish a legitimate funding mechanism for these activities.

FUNDING ADJUSTMENTS

The conference agreement includes four funding adjustments. The $7,600,000 adjustment represents previously appropriated funds the Department has identified as surplus. The funds were provided as part of the closeout costs related to cancellation of the Superconducting Super Collider. The $13,500,000 adjustment represents an estimate of the policy-related work requested as part of the Climate Change Technology Initiative. This adjustment is to be made exclusively to the Basic Energy Sciences and Biological and Environmental Research programs. The conference agreement includes a $13,000,000 prior year balance adjustment as proposed by the Senate instead of no adjustment as proposed by the House. The conference agreement also includes a $5,700,000 general reduction. To the extent practicable, the conferees direct that general reductions are not applied to operation of user facilities. The conferees have not included the general reduction of $42,353,000 as proposed by the Senate.

NUCLEAR WASTE DISPOSAL

The conference agreement appropriates $169,000,000 instead of $160,000,000 as proposed by the House and $190,000,000 as proposed by the Senate. The conference agreement changes the name of this account to "Nuclear Waste Disposal", and provides $165,000,000 to be derived from the Nuclear Waste Fund to continue the repository program.

The conference agreement provides $4,000,000 to be appropriated from the General Fund for a civilian research and development program to conduct a study of accelerator transmutation of waste (ATW) technology. The Department is to establish, in coordination with its laboratories, a road map for the development of ATW technology. The road map should identify the technical issues that must be resolved, a proposed time schedule and program to resolve these issues, and the estimated cost of such a program. The road map should also consider and propose collaborative efforts with other countries developing ATW technology and other programs developing accelerator technology. In addition, the report should include an assessment of the institutional challenges of this program, the impact this technology could have on the civilian spent nuclear fuel program, areas of development which could have benefits to other ongoing programs, and the estimated capital and operational life cycle costs to treat civilian spent nuclear fuel.

The conference agreement includes $250,000 for the State of Nevada instead of $4,875,000 as proposed by the Senate and no funds as proposed by the House. This funding will be provided to the Department of Energy which will reimburse the State for actual expenditures on appropriate scientific oversight responsibilities conducted pursuant to the Nuclear Waste Policy Act of 1982. These funds may not be used for salaries and expenses for State employees in the oversight office.

The conference agreement includes $5,540,000 for affected units of local government as proposed by the Senate instead of no funds as proposed by the House. Funding for the affected local governments is to be allocated in the same proportion as was provided to each affected local government in fiscal year 1998.

The conference agreement includes $500,000 for the University of Nevada-Las Vegas to manage data from scientific studies of Yucca Mountain. No funds have been earmarked to study canister aging and corrosion. The conference agreement includes a 10 percent reduction from the budget request for the management and administrative support service contractors at the Yucca Mountain Office and Headquarters. The House had proposed reducing all support service contracts by 10 percent.

Consistent with the requirement in Public Law 104–206, the conferees reiterate the importance of the timely completion of the Viability Assessment of the Yucca Mountain site and expect the Department to provide this assessment to the President and Congress during 1998. The Viability Assessment is a significant prerequisite to the national decision to accept high-level radioactive waste and spent fuel at a Federal facility.

DEPARTMENTAL ADMINISTRATION

The conference agreement appropriates $200,475,000 for Departmental Administration instead of $175,365,000 as proposed by the House and $234,755,000 as proposed by the Senate. Funding of $37,627,000 is to be transferred to this account from Other Defense Activities. Revenues of $136,530,000 are estimated to be received in fiscal year 1999, resulting in a net appropriation of $63,945,000.

The conference agreement includes bill language proposed by the House providing additional amounts for cost of work for others provided that such increases are offset by revenue increases of the same or greater amount.

The conferees have provided $35,000 for official reception and representation expenses of the Department of Energy as proposed by the Senate instead of $5,000 as proposed by the House. The conferees expect the Department to be prudent in the use of these funds and to submit a report to the House and Senate Committees on Appropriations providing a detailed description of each expenditure from this account in fiscal year 1999.

The conference agreement provides reprogramming authority of $500,000 or 5 percent, whichever is less, within the Departmental Administration account without submission of a reprogramming to be approved by the House and Senate Committees on Appropriations. No individual program account may be increased or decreased by more than this amount during the fiscal year using this reprogramming authority. This should provide the needed flexibility to manage this account. Congressional notification within 30 days of the use of this reprogramming authority is required. Transfers which would result in increases or decreases in excess of $500,000 or 5 percent to an individual program account during the fiscal year require prior notification and approval from the House and Senate Committees on Appropriations.

The conferees direct the Department to develop guidelines for its overseas employees based on the guidelines in effect for employees of the Department of State.

INSPECTOR GENERAL

The conference agreement appropriates $29,000,000 for the Inspector General instead of $29,500,000 as proposed by the House and $27,500,000 as proposed by the Senate.

WEAPONS ACTIVITIES

The conference agreement appropriates $4,400,000,000 instead of $4,142,100,000 as proposed by the House and $4,445,700,000 as proposed by the Senate.

The conference agreement includes language proposed by the Senate providing that funding for any ballistic missile defense program undertaken by the Department of Energy for the Department of Defense must be provided in accordance with procedures established for Work for Others by the Department of Energy.

Stockpile stewardship.—The conference agreement supports funding for activities in the core stockpile stewardship program with the following specific adjustments. The accelerated strategic computing initiative (ASCI) program has been reduced by $23,200,000 resulting in a total program level of $305,900,000. The agreement includes the additional $10,000,000 proposed by the House for the inertial fusion program to further development of high average power lasers.

Testing capabilities and readiness.—Up to $6,000,000 is available for continued development and procurement of a dual stage gas gun to be located at the Nevada Test Site. The conferees are aware of the memorandum of agreement between the Department and the Nevada university and community college system and urge the Department to find mutually beneficial projects which can be conducted under this agreement.

Technology transfer.—The conference agreement provides $45,000,000 for the technology transfer program. Any necessary program reductions should be applied proportionally.

Construction projects.—At the request of the Department, the conferees have reallocated $1,800,000 provided by the House and Senate for project 99–D–107, the joint computational engineering laboratory, to operating expenses for the accelerated strategic computing initiative. Construction of the laboratory is now planned to begin in fiscal year 2001.

The conference agreement provides a total of $15,000,000 for new construction projects in fiscal year 1999. The budget request for new construction starts was $25,300,000. The conferees acknowledge the need for some new construction funding, but remain concerned that the Department has not yet resolved its serious project management deficiencies. Thus, none of the funds may be obligated for a project until an independent assessment validating the cost and schedule for the specific project has been completed and provided to the House and Senate Committees on Appropriations.

Stockpile management.—For core stockpile management activities, the conference agreement provides $1,986,803,000, which includes the following adjustments to the budget request. Additional funding of $6,500,000 is provided for handling uranium materials and infrastructure upgrades at the Y–12 plant in Oak Ridge, Tennessee; $12,000,000 is provided to support advanced manufacturing and other capital investment needs at the Kansas City plant; $17,500,000 is provided to support scheduled workload requirements and other stockpile management requirements at the Pantex plant in Amarillo, Texas; and $5,000,000 is provided to support infrastructure and maintenance needs at the Savannah River Site.

None of the funds provided for new construction project starts may be obligated until an independent assessment validating the cost and schedule for the specific project has been completed and provided to the House and Senate Committees on Appropriations.

Tritium.—A total of $167,000,000, an increase of $10,000,000 over the budget request, is provided for continued research and development on a new source of tritium.

Program direction.—For program direction funding, the conference agreement provides $250,000,000, a reduction of $10,500,000 from the budget request. The conferees believe that further savings can be achieved through efficiencies from realignment efforts proposed in the Institute for Defense Analysis report on the Department's management structure for weapons activities. The conference agreement includes $7,000,000 for the Los Alamos schools and $3,000,000 for the Los Alamos Educational Foundation.

Funding adjustments.—The conference agreement includes the use of $82,536,000 of prior year balances instead of $305,436,000 as proposed by the House and $50,000,000 as proposed by the Senate.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conference agreement appropriates $4,310,227,000 for Defense Environmental Restoration and Waste Management instead of $4,358,554,000 as proposed by the House and $4,293,403,000 as proposed by the Senate. Additional funding of $1,038,240,000 is contained in the Defense Facilities Closure Projects account and $228,357,000 in the Defense Environmental Management Privatization account, for a total of $5,576,824,000 provided for all defense environmental management activities.

Site/Project Completion.—The conference agreement provides $1,052,741,000 for sites and projects to be completed by 2006. The conference agreement provides an additional $5,000,000 to process tritium-contaminated heavy water currently being stored at the Savannah River Site. The conferees recognize the importance of this project and appreciate this innovative way of doing business. The conferees urge the Department to do what is necessary in future years to bring this project to a successful conclusion.

Funding of $5,000,000 has been provided for cleanup activities related to TA–21 at the Los Alamos National Laboratory. The Department is directed to prepare a detailed project plan for the cleanup of TA–21 project which includes the cost and schedule for each of the activities to be conducted, have the plan independently assessed, and submit the plan with the fiscal year 2000 budget request.

At the request of the Department, the conference agreement moves $4,512,000 from project 96–D–408, waste management upgrades, to project 93–D–187, high-level waste removal from waste tanks, at the Savannah River Site.

The conferees remain concerned about the high cost of temporary storage and management of low-level wastes that are ready for permanent disposal and believe that available technologies demonstrated and certified by the Department's Environmental Management program as cost-effective alternatives should, to the extent appropriate, receive priority funding to dispose of these wastes. The conferees are aware of the Department's efforts to replace costly programs like the Interim Waste Management Facilities for low-level mixed waste at Oak Ridge, Tennessee, and other sites, and encourage the Department to implement promptly replacement programs and alternatives.

Post 2006 Completion.—The conference agreement includes an additional $7,000,000 for research and treatment of high level waste at Idaho; $3,000,000 to support operational needs at the Waste Isolation Pilot Project; $5,000,000 to reimburse the State of New Mexico; $25,000,000 to support modifications to the Defense Waste Processing Facility in-tank precipitation process; and $15,000,000 for increased tank farm operations and reactor decommissioning at the Hanford site. The conference agreement also includes $5,500,000 for the hazardous materials management and emergency response training facility at Hanford.

The conference agreement does not include the proposal by the House for submission by the Department of a report on transportation of hazardous materials.

The conferees recognize that universities in South Carolina, Georgia, and Louisiana have provided valuable technological and research assistance to the Department's environmental cleanup program, and recommend that the Department continue using these institutions where possible.

The conference reports accompanying the fiscal year 1997 and 1998 Energy and Water Development Appropriations Acts urged the Department's Offices of Waste Management and Technology Development to undertake jointly research and development focused on higher risk, high pay-off modular in-can vitrification technology as an alternative or backup to achieve satisfactory cleanup results at a significantly lower cost. The conferees are aware of the Department's recent award of a contract in compliance with these recommendations and strongly urge the Department to continue to fund this important research and development work in fiscal year 1999 to ensure that its potential for lower cost cleanup may be determined at the earliest possible date.

The conference agreement includes $350,000 to cover the cost of an on-line tritium monitor for the City of Savannah, Georgia.

Health effects studies.—The conferees have provided $12,000,000 for worker and public health effects studies, instead of $15,000,000 as proposed by the House and $10,000,000 as proposed by the Senate. These funds are to be managed by the Office of Environment, Safety, and Health. Demands for funding by various groups to conduct worker and public health studies at each Department of Energy site are increasing. The conferees agree that all funding for Health and Human Services (HHS) managed studies, either through the Center for Disease Control and Prevention or the Agency for Toxic Substances and Disease Registry shall be incorporated into a single memorandum of understanding with HHS, and that DOE and HHS will prepare a consolidated and coherent strategy which includes a public health agenda for each DOE site. All DOE-funded health studies and proposals shall be independently peer-reviewed, and consistent with the public health agenda for each site.

The conferees have deferred without prejudice funding to initiate the proposed Hanford Medical Monitoring program, but within the health effects studies funding have allocated $2,000,000 for the Department to initiate a public information and education program.

Science and Technology Development.—The conference agreement provides $247,000,000 for the technology development program including $8,500,000 to support the Department's efforts to deploy cost-effective new technologies. Deployment of new technologies is a strategic activity affecting virtually all environmental management programs and sites, and should be strongly supported as a complex-wide program, not another initiative established and maintained in isolation in the technology development organization.

The conferees urge the Department to continue research on hazardous materials in aquatic environments that supports the technology focus areas in mixed waste characterization, treatment, and disposal of subsurface contaminants.

The conference agreement includes $2,000,000 for the national pilot program for electronics recovery and recycling; up to $2,000,000 to use a technology that will safely and effectively destroy the asbestos removed from Federal facilities during the decontamination and decommissioning process; and $4,500,000 for the Diagnostic Instrumentation and Analysis Laboratory (DIAL).

Environmental science program.—The conference agreement provides $47,000,000 for the environmental basic research science program, an increase of $15,000,000 over the budget request which had included no funding for new proposals in fiscal year 1999. This increase includes $5,000,000 for proposals to determine the biological effects of exposure to low doses of ionizing radiation. These proposals are to be coordinated with the program being conducted by the Office of Energy Research.

Risk Policy.—The conference agreement includes $4,000,000 for the Consortium for Risk Evaluation and Stakeholder Participation (CRESP) and $2,000,000 for the Consortium for Environmental Risk Evaluation (CERE).

Program direction.—The conferees have provided $337,073,000 for the program direction account. The recommendation does not include the transfer of the Federal employees at the Idaho Operations Office. The reduction of $9,126,000 from the budget request should be applied to support service contracts, travel, and other lower priority activities at Headquarters and in the field.

Economic development.—The conference agreement maintains the current policy that no cleanup funds are to be used for economic development activities. The conferees have provided $29,900,000 in the worker and community transition program which was established and authorized to fund such activities, and expect all economic development activities to be funded from that program.

DEFENSE FACILITIES CLOSURE PROJECTS

The conference agreement appropriates $1,038,240,000 for the Defense Facilities Closure Projects account as proposed by the House instead of $1,048,240,000 as proposed by the Senate. The conferees expect the Department to request adequate funds to keep each of these projects on a schedule for closure by 2006.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement provides $228,357,000 for the environmental management privatization program instead of $286,857,000 as proposed by the House and $241,857,000 as proposed by the Senate. The conference agreement includes $100,000,000 for the tank waste remediation system (TWRS) project as proposed by the House. The remaining projects and the use of prior year balances are funded at the levels recommended by the Senate.

OTHER DEFENSE ACTIVITIES

The conference agreement appropriates $1,696,676,000 for Other Defense Activities instead of $1,761,260,000 as proposed by the

House and $1,658,160,000 as proposed by the Senate. Details of the conference agreement are provided below.

NONPROLIFERATION AND NATIONAL SECURITY

The conference agreement provides $701,600,000 for nonproliferation and national security programs instead of $696,600,000 as proposed by the House and $696,300,000 as proposed by the Senate.

The conferees agree that the nonproliferation and verification research and development program currently executed at the nuclear weapons laboratories looks much like a static, generally unfocussed, level of effort research program. The conferees direct the Department to initite an external review of the projects being conducted, their progress to date, and their value to the overall needs of the program.

The conferees have deleted the bill language included by the Senate for the Initiatives for Proliferation Prevention (IPP) program and the nuclear cities initiative. However, from within available funds and prior year balances, the conference agreement includes $25,000,000 for IPP and $15,000,000 for the nuclear cities initiative.

The conference agreement includes an additional $1,000,000 for a study of the vulnerabilities of security equipment; $2,000,000 for the procurement of safety locks to meet Federal specifications; and $500,000 for the continued development of the Raman spectroscopy technology.

No funds have been provided for development of the dielectric wall accelerator technology or for assistance to the Russian nuclear weapons dismantlement program to develop an emergency response capability.

Counterintelligence.—The conference agreement includes a total of $15,641,000 to support the Department's new counterintelligence program. This is an increase of $8,000,000 over the budget request. Needs in excess of this amount have been identified for computer security activities, but the conferees believe the Department should look to currently available computer resources to see if funds can be reallocated to these higher priority activities. If not, the Department should submit a reprogramming or supplemental budget request for fiscal year 1999.

Program direction.—The conference agreement provides $86,900,000 for the program direction account. Reductions should be applied to the use of management and administration support service contractors throughout the organization and lower priority activities. None of these funds may be used to support the employees transferred from the Nuclear Energy office in fiscal year 1999. All funding for these employees has been provided in the Nuclear Energy program direction account.

The conference agreement includes $600,000 for operation of the Department of Energy's Moscow office. Collaborative efforts between the Department of Energy and the Russian Ministry of Atomic Energy on implementation of the Highly Enriched Uranium Agreement, plutonium disposition, and weapons dismantlement is one of the Department's highest priorities, and that effort should receive the full administrative support of the Department.

ENVIRONMENT, SAFETY AND HEALTH (DEFENSE)

The conference agreement provides $91,500,000 for defense-related environment, safety and health activities instead of $94,000,000 as proposed by the House and $89,000,000 as proposed by the Senate. The reduction of $2,500,000 from the budget request should be applied to the use of support service contractors.

The conferees have provided $53,456,000 for worker and public health effects studies to be managed by the Office of Environment, Safety, and Health. This amount includes the budget request of $41,456,000 in this account and $12,000,000 in the Defense Environmental Management program. The conferees agree that all funding for Health and Human Services (HHS) managed studies, either through the Center for Disease Control and Prevention or the Agency for Toxic Substances and Disease Registry shall be incorporated into a single memorandum of understanding with HHS, and that DOE and HHS will prepare a consolidated and coherent strategy which includes a public health agenda for each DOE site. The agencies are directed to report to the Committees on Appropriations on the status of the implementation of the public health agenda by December 31, 1998. The final public health agenda for each site shall be provided to the Committees no later than September 30, 1999. The conferees strongly endorse the concept of peer-reviewed health effects studies, and direct that all DOE-funded health studies shall be independently peer-reviewed, and consistent with the public health agenda for each site.

WORKER AND COMMUNITY TRANSITION

The conference agreement provides $29,900,000 for the worker and community transition program instead of $29,800,000 as proposed by the House and $40,000,000 as proposed by the Senate. Since there are no significant program funding decreases in the Department of Energy in fiscal year 1999, the conferees have reduced the funding allocated for enhanced severance benefits and local assistance grants. The conferees direct that no other Departmental funds be used to provide enhanced severance payments and other benefits under the provisions of Section 3161 of the National Defense Authorization Act of Fiscal Year 1993.

The conferees direct that none of the funds provided for this program be used for additional severance payments and benefits for Federal employees of the Department of Energy. Federal employees are covered by a multitude of laws which control employee benefits and protections during the downsizing of Federal agencies.

FISSILE MATERIALS DISPOSITION

The conference agreement provides the budget request of $168,960,000 for fissile materials disposition, but reallocates $5,000,000 from the pit disassembly and conversion facility project to operating expenses.

The conferees have not included the bill language proposed by the Senate earmarking $5,000,000 for a joint U.S.-Russian development program of advanced reactor technology to dispose of Russian excess weapons-derived plutonium. However, the conference agreement includes $5,000,000 for the joint U.S.-Russian development of gas reactor technology to dispose of excess weapons-derived plutonium. Of this funding, $2,000,000 is available for work to be performed in the United States by the Department of Energy and other U.S. contractors, and $3,000,000 is to be expended for work in Russia. The $3,000,000 shall be made available for work in Russia on the gas reactor technology on the condition and only to the extent that the Russian Federation matches these contributions with either comparable funding or contributions-in-kind.

The conferees have provided funds for this program in part because of the possibility that other countries will contribute to this effort. The conferees expect the Department and U.S. contractors to make every effort to gain commitments from other countries in this regard, and to seek private sector funding for continued future funding of this effort. Future support for this effort is contingent upon agreement on a U.S.-Russian agreement on the disposition of excess weapons-derived plutonium. The Department should report to the House and Senate Committees on Appropriations at the end of fiscal year 1999 on the progress which has been made in this program, the status of the matching funds or in-kind contributions from the Russian Federation and other countries, and the success of efforts to procure private sector funding for this effort.

The conferees have deleted bill language proposed by the Senate which limited the design and procurement activities for the mixed oxide fuel fabrication facility. The Department of Energy should proceed with preparations for plutonium disposition to include the design and licensing of key disposition facilities as well as qualification of mixed oxide fuel. The United States, however, should not proceed unilaterally to dispose of excess plutonium without parallel progress on the Russian side. No funds have been provided to initiate actual construction of plutonium disposition facilities without such an agreement.

NUCLEAR ENERGY (DEFENSE)

Due to severe funding constraints, the conference agreement provides $30,000,000 for the international nuclear safety program to improve the safety of Soviet-designed nuclear reactors, a decrease of $5,000,000 from the budget request.

NATIONAL SECURITY PROGRAMS
ADMINISTRATIVE SUPPORT

The conference agreement provides $37,627,000 for national security programs administrative support instead of $75,000,000 as proposed by the House and no funding as proposed by the Senate.

NAVAL REACTORS

The conference agreement provides $670,189,000, instead of $681,500,000 as proposed by the House and $665,500,000 as proposed by the Senate. An additional $4,689,000 over the budget request has been provided to continue test reactor inactivation efforts and environmental cleanup activities.

DEFENSE NUCLEAR WASTE DISPOSAL

The conference agreement provides $189,000,000 instead of $190,000,000 as proposed by the House and $185,000,000 as proposed by the Senate. Funding proposed by the Senate for the accelerator transmutation of waste program has been included in the non-defense portion of this bill.

POWER MARKETING ADMINISTRATIONS

ALASKA POWER ADMINISTRATION

The conference agreement does not include additional funding for the Alaska Power Administration as proposed by the House instead of $5,000,000 as proposed by the Senate. Unobligated balances of the Alaska Power Administration shall be available to pay any remaining obligations of the Administration. The conferees encourage the Department to reprogram any further unobligated balances.

The managers expect more than just a perfunctory report to Congress on the asset sales. Basic factual information should include: final sales price, terms of the sale, and identification of assets sold, as well as copies of primary sales documents. In addition, the report should include information on unexpected problems encountered and how those problems were resolved, lessons learned that could have improved the asset sales process, and any information that might be relevant to similar asset sales. The managers expect to receive the report prior to the end of fiscal year 1999, as stipulated in the authorizing legislation.

BONNEVILLE POWER ADMINISTRATION

The conferees take no position on the extension of the current levels of funding for mitigation of fish and wildlife impacts. The conference agreement does not include language proposed by the Senate pertaining to the authority of the Administrator to sell Federal power to an entity formed by existing regional public body and cooperative customers of Bonneville.

Independent Scientific Review Panel.—The conferees recommend that, with regard to Columbia Basin fish and wildlife projects, programs, or measures proposed in a Federal agency budget to be reimbursed by the Bonneville Power Administration, the Independent Scientific Review Panel should annually review such proposals, determine whether the proposals are consistent with the criteria in Section 4(h)(10)(D) of the Pacific Northwest Electric Power Planning and Conservation Act, make any recommendations that the Panel considers appropriate to make the project, program, or measure meet the criteria in that Section, and transmit the recommendations to the Northwest Power Planning Council no later than April 1 of each year. These Panel recommendations should be available to the public and should be subject to public comment.

The conferees further recommend that the Panel recommendations should be fully considered by the Northwest Power Planning Council when making its final recommendations of projects proposed by Federal agencies and reimbursed by the Bonneville Power Administration.

The conferees direct the Panel to submit its recommendations to the House and Senate Committees on Appropriations and relevant authorizing Committees no later than May 15 of each year. If the Northwest Power Planning Council does not incorporate a recommendation of the Panel in its recommendations, the Council should explain in writing its reasons for not accepting Panel recommendations.

SOUTHEASTERN POWER ADMINISTRATION

The conference agreement includes $7,500,000, a reduction of $1,000,000 from the amount provided by the House and Senate. The conferees have recently been made aware of an additional $1,500,000 that will be available in fiscal year 1999 from funds carried over from fiscal year 1998.

SOUTHWESTERN POWER ADMINISTRATION

The conference agreement includes $26,000,000, as proposed by the Senate instead of $24,710,000 as proposed by the House.

WESTERN AREA POWER ADMINISTRATION

The conference agreement includes $203,000,000, instead of $205,000,000 as provided by the House or $212,018,000 as provided by the Senate.

FALCON AND AMISTAD FUND

The conference agreement includes $1,010,000, the same amount recommended by the Senate instead of $970,000 as provided by the House.

FEDERAL ENERGY REGULATORY COMMISSION

The conference agreement includes $167,500,000 instead of $166,500,000 as recommended by the House or $168,898,000 as recommended by the Senate. The conferees have provided the Commission with an increase of $5,359,000 over the current fiscal year.

GENERAL PROVISIONS

DEPARTMENT OF ENERGY

SEC. 301. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to award a management and operating contract unless such contract is awarded using competitive procedures, or the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. At least 60 days before such action, the Secretary of Energy must submit to the House and Senate Committees on Appropriations a report notifying the Committees of the waiver and setting forth the reasons for the waiver. Section 301 does not preclude extension of a contract awarded using competitive procedures.

SEC. 302. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to award, amend, or modify a contract in a manner that deviates from the Federal Acquisition Regulation, unless the Secretary of Energy grants, on a case-by-case basis, a waiver to allow for such a deviation. At least 60 days before such action, the Secretary of Energy must submit to the House and Senate Committees on Appropriations a report notifying the Committees of the waiver and setting forth the reasons for the waiver.

SEC. 303. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to prepare or implement workforce restructuring plans or provide enhanced severance payments and other benefits and community assistance grants for Federal employees of the Department of Energy under section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102-484.

SEC. 304. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to augment the $29,900,000 made available for obligation for severance payments and other benefits and community assistance grants authorized under the provisions of section 3161 of the National Defense Authorization Act of Fiscal Year 1993, Public Law 102-484.

SEC. 305. The conference agreement includes a provision proposed by the House and Senate that none of the funds may be used to prepare or initiate Requests for Proposals for a program if the program has not been funded by Congress in the current fiscal year. This provision precludes the Department from initiating activities for new programs which have been proposed in the budget request, but which have not yet been funded by Congress.

SEC. 306. The conference agreement includes a provision proposed by the House and Senate that permits the transfer and merger of unexpended balances of prior appropriations with appropriation accounts established in this bill.

SEC. 307. The conference agreement includes a provision allowing the Secretary of Energy to enter into multiyear contracts without obligating the estimated costs associated with any necessary cancellation or termination of the contract. This provides the Department of Energy with the same flexibility provided to the Department of Defense.

SEC. 308. The conference agreement modifies language proposed by the Senate that limited the types of waste that could be disposed of in the Waste Isolation Pilot Plant in New Mexico. None of the funds may be used to dispose of transuranic waste in excess of 20 percent plutonium by weight for the aggregate of any material category. At the Rocky Flats site, this provision applies to the five material categories addressed in the "Final Environmental Impact Statement on Management of Certain Plutonium Residues on Scrub Alloy Stored at the Rocky Flats Environmental Technology Site", Table S-2, Notice of Intent Categories.

SEC. 309. The conference agreement modifies language proposed by the Senate changing the name of the Office of Energy Research. The name of the office has been changed to "Science" instead of "Science Research" as proposed by the Senate.

SEC. 310. The conference agreement modifies language proposed by the Senate pertaining to maintenance of security at the DOE uranium enrichment plants. Costs of implementing this provision will be allocated between the Department of Energy and the United States Enrichment Corporation.

SEC. 311. The conference agreement modifies language proposed by the House in title V and requires the Department of Energy to include all appropriate regulatory entities when conducting pilot projects to simulate external regulation at Departmental facilities.

The Department is directed not to initiate any pilot projects to simulate external regulation of Departmental facilities which do not include the Nuclear Regulatory Commission (NRC), the Occupational Safety and Health Administration (OSHA), and the appropriate State and local entities. The Department has been conducting pilot projects to simulate the external regulation of its facilities. However, the pilot projects to date have included only the NRC, and not OSHA, or the appropriate State and local regulatory entities which could also have oversight of worker safety and health at Departmental facilities. The Department has touted its successful pilot project at the Lawrence Berkeley National Laboratory, but the pilot project was completely inadequate because it did not include the participation of OSHA or State and local entities. Thus, the pilot project failed to address many of the issues involving the interactions among all of these entities and the Department of Energy. Obvious questions were left unanswered in the pilot project.

The conferees direct the Department to address all of the issues involving OSHA and State and local regulation of worker safety and health at the Lawrence Berkeley National Laboratory in conjunction with NRC regulation. The Department should provide a report to the Committees on Appropriations by March 31, 1999, on the results of the comprehensive pilot project. Additionally, the Department is directed to initiate in fiscal year 1999 a pilot project for a multi-program non-defense laboratory such as Argonne National Laboratory or Brookhaven National Laboratory which includes a large accelerator project. The Department should not conduct simulations of external regulation at sites with weapons activities responsibilities.

SEC. 312. The conference agreement includes a provision delaying until September 30, 1999, the obligation of $57,000,000 in the Atomic Energy Defense Activities, Weapons Activities appropriation account.

Provisions not adopted by the conferees

The conference agreement deletes language proposed by the House limiting the ability of Department of Energy facilities and laboratories to compete with the private sector. This provision has been addressed in report language.

The conference agreement deletes language proposed by the House limiting economic assistance payments to the State of

New Mexico until the Waste Isolation Pilot Plant commences disposal operations.

The conference agreement deletes language proposed by the Senate permitting the Bonneville Power Administration to sell at wholesale rates to joint operating entities.

The conference agreement deletes language proposed by the Senate providing offsetting funding reductions in various appropriation accounts.

CONFERENCE RECOMMENDATIONS

The conference agreement's detailed funding recommendations for programs in title III are contained in the following table.

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Department of Energy (in thousands)

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	Budget Estimate	Conference
ENERGY SUPPLY		
SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES		
Solar energy		
Solar building technology research	5,000	2,900
Photovoltaic energy systems	78,800	66,800
Photovoltaic energy research	2,883	2,883
Subtotal, Photovoltaic	81,683	69,683
Solar thermal energy systems	22,500	17,000
Biomass/biofuels energy systems		
Power systems	42,900	31,000
Transportation	46,891	41,750
Subtotal, Biomass/biofuels energy systems	89,791	72,750
Biomass/biofuels energy research	27,199	27,199
Subtotal, Biomass	116,990	99,949
Wind energy systems	43,500	33,200
Wind energy research	283	283
Subtotal, Wind	43,783	33,483
Renewable energy production incentive program	4,000	4,000
Solar program support	14,000	---
International solar energy program	8,800	3,750
Solar technology transfer	1,360	---
National renewable energy laboratory	5,000	2,000
Solar photoconversion (ER)	14,532	14,532
Total, Solar Energy	317,648	247,297

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	Budget Estimate	Conference
Geothermal		
Geothermal technology development	33,000	28,500
Hydrogen research	24,000	21,000
Hydrogen energy research	3,008	3,008
Total, Hydrogen	27,008	24,008
Hydropower	4,000	2,000
Renewable Indian energy resources	---	3,500
Electric energy systems and storage		
Transmission reliability	---	2,500
High temperature superconducting R&D	32,000	32,500
Energy storage systems	6,000	4,500
Climate challenge	500	---
Total, Electric energy systems and storage	38,500	39,500
Federal building/Remote power initiative	---	4,000
Program direction	17,000	17,100
TOTAL, SOLAR AND RENEWABLE RESOURCES TECHNOLOGIES	437,156	365,905

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	Budget Estimate	Conference
NUCLEAR ENERGY		
Nuclear energy R&D		
Advanced radioisotope power system	40,500	37,000
Nuclear technology R&D	25,000	---
Test reactor area landlord	4,634	4,000
Construction		
99-E-200 Test reactor area electrical utility upgrade, Idaho National Engineering Laboratory, ID	341	341
95-E-201 Test reactor area fire and life safety improvements, Idaho National Engineering Laboratory, ID	2,425	2,425
Subtotal, Construction	2,766	2,766
Subtotal, Test reactor area landlord	7,400	6,766
University reactor fuel assistance and support	10,000	11,000
Nuclear energy research initiative	24,000	19,000
Total, Nuclear energy R&D	106,900	73,766
Fast flux test facility (FFTF)	---	30,000
Facilities	96,150	---
Termination costs	---	85,000
Uranium programs	66,700	49,000
Isotope support	16,450	15,500
Construction		
99-E-201 Isotope production facility (LANL)	6,000	6,000
Total, Isotope support	22,450	21,500
Nuclear energy plant optimization	10,000	---
Program direction	23,550	24,700
TOTAL, NUCLEAR ENERGY	325,750	283,966

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	Budget Estimate	Conference
ENVIRONMENT, SAFETY AND HEALTH		
Environment, safety and health	37,602	32,000
Program direction	38,398	18,398
TOTAL, ENVIRONMENT, SAFETY AND HEALTH	76,000	50,398
ENERGY RESEARCH		
Fusion energy sciences program	228,160	---
ENERGY SUPPORT ACTIVITIES		
Technical information management program	2,340	1,600
Program direction	7,500	7,000
Total, Technical information management program	9,840	8,600
Transfer to OSHA for external regulation pilot projects	---	1,000
Field office management	104,541	104,127
Oak Ridge Landlord	12,500	11,000
TOTAL, ENERGY SUPPORT ACTIVITIES	126,881	124,727
Subtotal, Energy supply	1,193,947	824,996
Renewable energy research program	-47,905	-47,905
Use of prior year balances	-17,000	-50,000
TOTAL, ENERGY SUPPLY	1,129,042	727,091

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	Budget Estimate	Conference
NON-DEFENSE ENVIRONMENTAL MANAGEMENT		
Site closure	254,344	254,344
Site/project completion	97,248	102,948
Post 2006 completion	83,908	83,908
Science and technology	26,500	---
Use of prior year balances	-10,000	-10,000
TOTAL, NON-DEFENSE ENVIRONMENTAL MANAGEMENT	452,000	431,200
URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND		
Decontamination and decommissioning	242,000	190,200
Uranium/thorium reimbursement	35,000	30,000
Use of prior year balances	-5,000	---
TOTAL, URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING	272,000	220,200

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	Budget Estimate	Conference
SCIENCE		
High energy physics		
Research and technology	213,365	215,865
Facility operations	456,635	459,635
Construction		
99-G-306 Wilson hall safety improvements, Fermilab	6,700	6,700
98-G-304 Neutrinos at the main injector, Fermilab	14,300	14,300
Subtotal, Construction	21,000	21,000
Subtotal, Facility operations	477,635	480,635
Total, High energy physics	691,000	696,500
Nuclear physics	315,980	318,480
Construction		
91-G-300 Relativistic heavy ion collider (BNL)	16,620	16,620
Total, Nuclear physics	332,600	335,100
Biological and environmental research	392,600	443,600
Basic energy sciences		
Materials sciences	417,216	417,216
Chemical sciences	209,582	209,582
Engineering and geosciences	44,413	44,413
Energy biosciences	32,489	32,489
Construction		
99-E-334 Spallation neutron source (ORNL)	128,400	101,400
96-E-300 Combustion research facility, Phase II, SNL/L	4,000	4,000
Subtotal, Construction	132,400	105,400
Total, Basic energy sciences	836,100	809,100

	Budget Estimate	Conference
Other energy research		
Computational and technology research	160,640	143,000
Energy research analyses	1,000	1,000
Multiprogram energy labs - facility support		
Multiprogram general purpose facilities		
Infrastructure support	1,160	1,160
Construction		
MEL-001 Multiprogram energy laboratory infrastructure projects, various locations	14,924	14,924
94-E-363 Roofing improvements (ORNL)	4,908	4,908
Subtotal, Construction	19,832	19,832
Subtotal, Multiprogram gen. purpose facilities	20,992	20,992
Environment, safety and health		
Construction		
96-E-333 Multiprogram energy laboratories upgrades, various locations	268	268
Subtotal, Multiprogram energy labs - fac. suppor	21,260	21,260
Total, Other energy research	182,900	165,260
Fusion energy sciences program	---	223,300
University science education programs		
Laboratory cooperative science centers	15,000	---
Program direction	39,860	49,800
Subtotal, Science	2,490,060	2,722,660
Use of prior year SSC balances	-7,600	-7,600
Use of other prior year balances	-12,000	-13,000
General reduction	---	-5,700
General reduction for policy papers for CCTI	---	-13,500
TOTAL, SCIENCE	2,470,460	2,682,860

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	Budget Estimate	Conference
DEPARTMENTAL ADMINISTRATION		
Administrative operations		
Salaries and expenses		
Office of the Secretary	4,251	4,175
Board of contract appeals	---	715
Chief financial officer	---	22,350
Contract reform	---	3,200
Congressional and intergovernmental affairs	---	4,900
Economic impact and diversity	---	4,700
Field management	---	7,500
General counsel	---	19,250
Human resources and administration	---	97,000
Policy office	---	14,000
Public affairs	---	3,500
Subtotal, Salaries and expenses	4,251	181,290
General management - personnel compensation and benefits	106,210	---
General management - other expenses	77,578	---
Program support		
Minority economic impact	1,880	1,700
Policy analysis and system studies	500	350
Consumer affairs	19	---
Public affairs	38	---
Environmental policy studies	2,500	2,000
Scientific and technical training	500	450
Information management	8,000	8,000
Subtotal, Program support	13,437	12,500
Total, Administrative operations	201,476	193,790
Cost of work for others	44,312	44,312
Subtotal, Departmental Administration	245,788	238,102
Transfer from other defense activities	---	-37,627
Total, Departmental administration (gross)	245,788	200,475
Miscellaneous revenues	-136,530	-136,530
TOTAL, DEPARTMENTAL ADMINISTRATION (net)	109,258	63,945

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	Budget Estimate	Conference
OFFICE OF INSPECTOR GENERAL		
Office of Inspector General...........................	29,500	29,000

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	Budget Estimate	Conference
ATOMIC ENERGY DEFENSE ACTIVITIES		
WEAPONS ACTIVITIES		
Stockpile stewardship		
Core stockpile stewardship	1,505,832	1,482,632
Construction		
99-D-102 Rehabilitation of maintenance facility (LLNL), Livermore, CA	6,500	---
99-D-103 Isotope sciences facility (LLNL), Livermore, CA	4,000	---
99-D-104 Protection of real property (roof reconstruction, Phase II) (LLNL), Livermore, CA.	7,300	---
99-D-105 Central health physics calibration facility (LANL), Los Alamos, NM	3,900	---
99-D-106 Model validation and system certification test center (SNL), Albuquerque, NM	1,600	---
99-D-107 Joint computational engineering laboratory (JCEL, SNL), Albuquerque, NM	1,800	---
99-D-108 Renovate existing roadways, Nevada test site, NV	2,000	---
FY 1999 new construction project funding	---	15,000
97-D-102 Dual-axis radiographic hydrotest facility (LANL), Los Alamos, NM	36,000	36,000
96-D-102 Stockpile stewardship facilities revitalization (Phase VI), various locations	20,423	20,423
96-D-103 ATLAS, Los Alamos National Laboratory	6,400	6,400
96-D-104 Processing and environmental technology laboratory (SNL)	18,920	18,920
96-D-105 Contained firing facility addition (LLNL)	6,700	6,700
Subtotal, Construction	115,543	103,443
Subtotal, Core stockpile stewardship	1,621,375	1,586,075

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	Budget Estimate	Conference
Inertial fusion	213,800	223,800
Construction		
96-D-111 National ignition facility - TBD	284,200	284,200
Subtotal, Inertial fusion	498,000	508,000
Technology transfer/education		
Technology transfer	60,000	45,000
Education	9,000	9,000
Subtotal, Technology transfer/education	69,000	54,000
Total, Stockpile stewardship	2,188,375	2,148,075
Stockpile management	1,935,803	1,986,803
Construction		
99-D-122 Rapid reactivation,various locations	11,200	11,200
99-D-123 Replace mechanical utility systems, Y-12, Oak Ridge, TN	1,900	1,900
99-D-125 Replace boilers and controls, Kansas City plant, Kansas City, MO	1,000	1,000
99-D-127 Stockpile management restructuring initiative, Kansas City plant, Kansas City, MO	13,700	13,700
99-D-128 Stockpile management restructuring initiative, Pantex consolidation, Amarillo, TX	1,108	1,108
99-D-132 SMRI nuclear material safeguards and security upgrade project (LANL), Los Alamos, NM	9,700	9,700
98-D-123 Stockpile mgmt. restructuring initiative Tritium factory modernization and consolidation, Savannah River, SC	27,500	27,500
98-D-124 Stockpile mgmt. restructuring initiative Y-12 consolidation, Oak Ridge, TN	10,700	10,700
97-D-122 Nuclear materials storage facility renovation (LANL), Los Alamos, NM	9,164	2,500

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	Budget Estimate	Conference
97-D-123 Structural upgrades, Kansas City plant, Kansas City, KS	6,400	6,400
96-D-122 Sewage treatment quality upgrade (STQU) Pantex plant	3,700	3,700
95-D-102 Chemistry and metallurgy research (CMR) upgrades project (LANL)	16,000	5,000
93-D-122 Life safety upgrades, Y-12 plant	3,250	3,250
Subtotal, Construction	115,322	97,658
Total, Stockpile management	2,051,125	2,084,461
Program direction	260,500	250,000
Subtotal, Weapons activities	4,500,000	4,482,536
Use of prior year balances	---	-82,536
TOTAL, WEAPONS ACTIVITIES	4,500,000	4,400,000

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	Budget Estimate	Conference
DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MGMT.		
Site/project completion		
Operation and maintenance	848,090	858,090
Construction		
99-D-402 Tank farm support services, F&H area, Savannah River site, Aiken, SC	2,745	2,745
99-D-404 Health physics instrumentation laboratory (INEL), ID	950	950
98-D-401 H-tank farm storm water systems upgrade, Savannah River, SC	3,120	3,120
98-D-453 Plutonium stabilization and handling system for PFP, Richland, WA	26,814	26,814
98-D-700 Road rehabilitation (INEL), ID	7,710	7,710
97-D-450 Savannah River nuclear material storage, Savannah River Site, Aiken, SC	79,184	79,184
97-D-470 Regulatory monitoring and bioassay laboratory, Savannah River site, Aiken, SC	7,000	7,000
96-D-406 Spent nuclear fuels canister storage and stabilization facility, Richland, WA	38,680	38,680
96-D-408 Waste management upgrades, Kansas City plant and Savannah River	4,512	---
96-D-464 Electrical & utility systems upgrade, Idaho chemical processing plant (INEL), ID	11,544	11,544
96-D-471 CFC HVAC/chiller retrofit, Savannah River site, Aiken, SC	8,000	8,000
95-D-456 Security facilities consolidation, Idaho chemical processing plant (INEL), ID	485	485

	Budget Estimate	Conference
92-D-140 F&H canyon exhaust upgrades Savannah River, SC	3,667	3,667
86-D-103 Decontamination and waste treatment facility (LLNL), Livermore, CA	4,752	4,752
Subtotal, Construction	199,163	194,651
Total, Site/project completion	1,047,253	1,052,741
Post 2006 completion		
Operation and maintenance	2,194,107	2,261,107
Uranium enrichment D&D fund contribution	398,088	398,088
Construction		
99-D-403 Privatization Phase I infrastructure support, Richland, WA	14,800	14,800
97-D-402 Tank farm restoration and safe operations, Richland, WA	22,723	22,723
96-D-408 Waste management upgrades, Richland, WA	171	171
94-D-407 Initial tank retrieval systems, Richland, WA	32,860	32,860
93-D-187 High-level waste removal from filled waste tanks, Savannah River, SC	10,702	15,214
Subtotal, Construction	81,256	85,768
Total, Post 2006 completion	2,673,451	2,744,963
Science and technology	193,000	247,000
Program direction	346,199	337,073
Subtotal, Defense environmental management	4,259,903	4,381,777
Use of prior year balances/general reduction	---	-71,550
TOTAL, DEFENSE ENVIRON. RESTORATION AND WASTE MGMT	4,259,903	4,310,227

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	Budget Estimate	Conference
DEFENSE FACILITIES CLOSURE PROJECTS		
Closure projects..	1,006,240	1,038,240
DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION		
Privatization initiatives, various locations..........	516,857	228,357
TOTAL, DEFENSE ENVIRONMENTAL MANAGEMENT...........	5,783,000	5,576,824

	Budget Estimate	Conference
OTHER DEFENSE ACTIVITIES		
Other national security programs		
Nonproliferation and national security		
Verification and control technology		
Nonproliferation and verification, R&D..........	210,000	210,000
Arms control..................................	256,900	256,900
Intelligence..................................	33,600	41,600
Subtotal, Verification and control technology.	500,500	508,500
Emergency management..............................	23,700	21,000
Nuclear safeguards and security...................	53,200	55,200
Security investigations...........................	30,000	30,000
Program direction - NN............................	88,900	86,900
Subtotal, Nonproliferation and national security	696,300	701,600
Environment, safety and health (Defense)............	69,231	66,731
Program direction - EH............................	4,769	24,769
Subtotal, Environment, safety & health (Defense)	74,000	91,500
Worker and community transition.....................	41,000	26,000
Program direction - WT............................	4,000	3,900
Subtotal, Worker and community transition.......	45,000	29,900
Fissile materials disposition.......................	111,372	116,372
Program direction - MD............................	4,588	4,588
Construction		
99-D-141 Pit disassembly and conversion Facility, Various locations....................	25,000	20,000
99-D-143 Mixed oxide fuel fabrication facility, Various locations............................	28,000	28,000
Subtotal, Construction..........................	53,000	48,000
Subtotal, Fissile materials disposition.........	168,960	168,960

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	Budget Estimate	Conference
Nuclear energy (Defense)		
International nuclear safety:		
Soviet designed reactors	35,000	30,000
National Security programs administrative support	---	37,627
Office of hearings and appeals	2,400	2,400
Total, Other national security programs	1,021,660	1,061,987
Naval reactors		
Naval reactors development	623,600	628,289
Construction		
GPN-101 General plant projects, various locations	9,000	9,000
98-D-200 Site laboratory facility upgrade, various locations	7,000	7,000
90-N-102 Expended core facility dry cell project, Naval Reactors Facility, ID	5,800	5,800
Subtotal, Construction	21,800	21,800
Subtotal, Naval reactors development	645,400	650,089
Program direction	20,100	20,100
Total, Naval reactors	665,500	670,189
Subtotal, Other defense activities	1,687,160	1,732,176

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	Budget Estimate	Conference
Use of prior year balances	---	-15,500
Offset to user organizations	-20,000	-20,000
TOTAL, OTHER DEFENSE ACTIVITIES	1,667,160	1,696,676
DEFENSE NUCLEAR WASTE DISPOSAL		
Defense nuclear waste disposal	190,000	189,000
TOTAL, ATOMIC ENERGY DEFENSE ACTIVITIES	12,140,160	11,862,500
POWER MARKETING ADMINISTRATIONS		
SOUTHEASTERN POWER ADMINISTRATION		
Operation and maintenance		
Operation and maintenance/program direction	4,370	4,370
Purchase power and wheeling	6,130	6,130
Subtotal, Operation and maintenance	10,500	10,500
Use of prior year balances	-2,000	-3,000
TOTAL, SOUTHEASTERN POWER ADMINISTRATION	8,500	7,500
SOUTHWESTERN POWER ADMINISTRATION		
Operation and maintenance		
Operating expenses	2,722	2,722
Purchase power and wheeling	59	59
Program direction	16,402	16,402
Construction	6,817	6,817
TOTAL, SOUTHWESTERN POWER ADMINISTRATION	26,000	26,000

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	Budget Estimate	Conference
WESTERN AREA POWER ADMINISTRATION		
Operation and maintenance		
Construction and rehabilitation	20,802	20,802
System operation and maintenance	36,469	36,469
Purchase power and wheeling	53,886	53,886
Program direction	107,383	107,383
Utah mitigation and conservation	5,036	5,036
Subtotal, Operation and maintenance	223,576	223,576
Use of prior year balances	-8,141	-20,576
TOTAL, WESTERN AREA POWER ADMINISTRATION	215,435	203,000
FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND		
Operation and maintenance	1,010	1,010
TOTAL, POWER MARKETING ADMINISTRATIONS	250,945	237,510
FEDERAL ENERGY REGULATORY COMMISSION		
Federal energy regulatory commission	168,898	167,500
FERC revenues	-168,898	-167,500
TOTAL, FEDERAL ENERGY REGULATORY COMMISSION	---	---
NUCLEAR WASTE DISPOSAL		
Repository program	129,511	112,000
Program direction	60,489	53,000
Subtotal from Nuclear Waste Disposal Fund	190,000	165,000
Civilian research and development	---	4,000
TOTAL, NUCLEAR WASTE DISPOSAL	190,000	169,000
GRAND TOTAL, DEPARTMENT OF ENERGY	17,043,365	16,423,306

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

The conference agreement includes $66,400,000 for the Appalachian Regional Commission instead of $65,900,000 as proposed by the House and $67,000,000 as proposed by the Senate.

DENALI COMMISSION

The conference agreement includes language proposed by the Senate appropriating $20,000,000 for the Denali Commission, amended to subject the appropriation to authorization enacted by law.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

The conference agreement appropriates $16,500,000 for the Defense Nuclear Facilities Safety Board as proposed by the House instead of $17,500,000 as proposed by the Senate.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $465,000,000 instead of $462,700,000 as recommended by the House or $466,000,000 as recommended by the Senate. The conferees have provided $17,000,000, to be derived from the Nuclear Waste Fund, for the Commission's ongoing work to characterize Yucca Mountain as a potential site for a permanent nuclear waste repository. The conference agreement also includes $3,200,000 for regulatory reviews and other assistance provided to the Department of Energy.

The conferees concur with the concerns raised by both the House and Senate with regard to the Nuclear Regulatory Commission and have provided the Commission with buyout authority.

OFFICE OF THE INSPECTOR GENERAL

The conference agreement includes $4,800,000, the same amount provided by the House and Senate.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

The conference agreement appropriates $2,600,000 as proposed by the House and Senate.

TENNESSEE VALLEY AUTHORITY

The conference agreement deletes language proposed by the Senate appropriating $70,000,000 for the Tennessee Valley Authority.

No funding is provided for Land Between the Lakes.

If the Chairman of the Tennessee Valley Authority Board of Directors determines and certifies in writing to the Congress and the Director of the Office of Management and Budget that the elimination of appropriated funds is the primary reason which would cause the TVA Board to increase power rates, the Chairman of the Tennessee Valley Authority, the Secretary of the Army, and the Director of the Office of Management and Budget shall jointly submit to Congress a report with recommendations regarding whether a transfer of Federal stewardship responsibilities along the Tennessee River to the U.S. Army Corps of Engineers would be in the best interest of Tennessee Valley ratepayers by preventing or mitigating the need for such a rate increase, and if so, shall submit a legislative proposal to transfer these functions to the U.S. Army Corps of Engineers. This report shall be submitted at least six months prior to the institution of the proposed rate increase.

The conferees acknowledge TVA's traditional role in controlling aquatic vegetation growth along the Tennessee River and its tributaries. Accordingly, the conferees urge TVA to continue these efforts in Jackson County and Marshall County, Alabama with internally generated revenues.

TITLE V

GENERAL PROVISIONS

SEC. 501. The conference agreement includes a provision proposed by both the House and Senate directing that none of the funds in this Act or any prior appropriations Act may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in section 1913 of title 18, United States Code.

SEC. 502. The conference agreement includes language proposed by both the House and Senate regarding the purchase of American-made equipment and products, and prohibiting contracts with persons falsely labeling products as made in America.

SEC. 503. The conference agreement includes language proposed by both the House and Senate which provides that none of the funds made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit of the Central Valley Project until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters. The language also provides that the costs of the Kesterson Reservoir Cleanup Program and the San Joaquin Valley Drainage Program shall be classified as reimbursable or non-reimbursable by the Secretary of the Interior as described in the Bureau of Reclamation report entitled, "Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995" and that any future obligation of funds for drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries pursuant to Reclamation law.

SEC. 504. The conference agreement includes a provision proposed by both the House and Senate prohibiting the restart of the High Flux Beam Reactor.

SEC. 505. The conference agreement includes a provision proposed by both the House and Senate providing a one-year extension of the authority of the Nuclear Regulatory Commission to collect fees and charges to offset appropriated funds.

SEC. 506. The conference agreement includes language proposed by the House providing permanent authority for the Nuclear Regulatory Commission (NRC) to expend funds for various purposes for which the Committees on Appropriations have been providing annual authorization. The conference agreement also includes buyout authority for NRC employees through December 31, 2000.

SEC. 507. The conference agreement includes language transferring funds between two accounts in the District of Columbia Appropriations Act, 1998.

The National Capitol Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33), enacted as part of the Balanced Budget Act of 1997, called for the Federal government to assume responsibility for financing the District of Columbia Courts and the newly created trustees for offender supervision and corrections. In order to facilitate transition to these new responsibilities, the District of Columbia Appropriations Act for fiscal year 1998 (Public Law 105-100) provided the requested $108,000,000 to finance Court operations and the requested $20,000,000 to the new District of Columbia Offender Supervision, Defender and Court Services Agency to finance the adult probation function which was transferred from the Courts.

The conferees understand that the District of Columbia Courts have deferred paying court-appointed attorneys for services rendered because of a shortage of funds. The conferees have approved a transfer of $1,700,000 from the District of Columbia Offender Services Trustee to the District of Columbia Courts. The transferred funds are to be used solely for the purpose of reimbursing court-appointed attorneys, in addition to any other funds for that purpose currently available or which may become available at a later date.

SEC. 508. The conference agreement includes language designating the wetlands located in Yolo County, California, and known as the Yolo Basin Wetlands, as the "Vic Fazio Yolo Wildlife Area."

SEC. 509. The conference agreement includes language dedicating to United States Senator Dale Bumpers nine areas in the State of Arkansas' National Wilderness Preservation System, and renaming the Arkansas Wilderness Act of 1984 as the "Dale Bumpers Wilderness Resources Protection Act."

Provisions not adopted by the conferees

The conference agreement deletes language proposed by the Senate prohibiting the award of funds to institutions not in compliance with certain requirements regarding campus access for units of the Senior Reserve Officer Training Corps and Federal military recruitment personnel.

The conference agreement deletes language proposed by the Senate prohibiting the use of funds to enter into or renew contracts with entities failing to comply with statutory reporting requirements concerning the employment of certain veterans.

The conference agreement deletes language proposed by the Senate pertaining to the Animas-La Plata project in Colorado and New Mexico.

The conference agreement deletes language proposed by the House repealing section 505 of Public Law 102-377, the Fiscal Year 1993 Energy and Water Development Appropriations Act, and section 208 of Public Law 99-349, the Urgent Supplemental Appropriations Act, 1986.

The conference agreement deletes a provision proposed by the House implementing external regulation of environment, safety and health activities at the Lawrence Berkeley National Laboratory. A provision requiring the Department to include all appropriate regulatory entities when conducting pilot projects to simulate external regulation at Departmental facilities has been included in title III.

TITLE VI

DENALI COMMISSION

The conference agreement deletes language proposed by the Senate establishing and authorizing the Denali Commission.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998 .... $21,261,907,000

Budget estimates of new (obligational) authority, fiscal year 1999	21,720,462,000
House bill, fiscal year 1999	21,077,465,000
Senate bill, fiscal year 1999	21,373,861,000
Conference agreement, fiscal year 1999	21,332,135,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+70,228,000
Budget estimates of new (obligational) authority, fiscal year 1999	−388,327,000
House bill, fiscal year 1999	+254,670,000
Senate bill, fiscal year 1999	−41,726,000

Joseph McDade,
Harold Rogers,
Joe Knollenberg,
Rod Frelinghuysen,
Mike Parker,
Sonny Callahan,
Jay Dickey,
Bob Livingston,
Vic Fazio,
Peter J. Visclosky,
Chet Edwards,
Ed Pastor,
David Obey,
Managers on the Part of the House.

Pete Domenici,
Thad Cochran,
Slade Gorton,
Mitch McConnell,
R.F. Bennett,
Conrad Burns,
Larry Craig,
Ted Stevens,
Harry Reid,
Robert Byrd,
Fritz Hollings,
Patty Murray,
Herb Kohl,
Byron L. Dorgan,
Daniel Inouye,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Yates (at the request of Mr. Gephardt) after 5 p.m., September 24, 1998, on account of illness in the family.

Mr. Yates (at the request of Mr. Gephardt) after 1 p.m. today, on account of illness in the family.

Mr. Underwood (at the request of Mr. Gephardt) for today through 12 noon on Wednesday, September 30, on account of official business.

Mr. Saxton (at the request of Mr. Armey) for today after 3:30 p.m. and for the balance of the week on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. Meek of Florida) to revise and extend their remarks and include extraneous material:)

Mr. Conyers, for 5 minutes, today.

Ms. Brown of Florida, for 5 minutes, today.

Mr. Minge, for 5 minutes, today.

Mr. Pomeroy, for 5 minutes, today.

Ms. Jackson-Lee of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. Weller) to revise and extend their remarks and include extraneous material:)

Mr. Pappas, for 5 minutes, today.

Mr. Weller, for 5 minutes, today.

Mr. Stearns, September 28 and 29, for 5 minutes each.

Mr. Hunter, for 5 minutes, today.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. Fox of Pennsylvania, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bob Schaffer of Colorado, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $7,858.

(The following Members (at the request of Mrs. Meek of Florida) and to include extraneous material:)

Mr. Kind.
Mr. Davis of Illinois.
Mr. Rodriguez.
Mr. Miller of California.
Mr. McGovern.
Ms. Sánchez.
Mr. Visclosky.
Ms. Jackson-Lee of Texas.
Mr. Vento.
Mr. Lipinski.
Mr. Clay.
Mr. Thompson.
Mr. Kucinich.
Ms. Pelosi.
Mrs. Maloney of New York.
Mr. Hamilton.
Mr. Lantos.
Ms. DeLauro.
Mr. Payne.
Mr. Farr of California.
Mr. Borski.
Mr. Nadler.

(The following Members (at the request of Mr. Weller) and to include extraneous material:)

Mr. Gilman.
Mr. Calvert.
Mr. Frelinghuysen.
Mr. Portman.
Mr. Smith of New Jersey.
Mr. Pappas.
Mr. Smith of Michigan.
Mr. Scarborough.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2071. An act to extend a quarterly financial report program administered by the Secretary of Commerce; to the Committee on Government Reform and Oversight.

ADJOURNMENT

Mr. FOX of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Saturday, September 26, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11257. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's "Major" final rule—Solid Wood Packing Material From China [APHIS Docket No. 98–087–1] (RIN: 0579–AB01) received September 18, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11258. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Karnal Bunt; Movement From Regulated Areas [Docket No. 96–016–32] (RIN: 0579–AA83) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11259. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Removal of Regulations Regarding Certification of Drugs Composed Wholly or Partly of Insulin; Confirmation of Effective Date [Docket No. 98N–0210] received September 8, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11260. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Removal of Regulations Regarding Certification of Antibiotic Drugs; Confirmation of Effective Date [Docket No. 98N–0211] received September 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11261. A letter from the Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, transmitting the Administration's final rule—Obstetric and Gynecologic Devices; Reclassification and Classification of Medical Devices Used for In Vitro Fertilization and Related Assisted Reproduction Procedures [Docket No. 97N–0335] received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11262. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions—September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11263. A letter from the Secretary of the Interior, transmitting a report to Congress on a gift of Land in La Paz County, Arizona, pursuant to Public Law 101–628; to the Committee on Resources.

11264. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Claims Based on Exposure to Ionizing Radiation (Prostate Cancer and Any Other Cancer) (RIN: 2900–AI00) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

11265. A letter from the Senior Attorney, Federal Register Certifying Officer, Financial Management Service, transmitting the Service's final rule—Offset of Federal Benefit Payments to Collect Past-due, Legally Enforceable Nontax Debt (RIN: 1510–AA74) received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11266. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property [Revenue Ruling 98–50] received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11267. A letter from the Secretary of Agriculture, transmitting the Department's final rule—Designation of Rural Empowerment Zones and Enterprise Communities (RIN: 0503–AA18) received Agust 3, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11268. A letter from the Acting Assistant Secretary of Defense, Department of Defense, transmitting a report to ensure that, on and after September 30, 2007, all military technician positions are held only by dual status military technicians; to the Committee on National Security.

11269. A letter from the Secretary of Defense, transmitting a report to Congress about an event-based decision for the F–22 aircraft program; to the Committee on National Security.

11270. A letter from the Secretary of Housing and Urban Development, transmitting an interim report on the evaluation of HUD's lead-based paint hazard control grant program; to the Committee on Banking and Financial Services.

11271. A letter from the President and Chairman, John F. Kennedy Center for the Performing Arts, transmitting the 1997 Annual Report of operations for the John F. Kennedy Center for the Performing Arts and the National Symphony Orchestra, pursuant to 20 U.S.C. 761(c); to the Committee on Education and the Workforce.

11272. A letter from the Acting Secretary of Energy, transmitting the fourteenth Annual Report on the activities and expenditures of the Office of Civilian Radioactive Waste Management, pursuant to 42 U.S.C. 10224(c); to the Committee on Commerce.

11273. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 23–98 which constitutes a Request for Final Approval for the Memorandum of Agreement between the U.S. and Italy for the Joint Strike Fighter (JSF), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

11274. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Japan [Transmittal No. DTC 110–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11275. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with the United Kingdom [Transmittal No. DTC 107–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11276. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Spain [Transmittal No. DTC 105–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11277. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with the United Kingdom [Transmittal No. DTC 93–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11278. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license agreement with Turkey [Transmittal No. DTC 89–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11279. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed license for the export of defense articles or defense services sold commercially to Greece [Transmittal No. DTC 97–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11280. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing license for the export of major defense equipment sold under a contract to Turkey [Transmittal No. DTC 98–98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11281. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on the drawdown of up to $70,000,000 of articles and services from the inventory and resources of the Department of Defense, military education and training, Department of Transportation, Department of the Treasury, Department of Justice and the Department of State for the purposes and under the authorities of Chapter 8 of part I of the FAA, pursuant to 22 U.S.C. 2318(a)(1); to the Committee on International Relations.

11282. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the President's determination and justification for the request for appropriations to meet unexpected needs for urgent refugees, displaced persons, conflict victims, and other persons at risk due to the Kosovo crisis. (Presidential Determination No. 98–34), pursuant to 22 U.S.C. 2601(c)(3); to the Committee on International Relations.

11283. A communication from the President of the United States, transmitting Progress toward a negotiated settlement of the Cyprus question covering the period June 1 to July 31, 1998, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

11284. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the forty-sixth report on the extent and disposition of United States contributions to international organizations for fiscal year 1997, pursuant to 22 U.S.C. 262a; to the Committee on International Relations.

11285. A letter from the Director, United States Information Agency, transmitting a copy of the Broadcasting Board of Governors' 1997 Annual Report, pursuant to 22 U.S.C. 6204; to the Committee on International Relations.

11286. A letter from the Administrator, General Services Administration, transmitting a report of the results of the 1998 investigations of the cost of operating privately owned vehicles to Government employees while on official business, pursuant to 5 U.S.C. 5707(b)(1); to the Committee on Government Reform and Oversight.

11287. A letter from the Executive Director, State Justice Institute, transmitting the report in compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

11288. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to outline changes to NASA's initial FY 1998 Operating Plan, submitted on January 12, 1998; to the Committee on Science.

11289. A letter from the Acting Assistant Attorney General and Assistant Secretary of Defense, Department of Justice, and Department of Defense, transmitting a report to Congress on a joint study of the number and extent of thefts from military arsenals of firearms, explosives, and other materials that are potentially useful to terrorists; jointly to the Committees on National Security and the Judiciary.

11290. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that the President proposes to exercise his authority under section 610(a) of the Foreign Assistance Act of 1961, as amended (the "Act"), to authorize that $3,000,000 of funds made available for section 23 of the Arms Export Control Act and $4,945,800 of funds made available for the establishment and functioning of the court proposed to be set up in The Netherlands for the trial of suspects in the Pan Am 103 bombing case, pursuant to 22 U.S.C. 2364(a)(1); jointly to the Committees on International Relations and Appropriations.

11291. A letter from the Secretary of Transportation, transmitting a report to Congress on effects of the Anti Car Theft Act of 1992 on trends in motor vehicle theft and recovery; jointly to the Committees on the Judiciary and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 4321. A bill to protect consumers and financial institutions by preventing personal financial information from being obtained from financial institutions under false pretenses; with an amendment (Rept. 105–701 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Conference. Conference report on H.R. 4103. A bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–746). Ordered to be printed.

Mr. GOSS: Permanent Select Committee on Intelligence. H.R. 3829. A bill to amend the Central Intelligence Agency Act of 1949 to provide a process for agency employees to submit urgent concerns to Congress, and for other purposes; (Rept. 105–747 Pt. 1). Ordered to be printed.

Mr. BLILEY: Committee on Commerce. H.R. 4081. A bill to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas (Rept. 105–748). Referred to the Committee of the Whole House on the State of the Union.

Mr. McDADE: Committee on Conference. Conference report on H.R. 4060. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–749). Ordered to be printed.

Mr. GOODLING: Committee of Conference. Conference report on H.R. 6. A bill to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes (Rept. 105–750). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged from further consideration. H.R. 4321 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged from further consideration. H.R. 4393 referred to the Committee of the Whole House on the State of the Union.

REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 3929. Referred to the Committees on the Judiciary and National Security for a period ending not later than Oct. 9, 1998 for consideration of such provisions of the bill and amendment as fall within their jurisdiction pursuant to clause 1(j) and (k), rule X, respectively.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3829. Referral to the Committee on Government Reform and Oversight extended for a period ending not later than October 9, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ALLEN (for himself, Mr. Turner, Mr. Tierney, Mr. Waxman, Mr. Berry, Mr. Barrett of Wisconsin, Mr. Brown of Ohio, Mr. Stupak, Mr. Weygand, Mr. Stark, Ms. Kilpatrick, Mr. Kucinich, Mr. Sanders, Mr. Cummings, Mr. Serrano, Mr. Thompson, Mr. Pomeroy, Mr. Johnson of Wisconsin, Mr. Frank of Massachusetts, Mr. Sandlin, Ms. Stabenow, Mr. Yates, Mr. Borski, Mr. Frost, Mr. Davis of Illinois, Mrs. Thurman, Mr. Kind of Wisconsin, and Mr. Abercrombie):

H.R. 4627. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MALONEY of New York (for herself, Mr. Shays, Ms. DeGette, Mr. Frost, Mr. Gutierrez, Mrs. Johnson of Connecticut, Ms. Kilpatrick, Mr. Lantos, Ms. Jackson-Lee of Texas, Ms. McCarthy of Missouri, Mr. McDermott, Mr. Meehan, Mrs. Morella, Mr. Nadler, and Ms. Norton):

H.R. 4628. A bill to ensure a woman's right to breastfeed her child on any portion of Federal property where the woman and her child are otherwise authorized to be; to the Committee on Government Reform and Oversight.

By Mr. BECERRA (for himself, Mr. Berman, Mr. Martinez, Ms. Millender-McDonald, Mr. Rogan, Mr. Sherman, Mr. Waxman, Mr. Torres, Ms. Roybal-Allard, Mr. Stokes, Mr. Matsui, Mr. Dixon, Mr. Kucinich, Ms. Waters, and Ms. Harman):

H.R. 4629. A bill to make effective beginning in 1999 the empowerment zones designated after August 5, 1997, and before February 8, 1998; to the Committee on Ways and Means.

By Mr. DeFAZIO (for himself and Mr. Smith of Oregon):

H.R. 4630. A bill to provide for the conveyance of certain Bureau of Land Management lands in Douglas County, Oregon, containing a county park and certain adjacent lands to the county government; to the Committee on Resources.

By Mr. FARR of California (for himself and Mr. Foley):

H.R. 4631. A bill to create employment opportunities and to promote economic growth in the United States by establishing a public-private partnership between the United States travel and tourism industry and every level of government to work to make the United States the premiere travel and tourism destination in the world, and for other purposes; to the Committee on Commerce.

By Mr. FRANKS of New Jersey:

H.R. 4632. A bill to require Federal regulation of online privacy protections to apply to all Federal agencies; to the Committee on Commerce, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRELINGHUYSEN:

H.R. 4633. A bill to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project; to the Committee on Commerce.

By Mr. GILCHREST (for himself, Mr. Boehlert, Mrs. Tauscher, Mr. Forbes, Mrs. Kelly, Mr. Shays, Mrs. Lowey, Mr. Goss, Mr. Bilbray, Mr. Cardin, Mr. Saxton, Mr. Bentsen, Mr. Lampson, and Mr. Greenwood):

H.R. 4634. A bill to catalyze restoration of estuary habitat through more efficient financing of projects and enhanced coordination of Federal and non-Federal restoration programs, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MINGE:

H.R. 4635. A bill to authorize States and political subdivisions of States to control the management of municipal solid waste generated within their jurisdictions, and to exempt States and political subdivisions of States from civil liability with respect to the good faith passage, implementation, and enforcement of flow control ordinances prior to May 16, 1994; to the Committee on Commerce.

By Mr. SMITH of Michigan:

H.R. 4636. A bill to amend the Internal Revenue Code of 1986 to expand the types of crop payments for which a farmer may defer inclusion in income until the next taxable year; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4637. A bill to amend the Internal Revenue Code of 1986 to allow an interest deduction for contingent interest on a shared appreciation mortgage; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4638. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the cost of groceries purchased by employees and prepared into meals by employers for the convenience of employers; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4639. A bill to amend the Internal Revenue Code of 1986 to treat income from certain leases as income from rental real estate activities in which the taxpayer actively participates; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4640. A bill to amend the Internal Revenue Code of 1986 to provide that disposition of property produced by a qualified family-owned business does not trigger additional estate tax; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4641. A bill to amend the Internal Revenue Code of 1986 to defer certain prepaid farm expenses incurred by reason of a change in business operations attributable to the enactment of the Agricultural Market Transition Act; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4642. A bill to amend the Internal Revenue Code of 1986 to allow a 100 percent deduction for health insurance costs of self-employed individuals; to the Committee on Ways and Means.

By Mr. SMITH of Michigan (for himself and Mr. Bob Schaffer):

H.R. 4643. A bill to amend the Internal Revenue Code of 1986 to treat lands which are contiguous to a principal residence and which were farmed for 5 years before the sale of the principal residence as part of such residence; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4644. A bill to permit farmers the option of declaring the taxable year in which production flexibility contract payments and crop insurance payments are included in gross income; to the Committee on Ways and Means.

By Mr. SMITH of Michigan:

H.R. 4645. A bill to extend permanently chapter 12 of title 11, United States Code, and to amend the Internal Revenue Code of 1986 to facilitate the bankruptcy and debt restructuring process relating to farmers; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LINDER:

H.J. Res. 130. A joint resolution designating Monday, January 3, 2000, as the day for the observance of the New Year's Day holiday in that year; to the Committee on Government Reform and Oversight.

By Mr. FRELINGHUYSEN:

H. Con. Res. 330. Concurrent resolution expressing the sense of the Congress that official mail sent by Government agencies at taxpayer expense should be subject to certain uniform standards; to the Committee on Government Reform and Oversight.

By Mrs. LOWEY (for herself and Mr. ENGEL):

H. Res. 555. A resolution recognizing the suffering and hardship endured by American civilian prisoners of war during World War II; to the Committee on Government Reform and Oversight.

By Ms. MCKINNEY:

H. Res. 556. A resolution expressing the sense of the House of Representatives that the people of the Republic of Mozambique and President Joaquim Alberto Chissano are to be congratulated for their commitments to democracy, peace, and economic reform in their country and throughout southern Africa, and that it is in the interest of both the United States and the Republic of Mozambique to maintain and enhance continued close relations; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

396. The SPEAKER presented a memorial of the House of Representatives of the State of Illinois, relative to House Resolution No. 547 urging the passage and enactment of HR. 1951 and S. 1391 to lift the United States' embargo for humanitarian reasons and that the delivery of food and medicine to the Cuban people be allowed; and that such an adjustment in our foreign policy reflects America's humanitarianism that transcends political ideology; to the Committee on International Relations.

397. Also, a memorial of the Senate of the Commonwealth of Massachusetts, relative to Senate Resolution 2305 memorializing the Untited States Congress to provide funding to build a veterans' rehabilitation hospital in Worcester County; to the Committee on Veterans' Affairs.

398. Also, a memorial of the Legislature of the State of Texas, relative to House Concurrent Resolution No. 211 requesting the Congress of the United States to pass legislation that would increase the volume caps; to the Committee on Ways and Means.

399. Also, a memorial of the House of Representatives of the State of Oklahoma, relative to House Resolution 1002 memorializing the Congress of the United States and the President of the United States to take all action necessary to ensure that our foreign markets for trade, specifically agriculture trade, stay stable and open for the United States goods; jointly to the Committees on International Relations and Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 135: Mr. BACHUS.
H.R. 253: Mr. MASCARA.
H.R. 303: Mr. BARTON of Texas.
H.R. 457: Mr. HASTINGS of Washington.
H.R. 465: Mr. MOLLOHAN.
H.R. 598: Mr. GEJDENSON.
H.R. 857: Mr. REGULA and Mr. BRADY of Texas.
H.R. 1283: Mrs. MINK of Hawaii and Mr. MICA.
H.R. 1329: Mr. BROWN of Ohio and Mr. KING of New York.
H.R. 1542: Mr. GEKAS.
H.R. 1628: Mr. FILNER.
H.R. 1858: Mr. BRADY of Pennsylvania.
H.R. 2090: Mr. FOLEY, Mr. FRANKS of New Jersey, Mr. DEUTSCH, Mr. ENGLISH of Pennsylvania, Mr. BRADY of Pennsylvania, Mr. MARKEY, Mr. GUTIERREZ, and Mr. DAVIS of Illinois.
H.R. 2199: Mr. GUTIERREZ.
H.R. 2327: Mr. MICA.
H.R. 2397: Mrs. LINDA SMITH of Washington, Mr. JOHNSON of Wisconsin, Mr. HYDE, Mr. BEREUTER, Mr. MCINTYRE, Mr. FOX of Pennyslvania, Mr. CHAMBLISS, Mr. MEEHAN, and Mr. YOUNG of Florida.
H.R. 2549: Mr. ALLEN.
H.R. 2560: Mr. REDMOND, Mr. PICKERING, Mr. MORAN of Kansas, Mr. HULSHOF, Mr. WATKINS, Mr. CAMP, Mrs. FOWLER, Mr. HOSTETTLER, Mr. UPTON, Mr. DUNCAN, Mr. GILCHREST, and Mr. PORTMAN.
H.R. 2754: Mr. MEEKS of New York, Mr. MOLLOHAN, Ms. NORTON, Ms. KAPTUR, and Mr. UNDERWOOD.
H.R. 2789: Ms. LOFGREN, Mr. HILLIARD, Mr. KLECZKA, Mr. WEXLER, and Mr. SCHUMER.
H.R. 2819: Ms. SÁNCHEZ.
H.R. 2821: Mr. LEWIS of Georgia.
H.R. 2882: Mr. BOUCHER.
H.R. 2914: Mrs. CAPPS and Mr. TURNER.
H.R. 2938: Mr. THOMPSON.
H.R. 2968: Mr. REDMOND.
H.R. 2990: Mr. FOSSELLA, Mr. DICKEY, and Mr. BRADY of Pennsylvania.
H.R. 3008: Mr. BONIOR.
H.R. 3066: Mr. DAVIS of Illinois.
H.R. 3270: Mrs. CAPPS.
H.R. 3281: Ms. LOFGREN.
H.R. 3342: Mr. DOYLE.
H.R. 3514: Mr. BERMAN and Mr. JEFFERSON.
H.R. 3553: Mr. LAMPSON, Mr. PALLONE, and Mrs. MCCARTHY of New York.
H.R. 3572: Mrs. MCCARTHY of New York, Mr. FARR of California, Mr. PICKETT, Mr. STENHOLM, Mr. BLAGOJEVICH, and Mr. GREEN.
H.R. 3637: Mrs. CAPPS.
H.R. 3659: Mr. RADANOVICH, Mr. MCCRERY, Mr. SNOWBARGER, Mr. HUNTER, Mr. HINOJOSA, Mr. PACKARD, and Mrs. CAPPS.
H.R. 3667: Mr. RAMSTAD, Ms. DUNN of Washington, Mr. WICKER, Mr. PICKERING, Mr. CUNNINGHAM, Mr. HUTCHINSON, Mr. DICKEY, and Mr. PRICE of North Carolina.
H.R. 3780: Mr. SAM JOHNSON of Texas and Mr. WATKINS.
H.R. 3802: Mr. STARK.
H.R. 3831: Mr. CASTLE, Mr. HORN, and Mr. HOYER.
H.R. 3834: Mr. SAXTON.
H.R. 3870: Mr. MINGE and Mr. MCINTYRE.
H.R. 3879: Ms. GRANGER.
H.R. 3919: Mr. ADERHOLT.
H.R. 3949: Mr. PARKER.
H.R. 4028: Mr. KIND of Wisconsin and Mr. REDMOND.
H.R. 4121: Ms. KAPTUR, Ms. DELAURO, and Mr. MASCARA.
H.R. 4153: Mr. SNYDER, Ms. STABENOW, Mr. KILDEE, and Mrs. CAPPS.
H.R. 4154: Mr. CHRISTENSEN, Mrs. EMERSON, Mr. RYUN, Mr. BARTLETT of Maryland, Mr. SAM JOHNSON of Texas, Mr. DOOLITTLE, Mr. SUNUNU, Mr. BURTON of Indiana, and Mr. MCINTYRE.
H.R. 4189: Mr. STARK and Ms. ESHOO.
H.R. 4203: Ms. KAPTUR, Mr. MENENDEZ, and Mr. HILLIARD.
H.R. 4204: Mr. ENGLISH of Pennsylvania and Mr. ADERHOLT.
H.R. 4206: Mr. PICKETT.
H.R. 4214: Mr. BARRETT of Wisconsin, Mr. BERMAN, and Mrs. THURMAN.
H.R. 4242: Mr. GOODLATTE.
H.R. 4258: Mr. SNOWBARGER.
H.R. 4332: Mr. NETHERCUTT, Mr. THOMPSON, and Mr. ENGLISH of Pennsylvania.
H.R. 4339: Mr. REDMOND.
H.R. 4340: Mr. CASTLE, Mr. WELDON of Pennsylvania, Mr. GILCHREST, Mr. QUINN, Mrs. KELLY, Mr. COOKSEY, Mr. FRANKS of New Jersey, and Mr. KASICH.
H.R. 4350: Mr. LUTHER.
H.R. 4369: Mr. PAUL and Mrs. LINDA SMITH of Washington.
H.R. 4403: Mr. BACHUS.
H.R. 4404: Mr. HINOJOSA and Mr. PICKETT.
H.R. 4415: Mr. BORSKI.
H.R. 4433: Mr. LANTOS.
H.R. 4476: Ms. KILPATRICK, Mr. HILLIARD, and Ms. FURSE.
H.R. 4536: Mr. BROWN of Ohio, Mr. YATES, Mr. PASTOR, Mr. PASCRELL, Mr. LUTHER, and Mr. PICKETT.
H.R. 4552: Mr. FROST, Ms. DELAURO, Mr. MARTINEZ, Mr. WEYGAND, Mr. WAXMAN, MR. STARK and Mr. KENNEDY of Rhode Island.
H.R. 4573: Mrs. JOHNSON of Connecticut and Mr. WATTS of Oklahoma.
H.R. 4574: Mr. UNDERWOOD.
H.R. 4577: Ms. CARSON.
H.R. 4581: Mr. DEFAZIO.
H.R. 4590: Mr. LAZIO of New York, Mr. UPTON, Mr. HILLIARD, and Ms. FURSE.
H.R. 4591: Mrs. THURMAN.
H.R. 4594: Mr. PAXON.
H.R. 4597: Mr. DAVIS of Florida, Mr. PALLONE, Ms. WOOLSEY, Ms. ESHOO, and Mr. PASCRELL.
H.R. 4611: Mr. BECERRA.
H.R. 4621: Ms. CARSON and Mr. UPTON.
H. Con. Res. 112: Mr. PALLONE.
H. Con. Res. 154: Mr. HINCHEY.
H. Con. Res. 160: Mr. LUTHER.
H. Con. Res. 229: Mr. MANTON.
H. Con. Res. 258: Mr. CUMMINGS, Ms. KILPATRICK, Mr. STARK, Mr. WEYGAND, and Mr. BURTON of Indiana.
H. Con. Res. 283: Mr. WATTS of Oklahoma.
H. Res. 479: Ms. ESHOO and Mrs. MALONEY of New York.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1995: Mr. METCALF.
H.R. 4095: Mr. NADLER.
H.R. 4567: Mr. NORWOOD and Mr. STENHOLM.

EXTENSIONS OF REMARKS

THE WEST DELTA FIELD

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. BAKER. Mr. Speaker, I am pleased today to join my colleagues Mr. Tauzin and Mr. John in introducing legislation that will correct a wrong suffered by the State of Louisiana over a decade ago.

I believe that all of my colleagues know that most of the Federal Outer Continental Shelf oil and gas development occurs off the coast of Louisiana and, indeed, off the coast of my Congressional district. Large portions of the Gulf of Mexico are among the very few areas of the OCS where offshore drilling is not prohibited by the Administration's recently announced leasing moratorium.

To put the contribution of the State of Louisiana in perspective, in fiscal year 1997 $3.2 billion of the slightly over $4 billion of OCS revenue received by the Federal government was generated off the coast of Louisiana. Louisiana has been making this type of contribution to the Federal government's effort to develop its oil and gas resources every year beginning in the early 1950's.

Throughout the entire history of Federal oil and gas development off the coast of Louisiana, the state and the Department of the Interior have cooperated on the development of oil and gas resources that might underlie both the state and Federal offshore waters. Obviously, the interest of our state and our delegation is that the revenues generated by the development of oil and gas resources owned by the people of Louisiana be returned to the treasury of the state of Louisiana. Where oil and gas resources occur in underground formations that underlie both state and Federal waters, the state and the Federal government have developed these areas through cooperative agreements that ensure that neither sovereign develops the resources of the other.

Unfortunately, this spirit of cooperation broke down in the mid-1980's in the development of a natural gas field along the seaward boundary of Louisiana called the West Delta Field. For the first and only time in the history of Federal OCS development off the coast of Louisiana, the Department of the Interior refused to cooperate with Louisiana in protecting Louisiana's resources from being developed by Federal lessees. As a result, Federal lessees drained over $18 million of Louisiana's natural gas, the revenues from which went to the Federal treasury rather than the State of Louisiana's treasury. In 1989, an Independent Fact Finder appointed by the Secretary of the Interior at the direction of Congress confirmed these facts. Section 6004 of the Oil Pollution Act of 1990 authorized an appropriation to repay the State of Louisiana and its lessees for the $18 million of gas developed improperly by the Federal lessees, plus interest. Today, the total authorized payment to the State and its lessees, with interest, is approximately $32 million.

The State of Louisiana and its lessees have never received this money. Therefore, this legislation authorizes an alternative means of compensating the State and its lessees. Under this legislation, the state lessee in the West Delta Field would be authorized to withhold its Federal royalty payments on other OCS production in the Gulf of Mexico, using these funds to pay the State of Louisiana and itself until the authorization in Section 6004 of the Oil Pollution Act of 1990 (U.S.C. 2701 note) is satisfied. At that point, the lessee would resume its royalty payments to the Department of the Interior.

Mr. Speaker, the time has come to close this unhappy chapter in the relationship between the State and Federal government on Federal OCS oil and gas development. Louisiana has been a good host to the Federal government with respect to OCS development. Louisiana expects the Federal government to honor the authorization enacted in 1990. I respectfully encourage all of my colleagues to support this long-overdue legislation and ensure its swift enactment this year before Congress departs in the coming month.

IN RECOGNITION OF 1998 LAWSUIT ABUSE AWARENESS WEEK IN THE STATE OF OHIO

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. GILLMOR. Mr. Speaker, I rise today to call attention to an important series of events taking place this week in the State of Ohio. The week of Monday, September 21 through Friday, September 26, 1998, has been officially designated by Governor George V. Voinovich as Lawsuit Abuse Awareness Week.

This recognition works to ensure that citizens throughout the State of Ohio are better informed about the ongoing concerns for lawsuit abuse. To this end, the Ohio Citizens Against Lawsuit Abuse (OCALA) has undertaken a public awareness campaign to voice their concerns and continue to draw attention to the impact of lawsuit abuse on Ohio's consumers and economy. Citizens from all across Ohio have helped the campaign and have organized behind OCALA to spread the message.

Mr. Speaker, lawsuit abuse is not merely a concern for the State of Ohio. Lawsuit abuse is an issue with both State and national implications, and undoubtedly affects each American. Unfortunately, our society has become very prone to litigate in recent years. In fact, some estimates show that the number of lawsuits filed each year is almost 300,000. The sheer number of these lawsuits requires millions of dollars in expenses and thousands of hours from employees. There is no question that litigation abuse is a deterrent to economic growth.

As the number of lawsuits continues to climb, the impact on the American public is evident. The increasing number of lawsuits results in higher operating costs for businesses, the withdrawal of certain products from the market, and a weakening of growth and expansion. These costs are inevitably passed along to consumers in the form of higher prices for goods and services, lost opportunity, and fewer jobs.

Mr. Speaker, with these serious issues facing the United States, it is increasingly important for groups like Ohio Citizens Against Lawsuit Abuse to be recognized for their hard work and efforts on behalf of Ohioans and all Americans. We need the kind of dedication shown by OCALA and other groups to keep up the battle with lawsuit abuse and overall legal reform. I would urge my colleagues to stand and join me in recognizing the week of Monday, September 21 through Saturday, September 26, 1998 as "Ohio Lawsuit Abuse Awareness Week."

PERSONAL EXPLANATION

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. BRADY of Texas. Mr. Speaker, due to illness I was unavoidably detained and missed roll call votes 457, 458, 459, and 460. Had I been present I would have voted "yes" on roll call vote 457, H.R. 4112, the Legislative Branch Appropriations conference report for fiscal year 1999. On roll call vote 458, I would have voted "yes" on H.R. 3616, the Department of Defense Authorization conference report for fiscal year 1999. On roll call 459, I would have voted "no" on the Watt Amendment in the nature of a substitute to H.R. 3736, the Workforce Improvement and Protection Act. On final passage of H.R. 3736, roll call vote 460, I would have voted "yes."

IN HONOR OF ST. WENCESLAUS DAY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to recognize the annual celebration of the Feast of St. Wenceslaus which will be celebrated at

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Our Lady of Lourdes Parish on September 27, 1998.

St. Wenceslaus is the patron saint of Bohemia. He was born near Prague in 903. His father was the Duke of Bohemia as Wenceslaus was growing up, his grandmother, also a saint, taught him the values of Christianity. In the year 922, when an anti-Christian faction killed Wenceslaus' father and took over the government, Wenceslaus staged a coup and was named the new ruler. During his reign, Wenceslaus attempted to reduce the oppression of the peasants by the nobility and promoted Christinity.

His younger brother, Boleslaus joined a group of dissenters after he lost succession to the throne as a result of the birth of Wenceslaus' son. Boleslaus invited his brother to a religious festival, and while Wenceslaus was on his way to mass on the morning of September 28, 929, Boleslaus and a group of followers ambushed him. Wenceslaus' last words were, "My God forgive you, brother." Wenceslaus was immediately venerated as a martyr, and was celebrated as the nation's parton saint by the end of the century.

Today. St. Wenceslaus is remembered for his concern for the poor in a popular Christmas carol, where he leaves his castle with a page during a winter storm to deliver food and wood to a peasant. As the storm worsens, the page follows in Wenceslaus' footsteps which miraculously warm his freezing feet. By following the path of righteousness the two were led out of their respective storms. Wenceslaus was led into sainthood, and the page was led out of the storm. The parishioners of Our Lady of Lourdes also try to follow the path of righteousness and St. Wenceslaus' example. They are celebrating his feast day this weekend with a mass and a traditional Czech meal.

A TRIBUTE TO TAKIS SALPEAS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Mr. P. Takis Salpeas, an extremely talented and capable manager with the San Francisco Bay Area Rapid Transit District (BART) who recently resigned his position in Millbrae, California, to take a position with the Washington Metropolitan Transportation Authority (WMATA) in Washington, DC.

Mr Salpeas has served BART with distinction since 1991, first as project manager for the BART Colma Station Extension, then as Executive Manager of West Bay Extensions, and was in charge of the extension of BART to the San Francisco International Airport, which lies in my Congressional district.

Under Mr. Salpeas' leadership, the BART rapid rail system cleared numerous political and financial hurdles in order to begin construction of the important 8.7 mile BART Extension to the San Francisco International Airport. The BART Extension to the airport will connect the existing 95-mile multi-county BART system with a new international terminal at the airport.

Mr. Salpeas has more than 25 years experience in rail transit planning, engineering and construction, and he has been an invaluable leader at BART. Mr. Salpeas has been selected for the position of Assistant General Manger of Transit System Development at WMATA.

Prior to coming to BART in 1991, Mr. Salpeas worked for the Southeastern Pennsylvania Transit Authority (SEPTA), which serves the Philadelphia metropolitan area. AT SEPTA, he was project manger for reconstruction of elevated rail guideways and stations, and later directed its engineering development program.

Mr. Salpeas is a member of the American Society of Civil Engineers; the Transportation Research Board of the National Research Council, the American Public Transit Association (APTA) and the APTA Construction Committee; and the Federal Transit Administration's Construction Roundtable. A graduate of Athens University and the University of Pennsylvania, Mr. Salpeas holds two masters's degrees in systems engineering and civil engineering. He is the author of more than 30 professional papers on rail transit topics, and has taught civil and transportation engineering at Widener University in Chester, Pennsylvania.

Mr. Speaker, I appreciate having the opportunity to recognize Mr. Takis Salpeas and in wishing him well in his new position at WMATA. Mr. Salpeas has served our community well and made a difference in the lives of Pennsylvania residents. Takis will be missed by those who worked with him, he will be missed by his friends in the Bay Area, and he will be missed by countless others in our community who do not know him, but who have benefitted from Takis' work and dedication in bringing BART to the airport.

I would like to place a copy of an article which appeared in the San Francisco Chronicle last year, which I believe captured the essence of Mr. Salpeas' character and accomplishments at BART.

[From the San Francisco Chronicle, Sept. 1, 1997]

HE'S HELPING DRIVE BART'S TRAIN TO SFO ENGINEER AIMS TO GET IT DONE FAST, INEXPENSIVELY

(By Benjamin Pimentel)

While politicians take credit for BART's grand plan to go to San Francisco International Airport, many say an engineer named Takis Salpeas—known to few outside BART and local political circles—is the project's real driving force.

Part commander and part cheerleader, the 47-year-old Greek immigrant has spent the past five years working out details for BART's eight-mile march to SFO and Millbrae, one of the biggest transit projects in Bay Area history.

In many ways, Salpeas is just the person to lead BART's bulldozers when construction begins next month: a dedicated railroad-builder full of brashness and bravado who hasn't lost his optimism in the face of dozens of obstacles.

"BART is one of the best systems in the world. There will be no margin of error," Salpeas said. "Everything will be efficient. We have to go for it."

The airport project is the biggest in Salpeas' career—and the most controversial. It has been the target of lawsuits, opposition from local groups and the airlines and political battles in Congress.

At a time when few believe the line will open by the early 21st century, Salpeas says he's sure he can complete the job on schedule in 50 months.

And even though critics predict that the extension will cost more than its projected $1.2 billion price tag, the feisty engineer claims he can do the job efficiently enough to save up to $240 million.

Salpeas' gung-ho attitude has rubbed some people the wrong way.

Although local leaders are excited about the economic benefits of the BART extension, many complain that BART planned the extension without adequately consulting them—and that Salpeas has tried to steamroll them. But few are willing to publicly criticize a man they will have to negotiate with in the coming years.

"You're either on his side or (you're) the enemy," one government official said. "We have this love-hate relationship with the man."

Others, like San Bruno Mayor Ed Simon, say they appreciate Salpeas' directness.

"He's a straight shooter," he said. "Some people think he's abrasive because he doesn't try to sugar-coat things."

Salpeas acknowledges that he has been blunt in dealing with cities.

"Whatever I tell them is the truth, the honest, professional truth," he said. "I never promise anything I can't deliver."

Born and raised in Athens, Salpeas is the son and grandson of railroad engineers. His family sent him to study civil engineering at the University of Pennsylvania in the early '70s, hoping he would return to become director of Greece's national railroad system.

Salpeas decided to build his career in the United States instead. After a stint with Philadelphia's rail transit agency, Salpeas moved to the Bay Area in 1991 to build BART's Colma station.

He was later tapped to head BART's SFO extension team.

Until recently, when BART finally got a federal funding commitment, it was unclear if the project would ever get started.

The weekend before the Federal Transit Administration signed the agreement, Salpeas said he was nervously scribbling plans for radically cheaper alternatives.

Because the line will pass through several cities, Salpeas has had to calm fears about how construction will affect communities. Along the way, he's had to contend with cities' demands, such as extending a sidewalk or building tracks underground—demands that usually get turned down.

"Everybody wants something out of this project—and yet I have fixed resources," he said.

BART board member Dan Richard, who negotiated with cities for the agency, said there were times when he wished Salpeas would take a softer approach.

"There's a reason why there are few engineers in public office," he said. "They sometimes use the direct approach, which is what you need to build things—but isn't always the most politic way. Every once in a while, we have to guide the missile in a different direction."

Simon recalled how Salpeas would fidget with his tie whenever discussions seemed to be reaching a stalemate.

"It's like he wants to take his tie off and put on another shirt to start working," Simon said. "He just wants to build the darn train."

And Salpeas wants to build it fast and cheap.

To do this, BART is changing the way it issues contracts. In the past, BART dealt with dozens of contractors whose job was to build whatever BART had designed. BART's recently completed East Bay extensions, roughly the length of the airport project, involved 51 contractors.

By contrast, the SFO extension will involve four contractors in charge of both designing and building the line. Fewer contractors will likely mean fewer delays and shorten construction by more than a year, Salpeas said.

The process, called design build, is commonly used in private construction projects—but this is the first time it will be used to build a major Bay Area transit project.

Many things could still derail Salpeas' game plan. BART must lobby Congress every year for its annual appropriation, and some local groups still think the project is too expensive and impractical.

But he remains optimistic.

"If we are successful, this is how railroads will be built in the 21st century," he said.

And let no one doubt that Salpeas intends to keep building railroads in the new century. Even before the digging for the airport extension begins, he's already thinking of what he hoped would be BART's next big project.

"What about crossing the bay one more time?" Salpeas said, laughing.

A TRIBUTE TO MARILYN BERGER, CONTRA COSTA CENTRAL LABOR COUNCIL

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. MILLER of California. Mr. Speaker, I rise today to invite my colleagues to join me in recognizing Marilyn Berger, the retiring office manager for the Contra Costa Central Labor Council. Ms. Berger has held together the operations of our country's organized labor for almost 20 years. Her outstanding service is being recognized in my district at a Labor-to-Labor banquet held on Tuesday, October 8, 1998 in Concord.

I wish to express my sincere gratitude for a job well done. Marilyn has kept the Central Labor Council on the cutting edge of technology and is self-taught in her computer skills. Her talents as office manager saw her through the terms of three Secretary-Treasurers of Labor Council.

Marilyn Berger has been a member of the Office and Professional Employees Union, Local 29 since August 1, 1979. She held two positions before coming to the Central Labor Council. As a teenager, she worked for the FBI in San Francisco, and she was a secretary for the Inlandboatmens Union, also in San Francisco.

She has led a full life as a working women and a devoted mother of two sons and two daughters. Marilyn has many interests outside of work including biking, and attending opera, theatre and film presentations.

I know everyone associated with the Central Labor Council and all of us who need to call their office from time to time are going to greatly miss Marilyn Berger when she retires. I wish her the very best retirement has to offer.

100TH ANNIVERSARY OF JAMESTOWN CITY LIBRARY

HON. JERRY MORAN

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. MORAN of Kansas. Mr. Speaker, I rise today in recognition of the 100th anniversary of the Jamestown City Library in Jamestown, Kansas. The community of Jamestown recently celebrated this historic milestone with a parade and book sale on September 12.

In 1898, the Current Literature and History Club established the Jamestown Library through the voluntary efforts of the women club members. Initially, they secured a traveling library housed in a spare room in the house of Frank Lane. Soon after, they raised enough money to obtain the plot of land that became the present site of the library through an initial $100 donation from Jamestown resident James Pomeroy.

The Club was incorporated in 1900 and the building that housed the new library was completed in January of 1901. The total cost of the project was $1,098.75 and was named the Pomeroy Library.

In 1911, a fire burned down much of the main street of Jamestown, including the library. What remained of the library's book collection was housed temporarily in the basement of the First United Methodist Church. Again the Current Literature and History Club women went to work for the community of Jamestown. With insurance money and local donations made from 46 charitable events such as box suppers, foods sales, plays and musicals, they again raised the needed funds to construct a new library.

In 1925, the club transferred ownership of the library to the city of Jamestown and gave it its present name, the Jamestown City Library.

Of particular importance to the Jamestown City Library was Ms. Ora Good, who later became Mrs. Ora Ansdell. In 1904, she volunteered to serve as the first librarian. Weathering fire, drought, the depression, two world wars, the beginning and end of the cold war, men landing on the moon, and the bicentennial celebration of our nation, she served for 72 years until her retirement in 1976.

In later years the library has experienced several renovations and alterations, but continues to serve as a reminder of Jamestown's hard fought beginnings and the commitment put forth by its early founders. Jamestown is a community rich in history and long on accomplishments.

I congratulate the community of Jamestown in light of this special celebration. Further, I am confident that another proud Congressman will read a similar such statement 100 years from now on the 200th anniversary of this historic library.

TRIBUTE IN HONOR OF SAM FLORES AS THE SEGUIN HISPANIC CHAMBER OF COMMERCE'S HUMANITARIAN OF THE YEAR

HON. CIRO D. RODRIGUEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. RODRIGUEZ. Mr. Speaker, I rise today to honor one of Texas' true humanitarians, Seguin City Councilman Sam Flores. On August 29, 1998, Councilman Flores was recognized for his dedication to the people of his community when he was selected as the Seguin Hispanic Chamber of Commerce's Humanitarian of the Year. Councilman Sam Flores's career only begins to tell the story of his devotion to his community and the people in it.

Born in San Marcos, Texas, during the midst of the country's worst depression, a young Sam Flores learned the value of hard work at an early age. As soon as he was old enough to perform manual labor Sam began his adult life as a migrant worker, traveling as far north as Michigan to work the fields. Although he recognized the value of education, Sam dropped out of school during his sophomore year to serve his country in the Far East as a member of the U.S. Marines. He served in the Marines for six years as a Platoon Sergeant in the Korean War and also helped evacuate Americans from Shanghai during the communist revolution in China.

Upon returning home he enrolled at Southwest Texas State Teacher's College where he earned his teacher's degree in 1955. In 1959 he earned his Master's degree in school administration. It was in 1959 that Sam and his wife, Velia, moved to her hometown of Seguin. Sam took a position with the Harlandale Independent School District in San Antonio. He served the Harlandale ISD for 35 years teaching education and special education to elementary and secondary school students. For ten years he held the position of Director for Special Education for six different school districts. He also served as Principal of the Harlandale School District for eleven years. Even after retirement Sam stays involved with education by serving as the Attendance Officer for Seguin High School.

Community leadership defines Sam Flores' life. As a member of the Seguin City Council for 33 years, Sam championed community improvement. He was one of the founders and the President of the Seguin Boys Club. He held a leading role in the establishment of the Seguin Housing Authority and the agreement to build a new Seguin Post Office. His leadership brought about the completion of the Walnut Creek Flood project and the paving of 22 miles of Seguin's gravel streets. He has also provided leadership in the fight against the discrimination of minorities through full integration of the Seguin Independent School District and service on a special committee which brought Mexican American Studies to Texas Lutheran University. Sam Flores now serves the community of Seguin as the Chairman of the "Seguin Memorial Committee," a group developed to honor the city's namesake, Juan N. Seguin, with a statue in the downtown city park.

Sam Flores has made tangible and intangible contributions to the city of Seguin. All those whose lives he has touched, from his students to other council members, can attest to his true humanitarianism. Their description of him is more accurate: "Sam is a soldier for the people of his community and state." We need more soldiers in our communities like Sam Flores.

SALUTE TO JOHN M. LANGSTON BAR ASSOCIATION AFRICAN AMERICAN HALL OF FAME HONOREES

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. DIXON. Mr. Speaker, I rise today to pay tribute to five outstanding and distinguished African American legal legends who on Saturday, October 17, 1998, will be inducted into the John M. Langston Bar Association's Hall of Fame. The celebrated honorees are retired Los Angeles Superior Court Judges Gilbert C. Alston and Dion Morrow; former Congresswoman and currently a member of the Los Angeles County Board of Supervisors Yvonne Brathwaite-Burke; and famed attorneys Charles Earl Lloyd, and the late Thomas G. Neusom.

All of the honorees have made exemplary contributions to the legal profession as well as to the citizens of Los Angeles and this nation. That is why I am especially proud to publicly commend and recognize each of them before the House today.

Judge Gilbert C. Alston, a graduate of the University of Southern California (USC) Law School, spent his early career working in the Los Angeles District Attorney's office, and in private practice with his law partner H. Ronald Hauptman. He was appointed the first Commissioner of the Pasadena Municipal Court in 1971, and six months later was appointed by then-Governor Ronald Reagan to the Los Angeles Municipal Court. In 1977 Governor Jerry Brown, Jr. agreed to transfer Judge Alston to the Pasadena Judicial District, where he became Pasadena's first African American judge. Judge Alston is perhaps best known in judicial circles for his ruling allowing the use of cameras in the courtroom. Judge Alston was elevated to the Pasadena Superior Court in 1980, a position he held until his retirement.

Judge Dion Morrow, a native Angeleno, graduated from Loyola Law School on June 1, 1957, and was admitted to the California State Bar on December 18, 1957. His early career was spent in private practice with fellow distinguished Los Angeles attorneys Xenophan F. Lang, Robert Hall, James Gordon, and David Cunningham. Judge Morrow joined the Los Angeles City Attorney's office in 1975, serving as Assistant City Attorney and Senior Special Counsel to City Attorney Burton Pines. He was the first African American to hold such a position. He was appointed to the Compton Municipal Court by Governor Brown on October 17, 1975. A little over two years later, he was elevated to the Los Angeles Superior Court, where he spent the next 18 years presiding over complex criminal and civil cases. Dion retired from the bench on October 23, 1995, but continues to serve the legal community as a private arbitrator, mediator, settlement judge and discovery referee. Judge Morrow is past president of the Langston Bar Association.

Los Angeles County Supervisor Yvonne Brathwaite-Burke certainly requires little introduction. She has been recognized by *Time* magazine as one of "America's 200 Future Leaders," and was selected "Woman of the Year" by both the *Los Angeles Times* and her alma mater UCLA, which two years ago awarded her its "1996 Alumni of the Year" award. As my predecessor in the California State Assembly and the United States Congress, she is a distinguished public official who has received numerous honors and commendations for an illustrious career spanning more than three decades. Yvonne represented California's then-28th Congressional District from 1972–1976. She is a former member of the University of California Board of Regents, and is currently a member of several boards, including the Los Angeles Coliseum Commission and the Metropolitan Transportation Authority, where she has been a forceful and influential advocate for an improved transportation system for Los Angeles residents. Yvonne received her Juris Doctor degree from USC and was admitted to the California State Bar in 1956. She has championed equal opportunity for displaced homemakers, and authored legislation benefitting California's disadvantaged youth, nursing home residents, and orphanages. Yvonne Brathwaite-Burke has earned her place in the Hall of Fame.

Attorney Charles Earl Lloyd received his Juris Doctor degree from USC in 1961 and was admitted to the California State Bar in January 1962. After serving two years as a prosecuting attorney in the Los Angeles City Attorney's office, in 1964 he entered private practice under the firm of Berman, Lloyd and Goldstein. A year later, he became the senior partner in the firm of Lloyd, Bradley (Tom Bradley would go on to serve five consecutive terms as the Mayor of the City of Los Angeles) Burrell, and Nelson. He is recognized as one of the premier criminal attorneys in the nation, and has also represented many entertainers and professional sportsmen, including the entertainer Dr. William (Bill) Cosby; legendary boxer Sonny Liston; and former Houston Oilers lineman Ernie Ladd. Charles was the first African American to serve as a City of Los Angeles Harbor Commissioner. He is an outstanding attorney and a mentor to many young aspiring attorneys throughout the nation.

Thomas G. Neusom, who will be inducted posthumously into the Hall of Fame, was admitted to the California State Bar in 1950 and for a brief time thereafter practiced law with legendary Los Angeles attorneys Crispus A. Wright and Carl A. Earles. Tom served two terms as NAACP president, during which he successfully litigated and won the integration of the Los Angeles Fire Department. He also served as the co-counsel on the suit which led to the integration of the Los Angeles Police Department. He was a lawyer's lawyer—a man of tremendous integrity and a commitment to helping the downtrodden.

Mr. Speaker, please join with me in applauding the excellence of these five distinguished individuals. It is a special honor to highlight just a few of their outstanding accomplishments, and it is with a tremendous sense of pride that I salute and congratulate each of them as they are inducted into the John M. Langston Bar Association Hall of Fame.

PERSONAL EXPLANATION

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Ms. SANCHEZ. Mr. Speaker, on Thursday, September 24, 1998, I was unavoidably detained on official business and missed the following rollcall votes: No. 459 and No. 460.

On rollcall vote No. 459, had I been present I would have voted "no"; on rollcall vote No. 460, had I been present I would have voted "yea."

IN HONOR OF OUR LADY OF GOOD COUNSEL PARISH

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to extend my best wishes to the community of Our Lady of Good Counsel Parish. For more than a century, this parish has served as a spiritual refuge, opening its doors to any soul in search of peace.

In the spring of 1873, led by Father Patrick F. Quigley, the Catholic Diocese of Cleveland established a mission in the village of Brooklyn, Ohio. The community's first mass was held at the local public school, but by 1874, it celebrated the blessing of the cornerstone of its first church, the Sacred Heart of Mary Mission. As the parish flourished, the Cleveland Diocese elevated the community to parochial status in 1894, appointing Father Michael Becker as its first pastor and opening the Sacred Heart of Mary School.

Unfortunately, in 1907, an accident caused a fire that destroyed the church and the school. While rebuilding took place, the parish continued to celebrate mass in the town hall. By August 15, 1909 the new church was finished with a new pastor, Father Luke Rath. During the next eight years, the parish population grew, causing the community to expand their church with a new sister's house, mission house, and portable school buildings to serve 385 students. Father Rath presided over the dedication ceremony, where the community changed its name to Our Lady of Good Counsel Parish.

The current church was dedicated in 1930, a beautiful building which includes a soaring bell tower modeled after that of Sancto Spiritu Church in Florence, Italy. Although it struggled during the Great Depression, the parish maintained a social life, sponsoring a variety of plays, operettas, and card parties. The community also added a bowling alley, a cafeteria, and a new school addition.

My fellow colleagues, please join me in honoring the Our Lady of Good Counsel Parish and its current pastor Father Leroy Moreeuw, CPPS as they celebrate in commemoration of 150 years in service to God. Throughout its long history, the parish has undergone many changes, but the spirit and dedication of its members have remained constant. As the Cleveland Diocese celebrates its sesquicentennial anniversary, Our Lady of Good Counsel Parish remains a beacon of solace and friendship for its members and the residents of Cleveland's Old Brooklyn neighborhood.

TRIBUTE TO EBRI

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PAYNE. Mr. Speaker, I want to congratulate the Employee Benefit Research Institute on their 20th Anniversary. The Employee Benefit Research Institute, or EBRI as it is more commonly known, is the only nonprofit, nonpartisan organization committed to original public policy research and education on economic security and employee benefits. For the last 20 years, they have been instrumental in promoting knowledge and understanding among the media and policymakers of employee benefits. I believe their greatest service has been in advancing the public's understanding of employee benefits and their effect on the nation's economy. Their commitment to diseminating the facts has earned EBRI reown as the preeminent public policy research organization on issues affecting workers and their benefits.

EBRI has provided me with invaluable objective research, data, and analysis. The Institute is guided by the tenet that policy initiatives cannot ". . . . be successful unless they are founded on sound, objective, relevant information." The information produced by EBRI covers health, retirement, among other economic issues, is thorough and comprehensive.

One of the most important reference materials to come out of EBRI is the Retirement Confidence Survey (RCS). The RCS is an important indicator of societal attitudes toward retirement planning and savings. While the House considers legislative measures, I find the issue briefs and research documents to be a valuable research and information tool.

As increased attention is paid by policymakers, media, and the benefits community to the unique challenges facing minority groups, I think they are to be especially commended for including the RCS Minority Special Report. This report examines the attitudes of minority groups about preparing for retirement. Such an important effort shines a much-needed spotlight on a issue that is critical to the economic health and well-being of the African American community that is long overdue.

I know many members who are interested in these issues rely on EBRI to provide credible comprehensive data and analysis and use it to make informed decisions about policy initiatives and approaches.

Mr. Speaker, I wish Dallas Salisbury and EBRI continued success as they purse their quest for the facts.

HONORING JUDGE PHILIP PASTORE ON HIS 100TH BIRTHDAY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Ms. DELAURO. Mr. Speaker, today marks the one hundredth anniversary of the birth of the Honorable Philip Pastore, a life-long New Haven resident who has served both the City of New Haven and the State of Connecticut with distinction throughout his law career.

Judge Pastore has dedicated his life to making our justice system work. In both his personal and professional life, he has earned a reputation for his fairness, integrity, and commitment to upholding and respecting the law. These qualities are demonstrated in the many judicial cases he has tried, presided over, and rendered judgments on for more than half a century. Judge Pastore retired only three years ago, leaving a legacy which included positions as a Democratic state representative and a Superior Court judge.

It is fascinating to listen to Judge Pastore's stories of the century of history he witnessed, along with the remarkable changes and tremendous progress to the judicial system. Although he no longer practices professionally, he continues to keep up-to-date on current case law, and his wife still reads the Connecticut Law Journal to him. Many seek his advice, knowing his counsel is offered with wisdom, justice and compassion. Plaques cover the walls of his home to honor the services he has donated to the community. Indeed, his long career has left an indelible mark on the residents of Connecticut, and especially his close friends from the Wooster Street neighborhood. It is difficult to find someone whose commitment to excellence equals his own.

I join with his wife, Margaret, his children, grandchildren, and great grandchildren to honor Philip Pastore on his 100th birthday. Best wishes for continued fulfillment and happiness. Happy Birthday!

RECOGNIZING THE 100TH ANNIVERSARY OF THE CRANBURY FIRE COMPANY

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PAPPAS. Mr. Speaker, I rise today to congratulate the Cranbury Fire Company as they celebrate 100 years of service to their community.

It is my privilege and honor to recognize this group of men and women who have protected the citizens of Cranbury and surrounding towns for the past century.

Since its formation in September 1898, members of the Cranbury Fire Company have placed their lives in harm's way in order to protect their fellow citizens.

We have relied on their selfless sacrifices and have always felt a strong sense of security knowing that they will respond to us when our lives, homes and neighborhoods are in peril.

Many times, we tend to take their services for granted and often do not acknowledge them for their hard work.

I hope that all Americans will reflect on the dedication of our firefighters whenever we pass by their town's firehouse or see a truck responding to an emergency call. We all must recognize the daily sacrifice of these brave men and women.

I extend my deepest appreciation and thanks to the Cranbury Fire Company for their efforts during the past century. It is my great pleasure to be able to recognize their work. Congratulations to all who have served in the company, those who presently serve and those who will carry on the Cranbury Fire Company's tradition of service into the new millennium.

A LIFETIME OF SERVICE—A TRIBUTE TO REV. ROBERT L. BROWN OF ALBION, MICHIGAN

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for his many years of service to the community and to his church as educator, counsellor, and administrator that I am proud to salute Rev. Robert L. Brown.

Rev. Brown served as pastor at the Gethsemane Temple Church of God in Christ for 11 years. Bishop Earl J. Wright appointed him Superintendent of the Albion District in 1985, overseeing several churches in the Albion area. He chairs the Elder's Council in the jurisdiction and is the Chairman of the Second Jurisdiction of Southwest Michigan Church of God in Christ, Inc.

As pastor of Grace Temple Church of God in Christ in Albion, Michigan, Rev. Brown has inspired many to become personally involved in doing God's work and making more gentle man's life on Earth. Led by his preaching and example, they in turn light the lives of even more people, even reaching as faraway as Port au Prince, Haiti—where their missionary ministry has built a church and a school to help others discover God's love.

He married missionary Lillie B. Kemp in December 1948 and they'll be celebrating their 50th anniversary this year. The Browns have five adult children and fifteen grandchildren.

In honoring Rev. Brown today, we honor the principles of virtue, moral courage, and sacrifice which he and others in the spirit of peace and the spirit of Christ have long espoused. As an inspiration, strength, and a blessing to those whose lives are touched by his, he helps others understand the place of faith in their lives and discover how to love God and one's fellow man.

Therefore, the Congress of the United States is proud to join with his lovely wife, fine family and his many admirers in extending highest praise and congratulations to Rev. Robert L. Brown.

NATIONAL BIPARTISAN COMMISSION ON THE FUTURE OF MEDICARE

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Ms. PELOSI. Mr. Speaker, I submit the following testimony.

Thank you for the opportunity to provide testimony to the National Commission. Your work will have a profound impact on the health care of millions of Americans, and I encourage you to seek broad input from Medicare beneficiaries and providers around the country.

Medicare is one of our great success stories; it provides quality health insurance to 38 million Americans at a low administrative cost. Today Medicare is serving as a model provider of consumer protections. In the future, it can be the foundation for increased access to health care for all Americans.

Three months ago, I sponsored two town hall meetings on the future of Medicare in my home district of San Francisco. Hundreds of individuals came to share their thoughts and concerns about Medicare, and to talk about the important role the program plays in their lives.

The consensus in the San Francisco Bay Area was clearly for Medicare for all. Medicare must be preserved, improved and expanded for future generations. People who came to these meetings urged elected officials to protect the long term financial health of the program. But they also shared their visions of what Medicare can be—a more comprehensive program that better meets the needs of beneficiaries, and provides health insurance to many of those who have difficulty purchasing private insurance.

To design a Medicare program that improves services as well as meets the financial bottom line, we need to listen to people who are benefiting from Medicare now, and to those who provide needed medical care through the program. So today I am submitting to the Commission the written comments we received at our town hall meetings. Let me briefly summarize these comments for you.

TESTIMONY AT TWO TOWN HALL MEETINGS

The point made most frequently in written comments was that Medicare should not impose stringent limits on home health care services. The logic of providing home health services is clear: seniors are happier and healthier if they can remain in their own homes, with some assistance, and sustain a level of independence. And increased institutionalization obviously means increased long term costs for the program.

Other frequent comments included the need to provide prescription drug coverage and long term care services through Medicare. One woman noted that, "Sometimes I have to do without a prescribed medication until I receive my Social Security check at the first of the month."

Others voiced their support for an expanded Medicare program in which millions more Americans are eligible for services. It is no secret that if younger and healthier individuals sign up for Medicare and pay premiums, the average cost per beneficiary will fall. Several people who filled out comment forms warned against efforts to privatize Medicare or compromise the program through Medicare savings accounts.

Others argued for including providing prevention, dental and vision services. The importance of these services requires no explanation. In an era when we are insisting all health care providers deliver more comprehensive prevention services, we should demand the same from Medicare. One woman suggested that Medicare require all HMOs to provide a toll free hotline to consumers.

COMMENTS FROM MEDICARE PROVIDERS

Medicare providers in my district also spoke at the town hall meetings about the challenges they face in providing care. The interim payment system for home health agencies has imposed a heavy financial burden on providers. Medicare providers have also supported legislative efforts to carve out disproportionate share hospital payments from payments to HMOs, eliminate the 100 bed requirement for qualification as a disproportionate share hospital, and repeal of the financial penalty for hospitals that transfer patients to other care settings before the DRG period has expired.

CONCERNS OF PEOPLE WITH AIDS

The AIDS epidemic has taken a devastating toll in my district, and Medicare plays a significant role in provision of health care to individuals affected by this epidemic. It is estimated that between 6% and 20% of people with HIV/AIDS rely on Medicare for some or all of their health care services. The Centers for Disease Control has estimated that between 10,565 and 22,927 Medicare beneficiaries are diagnosed with AIDS.

A recent report published by the Academy for Educational Development documents several concerns about HIV-related health care services under Medicare. First, because the program does not cover the costs of prescription drugs, beneficiaries are forced to find other means of acquiring the expensive but promising new drug treatments for HIV infection. These drugs can cost $12,000 per year or more.

The report notes several other problems for people with HIV including, "the lack of guaranteed availability of individual supplemental insurance for the disabled under the age of 65, the lack of guaranteed availability of HIV specialists in Medicare managed care plans, the inadequacy of community-based and home care services to address the ongoing chronic nature of the HIV disease process, and the limitations of the hospice benefit for addressing the acute treatment needs of people in the terminal stage of HIV disease." I am submitting a copy of this report with the town hall meeting testimony noted above.

RECOMMENDATIONS

A number of recommendations for reform of Medicare follow from the testimony and policy research presented above. Below is a list of recommendations. In some cases, I have noted legislation I have cosponsored that is consistent with these recommendations.

Expand services available in Medicare

Medicare should provide comprehensive and cost effective care to those who are eligible for the program. The program should provide reimbursement for needed drug therapies, long term care services, dental and vision care, and prevention services. The Medically Necessary Dental Care Act (H.R. 1288) would provide coverage for outpatient dental procedures.

Expand eligibility for Medicare

Medicare can serve as the foundation for increased access to health care for all Americans. I urge the Commission to identify ways in which eligibility for the program can be expanded. The Medicare Early Access Act (H.R. 3470) is consistent with this proposal. The bill would allow many of the "near elderly" to buy in to Medicare. We need to build upon this legislation to ensure that any buy in is affordable for all those who need health insurance coverage.

Address legitimate concerns of Medicare providers

The interim payment system for home health agencies threatens to put many providers out of business. Congress and the Commission must urgently address the need to develop a more equitable payment system for home health care. The Medicare Home Health Beneficiary Protection Act (H.R. 4339) places a moratorium on the interim payment system for home health care.

The Commission should also take steps to protect reimbursement to disproportionate share hospitals. H.R. 2701 would "carve out" disproportionate share hospital (DSH) payments from the payment we give HMOs.

In addition, the 100 bed requirement for qualification as a DSH should be repealed.

The disincentive for early hospital discharge should be eliminated. The Common Sense Hospital Payment Act (H.R. 2908) repeals the financial penalty for hospitals that transfer patients to other care settings before the DRG payment period has expired.

Address concerns of People with AIDS and other disabilities

As people with AIDS live longer lives, more will become eligible for Medicare. The Commission should make several changes in the program to address the needs of this growing population, including: guaranteed availability of supplemental Medicare insurance for disabled individuals; guaranteed access to an HIV expert as a primary care provider and for specialist services; and elimination of the limitation on hospice benefits that bars people from receiving some needed acute care treatments while in hospice care.

In addition, I encourage the Commission to study the interaction between Medicare, Medicaid, and Ryan White CARE program services, particularly in the provision of community based support services.

I look forward to working with the Commission to build a fiscally sound and expanded Medicare program. Thank you again for the opportunity to present these perspectives.

CONGRATULATIONS TO CALIFORNIA BAPTIST UNIVERSITY

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. CALVERT. Mr. Speaker, today, after nearly a half-century as a member of California's higher education community, California Baptist College becomes California Baptist University. Cal Baptist, founded in 1950, was housed in a borrowed church building for its first four years, moved to its present Riverside location in 1954 and earned accreditation in 1961.

The college reaches this milestone under the leadership of Dr. Ronald L. Ellis, president since 1994. Former presidents are Dr. P. Boyd Smith, 1950–57; Dr. Loyed R. Simmons, 1958–69; Dr. James R. Staples, 1970–84; and Dr. Russell R. Tuck, 1984–94.

During the 1980's, the college was on the cutting edge of non-traditional education when it established the Business Executive program, the pre-cursor to the current Evening Degree-Completion program for working adults. In the mid-eighties, the college added its first post-graduate degree, a Master's degree in Counseling Psychology. Three years ago, the college added a Master of Education degree and, last year, the Master of Business Administration degree. From 1994 to 1997, the institutional enrollment increased 149 percent, much of it through graduate and Evening Degree-Completion programs.

California Baptist College has consistently produced well-schooled graduates. Scores of children in my district are the beneficiaries of that product as they thrive under the teaching of Cal Baptist alumni. The graduates of Cal Baptist's Master's degree program in Counseling Psychology have an unusually high pass rate on the state licensing exam. Cal Baptist alumni serve in the Riverside police department, city government, management in our local banking institutions, a broad array of social service agencies, and church-related positions on a global scale.

California Baptist College—now university—is in the business of preparing complete people, people who are equipped to make a difference. The university provides an environment that fosters not only intellectual development, but spiritual, emotional, physical, and character development. Students are involved in outreach to the homeless; tutoring programs at the county juvenile facility and Sherman Indian High School, a local Bureau of Indian Affairs boarding school; city clean up projects; and the City of Riverside's Study Circles on Race Relations.

The university adheres to a high ethical standard, the kind of standard to which our nation has traditionally aspired and which we continue to uphold as the mark of the truly successful. On behalf of the residents of the 43rd Congressional District, it is an honor to congratulate California Baptist University upon the occasion of their transition to university status.

INTRODUCTION OF VISIT USA LEGISLATION

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. FARR of California. Mr. Speaker, as a cochair of the Congressional Travel and Tourism Caucus, I am honored today to introduce the "Value in Supporting International Tourism in the United States Act of 1998" or the "Visit USA Act". My caucus cochair, Rep. MARK FOLEY of Florida, joins me in dropping this important bill.

Why do we need an NTO?

The reason is simple—it makes good economic sense. The travel and tourism industry is one of the Nation's largest employers, providing 16.2 million jobs. It directly employ 7 million people, and indirectly employs an additional 9.2 million Americans. 92 percent of the tourism industry is composed of small- and medium-sized businesses throughout every region of the country.

The industry ranks as the first, second, or third largest employer in 32 States and the District of Columbia, generating a total tourism-related annual payroll of $127.9 billion.

In my district on the central coast of California, it is the second largest industry, bringing in more than $2 billion and directly employing close to 26,000 residents.

The industry has become the Nation's third-largest retail sales industry, generating a total of $489 billion in total expenditures. The industry generated $71.7 billion in tax revenues for federal, state, and local governments.

While the private sector, States, and localities currently spend more than $1 billion annually to promote particular destinations within the United States to international visitors, the Federal Government spends zero dollars—zero dollars—promoting the United States as a tourist destination.

In 1997, more than 54 million foreign visitors spent $98 billion in the United States. Imagine the benefits to our Nation's economy if we were to actively seek foreign visitors.

In 1997, 17.9 million more people visited France than the United States. Yes, 17.9 million more people chose to visit France over the United States. One hundred nations around the world spend hundreds of millions of dollars annually to promote international tourism in their countries. And each year the United States loses more of its market share to nations actively promoting tourism. By dropping this bill, we hope to change this trend.

The Visit USA Act will establish an Intergovernmental Task Force for International Visitor Assistance. The task force will examine signage and make suggestions where necessary to facilitate international visitors' travel in the United States. The task force will address the availability of multilingual travel and tourism information and the means of disseminating such information.

The task force will also examine the feasibility of establishing a toll-free, private-sector operated, telephone number, staffed by multilingual operators, to provide emergency assistance to international tourists.

Additionally, this legislation instructs the Secretary of Commerce to complete, as soon as may be practicable, a satellite system of accounting for the travel and tourism industry. The satellite system of accounting would provide Congress and the President with objective, thorough data that would help policymakers more accurately gauge the size and scope of the domestic travel and tourism industry and its significant impact on the health of the Nation's economy.

Let me assure my colleagues who were skeptical of the NTO that this bill is not business as usual. The Visit USA Act requires the travel and tourism industry to match every public dollar spent on marketing the United States with private funds and requires the industry to pay the administrative expenses of the NTO.

I encourage my colleagues to review this bill, think about the impact of the tourism industry in their district, and become a cosponsor of the Visit USA Act.

THE WORLD IS WATCHING

HON. JOE SCARBOROUGH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. SCARBOROUGH. Mr. Speaker, the world watches while China begins her long march toward superpower status. Regrettably, the view is exceedingly grim for those concerned with the continued abuse of their citizen's most basic human rights.

The current American administration has promised progress in China in return for more open markets. Of course we recognize that this administration, like so many others, is blinded by the vision of China as the next great export market. Further enticing the President is the realization that cheap Chinese imports fuel America's economy by driving inflation down. The sad truth that underlies this economic phenomenon is that Chinese slave labor is the economic engine that drives America's inflation downward.

Will America conclude that such an economic truth is acceptable, or will it conclude instead that cheap goods paid with human blood is far too expensive for our taste. As America decides, the beast slouches toward Bethlehem.

This past week, United Nations Commissioner Mary Robinson visited Communist China. The Washington Post reported that while entering her hotel, the wife of a jailed Chinese political leader was hauled off by Chinese security agents.

During Ms. Robinson's visit, a veteran Chinese democratic activist was arrested for attempting to register a free party in China. In Shanghai, Yao Zhenxian was also arrested for discussing the formation of a party.

A journalist was dragged from his home on September 5 for editing a group of essays on political reform written by government scholars and journalists, according to the Washington Post. Shi Binhai was arrested for nothing more than being a journalist reporting on his country's future.

America remains silent.

In his book on Robert F. Kennedy, Maxwell Kennedy introduces his work with a quote from his father's daybook. In that collection of quotes, Bobby Kennedy scribbled the following words: "No one can usurp the height but those to whom the miseries of the world are a misery and will not let them rest."

In plain view of the butchering of Buddhist culture in Tibet, we quietly slumber. In clear view of Christian persecution in communist China, America sleeps peacefully. In plain view of the entire world, America slouches towards an economically rewarding relationship with China that, unchecked by Western values given to us first in ancient Greece, could rot our nation's soul.

The whole world is watching. Chicago, 1968. . . . Washington, 1998.

TRIBUTE TO THE HONORABLE VIC FAZIO

SPEECH OF

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. LIPINSKI. Mr. Speaker, I appreciate this opportunity to pay tribute to the fine gentleman from California, Mr. VIC FAZIO. We have been extremely blessed to have such a hard-working, fair leader in the Democratic Caucus and the House of Representatives. He has always tried to assist all Members, no matter what side of the aisle they are on. VIC FAZIO has consistently possessed a keen understanding of what it truly means to be a public servant. Through his dedication to listening to the needs of the American people and unfaltering leadership, VIC FAZIO has served as a strong role model for all current and future Members of the House of Representatives.

VIC, I congratulate you on your retirement, and thank you for setting such a high standard of excellence and integrity.

MODERATE POLITICAL LEADERS IN BOSNIA DESERVE SUPPORT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. GILMAN. Mr. Speaker, while the results of the recent elections in Bosnia have been mixed, with the U.S. backed candidate for President of the Republic of Srpska—the Serb controlled part of Bosnia—defeated by a hardline ultranationalist, it is important for us to continue to support moderate political leaders in Srpska and throughout Bosnia Herzegovina. Although the ultanationalists have won the Presidency in Srpska, moderate political parties appear to still retain a plurality of seats in the Srpska parliament, and current Prime Minister Dodik, who has been a staunch supporter of political reform and the Dayton Peace Agreement, could still form a government.

For those who may not know him, Prime Minister Dodik is a courageous individual who has attempted to lead Bosnian Serbs away from the strident nationalism that caused the conflict in the former Yugoslavia toward political reform, ethnic reconciliation, and economic empowerment. During the war in Bosnia, Dodik, at some personal risk, spoke out against Serb persecution of Muslims and Croats. Since becoming Prime Minister in January 1998, Dodik has moved swiftly to implement political and economic reforms that enabled the Bosnian Serbs in many parts of Srpska to receive the international assistance they were excluded from receiving because of their previous leadership's failure to carry out requirements under the Dayton Peace Agreement. Dodik permitted the International Criminal Tribunal for the former Yugoslavia to open an office in Srpska, and encouraged individuals who have been indicted by the Tribunal for war crimes to turn themselves in.

Dodik's future as the head of the government of Srpska now hangs in the balance. If the ultanationalist who won the presidency, Poplasen, is unable to put together a government favorable to his extremist and rejectionist agenda, then new parliamentary elections in Srpska will be required. Some have questioned whether the United States and other western countries are at fault for producing the victory of Poplasen by providing too much support for President Plavsic, and in effect, making her the candidate of the "outsiders" in the minds of the Bosnian Serb electorate. While there may be some degree of truth to this, I believe that other factors such as the malign influence of Serbian President Milosevic had as much to do with the untoward outcome of the election as anything else.

In any event, Prime Minister Dodik has appealed for continued support from the international community. If we want to see moderates such as Dodik succeed in Bosnia, and this is essential to our exit strategy for our troops in Bosnia, I believe that we have no choice but to provide tangible support that Bosnian Serbs perceive as being linked to their support for the Dayton plan. If, on the other hand, the ultranationalists can reassert their grasp on power, we will need to rethink our entire strategy in Bosnia, and whether the creation of a multi-ethnic state that is stable and peaceful is possible to realize.

CONGRATULATIONS TO JOHN GRAYSON ROTHROCK

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PICKERING. Mr. Speaker, yesterday morning Mr. John Grayson Rothrock was sworn in as an Ensign in the U.S. Navy Reserve. John has been a loyal and effective member of my staff and I am proud to share him with the Navy.

John fulfilled a lifelong ambition of serving his country in the U.S. Armed Forces. Surrounded by his mother, father and many friends he swore allegiance to the Constitution and its defense. I know that John does not take this oath lightly, because he is following a proud tradition in his family. His father, a combat veteran from World War II, participated in the ceremony and was able to receive the customary "silver dollar" for the first salute.

I am proud of John and recognize him for hearing the call of duty and answering it with service in the U.S. Navy Reserve. It is a pleasure to have John serve in my office and I join my staff in wishing him the best of fortune in his new undertaking.

IN RECOGNITION OF NATIONAL POLLUTION PREVENTION WEEK

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PORTMAN. Mr. Speaker, I want to take this opportunity to recognize and support September 21–27 as National Pollution Prevention Week which is currently being observed in the Second District of Ohio and around the Nation.

Protecting the environment while not adversely affecting a community's business climate is sometimes challenging but it is absolutely necessary. One of the most cost-effective ways to have clean streets, drinkable water, and breathable air is to focus on eliminating pollution before it is created. Clearly, it is much better to eliminate or reduce pollution at its source rather than have to dispose, treat, or release it into the air, water, or land.

Pollution Prevention Week is an excellent opportunity to heighten public awareness of these effective efforts. It can serve to encourage government agencies, the business community, environmental organizations, community groups, and most importantly, the general public, to work toward a cleaner environment and a more competitive, prosperous and sustainable business climate. This is a concept that we can all support, and is one embraced by the Greater Cincinnati Earth Coalition and other constituents on Southwest Ohio to achieve these goals to improve the quality of life for everyone.

A TRIBUTE TO THOMAS M. BARRY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. CLAY. Mr. Speaker, I rise today in tribute to an outstanding American and citizen from my home state of Missouri, Mr. Thomas M. Barry, on the occasion of his appointment as President of SBC International's Telkom South Africa operation.

Tom Barry represents the finest attributes of corporate service—his is a true American success story. For over 30 years he progressed through a number of assignments in Southwestern Bell's Missouri division before his appointment as assistant vice-president for external affairs in 1985. The following year Tom was named vice-president for public affairs for the company's five-state operating area. In 1990, he became the president and CEO of Metromedia Paging Services, then an SBC Communications Inc. subsidiary. He became senior vice president for strategic planning for SBC in 1991 and the following year Tom Barry was designated senior vice president for federal relations.

In all of his business before Congress and with my office I have known Tom to be highly qualified to address the complex issues emerging in the telecommunications field. When Congress debated the Telecommunications Act of 1996, Tom demonstrated a unique understanding of the importance of balancing competing concerns, from his company's interest in competitive equities in the telecommunications industry to the importance of preserving universal telephone service and the need for "e-rate" discounts and telecommunications services for schools and libraries and rural health care centers.

I was pleased to learn that Tom will now turn his talents to addressing the telecommunications needs of the people of South

Africa. I have been informed that the telephone penetration level in South Africa is only 10% among historically disadvantaged households, a group that represents 87% of the population.

SBC's Telkom South Africa operations, in conjunction with their partners, have promised to implement an aggressive plan to modernize the existing communications network and expand telecommunications services throughout the country for the benefit of all citizens. Tom Barry's next mission is to bring telecommunications services to more than 20,000 priority customers—including hospitals, schools and community centers—throughout South Africa.

I am happy to join Tom's many friends and colleagues in congratulating him on a job well done in Washington and wishing him every continued success in his new undertaking as President of SBC International's Teikom South Africa office.

IN HONOR OF MARC MILLIS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor the breakthrough work of Marc Millis, the head engineer for Breakthrough Propulsion Physics Program at NASA's Lewis Research Center.

Since 1990, his tireless work has centered around the idea of how to build space vehicles that bypass the rules of physics and carry humans far into the universe faster than the speed of light. He gathers and explores a variety of ideas from his fellow colleagues and physicists throughout the nation. Although most of the ideas that come from this program are considered, as he puts it, "too far away from fruition for sponsorship," Mr. Millis has strong convictions to continue his research on how we can best explore the vast outer space. To recognize his important work, on August 31, 1998, Newsweek published the following article, "Department of Warp Drives and Wormholes." The text is as follows:

[From Newsweek, Aug. 31, 1998]

DEPARTMENT OF WARP DRIVE AND WORMHOLES

The geeks are getting impatient. Here we are practically in the 21st century, and human beings have never been to another planet. We've never accelerated to unimaginable speeds, warped space-time or manipulated gravity. And that's not good enough for Marc Millis, an aerospace engineer at NASA's Lewis Research Center. When he was a kid he watched "Star Trek" (all baby engineers do) and Jacqeau Cousteau on TV and wanted to be an explorer. "I assumed by the time I was old enough to get into the field, the rocket technology used by Apollo would be old hat," Millis says.

Would that it were so. NASA is still heaving metal into space with rockets. But there are signs of change—or at least willingness to change. Millis runs a small, meagerly funded program called Breakthrough Propulsion Physics. The idea is to figure out how to build spaceships that bypass the rules of physics and carry human beings far into the universe faster than the speed of light. Inside the rocket-scientist fraternity of NASA, these guys stand out: they're serious researchers who actually use sci-fi terms like "warp drive" and "gravity shield." Millis rides herd over the group, organizing workshops and extracting the big ideas while filtering out the nutty ones.

For Millis the job began in 1990. At a workshop he made a presentation titled "Unsolved Problems: Propelling Spacecraft Without Rockets." Quietly, a few likeminded souls introduced themselves, even though "these kinds of topics were . . . the polite way to say it is 'too far away from fruition for sponsorship'," says Millis. In other words, crazy. Then in 1995 NASA started the Advanced Space Transportation Program at Marshall Space Flight Center, seeking to improve space exploration with traditional technology. "Someone asked, 'What about things like manipulating gravity? Is this light-speed thing still a showstopper?' Stuff like that," says Millis. "And one of the Marshall people tracked me down."

It turned out there were plenty of ideas out there. At Caltech, a physicist named Kip Thorne was investigating what it would take to construct a person-size wormhole, a shortcut that tunnels through space-time, the quantum-mechanical fabric of the universe. A University of Wales physicist named Miguel Alcubierre proposed that a ship could exceed the speed of light by compressing space-time in front and expanding it behind—your basic science-fictional warp drive. Quantum physicists were trying to figure out how photons, particles of light, seem to accelerate past light speed when they tunnel through an obstacle. Only one idea is actually being tested: researchers at Marshall's Space Sciences Lab are trying to replicate experiments said to show reduced gravity above a spinning superconductive disc. But designing an experiment that eliminates external influences has proved difficult. "It's fascinating," says David Noever, the researcher leading the project, "but you have to be very careful."

Needless to say, the Breakthrough Propulsion Physics program is controversial. "NASA is a place that builds things, not a place to try and take ideas which are decades, if not hundreds of years, from fruition and try to build working prototypes," says Lawrence Krauss, a physicist at Case Western Reserve and author of "The Physics of 'Star Trek'." Thorne, the wormhole expert, is starting to think that fundamental physics forbids traversable, human-size wormholes. And then there's the money issue. "So far Millis's activity has not spent much government money," says Gerald Smith, a physicist at Penn State. "Advanced propulsion is a very tough area, and NASA's not putting much money into it. Those of us who are doing work in it don't see it wasted."

Millis knows he's not likely to be making the jump to hyperspace any time soon. But the program continues to gain speed—in February the Marshall center ran a weeklong workshop on breakthrough propulsion. Next year Millis hopes to award a few small grants to researchers in the field. "There's a few people that these subjects will make nervous," he says, "but there seems to be a greater number who find it exciting." They're the ones without the patience to wait to reach the stars.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. BECERRA. Mr. Speaker, on September 17, 1998, I was unavoidably detained during rollcall vote No. 446, on agreeing to the resolution to provide for consideration of H.R. 4569, a bill to appropriate funds for foreign operations in FY 99. Had I been present for the vote, I would have voted "no" on the resolution.

IN MEMORY OF MARK FIELDS (1978–1997): WE MUST PRESS FORWARD IN THE FIGHT AGAINST CANCER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. LANTOS. Mr. Speaker, this weekend cancer survivors from across America will gather in Washington for "The March—Coming Together to Conquer Cancer," a crusade to strengthen cancer research and improve methods of treatment. As we join together in support of this important event, I believe that it is appropriate to recall the spirit of one who would not let this vicious disease destroy his good heart and dauntless soul.

I would like to ask my colleagues to join me in honoring the memory of Mark Fields, a brave young man from San Mateo, California, who passed away thirteen months ago after a four year fight against leukemia. Mark was an intelligent, articulate teenager with interests not unlike those of most boys and girls his age—computers, Camaros, cycling, and Star Trek. The obstacles he faced, however, were far from typical.

Mark was an exceptional individual not because of his cancer—tens of thousands of children and adolescents are diagnosed with this awful disease every year—but rather as a result of his perseverance in pursuing his dreams and desires at a time when he would have been excused for allowing his spirit to be suppressed by chemotherapy, pain, and fear.

Mark's inspiring character is best reflected in a letter which he wrote to President Clinton on February 11, 1997, urging that all children's hospitals be equipped with computers to help children continue their school work during periods of illness. He eloquently used his personal experiences as a child with cancer to articulate the need for such a program.

Mark Fields was not able to pursue his dream of a college degree, and he did not have the opportunity to work with President Clinton to place computers in children's hospitals across America. He passed away on August 28, 1997, just six months after he authored this letter. Mark's fight is now our fight, and our efforts on behalf of children with cancer must be furthered in his memory.

Mr. Speaker, I would like to enter Mark's letter to President Clinton into the CONGRESSIONAL RECORD.

San Mateo, CA, February 11, 1997.
President WILLIAM CLINTON,
The White House, Washington, DC.
Subject: Children's Hospital Computers

DEAR PRESIDENT CLINTON: I listened to your State of the Union Address and I was very pleased to hear that you have asked that all children's hospitals be equipped with computers to help children keep up with their school work.

I am very interested in this plan because I spent two and half years receiving medical treatment for leukemia at Lucille Packard Children's Hospital at Stanford, California. During this period, I spent what amounted to seven and a half months overnight at the hospital, with my longest stay being 45 days. Thankfully, those treatments are nearly two years behind me and I am feeling great.

During my treatments I was able to complete some high school credits by working with home tutors, but while I was in the hospital, I was definitely alone and out of touch with my school, my teachers and my classmates. This is why I know your plan is definitely needed.

Also, while I was at Children's Hospital, I was asked to participate in the Starbright Foundations's computer link of five major children's hospitals across the nation. This is an excellent way for children from one hospital to connect with children in another hospital. It offers the ability to "chat" and play games on-line, but a connection to schools is definitely needed. Your plan might work well with the Starbright program.

During my senior year I have worked at a local computer store and have realized my interest and abilities are in the computer field, and I will earn a college degree in computer science.

I not only commend you for your hospital computer plan, I would also like to offer you my services. Since I am in the unique position of having been a patient at a children's hospital as well as being very computer literate, I would appreciate the opportunity to assist you in whatever way I can.

I look forward to hearing from you.

Respectfully yours,

Mark Fields.

TRIBUTE TO THE INDIANA STATE LEAGUE OF UNITED LATIN AMERICAN CITIZENS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to pay tribute to the Indiana State League of United Latin American Citizens (LULAC), as it hosts the 1998 LULAC Midwest Conference. This year's conference, titled 'Money Management and the Tools to Make It Work,' is being held on Saturday, September 26, 1998, in Hammond, Indiana. Giving the conference's keynote address is Rick Dovalina, LULAC's National President. He was elected this Fourth of July at the conclusion of the LULAC National Convention. I would also like to take this opportunity to commend Augustine Sanchez, Midwest LULAC Vice President, and the Indiana LULAC state officers, Maria D. Pizana, Terry Serna, Vickie Lipniskis, Belinda Medellin, Dave Jones, Amelia Velez, Louise Marinez, Alicia Rios, and Greg Chavez, for the leadership they have displayed in organizing this important event. Hosting the LULAC Midwest Conference is an honor and a challenge which the Indiana State LULAC has met with vigor and excitement.

Founded in 1929 in Corpus Christi, Texas, LULAC was established to protect the Constitutional rights and freedoms of Hispanic-Americans. Over the years, LULAC has improved the social and economic status of Hispanics through its activism in the areas of equal justice, housing, employment, and education. By 1954, LULAC had earned recognition for winning two landmark civil rights cases. The first integrated the Orange County, California school system, and the second secured jury duty rights for Mexican-Americans in Texas. Since that time, LULAC has worked hard to achieve full access to the political process for all Hispanics, as well as equal educational opportunity for Hispanic children. LULAC councils across the nation work toward this goal by holding voter registration drives and citizen awareness sessions, sponsoring health fairs and tutorial programs, and raising scholarship money for the LULAC national scholarship fund. In addition, LULAC's activism has expanded to include the areas of language and cultural rights. In response to a recent increase in anti-Hispanic sentiment, LULAC councils have fought back by holding seminars and public symposiums on language and immigration issues. The nation's oldest and largest national Hispanic civil rights organization, LULAC continues to be a strong voice in the struggle for equal opportunity for Hispanic-Americans.

The Indiana State LULAC has faithfully worked to fulfill the National LULAC mission through a strong commitment to community and education. The Indiana LULAC emphasizes the protection of civil and human rights for Hispanic citizens and immigrants, and it strives to achieve this goal by educating the Hispanic community. Extremely youth-oriented, Indiana LULAC hosts annual career days and college fairs, provides numerous educational workshops and seminars for students, and offers several leadership training opportunities to students. In addition, Indiana LULAC continues to award scholarships to academic achievers throughout the state and, to date, has awarded over $200,000 in college scholarships. In the future, the Indiana State LULAC aspires to open a LULAC National Education Center, which would provide counseling and tutorial services, scholarships, and low-interest loans to help Hispanic students attend college.

One of LULAC's primary goals is to advance the economic condition of Latinos in the United States and Puerto Rico. The leaders of LULAC are striving to empower members of the Latino community to take control of their financial futures and obtain financial security for their retirement years. With a significant economic disparity between Latinos and the general population, LULAC is taking this opportunity to address this immediate, important issue. The League of United Latin American Citizens 1998 Midwest Conference offers workshops and information sessions to give participants the opportunities and techniques to learn about becoming financially secure, independent, and taking the initiative to become one's own boss. Proceeds for this conference will be used to fund scholarships, as well as youth and young adult educational projects for the Midwest. These programs include the Young Reader Programs, the Hispanic Leadership Opportunities Programs, and the Washington, D.C. Youth Seminars.

Mr. Speaker, I ask you and my other distinguished colleagues to join me in commending the Midwest and State of Indiana LULAC organizations for their extraordinary efforts to unite Hispanics. All involved in the success of these organizations, as well as their endeavors, should be proud of their efforts in working toward equality, independence, and success for Hispanic-Americans.

DALLAS' NBC CHANNEL 5 CELEBRATES ITS 50TH ANNIVERSARY

HON. PETE SESSIONS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. SESSIONS. Mr. Speaker, it is my pleasure to rise today to recognize a distinguished part of Texas history. This Sunday, September 27, 1998, Dallas' NBC Channel 5 will be celebrating its 50th Anniversary. Channel 5 was founded in 1948 by Texas visionary Amon G. Carter, a noted communications pioneer in both publishing and broadcasting, whose ingenuity lead to the delivery of television to the State of Texas and the Southwest. In fact, NBC Channel 5 was the first television station to go on the air in the State of Texas and the entire Southwest of the United States on September 27, 1948, airing the local visit of President Harry S Truman in his Presidential whistlestop campaign.

While Channel 5 has made its home in a Texas State Historic Landmark Building for the past fifty years, it has served as much more than a simple addition to Texas' architectural heritage. NBC Channel 5 can boast numerous historical accolades, including the first live local news report in Texas in 1948, the first live intercontinental satellite report in 1977, and the first station in the Southwest to offer viewers news via e-mail in 1997.

NBC Channel 5 remains a broadcasting leader in delivering to its viewers the very best in programming and local, national, and international news coverage, highlighted by an unwavering commitment to community service. Therefore, it is with great pride that I ask my colleagues to join me in recognizing fifty years of excellence from a news organization that has raised the standard of journalistic integrity and service to both the great State of Texas and the United States of America; Dallas' NBC Channel 5.

TAIWAN'S 87TH NATIONAL DAY

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Ms. BROWN of Florida. Mr. Speaker, as the Chinese on Taiwan prepare to celebrate their

87th National Day on October 10, 1998, I wish them the best in their continuing efforts to sustain economic growth and to further political reform.

My congratulations go to President Lee Teng-hui and Vice President Lien Chan and the people of the Republic of China on Taiwan. President Lee is to be especially saluted for having repeatedly urged the Chinese communists to hold meaningful exchanges on reunification issues. President Lee is committed to reunification. His dream is to see a reunified and democratic China.

In the meantime, President Lee asks all nations to consider Taiwan's legitimate place in the world community. After all, Taiwan is the 19th largest economy and 14th largest trading nation in the world. Excluding Taiwan's participation in world affairs is a loss for the international community.

May Taiwan have many many returns of their National Day and an early reunification with Mainland China under the principles of democracy, freedom, and individual human rights.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. BECERRA. Mr. Speaker, on September 23, 1998, I was unavoidably detained during two rollcall votes; No. 455, on agreeing to H. Res. 505 offered by Representative FALEOMAVAEGA and No. 456, on agreeing to H. Con. Res. 315 offered by Representative LANTOS. Had I been present for the votes, I would have voted "yes" on number 455 and "yes" on number 456.

TRIBUTE TO EMILY SILICH AND THE CITY OF HOBART, INDIANA

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. VISCLOSKY. Mr. Speaker, it is with great pleasure that I commend the City of Hobart, Indiana, for dedicating its newest park to the memory of the late Emily Silich. On Saturday, September 26, at 10:00 AM, Emily Silich's family and friends will gather to honor her memory. It is due to Emily's dream, vision, and extraordinary efforts that this park has been created to enrich the lives and neighborhoods of the people of Hobart, and the whole of Northwest Indiana.

Emily Silich Park, as it will be named, began as only an idea, a dream. As the City Councilwoman for the Second District of Hobart, Emily sought to provide her constituents with their first park. From its humble beginnings in 1992, to the final culmination in 1998, this drive to provide a positive, clean, and public park for the Second District has been a study in determination and persistence. After Emily Silich passed away in 1995, her family and friends did not allow her dream to fade away. Instead, Silich's family and friends enlisted the aid of Mayor Linda Buzinec, the local YMCA Board, and Hobart residents. With the aid of the current City Councilman from the Second District, Carl Lindsey, land was purchased from the YMCA. Tom Silich, Emily's husband, and Carl Lindsey donated $3,000 and $500, respectively, in order to purchase land for the park. These efforts, and the work of countless others, has helped to realize one of Emily's goals. Emily Silich Park is located in Hobart, Indiana, on two acres of land. It has among its features a picnic shelter, and playground equipment for the children of the neighborhood. In the future, the Park Board is seeking to add tennis courts and other attractive features.

Mr. Speaker, I ask you and my distinguished colleagues to join me in congratulating the selfless efforts of the Silich family, Mayor Buzinec, and Councilman Lindsey. Through their hard work, dedication, and determination, Emily Silich's goal was realized. Citizens like Tom Silich, Robin Toneff, Carl Lindsey, and Linda Buzinec are examples of the true American ideal: Citizens improving themselves, their neighborhoods, and their communities. I am proud to serve such dedicated residents of Indiana's First Congressional District.

CONGRATULATING MICELL TECHNOLOGIES, INC. ON WINNING A PRESTIGIOUS R&D 100 AWARD

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PRICE of North Carolina. Mr. Speaker, I would like to recognize Micell Technologies, Inc., a high-tech company from my home state of North Carolina that deserves much praise, not only for landing a spot on R&D Magazine's list of 100 most significant innovations of 1998, but also for discovering a new technology that will benefit people's lives and have a positive impact on the environment.

Located in Raleigh and founded only three years ago by Joseph DeSimone and fellow scientists Timothy Romack and James McClain, Micell is being honored in conjunction with Pacific Northwest National Laboratory (PNNL) for advancements in the use of carbon dioxide for professional garment care, metal degreasing, and textile processing.

R&D Magazine has highlighted Micell's newest inventions, the Micell and Miclean solvent cleaning systems, which provide an environmentally friendly alternative to traditional dry cleaning and metal cleaning methods. These systems use a liquid form of carbon dioxde to clean clothing and remove unwanted oils while allowing the carbon dioxide to be recycled time and time again.

This discovery is significant because it will offer an alternative to the use of perchloroethylene, the most commonly used dry-cleaning solvent, which has been known to contaminate groundwater and is also suspected to be carcinogenic. It will protect both consumers and employees in the dry cleaning industry and also help protect our environment.

To help Micell Technologies and others like them, we should be strengthening federal support for basic science and environmental technology development and creating incentives to encourage businesses to adopt environmentally sound, energy efficient, and water conserving processes.

The R&D 100 has been called "The Oscars of Invention." It has honored innovations like anti-lock brakes and the fax and automated teller machines, inventions that have changed the way we live. Therefore, it is with great pride that I publicly congratulate Micell Technologies for their innovative, environmentally friendly technological discoveries.

HAPPY BIRTHDAY TO TAIWAN

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. PAYNE. Mr. Speaker, I rise to send greetings and best wishes to the leaders in the Republic of China on Taiwan. Their national day is a day of celebration for all the Chinese living in Taiwan. Taiwan, a small island country, faces a formidable adversary—the Chinese mainland. Yet Taiwan is able to enjoy its economic success, political reforms as well as freedom and democracy.

Much of Taiwan's economic and political success is directly attributable to the leadership of President Lee Teng-hui. A statesman of vision, energy and courage, President Lee is determined to make Taiwan a model nation for all emerging countries. And most important of all, he hopes Taiwan will inspire the Chinese mainland to democratize and become a free country.

President Lee Teng-hui should be credited for restarting the bilateral talks between Taiwan and the Chinese mainland. It is his goal is see the principles of democracy and freedom flourish.

Happy Birthday to Taiwan!

TRIBUTE TO THE HONORABLE VIC FAZIO

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. STOKES. Mr. Speaker, I would like to commend my colleague, HOWARD BERMAN, for permitting me this opportunity to express my gratitude to a departing member. I am here to join my colleagues as we salute a long time friend and colleague, VIC FAZIO. Over my thirty year career in the United States House of Representatives, I am privileged to say that for twenty of those years, I had the distinct pleasure of knowing and working with VIC FAZIO.The years that VIC served on the Ethics Committee presented him as a man of honesty, intelligence, and integrity. He is a man whose diligent work ethic has earned him a long and productive career in the House. He has worked on various committees and served in several key positions.

As a freshman, VIC embraced a diligent work ethic that established him as a great legislator, VIC was elected to represent the Third District of California in 1978. Since that time, he has been elected to ten consequent terms in the House. He was appointed to the House Appropriations Committee in 1980 and served as the ranking Democrat on the Appropriations Subcommittee on the Legislative Branch until 1996. Although still a member of the subcommittee, VIC relinquished his ranking position in order to gain a seat on the Appropriations Subcommittee on Agriculture, Rural Development, Food, and Drug Administration.

In 1990, he was the political arm of the Democrats in Congress when he was selected to the position of Chairman of the Democratic Congressional Campaign Committee. He then served as the Regional Representative on the Steering and Policy Committee and sat on the new Steering Committee. VIC has co-chaired the House Bipartisan Task Force on Ethics and was the Majority Whip-at-Large. VIC's tenure also included work on the Budget Committee and also served on the Select Committee on Hunger.

Mr. Speaker, VIC FAZIO has held a well respected position in the House as a very effective legislator. Many of my colleagues recognize VIC as the man with the quick and easy smile, a man to turn to in order to get things accomplished and represented the concerns of his colleagues. VIC is a man whose astute nature provided all he encountered with wisdom and guidance. Indicative of his well respected character, VIC was re-elected by an overwhelming majority of our colleagues to serve as the Chairman of the Democratic Caucus during his tenth term in 1996.

On a personal note, I would like to wish VIC and his lovely wife, Judy, well as VIC embarks on a new path when he leaves the House of Representatives this year. No other has served with such integrity, intelligence, and diligence. The House of Representatives will not only lose a distinguished and hard-working legislator as VIC FAZIO makes his final exit at the end of this year, but it will lose some of its luster when the man with quick smile and easy grace transcends to a different role outside the House of Representatives.

INTRODUCTION OF THE FEDERAL AGENCY MAIL ACCOUNTABILITY ACT

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. FRELINGHUYSEN. Mr. Speaker, today, I introduced legislation that will express the sense of the Congress that Federal Agencies should develop a plan to coordinate their mailing expenses, the content of their taxpayer financed mailings, and the currentness of the lists to which they are mailing.

I find it shocking that with annual expenditures of nearly $1 billion, the Executive Branch of government does not have a coordinated mailing plan. The total spending of taxpayer dollars is not monitored by any agency, other than the Postal Service, and the content of their mailings is determined by each Federal Agency, with no uniform rules on partisanship or political content. Additionally, I am concerned that the mailing lists are not current, as I have seen firsthand, and that the Federal Government is wasting money by mailing to outdated lists.

Congress is subject to strict rules about the content of their mailings, the timing of their mailings, and annual budgets. I believe that the Administration, in consultation with Congress, must take a comprehensive look at their mailing practices and determine some uniform standards by which to operate.

I urge my colleagues to support the Federal Agency Mail Accountability Act.

HISPANIC HERITAGE MONTH

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to celebrate the activities of Hispanic Heritage Month. Governor O'Bannon has designated September 15 through October 15, 1998, Indiana's Hispanic Heritage Month. This proclamation is in recognition of the efforts Indiana's Hispanic-American population has consistently displayed to improve the State of Indiana, as well as Indiana's First Congressional District.

In Northwest Indiana, you will find a vibrant, active, and proud Hispanic community. Thriving organizations such as the Latin American Community Alliance for Support and Assistance (LACASA) of NWI, Inc., Northwest Indiana Hispanic Coordinating Council, Hispanic Women's Forum of NWI, Union Benefica Mexicana, Puerto Rican Parade and Cultural Organization, Sociedad Mutualista Mexico, Raza de Bronze, Northwest Indiana Latino Historical Society, the Hispanic Catholic Center, National Association of Hispanic Nurses-Indiana Chapter, National Council of LaRaza affiliate, U.S. Hispanic Leadership Institute affiliates, National Council of Puerto Rican Women (NaCoPRW), League of United Latin American Citizens (LULAC), Indiana University Northwest's ALMA Latino student organization, Purdue University Calumet's Los Latinos student organization, Calumet College of St. Joseph's Los Amigos Latino student organization, Ivy Tech State College's Latino student organization, Valparaiso University's LIVE Latino student organization, to name a few, provide an effective avenue for promoting Hispanic interests and their shared cultural heritage.

Active in every aspect of community life from labor organizer, police chief, and Federal district court judge to educators, Labor President, and clergy, the citizens of Northwest Indiana have a multitude of Hispanic-American role models to emulate. Indeed, as an increasingly important segment of the Northwest Indiana community, Hispanic-Americans are making many valuable contributions to our state and region. These valuable contributions have come not only culturally, but also in the areas of law, religion, agriculture, education, architecture, and technology. Without the contributions of Hispanic-Americans, the rich, diverse, ethnically flavored culture of Northwest Indiana would be incomplete.

Mr. Speaker, Hispanic-Americans strive to earn and enjoy the promise and benefits that America, at its best, extends to all. I am proud to serve as the Representative in Congress for Northwest Indiana, with its diverse multicultural heritage, and I encourage my distinguished colleagues, and all citizens, to participate and enjoy events commemorating Hispanic Heritage Month.

SUPPORT FOR H.R. 4283, THE AFRICA: SEEDS OF HOPE BILL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. HAMILTON. Mr. Speaker, I want to bring to the attention of our colleagues a letter from the Secretary of Agriculture Dan Glickman in support of H.R. 4283, the Africa: Seeds of Hope bill.

Doug Bereuter and I introduced the bill on April 1, 1998. The bill currently has 103 cosponsors. The purpose of the bill is two-fold. First, it supports sustainable agriculture development and food security in Sub-Saharan Africa. And, second, the bill enhances our ability to respond to humanitarian crises by replacing the Food Security Commodity Reserve with the Bill Emerson Humanitarian Trust. It also helps American farmers by giving the Department of Agriculture the ability to buy commodities for the Trust when prices are low.

Secretary Glickman notes in his letter that the bill would have a very positive impact on our ability to manage the Food Security Commodity Reserve.

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, September 22, 1998.

Hon. LEE H. HAMILTON,
Ranking Democratic Member, Committee on International Relations, U.S. House of Representatives, Washington, DC.

DEAR LEE: This is in response to your request for the views of the Department of Agriculture (USDA) concerning H.R. 4283, a bill "To support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes" (Seeds of Hope Act). The bill is designed to focus on development activities that will provide assistance to the poor, especially women and children, throughout sub-Saharan Africa.

H.R. 4283 would enhance the Administration's "Partnership for Economic Growth and Opportunity in Africa," as well as Congress' proposed legislation, "The African Growth and Opportunity Act." The Seeds of Hope Act will help build a stronger and longer-term partnership between the United States and the countries of sub-Saharan Africa.

There are two proposals contained in H.R. 4283 that would have substantial positive impact on managing the Food Security Commodity Reserve (FSCR), which this bill would rename the "Bill Emerson Humanitarian Trust." The first major change authorizes holding reserves in the form of cash, as well as commodities. The holding of reserves in the form of cash or commodities permits flexibility in managing the trust and could result in reduced storage and handling costs for the Commodity Credit Corporation (CCC). The second major proposal included in this legislation provides for more flexibility in replenishing the trust. Current authority provides for replenishing the FSCR through the purchase of commodities using funds appropriated in advance for this purpose or with existing, uncommitted CCC stocks. This legislation proposes allowing CCC to replenish the trust using funds appropriated for use in carrying out Pub. L. 83-480 activities that related to repaying CCC for the prior release of commodities from the trust.

H.R. 4283 could increase direct spending; therefore, it is subject to the pay-as-you-go requirements of the Omnibus Budget Reconciliation Act of 1990. The Office of Management and Budget's preliminary scoring estimates of this bill are zero.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the presentation of this report.

USDA supports the passage of H.R. 4283. Thank you for the opportunity to share with you the Department's views. I am sending a similar letter to Representative Doug Bereuter.

Sincerely,

DAN GLICKMAN,
Secretary.

IN HONOR OF DR. ROBERT RUBEN

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay tribute to Dr. Robert Ruben on the occasion of his retirement as Chair of the Montefiore Medical Center Department of Otolaryngology. Tonight, Montefiore Medical Center is holding a gala salute in honor of Dr. Ruben's distinguished career. The gala will benefit hearing restoration research.

Dr. Ruben has had a long and impressive career in medicine. He received his undergraduate degree in psychology from Princeton University and his M.D. from the John Hopkins School of Medicine.

Although he is retiring from the post of Chair of the Department of Otolaryngology, Dr. Ruben will continue his dedicated work on behalf of people with hearing disorders at Montefiore Medical Center and the Albert Einstein College of Medicine.

When making his decision to retire from the position of department chair, Dr. Ruben took into consideration the time he will now have to continue his work on the protection, repair and regeneration of dead and damaged hearing cells. In his own words: "The more effort, resources and time that we devote to understanding hearing disorders, the sooner we will enable communicatively deprived people to reach their full potential."

Over the course of Dr. Ruben's career he has received numerous honors and distinctions that date back to his teenage years. As a high school student, Robert Ruben received an honorable mention in the Westinghouse Talent Search. He is the recipient of the American Academy of Ophdiahnology & Otolaryngology Research Award, the Schreiber Gold Medal of the National Association of the Deaf, an Honorary Professor and Advisor to the Peking Institute of Otolaryngology of the People's Republic of China, and recipient of the Presidential Citation, AAO/HNS, among others.

His work on behalf of children and the disabled is extensive. He has served on the Head Start Medical Advisory committee, the National Task Force on Mentally Retarded Deaf, the National Institute of Health Advisory Council, the Advisory Council of the National Institute of Deafness & Other Communication Disorders, and as the director of the American Board of Otolaryngology, to name a few.

Mr. Speaker, I am proud and honored to bring to your attention the important work Dr. Robert Ruben has done for communicatively deprived people and the field of Otolaryngology. Montefiore Medical Center and the Albert Einstein College of Medicine are privileged to have such an outstanding man on their staff.

IN RECOGNITION OF WORLD-RENOWED SEASCAPE ARTIST CHARLES VICKERY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to pay my respects to a world-renowed seascape artist and outstanding member of my district, Mr. Charles Vickery, who passed away in La Grange, Illinois, on September 22, 1998.

Charles Vickery was widely known as a local legend in Chicago's Western Suburbs were he lived and painted for over sixty years. He began his career, by studying the techniques of such artists as Frederick Waugh, Winslow Homer, and Anton Fisher at The Art Institute of Chicago and at Chicago's American Academy of Art. After he learned the mechanics, he received what he called his greatest instruction and source of inspiration, from Lake Michigan. From Lake Michigan, Charles Vickery learned the light effects and sea anatomy that later led him to be known and remembered for his ability to paint the many moods of water, making it come alive on the canvas.

In 1937, at the age of twenty-four, Charles Vickery opened his first art studio in Western Springs, Illinois. However, his first big break was in 1951 when Eleanor Jewitt, a respected Chicago Tribune art critic, discovered one of his paintings in a Michigan Avenue art gallery, and acclaimed him as "one of the great painters of this age * * * a bright Winslow Homer." The Clipper Ship Gallery in La Grange, Illinois, has been dedicated exclusively to Vickery's work since 1981, displaying his original oil paintings and publishing his collection of nearly 100 limited edition prints.

Charles Vickery has received the Waters of the World Prize, the Pallette and Chisel Diamond Medal, awards from the North Shore Art Association in Gloucester, Mass., and the Union League Club Prize. Although, despite his many awards, the two things that satisfied Charles Vickery the most were bringing pleasure to the collectors of his work and urging other artists to further advance their abilities. Therefore, he was a charter member of the American Society of Marine Artists and a Signature Member of the Oil Painters of America.

Mr. Speaker, Charles Vickery was revered and respected by almost everyone who knew his work. I offer my heartfelt sympathy and prayers to his family and friends. Charles Vickery will most certainly be missed by many close friends, collectors of his art, and innumerable admirers.

TRIBUTE TO THE LATE LINDA McDOUGAL

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. FARR of California. Mr. Speaker, I rise today to honor the life and achievements of Linda McDougal who died on May 3 of this Year. Linda has been a guiding force in raising public awareness of the needs of individuals with disabilities to assure everyone equality of opportunity, independent living and economic self-sufficiency.

Linda, one of six children born and raised in Benton, Arkansas, contracted polio at a young age. Through the loving determination and support of her mother, Pearl, and her siblings, Richard, Robert, Paul, Nina and Elizabeth, she attended public school. Each day she and her wheelchair were carried onto the school bus and up the steps of the school. After graduation, Linda attended State Teacher's College in Conway, Arkansas. By the early 1980's, Linda had set out on her course to train others about the rights of persons with disabilities. Linda took a major role in developing a housing project designed to allow people with many different disabilities to live independently. She spearheaded a Disability Awareness Day at the Arkansas State Capitol which was attended by heads of agencies, lawmakers, and by Governor Bill Clinton.

Linda and her husband Robert moved to Santa Cruz, California where Linda continued to make a difference in people's lives and attitudes. In 1986, she urged the County Board of Supervisors to create a Commission on Disabilities to guide public decision-makers in eliminating discrimination against people with disabilities in employment, and in the provision of goods and services. She helped to bring county facilities into compliance with the Americans with Disabilities Act. Linda became the first and, until her death, only Coordinator of the Commission. Among the many projects she undertook, Linda initiated an annual Job Fair featuring exhibits by employers who welcome employees with disabilities.

In her dealings with others, Linda was unselfish, seeing the good in everyone, gracefully accepting other points of view, willing to give credit freely, and tenacious as a bulldog. Friends describe Linda as a sweet woman, honest and forthright, never negative, and possessing a delightfully wicked sense of humor. She loved to have a good cry while watching old black-and-white movies about love and romance.

The community will miss her dearly, but Linda McDougal will always be remembered for the pathways she cleared. My thoughts are with her family.

THE CODE OF CONDUCT ON ARMS TRANSFERS ACT

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. NADLER. Mr. Speaker, I rise to express my support for H.R. 4545, the Code of Conduct on Arms Transfers Act of 1998, introduced by Representatives MCKINNEY and ROHRABACHER.

We must do more to curb arms sales and military assistance to dictators and human rights abusers around the world. The United States should stop supplying arms to governments that use these weapons to oppress and murder their civilian populations, as well as engage in illegal acts of aggression against their neighbors.

The United States is a leading arms merchant to the world. In 1995, U.S. arms exports amounted to $15.6 billion, three times that of the next supplier and 49 percent of the world's arms exports. The United States must take the lead in curbing arms sales abroad. If we lead, the world will follow. Our nation's resources must not be used to prop up dictators or promote international aggression. The Code of Conduct on Arms Transfers Act would put an end to this shameful practice.

This legislation would prohibit U.S. military assistance and arms transfers to a foreign government unless the President certifies that the country is genuinely democratic, does not engage in human rights violations, is not engaged in illegal acts of armed aggression, and participates in the United Nations Register of Conventional Arms by annually reporting to the U.N. the numbers and types of weapons it possesses and transfers.

This bill also requires the Administration to work with other nations to limit arms transfers worldwide and urge other nations not to sell weapons to countries that the United States has deemed ineligible to receive U.S. arms sales. International cooperation, in the context of a reformed U.S. arms sales policy, is critical if we are to protect innocent people from military aggression by undemocratic governments. This is an essential component of the McKinney-Rohrabacher bill, and it will be most effective only after we begin to limit U.S. arms sales.

The McKinney-Rohrabacher Code of Conduct would help the United States to bring its military policy into accord with its other international efforts to promote global peace, security, and prosperity. I urge my colleagues to cosponsor H.R. 4545. Thank you.

TRIBUTE TO 18,745 AMERICANS

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mrs. LOWEY. Mr. Speaker, I rise today to introduce a House Resolution which, for the first time, will recognize formally the 18,745 American civilians incarcerated by the Axis powers during World War II.

We all know what the world faced during the struggle between the evils of Hitler's Axis powers and the heroic citizen armies of the Allies. We know about the 50 million dead and millions of others maimed, wounded, and displaced. The history books are filled with their tragic and triumphant stories. However, there are still little known aspects of World War II that deserve our attention. The plight of civilian American internees deserves our attention. These American citizens were subject to barbaric prison conditions and endured torture, starvation, and disease simply for being American. As they lost their basic human rights, these courageous men and women were used as slave labor and 1,704 died due to the subhuman conditions they were forced to live under. Many were taken prisoner before the United States entered the war.

The horrors faced by America's civilian internees was brought to my attention by Michael Kolanik, Jr., a constituent of mine from Yonkers, NY. His father, Michael Kolanik, Sr., was an American citizen born in Pennsylvania in 1913 who returned to his ancestral homeland of Poland in 1931, with the full knowledge and consent of the U.S. State Department. In September of 1939, the Nazis termed Mr. Kolanik "a stateless Pole, born in Pittsburgh" and deported him to Nazi Germany as a slave laborer. While incarcerated, he faced a myriad of abuses starvation, backbreaking work, beatings, torture, and living conditions not fit for animals. Everyday was an incomprehensible struggle to stay alive with only the dream of making it home keeping him going. It wasn't until the U.S. 75th Infantry Division liberated the labor camp in 1945 that Mr. Kolanik regained his freedom and basic human rights. Upon his release, the horrific conditions he suffered through were obvious. Normally a strong 155-pound man, Mr. Kolanik had been reduced to 103 pounds. He regained his strength and health, joined the U.S. Merchant Marines, and returned to the United States.

However, his father's story, and many others might not have been heard if not for the tireless efforts of Michael Kolanik, Jr. His love for his father and his desire to bring to light the suffering these American citizens endured drove Michael, a Vietnam Veteran, to make sure Congress recognized those incarcerated by the Axis. The recognition his father, who died in 1992 would not live to see.

Approximately 3,000 civilian internees are still alive. The least we can do is finally honor these survivors and acknowledge their heroic and courageous sacrifices. That is what my resolution does.

HUMAN RIGHTS IN UZBEKISTAN

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. SMITH of New Jersey. Mr. Speaker, the situation in Russia seems to be deteriorating further every day. An enfeebled Boris Yeltsin, under pressure from a Communist-dominated parliament, has named Foreign Minister Evgenyi Primakov, the anti-American former chief spy, Russia's Prime Minister. As we watch this man entrusted with Russia's domestic policy while maintaining control over foreign affairs, our once fond hopes for political and economic reform in the former Soviet Union are fraying at the edge. The rout of Russia's so-called reformers has raised troubling questions about the policy of supporting one man in the name of security and stability.

While the situation in Central Asia is very different, of course, there are some disturbing parallels. specifically, I rise today to discuss the depressing state of human rights and democratization in Uzbekistan, which the United States apparently has come to see as an anchor of stability in a complex region. The Departments of State and Defense have avidly pursued a relationship with Uzbekistan. I do not criticize them for doing so. Uzbekistan is the most populous country in Central Asia, and if it lacks the large-scale potential of Kazakstan or Turkmenistan to export oil and gas, it still has impressive reserves of natural resources. Moreover, its strategic location and its pro-American stance bolster the case for good relations between Washington and Tashkent, especially in the face of long-standing neo-imperialist instincts in Russia.

Nevertheless, Uzbekistan remains the second most repressive country among the new independent states, slightly ahead of benighted Turkmenistan. The rationale Tashkent offers for the acknowledged lack of freedom is the need to ensure stability. But President Islam Karimov's policies may well create the very dangers these policies are ostensibly designed to avert.

Over the last ten years, it occasionally seemed Uzbekistan might develop towards genuine pluralism. Opposition movements were allowed to function, though under constant duress, from the late 1980s to mid-1992. In December 1991, Karimov actually permitted an opposition leader to run against him. But since June 1992, when another opposition leader was nearly beaten to death in broad daylight, the regime has clamped down on all expressions of dissent. No opposition parties may function, opposition literature is confiscated, and Soviet-style censorship stifles freedom of the press. The authorities have even refused to register an independent human rights monitoring organization, although western human rights NGOs have been operating in Uzbekistan since 1996. Uzbek and western groups have compiled a list of some 35 political prisoners, not counting about 20 more caught up in a wave of mass arrests in the Fergana Valley last year.

To mask these realities, President Karimov, like all the leaders of the new independent states, have adopted the fashionable rhetoric of democratization and created institutions which purportedly realize that goal. Under the guise of creating three branches of power, for example, Karimov has created a pocket parliament. Uzbekistan's judiciary, for its part, is wholly subordinate to the executive in political matters or corrupt in other cases. The government has also established human rights organizations, which distribute educational materials and supposedly work for the country's eventual democratization, while allowing the regime to show a reformist face to the international community.

All of these issues are well known, as human rights groups can testify, and as the Helsinki Commission's reports and the State Department's annual reports document. But in the last year and a half, another issue has come to the fore: persecution of religious believers. It is true that Uzbekistan's constitution enshrines freedom of religion and Russian Orthodoxy, Judaism and Islam have emerged from Soviet-era repression into the open. But the local religious establishment has supported the government's campaign against non-traditional religions, including Protestant denominations. Uzbekistan's new legislation on religion is the most repressive in the former Soviet Union: as of August 15, any church with fewer than 100 members must close down and stop all activities. Church leaders who fail to comply will be subject to criminal charges. Churches that manage to register are strictly forbidden to engage in any proselytism or missionary activity, and private religious instruction is banned.

This law contradicts OSCE commitments, under which freedom of speech applies to religion. But from the perspective of stability, the most worrisome development has been the campaign against Muslims who want to practice their faith outside Uzbekistan's religious establishment, which, like the parliament and judiciary, is under tight government control. Under cover of an attack on "Wahhabism," a conservative form of Islam associated with Saudi Arabia, the authorities have cracked down on all expressions of piety. Men with beards and women covering their heads are subject to repression. Independent mosques have been closed, Imams have been arrested or "disappeared" and their followers intimidated. In late 1997, a full-fledged campaign against alleged Islamic radicals and criminals began in the Fergana Valley. Uzbek authorities charged that Islamic radicals beheaded a policeman and committed other crimes. But according to reports by Human Rights Watch/Helsinki, the ensuing wave of arrests indiscriminately targeted pious Muslims. There is good reason to believe the claims of those arrested that they were tortured in jail, denied food, refused contact with their attorneys and forced to confess to crimes. the conduct of the trial, which Human Rights Watch representatives personally monitored, was appalling, with the judge ignoring the recantations of guilt extorted by torture and other blatant violations of due process.

Mr. Speaker, let me be plain. I support freedom of religion, not Islamic fanaticism or criminal behavior. Moreover, I am concerned abcut reports by Uzbek officials, which knowledgeable Western journalists take seriously, that Islamic groups are training in Tajikistan and Pakistan to destabilize Uzbekistan by force of arms. The environment in the region is indeed worrying, considering that the radical Taliban has taken over most of Afghanistan, Iran remains hostile to western values and Islamic terrorists are threatening the physical security of Americans. But the blanket condemnation of Muslims in Uzbekistan is worse than unfair—it is counterproductive. Such a policy applied in Uzbekistan, where declining living standards are creating desperation in some quarters, could lead to a radicalization that might not have occurred otherwise.

If this growing problem is to be addressed, Uzbek authorities must come to an understanding with the Islamic community based on a recognition that the government cannot control all aspects of society and certainly not matters of faith. Room must be found in Uzbekistan's political process for religious and political dissidents.

It is not too late for such an initiative and a particularly timely opportunity is approaching: parliamentary elections are scheduled for 1999. As of now, only government-created parties will be allowed to participate, whereas Erk and Birlik, the democratic-nationalist parties that arose in the late 1980s, remain banned. It is high time to readmit them to the political life of Uzbekistan.

Mr. Speaker, for Uzbekistan, good relations with the United States are a critical basis of geostrategy. I intend to send this statement to President Karimov, and I hope that he takes to heart these well-meaning suggestions.

ON THE DEATH OF MURIEL HUMPHREY BROWN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. VENTO. Mr. Speaker, I rise today to pay my respects to an extraordinary leader in Democratic politics in Minnesota and nationwide, Muriel Humphrey Brown. Brown, the widow of Vice-President, U.S. Senator and presidential candidate Hubert H. Humphrey II, died September 20, 1998 at the age of 86 in Minneapolis surrounded by her family. Brown was born Muriel Fay Buck on February 20 1912, in Huron, South Dakota.

Muriel Humphrey Brown was a wonderful Democratic activist and supporter of her husband throughout his illustrious career of public service in the U.S. Senate, as Vice President and two-time presidential contender. She and Hubert were always a great team and following her husband's death from cancer in 1978, Brown was appointed to her late husband's Senate seat. She became the State of Minnesota's first female U.S. Senator. In fact, she was the only woman serving in the U.S. Senate at that time and she was only the 12th woman in history to serve in the U.S. Senate overall. In her husband's tradition, she employed her position to advance labor issues, women's rights and social programs. As a freshmen member of the U.S. House of Representatives at the time, it was an honor to work with a person of her integrity, status and commitment to Democratic ideals—the ideals of our nation, state and political party, the Democratic-Farmer-Labor Party, organized and built by Hubert Humphrey.

Earlier last week, Brown had the proud honor of standing by her son, Hubert Humphrey III, as he won the Democratic gubernatorial primary for the State of Minnesota. In remarks to the press, Brown beamed after her son's victory. "Hubert would have been proud." This moment seemed to be both a passing of the torch to the next generation and a prophetic capsule ending to a life well spent.

On behalf of my fellow Minnesotans, I would like to extend my sympathies to the family. She will be missed, but not forgotten. Muriel Humphrey Brown is survived by her husband, Max Brown; her daughter, Nancy Solomonson; and three sons, Skip, Bob and Douglas; and numerous grandchildren, most of whom are playing a role in public life and social causes in Minnesota.

Mr. Speaker, I would ask that the following Editorial from the St. Paul Pioneer Press on Muriel Humphrey Brown's life to included in the RECORD.

[From the St. Paul Pioneer Press, Sept. 22, 1998]

MURIEL HUMPHREY BROWN—A CARING MOTHER, LOYAL POLITICAL PARTNER

In her last public appearance Muriel Buck Humphrey Brown was brief and upbeat at the celebration of son Skip's gubernatorial nomination. She has joined the politicians so many times at the podium that Minnesotans were ready for her rich voice before she ever uttered a sound. It didn't matter that on Tuesday night, her speech was frail and soft. The sentiment was strong and the memories of her warmth and wit over a remarkable half-century carried on the family tradition.

Brown died Sunday in Minneapolis at 86. She and the era of optimism and accomplishment in public life she helped her first husband shape will be missed.

There will be no more of her affirming words, no more of the shy woman who left Huron, S.D., to marry Hubert H. Humphrey II, raise a family amidst a political circus, serve as the only Minnesota woman ever in the U.S. Senate, stick with family in good times and bad, and then find in marriage to Max Brown a private life at last.

It isn't accurate to recall her as a central policy-maker, a politician in her own right. She was a woman of her times, the partner, the guardian of family balance, the woman who moved from shy to family balance, the woman who moved from shy to warm and engaging in support of husband Hubert's goals. Muriel Humphrey, at Gov. Rudy Perpich's request, even finished out that public career and partnership by completing her late husband's term as U.S. senator from Minnesota.

For most of the world, the lasting imagine of Muriel Humphrey is wrapped in a proper Minnesota coat against the frigid day of Huhert Humphrey's funeral in January 1978, holding the flag from his coffin. Home folks, however, also remember Muriel Humphrey on the campaign trail for the Wisconsin primary when hardly a spouse would venture out on her own to support a husband-candidate for president. We remember that she entered her beautiful needlepoiint in the State Fair under an assumed name so it could be judged squarely on merit. We recall work for mentally retarded citizens, including her own granddaughter. We remember support for her daughter at a tough time, that her four children are Midwestern solid despite childhoods surrounded by power and giants of history.

Muriel Humphrey Brown did her part and then some when the strong, passionate liberalism of the prairies rose from the Depression to start a quest for justice. She leaves us all with the vision of principled, disciplined public life and memories for the voice that sang harmony for the politics of the possible.

A TRIBUTE TO DR. E.B. TURNER

HON. MIKE McINTYRE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. McINTYRE. Mr. Speaker, I rise today to pay tribute to a man who, since 1948, has given half a century of devotion to rebuilding his community of Lumberton and his county of Robeson in southeastern North Carolina. An empowering, inspirational leader, Dr. E.B. Turner has worked tirelessly to improve the lives of those around him. He has encouraged all citizens, especially African-Americans, to find the courage to use their voices to break an oppressive silence. Dr. Turner has given all people in our community, county and state an example of faith in God, faith in the potential of our area, and the faith to cultivate a land where equality and opportunity flourish. In addition to his countless gifts to our community, he has given my family and me true friendship, by which I have been enormously honored.

This month, our community celebrated Dr. Turner's 50-year commitment to ending social injustice. Even at the age of 72, this continues to be his vision. It was when Dr. Turner arrived to Lumberton as a preacher at the age of 22, that he first discovered the harsh living conditions African-Americans were force to endure. There were no paved streets in the black sections of town, and most blacks lived in poor housing with little opportunity for upward movement. Not intending to enter the political realm, but responding to the need to reform a decrepit social structure, Dr. Turner accepted the challenges around him as opportunities for a better future for our area. He began his life in the political sphere by working for homes for the elderly and disabled, as well as housing developments for the poor. Since then, he has been actively involved in local government and community organizations. Serving on the Board of Directors of Lumberton Economic Advancement for Downtown, Inc., the Lumberton Housing Authority, and the Lumberton Community and Economic Development Committee are only a few of the ways he has made a difference. He was also the first chairman of the Lumberton Commission for Youth and the Family, an innovative board that has started a variety of programs which have benefitted our citizens and their children. He has been actively involved in the Lumberton Civic Committee, the Youth Fellowship Society, the Lumberton Visitors Bureau and Historic Robeson, Inc. In addition to his civic role in the community, Dr. Turner has been an influential voice for education by serving both on the Board of Trustees for Fayetteville State University and on the Board of Governors for the University of North Carolina. Politically, Dr. Turner has served as chairman of the Robeson County Democratic Party and on the Lumberton City Council, to which he was first elected in 1962 and served for 30 years. He also served as Mayor Pro-Tempore of Lumberton. Currently, Dr. Turner serves on the Robeson County Board of Commissioners, to which he was first elected in 1992.

Dr. Turner still lives next door to the First Baptist Church that brought him to Lumberton years ago with his wife of 47 years, Georgia McNeill Turner. In addition to his priceless contributions to society, Dr. Turner and Mrs. Turner carry the added accomplishment of rearing their two daughters, Andrea and Rosalind.

Dr. Turner has been a symbol of hope and humanity to all races and to every individual he has ever encountered. Often called a trailblazer for blacks in politics, Dr. Turner's fire continues to burn with as much vigor and boldness as it did on that day our community was first blessed with his services 50 years ago.

I am proud to call Dr. Turner my friend, and I look forward to his continuing presence and service to our area. May God's blessings be upon him and his family.

DOLLARS TO THE CLASSROOM ACT

SPEECH OF

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 17, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 3248) to provide Dollars to the Classroom.

Mr. SCHAFFER of Colorado. Mr. Chairman, I insert the following for printing in the RECORD.

NATIONAL CENTER ON
EDUCATION AND THE ECONOMY,
Rochester, NY, November 11, 1992.

HILLARY CLINTON,
The Governor's Mansion, 1800 Canter Street, Little Rock, AR 72206

DEAR HILLARY: I still cannot believe you won. But utter delight that you did pervades all the circles in which I move. I met last Wednesday in David Rockefeller's office with him, John Sculley, Dave Barram, and David Heselkom. It was a great celebration. Both John and David R. were more expansive than I have ever seen them—literally radiating happiness. My own view and theirs is that this country has seized its last chance. I am fond of quoting Winston Churchill to the effect that "America always does the right thing—after it has exhausted all the alternatives." This election, more than anything else in my experience, proves his point.

The subject we were discussing was what you and Bill should do now about education, training, and labor market policy. Following that meeting, I chaired another in Washington on the same topic. Those present at the second meeting included Tim Barnicle, Dave Barram, Mike Cohen, David Hombeck, Hillary Pennington, Andy Plattner, Lauren Resnick, Betsy Brown Ruzzi, Bob Schwartz, Mike Smith, and Bill Spring. Shirley Malcom, Ray Marshall, and Susan McGuire were also invited. Though these three were not able to be present at last week's meeting, they have all contributed by telephone to the ideas that follow. Ira Magaziner was also invited to this meeting.

Our purpose in these meetings was to propose concrete actions that the Clinton administration could take—between now and the inauguration, in the first 100 days and beyond. The result, from where I sit, was really exciting. We took a very large leap forward in terms of how to advance the agenda on which you and we have all been working—a practical plan for putting all the major components of the system in place within four years, by the time Bill has to run again.

I take personal responsibility for what follows. Though I believe everyone involved in the planning effort is in broad agreement, they may not all agree on the details. You should also be aware that, although the plan comes from a group closely associated with the National Center of Education and the Economy, there was no practical way to poll our whole Board on this plan in the time available. It represents, then, not a proposal from our Center, but the best thinking of the Group I have named.

We think the great opportunity you have is to remold the entire American System for human resources development, almost all of the current components of which were put in place before World War II. The danger is that each of the ideas that Bill advanced in the campaign in the area of education and training could be translated individually in the ordinary course of governing into a legislative proposal and enacted as a program. This is the plan of least resistance. But it will lead to these programs being grafted onto the present system, not to a new system, and the opportunity will have been lost. If this sense of time and place is correct, it is essential that the administration's efforts be guided by a consistent vision of what it were to accomplish in the field of human resource development, with respect both to choice of key officials and the program.

What follows comes in three places:

First, a vision of the kind of national—not federal—human resources development system the nation could have. This is interwoven with a new approach to governing that should inform that vision. What is essential is that we create a seamless web of opportunities, to develop one's skills that literally extends from cradle to grave and is the same system for everyone—young and old, poor and rich, worker and full-time student. It needs to be a system driven by client needs (not agency regulations or the needs of the organization providing the services), guided by clear standards that define the stages of the system for the people who progress through it, and regulated on the basis of outcomes that providers produce for their clients, not inputs into the system.

Second, a proposed legislative agenda you can use to implement this vision. We propose four high priority packages that will enable you to move quickly on the campaign promises:

1. The first would use your proposal for an apprenticeship system as the keystone of a strategy for putting a whole new postsecondary training system in place. That system would incorporate your proposal for reforming postsecondary education finance. It contains what we think is a powerful idea for rolling out and scaling up the whole new human resources system nationwide over the next four years, using the (renamed) apprenticeship ideas as the entering wedge.

2. The second would combine initiatives on dislocated workers, a rebuilt employment service and a new system of labor market boards to offer the Clinton administration's employment security program, built on the best practices anywhere in the world. This is the backbone of a system for assuring adult workers in our society that they need never again watch with dismay as their jobs disappear and their chances of ever getting a good job again go with them.

3. The third would concentrate on the overwhelming problems of our inner cities, combining elements of the first and second packages into a special program to greatly raise the work-related skills of the people trapped in the core of our great cities.

4. The fourth would enable you to take advantage of legislation on which Congress has already been working to advance the elementary and secondary reform agenda.

The other major proposal we offer has to do with government organization for the human resources agenda. While we share your reservations about the hazards involved in bringing reorganization proposals to the Congress, we believe that the one we have come up with minimizes those drawbacks while creating an opportunity for the new administration to move like lighting to implement its human resources development proposals. We hope you can consider the merits of this idea quickly, because, if you decide to go with it or something like it, it will greatly affect the nature of the offers you make to prospective cabinet members.

THE VISION

We take the proposals Bill put before the country in the campaign to be utterly consistent with the ideas advanced in America's Choice, the school restructuring agenda first stated in A Nation Prepared, and later incorporated in the work of the National Alliance for Restructuring Education, and the elaboration of this view that Ray and I tried to capture in our book, Thinking for a Living. Taken together, we think these ideas constitute a consistent vision for a new human resources development system for the United States. I have tried to capture the essence of that vision below.

AN ECONOMIC STRATEGY BASED ON SKILL DEVELOPMENT

The economy's strength is derived from a whole population as skilled as any in the world, working in workplaces organized to take maximum advantage of the skills those people have to offer.

A seamless system of unending skill development that begins in the home with the very young and continues through school, postsecondary education and the workplace.

THE SCHOOLS

Clear national standards of performance in general education (the knowledge and skills that everyone is expected to hold in common) are set to the level of the best achieving nations in the world for students of 16, and public schools are expected to bring all but the most severely handicapped up to that standard. Students get a certificate when they meet this standard, allowing them to go on to the next stage of their education. Though the standards are set to international benchmarks, they are distinctly American, reflecting our needs and values.

We have a national system of education in which curriculum, pedagogy, examinations, and teacher education and licensure systems are all linked to the national standards, but which provides for substantial variance among states, districts, and schools on these matters. This new system of linked standards, curriculum, and pedagogy will abandon the American tracking system, combing high academic standards with the ability to apply what one knows to real world problems, and qualifying all students to a lifetime of learning in the postsecondary system and at work.

We have a system that rewards students who meet the national standards with further education and good jobs, providing them a strong incentive to work hard in school.

Our public school systems are reorganized to free up school professionals to make the key decisions about how to use all the available resources to bring students up to the standards. Most of the federal, state, district, and union rules and regulations that now restrict school professional ability to make these decisions are swept away, though strong measures are in place to make sure that vulnerable populations get the help they need. School professionals are paid at a level comparable to that of other professionals, but they are expected to put in a full year, to spend whatever time it takes to do the job and to be fully accountable for the results of their work. The federal, state, and local governments provide the time, staff development resources, technology, and other support needed for them to do the job. Nothing less than a wholly restructured school system can possibly bring all of our students up to the standards only a few have been expected to meet up to now.

There is a real—aggressive—program of public choice in our schools, rather than the flaccid version that is widespread now.

All students are guaranteed that they will have a fair shot at reaching the standards: that is, that whether they make it or not depends on the effort they are willing to make, and nothing else. "School delivery standards" are in place to make sure this happens. These standards have the same status in the system as the new student performance standards, assuring that the quality of instruction is high everywhere, but they are fashioned so as not to constitute a new bureaucratic nightmare.

POSTSECONDARY EDUCATION AND WORK SKILLS

All students who meet the new national standards for general education are entitled to the equivalent of three more years of free additional education. We would have the federal and state governments match funds to guarantee one free year of college education to everyone who meets the new national standards for general education. So a student who meets the standard at 16 would be entitled to two free years of high school and one of college. Loans, which can be forgiven for public service, are available for additional education beyond that. National standards for sub-baccalaureate college-level professional and technical degrees and certificates will be established with the participation of employers, labor, and higher education. These programs will include both academic study and structured on-the-job training. Eighty percent or more of American high school graduates will be expected to get some form of college degree, though most of them less than a baccalaureate. These new professional and technical certificates and degrees typically are won within three years of acquiring the general education certificate, so, for most postsecondary students, college will be free. These professional and technical degree programs will be designed to link to programs leading to the baccalaureate degree and higher degrees. There will be no dead ends in this system. Everyone who meets the general education standard will be able to go to some form of college, being able to borrow all the money they need to do so, beyond the first free year.

This idea of post-secondary professional and technical certificates captures all of the essentials of the apprenticeship idea, while offering none of its drawbacks (see below).

But it also makes it clear that those engaged in apprentice-style programs are getting more than narrow training; they are continuing their education for other purposes as well, and building a base for more education later. Clearly, this idea redefines college. Proprietary schools, employers and community-based organizations will want to offer these programs, as well as community colleges and four-year institutions, but these new entrants will have to be accredited if they are to qualify to offer the programs.

Employers are not required to provide slots for the structured on-the-job training component of the program but many do so, because they get first access to the most accomplished graduates of these programs, and they can use these programs to introduce the trainees to their own values and way of doing things.

The system of skill standards for technical and professional degrees is the same for students just coming out of high school and for adults in the workforce. It is pregressive, in the sense that certificates and degrees for entry level jobs lead to further professional and technical education programs at higher levels. Just as in the case of the system for the schools, though the standards are the same everywhere (leading to maximum mobility for students), the curricula can vary widely and programs can be custom designed to fit the needs of full-time and part-time students with very different requirements. Government grant and loan programs are available on the same terms to full-time and part-time students, as long as the programs in which they are enrolled are designed to lead to certificates and degrees defined by the system of professional and technical standards.

The national system of professional and technical standards is designed much like the multistate bar, which provides a national core around which the states can specify additional standards that meet their unique needs. There are national standards and exams for no more than 20 broad occupational areas, each of which can lead to many occupations in a number of related industries. Students who quality in any one of these areas have the broad skills required by a whole family of occupations, and most are sufficiently skilled to enter the workforce immediately, with further occupation-specific skills provided by their union or employer. Industry and occupational groups can voluntarily create standards building on these broad standards for their own needs, as can the states. Students entering the system are first introduced to very broad occupational groups, narrowing over time to concentrate on acquiring the skills needed for a cluster of occupations. This modular system provides for the initiative of particular states and industries while at the same time providing for mobility across states and occupations by reducing the time and cost entailed in moving from one occupation to another. In this way, a balance is established between the kinds of generic skills needed to function effectively in high performance work organizations and the skills needed to continue learning quickly and well through a lifetime of work, on the one hand, and the specific skills needed to perform at a high level in a particular occupation on the other.

Institutions receiving grant and loan funds under this system are required to provide information to the public and to government agencies in a uniform format. This information covers enrollment by program, costs and success rates for students of different backgrounds, and characteristics, and career outcomes for those students, thereby enabling students to make informed choices among institutions based on cost and performance. Loan defaults are reduced to a level close to zero, both because programs that do not deliver what they promise are not selected by prospective students and because the new postsecondary loan system uses the IRS to collect what is owed from salaries and wages as they are earned.

EDUCATION AND TRAINING FOR EMPLOYED AND UNEMPLOYED ADULTS

The national system of skills standards establishes the basis for the development of a coherent, unified training system. That system can be accessed by students coming out of high school, employed adults who want to improve their prospects, unemployed adults who are dislocated and others who lack the basic skills required to get out of poverty. But it is all the same system. There are no longer any parts of it that are exclusively for the disadvantaged, though special measures are taken to make sure that the disadvantaged are served. It is a system for everyone, just as all the parts of the system already described are for everyone. So the people who take advantage of this system are not marked by it as "damaged goods." The skills they acquire are world class, clear and defined in part by the employers who will make decisions about hiring and advancement.

The new general education standard becomes the target for all basic education programs, both for school dropouts and adults. Achieving that standard is the prerequisite for enrollment in all professional and technical degree programs. A wide range of agencies and institutions offer programs leading to the general education certificate, including high schools, dropout recovery centers, adult education centers, community colleges, prisons, and employers. These programs are tailored to the needs of the people who enroll in them. All the programs receiving government grant or loads funds that come with dropouts and adults for enrollment in programs preparing students to meet the general education standard must release the same kind of data required of the postsecondary institutions on enrollment, program description, cost and success rates. Reports are produced for each institution and for the system as a whole showing differential success rates for each major demographic group.

The system is funded in four different ways, all providing access to the same or a similar set of services. School dropouts below the age of 21 are entitled to the same amount of funding from the same sources that they would have been entitled to had they stayed in school. Dislocated workers are funded by the federal government through the federal programs for that purpose and by state unemployment insurance funds. The chronically unemployed are funded by federal and state funds established for that purpose. Employed people can access the system through the requirement that their employers spend an amount equal to 1½ percent of their salary and wage bill on training leading to national skill certification. People in prison could get reductions in their sentences by meeting the general education standard in a program provided by the prison system. Any of these groups can also use the funds in their individual training account, if they have any, the balances in their grant entitlement or their access to the student loan fund.

LABOR MARKET SYSTEMS

The Employment Service is greatly upgraded and separated from the Unemployment Insurance Fund. All available frontline jobs—whether public or private—must be listed in it by law. This provision must be carefully designed to make sure that employers will not be subject to employment suits based on the data produced by this system—if they are subject to such suits, they will not participate. All trainees in the system looking for work are entitled to be listed in it without a fee. So it is no longer a system just for the poor and unskilled, but for everyone. The system is fully computerized. It lists not only job openings and job seekers (with their qualifications) but also all the institutions in the labor market area offering programs leading to the general education certificate and those offering programs leading to the professional and technical college degrees and certificates, along with all the relevant data about the costs, characteristics and performance of those programs—for everyone and for special populations. Counselors are available to any citizen to help them assess their needs, plan a program, and finance it, and once they are trained, to find an opening.

A system of labor market boards is established at the local, state and federal levels to coordinate the systems for job training, postsecondary professional and technical education, adult basic education, job matching and counseling. The rebuilt Employment Service is supervised by these boards. The system's clients no longer have to go from agency to agency filling out separate applications for separate programs. It is all taken care of at the local labor market board office by one counselor accessing the integrated computer-based program, which makes it possible for the counselor to determine eligibility for all relevant programs at once, plan a program with the client and assemble the necessary funding from all the available sources. The same system will enable counselor and client to array all the relevant program providers side by side, assess their relative costs and performance records and determine which providers are best able to meet the client's needs based on performance.

SOME COMMON FEATURES

Throughout, the object is to have a performance-and-client-oriented system to encourage local creativity and responsibility by getting local people to commit to high goals and organize to achieve them, sweeping away as much of the rules, regulations and bureaucracy that are in their way as possible, provided that they are making real progress against their goals. For this to work, the standards at every level of the system have to be clear: every client has to know what they have to accomplish in order to get what they want out of the system. The service providers have to be supported in the task of getting their clients to the finish line and rewarded when they are making real progress toward that goal. We would sweep away means-tested programs, because they stigmatize their recipients and alienate the public, replacing them with programs that are for everyone, but also work for the disadvantaged. We would replace rules defining inputs with rules defining outcomes and the rewards for achieving them. This means, among other things, permitting local people to combine as many federal programs as they see fit, provided that the intended beneficiaries are progressing toward the right outcomes (there are now 23 separate federal programs for dislocated workers). We would make individuals, their families and whole communities the unit of service, not agencies, programs, and projects. Wherever possible, we would have service providers compete with one another for funds that come with the client, in an environment in which the client has good information about the cost and performance record of the competing providers. Dealing with public agencies—whether they are schools or the employment service—should be more like dealing with Federal Express than with the old Post Office.

This vision, as I pointed out above, is consistent with everything Bill proposed as a candidate. But it goes beyond those proposals, extending them from ideas for new programs to a comprehensive vision of how they can be used as building blocks, or a whole new system. But this vision is very complex, will take a long time to sell, and will have to be revised many times along the way. The right way to think about it is as an internal working document that forms the background for a plan, not the plan itself. One would want to make sure that the specific actions of the new administration were designed, in a general way, to advance this agenda as it evolved while not committing anyone to the details, which would change over time.

Everything that follows is cast in the frame of strategies for bringing the new system into being, not as a pilot program, not as a few demonstrations to be swept aside in another administration, but everywhere, as the new way of doing business.

In the sections that follow, we break these goals down into their main components and propose an action plan for each.

MAJOR COMPONENTS OF THE PROGRAM

The preceding section presented a vision of the system we have in mind chronologically from the point of view of an individual served by it. Here we reverse the order, starting with descriptions of program components designed to serve adults, and working our way down to the very young.

HIGH SKILLS FOR ECONOMIC COMPETITIVENESS PROGRAM

DEVELOPING SYSTEM STANDARDS

Create National Board for Professional and Technical Standards. Board is private not-for-profit chartered by Congress. Charter specifies broad membership composed of leading figures from higher education, business, labor, government and advocacy groups. Board can receive appropriated funds from Congress, private foundations, individuals, and corporations. Neither Congress nor the executive branch can dictate the standards set by the Board. But the Board is required to report annually to the President and the Congress in order to provide for public accountability. It is also directed to work collaboratively with the states and cities involved in the collaborative Design and Development Program (see below) in the development of the standards.

Charter specifies that the National Board will set broad performance standards (not time-in-the-seat-standards or course standards) for college-level Professional and Technical certificates and degrees in not more than 20 areas and develops performance examinations for each. The Board is required to set broad standards of the kind described in the vision statement above and is not permitted to simply refly the narrow standards that characterize many occupations now. (More than 2,000 standards currently exist, many for licensed occupations—these are not the kinds of standards we have in mind.) It also specifies that the programs leading to these certificates and degrees will combine time in the classroom with time at the worksite in structured on-the-job training. The standards assume the existence of (high school level) general education standards set by others. The new standards and exams are meant to be supplemented by the states and by individual industries and occupations. The Board is responsible for administering the exam system and continually updating the standards and exams.

Legislation creating the Board is sent to the Congress in the first six months of the administration, imposing a deadline for creating the standards and the exams within three years of passage of the legislation.

COMMENTARY

The proposal reframes the Clinton apprenticeship proposal as a college program and establishes a mechanism for setting the standards for the program. The unions are adamantly opposed to broad based apprenticeship programs by that name. Focus groups conducted by JFF and others show that parents everywhere want their kids to go to college, not to be shunted aside into a non-college apprenticeship "vocational" program. By requiring these programs to be a combination of classroom instruction and structured OUT; and creating a standard-setting board that includes employers and labor, all the objectives of the apprenticeship idea are achieved, while at the same time assuring much broader support for the idea, as well as a guarantee that the program will not become too narrowly focussed on particular occupations. It also ties the Clinton apprenticeship idea to the Clinton college funding proposal in a seamless web. Charging the Board with creating not more than 20 certificate or degree categories establishes a balance between the need to create one national system on the one hand with the need to avoid creating a cumbersome and rigid national bureaucracy on the other. This approach provides lots of latitude for individual industry groups, professional groups and state authorities to establish their own standards, while at the same time avoiding the chaos that would surely occur if they were the only source of standards. The bill establishing the Board should also authorize the executive branch to make grants to industry groups, professional societies, occupational groups, and states to develop standards and exams. Our assumption is that the system we are proposing will be managed so as to encourage the states to combine the last two years of high school and the first two years of community college into three year programs leading to college degrees and certificates. Proprietary institutions, employers, and community-based organizations could also offer these programs, but they would have to be accredited to offer these college-level programs. Eventually, students getting their general education certificates might go directly to community college or to another form of college, but the new system should not require that.

COLLABORATIVE DESIGN AND DEVELOPMENT PROGRAM

The object is to create a single comprehensive system for professional and technical education that meets the requirements of everyone from high school students to skilled dislocated workers, from the hard core unemployed to employed adults who want to improve their prospects. Creating such a system means sweeping aside countless programs, building new ones, combining funding authorities, changing deeply embedded institutional structures and so on. The question is how to get from where we are to where we want to be. Trying to ram it down everyone's throat would engender overwhelming opposition. Our idea is to draft legislation that would offer an opportunity for those states—and selected large cities—that are excited about this set of ideas to come forward and join with each other and with the federal government in an alliance to do the necessary design work and actually deliver the needed services on a fast track. The legislation would require the executive branch to establish a competitive grant program for these states and cities and to engage a group of organizations to offer technical assistance to the expanding set of states and cities engaged in designing and implementing the new system. This is not the usual large scale experiment, nor is it a demonstration program. A highly regarded precedent exists for this approach in the National Science Foundation's SSI program. As soon as the first set of states is engaged, another set would be invited to participate, until most or all the states are involved. It is a collaborative design, rollout and scale-up program. It is intended to parallel the work of the National Board for College Professional and Technical Standards, so that the states and cities (and all their partners) would be able to implement the new standards as soon as they become available, although they would be delivering services on a large scale before that happened. Thus, major parts of the whole system would be in operation in a majority of the states within three years from the passage of the initial legislation. Inclusion of selected large cities in this design is not an afterthought. We believe that what we are proposing here for the cities is the necessary complement to a large scale job-creation program for the cities. Skill development will not work if there are no jobs, but job development will not work without a determined effort to improve the skills of city residents. This is the skill development component.

PARTICIPANTS

Volunteer states, counterpart initiative for cities.

15 states, 15 cities selected to begin in first year. 15 more in each successive year.

5 year grants (on the order of $20 million per year to each state, lower amounts to the cities) given to each, with specific goals to be achieved by the third year, including program elements in place (e.g., upgraded employment service), number of people enrolled in new professional and technical programs and so on.

A core set of High Performance Work Organization firms willing to participate in standard setting and to offer training slots and mentors.

CRITERIA FOR SELECTION

Strategies for enriching existing co-op tech prep and other programs to meet the criteria.

Commitment to implementing new general education standard in legislation.

Commitment to implementing the new Technical and Professional skills standards for college.

Commitment to new role for employment service.

Commitment to join with others in national design and implementation activity.

CLIENTS

Young adults entering workforce, dislocated workers, long-term unemployed, employed who want to upgrade skills.

PROGRAM COMPONENTS

Institute own version of state and local labor market boards. Local labor market boards to involve leading employers, labor representatives, educators, and advocacy group leaders in running the redesigned employment service, running intake system for all clients, counseling all clients, maintaining the information system that will make the vendor market efficient and organizing employers to provide job experience and training slots for school youth and adult trainees.

Rebuild employment service as a primary function of labor market boards.

Develop programs to bring dropouts and illiterates up to general education certificate standard. Organize local alternative providers, firms to provide alternative education, counseling, job experience, and placement services to these clients.

Develop programs for dislocated workers and hard-core unemployed (see below).

Develop city and state-wide programs to combine the last two years of high school and the first two years of colleges into three-year programs after acquisition of the general education certificate to culminate in college certificates and degrees. These programs should combine academic and structured on-the-job training.

Develop uniform reporting system for providers, requiring them to provide information in that format on characteristics of clients, their success rates by program, and the costs of those programs. Develop computer-based system for combining this data at local labor market board offices with employment data from the state so that counselors and clients can look at programs offered by colleges and other vendors in terms of cost, client characteristics, program design, and outcomes. Including subsequent employment histories for graduates.

Design all programs around the forthcoming general education standards and the standards to be developed by the National Board for College Professional and Technical Standards.

Create statewide program of technical assistance to firms on high performance work organization and help them develop quality programs for participants in Technical and Professional certificate and degree programs. (It is essential that these programs be high quality, nonbureaucratic and voluntary for the firms.)

Participate with other states and the national technical assistance program in the national alliance effort to exchange information and assistance among all participants.

NATIONAL TECHNICAL ASSISTANCE TO PARTICIPANTS

Executive branch authorized to compete opportunity to provide the following services (probably using a Request For Qualifications):

State-of-the art assistance to the states and cities related to the principal program components (e.g., work reorganization, training, basic literacy, funding systems, apprenticeship systems, large scale data management systems, training systems for the HR professionals who make the whole system work, etc.). A number of organizations would be funded. Each would be expected to provide information and direct assistance to the states and cities involved, and to coordinate their efforts with one another.

It is essential that the technical assistance function include a major professional development component to make sure the key people in the states and cities upon whom success depends have the resources available to develop the high skills required. Some of the funds for this function should be provided directly to the states and cities, some to the technical assistance agency.

Coordination of the design and implementation activities of the whole consortium, document results, prepare reports, etc. One organization would be funded to perform this function.

DISLOCATED WORKERS PROGRAM

New legislation would permit combining all dislocated workers programs at redesigned employment service office. Clients would, in effect, receive vouchers for education and training in amounts determined by the benefits for which they qualify. Employment service case managers would qualify client worker for benefits and assist the client in the selection of education and training programs offered by provider institutions. Any provider institutions that receive funds derived from dislocated worker programs are required to provide information on costs and performance of programs in uniform format described above. This consolidated and voucherized dislocated workers program would operate nationwide. It would be integrated with Collaborative Design and Development Program in those states and cities in which that program functioned. It would be built around the general education certificate and the Professional and Technical Certificate and Degree Program as soon as those standards were in place. In this way, programs for dislocated workers would be progressively and fully integrated with the rest of the national education and training system.

LEVY GRANT SYSTEM

This is the part of the system that provides funds for currently employed people to improve their skills. Ideally, it should specifically provide means whereby front-line workers can earn this general education credential (if they do not already have one) and acquire Professional and Technical Certificates and Degrees in fields of their choosing.

Everything we have heard indicates virtually universal opposition in the employer community to the proposal for a 11/2% levy on employers for training to support the costs associated with employed workers gaining these skills, whatever the levy is called. We propose that Bill take a leaf out of the German book. One of the most important reasons that large German employers offer apprenticeship slots to German youngsters is that they fear, with good reason, that if they don't volunteer to do so, the law will require it. Bill could gather a group of leading executives and business organization leaders, and tell them straight out that he will hold back on submitting legislation to require a training levy, provided that they commit themselves to a drive to get employers to get their average expenditures on front-line employee training up to 2% of front-line employee salaries and wages within two years. If they have not done so within that time, then he will expect their support when he submits legislation requiring the training levy. He could do the same thing with respect to slots for structured on-the-job training.

COLLEGE LOAN/PUBLIC SERVICE PROGRAM

We presume that this program is being designed by others and so have not attended to it. From everything we know about it, however, it is entirely compatible with the rest of what is proposed here. What is, of course, especially relevant here, is that our reconceptualization of the apprenticeship proposal as a college-level education program, combined with our proposal that everyone who gets the general education credential be entitled to a free year of higher education (combined federal and state funds) will have a decided impact on the calculations of cost for the college loan/public service program.

ASSISTANCE FOR DROPOUTS AND THE LONG TERM UNEMPLOYED

The problem of upgrading the skills of high school dropouts and the adult hard core unemployed is especially difficult. It is also at the heart of the problem of our inner cities. All the evidence indicates that what is needed is something with all the important characteristics of a nonresidential job Corps-like program. The problem with the Job Corps is that it is operated directly by the federal government and is therefore not embedded at all in the infrastructure of local communities. The way to solve this problem is to create a new urban program that is locally—not federally—organized and administered, but which must operate in a way that uses something like the federal standards for contracting for Job Corps services. In this way, local employers, neighborhood organizations and other local service providers could meet the need, but requiring local authorities to use the federal standards would assure high quality results. Programs for high school dropouts and the hard-core unemployed would probably have to be separately organized, though the services provided would be much the same. Federal funds would be offered on a matching basis with state and local funds for this purpose. These programs should be fully integrated with the revitalized employment service. The local labor market board would be the local authority responsible for receiving the funds and contracting with providers for the services. It would provide diagnostic, placement and testing services. We would eliminate the targeted jobs credit and use the money now spent on that program to finance these operations. Funds can also be used from the JOBS program in the welfare reform act. This will not be sufficient, however, because there is currently no federal money available to meet the needs of hard-core unemployed males (mostly Black) and so new monies will have to be appropriated for the purpose.

COMMENTARY

As you know very well, the High Skills: Competitive Workforce as sponsored by Senators Kennedy and Hatfield and Congressman Gephardt and Regula provides a ready-made vehicle for advancing many of the ideas we have outlined. To foster a good working relationship with the Congress, we suggest that, to the extent possible, the framework of these companion bills be used to frame the President's proposals. You may not know that we have put together a large group or representatives of Washington-based organizations to come to a consensus around the ideas in America's Choice. They are full of energy and very committed to this joint effort. If they are made part of the process of framing the legislative proposals, they can be expected to be strong support for them when they arrive on the Hill. As you think about the assembly of these ideas into specific legislative proposals, you may also want to take into account the packaging ideas that come later in this letter.

ELEMENTARY AND SECONDARY EDUCATION PROGRAM

The situation with respect to elementary and secondary education is very different from adult education and training. In the latter case, a new vision and a whole new structure is required. In the former, there is increasing acceptance of a new vision and structure among the public at large, within the relevant professional groups and in Congress. There is also a lot of existing activity on which to build. So we confine ourselves here to describing some of those activities that can be used to launch the Clinton education program.

STANDARD SETTING

Legislation to accelerate the process of national standard setting in education was contained in the conference report on S.2 and HR 4323 that was defeated on a recent cloture vote. Solid majorities were behind the legislation in both houses of Congress. While some of us would quarrel with a few of the details, we think the new administration should support the early reintroduction of this legislation with whatever changes it thinks fit. This legislation does not establish a national body to create a national examination system. We think that is the right choice for now.

SYSTEMIC CHANGE IN PUBLIC EDUCATION

The conference report on S.2 and HR 4323 also contained a comprehensive program to support systemic change in public education. Here again, some of us would quibble with some of the particulars, but we believe that the administration's objectives would be well served by endorsing the resubmission of this legislation, modified as it sees fit.

FEDERAL PROGRAMS FOR THE DISADVANTAGED

The established federal education programs for the disadvantaged need to be thoroughly overhauled to reflect an emphasis on results for the student rather than compliance with the regulations. A national commission on Chapter 1, the largest of these programs, chaired by David Hornbeck, has designed a radically new version of the legislation, with the active participation of many of the advocacy groups. Other groups have been similarly engaged. We think the new administration should quickly endorse the work of the national commission and introduce its proposals early next year. It is unlikely that this legislation will pass before the deadline—two years away—for the reauthorization of the Elementary and Secondary Education Act, but early endorsement of this new approach by the administration will send a strong signal to the Congress and will greatly affect the climate in which other parts of the act will be considered.

PUBLIC CHOICE TECHNOLOGY, INTEGRATED HEALTH AND HUMAN SERVICES, CURRICULUM RESOURCES, HIGH PERFORMANCE MANAGEMENT, PROFESSIONAL DEVELOPMENT, AND RESEARCH AND DEVELOPMENT

The restructuring of the schools that is envisioned in S.2 and HR 4323 is not likely to succeed unless the schools have a lot of information about how to do it and real assistance in getting it done. The areas in which this help is needed are suggested by the heading of this section. One of the most cost-effective things the federal government could do is to provide support for research, development, and technical assistance of the schools on these topics. The new Secretary of Education should be directed to propose a strategy for doing just that, on a scale sufficient to the need. Existing programs of research, development, and assistance should be examined as possible sources of funds for these purposes. Professional development is a special case. To build the restructured system will require an enormous amount of professional development and the time in which professionals can take advantage of such a resource. Both cost a lot of money. One of the priorities for the new education secretary should be the development of strategies for dealing with these problems. But here, as elsewhere, there are some existing programs in the Department of Education whose funds can be redirected for this purpose, programs that are not currently informed by the goals that we have spelled out. Much of what we have in mind here can be accomplished through the reauthorization of the Office of Educational Research and Improvement. Legislation for that reauthorization was prepared for the last session of Congress, but did not pass. That legislation was informed by a deep distrust of the Republican administration, rather than the vision put forward by the Clinton campaign. But that can and should be remedied on the next round.

EARLY CHILDHOOD EDUCATION

The president-elect has committed himself to a great expansion in the funding of Head Start. We agree. But the design of the program should be changed to reflect several important requirements. The quality of professional preparation for the people who staff these programs is very low and there are no standards that apply to their employment. The same kind of standard setting we have called for in the rest of this plan should inform the approach to this program. Early childhood education should be combined with quality day care to provide wrap-around programs that enable working parents to drop off their children at the beginning of the workday and pick them up at the end. Full funding for the very poor should be combined with matching funds to extend the tuition paid by middle class parents to make sure that these programs are not officially segregated by income. The growth of the program should be phased in, rather than done all at once, so that quality problems can be addressed along the way, based on developing examples of best practice. These and other related issues need to be addressed, in our judgment, before the new administration commits itself on the specific form of increased support for Head Start.

PUTTING THE PACKAGE TOGETHER

Here we remind you of what we said at the beginning of this letter about timing the legislative agenda. We propose that you assemble the ideas just described into four high priority packages that will enable you to move quickly on the campaign promises:

1. The first would use your proposal for an apprenticeship system as the keystone of the strategy for putting the whole new postsecondary training system in place. It would consist of the proposal for postsecondary standards, the Collaborative Design and Development proposal, the technical assistance proposal and the postsecondary education finance proposal.

2. The second would combine the initiatives on dislocated workers, the rebuilt employment service and the new system of labor market boards as the Clinton administration's employment security program, built on the best practices anywhere in the world. This is the backbone of a system for assuring adult workers in our society that they need never again watch with dismay as their jobs disappear and their chances of ever getting a good job again go with them.

3. The third would concentrate on the overwhelming problems of our inner cities, combining most of the elements of the first and second packages into a special program to greatly raise the work-related skills of the people trapped in the core of our great cities.

4. The fourth would enable you to take advantage of legislation on which Congress has already been working to advance the elementary and secondary reform agenda. It would combine the successor to HR 4323 and S.2 (incorporating the systemic reforms agenda and the board for student performance standards), with the proposal for revamping Chapter 1.

ORGANIZING THE EXECUTIVE BRANCH FOR HUMAN RESOURCES DEVELOPMENT

The issue here is how to organize the federal government to make sure that the new system is actually built as a seamless web in the field, where it counts, and that program gets a fast start with a first-rate team behind it.

We propose, first, that the President appoint a National Council on Human Resources Development. It would consist of the relevant key White House officials, cabinet members and members of Congress. It would also include a small number of governors, educators, business executives, labor leaders and advocates for minorities and the poor. It would be established in such a way as to assure continuity of membership across administrations, so that the consensus it forges will outlast any one administration. It would be charged with recommending broad policy on a national system of human resources development to the President and the Congress, assessing the effectiveness and promise of current programs and proposing new ones. It would be staffed by senior officials on the Domestic Policy Council staff of the President.

Second, we propose that a new agency be created, the National Institute for Learning, Work and Service. Creation of this agency would signal instantly the new administration's commitment to putting the continuing education and training of the "forgotten half" on a par with the preparation of those who have historically been given the resources to go to 'college' and to integrate the two systems, not with a view to dragging down the present system and those it serves, but rather to make good on the promise that everyone will have access to the kind of education that only a small minority have had access to up to now. To this agency would be assigned the functions now performed by the assistant secretary for employment and training, the assistant secretary for vocational education and the assistant secretary for higher education. The agency would be staffed by people specifically recruited from all over the country for the purpose. The staff would be small, high powered and able to move quickly to implement the policy initiatives of the new President in the field of human resources development.

The closest existing model to what we have in mind is the National Science Board and the National Science Foundation, with the Council in the place of the Board and the institute in the place of the Foundation. But our council would be advisory, whereas the Board is governing. If you do not like the idea of a permanent council, you might consider the ides of a temporary President's Task Force, constituted much as the council would be.

In this scheme, the Department of Education would be free to focus on putting the new student performance standards in place and managing the programs that will take the leadership in the national restructuring of the schools. Much of the financing and disbursement functions of the higher education program would move to the Treasury Department, leaving the higher education staff in the new institute to focus on matters of substance.

In any case, as you can see, we believe that some extraordinary measure well short of actually merging the departments of labor and education is required to move the new agenda with dispatch.

GETTING CONSENSUS ON THE VISION

Radical changes in attitudes, values and beliefs are required to move any combination of these agendas. The federal government will have little direct leverage on many of the actors involved. For much of what must be done a new, broad consensus will be required. What role can the new administration play in forging that consensus and how should it go about doing it?

At the narrowest level, the agenda cannot be moved unless there is agreement among the governors, the President and the Congress. Bill's role at the Charlottesville summit leads naturally to a reconvening of that group, perhaps with the addition of key members of Congress and others.

But we think that having an early summit on the subject of the whole human resources agenda would be risky, for many reasons. Better to build on Bill's enormous success during the campaign with national talk shows, in school gymnasiums and the bus trips. He could start on the consensus-building progress this way, taking his message directly to the public, while submitting his legislative agenda and working it on the Hill. After six months or so, when the public has warmed to the ideas and the legislative packages are about to get into hearings, then you might consider some form of summit, broadened to include not only the governors, but also key members of Congress and others whose support and influence are important. This way, Bill can be sure that the agenda is his, and he can go into it with a groundswell of support behind him.

That's it. None of us doubt that you have thought long and hard about many of these things and have probably gone way beyond what we have laid out in many areas. But we hope that there is something here that you can use. We would, of course, be very happy to flesh out these ideas at greater length and work with anyone you choose to make them fit the work that you have been doing.

Very best wishes from all of us to you and Bill

MARC TUCKER.

HOUSE OF REPRESENTATIVES—*Saturday, September 26, 1998*

The House met at 9 a.m.

The Reverend Dr. Ronald F. Christian, Director of Lutheran Social Service, Northern Virginia, Fairfax, Virginia, offered the following prayer:

Oh God,

You frustrate the work of the wicked and You give peace to seekers of righteousness.

The pursuits of the selfish You thwart, and the desires of the greedy You crush.

We know, oh God, that mercy is Your primary work and that justice is Your constant demand.

So, we pray this day,

Let no choice nor decision of ours be made without the thoughtful concern for the widow, the orphan, and the stranger among us.

Let our earnest petition this day be for compassionate hearts towards all those who suffer from the ravages of disease or despair.

Oh God, with confidence in Your abundant grace, with certainty in Your steadfast love, with joy in Your constant mercy, and with assurance in Your powerful shalom

May our work this day be truly that of Yours; walking humbly, doing good, and seeking right.

We ask Your blessing and benediction, Oh God, on our day and our deeds.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LATHAM. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LATHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 334, nays 50, answered "present" 2, not voting 48, as follows:

[Roll No. 467]

YEAS—334

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bereuter
Berry
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (OH)
Bryant
Bunning
Burr
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Coble
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fawell
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hilleary
Hinojosa
Hobson
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, Sam
Kanjorski
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
Lofgren
Lowey
Lucas
Luther
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pitts
Pombo
Pomeroy
Portman
Price (NC)
Quinn
Radanovich
Rahall
Rangel
Redmond
Regula
Riley
Rivers
Rodriguez
Roemer
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Salmon
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Scarborough
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tierney
Torres
Traficant
Turner
Upton
Vento
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Wexler
Weygand
White
Wilson
Wise
Wolf
Woolsey
Wynn

NAYS—50

Aderholt
Becerra
Bonior
Borski
Brady (PA)
Brown (CA)
Clay
Clyburn
DeFazio
English
Ensign
Fattah
Filner
Fox
Gibbons
Green
Gutierrez
Gutknecht
Hefley
Hilliard
Hinchey
Hoekstra
Hulshof
Johnson, E. B.
Jones
Klink
Kucinich
LaFalce
Lewis (GA)
Lipinski
LoBiondo
Maloney (CT)
McDermott
McNulty
Moran (KS)
Oberstar
Pickett
Poshard
Ramstad
Rogan
Sabo
Schaffer, Bob
Slaughter
Stupak
Thompson
Velazquez
Waters
Weller
Whitfield
Wicker

ANSWERED "PRESENT"—2

Reyes
Smith (MI)

NOT VOTING—48

Barton
Bateman
Bentsen
Berman
Bilbray
Brown (FL)
Burton
Callahan
Clement
Coburn
Cox
Crane
Crapo
Diaz-Balart
Doyle
Fazio
Fowler
Furse
Gephardt
Gonzalez
Goss
Harman
Kaptur
Kasich
Kennelly
Martinez
McCrery
McDade
Morella
Olver
Payne
Pelosi
Pickering
Porter
Pryce (OH)
Riggs
Rogers
Saxton
Schaefer, Dan
Tauzin
Taylor (MS)
Tiahrt
Towns
Visclosky
Waxman
Yates
Young (AK)
Young (FL)

☐ 0928

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. THORNBERRY). Will the gentleman from New York (Mr. SOLOMON) come forward

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☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

and lead the House in the Pledge of Allegiance.

Mr. SOLOMON led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one-minutes after legislative business has been completed.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 59

Mr. STOKES. Mr. Speaker, I ask unanimous consent to remove my name as a cosponsor of H.R. 59.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

TAXPAYER RELIEF ACT OF 1998

The SPEAKER pro tempore. The unfinished business is the further consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. When proceedings were postponed on Friday, September 25, 1998, 30 minutes of debate remained on the bill.

Pursuant to the order of the House of that day, the gentleman from Texas (Mr. ARCHER) and the gentleman from New York (Mr. RANGEL), each have 15 minutes of debate remaining on the bill.

The Chair recognizes the gentleman from Texas (Mr. ARCHER).

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. BLILEY), respected chairman of the Committee on Commerce.

Mr. BLILEY. Mr. Speaker, I rise in support of the legislation.

Mr. Speaker, today we vote to address a simple question: Whether we are going to let our constitutents keep more of their hard earned money or whether this money will go to the Federal bureaucrats and to additional Clinton big government programs. While some of my Democratic colleagues on the other side of the aisle may struggle with this question, to me, the answer is crystal clear. Americans deserve to keep more of what they earn. Americans deserve a tax cut now.

The Taxpayer Relief Act will let Americans who go to work everyday to keep more and save more of what they earn. Under this legislation, Americans will see Congress return 80 billion dollars of the people's money to the people who earned it.

At the same time, the responsible legislation we passed yesterday upholds Congress' duty to preserve and protect Social Security by setting aside 90 percent of the budget surplus—approximately 1.4 trillion dollars—to save Social Security.

Mr. Speaker, the Taxpayer Relief Act is even-handed and responsible, providing tax relief to a broad range of Americans.

For example, middle income Americans will see relief from one of the most unfair and ill conceived taxes—the marriage penalty tax. In my home state, nearly 1.2 million Virginians will see an average of 243 dollars per person returned to them as a result of relief from the marriage penalty tax. That is 243 dollars which the government had penalized them—simply for living in wedlock—before the passage of this act.

The Taxpayer Relief Act also gives the self-employed something which everyone agrees is needed—affordable health care. Self-employed workers, including farmers, may decuct 100 percent of their health care costs under this legislation. In the end, this will be good for the strength of American business and good for the health of American families.

Upon passage of this legislation, Virginians will receive approximately 617 dollars per tax filer. $617 of their money. $617 to spend on food, $617 to save for the future, or $617 to put toward their children's education.

Mr. Speaker, this is their money. Americans deserve a tax cut and I urge my colleagues to support the Taxpayer Relief Act.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), one of America's great heroes, a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, Americans are tired of being overtaxed just for being married, for staying healthy, for saving, for starting their own business or for producing food at our tables. I agree, the government has no right to take so much from hard-working people. That is why this bill is so important. It returns $80 billion to the rightful owners, the American people.

This bill gives 48 million taxpayers relief from the marriage penalty. Millions of families will not be taxed on their savings. Farmers and the self-employed will be able to deduct 100 percent of their health insurance costs. Seniors can continue to lead productive lives without being penalized and, guess what, several tax forms are going to be eliminated.

The Democrats are wrong in this instance. They say these very people that do not deserve any of the surplus that you, the American people, created. Democrats say government should keep it and spend it to create new government programs. It is time to reward the American taxpayers. The truth must be told and scare tactics need to end.

Social Security will be protected. Americans want, need and deserve tax relief. After all, it is their own money.

Let us give some of it back to them.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I want to set an atmosphere here. Yesterday, the President of the United States charged this Congress with being a do-nothing Congress. I would like to set the record straight because, clearly, the President was unaware that it was this Congress that changed the name of the Washington National Airport to the Ronald Reagan Airport. The President was probably unaware of the fact that this Congress has deep-sixed the Internal Revenue Code in the year 2002. The Congress also, for education, made it possible for poor folks to save $2,000 and not pay interest on it for education. And, even now, the Congress is picking up some good, sound Democratic tax cut provisions. Unfortunately, they are raiding the Social Security trust fund, but at least they are half right in the direction in which they are going.

So I just want to say that if we can find some way to pay for these tax cuts, we might be able to come together even on this floor.

Now, some Republicans have signs that they pull up from time to time, and I do not think we ought to see this sign anymore, which says that Ms. Chesser, from the Social Security Commission, said that this tax cut would not affect the Social Security fund.

Let me tell my colleagues, no Republican or Democrat is going to pull that sign up again today. Because Ms. Chesser said that she answered no, but then she concluded her remarks in a letter that she sent here, which is in the transcript which the gentleman from Texas (Mr. ARCHER) and I picked up on CNN during her testimony. So the gentleman from Texas (Mr. ARCHER) went to CNN. We went to CNN, and we got her full remarks.

And so she concludes by saying then, as now, "The fact that the Federal Government has produced a surplus for the first time in generations provides a unique opportunity to solve Social Security's long-term shortfall. Until long-term solvency is resolved, draining away any part of the surplus would negatively impact our chance to find a bipartisan solution to Social Security's long-term outlook."

That does not mean that you should not raid the Social Security fund because you may think that what you are doing for election time is more important than the solvency, the long-term solvency of the fund. But having said that, and recognizing that you also raised fast track, I hope that maybe we can get together and see whether we can agree on something so that the President does not allow us to go into this election mode saying that we did not do anything. We have done a lot of things. Some of them were dumb, but we still have time to work together in a bipartisan way to see whether we can give a tax cut but pay for it rather than use the Social Security trust fund.

Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, first, let me compliment the chairman of the Committee on Ways and Means for bringing out a bill that its provisions on tax relief are very good. The marriage penalty relief is a good provision. The extenders of our expiring tax provisions, that is very good to help small investors. I agree with all those provisions. I think most of the Members of this body agree with those changes.

The problem is that the budget deficit next year, excluding Social Security, will be $37 billion. We do not have a surplus.

If we pass this bill, the budget deficit will be $44 billion, adding to the deficit on budget, if we do not count Social Security. The year after, the budget deficit is projected to be $46 billion. With this bill, it will be $65 billion. The year after, it is projected to be a $45 billion deficit. And with this bill, it will be a $63 billion deficit. We are adding to the deficit of this country. We are not paying for the tax bill. We are raiding Social Security.

That is wrong. This bill will be vetoed if it is passed in its current form. It cannot become law. The votes are not here to do that. Thank goodness.

The reason is quite simple. We know that the passage of this bill will make solving the Social Security problem more difficult, plain and simple. Without Social Security, we have no surplus, pure and simple.

But there is a way that we can get these good provisions enacted into law and help the taxpayers of this country. We have the Rangel substitute that we will have an opportunity to vote for a little bit later. I hope my colleagues will keep this issue alive. Support the Rangel substitute. Let us work together and figure out a way that we can pay for these very worthwhile tax provisions so that they can become law without raiding Social Security.

Let us work together in a bipartisan way so that we can really help the taxpayers of this country and we can preserve our Social Security system. It can only work if we work together in a bipartisan way.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, I rise in support of the tax bill.

Mr. Speaker, I rise today in support of Chairman ARCHER's plan to deposit the budget surplus into a special Treasury account to save Social Security, while returning a small portion of future surpluses to the hard-working taxpayers to whom it belongs.

The current budget surplus is the result of hard work and hard decisions. As a result, this year we made a historic net down payment of $84 billion on the national debt, and now we are now in a position to begin repaying the Social Security Trust Fund from years of congressional borrowing. However, there is currently little protection to ensure that surplus funds go to Social Security and are not used for increased government spending. Passage of this bill is the first important step towards preventing further looting of the Trust Fund and shoring up the Social Security system before the baby boom generation's retirement.

Additionally, I commend the efforts in this bill to provide tax relief to those who need it most. America's farmers are experiencing economic hardships from low commodity and livestock prices due, in part, to decreased exports caused by the world financial crisis. The tax bill we are considering will provide relief for farmers in the form of permanent income averaging, increasing the net operating loss carryback period and clarifying the rules for taxing market transition payments.

America's families desperately need to keep more of what they make. They will receive this tax relief in the form of eliminating the marriage penalty tax, and allowing them to avoid taxes on a portion of interest and dividend income they receive. Small business owners need tax relief to defray the costs of their health insurance, which is also included in this bill.

The United States is currently enjoying the first balanced budget in 30 years. A feat that has not been accomplished since Neil Armstrong walked on the moon. This achievement would not have been possible without the sacrifices the American people have made over the past decade, when they have paid a higher percentage in taxes than at anytime since World War II. It is right and fitting that the Committee and the Congress return a portion of their taxes to farmers, families and small businesses. I remind our Members that Deputy Commissioner Judy Chesser from the Social Security Administration testified that this plan will not negatively impact the Social Security Trust Fund.

Mr. Speaker, I want to preserve Social Security for those in my grandmothers' generation, those in my parents' generation, those in my generation and those in my childrens' generation. I fear that if we don't take this step to protect surplus money for Social Security, Congress will do what it has done so many times before and spend the surplus money away little by little on what may seem like good policies. This legislation protects Social Security in a responsible manner, and I urge every member of this body to support it.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the chairman of the Committee on Ways and Means from Texas, for this time.

It has been very enlightening already this morning. Already this morning, twice, we have heard the term "raid," "raiding" the Social Security fund. How enlightening. How enlightening for my colleagues on the left to employ and embrace wholeheartedly the politics of fear.

Congratulations, Mr. Speaker, to my colleagues on the left who will do anything and everything to stand in the way of the American people and the chance for working Americans to hold on to more of their hard-earned money. That is what we are seeing here today.

But moreover, Mr. Speaker, it is very interesting. They cite arguments from the President of the United States. They cite arguments of what they would call responsible tax cuts. And we are aware, in the current climate in Washington, D.C., that definitions can change in a nanosecond. But to follow their logic, last year when they joined us on tax relief and tax cuts that were long overdue, they did so in a climate of deficit. And now here we have the hope and the policies of surplus.

And, yesterday, Mr. Speaker, we set aside $1.4 trillion to supplement Social Security, $1.4 trillion, when the left had set aside nothing over 40 years of control. And here we stand today, standing up for working families by providing relief from the marriage penalty; standing up for the self-employed by giving them deductibility of their health insurance costs; standing up for seniors by relaxing some of the limits on their ability to earn money past the age of retirement.

The answer is clear, Mr. Speaker: Stand with the majority for tax relief. That is the truth.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, let me try to clear up what was just stated by the gentleman from Arizona. This is as clear and concise an argument as I have witnessed in the House of Representatives during the 10 years that I have been here. We are being told by the Republican majority that the best way to save Social Security is to take 10 percent of it for tax cuts.

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That as I stated yesterday was not only a misguided vote, it was Orwellian philosophy, that the best way to save Social Security is to take 10 percent of it out six weeks before the national elections and provide a tax cut that nobody in Washington believes is ever going to happen. And we are accused of demagoguing the issue.

There are many seductive proposals in this tax bill, most of them Democratic proposals that we would gladly vote for. You talk about a turn of events, the Democrats standing up for fiscal responsibility and saying, "Save Social Security first."

My friend from Arizona said that this is about politics. Now, who among us in America today would measure that argument when we are offering here in this proposal tax cuts six weeks before an election?

We had from January to discuss these things. But on the eve of the national election, we are going to talk about $80 billion worth of tax cuts, we are not going to talk about saving Social Security first, and the argument the Democratic minority makes today is simply this: Do not touch the Social Security trust fund until we decide that we have permanently fixed this issue for the American people.

Mr. Roosevelt offered a contract with the American people in 1935. We stand with it today. We are witnessing here the slow erosion of the Social Security surplus for the purpose of providing tax cuts to the American people who, by the way, the wealthiest among us are not asking for these tax cuts. They want fiscal stability. George Bush in 1991 and Bill Clinton in 1993 with minimal or no hope from the other side gave us the fiscal picture that we have today. It is one of responsibility. Leave the Social Security trust fund alone and let us have a substantive debate about its future.

Mr. Speaker, I include the following for the RECORD:

NATIONAL COUNCIL FOR ADOPTION,
Washington, DC, Sept. 25, 1998.
Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR SPEAKER GINGRICH: I am writing in support of the provisions of H.R. 4579 and H.R. 4611, which would help adoptive families by providing them with adoption tax credits, credits many of them need to help them adopt. With more than 110,000 children in the foster care system alone waiting for adoption in the United States, every effort to assist in qualifying families must be pursued with utmost urgency.

These provisions in these bills would provide a temporary solution to the problem caused by the minimum tax liability as it affects tax credits that benefit families. They would provide stop-gap help for families qualifying to use the adoption tax credit. While H.R. 4579 would provide both immediate and long-term remedies for the minimum tax liability problem, its fate is uncertain given a threatened Presidential veto of that bill.

Should a veto threat prevent passage of H.R. 4579, we urge you to attach the provisions in H.R. 4611 to a scaled down bill of tax extenders.

We strongly support any action that would at this time make the adoption tax credit work as effectively as possible, for as many children and families as possible, as soon as possible.

We deeply appreciate the hard work you have done in the past on behalf of a variety of adoption issues, including your support for the adoption tax credit.

Sincerely,
WILLIAM PIERCE, Ph.D.,
President.

NATIONAL COUNCIL FOR ADOPTION,
Washington, DC, September 25, 1998.
Representative CHARLES RANGEL (D-NY),
Ranking Member, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. RANGEL: I am writing in support of the provisions of H.R. 4579 and H.R. 4611, which would help adoptive families by providing them with adoption tax credits, credits many of them need to help them adopt. With more than 110,000 children in the foster care system alone waiting for adoption in the United States, every effort to assist in qualifying families must be pursued with utmost urgency.

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We strongly support any action that would at this time make the adoption tax credit work as effectively as possible, for as many children and families as possible, as soon as possible.

We deeply appreciate the hard work you and the Committee have done in the past on behalf of a variety of adoption issues, including your support for the adoption tax credit.

Please have your staff contact me, or Matt Parrott, to let us know how we can help you make your interest in tax assistance for adoptive families a reality this Congress.

Sincerely,
WILLIAM PIERCE, PH.D.,
President.

NATIONAL COUNCIL FOR ADOPTION,
Washington, DC, September 25, 1998.
Representative BILL ARCHER, (R-TX),
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN ARCHER: I am writing in support of the provisions of H.R. 4579 and H.R. 4611, which would help adoptive families by providing them with adoption tax credits, credits many of them need to help them adopt. With more than 110,000 children in the foster care system alone waiting for adoption in the United States, every effort to assist in qualifying families must be pursued with utmost urgency.

The provisions in these bills would provide a temporary solution to the problem caused by the minimum tax liability as it affects tax credits that benefit families. They would provide stop-gap help for families qualifying to use the adoption tax credit. While H.R. 4579 would provide both immediate and long-term remedies for the minimum tax liability problem, its fate is uncertain given a threatened Presidential veto of that bill.

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Please have your staff contact me, or Matt Parrott, to let us know how we can help you make your interest in tax assistance for adoptive families a reality this Congress.

Sincerely,
WILLIAM PIERCE, Ph. D.,
President.

Mr. NEAL of Massachusetts. Mr. Speaker, we are now debating the second part of the "90/10 Plan". Earlier in a misguided vote the House decided to lock up 90 percent and not 100 percent of the projected surplus to save Social Security. Now, we are considering the 10 percent part of the plan.

I have to admit that the 10 percent part of the plan is quite attractive. It is a package of modest tax cuts which are mostly targeted to the middle class and it include many tax cuts that Democrats have offered in the past and it includes a provision that I have worked on this past year.

We should not be spending the Social Security trust fund surplus. We have to deal in budget realities, even though it is very politically enticing to vote for a tax cut right before the elections. However, I believe we were elected to make hard choices.

The hard choice before us today is voting against very likable tax cuts in order to protect Social Security. There is not surplus right now except for the surplus in the Social Security trust fund. Without Social Security's temporary surplus, there would be a $137 billion deficit over the next five years so we should not be spending $80 billion that we do not have today.

The Democratic substitute is responsible. It still provides tax relief, but not until effective until the Social Security trust fund is solvent for 75 years.

The bill before us today includes a provision which I think is extremely important and should be in addressed before Congress adjourns. Recently, I introduced H.R. 4611 which provides a temporary waiver for taxable year 1998 of the minimum tax rules that deny many families the nonrefundable personal credits, pending enactment of permanent legislation to address this inequity.

Also, I have introduced H.R. 4489 which provides a permanent solution to address this inequity by allowing nonrefundable personal credits to offset both the individual's regular income tax liability and the minimum tax liability and repeal the rule that reduces the additional child credit for families with three or more children by the amount of minimum tax liability.

I am pleased that the "Taxpayer Relief Act of 1998" includes a permanent solution and a temporary solution. However, this bill will receive a Presidential veto if even it makes it that far. This is an issue that we need to address before we adjorun.

Under current law, the total allowable amount of nonrefundable personal credits may not exceed the amount by which the individual's regular income tax liability exceed the individual's tentative minimum tax. This results in all taxpayers who claim the child credit with incomes above $45,000 for joint filers and $33,750 for single filers to make at least a rudimentary minimum tax calculation.

Without addressing this problem, many taxpayers will have to fill out the minimum tax form. Not only is the minimum tax complicated, it can penalize middle-income taxpayers who claim some of the new tax credits such as the child tax credit and the Hope Scholarship credit.

The Department of Treasury estimates that in 1998, the alternative minimum tax will deny 800,000 taxpayers who are entitled to both the child tax credit and the education tax credits, the full benefits of these credits. Without enactment of legislation to address this issue, taxpayers who are planning to claim the child credit should be warned that the computation of their taxes will be difficult, time consuming, and unnecessarily complex. Without simplifying the child tax credit, the child tax credit form will be required on next year's form is a nightmare.

The complexity of the forms is the result of deliberate decisions last year by the Republican majority in Congress. Today, they decided to fix a problem that they knowingly created last year. The interaction between the minimum tax and the child tax credits was in the original chairman's mark. They did not want to spend revenue on this provision. Remember, last year's tax bill was offset, not like this year's bill which uses the projected surplus as an offset.

If we do not address the interaction of the minimum tax with nonrefundable personal credits, many families will be cheated of the full credits that were promised. We need to address this issue to prevent the average family from having to pay a tax return preparer in order to fill out the forms for the new credits.

We should address this issue and include a temporary solution in revenue neutral legislation to extend the expiring provisions and continue to work on a permanent solution. The Joint Committee on Taxation estimates that a one year solution for the taxable year 1998 would cost $474 million.

I urge my colleagues to vote against this bill today. It is time for us to get back to our real work.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume. Once again to try to bring the element of truth into this debate, we clearly are not touching any of the money in the Social Security trust fund. We clearly are not touching any payroll taxes, not one penny. As much as I respect the gentleman from Massachusetts personally, he knows that is not true. The record should be set straight. We can use all kinds of political rhetoric to try to serve ourselves one way or another, but we should try to stick to those enunciations which are supportable by fact.

Mr. Speaker, I yield 2 minutes to the respected gentleman from Oregon (Mr. SMITH), the chairman of the Committee on Agriculture.

Mr. SMITH of Oregon. Mr. Speaker, I thank the gentleman for yielding this time. We have been discussing farm policy in this body for many years. We have been discussing philosophy of agriculture. This year we witnessed a horrible downturn in agriculture due to weather and some to revenue reduction. We have disaster programs designed to help momentarily agriculture. But nothing, nothing that we have done in farm policy or in disaster programs can even touch what the gentleman from Texas (Mr. ARCHER) and the Committee on Ways and Means has done for agriculture for the long term. They cannot even touch it. Here is what agriculture has been dreaming about for these many, many years.

Listen to this. Income averaging which is essential when you have hills and valleys in income as agriculture does. Reach-back provisions for five years so that if we were making money five years ago, we can average that against losses today which we are certainly experiencing. Expense allowance to $25,000 for agriculture and small business. Exemption raised to $1 million for death taxes.

What does that mean to agriculture? It means today that as a result of this, two-thirds of the families in America on farms and ranches will be able to retain them and turn them over to their children without the government taking them away through death taxes. Capital gains relief. Full deductibility of health insurance. These are dreams of agricultural people for years.

This is the strongest package for agriculture bar none that this body has ever passed. Let us pass it today.

Mr. Speaker, I rise today in wholehearted support of H.R. 4579, the Taxpayer Relief Act of 1998. I commend Chairman ARCHER and the Ways and Means Committee for bringing a tax measure to the House floor that American agriculture can readily endorse.

Providing a full tax deduction for health insurance to the self-employed is a lifeline to American farm families. This will ensure that farm families have the health protection they need at an affordable price.

Income averaging is another essential tool that will stabilize an otherwise volatile income stream of many of our farmers and ranchers. As we are seeing now, farm livelihoods are vulnerable to weather disasters and economic uncertainty, and this provision will assist them in dealing with those uncertainties.

The estate tax provision contained in the bill will mean that two-thirds of the Nation's farmers and ranchers who now face constant pressures to keep their assets within the current threshold exemption can rest easy knowing the economic legacy they have built will not be taken away from their children.

As small businessmen, farmers and ranchers also will benefit from the business expensing provision in the bill. Using this provision, farmers may replace expensive farm equipment and gain an upfront tax savings that is superior to the benefits afforded through a depreciation schedule.

For too long, Mr. Speaker, the Congress has discussed the pros and cons of federal farm policy—the policy effects of commodity programs, while we have left tax matters to another day, Today, Chairman ARCHER has changed all that. I believe we have a solid, and, in my view, unchallengeable tax package for American farmers and ranchers.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding time. I rise today to oppose the Republican tax cut package and to support the alternative to be offered by the gentleman from New York (Mr. RANGEL). The discussion today is not a debate about tax cuts. It is a debate about the future of Social Security. The tax cuts in both packages are identical. However, the Republican tax cuts would be paid for by a Social Security surplus. That is irrefutable, notwithstanding what the chairman just said. A surplus that I tell my friends on the other side of the aisle we have not yet even realized. Without playing politics with America's fiscal future, the tax cuts in the Democratic alternative would not become effective until the Social Security trustees certify that the trust funds are solvent for the next 75 years.

It would be irresponsible, Mr. Speaker, of me to support a bill without considering how the tax cuts are financed. The Republican bill does in fact raid the Social Security trust fund which provides funds often referred to as the "budget surplus." I believe our first duty must be to solve the long-term solvency problems of Social Security while remaining committed to fiscal responsibility.

While I find it quite interesting that the tax bill that Republicans put forward embraces mostly Democratic ideas for tax cuts for middle America, the poison bill in this bill is the way in which it is financed.

I would remind my colleagues, in fact, just a year ago, Democrats supported a $100 billion tax cut similar to the one the Republican leadership has brought to the floor today. But there was a significant difference. Our bill was fully offset with real spending cuts that did not dismantle or put at risk the future of Social Security, a future in which as the 1998 report of the Social Security trustees found that none of the Social Security trust funds will have sufficient income to be able to pay benefits over the next 75 years. Today it is the main source of income for two-thirds of the seniors in this country. Seventy-six million baby boomers will begin retiring in 2010. By 2025, most baby boomers will be 65 or older. We cannot put our desire for politically-driven, irresponsibly-financed tax cuts before our overwhelming need and responsibility to ensure that Social Security is viable into the next century. To do that, the Democratic alternative creates a lock box. It takes 100 percent of the Social Security surplus and ensures that it will be used only for Social Security purposes. This creates a real protection for the Social Security surplus and the overall integrity of the system.

I would remind my colleagues that just a few weeks ago, the chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH) suggested a 700 to $800 billion tax cut. I remind my friends, that would be 50 percent of the Social Security surplus. Where do we go next year?

Save Social Security. Oppose this bill. Support the Democratic alternative.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. BUNNING), the chairman of the Subcommittee on Social Security.

Mr. BUNNING. I thank the gentleman for yielding me this time. Mr. Speaker, I rise in strong support of the Taxpayer Relief Act and targeted tax relief for the middle-class families of this country.

Fifty-five percent of this tax cut goes to hard-working American families making less than $75,000, the folks who need it most.

Marriage penalty relief for 48 million taxpayers, an average of $243 per couple.

One hundred percent deductibility of health insurance costs for self-employed people, over 100,000 just in my State, for small farmers, small business owners that pay for their premiums that are not paid for presently.

$24 billion in relief for farmers and small business as the chairman of the Committee on Agriculture just before me so well described. Tax relief for farmers who have carried the loss forward for five years. AMT relief and income-averaging, permanent income-averaging for farmers, 5 years. And we cut the death tax even further.

Mr. Speaker, we must remember that the budget surpluses do not belong to the government. It belongs to the American people. It is their tax dollars that make up the surplus. We should let them keep more of their own money, because they know how to spend it better than the government does.

Yesterday we protected Social Security by devoting 90 percent of the surplus to it. Never before had that been done in the history of this great republic. We should do the right thing and give some of the money back to the people that pay it. I urge support for the bill.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. CAMP).

Mr. CAMP. Mr. Speaker, I rise in support of the Taxpayer Relief Act.

Mr. Speaker, one thing is absolutely sure in this debate—taxes are too high. We're facing the highest peacetime tax burden in our Nation's history—21 percent of G.D.P. If taxes today were at the same level as 1950, the average American household today would be twice as rich. American families pay 38 percent of their income in taxes, up from 26 percent back in 1955—the Federal Government is taking too much from the American taxpayer.

So the bill before us today cuts taxes—and it does so in a responsible, restrained and fair manner. Our tax relief is focused squarely on middle and lower income taxpayers—exactly those who need it the most. Husbands and wives—farmers and ranchers—small business owners and senior citizens. Democrats said it couldn't be done.

For 30 years, they controlled Congress and never balanced the budget! Instead they used the Social Security trust funds on programs like midnight basketball and other pork-barrel spending.

Now the G.O.P. comes in, and not only balances the budget and preserves Social Security, but also provides sweeping tax relief. When was the last time the Democrats balanced the budget? And more importantly, when was the last time they paid $1.4 trillion back to Social Security—instead of spending the trust funds?

This debate is about Social Security, and we make a significant payment to our Nation's seniors. We also allow the American taxpayer to reap the rewards of their hard work in the form of reduced taxes.

Who is complaining about our tax relief bill? Mr. Speaker, it's the same people who buried us under a mountain of debt and saddled our children with the burden of paying it off. Some on the other side believe we need to keep that surplus in Washington—but it's your money. And hard-working Americans deserve a break.

Our opponents say that it's not enough to wall off $1.4 trillion dollars to save Social Security and both save Social Security and reduce taxes. But I believe we can. I urge support for the Taxpayer Relief Act.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), another respected member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, today we have a choice. We can stand with those who think that Washington knows best or we can stand with our Nation's husbands and wives who are punished by the marriage penalty, with our farmers and ranchers who are hard hit by the death tax, with our Nation's small businesses which today cannot fully deduct the cost of their health insurance, and with our Nation's seniors who see their Social Security benefits reduced just for earning outside income. In short, we can stand with those who defend today's record high tax burden or we can stand with the hard-working middle class.

Mr. Speaker, to vote "no" on this bill is to deny 48 million married taxpayers relief from the marriage penalty. I remind my colleagues that when a couple stands at the altar and says "I do," they are not agreeing to higher taxes.

To vote "no" on this bill is to deny farmers and ranchers much-needed relief from the death tax, to vote "no" on this bill is to deny our small businesses the opportunity to deduct 100 percent of the cost of their health insurance, and to vote "no" on this bill is to deny seniors a chance to earn a little more outside income without facing the loss of their Social Security benefits.

Today we can vote to do all of this while, at the same time, setting aside 90 percent of our surplus until we save Social Security. I would urge all of my colleagues on both sides of the aisle, do not turn your backs on the middle class. Support this crucially important legislation.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN) from the Committee on Ways and Means.

Mr. LEVIN. Mr. Speaker, I quote:

> The solution is simple: formally wall off Social Security from the rest of the budget to prevent continued thievery from the trust fund.

I know the majority is sensitive to references to stealing from Social Security, but the above quote is not from Democrats but from a leading official at the conservative Cato Institute. Surely the Republicans are proposing the diversion of Social Security moneys. Unlike in past years when the overall deficit was so huge, we are now at a point where we can undertake the difficult but vital task of assuring the long-term soundness of Social Security. This means putting Social Security first, and then a tax cut. Being a 90 percenter, diverting 10 percent of Social Security funds, is wrong.

This bill also erodes the fiscal discipline that we fought so hard for in 1990 and 1993. In 1997, we passed a tax cut. I voted for it and would do so again. We paid for it with program cuts deep enough that they caused many to vote against the bill. Today the majority turns its back on that hard-won fiscal discipline. They pay for this cut from the budget surplus, Social Security's surplus, waiving the budget rules.

This Nation has benefited from fiscal discipline. We who voted for it in 1990 and 1993 were right. So the better course is to save Social Security first and then act on a tax cut for American families. The majority puts the cart before the horse, trampling both on Social Security and on fiscal discipline.

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We should do neither. Pass the democratic substitute.

Mr. ARCHER. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. THOMAS), who is such an articulate member of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I am sure some people are a little bit confused about this debate, and I will try to explain why. It is kind of like in physics, where what we are discovering simply cannot be explained in the language that physicists now have.

For example, you talk about matter, but because of the way the world works, they have to talk about antimatter, and it just does not seem to make sense, matter, antimatter.

We just had the gentleman from Michigan in the well being forced to quote a conservative in support of what they were talking about. It is because the Democrats in their rhetoric just cannot deal with the world that the majority of Republicans have created, and that is a budget surplus.

The Democrats are now arguing that it makes no sense whatsoever to adjust the Tax Code in any way until the Social Security trust fund is sound. For how long? Seventy-five years. How long was the trust fund sound every year they were in the majority, and they made tax adjustments? The answer is simple: Never.

They are having difficulty dealing with a world in which the budget structure provides a surplus in which we can lay aside $1.4 trillion this year, more next year, more the year after, to save Social Security and provide people with a reasonable tax cut.

The other problem they are having is criticizing our tax cut. Usually it is "tax cuts for the rich." The gentleman from Maryland was in the well having to smile at the kind of tax cut Republicans are providing.

People between zero and $75,000 income, that is couples, a man and a wife, say each one earns $35,000, I would not exactly call those folks rich, get 55 percent of our proposal. They are a majority of those who file taxes, but they are only about 34 percent of the revenue collected. Interestingly enough, about 34 percent of the revenue collected comes from individuals who make more than $200,000. They are getting 4 percent.

So if you back away from all the particulars in this bill, which is certainly a bill for the various particular groups, sometimes we get too close to the painting and all we can see are brush strokes. Take a couple of steps back and, by and large, look what we are doing.

We are moving 1 million people from having to file income taxes at all. We are moving more than 10 million people from having to fill out all of the deductions and the itemizations necessary to maximize your ability to pay fewer dollars. More than 10 million people can now move to the 1040–EZ form, one page, because we have simplified. This is not only relief to middle income, it is simplification of the Tax Code.

Listen to the rhetoric. They cannot deal with the new world. Just vote yes on the chairman's proposal.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. SHAW. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, sitting here listening to some of the rhetoric coming from the other side, accusing the Republicans for raiding—raiding—the Social Security trust fund, reminds me of a lot of the rhetoric that is going on in Washington today when we talk about whether the President lied to the American people.

I would ask anybody that is watching this debate today to take with a grain of salt and be very cautious about any Member who gets up and says that any other Member on either side of the aisle is guilty of raiding the Social Security trust fund. It just simply is not true. It is a bald-face lie.

The question is coming down as to whether or not the Social Security trust fund should be legislatively adjusted before the American people are given any tax relief whatsoever. That is the debate, and that is where there is an honest difference of opinion.

The President, when he stood right before us in this very hall and said "We are going to save Social Security, save Social Security first," and then went on with all his big plans for spending the surplus, he got a standing ovation from both sides of the aisle. We are still waiting for his plan to save Social Security.

We are going to have to bite the bullet and make some tough political decisions on both sides of the aisle in order to accomplish what all of us want, and that is to leave Social Security in a solvent position for 75 years and even beyond that. And that is important, and that is a responsibility of this body and something we should work on together. But let us not start out by lying to the American people. It just simply is not true.

We are trying to make some adjustments and put some fairness in the tax law itself. The same Republicans that reformed welfare, that reformed the Internal Revenue Service, are going to lead the way in reforming Social Security. It is going to be tough, and we invite the Democrats to join us in this effort.

Mr. RANGEL. I yield myself such time as I may consume to respond to my friend from Florida.

Mr. Speaker, it is one thing to be robbing from the old folks; it is another thing to have to bring in the President of the United States' embarrassing political position. Now, the President has said he is sorry, and I hope before this debate is over, that some Republicans will say they are sorry for what they are doing to the Social Security trust fund.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I would like to yield as to why the gentleman had to bring the President of the United States into the debate.

Mr. SHAW. Mr. Speaker, I simply was talking about the question of lying to the American people is very much on the minds of the American people.

Mr. RANGEL. Mr. Speaker, reclaiming my time, I said why did the gentleman bring the President of the United States into this debate?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members should avoid personal references to the President of the United States.

Mr. RANGEL. Mr. Speaker, the gentleman should apologize for what he has said.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I do not want anybody in this body to misunderstand me. I am not making any accusation as to whether the President lied or not. I am simply saying that the American people are demanding truth from their politicians, so let us get some truth in this debate.

Mr. RANGEL. Mr. Speaker, reclaiming my time, I am simply saying that the American people demand fairness, and they will make the judgment in November.

Mr. Speaker, I yield the balance of my time to the gentleman from Maine (Mr. ALLEN).

The SPEAKER pro tempore. The gentleman from Maine is recognized for 15 seconds.

Mr. ALLEN. I thank the gentleman for yielding me time.

Mr. Speaker, I rise in opposition to the Republican tax bill. We should leave Social Security alone.

I rise today very disappointed with the Republican majority. Their tax bill is both fiscally irresponsible and socially bankrupt. It calls for $80 billion in tax cuts over the next five years by raiding projected Social Security surpluses. Surpluses that Congress designed to secure retirement benefits for current and future retirees. The long-term solvency of Social Security depends on sound policy choices and fiscal discipline. With an aging population and the onset of the baby-boom generation entering retirement years, tampering with Social Security is dangerous and irresponsible.

I strongly support extending tax credits, such as work opportunity and research and development, and accelerating the self-employed health insurance deduction to 100%. I have cosponsored bills to do just that but with the belief that offsets would be real and fair. While I support these provisions and others in the Republican tax bill, the bill is clearly in violation of the pay-as-you-go budget rule this House championed for budget discipline.

PAYGO has worked. We have offset spending and revenue proposals with real spending cuts or revenue increases. We have also shielded Social Security from budget gimmickry. We have promised not to use Social Security surpluses to mask the Federal deficit. Just as we balanced the Federal budget the Republican majority has turned its back on fiscal responsibility.

Adoption of this tax bill will unravel the budget discipline by which we have operating in the last few years. With the adoption of President Clinton's deficit reduction and economic growth package in 1993, we have put our fiscal house in order. For the first time in thirty years we have balanced the Federal budget. We have made hard choices, and we have respected the PAYGO rule that proposals be budget neutral. Offsetting a tax bill with projected Social Security surpluses is irresponsible and wrong.

I urge my colleagues to reject the Republican tax bill.

Mr. FAZIO of California. Mr. Speaker, I rise in opposition to H.R. 4579. Any major proposal that comes to the floor 40 days before an election deserves close scrutiny. And a major tax proposal which comes to the floor a few days before adjournment should leave Americans slightly suspicious.

Even so, I would like to be able to say that I support this bill. In fact, I do support most of the tax cut proposals that are contained in this bill.

The problem is the way the Republicans want to pay for it—on the backs of future Social Security recipients.

American workers have invested in Social Security so that it will be there in the future when they need it most. It would be irresponsible to cut into our children's future for election year pandering.

The Republican plan includes Democratic tax proposals like reducing the marriage penalty tax by allowing joint filers to double the standard deduction for single filers, allowing the full deductibility of healthcare costs for the self-employed, and renewing such business tax credits as the work opportunity tax credit and the research and experimentation tax credits. So they're on the right track.

However, Republicans forget that unless the budget is balanced—balanced without including the Social Security Trust Fund—any tax cut must be paid for by cutting entitlements or increasing other taxes. So where are these cuts coming from?

While I am all in favor of giving the American people a tax cut, it is essential to look at what price we are actually paying for these tax cuts. A tax cut now will force us to delve into the projected budget surplus—to spend money now that we assume we will have in the future.

The Congressional Budget Office (CBO) has projected that the budget will run a huge annual surplus for the next twenty years. But—and this is important—in the initial years the surplus is generated primarily from the Social Security Trust Fund. For example, next year, the CBO projects we will have an $80 billion dollar surplus. Great! That would easily pay for the tax cuts. However, a closer examination of that surplus shows that the Social Security Trust Fund's surplus of $117 billion will be covering a projected $37 billion deficit in the general fund.

I also want to emphasize that the budget projections are only that—projections. They are based on assumptions about the future of the country's economy. While we should be optimistic about the budget outlook, we must also keep in mind the current economic turmoil in the rest of the world. If we have another recession comparable to the mild one in 1990–91, it could easily decrease the projected general fund balance by $100 billion in one year. The budget is extremely sensitive to the rise and fall of the economy. Some restraint must be shown.

The Social Security Trust Fund is expected to be bankrupt by 2030 because of the high number of baby boomers retiring. Every plan to protect against this would need every penny of the budget surplus—that of the general budget and that of the Social Security Trust Fund. Social Security is our nation's largest anti-poverty program. Half our nation's elderly, about eighteen million, including half of the 66,522 Social Security recipients in my district, would live in poverty if this program did not exist. Thirty percent of the elderly depend on Social Security for one-half or more of their income. Since its beginning in 1940, this is a program that has proven its worth.

I refuse to support tax cuts until we can pay for them with budget cuts or real surpluses without Social Security receipts. We have done this in the past. In fact I voted with a majority in this House, just last year, for the Taxpayer Relief Act, that provided the American people with tax cuts within the confines of the budget rules.

That is why I support the alternative proposed by the Democrats. Our alternative would provide the exact same tax cuts with a major difference. The Democratic proposal includes a trigger mechanism to hold off a tax cut until the future of Social Security is ensured. Through our proposal, Social Security would be able to cope with the increasing number of Social Security recipients and be solvent beyond 2032.

We don't even have a budget for the next fiscal year—which begins this Thursday, the 1st of October—and Republicans want a tax cut. They are more worried about pre-election maneuvering and being re-elected than insuring that the government doesn't shut down, let alone the long-term solvency of Social Security.

Without passage of the Democratic substitute, all this bill amounts to is an unconscionable raid on this country's retirement account. I would love nothing more than to be able to give America a tax cut. I am not against tax cuts. I agree with portions of the Republican proposal, because many of the provisions have already been proposed by Democrats. However, if we are going to be able to afford these tax cuts we must do so responsibly, we must provide for the future, we must save Social Security first—and vote down this bill.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to H.R. 4579, not because I oppose the bill's package of tax cuts, but because I oppose the majority party's plans to pay these tax cuts with the surplus in the Social Security trust fund.

The majority party says it will use only 10 percent of the projected federal budget surplus to pay for H.R. 2579's tax cuts, but the majority fails to note that the surplus will be overwhelmingly Social Security-based surplus.

To be more precise, if the large yet temporary surplus in the Social Security trust fund is excluded, there will be a Federal deficit of $137 billion over the 1999–2003 budget period and only a $31 billion Federal surplus over the 1999–2008 budget period. Accordingly, the majority's plan to set aside 10 percent of an almost exclusively Social Security-based federal budget surplus represents a raid on Social Security.

The Democratic alternative provides for the very same tax cuts as H.R. 4579. However, unlike H.R. 4579, the Democratic alternative provides that the tax cuts take effect after a plan to secure Social Security long-term solvency has been agreed to.

I urge my colleagues to oppose H.R. 4579, and to vote for the Democratic alternative.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his support for H.R. 4579, which allows taxpayers nationwide to benefit from a Federal income tax cut. This bill is one of the most important measures that the House of Representatives has considered this year. It is highly desirable that the House pass this bill now to return a small additional amount of the economic benefits of the American people who earned them through a tax cut. Specifically, H.R. 4579 provides over $80 billion in tax relief provisions primarily targeted to married couples, farmers and ranchers, senior citizens, and small business owners.

There has been enough exaggerated and false rhetoric by the opponents of H.R. 4579. It is important to note that the surplus is due to higher-than-projected Federal income tax receipts which resulted from the sweat equity and hard work of American taxpayers. This tax surplus is not the property of the Federal Government; this surplus rightfully belongs to the American taxpayer. The American taxpayers are entitled to this return—a $80 billion tax cut.

House Resolution 4579, when passed in conjunction with H.R. 4578 (the Save Social Security Act) will provide an effective fiscally sound dual approach. We took the first step of this dual approach yesterday, when this House passed H.R. 4578. Today we consider the second step of this dual approach—H.R. 4579, which allocates that 10 percent of the surplus will be used for tax cuts over the next five.

The legislation we are considering today (H.R. 4579) is so important because it provides comprehensive tax relief to so many middle-income and lower- middle-income American taxpayers. Specifically, the bill provides critical tax relief for the following six classes of individuals; 1. Married couples; 2. Farmers and Ranchers; 3. Senior Citizens; 4. Parents; 5. Small Business Owners; 6. Savers and Investors; and, 7. Inheritors subject to Estate taxes.

1. MARRIED COUPLES

H.R. 4579 will allow married couples who file jointly to claim a standard deduction that is double the amount of the standard deduction for a single taxpayer in each taxable year beginning after December 31, 1998. This provision will correct the current tax system which penalizes a couple for being married. This provision will provide tax penalty relief for approximately 48 million taxpayers.

2. FARMERS AND RANCHERS

This Member is certainly concerned about the future of farming in the United States and Nebraska; therefore, this Member believes that all options or proposals should receive serious consideration and none rejected out of hand. Although the U.S. economy is generally healthy, it is clear that the agricultural sector is hurting. This Member believes that farmers and their families should be able to enjoy and adequate standard of living; therefore, this Member has taken a pro-active approach to helping ensure that farmers received a fair price for their crops. One such approach to improve the viability of agriculture is provided in H.R. 4579 which has three provisions which directly benefit farmers and ranchers. These provisions will have a positive effect on this Member's constituency in the great State of Nebraska which has a strong agrarian element. Because of the low grain and livestock prices, which result in part from the Asian financial crisis and the subsequent decline in demand, farmers and ranchers are in need of agricultural tax relief as provided in the measure before us today.

H.R. 4579 will accomplish the following things for farmers and ranchers:

A. The income averaging for farm and ranch income which was set to expire in the Year 2000, will become permanent.

B. The net operating loss carryback period for farmers and ranchers will be increased to 5 years from the general 2-year carryback period; and

C. Farmers will not have to pay income taxes on the 1999 farm program payments until the year in which those payments are received.

3. SENIOR CITIZENS

The Social Security earnings limit is increased for those individuals between full retirement age (currently age 65) and age 70 from $17,000 in fiscal year 1999 to $39,750 in fiscal year 2008.

4. PARENTS

Under H.R. 4579, parents will now be able to keep more of their hard-earned dollars by protecting important tax credits, including credits for children, the elderly, adoption, dependent care, and education, from being reduced by the alternative minimum tax (AMT), which limits the amount of tax credits that taxpayers may take.

5. SMALL BUSINESS OWNERS

A. The Health Insurance income tax deduction for the self-employed will be increased to 100 percent on January 1, 1999, instead of a phase-in of the 100 percent deduction under current law by January 1, 2007. This deduction for the self-employed includes farmers and ranchers.

B. A small business expensing deduction, in the amount of $25,000, will be immediately allowed.

6. SAVERS AND INVESTORS

Taxpayers will be able to exclude the first $200 in interest and dividends they receive with filing an individual return.

7. INHERITORS SUBJECT TO ESTATE TAXES

The current phase-in of the $1 million estate tax exemption will be accelerated to January 1, 1999, instead of January 1, 2006. The number of taxable estates under this accelerated phase-in provision will be reduced by approximately 50 percent. This estate tax change will especially have a propitious effect on farmers and ranchers.

In closing, the intrinsic value of H.R. 4578 and H.R. 4579 is that both bills benefit a broad consensus of American taxpayers and at the same time take a step forward in ensuring Social Security for future beneficiaries. This Member encourages an "aye" vote for H.R. 4579.

Mrs. LOWEY. Mr. Speaker, I rise in opposition to this bill and I want to make one thing very clear at the outset: I support the tax cuts in this bill. Many of these tax cuts are measures that Democrats have championed and that I fully support. But unless they are paid for without draining Social Security reserves, the only responsible thing to do is just say no.

I want every American to be perfectly clear what this debate is all about: it's a choice between politically motivated, election year tax cuts and protecting Social Security. It's about spending now and paying later—and jeopardizing the retirement security of millions of Americans.

No matter how you slice it, the fundamental fact remains: these tax cuts are being paid for by raiding Social Security.

All of the surpluses CBO projects over the next 5 years—and 98 percent of the surpluses CBO projects over the next decade—are trust funds that are needed to build up Social Security reserves. In fact, excluding the Social Security trust fund, the total budget surplus over the next decade will only be $31 billion, and that assumes that we won't have a downturn in the economy.

As Alan Greenspan stated this week, "the surplus may well be less than anticipated." According to CBO, if a recession began next year that was similar to the 1990–1991 recession, the $53 billion projected surplus in 2001 would become a $53 billion deficit.

Let's be honest. This tax bill is election year politicking at its worst. If you don't believe me, listen to the experts.

Earlier this week, Chairman Greenspan stated before the Senate Banking Committee that spending the Social Security surplus "would be the worst outcome" and that this tax bill "would not be growth productive."

The Republican Chairman of the Senate Budget Committee, Senator DOMENICI, has stated that "all the surplus belongs to the Social Security trust fund . . . I'm telling you there is no surplus."

Economist Herbert Stein, chairman of President Nixon's Council of Economic Advisors, stated earlier this year that those who want to "reduce our prospective surpluses should admit that in doing so they are impairing the incomes of our children and grandchildren."

Quite simply, this bill will make it harder to ensure Social Security's solvency when Baby Boomers began to retire in the next century. It violates the budget rules and abandons the fiscal discipline that has enabled us to eliminate the deficit and enjoy a booming economy.

My colleagues, we cannot afford to impose a massive I.O.U. on the American people's retirement system. Defeat this measure and support the Democratic substitute.

Mr. POMEROY. Mr. Speaker, I rise in opposition to H.R. 4579, a fiscally irresponsible bill that would spend Social Security trust funds on an election-year tax cut. I urge my colleagues to reject the bill and to support the alternative offered by the Ranking Minority Member Mr. RANGEL to defer the tax bill until Congress and the President have agreed on legislation to protect the long-term future of Social Security.

Earlier this year, when the country embarked on a two-year effort to reform Social Security, we appeared to have bipartisan agreement on reserving the entire federal budget surplus until Congress enacted a comprehensive plan to assure Social Security's future. This commitment made sense since, after all, the entire budget surplus came from surpluses building up within the Social Security system.

If there is any lingering doubt on this front, I direct my colleagues to the August 1998 report of the Congressional Budget Office (CBO). According to CBO, every dollar of the projected surplus for the next five years comes from Social Security. In fact, without Social Security, the federal budget is in deficit by $137 billion. Despite this clear evidence as to where our present surplus comes from, the congressional majority today backs away from its bipartisan commitment to Social Security reform and moves to spend the surplus before Congress has met its responsibility to secure Social Security's future.

This is simply irresponsible. Social Security faces a financing shortfall over the long-term, and it is our solemn responsibility to address this shortfall and secure the future of this program that has done so much to protect America's families, mine included. By spending the Social Security surplus, the congressional majority digs the financing hole deeper and makes the work of securing Social Security even more difficult. Plain and simple, this takes us in the wrong direction. Mr. Chairman, our first step in making Social Security sound for the long haul must not be a step backward. Unfortunately, that is precisely the step the congressional majority takes today.

I support targeted tax cuts for working families, farmers, and senior citizens, and in fact I voted for such tax cuts last year. The difference is that the tax cuts enacted last year to help young people go to college, to help working families raise their children, and to help all Americans save for retirement were fully off-set by spending cuts. Tax cuts off-set by spending reductions or paid for out of general revenues is fiscally responsible and protects Social Security.

While I object to the use of Social Security to pay for tax cuts, I strongly support many of the tax changes proposed in this bill. I introduced legislation to provide full deductibility of health insurance premiums for the self-employed on the first day of this Congress and my bill has more bipartisan cosponsors than any other self-employed deduction bill. I am a cosponsor of legislation to allow farmers to average their income and I am pleased the provision was included in the tax bill last year. I strongly support estate tax relief for family farmers that was also addressed in last year's tax bill. I have cosponsored legislation to reduce the marriage penalty, and I support increasing the earnings limit for Social Security recipients.

For members who support the tax provisions in this bill but who want to protect the long-term future of Social Security, I encourage your support for the Rangel alternative. Let us reserve the surplus until Congress and the President have agreed on legislation to protect Social Security and then enact well-earned tax cuts for the American people.

Ms. HARMAN. Mr. Speaker, I take a back seat to no one on the need to balance the budget and to do so in a balanced way.

I made the tough votes for the Clinton budget in 1993, for the Penny-Kasich spending reduction package, for a deficit reduction lock box, and for other responsible procedural and substantive budget reforms that resulted in today's first-in-a-generation budget surplus.

Moreover, with the support of the Blue Dogs, I led the effort to embrace the Boskin Commission recommendations to adjust the Consumer Price Index to more accurately reflect inflation—a move that would have assumed the removal of the Social Security Trust Fund from the budget calculations in 10 years and, as importantly, ensured the solvency of the Trust Fund for another two decades.

But, balancing the budget and protecting Social Security are not just accounting exercises. Both are priorities, neither exclusive of the other. They require balanced choices about what to cut and what to invest.

Tax reductions are also investments, depending on their cost and targeting. I am voting for today's tax cut bill because I believe its cost is reasonable and its impact appropriately targeted to benefit my constituents. The bill's investments in health care, school construction, affordable housing, and my State's farming families, and the elimination of the harshness of the marriage penalty on middle income Americans are important and will create jobs that generate revenue, including revenue into the Social Security Trust Fund.

I am one hundred percent in favor of saving Social Security, and my votes over three Congresses demonstrate this. And, while I will vote for the alternative before the House offered by my friend from New York, the distinguished ranking member of the Ways and Means Committee, in fact it does little to advance the cause for saving Social Security. It leaves the difficult fashioning of a rescue plan to future Congresses and, knowing the politics such an effort entails, conditions much-needed tax relief on contingencies which may never come about.

A better plan would have included the proposal put forward last year by the Blue Dogs. In our budget plan, tax cuts were conditioned on future surpluses calculated without counting Social Security Trust Fund.

Today, however, we are presented with a different set of imperfect choices and I won't blindly support any tax cut, just as I won't support just any plan that purports to "save" Social Security. In both cases, I will only support proposals reflecting careful choices and balanced priorities within the context of a balanced budget. The modest tax relief bill before us is such a bill.

Mr. CASTLE. Mr. Speaker, I rise today to express my opposition to H.R. 4579, the "Taxpayer Relief Act of 1998." I support many of the tax cut proposals in this legislation, but I believe it is premature and not wise fiscal policy to pass a tax cut of this size that counts on unrealized future budget surpluses rather than traditional spending reductions to pay for its cost. Instead, we should try to craft a more manageable bill that does not jeopardize the great strides we have made in restoring good fiscal policies in Washington.

It has only been a year since we passed the Balanced Budget Act of 1997, which set us on course to balancing the Federal budget and also contained a major tax cut that was fully paid for by savings in other programs. We are reaching our goal of a balanced budget this year, but that is no reason to turn on the spending and tax cut faucets. Yes, Americans would like to have another tax cut, but I think my constituents in Delaware and most Americans place a higher priority on reducing the national debt and enacting a long-term plan to preserve Social Security. Maintaining our focus on fiscal discipline is the best way we can meet these goals.

This year's unified budget surplus of $63 billion, the first since 1969, is the product of strong Republican leadership on fiscal matters, and a healthy economy. We have placed limits on government spending and the 1997 tax cuts were fully paid for. That is, for every dollar of tax cuts, we reduced spending by a like amount. If we abandon our fiscal restraint now, we could quickly lose this year's surplus or any anticipated surplus if the economy suddenly weakens. While that may be unlikely, the Congressional Budget Office recently released a report stating that a recession similar to the economic problems of the early 1990's could eliminate any budget surplus and result in a unified budget deficit of $50 billion in two years. The recent volatility of world financial markets and economic declines in Japan and Russia is cause for caution, and could threaten to stunt our own economic growth. A sudden recession could cloud our budget forecast immediately.

It is also important to point out that we do not yet have a true surplus in the federal budget without counting the surplus in the Social Security Trust Fund. In fact, without using Social Security tax receipts, we would have a $37 billion deficit this year, not a $63 billion surplus. While I applaud the goal of H.R. 4579 to save 90 percent of the budget surplus over the next five years for Social Security, the fact of the matter is that until we have a long-term plan in place to preserve and protect Social Security, the budget surplus should be held in reserve for Social Security and paying down the debt which complement each other and strengthen our economy. Simply put, we just do not know how much the transition costs will be to fully ensure the long-term solvency of Social Security. The only correct policy is to first and foremost preserve and protect Social Security, no pass tax cut that are not paid for.

Frankly, I am concerned that the recent good news about projected budget surpluses may be causing people in both parties to lose their commitment to fiscal restraint. The President claims to want to preserve every penny of the surplus for Social Security, while at the same time he has been increasing his requests for "emergency" spending for operations in Bosnia, embassy upgrades, and to pay for the government's Year 2000 computer improvements. This emergency spending could subtract $20 billion from this year's surplus of $63 billion. The Administration is far too willing to designate all new spending as an emergency, while paying lip service to protecting the surplus for Social Security. The President is not being candid with the American people, but adding a large tax cut to this emergency spending just does not make sense.

I have heard many of my colleagues argue that they are justified in passing tax cuts out of a surplus that includes the Social Security surplus because during the 40 years Democrats controlled Congress, they spent that same surplus on other government programs. Republicans argue that it is better to get the money out of Washington before Congress and the President spend it. We should certainly try to return every dollar we can to the taxpaying Americans who earned it. Last year, Republicans delivered a $95 billion tax cut and balanced the budget because we worked hard to find the offsets in a bloated Federal Budget. This same leadership and fiscal discipline is needed to continue to grow our economy, deliver larger tax cuts, and save Social Security into the next century.

I have heard many of my other colleagues argue that the unified surplus is the result of increases in revenues from income taxes, not increases in revenues from the FICA (Social Security) tax. This is true in part, but it does not follow that we have a surplus without counting the Social Security surplus. In fact, according to the Congressional Budget Office, without counting the Social Security surplus, we will have a $137 billion deficit over the next five years. Obviously, cutting $80 billion in taxes over the next five years without finding offsets does diminish the amount that will go into the Social Security Trust Fund in the future and could make a long-term solution to preserving Social Security more difficult. I do not believe the citizens of Delaware, who understand they must balance their family budgets and are counting on the Federal government to honor its commitment to restore the Social Security Trust Fund to long-term actuarial soundness, would want a tax cut before we address the future of Social Security.

Many of the tax provisions in the Taxpayer Relief Act of 1998 accelerate the tax cuts initially approved in the Taxpayer Relief Act of 1997. Delawareans are wise and responsible people. They understand that good things come to those who wait and that there must be an accounting at the end of the day. I believe they have the discipline to balance the need for tax cuts with the need to restore soundness to the Social Security Trust Fund and to maintain a balanced federal budget. I am proud to represent them and I believe we should reconsider this legislation and develop a revised bill that provides for affordable tax cuts that meet a higher standard of fiscal responsibility.

Mr. VENTO. Mr. Speaker, I rise in opposition to this election-year gimmick that jeopardizes Social Security to pay for a publicity driven tax bill on the eve of an election. To do this, Republicans have to waive the budget agreement enacted and agreed to just last year. The Republicans have to renege upon the statements made early this year when they were pledging "me too" in regards to saving Social Security first.

Like Sisyphus, the Clinton Administration, Congress, and the working American taxpayer have been pushing a deficit rock up the steep budget bill. It has been a long struggle with sacrifices and tough decisions that have been borne by many. This hard work and effort has led to positive results and hope for a brighter future. Now that we have reached the end of the struggle and the pinnacle of that deficit hill, the Republican majority is poised to push us back down into the valley of deficit spending jeopardizing any surplus and the long-term solvency of the Social Security Insurance Trust Funds.

Common sense economics, our own budget rules, economic projections in an unstable global market, the existing debt of over five trillion per day, as you go budget rules and the shift of money from Social Security Trust Funds all argue against this action. If the GOP wants to cut taxes and some of these changes are positive, it ought to earn that through positive savings policies, not projections and raiding Social Security.

This debate is about Social Security Trust Funds. The very title implies the compact that the Social Security System represents between generations of Americans and between the American people and the federal government. Trust is a word Congress should honor and the Social Security System is based upon trust—trust will be there for retirees, future and current, for the disabled and for dependents who rely upon this insurance system.

Today, the Republican majority is about to break that trust and dip into the Trust Fund. The Republicans in Congress propose to set aside 90 percent of the Social Security Trust Funds, which I guess in their view is enough. They're not 100 percent against Social Security, but are they willing to tell every future and current Social Security insurnace recipient that they should take a 10 percent cut?

I urge my colleagues to learn from our history and to reject the syren's call of unfunded tax cuts that could push us into the downward spiral of deficit spending. As Samual Taylor Coleridge wrote:

> If men could learn from history, what lessons it might teach us. But passion and party blind our eyes, and the light which experience gives is a lantern on the stern, which shines only on the waves behind us.

As we sail forward into the next century, let us do so with the history of unfunded tax cuts and deficit spending as a spotlight shining on the shoals ahead and not a lantern on the stern.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong opposition to the Republican tax cut plan.

It is grossly irresponsible that the Republicans have paid for their tax cut, not with actual funds, but with a projected budget surplus that may never be realized.

According to the Congressional Budget Office, a recession within the next few years could wipe out every penny of the predicted surplus, forcing us once again into deficit spending.

And even more irresponsible is the fact that 98 percent of the projected budget surplus through 2008 comes from the Social Security trust fund—money that should be reserved for our seniors and future retirees.

Mr. Speaker, I agree that American families deserve a tax break. However, no tax cut is worth jeopardizing the future solvency of Social Security.

The Democratic Substitute saves Social Security first and then gives hard working American families a much needed tax cut.

I urge my colleagues to reject the Republcians' irresponsible plan and vote in favor of the Democratic substitute.

Mr. BLUMENAUER. Mr. Speaker, just weeks before the election, the Republican leadership has proposed an $80 billion bundle of tax breaks, and has asked the American people to pay for these breaks by dipping into future Social Security surpluses.

I have worked my entire professional life to improve the fairness of the tax system—first in Oregon and now as a member of the U.S. House of Representatives. Unfortunately, the proposal before us today represents a scattershot collection of inefficient and poorly written tax breaks. For example, the so-called "marriage penalty reduction" gives further tax benefits to those married couples who currently pay less in taxes than they would as single taxpayers anyway. Yet other couples, who have lower incomes and do face a significant "marriage penalty" will get no relief at all. In total, this bill gives the top 2 percent of all taxpayers an average tax cut $1,709 a year. The 160 million taxpayers who represent the working poor to the upper-middle income (about 60 percent of taxpayers) will only receive, on average, a $34 cut. This is unacceptable.

To make matters worse, rather than paying for the cuts as required under our budget law, the Republicans scheme targets the Social Security surplus. We know the baby-boomers' retirement is a serious threat to the federal budget and economy in the near future. We also know that we cannot assume our budget surpluses are going to last. If a recession occurs, our budget deficits would compound Social Security's long-term financing problems, putting in jeopardy our ability to provide for the millions of Americans who are counting on Social Security to be there when they retire.

Perhaps we should not be surprised with the content and timing of this scheme. After all, this proposal is being put forth by the same people who vowed to scrap the entire tax code because it was too complex—only to add 285 entirely new sections of tax code through the passage of their 1997 Act. And, is it just coincidence we are considering this package five weeks before the November elections? Rather than continue to play these political games, it is time Congress made serious efforts to protect our Social Security system and make the tax system more fair, rather than just more complex.

Mr. BARRETT of Nebraska. Mr. Speaker, building upon the success of last year's tax bill, we bring additional tax relief to farmers and ranchers.

In addition to benefitting from general provisions increasing estate tax credits, the self-employed health insurance deduction, expensing, and limiting the marriage penalty, this bill targets needed tax relief for millions of farmers and their families.

Specifically, the bill permanently extends 3-year income averaging—a popular accounting tool that is needed in today's volatile markets.

The bill also extends net operating loss carryback provisions from 2 years to 5 years, regardless of whether the producer resides in a Presidentially declared disaster area.

And, finally, the bill clarifies that advanced contract payments will not be taxable until they are received. This should help producers requesting supplemental payments this year but do not receive them until next year.

I'm pleased to add my support to this modest, yet important tax relief measure for America's farmers and ranchers.

Mr. KOLBE. Mr. Speaker, today, I am pleased to support another piece of legislation which will let our constituents, especially our middle class constituents, keep more of their hard earned paychecks and savings. The money we take as taxes belongs to those who earn it, not to Congress. It is our duty to make sure that we take only that money absolutely necessary to carry out legitimate Federal Government activities. Our citizens know better how to spend their funds than Washington bureaucrats.

This bill doesn't complete the job. It is just another down payment—another bit of a piecemeal approach, but in my view, allowing those who earn the money to keep it is worthwhile whether it be piecemeal or a part of a comprehensive plan to reform the tax code which I hope we see on this floor in the near future.

My Democrat colleagues are very disingenuous when they say we're raiding the Social Security trust fund to pay for these tax cuts. For 40 years, they raided the trust fund to pay for new spending on programs that brought power and taxes to Washington. Now that Republicans have cut spending, given tax relief, built a booming economy and accumulated our first surplus in decades while still setting aside funds to shore up that trust fund, we hear them cry that we can't have tax cuts. Since when is putting 90 percent of the surplus to save Social Security and giving 10 percent of it back to the people who pay taxes a raid on Social Security?

Mr. Speaker, I am pleased to support marriage penalty relief for 24 million couples. I am pleased to let 68 million savers keep the first $200 in interest on their savings accounts. I am pleased to let 3.3 million self employed individuals deduct their health insurance premiums just like big corporations. These steps are not nearly enough, but they are steps in the right direction. They are steps away from bigger government and more spending. I urge my colleagues to join me in supporting the Taxpayer Relief Act of 1998.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 4578, the Save Social Security Act, and I urge my colleagues to support this worthy legislation.

The intent of this legislation is to establish a new account in which surplus moneys from the Social Security trust fund will be deposited. In doing so, this will start to address the long-term solvency of the Social Security Program.

This bill designates $1.4 trillion of the surplus to shoring up Social Security. This amounts to 90 percent of the projected surplus. The remaining 10 percent will be used for providing tax relief for middle-class Americans. The $1.4 trillion being set aside for Social Security is more than sufficient to both repay borrowed trust fund surpluses from previous years, as well as meet the demands that will be placed on the system in the coming decade.

While Social Security has been an unparalleled success over the past 60 years, its future is being driven by negative demographic trends. The Baby Boomer generation is nearing retirement and subsequent generations are not large enough to subsidize the boomers' projected demands on the Social Security system.

Current projections show that the Social Security system will start paying out more in benefits than it receives in contributions by the year 2013. This incoming/outgoing ratio will gradually worsen until the program reaches insolvency in 2032.

The problems facing Social Security are not immediate. However, the longer we wait to make reforms, the more painful those reforms will be.

It is important to address this subject while our window of opportunity remains open. Furthermore, Congress needs to do this in a manner that is above politics. The subject of Social Security reform is far too important to be influenced by partisan politics.

Accordingly, Mr. Speaker, Social Security has played a vital role in our Nation's success and prosperity this century. I urge my colleagues to support this worthy legislation to ensure that it continues to do so long into the future.

Mr. DAVIS of Florida. Mr. Speaker, I rise today in opposition to H.R. 4579, this year's Taxpayer Relief Act and in support of the Democratic alternative which includes all of the tax cuts in the Republican bill but which commits Congress to saving Social Security first.

Today's debate is not about whether we support tax cuts. Most of the provisions in this bill are supported by a broad bi-partisan majority of this House. Rather, today we are debating whether this House is going to abandon the fiscal discipline which has been instrumental in balancing the budget and whether we are going to commit to reserving the projected surpluses until we have addressed the long-term solvency of Social Security.

The rule adopted yesterday flies in the face of fiscal discipline by waiving the pay-as-you-go budget rule for this tax bill. PAYGO forces Congress to identify specific offsets for new spending or tax cut initiatives. PAYGO was adopted precisely because of the tremendous temptations that exist here in Washington to dole out election-year spending or tax cuts. We need only to look back to the days before PAYGO to see what happens when these temptations go unchecked—deficit spending and a massive Federal debt.

Finally, this year, for the first time in 30 years, we have eliminated the budget deficit and have the first surplus in three decades. Now, before the ink is even dry, the Republicans are abandoning budget discipline and proposing tax cuts, just weeks before an election, paid for only with the projected budget surpluses which may or may not materialize. This is simply irresponsible.

Yes, the tax cuts included in this package are popular and meritorious. I support reducing the marriage penalty in the Tax Code, increasing the deductibility of health insurance for the self-employed, raising the Social Security earnings limit, creating additional "renewal communities," raising the private activity bond cap, and many of the other provisions included in this package. There is, however, a right way and a wrong way to provide additional tax relief.

Last year, as part of the bipartisan balanced budget agreement, we enacted tax cuts the right way. When we passed $149 billion of tax cuts in the Taxpayer Relief Act of 1997, which I voted for, we identified specific offsets including a combination of spending cuts and revenue raisers allowing us to provide responsible tax relief.

This year, the Republicans have proposed tax cuts the wrong way. This $80 billion tax cut bill is not paid for and requires a special waiver from budget rules just to be brought up on the floor of the House. There are no offsets, no identified cuts, and instead Republicans propose using the projected surpluses which are comprised entirely of surpluses in the Social Security trust fund. On the other hand, the Democratic alternative, which I support, will enact each and every one of the tax cuts in this bill but will postpone enactment until after Congress has addressed the long-term solvency of Social Security.

Today, Congress should be reaffirming its commitment to fiscal discipline. Unfortunately, this bill sends a signal to the world markets that Congress is perfectly willing to waive budget process rules and revert back to the days of fiscal irresponsibility. I urge all of my colleagues to vote against this unwise bill which undermines the budget process and sets a terrible precedent for the future.

Mr. DAVIS of Florida. Mr. Speaker, I rise today in strong opposition to this rule which not only allows Congress to drain the first budget surplus in thirty years, but also, and perhaps more importantly, abandons the fiscal discipline which has been critical in achieving a balanced budget. This rule allows for the consideration of two bills addressing Social Security and tax cuts. While I will speak at greater length about the shortcomings of these two proposals, I want to focus my comments today on the procedure which I believe sets a dangerous precedent for this House.

This rule flies in the face of the fiscal discipline which has been instrumental in bringing our budget into balance. The project surpluses in the unified budget, which exist solely because of the surpluses in the Social Security trust fund, are primarily the result of budget rules and budget discipline which has forced Congress to make tough decisions.

We all know the temptations that exist to spend money up here in Washington. This year's massive transportation bill is a testament to the powers of the purse. I opposed the House version of that bill precisely because it did not identify adequate offsets for the new spending and threatened to drain a portion of the projected surplus.

We also know how tempting it is to dole out tax cuts, particularly just two months before an election. While I support many of the tax cuts included in the bill brought up under this rule, as with the transportation bill, I will not support it until offsets are identified.

To curb these temptations which, when left unchecked, led to massive deficits and a national debt of over $5 trillion, Congress enacted tough budget rules. Among these rules is the so-called Pay-As-You-Go rule or PAYGO which forces us to identify offsets for each new spending or tax cut proposal. The rule before us today waives this requirement and allows Congress to cut taxes using as an offset the projected surpluses which may or may not materialize.

Given the growing uncertainties of the global economy, now is not the time to abandon fiscal responsibility. Instead, we should be building up the budget surpluses, retiring a portion of the massive federal debt, addressing the long-term solvency of Social Security, and conforming to the budget rules which were renewed just last year as part of the Balanced Budget Act.

Today, Congress should be reaffirming its commitment to fiscal discipline. Unfortunately, this rule sends a signal to the world markets that Congress is perfectly willing to waive budget process rules and revert back to the days of fiscal irresponsibility. I urge all of my colleagues to vote against this unwise rule which undermines the budget process and sets a terrible precedent for the future.

Mr. VISCLOSKY. Mr. Speaker, I rise today to give my support to protecting 100 percent of the Social Security Trust Fund and not using any of the projected surplus for tax cuts at this time. For over sixty years, Social Security has stood as one of our Nation's greatest success stories, providing all Americans with a basic level of retirement security.

Social Security is a contract between the citizens of the U.S. and their government. The people in this country are entitled to know that in retirement they will have security, live in dignity, and be provided with health care. Today, two-thirds of retirees in this nation depend upon Social Security to provide over half of their annual income. Our constituents should know that we, as the leaders of this country, are looking out for not only their future, but the future of their children. A vital requirement for protecting that future is saving Social Security first. Our constituents should be able to trust that their contributions to the Social Security Trust Fund are being used as intended.

I am opposed to cutting Social Security in order to provide tax cuts to those with higher incomes. As lawmakers, we owe it to the country to provide for the long-term fiscal health of Social Security and other Federal retirement programs, and to ensure that these programs are available to future generations of Americans without increasing the payroll tax.

Some have suggested we should enact a series of major tax cuts in anticipation of the projected budget surplus. What these individuals neglect to point out is that almost all of the money to pay for their tax cuts would be drawn out of the Social Security Trust Fund and other Federal trust funds—trust funds that should be preserved for their intended uses. The best tax cut we can give to the American family is a truly balanced Federal budget. A balanced budget will lead to lower interest rates and strong economic growth. I am firmly committed to a balanced budget—a budget that protects Social Security for future generations.

In closing, let me say that the question of how to approach any budget surplus is one of the most important issues facing this country. I believe we should resist calls to spend the projected surplus and consider our options very carefully. Balancing the Federal budget and keeping it balanced should continue to be one of this country's top priorities, and you can be assured that I remain absolutely committed to accomplishing these goals. We owe it to our constituents, our children, and ourselves to save Social Security.

Mr. POSHARD. Mr. Speaker, I rise in opposition to H.R. 4579 today, despite the fact that it contains many provisions I have long supported. During our pursuit of a balanced budget I have advocated for accomplishing that goal, and then proceeding to consider possible tax cuts. I did vote for the Balanced Budget Act (BBA) of 1997, which included tax cuts, because it became obvious that if tax cuts were not a part of that package we would have remained gridlocked. Now that we have leveled the books for this fiscal year, with a surplus that is yet to be determined, it is not the time to abandon the fiscal responsibility that got us to this point. I am for accelerating the estate tax relief in the BBA and other provisions to help our farmers. I am for the 100% deductibility of health insurance costs for the self-employed. I am for incentives for community renewal in our urban areas, and for addressing the infrastructure needs of our schools. I will vote for them as part of the Rangel substitute, which I have cosponsored. But I will not vote for endangering the Social Security system. H.R. 4579 is not a credible way to ensure that the money the citizens of this country are putting away for tomorrow is there when they need it. We see the letters in our offices everyday from our seniors and the family members that help care for them—protect social security. It is a principle worth defending.

Last year we stood at a critical point in this institution's history. We came together in a bipartisan way to enact legislation that advanced goals that were dear to both sides. And overall, it has been a successful effort. We are at a similar point today. Let us be careful as to how we proceed. The Rangel substitute offers tax breaks and a solvent Social Security program. These area goals on which we should all agree. I urge my colleagues to support this legislation, and oppose H.R. 4579.

Mr. CRANE. Mr. Speaker, I rise in support of the Taxpayer Relief Act of 1998.

I am particularly proud of the fact that this tax cut measure is the first in our new era of surpluses in the federal budget. I have advocated that we in Congress use the budget surplus for debt reduction and tax relief, but not for more spending. The Taxpayer Relief Act of 1998 and the accompanying Save Social Security Act do just that. While protecting the budget surplus from Washington's big spenders, we are using 10 percent of the surplus for valuable tax cuts now while reserving 90 percent to committing to the protection of Social Security for the future.

While I would have preferred more tax relief for Americans, this modest bill packs a great deal of punch. For example, the bill centers on a proposal which begins our attack on the marriage tax penalty by increasing the standard deduction for married couples. America's seniors will also see benefits as this bill raises the Social Security earnings limit. Our military personnel will benefit from a provision which makes it easier for them to sell their home when they are forced to move in the course of their service to our country.

This tax bill includes several proposals that I have advocated for years and that small businesses have been yearning for—including the ability for the self-employed to deduct 100 percent of their health insurance. The estate or death tax relief from last year's tax cut bill will be accelerated so that family-owned businesses can take advantage of this relief starting next year.

The Taxpayer Relief Act begins the process of simplifying the tax code. By providing the marriage penalty relief, an exclusion from taxes on small amounts of interest and dividend income and by adjusting the alternative minimum tax rules, millions of Americans will have a much easier time filing their taxes.

As Chairman of the Ways and Means Trade Subcommittee, I want to make particular mention of the extension of the Generalized System of Preferences or GSP made possible in this bill. GSP is a valuable program that assists developing countries with trade rather than foreign aid—a concept I heartily endorse.

In contrast to the Republican plan of utilizing the budget surplus for debt reduction, tax relief and preserving Social Security, the Democrats want to spend the budget surplus now and postpone tax cuts for an indefinite time. The Democrat plan would prevent tax relief to married couples, small businesses and America's seniors. Their cries as protectors of the Social Security trust funds should ring hollow in light of their decades of fiscal irresponsibility when they controlled the House as the majority. I urge my colleagues to reject the Democrat plan.

I commend Chairman ARCHER on his efforts in crafting this bill, look forward to providing more tax relief to Americans next year and urge my colleagues to support H.R. 4579.

Mr. PACKARD. Mr. Speaker, I rise today in support of H.R. 4579, The Taxpayer Relief Act of 1998. This legislation will allow American families to keep more of their hardearned money.

The Taxpayer Relief Act, or the "90–10 Plan," will return 10 percent of the anticipated budget surplus, which is currently projected at $1.5 trillion over the next five years, to the hardworking families of America, while automatically designating the remaining 90% to protect and strengthen Social Security. American taxpayers are already grossly overtaxed, Washington does not need more of their hard-earned money.

The Taxpayer Relief Act is aimed at benefiting everyone who earns a paycheck. This legislation will provide relief from the marriage penalty tax, reduces taxes on savings, simplifies tax forms and eliminates penalties for military personnel whose call of duty often requires them to sell their homes and relocate.

Mr. Speaker, the budget surplus belongs to the American taxpayer, not to Washington bureaucrats. Families have a right to keep their money, and H.R. 4579 will allow them to do just that. If we can't give Americans a tax break when we are running a $1.5 trillion surplus, then when can we? The time to cut taxes and save Social Security is now. I urge my colleagues to support H.R. 4579.

Mr. COSTELLO. Mr. Speaker, I rise today in strong opposition to HR 4579, the "Taxpayer Relief Act".

The tax cut bill approved by the House Ways and Means Committee violates budget rules that bar the use of the expected budget surplus to fund tax cuts. It is irresponsible fiscal policy by the Republican leadership to propose using 10 percent of the Social Security Trust Fund for tax cuts.

Mr. Speaker, it is unconscionable to provide a tax cut from the proposed surplus of which 98 percent is generated by payroll taxes from Social Security. A surplus that would not even be there without the Social Security Trust Fund! In fact, if it wasn't for Social Security, the federal budget would have an estimated deficit of $137 billion over the next 5 years.

I have cosponsored and I support legislation to eliminate the marriage tax penalty, provide 100 percent deductibility for self-employed insurance, and provide education and child care tax credits. However, this legislation is not the way to cut taxes. I want cuts to be made in a fair and equitable manner that will not adversely affect the Social Security Trust Fund.

I urge my colleagues to vote against this legislation and instead support the Democratic Substitute which includes all of the tax cuts contained in the Republican bill without using the Social Security surplus.

Mr. KNOLLENBERG. Mr. Speaker, with the federal government projected to run a budget surplus that exceeds $1.6 trillion over the next 10 years, Congress has an historic opportunity to save Social Security and provide some much-needed tax relief.

I urge my colleagues to support Chairman ARCHER's 90–10 proposal. Yesterday, we passed the Save Social Security Act which sets aside 90 percent of the budget surplus to save Social Security. Today, we will return the additional 10% to hardworking taxpayers. We can do both.

They are not mutually exclusive.

With the average family still paying more in taxes than it spends on housing, food, and clothing combined, we have an obligation to cut taxes for working American families.

The centerpiece of Chairman ARCHER's tax cut mirrors a provision I introduced last year that would increase the standard deduction for married couples so that it equals twice the amount of the standard deduction provided to single taxpayers.

Mr. Speaker, the federal government should honor the institution of marriage, not penalize it by imposing higher taxes on married couples. This is a major step forward in the effort to eliminate the marriage penalty from the tax code.

Chairman ARCHER's bill also includes tax relief for seniors and self-employed workers. And it accelerates the estate tax relief we passed last year.

Mr. Speaker, the same Republican Congress that balanced the budget, reformed welfare, saved Medicare, and provided the first tax cut since 1981 is going to save Social Security and provide the American people with the additional tax relief they deserve.

I urge my colleagues to stand up for overtaxed Americans and reject the misleading rhetoric emanating from those who want to increase the size and power of the federal government.

Vote no on the Rangel substitute. Vote yes for the base bill.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to this Republican raid on Social Security.

Millions of American families in my district and across the country depend on Social Security for their economic survival in their retirement years. Without Social Security, the majority of our older citizens would fall into poverty. This bill would imperil the Social Security Trust Fund, and I urge my colleagues to vote against it.

Let me state clearly that I support tax relief. The burden of taxation on America's families and our country's businesses needs to be reduced substantially. The very first bill I introduced as a Member of this House provides relief from the inheritance tax for family farmers and small businesses, and I am tremendously proud that last year's bipartisan balanced budget included similar provisions. I also strongly support the bill's tax relief for America's families who are struggling to pay for college education, which holds the key to the American dream. I have introduced legislation to provide tax credits to help local communities afford to build new schools to relieve overcrowding, reduce class sizes and improve education. And I support many of the specific tax cuts contained in this bill.

But fiscal responsibility demands that we pay for any revenue losses, and this bill utterly fails to meet that standard. For thirty years, Washington politicians irresponsibly mortgaged our nation's future by running up a $5.5 trillion debt. I sought this office to help put our fiscal house in order and restore the promise of the future for working American families. Last year, this Congress finally stood up for America' values by balancing the budget for the first time in a generation. This bill violates those values and puts Social Security at risk to finance an election-eve tax cut.

I urge my colleagues to exert the courage to oppose this political gimmick that threatens Social Security, our senior citizens and America's future prosperity.

Mr. RAMSTAD. Mr. Speaker, yesterday we took steps to bank 90 percent of the budget surplus to save Social Security. Today we will give back a small portion to help people who gave us the surplus in the first place—American taxpayers.

The marriage penalty tax relief will help 24 million American couples—875,000 people in my home state of Minnesota alone. Seniors will be able to earn more before the government confiscates their social security payments. Countless farmers and small busienss entrepreneurs need our help with estate taxes, health insurance costs and expensing. Farmers need the added relief of permanent income averaging, an expanded Net Operating Loss carryback period and market transition payment help.

And aside from the tax relief in real dollar terms, we provide needed tax simplification. Fewer Americans will have to itemize because of the doubled standard deduction for married taxpayers. Millions of other Americans will be able to fill out a simple EZ form because of the small interest and dividend exemption—a provision that will help 1.4 million Minnesotans keep more of their savings. And many more Amercians will be spared from paying death taxes and making the excruciating calculations required by the Alternative Minimum Tax.

This bill also provides critical assistance for school districts and state and local governments through the school construction bond provisions and the increase in the private activity bonding cap. The community renewal provisions will provide hope to desperately hurting communities.

We also extend expiring provisions crucial for American competitiveness, for charitable giving, and for moving Americans off welfare and into the workforce.

Mr. Speaker, the government is taking more taxes from Americans today than at any time in U.S. history. Families know better what to do with their own money than the federal government. It's time to let the taxpayers who need it most to keep more of what they earn.

Mr. STEARNS. Mr. Speaker, in the "90–10 tax cut" Mr. ARCHER uses 10% of the projected surplus to provide relief to farmers, married couples, seniors, small businesses, savings account-holders, and students, while preserving 90% of the surplus of Social Security. Ideally, I would favor funding Mr. ARCHERS's tax cuts by eliminating wasteful programs in the budget. They are money programs we could eliminate to reduce spending, such as: $3,500,000 for facilities at Delaware Water Gap National Recreation Area, $3,000,000 for the International Fertilizer Development Center (IFDC), and $250,000 for production of ammunition guides by the ATF.

However, the 90/10 plan achieves and important goal—this bill eliminates oppressive tax code sections while preventing wasteful surplus spending.

The surplus belongs to the taxpayers, not Washington. This money should be returned to Americans as Social Security funds and tax cuts.

Twenty-one million Americans are slapped with an average of $1,400 in higher taxes every year because of the marriage penalty. H.R. 4579 amends the tax code to make the schedule of standard deductions allowed for single and married taxpayers more equitable—and effectively ends the "marriage penalty."

The bill supports community renewal by authorizing 20 tax incentives for communities. Tax incentives such as the Work Opportunity Tax Credit and the R&E Tax Credit would be extended. Military personnel would receive tax relief—it would be easier for them to qualify for the exclusion of gain on the sale of a home under the bill. Education and infrastructure would be improved with greater participation in privately pre-paid tuition plans, relaxing the arbitrage rebate, and increasing private activity bonds caps.

Mr. Speaker, with all of these benefits going to deserving, hard-working Americans, I support H.R. 4579. Americans want and deserve a break—let's give it to them.

Mr. KLECZKA. Mr. Speaker, I rise in opposition to this irresponsible election year tax bill. An $80 billion tax cut that is not paid for with spending reductions and coming just 40 days before the election is a very transparent election year gimmick.

While I certainly do not object to prudent reductions in taxes, I am opposed to tax cuts that are paid for with the projected budget surplus. In 1991, Congress and the Administration came together in a bipartisan manner to enact a set of tough, but fair, rules in order to bring the government's finances in order. Simply put, these rules require that any reduction in taxes must be paid for by an equal reduction in spending or increase in taxes. In an overwhelmingly bipartisan vote in last year's balanced budget legislation, Congress re-affirmed those rules. I supported the rules then, and I support them now.

The bill before us today completely ignores those rules. Instead of making the tough choices by cutting wasteful spending or closing inappropriate loopholes in the tax code to pay for the tax cut, the Republican leadership has brought before us a bill that would recklessly spend a portion of the projected budget surplus on tax cuts.

But first let me remind my colleagues that the surplus does not yet exist. The surplus is simply a result of complex economic assumptions that could change without notice. According to the Congressional Budget Office, a recession similar to the one our nation endured in 1990 and 1991 would wipe out the projected surplus for years to come. A recession, combined with tax cuts that were not paid for, could very easily return our nation to a period of crippling deficits just when our government finances have been brought into order.

Moreover, the projected budget surplus is almost completely a result of the surplus in Social Security. If the surplus in Social Security was excluded from the federal budget, our government would still have a deficit of $40 billion this year and would not have a period of prolonged surpluses until 2005. This fact was recently pointed out by the non-partisan budget watchdog group, the Concord Coalition, when they said, "Without dipping into funds earmarked for Social Security, there is no budget surplus to spend." By spending 10 percent of the projected surplus on tax cuts, this legislation increases the amount of revenue we will need to ensure the solvency of Social Security.

Before we rush to fritter away the projected surplus, it should be our top priority to ensure the long-term financial health of our nation's Social Security program. The alternative, which I support, would provide the very same tax cuts in the Republican bill. However, there is an important distinction in the alternative—the tax cuts would not go into effect until a long-term solution to Social Security is enacted.

That is a reasonable solution. It is my hope that Congress and the Administration will act in a bipartisan manner early next year to ensure that Social Security is able to honor its obligations for future generations. If we can do that, Americans will have the best of both worlds—a secure financial future and tax cuts.

Mr. Speaker, to enact a tax cut bill that is paid for with the projected surplus is a reckless and desperate election year gimmick by the Republican leadership. Our senior citizens know the value of Social Security—they have been through the Great Depression and they know the importance of saving for the future. The American public will see through this thinly-veiled election year sham. Let's save Social Security first!

Mr. GILMAN. Mr. Speaker, I rise today in support of H.R. 4579, the Taxpayer Relief Act of 1998.

On April 28, 1998, the President said "Above all, let me say again, we must save every penny of any budget surplus of any size until we have strengthened Social Security * * * I will resist any proposals that would squander the budget surplus, whether on new spending programs or new tax cuts, until Social Security is strengthened for the long-term. Once more I will insist that we save Social Security first."

Yet, the President has failed to tell the American people that he has already agreed to spend the surplus on Bosnia, and has numerous new spending programs in his budget that are unpaid. In addition, the surplus at the time of his remarks was expected to run at about $600 billion, instead of the now $1.6 trillion surplus.

I agree with those who have called on the Congress to save Social Security and that is precisely why I supported H.R. 4578, a bill setting aside $1.4 trillion of the surplus, or more than twice the amount the President proposed to save, until Social Security can be saved.

According to the Congressional Budget Office, the deficit has become a surplus because income taxes are up by $600 billion and Government spending is down by $700 billion, thanks to the 1997 balanced budget agreement, and the hard work of working American families.

Isn't it about time that hard working American families get something back for their efforts in helping to attain this current surplus. After all the surplus is a direct result of increasing tax receipts, not from Social Security as some would have us believe.

The Taxpayer Relief Act will amend the Tax Code to make the schedule of standard deductions allowed for single and married taxpayers more equitable, effectively ending the "marriage penalty" inherent in the current tax code; raises the earning limits for seniors who receive Social Security benefits and are between full retirement age and 70 years of age to $39,750 in 2008; makes permanent current law provisions which allow farmers to combine their annual taxable income for three years, taking the average of that sum to compute their tax liability for a current tax year; reduces the "death tax"; and important tax reductions aimed at the lower and middle class.

The choice is simple. Allow the President and Congress to continue to spend the money of hard working Americans or give back the money that they have earned.

If Congress and the President are unable to support allowing American families to keep the money they have earned now, during a $1.6 trillion surplus, then when can families expect Washington to do the right thing.

Accordingly, I urge all of my colleagues to vote for the Taxpayer Relief Act of 1998.

The SPEAKER pro tempore. All time for general debate has expired.

AMENDMENT NO. 1 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer Amendment No. 1 in the nature of a substitute, made in order under the rule.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 1 in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Taxpayer Relief Act of 1998".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.
Sec. 104. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 105. Special rule for members of uniformed services and Foreign Service in determining exclusion of gain from sale of principal residence.
Sec. 106. $1,000,000 exemption from estate and gift taxes.

Subtitle B—Provisions Relating to Education

Sec. 111. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 112. Modification of arbitrage rebate rules applicable to public school construction bonds.

Subtitle C—Provisions Relating to Social Security

Sec. 121. Increases in the social security earnings limit for individuals who have attained retirement age.
Sec. 122. Recomputation of benefits after normal retirement age.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

Sec. 201. Increase in expense treatment for small businesses.

Subtitle B—Provisions Relating to Farmers

Sec. 211. Income averaging for farmers made permanent.
Sec. 212. 5-year net operating loss carryback for farming losses.
Sec. 213. Production flexibility contract payments.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

Sec. 221. Increase in volume cap on private activity bonds.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

Sec. 301. Research credit.
Sec. 302. Work opportunity credit.
Sec. 303. Welfare-to-work credit.
Sec. 304. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.
Sec. 305. Subpart F exemption for active financing income.

Subtitle B—Generalized System of Preferences

Sec. 311. Extension of Generalized System of Preferences.

TITLE IV—REVENUE OFFSET

Sec. 401. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE V—TECHNICAL CORRECTIONS

Sec. 501. Definitions; coordination with other titles.
Sec. 502. Amendments related to Internal Revenue Service Restructuring and Reform Act of 1998.
Sec. 503. Amendments related to Taxpayer Relief Act of 1997.
Sec. 504. Amendments related to Tax Reform Act of 1984.
Sec. 505. Other amendments.

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

Sec. 601. Short title.
Sec. 602. Designation of and tax incentives for renewal communities.
Sec. 603. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 604. Extension of work opportunity tax credit for renewal communities
Sec. 605. Conforming and clerical amendments.
Sec. 606. Evaluation and reporting requirements.

TITLE VII—TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY

Sec. 701. Tax reductions contingent on saving social security.

TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS AND FAMILIES

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) EXCLUSION NOT TO APPLY TO CAPITAL GAIN DIVIDENDS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(3) DIVIDENDS FROM EMPLOYEE STOCK OWNERSHIP PLANS.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) CONFORMING AMENDMENTS.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting "116," before "137".

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) COORDINATION WITH SECTION 116.—This section shall be applied before section 116."

(2) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(5) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(6) Section 857(c) is amended to read as follows:

"(c) RESTRICTIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) TREATMENT FOR SECTION 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) TREATMENT FOR SECTION 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 is amended to read as follows:

"(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.".

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

SEC. 104. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 105. SPECIAL RULE FOR MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE IN DETERMINING EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

"(9) MEMBERS OF UNIFORMED SERVICES AND FOREIGN SERVICE.—

"(A) IN GENERAL.—The running of the 5-year period described in subsection (a) shall be suspended with respect to an individual during any time that such individual or such individual's spouse is serving on qualified official extended duty as a member of the uniformed services or of the Foreign Service.

"(B) QUALIFIED OFFICIAL EXTENDED DUTY.—For purposes of this paragraph—

"(i) IN GENERAL.—The term 'qualified official extended duty' means any period of extended duty as a member of the uniformed services or a member of the Foreign Service during which the member serves at a duty station which is at least 50 miles from such property or is under Government orders to reside in Government quarters.

"(ii) UNIFORMED SERVICES.—The term 'uniformed services' has the meaning given such term by section 101(a)(5) of title 10, United States Code, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iii) FOREIGN SERVICE OF THE UNITED STATES.—The term 'member of the Foreign Service' has the meaning given the term 'member of the Service' by paragraph (1), (2), (3), (4), or (5) of section 103 of the Foreign Service Act of 1980, as in effect on the date of the enactment of the Taxpayer Relief Act of 1998.

"(iv) EXTENDED DUTY.—The term 'extended duty' means any period of active duty pursuant to a call or order to such duty for a period in excess of 90 days or for an indefinite period.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

SEC. 106. $1,000,000 EXEMPTION FROM ESTATE AND GIFT TAXES.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended to read as follows:

"(c) APPLICABLE CREDIT AMOUNT.—

"(1) IN GENERAL.—For purposes of this section, the applicable credit amount is $345,800.

"(2) APPLICABLE EXCLUSION AMOUNT.—For purposes of the provisions of this title which refer to this subsection, the applicable exclusion amount is $1,000,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 1998.

Subtitle B—Provisions Relating to Education

SEC. 111. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) IN GENERAL.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) TECHNICAL AMENDMENTS.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "STATE".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 112. MODIFICATION OF ARBITRAGE REBATE RULES APPLICABLE TO PUBLIC SCHOOL CONSTRUCTION BONDS.

(a) IN GENERAL.—Subparagraph (C) of section 148(f)(4) is amended by adding at the end the following new clause:

"(xviii) 4-YEAR SPENDING REQUIREMENT FOR PUBLIC SCHOOL CONSTRUCTION ISSUE.—

"(I) IN GENERAL.—In the case of a public school construction issue, the spending requirements of clause (ii) shall be treated as met if at least 10 percent of the available construction proceeds of the construction issue are spent for the governmental purposes of the issue within the 1-year period beginning on the date the bonds are issued, 30 percent of such proceeds are spent for such purposes within the 2-year period beginning on such date, 50 percent of such proceeds are spent for such purposes within the 3-year period beginning on such date, and 100 percent of such proceeds are spent for such purposes within the 4-year period beginning on such date.

"(II) PUBLIC SCHOOL CONSTRUCTION ISSUE.—For purposes of this clause, the term 'public school construction issue' means any construction issue if no bond which is part of such issue is a private activity bond and all of the available construction proceeds of such issue are to be used for the construction (as defined in clause (iv)) of public school facilities to provide education or training below the postsecondary level or for the acquisition of land that is functionally related and subordinate to such facilities.

"(III) OTHER RULES TO APPLY.—Rules similar to the rules of the preceding provisions of this subparagraph which apply to clause (ii) also apply to this clause."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to obligations issued after December 31, 1998.

Subtitle C—Provisions Relating to Social Security

SEC. 121. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

"(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

"(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

"(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

"(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

"(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

"(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

"(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

"(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

"(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

"(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.".

(b) CONFORMING AMENDMENTS.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking "after 2001 and before 2003" and inserting "after 2007 and before 2009"; and

(B) in subclause (II), by striking "2000" and inserting "2006".

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting "and section 121 of the Taxpayer Relief Act of 1998" after "1996".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

SEC. 122. RECOMPUTATION OF BENEFITS AFTER NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Section 215(f)(2)(D)(i) of the Social Security Act (42 U.S.C. 415(f)(2)(D)(i)) is amended to read as follows:

"(i) in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—

"(I) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained retirement age (as defined in section 216(l)) as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(II) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(b) CONFORMING AMENDMENTS.—

(1) Section 215(f)(7) of such Act (42 U.S.C. 415(f)(7)) is amended by inserting ", and as amended by section 122(b)(2) of the Taxpayer Relief Act of 1998," after "This subsection as in effect in December 1978".

(2) Subparagraph (A) of section 215(f)(2) of the Social Security Act as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978 is amended—

(A) by striking "in the case of an individual who did not die" and all that follows and inserting "in the case of an individual who did not die in the year with respect to which the recomputation is made, for monthly benefits beginning with benefits for January of—"; and

(B) by adding at the end the following:

"(i) the second year following the year with respect to which the recomputation is made, in any such case in which the individual is entitled to old-age insurance benefits, the individual has attained age 65 as of the end of the year preceding the year with respect to which the recomputation is made, and the year with respect to which the recomputation is made would not be substituted in recomputation under this subsection for a benefit computation year in which no wages or self-employment income have been credited previously to such individual, or

"(ii) the first year following the year with respect to which the recomputation is made, in any other such case; or".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to recomputations of primary insurance amounts based on wages paid and self employment income derived after 1997 and with respect to benefits payable after December 31, 1998.

TITLE II—PROVISIONS PRIMARILY AFFECTING FARMING AND OTHER BUSINESSES

Subtitle A—Increase in Expense Treatment for Small Businesses

SEC. 201. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

Subtitle B—Provisions Relating to Farmers

SEC. 211. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking ", and before January 1, 2001".

SEC. 212. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

"(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'farming loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) COORDINATION WITH SUBSECTION (B)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year."

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

"Such term shall not include any farming loss (as defined in subsection (i))."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 213. PRODUCTION FLEXIBILITY CONTRACT PAYMENTS.

The option under section 112(d)(3) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212(d)(3)) shall be disregarded in determining the taxable year for which the payment for fiscal year 1999 under a production flexibility contract under subtitle B of title I of such Act is properly includible in gross income for purposes of the Internal Revenue Code of 1986.

Subtitle C—Increase in Volume Cap on Private Activity Bonds

SEC. 221. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) In General.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) In general.—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to $75 multiplied by the State population, or

"(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) Conforming Amendment.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) Effective Date.—The amendments made by this section shall apply to calendar years after 1998.

TITLE III—EXTENSION AND MODIFICATION OF CERTAIN EXPIRING PROVISIONS

Subtitle A—Tax Provisions

SEC. 301. RESEARCH CREDIT.

(a) Temporary Extension.—

(1) In general.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "December 31, 1999",

(B) by striking "24-month" and inserting "42-month", and

(C) by striking "24 months" and inserting "42 months".

(2) Technical amendment.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(3) Effective date.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) Increase in Percentages Under Alternative Incremental Credit.—

(1) In general.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) Effective date.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 302. WORK OPPORTUNITY CREDIT.

(a) Temporary Extension.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(b) Effective Date.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 303. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "December 31, 1999".

SEC. 304. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) Special Rule for Contributions of Stock Made Permanent.—

(1) In general.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) Effective date.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) Expanded Public Inspection of Private Foundations' Annual Returns, Etc.—

(1) In general.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) Public Inspection of Certain Annual Returns and Applications for Exemption.—

"(1) In general.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-year limitation on inspection of returns.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) Exceptions from disclosure requirement.—

"(A) Nondisclosure of contributors, etc.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

"(B) Nondisclosure of certain other information.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) Limitation on providing copies.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) Exempt status application materials.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) Conforming amendments.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) Effective date.—

(A) In general.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) Publication of annual returns.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

SEC. 305. SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) Income Derived From Banking, Financing or Similar Businesses.—Section 954(h) (relating to income derived in the active conduct of banking, financing, or similar businesses) is amended to read as follows:

"(h) Special Rule for Income Derived in the Active Conduct of Banking, Financing, or Similar Businesses.—

"(1) In general.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified banking or financing income of an eligible controlled foreign corporation.

"(2) Eligible controlled foreign corporation.—For purposes of this subsection—

"(A) In general.—The term 'eligible controlled foreign corporation' means a controlled foreign corporation which—

"(i) is predominantly engaged in the active conduct of a banking, financing, or similar business, and

"(ii) conducts substantial activity with respect to such business.

"(B) Predominantly engaged.—A controlled foreign corporation shall be treated as predominantly engaged in the active conduct of a banking, financing, or similar business if—

"(i) more than 70 percent of the gross income of the controlled foreign corporation is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons,

"(ii) it is engaged in the active conduct of a banking business and is an institution licensed to do business as a bank in the United States (or is any other corporation not so licensed which is specified by the Secretary in regulations), or

"(iii) it is engaged in the active conduct of a securities business and is registered as a securities broker or dealer under section 15(a) of the Securities Exchange Act of 1934 or is registered as a Government securities broker or dealer under section 15C(a) of such Act (or is any other corporation not so registered which is specified by the Secretary in regulations).

"(3) QUALIFIED BANKING OR FINANCING INCOME.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified banking or financing income' means income of an eligible controlled foreign corporation which—

"(i) is derived in the active conduct of a banking, financing, or similar business by—

"(I) such eligible controlled foreign corporation, or

"(II) a qualified business unit of such eligible controlled foreign corporation,

"(ii) is derived from 1 or more transactions—

"(I) with customers located in a country other than the United States, and

"(II) substantially all of the activities in connection with which are conducted directly by the corporation or unit in its home country, and

"(iii) is treated as earned by such corporation or unit in its home country for purposes of such country's tax laws.

"(B) LIMITATION ON NONBANKING AND NONSECURITIES BUSINESSES.—No income of an eligible controlled foreign corporation not described in clause (ii) or (iii) of paragraph (2)(B) (or of a qualified business unit of such corporation) shall be treated as qualified banking or financing income unless more than 30 percent of such corporation's or unit's gross income is derived directly from the active and regular conduct of a lending or finance business from transactions with customers which are not related persons and which are located within such corporation's or unit's home country.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENT FOR CROSS BORDER INCOME.—The term 'qualified banking or financing income' shall not include income derived from 1 or more transactions with customers located in a country other than the home country of the eligible controlled foreign corporation or a qualified business unit of such corporation unless such corporation or unit conducts substantial activity with respect to a banking, financing, or similar business in its home country.

"(D) DETERMINATIONS MADE SEPARATELY.—For purposes of this paragraph, the qualified banking or financing income of an eligible controlled foreign corporation and each qualified business unit of such corporation shall be determined separately for such corporation and each such unit by taking into account—

"(i) in the case of the eligible controlled foreign corporation, only items of income, deduction, gain, or loss and activities of such corporation not properly allocable or attributable to any qualified business unit of such corporation, and

"(ii) in the case of a qualified business unit, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(4) LENDING OR FINANCE BUSINESS.—For purposes of this subsection, the term 'lending or finance business' means the business of—

"(A) making loans,

"(B) purchasing or discounting accounts receivable, notes, or installment obligations,

"(C) engaging in leasing (including entering into leases and purchasing, servicing, and disposing of leases and leased assets),

"(D) issuing letters of credit or providing guarantees,

"(E) providing charge and credit card services, or

"(F) rendering services or making facilities available in connection with activities described in subparagraphs (A) through (E) carried on by—

"(i) the corporation (or qualified business unit) rendering services or making facilities available, or

"(ii) another corporation (or qualified business unit of a corporation) which is a member of the same affiliated group (as defined in section 1504, but determined without regard to section 1504(b)(3)).

"(5) OTHER DEFINITIONS.—For purposes of this subsection—

"(A) CUSTOMER.—The term 'customer' means, with respect to any controlled foreign corporation or qualified business unit, any person which has a customer relationship with such corporation or unit and which is acting in its capacity as such.

"(B) HOME COUNTRY.—Except as provided in regulations—

"(i) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to any controlled foreign corporation, the country under the laws of which the corporation was created or organized.

"(ii) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to any qualified business unit, the country in which such unit maintains its principal office.

"(C) LOCATED.—The determination of where a customer is located shall be made under rules prescribed by the Secretary.

"(D) QUALIFIED BUSINESS UNIT.—The term 'qualified business unit' has the meaning given such term by section 989(a).

"(E) RELATED PERSON.—The term 'related person' has the meaning given such term by subsection (d)(3).

"(6) COORDINATION WITH EXCEPTION FOR DEALERS.—Paragraph (1) shall not apply to income described in subsection (c)(2)(C)(ii) of a dealer in securities (within the meaning of section 475) which is an eligible controlled foreign corporation described in paragraph (2)(B)(iii).

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and subsection (c)(2)(C)(ii)—

"(A) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions one of the principal purposes of which is qualifying income or gain for the exclusion under this section, including any transaction or series of transactions a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of such exclusion through the application of this subsection,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of an entity which is not engaged in regular and continuous transactions with customers which are not related persons,

"(C) there shall be disregarded any item of income, gain, loss, or deduction with respect to any transaction or series of transactions utilizing, or doing business with—

"(i) one or more entities in order to satisfy any home country requirement under this subsection, or

"(ii) a special purpose entity or arrangement, including a securitization, financing, or similar entity or arrangement,

if one of the principal purposes of such transaction or series of transactions is qualifying income or gain for the exclusion under this subsection, and

"(D) a related person, an officer, a director, or an employee with respect to any controlled foreign corporation (or qualified business unit) which would otherwise be treated as a customer of such corporation or unit with respect to any transaction shall not be so treated if a principal purpose of such transaction is to satisfy any requirement of this subsection.

"(8) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, subsection (c)(1)(B)(i), subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2).

"(9) APPLICATION.—This subsection, subsection (c)(2)(C)(ii), and the last sentence of subsection (e)(2) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends."

(b) INCOME DERIVED FROM INSURANCE BUSINESS.—

(1) INCOME ATTRIBUTABLE TO ISSUANCE OR REINSURANCE.—

(A) IN GENERAL.—Section 953(a) (defining insurance income) is amended to read as follows:

"(a) INSURANCE INCOME.—

"(1) IN GENERAL.—For purposes of section 952(a)(1), the term 'insurance income' means any income which—

"(A) is attributable to the issuing (or reinsuring) of an insurance or annuity contract, and

"(B) would (subject to the modifications provided by subsection (b)) be taxed under subchapter L of this chapter if such income were the income of a domestic insurance company.

"(2) EXCEPTION.—Such term shall not include any exempt insurance income (as defined in subsection (e))."

(B) EXEMPT INSURANCE INCOME.—Section 953 (relating to insurance income) is amended by adding at the end the following new subsection:

"(e) EXEMPT INSURANCE INCOME.—For purposes of this section—

"(1) EXEMPT INSURANCE INCOME DEFINED.—

"(A) IN GENERAL.—The term 'exempt insurance income' means income derived by a qualifying insurance company which—

"(i) is attributable to the issuing (or reinsuring) of an exempt contract by such company or a qualifying insurance company branch of such company, and

"(ii) is treated as earned by such company or branch in its home country for purposes of such country's tax laws.

"(B) EXCEPTION FOR CERTAIN ARRANGEMENTS.—Such term shall not include income attributable to the issuing (or reinsuring) of an exempt contract as the result of any arrangement whereby another corporation receives a substantially equal amount of premiums or other consideration in respect of issuing (or reinsuring) a contract which is not an exempt contract.

"(C) DETERMINATIONS MADE SEPARATELY.—For purposes of this subsection and section 954(i), the exempt insurance income and exempt contracts of a qualifying insurance company or any qualifying insurance company branch of such company shall be determined separately for such company and each such branch by taking into account—

"(i) in the case of the qualifying insurance company, only items of income, deduction, gain, or loss, and activities of such company not properly allocable or attributable to any qualifying insurance company branch of such company, and "(ii) in the case of a qualifying insurance company branch, only items of income, deduction, gain, or loss and activities properly allocable or attributable to such unit.

"(2) EXEMPT CONTRACT.—

"(A) IN GENERAL.—The term 'exempt contract' means an insurance or annuity contract issued or reinsured by a qualifying insurance company or qualifying insurance company branch in connection with property in, liability arising out of activity in, or the lives or health of residents of, a country other than the United States.

"(B) MINIMUM HOME COUNTRY INCOME REQUIRED.—

"(i) IN GENERAL.—No contract of a qualifying insurance company or of a qualifying insurance company branch shall be treated as an exempt contract unless such company or branch derives more than 30 percent of its net written premiums from exempt contracts (determined without regard to this subparagraph)—

"(I) which cover applicable home country risks, and

"(II) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)).

"(ii) APPLICABLE HOME COUNTRY RISKS.—The term 'applicable home country risks' means risks in connection with property in, liability arising out of activity in, or the lives or health of residents of, the home country of the qualifying insurance company or qualifying insurance company branch, as the case may be, issuing or reinsuring the contract covering the risks.

"(C) SUBSTANTIAL ACTIVITY REQUIREMENTS FOR CROSS BORDER RISKS.—A contract issued by a qualifying insurance company or qualifying insurance company branch which covers risks other than applicable home country risks (as defined in subparagraph (B)(ii)) shall not be treated as an exempt contract unless such company or branch, as the case may be—

"(i) conducts substantial activity with respect to an insurance business in its home country, and

"(ii) performs in its home country substantially all of the activities necessary to give rise to the income generated by such contract.

"(3) QUALIFYING INSURANCE COMPANY.—The term 'qualifying insurance company' means any controlled foreign corporation which—

"(A) is subject to regulation as an insurance (or reinsurance) company by its home country, and is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country,

"(B) derives more than 50 percent of its aggregate net written premiums from the issuance or reinsurance by such controlled foreign corporation and each of its qualifying insurance company branches of contracts—

"(i) covering applicable home country risks (as defined in paragraph (2)) of such corporation or branch, as the case may be, and

"(ii) with respect to which no policyholder, insured, annuitant, or beneficiary is a related person (as defined in section 954(d)(3)),

except that in the case of a branch, such premiums shall only be taken into account to the extent such premiums are treated as earned by such branch in its home country for purposes of such country's tax laws, and

"(C) is engaged in the insurance business and would be subject to tax under subchapter L if it were a domestic corporation.

"(4) QUALIFYING INSURANCE COMPANY BRANCH.—The term 'qualifying insurance company branch' means a qualified business unit (within the meaning of section 989(a)) of a controlled foreign corporation if—

"(A) such unit is licensed, authorized, or regulated by the applicable insurance regulatory body for its home country to sell insurance, reinsurance, or annuity contracts to persons other than related persons (within the meaning of section 954(d)(3)) in such home country, and

"(B) such controlled foreign corporation is a qualifying insurance company, determined under paragraph (3) as if such unit were a qualifying insurance company branch.

"(5) LIFE INSURANCE OR ANNUITY CONTRACT.—For purposes of this section and section 954, the determination of whether a contract issued by a controlled foreign corporation or a qualified business unit (within the meaning of section 989(a)) is a life insurance contract or an annuity contract shall be made without regard to sections 72(s), 101(f), 817(h), and 7702 if—

"(A) such contract is regulated as a life insurance or annuity contract by the corporation's or unit's home country, and

"(B) no policyholder, insured, annuitant, or beneficiary with respect to the contract is a United States person.

"(6) HOME COUNTRY.—For purposes of this subsection, except as provided in regulations—

"(A) CONTROLLED FOREIGN CORPORATION.—The term 'home country' means, with respect to a controlled foreign corporation, the country in which such corporation is created or organized.

"(B) QUALIFIED BUSINESS UNIT.—The term 'home country' means, with respect to a qualified business unit (as defined in section 989(a)), the country in which the principal office of such unit is located and in which such unit is licensed, authorized, or regulated by the applicable insurance regulatory body to sell insurance, reinsurance, or annuity contracts to persons other than related persons (as defined in section 954(d)(3)) in such country.

"(7) ANTI-ABUSE RULES.—For purposes of applying this subsection and section 954(i)—

"(A) the rules of section 954(h)(7) (other than subparagraph (B) thereof) shall apply,

"(B) there shall be disregarded any item of income, gain, loss, or deduction of, or derived from, an entity which is not engaged in regular and continuous transactions with persons which are not related persons,

"(C) there shall be disregarded any change in the method of computing reserves a principal purpose of which is the acceleration or deferral of any item in order to claim the benefits of this subsection or section 954(i),

"(D) a contract of insurance or reinsurance shall not be treated as an exempt contract (and premiums from such contract shall not be taken into account for purposes of paragraph (2)(B) or (3)) if—

"(i) any policyholder, insured, annuitant, or beneficiary is a resident of the United States and such contract was marketed to such resident and was written to cover a risk outside the United States, or

"(ii) the contract covers risks located within and without the United States and the qualifying insurance company or qualifying insurance company branch does not maintain such contemporaneous records, and file such reports, with respect to such contract as the Secretary may require,

"(E) the Secretary may prescribe rules for the allocation of contracts (and income from contracts) among 2 or more qualifying insurance company branches of a qualifying insurance company in order to clearly reflect the income of such branches, and

"(F) premiums from a contract shall not be taken into account for purposes of paragraph (2)(B) or (3) if such contract reinsures a contract issued or reinsured by a related person (as defined in section 954(d)(3)).

For purposes of subparagraph (D), the determination of where risks are located shall be made under the principles of section 953.

"(8) COORDINATION WITH SUBSECTION (c).—In determining insurance income for purposes of subsection (c), exempt insurance income shall not include income derived from exempt contracts which cover risks other than applicable home country risks.

"(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection and section 954(i).

"(10) APPLICATION.—This subsection and section 954(i) shall apply only to the first taxable year of a foreign corporation beginning after December 31, 1998, and before January 1, 2000, and to taxable years of United States shareholders with or within which such taxable year of such foreign corporation ends.

"(11) CROSS REFERENCE.—

"For income exempt from foreign personal holding company income, see section 954(i)."

(2) EXEMPTION FROM FOREIGN PERSONAL HOLDING COMPANY INCOME.—Section 954 (defining foreign base company income) is amended by adding at the end the following new subsection:

"(i) SPECIAL RULE FOR INCOME DERIVED IN THE ACTIVE CONDUCT OF INSURANCE BUSINESS.—

"(1) IN GENERAL.—For purposes of subsection (c)(1), foreign personal holding company income shall not include qualified insurance income of a qualifying insurance company.

"(2) QUALIFIED INSURANCE INCOME.—The term 'qualified insurance income' means income of a qualifying insurance company which is—

"(A) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from the investments made by a qualifying insurance company or a qualifying insurance company branch of its reserves allocable to exempt contracts or of 80 percent of its unearned premiums from exempt contracts (as both are determined in the manner prescribed under paragraph (4)), or

"(B) received from a person other than a related person (within the meaning of subsection (d)(3)) and derived from investments made by a qualifying insurance company or a qualifying insurance company branch of an amount of its assets allocable to exempt contracts equal to—

"(i) in the case of property, casualty, or health insurance contracts, one-third of its premiums earned on such insurance contracts during the taxable year (as defined in section 832(b)(4)), and

"(ii) in the case of life insurance or annuity contracts, 10 percent of the reserves described in subparagraph (A) for such contracts.

"(3) PRINCIPLES FOR DETERMINING INSURANCE INCOME.—Except as provided by the Secretary, for purposes of subparagraphs (A) and (B) of paragraph (2)—

"(A) in the case of any contract which is a separate account-type contract (including any variable contract not meeting the requirements of section 817), income credited under such contract shall be allocable only to such contract, and

"(B) income not allocable under subparagraph (A) shall be allocated ratably among contracts not described in subparagraph (A).

"(4) METHODS FOR DETERMINING UNEARNED PREMIUMS AND RESERVES.—For purposes of paragraph (2)(A)—

"(A) PROPERTY AND CASUALTY CONTRACTS.—The unearned premiums and reserves of a qualifying insurance company or a qualifying insurance company branch with respect to property, casualty, or health insurance contracts shall be determined using the same methods and interest rates which would be used if such company or branch were subject to tax under subchapter L, except that—

"(i) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate, and

"(ii) such company or branch shall use the appropriate foreign loss payment pattern.

"(B) LIFE INSURANCE AND ANNUITY CONTRACTS.—The amount of the reserve of a qualifying insurance company or qualifying insurance company branch for any life insurance or annuity contract shall be equal to the greater of—

"(i) the net surrender value of such contract (as defined in section 807(e)(1)(A)), or

"(ii) the reserve determined under paragraph (5).

"(C) LIMITATION ON RESERVES.—In no event shall the reserve determined under this paragraph for any contract as of any time exceed the amount which would be taken into account with respect to such contract as of such time in determining foreign statement reserves (less any catastrophe, deficiency, equalization, or similar reserves).

"(5) AMOUNT OF RESERVE.—The amount of the reserve determined under this paragraph with respect to any contract shall be determined in the same manner as it would be determined if the qualifying insurance company or qualifying insurance company branch were subject to tax under subchapter L, except that in applying such subchapter—

"(A) the interest rate determined for the functional currency of the company or branch, and which, except as provided by the Secretary, is calculated in the same manner as the Federal mid-term rate under section 1274(d), shall be substituted for the applicable Federal interest rate,

"(B) the highest assumed interest rate permitted to be used in determining foreign statement reserves shall be substituted for the prevailing State assumed interest rate, and

"(C) tables for mortality and morbidity which reasonably reflect the current mortality and morbidity risks in the company's or branch's home country shall be substituted for the mortality and morbidity tables otherwise used for such subchapter.

The Secretary may provide that the interest rate and mortality and morbidity tables of a qualifying insurance company may be used for 1 or more of its qualifying insurance company branches when appropriate.

"(6) DEFINITIONS.—For purposes of this subsection, any term used in this subsection which is also used in section 953(e) shall have the meaning given such term by section 953."

(3) RESERVES.—Section 953(b) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Reserves for any insurance or annuity contract shall be determined in the same manner as under section 954(i)."

(c) SPECIAL RULES FOR DEALERS.—Section 954(c)(2)(C) is amended to read as follows:

"(C) EXCEPTION FOR DEALERS.—Except as provided by regulations, in the case of a regular dealer in property which is property described in paragraph (1)(B), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities), there shall not be taken into account in computing foreign personal holding company income—

"(i) any item of income, gain, deduction, or loss (other than any item described in subparagraph (A), (E), or (G) of paragraph (1)) from any transaction (including hedging transactions) entered into in the ordinary course of such dealer's trade or business as such a dealer, and

"(ii) if such dealer is a dealer in securities (within the meaning of section 475), any interest or dividend or equivalent amount described in subparagraph (E) or (G) of paragraph (1) from any transaction (including any hedging transaction or transaction described in section 956(c)(2)(J)) entered into in the ordinary course of such dealer's trade or business as such a dealer in securities, but only if the income from the transaction is attributable to activities of the dealer in the country under the laws of which the dealer is created or organized (or in the case of a qualified business unit described in section 989(a), is attributable to activities of the unit in the country in which the unit both maintains its principal office and conducts substantial business activity)."

(d) EXEMPTION FROM FOREIGN BASE COMPANY SERVICES INCOME.—Paragraph (2) of section 954(e) is amended by inserting "or" at the end of subparagraph (A), by striking ", or" at the end of subparagraph (B) and inserting a period, by striking subparagraph (C), and by adding at the end the following new flush sentence:

"Paragraph (1) shall also not apply to income which is exempt insurance income (as defined in section 953(e)) or which is not treated as foreign personal holding income by reason of subsection (c)(2)(C)(ii), (h), or (i)."

(e) EXEMPTION FOR GAIN.—Section 954(c)(1)(B)(i) (relating to net gains from certain property transactions) is amended by inserting "other than property which gives rise to income not treated as foreign personal holding company income by reason of subsection (h) or (i) for the taxable year" before the comma at the end.

Subtitle B—Generalized System of Preferences

SEC. 311. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) EXTENSION OF DUTY-FREE TREATMENT UNDER SYSTEM.—Section 505 of the Trade Act of 1974 (29 U.S.C. 2465) is amended by striking "June 30, 1998" and inserting "December 31, 1999".

(b) RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.—

(1) IN GENERAL.—Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, and subject to paragraph (2), any entry—

(A) of an article to which duty-free treatment under title V of the Trade Act of 1974 would have applied if such title had been in effect during the period beginning on July 1, 1998, and ending on the day before the date of the enactment of this Act, and

(B) that was made after June 30, 1998, and before the date of the enactment of this Act,

shall be liquidated or reliquidated as free of duty, and the Secretary of the Treasury shall refund any duty paid with respect to such entry. As used in this subsection, the term "entry" includes a withdrawal from warehouse for consumption.

(2) REQUESTS.—Liquidation or reliquidation may be made under paragraph (1) with respect to an entry only if a request therefor is filed with the Customs Service, within 180 days after the date of the enactment of this Act, that contains sufficient information to enable the Customs Service—

(A) to locate the entry; or

(B) to reconstruct the entry if it cannot be located.

TITLE IV—REVENUE OFFSET

SEC. 401. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) IN GENERAL.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) CONFORMING AMENDMENTS.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after May 21, 1998.

TITLE V—TECHNICAL CORRECTIONS

SEC. 501. DEFINITIONS; COORDINATION WITH OTHER TITLES.

(a) DEFINITIONS.—For purposes of this title—

(1) 1986 CODE.—The term "1986 Code" means the Internal Revenue Code of 1986.

(2) 1998 ACT.—The term "1998 Act" means the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206).

(3) 1997 ACT.—The term "1997 Act" means the Taxpayer Relief Act of 1997 (Public Law 105-34).

(b) COORDINATION WITH OTHER TITLES.—For purposes of applying the amendments made by any title of this Act other than this title, the provisions of this title shall be treated as having been enacted immediately before the provisions of such other titles.

SEC. 502. AMENDMENTS RELATED TO INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998.

(a) AMENDMENT RELATED TO SECTION 1101 OF 1998 ACT.—Paragraph (5) of section 6103(h) of the 1986 Code, as added by section 1101(b) of the 1998 Act, is redesignated as paragraph (6).

(b) AMENDMENT RELATED TO SECTION 3001 OF 1998 ACT.—Paragraph (2) of section 7491(a) of the 1986 Code is amended by adding at the end the following flush sentence:

"Subparagraph (C) shall not apply to any qualified revocable trust (as defined in section 645(b)(1)) with respect to liability for tax for any taxable year ending after the date of the decedent's death and before the applicable date (as defined in section 645(b)(2)).".

(c) Amendments Related to Section 3201 of 1998 Act.—

(1) Section 7421(a) of the 1986 Code is amended by striking "6015(d)" and inserting "6015(e)".

(2) Subparagraph (A) of section 6015(e)(3) is amended by striking "of this section" and inserting "of subsection (b) or (f)".

(d) Amendment Related to Section 3301 of 1998 Act.—Paragraph (2) of section 3301(c) of the 1998 Act is amended by striking "The amendments" and inserting "Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments".

(e) Amendment Related to Section 3401 of 1998 Act.—Section 3401(c) of the 1998 Act is amended—

(1) in paragraph (1), by striking "7443(b)" and inserting "7443A(b)"; and

(2) in paragraph (2), by striking "7443(c)" and inserting "7443A(c)".

(f) Amendment Related to Section 3433 of 1998 Act.—Section 7421(a) of the 1986 Code is amended by inserting "6331(i)," after "6246(b),".

(g) Amendment Related to Section 3708 of 1998 Act.—Subparagraph (A) of section 6103(p)(3) of the 1986 Code is amended by inserting "(f)(5)," after "(c), (e),".

(h) Amendment Related to Section 5001 of 1998 Act.—

(1) Subparagraph (B) of section 1(h)(13) of the 1986 Code is amended by striking "paragraph (7)(A)" and inserting "paragraph (7)(A)(i)".

(2)(A) Subparagraphs (A)(i)(II), (A)(ii)(II), and (B)(ii) of section 1(h)(13) of the 1986 Code shall not apply to any distribution after December 31, 1997, by a regulated investment company or a real estate investment trust with respect to—

(i) gains and losses recognized directly by such company or trust, and

(ii) amounts properly taken into account by such company or trust by reason of holding (directly or indirectly) an interest in another such company or trust to the extent that such subparagraphs did not apply to such other company or trust with respect to such amounts.

(B) Subparagraph (A) shall not apply to any distribution which is treated under section 852(b)(7) or 857(b)(8) of the 1986 Code as received on December 31, 1997.

(C) For purposes of subparagraph (A), any amount which is includible in gross income of its shareholders under section 852(b)(3)(D) or 857(b)(3)(D) of the 1986 Code after December 31, 1997, shall be treated as distributed after such date.

(D)(i) For purposes of subparagraph (A), in the case of a qualified partnership with respect to which a regulated investment company meets the holding requirement of clause (iii)—

(I) the subparagraphs referred to in subparagraph (A) shall not apply to gains and losses recognized directly by such partnership for purposes of determining such company's distributive share of such gains and losses, and

(II) such company's distributive share of such gains and losses (as so determined) shall be treated as recognized directly by such company.

The preceding sentence shall apply only if the qualified partnership provides the company with written documentation of such distributive share as so determined.

(ii) For purposes of clause (i), the term "qualified partnership" means, with respect to a regulated investment company, any partnership if—

(I) the partnership is an investment company registered under the Investment Company Act of 1940,

(II) the regulated investment company is permitted to invest in such partnership by reason of section 12(d)(1)(E) of such Act or an exemptive order of the Securities and Exchange Commission under such section, and

(III) the regulated investment company and the partnership have the same taxable year.

(iii) A regulated investment company meets the holding requirement of this clause with respect to a qualified partnership if (as of January 1, 1998)—

(I) the value of the interests of the regulated investment company in such partnership is 35 percent or more of the value of such company's total assets, or

(II) the value of the interests of the regulated investment company in such partnership and all other qualified partnerships is 90 percent or more of the value of such company's total assets.

(i) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the 1998 Act to which they relate.

SEC. 503. AMENDMENTS RELATED TO TAXPAYER RELIEF ACT OF 1997.

(a) Amendment Related to Section 202 of 1997 Act.—Paragraph (2) of section 163(h) of the 1986 Code is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting ", and", and by adding at the end the following new subparagraph:

"(F) any interest allowable as a deduction under section 221 (relating to interest on educational loans)."

(b) Provision Related to Section 311 of 1997 Act.—In the case of any capital gain distribution made after 1997 by a trust to which section 664 of the 1986 Code applies with respect to amounts properly taken into account by such trust during 1997, paragraphs (5)(A)(i)(I), (5)(A)(ii)(I), and (13)(A) of section 1(h) of the 1986 Code (as in effect for taxable years ending on December 31, 1997) shall not apply.

(c) Amendment Related to Section 506 of 1997 Act.—

(1) Section 2001(f)(2) of the 1986 Code is amended by adding at the end the following:

"For purposes of subparagraph (A), the value of an item shall be treated as shown on a return if the item is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the Secretary of the nature of such item.".

(2) Paragraph (9) of section 6501(c) of the 1986 Code is amended by striking the last sentence.

(d) Amendments Related to Section 904 of 1997 Act.—

(1) Paragraph (1) of section 9510(c) of the 1986 Code is amended to read as follows:

"(1) In general.—Amounts in the Vaccine Injury Compensation Trust Fund shall be available, as provided in appropriation Acts, only for—

"(A) the payment of compensation under subtitle 2 of title XXI of the Public Health Service Act (as in effect on August 5, 1997) for vaccine-related injury or death with respect to any vaccine—

"(i) which is administered after September 30, 1988, and

"(ii) which is a taxable vaccine (as defined in section 4132(a)(1)) at the time compensation is paid under such subtitle 2, or

"(B) the payment of all expenses of administration (but not in excess of $9,500,000 for any fiscal year) incurred by the Federal Government in administering such subtitle.".

(2) Section 9510(b) of the 1986 Code is amended by adding at the end the following new paragraph:

"(3) Limitation on transfers to vaccine injury compensation trust fund.—No amount may be appropriated to the Vaccine Injury Compensation Trust Fund on and after the date of any expenditure from the Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

"(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

"(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this paragraph.".

(e) Amendments Related to Section 915 of 1997 Act.—

(1) Section 915 of the Taxpayer Relief Act of 1997 is amended—

(A) in subsection (b), by inserting "or 1998" after "1997", and

(B) by amending subsection (d) to read as follows:

"(d) Effective Date.—This section shall apply to taxable years ending with or within calendar year 1997.".

(2) Paragraph (2) of section 6404(h) of the 1986 Code is amended by inserting "Robert T. Stafford" before "Disaster".

(f) Amendments Related to Section 1012 of 1997 Act.—

(1) Paragraph (2) of section 351(c) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(2) Clause (ii) of section 368(a)(2)(H) of the 1986 Code, as amended by section 6010(c) of the 1998 Act, is amended by inserting ", or the fact that the corporation whose stock was distributed issues additional stock," after "dispose of part or all of the distributed stock".

(g) Amendment Related to Section 1082 of 1997 Act.—Subparagraph (F) of section 172(b)(1) of the 1986 Code is amended by adding at the end the following new clause:

"(iv) Coordination with paragraph (2).—For purposes of applying paragraph (2), an eligible loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated."

(h) Amendment Related to Section 1084 of 1997 Act.—Paragraph (3) of section 264(f) of the 1986 Code is amended by adding at the end the following flush sentence:

"If the amount described in subparagraph (A) with respect to any policy or contract does not reasonably approximate its actual value, the amount taken into account under subparagraph (A) shall be the greater of the amount of the insurance company liability or the insurance company reserve with respect to such policy or contract (as determined for purposes of the annual statement approved by the National Association of Insurance Commissioners) or shall be such other amount as is determined by the Secretary."

(i) Amendment Related to Section 1205 of 1997 Act.—Paragraph (2) of section 6311(d) of the 1986 Code is amended by striking "under such contracts" in the last sentence and inserting "under any such contract for the use of credit or debit cards for the payment of taxes imposed by subtitle A".

(j) Effective Date.—The amendments made by this section shall take effect as if included in the provisions of the Taxpayer Relief Act of 1997 to which they relate.

SEC. 504. AMENDMENTS RELATED TO TAX REFORM ACT OF 1984.

(a) In General.—Subparagraph (C) of section 172(d)(4) of the 1986 Code is amended to read as follows:

"(C) any deduction for casualty or theft losses allowable under paragraph (2) or (3) of section 165(c) shall be treated as attributable to the trade or business; and".

(b) Conforming Amendments.—

(1) Paragraph (3) of section 67(b) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(2) Paragraph (3) of section 68(c) of the 1986 Code is amended by striking "for losses described in subsection (c)(3) or (d) of section 165" and inserting "for casualty or theft losses described in paragraph (2) or (3) of section 165(c) or for losses described in section 165(d)".

(3) Paragraph (1) of section 873(b) is amended to read as follows:

"(1) Losses.—The deduction allowed by section 165 for casualty or theft losses described in paragraph (2) or (3) of section 165(c), but only if the loss is of property located within the United States."

(c) Effective Dates.—

(1) The amendments made by subsections (a) and (b)(3) shall apply to taxable years beginning after December 31, 1983.

(2) The amendment made by subsection (b)(1) shall apply to taxable years beginning after December 31, 1986.

(3) The amendment made by subsection (b)(2) shall apply to taxable years beginning after December 31, 1990.

SEC. 505. OTHER AMENDMENTS.

(a) Amendments Related to Section 6103 of 1986 Code.—

(1) Subsection (j) of section 6103 of the 1986 Code is amended by adding at the end the following new paragraph:

"(5) Department of agriculture.—Upon request in writing by the Secretary of Agriculture, the Secretary shall furnish such returns, or return information reflected thereon, as the Secretary may prescribe by regulation to officers and employees of the Department of Agriculture whose official duties require access to such returns or information for the purpose of, but only to the extent necessary in, structuring, preparing, and conducting the census of agriculture pursuant to the Census of Agriculture Act of 1997 (Public Law 105–113).".

(2) Paragraph (4) of section 6103(p) of the 1986 Code is amended by striking "(j)(1) or (2)" in the material preceding subparagraph (A) and in subparagraph (F) and inserting "(j)(1), (2), or (5)".

(3) The amendments made by this subsection shall apply to requests made on or after the date of the enactment of this Act.

(b) Amendment Related to Section 9004 of Transportation Equity Act for the 21st Century.—

(1) Paragraph (2) of section 9503(f) of the 1986 Code is amended to read as follows:

"(2) notwithstanding section 9602(b), obligations held by such Fund after September 30, 1998, shall be obligations of the United States which are not interest-bearing."

(2) The amendment made by paragraph (1) shall take effect on October 1, 1998.

(c) Clerical Amendments.—

(1) Clause (i) of section 51(d)(6)(B) of the 1986 Code is amended by striking "rehabilitation plan" and inserting "plan for employment". The reference to plan for employment in such clause shall be treated as including a reference to the rehabilitation plans referred to in such clause as in effect before the amendment made by the preceding sentence.

(2) Subparagraphs (C) and (D) of section 6693(a)(2) of the 1986 Code are each amended by striking "Section" and inserting "section".

TITLE VI—AMERICAN COMMUNITY RENEWAL ACT OF 1998

SEC. 601. SHORT TITLE.

This title may be cited as the "American Community Renewal Act of 1998".

SEC. 602. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) Designation.—

"(1) Definitions.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) Number of designations.—

"(A) In general.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) Minimum designation in rural areas.—Of the areas designated under paragraph (1), at least 4 must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(3) Areas designated based on degree of poverty, etc.—

"(A) In general.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) Exception where inadequate course of action, etc.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) Priority for empowerment zones and enterprise communities with respect to first half of designations.—With respect to the first 10 designations made under this section—

"(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

"(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

"(4) Limitation on designations.—

"(A) Publication of regulations.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) Time limitations.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) Procedural rules.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the States in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) Nomination process for Indian reservations.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) Period for Which Designation Is in Effect.—

"(1) In general.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination, or

"(C) the date the Secretary of Housing and Urban Development revokes such designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

"(c) AREA AND ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of one or more local governments,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) COURSE OF ACTION.—

"(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.

"(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

"Sec. 1400F. Renewal community capital gain.
"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community asset' means—

"(A) any qualified community stock,

"(B) any qualified community partnership interest, and

"(C) any qualified community business property.

"(2) QUALIFIED COMMUNITY STOCK.—

"(A) In general.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

"(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

"(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

"(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

"(B) Redemptions.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

"(3) Qualified community partnership interest.—The term 'qualified community partnership interest' means any interest in a partnership if—

"(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

"(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

"(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

"(4) Qualified community business property.—

"(A) In general.—The term 'qualified community business property' means tangible property if—

"(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

"(ii) the original use of such property in the renewal community commences with the taxpayer, and

"(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

"(B) Special rule for substantial improvements.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

"(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

"(ii) any land on which such property is located.

"(c) Certain Rules To Apply.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

"For purposes of this part, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

"(1) references to renewal communities were substituted for references to empowerment zones in such section; and

"(2) '80 percent' were substituted for '50 percent' in subsections (b)(2) and (c)(1) of such section.

"PART III—FAMILY DEVELOPMENT ACCOUNTS

"Sec. 1400H. Family development accounts for renewal community EITC recipients.

"Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

"Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

"SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

"(a) Allowance of Deduction.—

"(1) In general.—There shall be allowed as a deduction—

"(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

"(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

"(2) Limitation.—

"(A) In general.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

"(i) $2,000, or

"(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

"(B) Persons donating to family development accounts of others.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

"(3) Special rules for certain married individuals.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

"(4) Coordination with IRA's.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

"(5) Rollovers.—No deduction shall be allowed under this section with respect to any rollover contribution.

"(b) Tax Treatment of Distributions.—

"(1) Inclusion of amounts in gross income.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

"(2) Exclusion of qualified family development distributions.—Paragraph (1) shall not apply to any qualified family development distribution.

"(c) Qualified Family Development Distribution.—For purposes of this section—

"(1) In general.—The term 'qualified family development distribution' means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

"(2) Qualified family development expenses.—The term 'qualified family development expenses' means any of the following:

"(A) Qualified higher education expenses.

"(B) Qualified first-time homebuyer costs.

"(C) Qualified business capitalization costs.

"(D) Qualified medical expenses.

"(E) Qualified rollovers.

"(3) Qualified higher education expenses.—

"(A) In general.—The term 'qualified higher education expenses' has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

"(B) Postsecondary vocational education school.—The term 'postsecondary vocational educational school' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

"(C) Coordination with other benefits.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

"(4) Qualified first-time homebuyer costs.—The term 'qualified first-time homebuyer costs' means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

"(5) Qualified business capitalization costs.—

"(A) In general.—The term 'qualified business capitalization costs' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(B) Qualified expenditures.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(C) Qualified business.—The term 'qualified business' means any business that does not contravene any law.

"(D) Qualified plan.—The term 'qualified plan' means a business plan which meets such requirements as the Secretary may specify.

"(6) Qualified medical expenses.—The term 'qualified medical expenses' means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

"(7) Qualified rollovers.—The term 'qualified rollover' means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

"(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) Tax Treatment of Accounts.—

"(1) In general.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) Loss of exemption in case of prohibited transactions.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) Other rules to apply.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) Family Development Account.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) Qualified Individual.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) Other Definitions and Special Rules.—

"(1) Compensation.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) Married individuals.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) Time when contributions deemed made.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) Employer payments; custodial accounts.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) Reports.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) Investment in collectibles treated as distributions.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) Penalty for Distributions Not Used for Qualified Family Development Expenses.—

"(1) In general.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

"(2) Exception for certain distributions.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) Termination.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) Designation.—

"(1) Definitions.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

"(2) Number of designations.—

"(A) In general.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

"(B) Minimum designation in rural areas.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) Limitations on designations.—

"(A) Publication of regulations.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) Time limitations.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) Designation based on degree of poverty, etc.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) Period for Which Designation Is in Effect.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) Matching Contributions to Family Development Accounts.—

"(1) In general.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

"(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

"(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) Limitations.—

"(A) Annual limit.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) Aggregate limit.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

"(3) Exclusion from income.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) Notice of Program.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

"(e) Termination.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

"SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

"(a) In General.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

"(b) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year—

"(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

"(c) Portion Attributable to Earned Income Tax Credit.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

"(d) Overpayments Treated as Refunded.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

"(e) Termination.—This section shall not apply to any taxable year beginning after December 31, 2006.

"PART IV—ADDITIONAL INCENTIVES

"Sec. 1400K. Commercial revitalization credit.
"Sec. 1400L. Increase in expensing under section 179.

"SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

"(a) General Rule.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

"(b) Applicable Percentage.—For purposes of this section—

"(1) In general.—The term 'applicable percentage' means—

"(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

"(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

"(2) Credit period.—

"(A) In general.—The term 'credit period' means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

"(B) Applicable rules.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

"(c) Qualified Revitalization Buildings and Expenditures.—For purposes of this section—

"(1) Qualified revitalization building.—The term 'qualified revitalization building' means any building (and its structural components) if—

"(A) such building is located in a renewal community and is placed in service after December 31, 1999,

"(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

"(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

"(2) Qualified revitalization expenditure.—

"(A) In general.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

"(i) for property for which depreciation is allowable under section 168 and which is—

"(I) nonresidential real property, or

"(II) an addition or improvement to property described in subclause (I), and

"(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

"(B) Dollar limitation.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

"(i) $10,000,000, reduced by

"(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

"(C) Certain expenditures not included.—The term 'qualified revitalization expenditure' does not include—

"(i) Straight line depreciation must be used.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

"(ii) Acquisition costs.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

"(iii) Other credits.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

"(d) When Expenditures Taken Into Account.—

"(1) In general.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

"(2) Progress expenditure payments.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

"(e) Limitation on Aggregate Credits Allowable With Respect to Buildings Located in a State.—

"(1) In general.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

"(2) Commercial revitalization credit amount for agencies.—

"(A) In general.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

"(B) State commercial revitalization credit ceiling.—The State commercial revitalization credit ceiling applicable to any State—

"(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

"(ii) zero for each calendar year thereafter.

"(C) Commercial revitalization credit agency.—For purposes of this section, the term 'commercial revitalization credit agency' means any agency authorized by a State to carry out this section.

"(f) Responsibilities of Commercial Revitalization Credit Agencies.—

"(1) Plans for allocation.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

"(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

"(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

"(2) Qualified allocation plan.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

"(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

"(B) which considers—

"(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

"(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

"(iii) the active involvement of residents and nonprofit groups within the renewal community, and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(g) Termination.—This section shall not apply to any building placed in service after December 31, 2006.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) GENERAL RULE.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section."

SEC. 603. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) EXTENSION.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) RENEWAL COMMUNITIES INCLUDED.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E)."

(b) EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2006, in the case of a renewal community, as defined in section 1400E)."

SEC. 604. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES

(a) EXTENSION.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) EXTENSION OF CREDIT FOR RENEWAL COMMUNITIES.—

"(A) IN GENERAL.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) QUALIFIED FIRST- AND SECOND-YEAR WAGES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) CONGRUENT TREATMENT OF RENEWAL COMMUNITIES AND ENTERPRISE ZONES FOR PURPOSES OF YOUTH RESIDENCE REQUIREMENTS.—

(1) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 605. CONFORMING AND CLERICAL AMENDMENTS.

(a) DEDUCTION FOR CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS ALLOWABLE WHETHER OR NOT TAXPAYER ITEMIZES.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) FAMILY DEVELOPMENT ACCOUNTS.—The deduction allowed by section 1400H(a)(1)(A)."

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) TAX IMPOSED.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) EXCESS CONTRIBUTIONS.—Section 4973 is amended by adding at the end the following new subsection:

"(g) FAMILY DEVELOPMENT ACCOUNTS.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed."

(c) TAX ON PROHIBITED TRANSACTIONS.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) SPECIAL RULE FOR FAMILY DEVELOPMENT ACCOUNTS.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) INFORMATION RELATING TO CERTAIN TRUSTS AND ANNUITY PLANS.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e)," after "section 408(a)".

(e) INSPECTION OF APPLICATIONS FOR TAX EXEMPTION.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) FAILURE TO PROVIDE REPORTS ON FAMILY DEVELOPMENT ACCOUNTS.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts)."

(g) CONFORMING AMENDMENTS REGARDING COMMERCIAL REVITALIZATION CREDIT.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) No carryback of section 1400K credit before date of enactment.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) The last sentence of section 50(b)(3) is amended to read as follows: "If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit."

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) Clerical Amendments.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

SEC. 606. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

TITLE VII—TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY

SEC. 701. TAX REDUCTIONS CONTINGENT ON SAVING SOCIAL SECURITY.

(a) Requirement for Balanced Budget and Social Security Solvency.—Notwithstanding any other provision of this Act, no provision of this Act (or amendment made thereby) shall take effect before the first January 1 after the date of the enactment of this Act that follows a calendar year for which there is a social security solvency certification.

(b) Exemption of Funded Provisions .—The following provisions shall take effect without regard to subsection (a):

(1) Subtitle C of title I (relating to increase in social security earnings limit and recomputation of benefits).

(2) Section 213 (relating to production flexibility contract payments).

(3) Title III (relating to extension and modification of certain expiring provisions).

(4) Title IV (relating to revenue offset).

(5) Title V (relating to technical corrections).

(c) Social Security Solvency Certification.—For purposes of subsection (a), there is a social security solvency certification for a calendar year if, during such year, the Board of Trustees of the Social Security Trust Funds certifies that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in actuarial balance for the 75-year period utilized in the most recent annual report of such Board of Trustees pursuant to section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)).

The SPEAKER pro tempore. Pursuant to House Resolution 552, the gentleman from New York (Mr. Rangel) and a member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. Rangel).

Mr. RANGEL. I yield 1 minute to the gentleman from Wisconsin (Mr. Kind).

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong opposition to the Republican proposed tax cut bill and in support of the substitute offered by the gentleman from New York (Mr. Rangel).

This is a wrong tax cut bill at the wrong time for the wrong reason. Is there any wonder that the people in this country are so cynical when we are trying to rush through a tax cut bill just a few short weeks before the November elections?

But the main problem is not the provisions of the tax cut, it is how we would pay the tax cut. There is no surplus unless we are willing to raid the Social Security trust fund.

But perhaps the most compelling argument to oppose this is what the chairman of the Federal Reserve Board, Chairman Greenspan, has been saying. Is anyone who is pushing for this tax cut bill listening to one of the most credible voices on fiscal and monetary policy in this country today? He says do not rely on any of these so-called surpluses, because they may never materialize given the international economic crisis and the Y2K problem and the impact that it might have on our economy.

Instead, we in this body should be trying to pass fiscally responsible, sound decisions that are going to encourage the Federal Reserve to lower long-term interest rates so we have investment in capital and increased worker productivity. That is why I urge my colleagues to oppose the tax cut bill and support the Rangel substitute.

The SPEAKER pro tempore. Does the gentleman from Texas (Mr. Archer) seek to control the time in opposition to the amendment?

Mr. ARCHER. Mr. Speaker, I do.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Archer) is recognized for 30 minutes.

Mr. ARCHER. Mr. Speaker, I yield two minutes to the gentleman from Illinois (Mr. Weller), a respected member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, as I just begin my remarks in opposition to the Rangel substitute and in support of an effort to save Social Security and eliminate the marriage tax penalty, I might just use the Democrats, my friends on the other side of the aisle's own rhetoric. If you think about it, everything they have been claiming, they have admitted they have been raiding is the Social Security trust fund for 28 years. In fact, I believe a Democratic President, President Johnson, I think started that process in 1969.

Now, thanks to a Republican Congress, for the first time since 1969, we have a $1.6 trillion budget surplus, money that we can use to save Social Security and eliminate the marriage tax penalty.

The gentleman from New York (Mr. Rangel) in his substitute basically says "Let's save Social Security and let's give a tax cut to Wall Street, but let's forget about Main Street."

It is interesting that the Rangel substitute chooses Wall Street and stiffs Main Street. Republicans, we want to save Social Security, and we also want to eliminate the marriage tax penalty, and our legislation will help 28 million married couples.

It is interesting that my friends on the other side of the aisle continue to claim the "raiding Social Security" line. Let us look at the facts once again.

When a representative of the Social Security Administration was asked last week whether or not the tax cuts in our package impact the Social Security trust fund, Judith Chesser, Deputy Commissioner of the Social Security Administration gave us a simple answer, and that answer was no.

Mr. Speaker, our effort eliminates the marriage tax penalty. It helps 28 million married working couples. In fact, the tax relief we provide in our package provides $243 in extra take-home pay for 28 million married working couples. In Joliet, Illinois, $240 is a car payment.

Our effort is helpful to the people of Illinois, saving Social Security, setting aside $1.4 trillion of surplus funds for Social Security and also working to eliminate the marriage tax penalty helps people back home in Illinois. But this legislation that we will be voting on after we defeat the Rangel substitute will not only help eliminate the married tax penalty for 28 million American couples, it helps farmers in Illinois, small business in Illinois, and it helps parents who want to send their children to college in Illinois.

Vote "no" on the Rangel substitute and "yes" on H.R. 4579.

Mr. RANGEL. Mr. Speaker, I yield two minutes to the gentleman from Tennessee (Mr. TANNER), a member of the committee.

Mr. TANNER. Mr. Speaker, I like this tax bill. I think it is good public policy. But for the first time in 29 years we now are in a position where we can say to the American people that there is more money coming into this town than leaving. This is just a projection. Beyond that, what I hate to see us do is there has been a lot of political bloodshed to get to this point of financial integrity once again in this town in terms of our budget.

Now, no one can dispute that this is a unified budget, and if one took the payroll taxes, the Social Security taxes that come in here out of the unified budget or out of the budget, we would not have a surplus. That is a fact. That is not a political argument.

□ 1015

We still are running an operational deficit. I do not know how many people paid the price in 1993. I know President Bush paid a miserable price in his career for doing the right thing in 1990 to get us to the point where we are not running a $290 billion deficit every year.

I am not for any new spending programs, and I am not going to be for this tax cut today. We cannot pay for it. Last year, we had a balanced budget. We paid for the tax bill last year. This one is not paid for; and, for that reason, I think it is financially irresponsible to do this what we are about to do today.

I would urge my colleagues not to support this matter today.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to respond to how the Democrats have done a 180-degree shift since last year. Unless we counted Social Security surpluses in their terminology now, we had no balanced budget last year. When they get up and they say there was a balanced budget, they are assuming, then, by their logic, in this year that they were using surpluses out of Social Security. Every one of them that voted for the tax bill last year by their logic this year voted to spend the Social Security surplus. Every one of them.

In fact, the projections last year when they voted were not nearly as good for the general fund as they are this year. They did not pay for it by their argument this year. They have just changed their view of the budget for political reasons going into this election.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. HULSHOF).

Mr. ARCHER. Mr. Speaker, I am from the show-me State. When my friends on the other side said there is no way that the Republican majority can balance the budget and provide tax relief, we showed them we could do it.

Now we are telling them that we can save Social Security and provide a modest tax relief to the American people. We will show them if they give us the opportunity.

There are a lot of good things in this bill. Married couples should not have to pay more in taxes simply because they say "I do". They are not saying I do want to pay more in tax. We provide relief. Farmers and ranchers need additional risk management tools. Small businesses should not have to pay the punitive death tax. All of these issues are addressed.

But what I want to focus on is a provision that a freshman Member on the other side, the gentleman from Ohio (Mr. KUCINICH), and I had the opportunity to sponsor called the Savings Advancement and Enhancement Act, the SAVE Act.

The provision is very simple. It would provide an exclusion of up to $400 in interest and dividends from your taxes, $200 for individual filers. When you think about it, we are making a fundamental moral judgment. It is wrong to punish small savers and investors. We should be encouraging their thrift, not punishing their thrift.

If this tax relief measure is included, 68 million people will be provided some relief. In fact, not only is it a good moral judgment about allowing small investors to exclude this interest income, but it is a tax simplification measure.

As the gentleman from California talked about, 10 million taxpayers will not have to file the 1040 form. They can go to the 1040EZ and electronically file. In fact, if you look on line 8 and 9 is where we have to put the fact that we have taxable interest or dividend income. Seven million Americans can leave page 124 in their tax books, Schedule B. They will not have to fill out this Schedule B.

So we have not only good tax policy, but simplification. I urge the defeat of the gentleman's substitute and vote in favor of the chairman's bill.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, after last year's tax bill, I would have thought that nobody on the other side of the aisle would ever talk about simplification again. I thought that I heard the end of all of this pulling up the tax code by the roots since you so effectively deep-sixed it for the year 2002.

But if the chairman of the distinguished Committee on Ways and Means would check last year's tax bills, one thing we did do was pay for it. It did not come out of the surplus. It came out of tax cuts.

Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. HEFNER).

Mr. HEFNER. Mr. Speaker, I will try to be as honest as I can in my statement. I would urge people to refrain from calling people liars and what have you. And referring to people in their sincerity in standing before the whole world and saying I have sinned seems to me to be a pretty good repentance; and maybe if God can forgive somebody, we can. Maybe someday in our heart we can see to do that.

I want to make a couple of points here. When Ronald Reagan was President, his first budget that was sent to this floor by David Stockman called for the elimination of $125 for the minimum Social Security for the oldest, sickest senior citizens in this country, to eliminate it.

Republicans have never been for Social Security. This is a Democratic program. Ronald Reagan took us to Camp David, and it was the Democrats fault that these deficits escalated during the Reagan administration. Why do I say that? Because there was a group of people that were called boll weevils that voted for this budget, and they escalated tremendously. They doubled during the Reagan administration.

In 1993, I wish I had more time here. In 1993, let me tell you what some of the Republicans said about Bill Clinton's package in 1993. The gentleman from Illinois (Mr. CRANE) said, "This package will do nothing but discourage economic activity. Clinton wants us to pursue a course that would lead to economic disaster."

"The economy is going to be damaged," the gentleman from New York (Mr. KING) said.

This measure is not the solution for our Nation's fiscal or economic growth problems. It will probably abort the economic stabilization in this country.

The gentleman said that we Republicans have managed to have this balanced budget. Without what we did in 1993, we would not even be close to a balanced budget.

The gentleman from Ohio (Mr. KASICH) said if we vote for the 1993 Clinton package, we are going to have a $1 trillion 90 billion increase in the Federal budget. What actually happened, the deficit has declined ever since 1993. I tell the gentleman from Texas (Mr. ARCHER) that is facts, and I would be happy to produce them.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. COLLINS), another respected member of the Committee on Ways and Means Committee.

Mr. COLLINS. Mr. Speaker, we have heard accusations from the other side of the aisle that this bill would endanger the Social Security system. That is false. This again is another clear attempt to scare our seniors.

Our seniors should know that, with or without the enactment of this bill or this substitute, the Social Security trustees have reported to the Committee on Ways and Means that their retirement check is sound for another 33 years. That means, if you are 65 today, your check is sound until you are 98. If you are 80, it is sound until you are 113. If you are 90, your check is sound until you are 123. And Godspeed to you to live to collect each and every one of those checks.

My age is 54. My check is sound until I am 87. Social Security is my old-age pension. It is different for many Members of this body. I declined the congressional pension. Social Security is my old-age pension.

What this legislation does is ensure that generations behind those collecting Social Security checks today get to keep more of the money that they earn today for their family.

Let me remind the opponents of this bill who use the Social Security scare tactic. There is no surplus in the ledgers of small business who create most of the U.S. jobs. There is no surplus for middle-income married couples working to provide for their family. There is no surplus for seniors who go back to work to supplement their Social Security check. There is no surplus for farmers struggling against low prices and natural disasters.

This legislation provides these Americans who have paid the money into the so-called surplus a small piece of the benefit that comes with a balanced budget and a strong economy.

Mr. Speaker, I strongly urge the Members of this body to support this bill, to give tax relief to middle-income working Americans and families.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SÁNCHEZ).

Ms. SANCHEZ. Mr. Speaker, I rise in opposition to the Taxpayer Relief Act of 1998 even though I support many of the goals in the bill. I support increasing tax deductions for married couples and the self-employed and extending the research tax credit. I support creating more renewal of communities.

But I believe this bill makes a grave mistake by drawing from the projected budget surplus to pay for these tax cuts.

The solvency of the Social Security Trust Fund has not been assured. This Congress has not even debated a plan to save Social Security's worth for future generations of Americans.

We really do not have a budget surplus to spend because Republicans are dipping into funds earmarked for Social Security. This worries me because I held two Social Security forums in my district this year, and my constituents are concerned that Social Security is going bankrupt and we are not doing anything about it. This bill weakens Social Security, and that is wrong.

Furthermore, I cannot support the bill because it is a bad deal for our schools. We need to be helping to build more schools in America. This bill does not address that. I had hoped that my amendment to the bill would help that. Do not give our schools empty promises. Put Social Security first.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), another respected member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the chairman for yielding my this time.

Mr. Speaker, I want to commend the chairman for putting together a great tax package. This is not only a tax package that offers a sound package of tax relief for working families in America, but it also takes unprecedented steps to preserve Social Security. We have never done this before. We are setting aside adequate funds to preserve Social Security in the future.

Earlier this year, Mr. Speaker, right up there at that podium, the President of the United States said that we should save every dime of the so-called budget surplus, which was less than half that it has turned out to be for this fiscal year.

Since that time, the pledge has been broken. The President himself, as we heard earlier today, has agreed to spend already this year $2.9 billion to support our efforts in Bosnia. Collectively, as I add it up, our friends on the other side of the aisle and the President suggests spending another $13 billion of the surplus for spending.

By the way, where is the President's proposal to save Social Security? Talk is cheap. I do not think this is a question of preserving Social Security or providing tax relief. The real question is, this year are we going to use the expected budget surplus only for more spending or are we going to give some needed tax relief, a break to the very people whose hard work and ingenuity has gotten us into this position of having a budget surplus?

If we put our minds to it, if we are sincere, we can do both. We can put together a Social Security plan over the next couple of years that works. This plan allows us to do that. Again, it is unprecedented. We are putting aside the surplus to do that.

We have heard a lot of good things about the tax plan today. Even Democrats have taken to the well saying it is a great plan. I think it is a great plan because it helps families, senior citizens, job-creating small businesses, farmers and ranchers.

But I want to give my friend, the gentleman from New York (Mr. RANGEL), some more confidence. It is even better than that. It provides unbelievable simplification of the tax code. A million people will not have to file anymore under this. Six million people will be able to stop itemizing under this proposal. Ten million people can go from filing a 1040 or a 1040A to the much simpler 1040EZ. Seven million Americans will not have to file a Schedule B for interest and income. This is not only responsible tax relief, it is responsible tax simplification.

Mr. RANGEL. Mr. Speaker, can you tell me how the time is allocated now, please?

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from New York (Mr. RANGEL) has 23½ minutes remaining. The gentleman from Texas (Mr. Archer) has 21 minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. STABENOW).

□ 1030

Ms. STABENOW. Mr. Speaker, I was pleased to come to this House and support a balanced budget this last year for the first time in 30 years, pleased to support tax cuts for middle class families totaling $95 billion. But now we have a window of opportunity to take the next step in fiscal responsibility. I believe it is incumbent on all of us to take that step. That is to repay the social security trust fund.

We know there is no real surplus until we have totally repaid the trust fund and brought it off the budget. The seniors in my district, people of all ages in my district, understand that as long as we are using the social security trust fund to balance the budget, there is no surplus. There is no surplus.

This tax bill is one that I support. I have cosponsored a number of the provisions in it. However, I believe that the Rangel substitute is the only responsible approach to fiscal responsibility and to future generations. Save social security first.

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Washington (Ms. DUNN), the highly respected member of the Committee on Ways and Means.

Ms. DUNN. Mr. Speaker, I thank the gentleman for yielding time to me.

Today life in America is changing for the better. More hardworking men, women, and retired seniors are sharing in new prosperity. Because we have kept spending down, we have balanced the budget for the first time in a generation, and we have given Americans the first tax relief in 16 years. Interest rates are down, and families are taking home more of what they earn.

But even with a good economy, we still wonder how we are going to continue to meet the changing needs of Americans. That is why House Republicans are advancing a tax plan that focuses on building a brighter, more secure future for women and their families by ensuring that the social security trust funds are there, and by returning taxpayer dollars to Americans we can ensure a better quality of life for those struggling to make ends meet.

Specifically, we have committed to setting aside $1.4 trillion of a projected budget surplus to protect and strengthen social security. Nothing is more important to women in retirement than ensuring that they have income security, and with that, peace of mind. We will keep that commitment.

With the remainder of the surplus, we are holding true to our promise to cut taxes every year that Republicans control Congress. The Taxpayer Relief Act of 1998 makes important strides in providing the financial relief that women and families need to stay strong.

It will ensure that there is no longer a financial disincentive for marriage. By doubling the standard deduction for married couples, a woman who files jointly with her husband no longer will feel an additional pinch from the government that the current marriage penalty costs. Forty eight million Americans will benefit from this relief, Mr. Speaker, over 1 million alone in my home State of Washington.

In addition, a woman small business owner will no longer worry about being a financial burden on her sons and daughters when she passes on. The death tax relief provided in this bill will allow her children to keep that small business that has helped them plan and live the American dream.

With women creating small businesses at twice the rate of men these days, health insurance costs are extremely important, and a great burden. Providing 100 percent deductibility of health insurance costs for women who are self-employed gives them the help they need to protect their family from illness and injury, something about which all mothers worry.

Americans have always believed that if we work hard and take responsibility for ourselves and help others where we can, we will reap the benefits of our efforts and fulfill our own American dream. It makes sense. It is the American dream. It is in this bill. I urge its support.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM). No one has worked harder to save the social security system than the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, listening to the debate again this morning, I am reminded of the words of Will Rogers, who said, "It ain't peoples' ignorance that's bothering me so much, it is them knowing so much that ain't so is the problem."

I would yield to anyone who would challenge anything I am going to say in my remarks. There is no surplus other than social security trust funds. Over the next 5 years, there are $520 billion of projected surplus, of which $657 of the $520 are social security trust funds. That is a fact. Does anyone wish to challenge me on that?

Hearing no response, this tax bill will increase the deficit.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I would ask, did the gentleman vote for the tax bill last year?

Mr. STENHOLM. That was not the question I asked.

Mr. ARCHER. Was there a surplus then?

Mr. STENHOLM. Mr. Speaker, I do not yield for the purpose of muddying up the argument today.

We can go back as far as 1 year, 2 years, 3 years, and I can find mistakes I have made. I can point to mistakes the chairman has made. That is a valid point.

But I would say, we will borrow, under this proposal today, we will borrow $237 billion more over the next 5 years if the tax bill in question today is passed, $237, which is $830 for every man, woman, and child in the United States that we will borrow in order to give this tax cut.

The projected surplus that we are talking about may never materialize. That is why this is a fiscally irresponsible bill we are bringing, if Members claim to be conservative, fiscally irresponsible.

Abandoning fiscal discipline is the wrong message to send to our financial markets at this time. The recent volatility of world financial markets makes it even more critical that we reaffirm our commitment to what we agreed to do, Mr. Chairman, last year, what we agreed to do last year, which has set us on the right track to balancing the budget. Yes, I voted for it, but for the reason that we voted for it last year, and the reason I oppose doing more this year.

The Concord Coalition has warned us that the election year temptation to use social security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline.

The potential harm to our economy, and let me give this example to my agricultural colleagues, we hear a lot about what we are going to do for farmers and ranchers. This package that is going to be voted on in a moment will give to our farmers a $271 million annual benefit, but a one-half of 1 percent increase in interest rates will cost our farmers $870 million, three times the cost, if we abandon fiscal discipline and interest rates go up. So we are muddying the message completely in this, and talking about the great benefit.

What everyone who is fiscally conservative is saying is reserve the social security trust fund for paying down the debt, and making sure we can in fact save social security for our future generations. Vote down this bill.

Mr. Speaker, there is no surplus—unless we count the Social Security surplus.

Over the next five years, 125% of the surplus comes from the Social Security trust fund. CBO projects unified budget surpluses of $520 billion, $657 billion of which will be a result of the Social Security trust fund surplus.

In other words, if you subtract the projected annual Social Security trust fund surpluses from the projected unified budget surplus, there is no surplus—a $137 billion on-budget deficit.

According to the most recent report of the Congressional Budget Office, which included the projections of a budget surplus that are being used to justify this tax bill, we still have an on-budget deficit.

"Although the total budget is expected to show a healthy surplus in 1998, CBO still anticipates an on-budget deficit. On budget revenues (which BYLAW exclude revenues earmarked for Social Security) are projected to be $41 billion less than on-budget spending."—(CBO Economic and Budget Outlook August Update)

THE TAX BILL WILL INCREASE THE DEFICIT

To my Republican colleagues who are insisting that this tax cut does not come out of Social Security, what you are admitting is that the tax cut is paid for with borrowed money, because there is no surplus if you exclude Social Security.

I support all of the tax cuts included in this package, but, with borrowed money. Enacting a permanent tax cut that is not paid for would result in continued deficits as far as the eye can see.

Instead of taking $137 billion out of private savings to cover the deficit over the next five years, the government will have to borrow $225 billion over the next five years if we pass this tax cut. That is another $830 of debt for every man, woman and child in this country.

THE PROJECTED SURPLUS MAY NEVER MATERIALIZE

The projections of a surplus are a result of dramatic improvements in budget estimates that could deteriorate just as quickly. As recent developments both at home and abroad have made clear, continued strong economic growth—and the budget surpluses it produces—are by no means guaranteed.

According to CBO, a recession similar to the 1990–1991 recession would turn the projected surplus into a deficit. Even a modest slowdown in economic growth could wipe out much of the projected surplus.

Republican economist and former Federal Reserve Governor, warned that the surge in income taxes that has contributed to the surplus in the unified budget may not continue, arguing that "The prudent thing to do when you enjoy a windfall from some good luck is to save it, you might need the cushion in bad times."

Given all of the uncertainty in budget projections, the conservative thing to do is be conservative by waiting to see if these surpluses materialize.

ABANDONING FISCAL DISCIPLINE IS THE WRONG MESSAGE TO SEND TO FINANCIAL MARKETS

The recent volatility of world financial markets makes it even more critical that we reaffirm our commitment to maintaining the discipline that has produced a dramatic improvement in the federal budget and a strong economy.

In a letter sent out earlier this week, the Concord Coalition warned us that "the election year temptation to use Social Security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline."

The potential harm to the economy from relatting the discipline of the budget agreement at all will outweigh the benefit of any tax cut.

DON'T FORGET THE NATIONAL DEBT

The current projections of a budget surplus follow years of deficit spending that has resulted in a national debt of $5.4 trillion. Interest payments on the debt will consume $244 billion in 1998.

Federal Reserve Chairman Alan Greenspan, former CBO Director Rudy Penner and countless other economist have told us that the best course of action for the economy is for Congress to use the surplus to reduce the debt.

Reducing the national debt will help maintain a strong economy by reducing interest rates and increasing the amount of savings available for productive investment.

WE NEED TO RESERVE THE ENTIRE BUDGET SURPLUS TO DEAL WITH SOCIAL SECURITY REFORM

Funding this tax cut out of the unified budget surplus will limit our options in the Social Security reform debate by using revenues that would be necessary to fund many of the reform options that have been proposed.

Even if the current budget surplus projections hold true, it will be difficult to fund the transition costs of comprehensive Social Security reform that deals with the $9 trillion unfunded liability in the Social Security system within a balanced unified federal budget.

The current annual surpluses being run by the Social Security Trust Fund are intended to prepare for future needs of the Social Security system. Since Social Security accounts for virtually all of the projected budget surpluses, addressing the financial challenges facing Social Security is the only appropriate use of the budget surplus.

CONCLUSION

It is extremely important that we follow the path of fiscal responsibility and take advantage of this opportunity to preserve the Social Security system for future generations. The bill before us, for all its merit, would undermine fiscal discipline and jeopardize our ability to preserve Social Security.

If you care about fiscal discipline, if you care about the integrity of the Social Security system, all Members who care about the legacy we leave for future generations, vote for the motion to recommit and vote against this bill.

TAX RELIEF

H.R. 4579 provides $24.2 billion of tax relief for farmers and small business from 1999 to 2003.

Excluding Estate tax provisions, there are $6.3 billion in tax relief.

Focusing on farmer and rancher benefits, including the $25,000 expensing for small business and farmers, there are $1.4 billion in tax relief.

The annual average tax relief for farmers and ranchers is $270 million.

INTEREST RATE RELIEF

Total U.S. farm debt is $167.6 billion.

The result of a 1% interest rate reduction is $1.676 billion less in annual debt service for farmers and ranchers.

The result of a ½% interest rate reduction is $838 million less in annual debt service for farmers and ranchers, more than 3 times the tax relief.

The following chart illustrates this:

TAX RELIEF FARMERS AND RANCHERS VS INTEREST RATE RELIEF

[In millions of dollars]

	Total Cost 1999–03	Annual Avg Avg Cost	Farmer Only Est	Annual Avg Avg Cost
Health insurance deduction at 100 percent	5,111	1,022	168	34
$25,000 expensing	1,059	212	1,059	212
Income averaging	45	9	45	9
Net operating loss carryback	81	16	81	16
PFC constructive receipt				
Total	6,296	1,259	1,353	271
Total U.S. farm debt				167,600
1 percent interest rate reduction, annual				1,676
½ percent interest rate reduction, annual				838

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a brief response, I would say if the gentleman's logic is correct today, it was more correct last year, because the amount of the tax bill last year was bigger than the amount of the tax bill this year. It required, according to his logic, not mine, his, more borrowing than this tax bill does. But he and most of the Democrats voted for it.

We heard nothing about social security then. Social security is a manufactured argument on their part this year for political reasons. It is an election year.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. ARCHER. I am sorry, but I have already committed all of my time. I regret I cannot yield.

Mr. STENHOLM. I yielded to the gentleman.

Mr. ARCHER. Yes, but the gentleman continued to speak his argument, and his argument logically meant that last year we had to borrow more money for the tax bill than he says we will be borrowing this year. That is a fact.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to point out, and I do not think it has been said enough, that there are two very important provisions in here in relationship to education.

First of all, section 111 of the bill permits private higher education institutions to establish qualified pre-paid tuition programs. They cannot do that now. It will mean an awful lot to an awful lot of young people who would like to go to college.

Secondly, something that is very, very important, because I hear people all the time say we need construction money, we need rebuilding money, all these things for schools. In this legislation, section 112 of the bill would liberalize the permitted expenditure period of the present law construction bond exception in the case of bonds issued to finance the construction of public schools.

What does that mean? That means school districts will get to keep 1½ billions of dollars for school construction and school renovation. So I do not want to hear anymore talk about we are not doing anything for school districts, because they are doing an awful lot in this legislation to help them repair their buildings and build their buildings.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, let me start by saying I voted against the absurd balanced budget agreement last year because it cut Medicare by $115 billion. That is how it was paid for. We are suffering from it right now.

More importantly, I rise in strong opposition to the Republican plan, which takes money from the social security trust fund in order to provide tax breaks, 6 weeks before an election. Let us be clear, the so-called surplus this year that the Republicans are taking from is made up completely from the social security surplus. Without that $100 billion social security surplus, the government this year is in deficit, not to mention a $5 trillion national debt.

It seems to me to be the essence of hypocrisy for some Republicans to go running around the country saying that we have to privatize the social security system because it is going broke, and the next day to be taking money from the very same social security system.

Mr. Speaker, if we want targeted tax breaks for the middle class, fair enough, take it from corporate welfare and the huge loopholes that exist for billionaires.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, I rise in opposition to the pending amendment and in support of the base bill, which provides tax relief to virtually every American while saving social security. This is the moderate's moment.

Mr. Speaker, I rise in strong support of the Taxpayer Relief Act and in opposition to the substitute offered by Mr. RANGEL.

This bill will provide targeted, responsible tax relief to middle-income families. This bill will strengthen our economy. And this bill will remedy problems with the current tax code that have been talked about for years, but have never before been addressed.

The bill would correct the marriage penalty, which perversely creates a disincentive for couples to marry. It would exempt more interest and dividends from taxation, increasing the funds available for investment. It would allow more people to deduct the cost of their health insurance, reducing the number of Americans who lack coverage. It will allow seniors on Social Security to earn more income. It will create new incentives to save for education. It will exempt more inheritances from estate taxes. It will help farmers stabilize their tax payments so the government does not exacerbate the ups and downs of farm income. It will increase the number of families who can deduct education and child care expenses. And it will extend a number of credits for business, such as the research and development tax credit, that would otherwise expire.

In short, virtually every American taxpayer will feel the benefits of this $80 billion tax cut bill both directly—in the form of lower tax bills—and indirectly—through the benefits to the overall economy.

In fact, this is such a good tax bill that there's no disagreement over its tax provisions. The Democrat's substitute contains each and every tax cut provision that we Republicans have proposed. But the Democrats claim that we can't afford these cuts and that we are endangering Social Security. This is politics pure and simple.

Just yesterday, we voted to place 90 percent of the budget surplus—90 percent!—in a separate account dedicated to Social Security. This unprecedented action will reserve more than enough to cover our debts to the Social Security—and in so doing will pay down our national debt.

Thanks to the strong economy, thanks to the Balanced Budget Act agreement, the surplus will be large enough to be used for more than one purpose without threatening Social Security. "Save Social Security first" is good advice—and we have followed it. "Save Social Security only" is bad advice; it's political advice; it assumes a false sense of impoverishment that will deprive taxpayers and the economy of a needed and affordable boost.

I urge my colleagues to support H.R. 4579 and provide responsible tax relief.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), another respected member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, I am afraid we are so dug in here we are sort of getting to the point where we are not listening to one another. Both sides want to pull down the debt. Both sides want to take social security out of the spending pool and build it back. But the President has other ideas. The Republicans have other ideas. It is not just one sole mission.

To pull this thing down into something which is at least meaningful to me, let us assume we have a little business, and the business has not made money for 29 years. All of a sudden it starts to make money. During those 29 years, we have had to borrow money. We have had to pull down from our pension, our unfunded liability. That is not good. We want to build it up. We feel badly about it. We are able to cover our pensioners, but not the way we would like.

All of a sudden we start to make money. Not only that, we look at the future and it looks like we are going to continue to make money. So what do we do? Obviously, start to pay back our debt, but certainly we start to pull back the pension account, which in this case is the social security.

Also I think we say to our stockholders, we have not given you any dividend increases for years. Therefore, you stuck with us, your capital has been involved. You have been decent about this thing. We would like to help you a little bit.

This tax decrease amounts to .009 percent of our Federal revenues. That is not very much, $60 per person. We can do the other things, we are doing the other things, but we have to take a look at the individual shareholders of this country and pay our respects to them.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), another distinguished member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I must say that the gentleman from Texas (Chairman ARCHER) has crafted a good tax bill. I rise in support of the Democratic substitute, because that would pay for it.

I think the issue, and the gentleman from New York (Mr. HOUGHTON) touched on it a little bit, is that this is an issue of priorities. There are no more cuts to be made that are easy politically. So they are pushing us into basically deficit spending; reducing the surplus, if you will.

The question is, why this tax cut, then? Why not Medicare? The other day we tried to find $1,200,000,000 to fix home health care. They are unwilling to ask for a waiver. This bill breaks the budget law.

□ 1045

They had to get special permission to void the budget bill to get this bill to the floor. Otherwise, a point of order could knock it out. Why were they not willing to do that with home health care, which they promised us would be paid for, but we have not seen it paid for yet?

Why are we not fixing Medicare? Perhaps we should be having the debate that Medicare is more important than cutting the inheritance tax. Some people may not think so, but that is a worthy debate.

They are not willing to cut defense. They are not willing to cut the fat pork out of the transportation bill. Somehow, my Republican colleagues are doing it out of the surplus without identifying what they are willing to give up. They are not making a hard choice. They are making a political statement in an attempt to win back some votes from people who turned their backs on the Republicans, rightly so, years ago.

They are trying to avoid the discussion that this will harm, well, let us say it another way, will not fix Social Security. It will not fix Medicare. It will not help education.

Is it the right thing to do? It is not a bad tax bill. It is not paid for. It is bad economic policy, and it is irresponsible.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska (Mr. CHRISTENSEN), another respected member of the Committee on Ways and Means.

Mr. CHRISTENSEN. Mr. Speaker, I thank the gentleman from Texas (Mr. ARCHER) for yielding me this time.

Mr. Speaker, when I got here 4 years ago, I always heard that we could not cut taxes because there was a deficit. And now we cannot cut taxes because there is a surplus. But we have not heard the same debate on the Y2K debate, or on Bosnia. But when it comes to the people's money, we always cannot give it back to them.

Coming from Nebraska, I have had an opportunity to talk to a lot of farmers and hear what they have to say. In my own family, we have my brother and brother-in-law who are involved in farming operations. They said, "What can you do for us this year, because we are going through an incredible crisis?"

Mr. Speaker, I said, what about 100 percent health care deduction for the self-employed? And they said, that is in the bill? And I said, absolutely. That will help.

What about allowing the profits that a business has made in the last 5 years to be able to be offset from losses this year? And they said, that is in the bill? And I said, yes. That will help. That is a small provision.

Every little bit will help in the this bill. It is not a perfect bill as far as we wanted more. We always want more for the farmers and ranchers. But it is a great start, and I thank the gentleman from Texas (Chairman ARCHER) for putting this bill together.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Texas (Mr. STENHOLM) to respond to our distinguished chairman.

Mr. STENHOLM. Mr. Speaker, I want to refer to the gentleman from Texas (Chairman ARCHER), and I want to apologize for the tone in my voice a moment ago. But what I was wanting to say is if the gentleman will go back and examine the RECORD, that he will see that the Blue Dog Coalition last year argued for the opportunity to present on this floor a budget that would balance our budget without the utilization of Social Security trust funds. We were denied an opportunity even to debate that by the gentleman's side of the aisle.

So, what the gentleman inferred to me a moment ago, I believe, was in error factually. We would have liked to have done it last year; the Republicans would not let us do it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I agree with the gentleman from Florida (Mr. SHAW), about trying to be truthful. I think we have to look at the facts.

Whether Members are Republican or Democrat, they cannot deny that there is no surplus at hand. For Members to come down and say we have a $1.6 trillion surplus is foolish. Everybody here knows that may happen, it may not. That is a 10-year projection.

Mr. Speaker, 10-year projections are worthless. We hope it happens, and we hope maybe it is even better, but we should not start spending that. And this 90–10 deal, that is made up. We do not know if that is true or not.

My friend, the gentleman from Texas (Chairman ARCHER), says repeatedly every week in the national press that we are going to have a tax cut every year the Republicans are in control. That is good politics and it sounds good, but it is going to blow a hole through the 90–10; particularly, if we do not get the $1.6 trillion.

The other fact which is undeniable is if we spend the surplus, whether Members believe it is coming from Social Security or someplace else, the fact is we will spend money that is owed to the Social Security trust fund to pay the bonds off, and that will come from Social Security.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, simply to respond, since Lyndon Johnson was President, we have operated under what is called a unified budget, and all of the monies that are received by the Federal Government are put into one basket. All of the spending is put into another basket, to determine whether we have a surplus or whether we have a deficit.

The debt ceiling relates to that, and the gentleman knows that. The Republicans did not contrive the unified budget. We have lived with what was contrived by President Lyndon Johnson and a Democrat Congress.

It has never been argued against, other than, yes, the gentleman from Texas (Mr. STENHOLM), my friend, and a few others have made arguments against it. Valid arguments. But it has never been denied by a majority of the Democrats in the House of Representatives or in the Senate.

I suspect that my friend from Texas in the well today voted for the tax bill last year. Did we have a surplus then? Did we have to borrow more money to pay for that tax bill? The answer clearly is "yes." It does not need a response. It is clearly "yes."

But the argument has changed today. The budget concept has changed today on behalf of the leaders in the Democrat party. They want to have it both ways. They want to claim a balanced budget under a unified budget, and then they want to argue, oh, but we do not have a balanced budget.

Mr. Speaker, it has to be one way or the other. We have always operated on the basis of deficits relating to a unified budget. We are working with that today. That is the budgetary concept. And on that basis, we have a surplus only because of a Republican Congress.

When we took the majority, there was a projection of $3 trillion of deficit over 10 years. Now there is a projection of $1.6 trillion of surplus. But it is strange to me that my liberal Democrat friends never seem to want to be for tax relief. There is always a reason that it should not happen.

Last year it was we have to balance the budget first. But they were talking about a unified budget last year. Now they have changed their budgetary concepts and they claimed we balanced the budget, therefore we can vote for tax relief. But by their argument today, we have to borrow more money for that tax relief.

They have changed. They changed on Medicare. In 1996, they said the Republicans are going to destroy Medicare. Political year. In 1997, they voted for virtually the same bill that we had offered in 1996. They were on board, but we were not any longer destroying Medicare. We were saving Medicare. That is what we said in 1996.

Now, again, there is a reason why they do not want to give tax relief to the hard-hit American people. That reason is designed for a political year. It was not there last year, but it is here this year. So, the American people should understand that amazing things happen in an election year. We proposed this tax relief at the beginning of this year. We have been working for it all year, and we believe it is the people's money, not Washington's money.

And, yes, we intend to see that as much of it is kept as possible in their pockets. It is their income tax dollars that have changed these projections.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. MICA).

Mr. MICA. Mr. Speaker, it is fitting that Congress is here working today on Saturday. In fact, tens of millions of Americans work on Saturday and throughout the week to feed their families and to pay their taxes. In fact to pay their taxes, which the Democrat majority has raised, most Americans work until May of each year to pay their tax bills.

The proposal before us is not a big tax cut. In fact, it is a rather modest tax cut, but it is targeted to change oppressive and destructive tax policy. Taxation helps determine economic and social policy.

Foremost, this measure will change Federal policy to say that married couples who live together under the law will not be penalized. Just as important as cutting the tax burden, this legislation will have a positive impact on nurturing the family structure.

For 40 years, the other side of the aisle adopted policies that helped destroy the American family unit and the work ethic in this country. During those 40 years they paid people more not to work than to work. In 4 years, we changed that policy.

During 40 years, the Democrats taxed, retaxed, and overtaxed those who went to work and those who produced. In 4 years, we changed that policy.

During those 40 years, the Democrats penalized fathers who live with their families. In 4 years, we changed that policy.

During 40 years, the Democrats adopted policies that robbed people of their pride, their dignity, and most of all, of their personal initiative. The Republicans began to change that policy.

Today, we have one more small opportunity to change and correct a misguided policy.

Mr. RANGEL. Mr. Speaker, I yield myself 30 seconds to respond to the distinguished gentleman from Texas (Chairman ARCHER).

Mr. Speaker, it is really chutzpah to say that it is the Democrats who have changed their policy. It is the Republicans that wanted to get rid of the Code. Pull it up by the roots. Have a flat tax. Have a sales tax. Now they are coming in with another tax bill that certainly does not do that.

It is the Republicans that said we had to have fiscal discipline, and they are the ones that are waiving the rules. It is the gentleman from Texas (Mr. ARMEY) that says we have to phase out Social Security over time. So, we are consistent.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, this floor update says, "Republicans Raid Social Security for Election Eve Tax Cut," and that is exactly what it is. My Republican friends want to take the Social Security trust fund and turn it into an all-purpose slush fund, and I do not think the American people want that.

Any way we cut it, we are stealing $177 billion away from Social Security. And let us note that the surplus, as has been stated here before, is only the result of the Social Security trust fund.

Mr. Speaker, I have seniors in my district come to me all the time saying that we should not raid our Social Security to pay for everything that the government wants or to pay for tax cuts. Social Security monies should be used for Social Security purposes only, and we ought to save and strengthen Social Security first.

This waives the Budget Act which says that all tax cuts must be fully paid for and offset. And the reason we do have a projected surplus, frankly, is that in 1993, the Democrats, without one Republican vote, had the courage to pass the bill.

So, let us remember, the unified budget is not as a result of President Johnson. Presidents Bush and Reagan did not change it either. This bill is irresponsible, and it ought to be defeated.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky (Mr. BAESLER).

Mr. BAESLER. Mr. Speaker, just yesterday, the Republican House leadership set the stage to spend the Social Security surplus, ignoring the dangers of raiding the trust fund and ignoring the promises that they have made both to the current and future generations.

Now, just 24 hours later, the Republican leadership is now ready to spend $150 billion of the Social Security trust fund. After all the debate over the past 2 days, three undeniable truths have emerged: There is no budget surplus, there is a surplus in the Social Security trust fund, and the Republicans are willing to spend the Social Security surplus to pay for an election year tax cut.

The Social Security trust fund is more than a Republican piggy bank. It is a trust. I urge the House not to break that trust. Do not travel the easy road to broken promises.

"Save Social Security first" is more than a slogan. It is similar to a slogan like "Read my lips." Save Social Security first. Americans deserve better than more broken promises that we are getting today.

□ 1100

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the real question today is whether Republicans, GINGRICH-led House Republicans are once again willing to undermine Social Security. Let us look at the record.

The number two leader in the House, the Republican majority leader, the gentleman from Texas (Mr. ARMEY), said, in 1994, I would never have created Social Security. Earlier, when he was running for office, he said, You know, what we really need to do is just phase out Social Security over a period of time.

Let us look at the record. Today dozens of Republicans in this Congress are trying to privatize and change Social Security as we know it. Let us look at the record. A year ago Republicans said, trust us, senior citizens, we will never cut your Medicare. Ask hundreds of thousands of seniors who have been kicked out of home health care programs under Medicare because of their language in their budget bill. Ask them if they kept that promise.

Let us look at the record. Just a few months ago, it is stealing to take money from the highway trust fund. Today they say it is not really stealing when you take money from Social Security.

That is why seniors do not trust Republicans to protect their Social Security.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. BONIOR), our distinguished Democratic whip.

Mr. BONIOR. Mr. Speaker, this tax bill is a raid on the Social Security trust fund. It is nothing less. I would call it a sneak attack, but what is happening here is so blatant, we cannot call it a sneak attack.

This tax bill spends the retirement savings of hard-working Americans. It squanders the progress America has made in balancing its books. After years of talking about fiscal responsibility, the Republicans come here, and they are rushing to spend the surplus that does not even exist. They are taking $177 billion from Social Security, and they are handing it out in an election year giveaway.

The crazy thing is, the money that they are giving away has not even been collected yet. That is irresponsible.

A lot of people have called it irresponsible across the political spectrum. The nonpartisan Concord Coalition says, The election year temptation to use Social Security surpluses for other purposes will lead to a dangerous breakdown in fiscal discipline.

The conservative Cato Institute, which my colleagues on this side of the aisle bow to on a regular basis, they said, We ought to wall off Social Security to prevent the continued thievery, that is their word, thievery from the trust fund.

The Secretary of the Treasury, Robert Rubin, warns that abandoning fiscal discipline now could destabilize the global economy.

The Speaker got up on the floor and made this great big speech about destabilizing the global economy. Here they are, raiding $177 billion out of the trust fund, putting us back in the same fiscal mess that we got into in the early 1980s and could not get out of until we elected a President and a Congress who were willing to do something about it in 1993.

I want to be very clear: The Democrats support a tax cut. But the American people have been very clear as well: Save Social Security first. Trading away Americans' retirement security for short-term tax cuts makes about as much sense as ripping a hole in the bottom of your canoe right before you hit the rapids.

We should not be surprised at this Republican plan to eliminate Social Security. As the majority leader, the gentleman from Texas, said when he first ran on a platform of eliminating Social Security, he called it, and I quote, a rotten trick on the American people. The Speaker apparently shares his views. In a newsletter that he put out entitled, this is a Progress and Freedom Foundation newsletter, it said, For freedom's sake, eliminate Social Security.

That is where their leadership comes from. Maybe that is why they are so willing to spend Social Security trust funds before the money even comes in.

They are dead wrong. There is no surplus to spend. We have an obligation to honor our commitment to America's families and save Social Security first.

Mr. ARCHER. Mr. Speaker, may I inquire as to what time remains?

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. ARCHER) has 7½ minutes remaining, and the gentleman from New York (Mr. RANGEL) has 8½ minutes remaining.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Speaker, I rise in support of tax cuts but certainly not in support of this irresponsible plan that has been offered by some of my colleagues on the other side.

The money the Republicans plan to use to fund their tax bill is not their money, nor is it Democrats' money. For it was paid into the Social Security system through payroll contributions and should not be stolen away from that to fund other things, no matter how worthy they may be.

Already young people, many in my generation, doubt whether the trust fund will be there for them. By introducing a tax bill paid for by taking money away from Social Security, they are pitting old against young and sowing conflict between generations.

Democrats are interested in bringing people together across generations and social groups to work out a way to achieve long-term solvency for Social Security, for we agree with the Federal Reserve Chairman, Alan Greenspan, that the favored use for the surplus is not to spend it on domestic programs or tax cuts.

At a time in which we are facing volatility in our world financial markets, I would hope that the fiscal responsibility that Republicans purport to pervade their party would finally take hold and they would do the right thing.

Do not support the Archer tax plan. Support the Rangel substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, I awoke this beautiful Saturday full of hope. By noon today we will be 107 hours away from the finish line I have been running toward, ever since I first came to the Congress. With the end of September, we will have achieved the first balanced budget since Lyndon Johnson was President.

Our achievement is imperfect, however. The unified budget is balanced only because of the surplus in the Social Security trust fund. And as we finish the race to this balanced budget, we begin another race with two finishes to cross: providing for the long-term solvency of Social Security and balancing the budget without including the Social Security trust fund.

The bill we are debating today, the "Raid Social Security for an Election Eve Tax Cut Act," threatens these goals. The problem is not with the specific tax cuts but with using the Social Security trust fund surplus to pay for them.

These tax cuts are also contained in the Democratic substitute. I have cosponsored many of them. But they are paid for in that substitute, and they maintain the trust in the trust fund.

The Republican bill effectively repeals the cornerstone of budget balancing, the pay-as-you-go rule. It does so without even a fig leaf of a budget resolution. It is irresponsible.

The Democratic substitute gives us tax cuts, maintains budget accountability. Pass the Democratic substitute.

Mr. Speaker, I awoke this beautiful Saturday full of hope. By noon today, we will be 107 hours away from a finish line I have been running toward every day I have served in Congress. With the end of September, we will have achieved the first balanced budget since Lyndon Johnson was President.

Our achievement is imperfect. The unified budget is balanced only because of the surplus in the Social Security Trust Fund. As we finish the race to this balanced budget, we begin another race with two finishes to cross: providing the long-term solvency of the Social Security System and balancing the budget without including the Social Security surplus.

Our fiscal success is built on partisan and bipartisan achievement. The 1990 budget agreement put into place the cornerstone of our budgetary structure: the pay-as-you-go rules. If Congress or the President wants to add spending, it has to be paid for. If Congress or the President wants to cut taxes, it has to be paid for. Payment is either in spending cuts or tax increases. It was a bipartisan achievement, albeit one that our present House Republican leadership opposed.

The 1993 budget was a partisan fight, passed by one vote in both chambers. it produced declining deficits five years in a row, laid the groundwork for phenomenal economic growth, and brought us to the point last year that we could hardly imagine not finishing the job.

The 1997 budget agreement returned us to a bipartisan approach and accelerated the achievement of the goal now a little over 100 hours away.

The bill we are debating today, the Raid Social Security for an Election Eve Tax Cut Act, threatens these goals. The problem is not with the specific tax cuts but with using the Social Security Trust Fund surplus to pay for them. More than half of the tax cuts in this bill come from proposals I have cosponsored. I support relief for small savers, small businesses, family farmers, health insurance, senior citizens, the marriage penalty and extending the research and development tax credit. These tax cuts are also contained in the Democratic substitute, but there they are paid for, and they maintain the "trust" in the Trust Fund.

This Republican bill effectively repeals the cornerstone of budget balancing, the pay-as-you-go rule. It does so without even a fig leaf of a budget resolution, now more than five months past due. It hands our tax goodies as if they were Halloween candy, but the goody box it dips into is the Social Security Trust Fund.

As the race to the balanced budget comes out of the turn and heads to the finish, this Republican tax bill is a dangerous detour. It can take us off the track, and it could prevent us from staying the course. We need a responsible approach that pays for tax cuts, that keeps us on the track to finish the race to a balanced budget. We need an approach that keeps the budget rules in place and effective so that we can begin the race to solving the challenge of Social Security and balancing the budget without including the Social Security surplus. The only way to achieve our goal is to support the Democratic alternative. Let's not fall off the track when the finish line is so close.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, we are for these tax cuts. In fact, virtually every one of these tax cuts was introduced by a Democrat. They were lifted from us in a transparently cynical gesture in an election year.

You know this bill is not going to pass. If you thought it were, then you would have a totally different piece of legislation out here.

The truth of the matter is, you have always hated Social Security, and you seek every opportunity to undermine it. That is what you are doing in this particular case by stealing money from the Social Security trust fund.

If you were in the private sector, heading a corporation, and you sought to steal money out of the pension fund of that private corporation, you would be locked up. And that is what ought to happen to you in this particular context. This is wrong. It is indecent. It runs counter to everything that this Congress has stood for, and you are doing what you are doing at the expense of present and future retirees.

You are not going to get away with it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank the gentleman from New York for yielding time to me.

We have 2 weeks left in this legislative session. We should not be squandering our time on bills that we know are not going anywhere.

The trade bill, which I voted for last night, is not going anywhere, unfortunately. This tax cut bill is not going anywhere, on the other side of this building, on the other end of Pennsylvania Avenue.

In the meantime, the budget languishes. The appropriations bills languish. The trade initiatives that we could take languish. Funding for IMF languishes.

So what are we doing? We are using our time on a Saturday morning to add to the deficit, to handicap our ability to balance the budget, to handicap our ability to solve the Social Security financial woes, to violate the budget rules.

This reminds me of a juvenile exercise in my youth. As a 7th grader, I and my friends campaigned to be president of home room. We were told by our teacher we should have a platform. We said we wanted to cut taxes. It was just as relevant then as it is now. It was not going anywhere.

I campaigned to be president of our "home room". We were told by our teacher we should have a platform. We all pledged to cut taxes. As children we were echoing our parents table talk, but we were no more in touch with reality than the majority today. Indeed let's cut taxes—when we can do so without jeopardizing Social Security and our commitment to balance the budget.

Mr. ARCHER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, although the tax cut last year, signed by the President, proclaimed by the President required more government borrowing, it did not raid or jeopardize Social Security.

Today, when we have a surplus of $60 billion instead of a deficit, last year, of $21 billion, we are clearly not in any way raiding Social Security or even touching any of the dollars that go into the Social Security trust fund. That is clear. Not one penny of Social Security money is involved in this tax relief.

Mr. Speaker, I am a conservative. Most people know that. I am conservative in most everything, but I am especially conservative when it comes to other people's money. I prepare my own taxes, I pay my own bills, and I have no personal debt.

I believe that left to their own, without government interference, red tape and excessive taxation, there is no problem the American people cannot solve. In the last 4 years the lives of the American people have improved because we are getting government off their backs. We balanced the budget, moved people from welfare to work, protected people from the IRS, and we cut taxes.

In short, we are downsizing the power of Washington and upsizing the power of individual Americans, helping them to help themselves.

But we must remember that we are only the government. We cannot solve all the problems of the people by taking tax dollars that are earned by one citizen and handing them to another citizen, and then believe that we have improved the lot of either.

For 40 years we tried that. It is called tax and spend. The time has come to admit that tax and spend has failed. It is time to reduce the size of government and let people keep their tax dollars. After all, the money belongs to them. Cutting taxes can never be "a giveaway" as the minority leader recently called it or "squandering the surplus" in the President's terminology, unless they believe that people's paychecks are government property, property for the government to give away.

□ 1115

Taxes are a takeaway. It is the government that takes. They take what workers make. It is not and never will be the other way around, at least not in America and not to Republicans.

Mr. Speaker, it is time to stop punishing those who work and earn. It is time to start helping the taxpayer so each one of them can keep more of what they earn.

It is clear from this debate that many of my Democrat friends are out of touch with overtaxed, mainstream America. It is clear that many are voting with their party leaders and against their farmers, ranchers, husbands, wives, senior citizens, local school districts and small business owners. While they claim they are for tax relief, their vote shows that their fingers remain stuck in the wallets of middle-income Americans, trying to take from one citizen to give to another. To my friends across the aisle, I really have a simple message: Let it go. Let it go. Let it go. We tried your way. For 40 years we squandered people's taxes and increased spending. Now it is our turn.

My friends, vote for your constituents, not your leadership. Show your independence. Say "yes" to families, to farmers and ranchers, to senior citizens, to small businesses and to the building of local schools. Vote for the taxpayer. Support our 90–10 plan. And at the same time we are committed to join with you to save Social Security.

Separately, Mr. Speaker, I would like to point out that the bill includes a temporary exception from current income inclusion under subpart F of the tax code for certain income earned abroad by dealers in securities. The committee report states: "It is intended that the dealer exception not apply to income from transactions with persons located in the United States with respect to U.S. securities." The report language reflects the Committee's understanding that the exception from current inclusion for income earned by dealers in securities does not apply to activities that would otherwise be conducted in the United States.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, the critical vote on this issue occurred yesterday with the rule, because what we did was to vote to break our own budget rules. It is those budget rules that enabled us to achieve a balanced budget, to turn a projected $300 billion deficit into a balanced budget. We did that because we did not want to be controlled by those rules as responsible as they are. We said that we are not going to pay for this tax cut by reducing spending or by taking it out of the general fund, we are going to take it from the Social Security trust fund.

But by breaking those rules, we have also broken intergenerational legacy, where every generation of Americans has inherited a better standard of living from their parents than the prior generation. Yet we are going to pass on to our children's generation $5.5 trillion of debt and an insurmountable Social Security burden, a generational deficit.

When I was born, there were 20 workers for every retiree. When I die there will be two. That is not fair. Let us not be so selfish.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. THURMAN) from the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I have heard a lot about yesterday and what happened and what is going on. But as a teacher, as a mother and someone who listened to their parents, I was told, "Learn from your mistakes."

Mr. Speaker, I want to thank the gentleman from Texas (Mr. ARCHER) for reminding the American people that this Congress last year gave tax breaks to the country, gave it to hard-working families, gave it to the farmers, gave it to the teachers, gave it to people with children. That is what you gave us last year. All we are saying is this year, please, please remember what Mr. Greenspan said, that if we protect this surplus and help pay down the national debt, we could in fact produce lower interest rates. That is for mortgage payments, that is for car payments, that is for credit card payments. He said spending this surplus would be the worst outcome.

Please just vote "no."

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT) our Democratic leader.

Mr. GEPHARDT. Mr. Speaker, the decision that we make today is a decision that every American would understand. In our lives, in our families, we all face fundamental decisions. Often those decisions are financial decisions. We have to decide whether or not to have instant gratification and buy something that we would like to have right now, or whether to save funds in our family for retirement or for a rainy day fund or for the future so that we do the responsible thing for our families and our future. It really is the kind of decision that we are making today as a national family. We are deciding whether we want very desirable tax cuts, which the American people want and which we want, or whether we should wait on that decision until we are sure that our pension funds in Social Security are safe and secure and adequate to take care of the baby boomers which will be soon coming and wanting their pension from Social Security. I urge my colleagues to vote for the Democratic substitute that will truly save the surplus for Social Security first.

Yesterday Republicans voted against a Democratic proposal to save all of the surplus for the Social Security trust fund. They said, 90 percent is good enough. 100 percent would be better, but 90 percent is good enough. I believe that was a wrong decision.

Today they are raiding the surplus with ill-timed tax cuts. Once again they show their disregard for the long-term financial integrity of the most important program to the lives of every American. Our substitute will make sure, certain, positive, that fiscal responsibility is more than empty phrases and empty words.

We support cutting taxes. We believe the American people deserve a tax cut. But it is more important to save every penny of the surplus until we find a way to pay for those tax cuts. It is a basic principle: Pay as you go; pay as you go. It says tax cuts funded out of the surplus must wait, must simply wait until Congress shores up the Social Security system so they can pay the benefits that baby boomers have earned by paying payroll taxes into the Social Security trust fund. It says "yes" to tax cuts to working families but makes sure that we do not wreck Social Security in the process.

Democrats support tax cuts for working families. Speaker Gingrich and Chairman Archer have borrowed from Democratic tax relief proposals in writing this bill. We congratulate them for that. The only problem is that they forgot to include the bipartisan fiscal discipline that we wrote into the budget in their zeal to give the Republican Party a campaign issue in the November elections.

This is an election-year tax cut. Unfortunately, their message to the American voter is the election is more important to the Republican Party than saving Social Security for future generations. We refuse to support Republican efforts to spend the Social Security trust funds that working families one day will have to rely on for their retirement, as the foundation of their retirement.

The Republicans are taking $80 billion from the surplus and try to say that, "Well, it's no big deal. It's not that much money." The party that refused to cast a single vote to put the Federal budget in surplus for the first time in a generation is now so impressed, in fact so giddy with election-year politics, they have decided to spend surplus money that really should stay in the Social Security trust fund. I think it is irresponsible. The surplus is just an upward line on a bar graph. It shows a unified budget in surplus but a non-Social Security budget projected in deficit for at least the next six years. The truth is we do not have a surplus if we take into account what should be in the Social Security trust fund.

I am from Missouri. We have a saying in Missouri: Show me. Show me the trust fund. And what people in America want today is to be shown that we have learned as a national family to be responsible, to do the right thing for them and their future.

This is a fundamental decision we have to make today. We are trustees of the most important program for the future of families in this country. I keep hearing Social Security is failed, that it will not be there. When I talk to my young constituents, they say, "I'm paying this tax, but it's never going to be there." What cynicism we bring when we do things like this when we have a chance to regain the confidence of the people that the hard-earned money they put into this trust fund is going to be there.

Do not give in to cynicism today and irresponsibility and instant gratification and election-year politics. Do what is right for the future of this country. Let us regain the confidence of our people that we know how to be trustees of this system. Vote for the Democratic substitute, vote for a tax cut when we can afford to do it, and say we have kept faith with Social Security.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I rise in support of the Archer bill and against the Rangel amendment. We are talking about .0086 percent of the budget. That is very little amount of money for a tax cut.

Now lets eliminate the accusations of "raiding" the social security trust fund. President Johnson and the Democratic Congress first unified the budget, making the Trust Fund part of the general revenue.

The Democratic alternative would delay this important tax relief. Of course, this delay does not apply to tax incentives that are favored by the Democrats—in other words, spending on Title IV, to which their trigger does not apply. We want to provide as much educational, senior citizen, farming, and marriage penalty tax relief as we can. Let's get serious . . . this tax relief is $16 billion a year or $80 billion over 5 years or .0086 of the yearly budget.

Americans deserve a break—let's defeat the Rangel Amendment.

Mr. ARCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I rise in full support of the Archer underlying bill and oppose the substitute.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House of Representatives.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Texas for yielding me this time.

Let me say first of all that I am proud that the United States House is busy at work legislating. We are not in California at a fund-raiser. We are not in Texas at a fund-raiser. We are here in Washington working on the people's business.

Let me say to my friends, in 1994, when you finished 40 years of controlling the House, the projected deficit for the next 11 years was $3.1 trillion and in 40 years the amount of money you had set aside for Social Security was zero. Not a dollar. Three and a half short years later, we now have a projected $1.6 trillion surplus and we are setting aside over $1 trillion for Social Security. So being lectured by the people who had done nothing about who is trying to save Social Security is a historic anomaly.

You know full well that the surplus is more than enough for Social Security, because on September 15 Democrats in this House voted 176–1 to spend part of the surplus on government programs.

And you know full well that the Clinton administration has sent up $13 billion of additional government spending out of the surplus which you support.

So the fact is, liberal Democrats say, if it is government spending take it out of the surplus, but now if it is for the taxpayers, that would be dangerous.

Democrats say if it is for Bosnia, take it out of the surplus, but if it is for Baltimore and Boise, that would be dangerous.

Democrats say if it is to fix Y2K computers in the government, take it out of the surplus, but now if it is to let small business actually buy a computer, that would be dangerous.

Let us be clear what is at stake here. We believe there is a surplus because the hard-working American people are paying more in taxes than the government is spending. Our liberal friends believe the answer is to raise government spending to catch up with the taxes. We believe lower taxes so we get the money back home.

Consider what we are trying to do. We have already pledged to save Social Security. We have already set aside over $1 trillion. The Deputy Commissioner of Social Security of the Clinton administration said, quote, as a result of the tax bill being considered, there will not be any impact on the moneys in the Social Security trust fund. That is what she said. The Clinton administration has said that this has nothing to do with Social Security. This has to do with some simple things.

Do you believe in the middle of a drought, in the middle of price problems for farmers that we ought to have tax relief for farmers?

Do you believe we ought to have income-averaging for farmers?

Do you believe we ought to raise the earning limits for senior citizens so they can work without penalty?

Do you believe we ought to reduce the marriage penalty?

Do you believe we ought to cut the death tax for small business and family farms?

Do you believe we ought to help local school boards keep their own bond money so they can build their own schools without going to Washington?

☐ 1130

Do you think we ought to extend 100 percent deductibility to small business to have the same chance to buy health insurance as giant corporations?

Do you think we ought to eliminate any tax on the first $200 in interest and dividends?

That is what is at stake here. We are returning to the American people their own money, and we are doing so as the people who created the first surplus in a generation and the first projected decade of surpluses since the 1920s. We will keep our word and pass a bill next year to save Social Security. This year, let us try to keep the American economy growing, despite worldwide economic problems, by cutting taxes and returning money to the American people.

I challenge any of my liberal friends, if you vote "no" on returning money to the American people, then do not turn around and take money and spend it on bigger and bigger government. But you know in your heart you are going to vote for the bigger government, so why not give the American people a chance to have at least some of that money in their own family.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to speak on behalf of this substitute amendment to H.R. 4579, sponsored by Congressman RANGEL. I support this substitute, because it is necessary to protect the financial well-being of hard-working Americans.

We Democrats are no strangers to tax cuts. Many of us, in fact, voted for tax cuts last year. In fact, the final passage of the Taxpayer Relief Act of 1997 was done with a great deal of bipartisan support. One hundred and sixty-four Democrats voted in favor of that bill, including myself. I am especially proud of the $500 Child Tax Credit for low-income families that the bill contained, which came about as a result of some very hard-work by the Democratic Members of this House.

I, personally, am also not a stranger to taxpayer relief. I sponsored legislation that would have eliminated the marriage penalty, established a commission to simply the tax code, required the Internal Revenue Service to use alternative dispute resolution (ADR) to settle claims, and prohibited certain types of discrimination by IRS officers and employees. Yet the Republicans would have the American public believe that we do not want tax cuts of any sort. They could not be more wrong.

This substitute is significantly better than the unamended version of H.R. 4578 because it holds the door open for the exact same tax cuts that the Republicans are championing, but only after we are assured that the Social Security Trust Fund will be there for the people of America who currently pay into the Social Security system. So as you hear the Republicans clamoring about their targeted tax cuts for families and small business, remember that you get the same from the Democrats.

Both the bill and the Democratic substitute contain provisions that address the marriage penalty, small savers, and farm relief. Both give tax relief to small business owners and beneficiaries of estates. Both assist taxpayers that are themselves on Social Security or self-employed. The truth is, that Democrats give the taxpayers no less than Republicans. In fact, we give more—we save Social Security as well.

The difference between these two competing versions of H.R. 4578 represents the fundamental difference in the way that Members of Congress view this "budget surplus". While the supporters of the reported version of H.R. 4579 believe that this is a true surplus that we can take money out of, the substitute speaks for the Members who see those funds as debt, owed to the people who have paid into the system throughout their working careers.

There are strong and reliable indications that without the Social Security surplus, a real budget surplus would not exist until the year 2006. According to the CBO, the budget surpluses over the next five years amount to $520 billion. If you leave the surplus from Social Security out of that equation, the budget instead runs a deficit of $137 billion. A deficit!

We owe this money to the people who have paid into this system. Last month I held a series of town hall meetings. Although the meetings were all held in different neighborhoods, with people of different races, and backgrounds, with people from different financial strata, and with people of all age groups, at each of the meetings there was a clear consensus that Social Security must be saved. It must be saved for them, not out of the generosity of our hearts, but because we owe them their money. It is theirs!

This substitute does more than just save the budget surplus for Social Security. It puts the money where it will be safe—by transferring it to the Federal Reserve Bank of New York to be held in trust. It is, in effect, a "lock box" which cannot be reached by politicians here in Congress. Under the substitute, Congress would have to default on publicly traded debt instruments before it could default on its Social Security payments. With the state of things of today, that is about as safe as you can get.

This substitute to H.R. 4578 is being made for the sake of fiscal responsibility. It simply acknowledges that we ought not to spend money that we do not have. We all know that early next century, when the Social Security tab arrives bearing the names of the baby boomers that have participated in this program, we will have to pay. If you think that the American public has a lack of respect for government now, how do you think they will feel when we shortchange them after 20 or 30 years of hard work? Let me remind all of you, we owe the American people well over $5 trillion in already-collected funds.

I implore all of you to support this substitute because it protects the statutory rights of millions of people around the country. I also warn those who plan to oppose it, because their votes will send a message to the hard-working people of this country, not only that they play election-year politics, but also that they play politics with their constituents' money!

I would also like to remind all of you that the substitute will be the only way that we get any tax cuts this year. The Administration strongly opposes the unamended version of H.R. 4579, and will veto it. They oppose it because it "drain[s] billions out of projected surpluses . . . and violates the President's unwavering commitment to save Social Security first. None of the surpluses should be touched until the long-term solvency of Social Security has been fully secured." This substitute surely meets those requirements, as it requires assurances that Social Security, is indeed safe before any tax cuts go into effect.

I urge you all to vote for this substitute. We owe it to all of the people of this country who have lived up to their part of the Social Security bargain by dutifully paying into the system with their every hard-earned paycheck.

Mr. CUMMINGS. Mr. Speaker, I rise today in support of the amendment offered by my friend and colleague, CHARLIE RANGEL, and in opposition to a raid on the Social Security Trust Fund in the form of a fool-hardy tax bill.

This body can and has agreed on many, if not all, of the tax relief provisions included in this bill.

Unfortunately, we are not in a position to discuss those provisions today because, quite simply, we can not pay for them.

Mr. Speaker, there are no budget surpluses projected for at least the next five years.

What there is is the Social Security Trust Fund which the people of the United States have entrusted to the Congress so that we can continue to guarantee the solvency of the Social Security system.

It is fool-hardy, irresponsible and dangerous to use this money for tax cuts.

Mr. Speaker, I want to provide the American people tax relief. My wish list for my constituents is a long one. Unfortunately, we in this body have fiscal responsibilities.

We need to be disciplined. We can not act simply off of wish lists. We must act based on fiscal realities.

We need to be conservative with the American people's money and we need to ensure that the Social Security system is there for our children and for our grandchildren as it has been there for us. We can do this, as long as we leave the Social Security Trust Fund alone.

Therefore, Mr. Speaker, I support the Rangel Substitute because it provides tax relief only after we have guaranteed the solvency of the Social Security system.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 197, noes 227, not voting 11, as follows:

[Roll No. 468]

AYES—197

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt

DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOES—227

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Berman
Burton
Callahan
Coburn
Fowler
Furse
Goss
Olver
Pryce (OH)
Saxton
Taylor (MS)

☐ 1151

The Clerk announced the following pairs:

On this vote:

Mr. Taylor of Mississippi for, with Mr. Callahan against.

Mr. Olver for, with Mrs. Fowler against.

Mr. Berman for, with Mr. Burton against.

Messrs. GOODLATTE, SMITH of Michigan, HILLEARY, LAZIO of New York and ROGAN and Mrs. CHENOWETH changed their vote from "aye" to "no."

Mr. OWENS changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 552, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 229, noes 195, not voting 11, as follows:

[Roll No. 469]

AYES—229

Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Brady (TX)
Bryant
Bunning
Burr
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Chabot
Chambliss
Christensen
Coble
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—195

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baesler
Baldacci
Barrett (WI)
Becerra
Bentsen
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Cardin
Carson
Castle
Chenoweth
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro

Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hefner
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E.B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sanford
Sawyer
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Smith, Linda
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—11

Berman
Burton
Callahan
Coburn
Fowler
Furse
Goss
Olver
Pryce (OH)
Saxton
Taylor (MS)

□ 1212

The Clerk announced the following pairs:

On this vote:

Mr. Callahan for, with Mr. Taylor of Mississippi against.

Mrs. Fowler for, with Mr. Olver against.

Mr. Burton for, with Mr. Berman against.

Mr. Porter changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Pursuant to secton 3 of House Resolution 552, the title of H.R. 4579 is amended so as to read:

"A bill to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes, and to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds."

Pursuant to section 3 of House Resolution 552, the text of H.R. 4578 will be appended to the engrossment of H.R. 4579, and H.R.4578 will be laid on the table.

LEGISLATIVE PROGRAM

(Mr. FAZIO of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO of California. Mr. Speaker, I would inquire of the majority leader regarding next week's schedule.

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am proud to say that we have completed legislative business for the week.

On Monday the House will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices today.

After suspensions, the House will take up the conference reports for H.R. 4103, the Department of Defense Appropriations Act; H.R. 4060, the Energy and Water Development Appropriations Act; and H.R. 6, the Higher Education Amendments of 1998.

□ 1215

On Tuesday, September 29, the House will meet at 9 a.m. for Morning Hour, and 10 o'clock a.m. for legislative business. We hope to consider the conference reports for H.R. 4101, the Agriculture Appropriations Act.

Mr. Speaker, we will conclude business and votes by noon on Tuesday, September 29, so Members can observe the Jewish holiday. We will not have any votes on Wednesday, September 30, and the House will return on Thursday October 1 at 2 o'clock p.m. We do not expect any recorded votes before 5 o'clock on Thursday, October 1.

On Thursday, October, 1 and Friday, October 2, the House will consider H.R. 4570, the Omnibus National Parks and Public Lands Act. We hope to have the conference report on H.R. 4104, the Treasury Appropriations Act, available next week. Of course, we may consider any other conference reports that become available.

We should conclude legislative business for the week next week by 6 o'clock on Friday, October 2. And I want to thank the gentleman for yielding me this time.

Mr. FAZIO of California. Mr. Speaker, reclaiming my time, I would inquire of the gentleman, the workload looks kind of light for Thursday evening and Friday. Is it possible that we would not be required to be here until 6:00 on Friday, given the fact that we may have only one bill as currently scheduled, a conference report at that, for an hour?

Mr. ARMEY. Mr. Speaker, if the gentleman would continue to yield, I thank the gentleman for his interest. As the gentleman knows at this time, depending on what conference reports are available and what work is available and, for example, on a day such as Friday, depending on what agreements we can reach with respect to beginning early and so forth, we would obviously try to, as the week proceeds, get a read on that and report to the Members as quickly as possible and if at all, conclude earlier on Friday, if we have the latitude in our work schedule to do so.

Mr. FAZIO of California. Mr. Speaker, a number of Members have asked me if we still expect the House to complete this session and adjourn on October 9, or if there is possibility of going another 3 or 4 days perhaps? It looks like we are running into some problems getting all the appropriation bills passed.

Mr. ARMEY. Mr. Speaker, I appreciate the gentleman yielding to me again. As we did a continuing resolution, signed yesterday by the President, we were aware of the fact that the Monday following October 9, I believe, was Columbus Day. As has been the case for as long as I can remember, when we schedule the end of the session adjournment for a Friday, like October 9, it is implied I think "some time that weekend."

But, yes, we do anticipate that we will be able to complete that work and be ready to go. And I may mention that in bicameral discussions with the other body, they too are very confident that we will complete by that weekend.

Mr. FAZIO of California. Mr. Speaker, reclaiming my time, I had one other question. As we get closer to the time the session comes to an end, and the election is not too far beyond that, is it possible we will take another crack at fast track before the session is ended?

Mr. ARMEY. Well, I want to thank the gentleman for that inquiry. I expect perhaps not. Unless the gentleman from California is making this a request. We could at least entertain it on his behalf.

Mr. FAZIO of California. I was merely wondering what the strategy was to improve our performance on this issue.

REQUIRE FEDERAL AGENCIES TO OBEY ENVIRONMENTAL LAW THEY ENFORCE ON OTHERS

(Mr. NORWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NORWOOD. Mr. Speaker, whatever happened to user-friendly bureaucrats, if there were any?

Clear dangerous underbrush from the public area between your house and Thurmond Lake that resulted from a tornado 4 months ago and, boom, the Corps of Engineers revokes your dock permit for violating a shoreline management plan.

Buy a new house on Lake Thurmond Georgia and fail to replant trees on public property that you never cut down in the first place and, boom, no lake shore use permit for you.

Do as I say, not as I do. That ought to be the new motto for the Corps' Savannah office. For while they routinely violate the Clean Water Act without being penalized, they have no problem lowering the boom on individuals who are not in compliance with their mostly frivolous rules and regulations.

But, Mr. Speaker, that will change. Cosponsor H.R. 1194, a bill to require Federal agencies to abide by the same environmental laws that they enforce on private citizens. Maybe the bureaucrats then will be a little more understanding.

THE MARCH, COMING TOGETHER TO CONQUER CANCER

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, in just a few minutes I will leave this House to go down and join so many Americans to support the March of Coming Together to Conquer Cancer. Thousands of cancer survivors, researchers, leaders, doctors, patients, and families will gather on the National Mall on this Saturday, September 26, to demand that the cause, the care, and the cure of cancer be made top research and health care priorities in this country.

Sadly, we may have not focused as much as we should have, although we have many advocates in this body. But I hope that we will gather today to recommit ourselves to fight this devastating disease.

General Norman Schwarzkopf will be the Honorary Chair, and so many will join us. Because in 1971, this Nation declared a war on cancer, pledging to find a cure within 7 years. Mr. Speaker, it is now 27 years later.

To Katherine Bates, to Michelle Beck and Madgeleon Bush of my constituency. Katherine Bates, a cancer survivor. To my deceased father, Ezra Jackson, to my good friend who is now deceased, Michelle Robinson, I pledge that we will work to ensure that we have a cure for cancer.

I thank M.D. Anderson and Susan G. Komen Breast Cancer Foundation and the African-American Women's Clergy Association. Let us go down and march to cure cancer.

FEMINIST GROUPS SELL OUT REAL INTEREST OF WOMEN FOR PARTISAN POLITICS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, for 7 months, Americans have been wondering why there is a deafening silence from the feminist organizations in Washington. Despite their loud and organized opposition to the allegations against Justice Clarence Thomas, their outrage at Senator Packwood, nary a word was said about activity in the White House.

But look at the headlines. The feminists have finally found their tongues and they support the President. In fact, they are proud of him. Barbara Laden, of the Independent Women's Forum, charges that the left-wing feminist groups are, "willing to sell out the real interest of women to play partisan politics. It is an embarrassment. They're actually betraying feminism," she says.

Mr. Speaker, misbehavior, whether by the left or right, is wrong. I am sorry to see that so-called feminist leaders cannot find their moral outrage when the offense is on the left.

AMERICA IS NOT BIZARRO WORLD

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARR of Georgia. Mr. Speaker, recent events in Washington bring to mind nothing so much perhaps as the Bizarro World into which the comic book character Superman sometimes found himself, where everything is the opposite of reality, where "is" does not mean "is," perjury does not mean telling a lie, and obstruction may not mean impeding or interfering with justice.

Mr. Speaker, it is time we remind America that this is not the Bizarro World. This is the United States of America where "is" means "is," "truth" means "truth," perjury means telling a lie, and no man is above the law.

IT IS TIME FOR TAX CUTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, George Bernard Shaw once stated that, "A government which robs from Peter to pay Paul can always depend upon the support of Paul."

The Democratic leadership and the liberal Democrats are absolutely supporting Paul. They are demagoguing the issue of tax cuts and are claiming that Social Security will be jeopardized by any such cuts.

These same Democrats, who spent billions and billions of dollars on failed and wasteful social programs, have had 40 years to fix Social Security. Now they are claiming that any such tax cut will threaten its future.

Well, the same Democrats who helped pass the bipartisan balanced budget last summer which included tax cuts now say that tax cuts are off the table.

They oppose tax cuts when we are in a budget deficit. Of course, they do not want to cut spending. They oppose tax cuts when there is a budget surplus because it will somehow threaten Social Security.

Any excuse to oppose tax cuts will do.

Mr. Speaker, it is time to stop robbing Peter and let him keep his hard-earned money. Who knows, maybe we will even create a job for Paul. It is time to pass a tax cut.

TRIBUTE TO MAJOR GENERAL GEORGE MARINE OF WHITE HALL, ILLINOIS

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to remember a man who embodied the best of our community, Retired Army Major General George Marine of White Hall, Illinois, who died earlier this summer at the age of 68.

After his retirement, he began a career as a farmer, was a driving force behind the Greene County Rural Water District, the Greene County Economic Development Council, and served on the Boyd Memorial Hospital Board.

General Marine was also out in the community. One of his last projects was to repair and paint the picnic tables at the White Hall Park.

As his retirement was filled with success, so was his active duty. He served in a position in the Pentagon where he spoke with President Lyndon Johnson virtually every day during the Vietnam War. In Korea, where General Marine served with Colin Powell, he earned his first combat infantryman's badge.

Mr. Speaker, his family's loss is our loss as well. Greene County Treasurer, Kirby Ballard, summed it up well. "He was the way we all should retire."

DEMOCRATS' POSITION ON TAX CUT IS GOOFY

(Mr. BLUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, did those who supported tax cuts last summer as part of the balanced budget agreement, and oppose them today, last year raid the Social Security fund when they voted for tax cuts? Why was it that last year the tax cuts that were passed while the budget was in a deficit were not a threat to Social Security, but tax cuts while the budget is in surplus are?

This is just goofy, Mr. Speaker.

The other side is counting yet again on their hopes that seniors will not know the facts, so they can scare them just like they did 2 years ago about cuts in Medicare. Those cuts turned out to be actually increases in Medicare.

Even goofier is their obvious bad faith in opposing tax cuts this year, along with their argument that billions and billions of dollars of new spending they support does not raid Social Security.

Well, my friends on the other side of the aisle, which is it? Is spending on education, health care, welfare, and the environment a "raid" on the Social Security trust fund or not?

FAST TRACK IS NO LAUGHING MATTER

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, I stand here today with a great deal of pride in what we have done as far as passing the tax package. But last night in this very Chamber when we considered something equally as important, the fast track authority, there were not the votes for it. Over 150 votes on the Republican side, less than 30 votes on the Democratic side, as I remember that tally.

Today, a leader on the Democratic side gets up and makes fun of that vote. Mr. Speaker, that is deadly serious to agriculture across this country. I am ashamed of that tongue-in-cheek remark being made in this House.

Where was the leader of this country? Raising money across the country in Illinois, in the West Coast, on the East Coast. Not here working to pass fast track. It is a disgrace for them to say this is a do-nothing Congress when it is they that are doing nothing.

A GOOD DAY'S WORK, INDEED

(Mr. THUNE asked and was given permission to address the House for 1 minute.)

Mr. THUNE. Mr. Speaker, rural America is in a serious economic crisis. We have a price disaster and, for reasons beyond the producers' control, prices are at historically low levels today.

The House took historic action to bring relief to farmers and ranchers by reducing debt taxes, restoring income averaging, allowing deductions for health care, and refunds due to loss carryback provisions.

We have done it at the same time that we have made a commitment, an historic commitment, to save Social Security. Despite the opposition of our liberal friends on the other side, the group that keeps its promises has dedicated $1.4 trillion of projected surplus to save Social Security and hard-working Americans will get a break.

Mr. Speaker, this is a good day's work, indeed.

BEACH CONTAMINATION

(Mr. BILBRAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILBRAY. Mr. Speaker, all over America, children and families went to beaches to enjoy summer. But in San Diego County, the children showed up to their beaches to find big contamination signs all over their community.

In the City of Imperial Beach where I grew up, my children were greeted with this sign. The EPA was outraged. The environmental community was outraged.

☐ 1230

You would say, why? Because the pollution that was closing American beaches came from Mexico. The pollution from Mexico continues to flow across the border.

The Sierra Club and Greenpeace, Friends of the Earth, and the EPA refuse to be as outraged at American beaches being polluted by foreign people, foreign governments as they are if it would have been an American company.

I wish those who claim to want to protect the environment would be as much against pollution from other countries as they are from our own. I think that this desecration of the American community, the desecration of our beautiful beaches in Southern California has to stop.

I call on this administration and people who claim to care about the environment to stand up and be as outraged as those of us who showed up at the beaches to be greeted with this sign.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SNOWBARGER). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AMERICA'S RESPONSIBILITY FOR THE RIGHTS OF PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, I come to the floor of our Congress today to continue the discussion in our record on America's responsibility for the rights of all people across the world.

On this day and in this year, such a discussion seems appropriate. Today we mark the 50th anniversary of the Universal Declaration of Human Rights, a document somewhat overdramatically labeled as the Magna Carta for all humanity. Still, despite the United Nations' own spotted record of tolerance for human rights abuses, this document should be marked and underlined.

The declaration echoes the cries of freedom that began in the west some 2700 years ago, among the ancient Greek ruling class. From the birth of Athenian democracy to the Magna Carta's promise of fairness through Thomas Jefferson's own Declaration of Independence, we in the west have separated ourselves from those civilizations who believed that the iron fist of oppressive order was preferable to a society based upon the premise that free men and women would create the strongest of all societies.

The West's experiment in freedom, which freed the ancient Greeks from the fear of Persian aggressors at the Battle of Marathon, sustained the "kids who saved the world" on the bloody beaches of Normandy in their battle over Hitler's Nazis, and who strengthened Nelson Mandela's resolve as he watched his life slowly pass away in prison protesting apartheid, must be defined today.

As Woodrow Wilson once said, I believe in democracy because it releases the energy of every human being.

As America leads this world into the 21st century, it must reaffirm the first principles that launched its winning ways at the battle of Lexington. The respect, the adoration and America's founders' near worship of man's freedom is not a weakness, it is our civilization's greatest strength. When we turn a blind eye to the Buddhists being oppressed in Tibet, we weaken ourselves. When we ignore Christian persecution in Sudan for the sake of a possible oil pipeline, we weaken ourselves. When we allow our allies, whether Salvadoran or Saudi, to torture political opponents, America becomes less than it once was. We must do better. We must see more, and we must say more.

Like our ancestors of freedom from ancient Athens, England, Normandy, and South Africa, that stepped out in faith for freedom, we must do what Frances Bacon once suggested. We must have the faith to pursue an unknown end. We must take the first step in China, Tibet, Sudan, the Middle East, Central America and all across the globe, as we reach into the 21st century, ensuring that the rights of all men and women are respected.

It is a daunting task. It is a marathon project, when we observe what has been happening in China, Sudan and across the globe. But an ancient Chinese saying goes like this: A journey of a thousand miles must begin with a single step.

Let us hope that this Congress, this community, this country, and this world are ready to take that first step for freedom into the next century.

CONGRATULATIONS TO THE DONOHO PRAIRIE CHRISTIAN CHURCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, I would like to take this time to congratulate the Donoho Prairie Christian Church for serving the township of Kell for 100 years.

The church community celebrated this great achievement on August 23 with food, music and a presentation of the long history of the Donoho Prairie Christian Church. Starting out as a small wooden building funded by 33 members who donated $5 each toward the cost, the church grew to include 11 classrooms, a parking lot and a new belfrey.

Throughout 100 years, the church underwent several renovations, but its purpose remained constant: Whether the congregation sung to the sound of an old tuning fork, as they did in 1898, or the new piano they were able to purchase a few years later, the Donoho Prairie Christian Church has continued to serve the community of Kell, Illinois.

I wish to congratulate them and wish them many more years of worship and praise to the Lord.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING CURRENT LEVELS OF SPENDING AND REVENUES REFLECTING ACTION COMPLETED AS OF SEPTEMBER 17, 1998 FOR FISCAL YEARS 1998–2002

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio, Mr. KASICH, is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, to facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 1998 and for the 5-year period fiscal year 1998 through fiscal year 2002.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of September 17, 1998.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 84, the concurrent resolution on the budget for fiscal year 1998 as adjusted pursuant to 314(b) of the Budget Act. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 1998 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority, outlays, and new entitlement authority of each direct spending committee with the "section 302(a)" allocations for discretionary action made under H. Con. Res. 84 for fiscal year 1998 and for fiscal years 1998 through 2002. "Discretionary action" refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 1998 with the revised "section 302(b)" sub-allocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, because the point of order under that section also applies to measures that would breach the applicable section 302(b) sub-allocation. The revised section 302(b) sub-allocations were filed by the Appropriations Committee on March 31, 1998.

The fourth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. Section 251 requires that if at the end of a session the discretionary spending, in any category, exceeds the limits set forth in section 251(c) as adjusted pursuant to provisions of section 251(b), there shall be a sequestration of funds within that category to bring spending within the established limits. This table is provided for information purposes only. Determination of the need for a sequestration is based on the report of the President required by section 254.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 1998 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 84

[Reflecting action completed as of September 17, 1998—on-budget amounts, in millions of dollars]

	Fiscal years—	
	1998	1998–2002
Appropriate Level (as amended by P.L. 105–116):		
Budget authority	1,405,449	7,386,233
Outlays	1,372,522	7,282,352
Revenues	1,199,000	6,477,552
Current Level:		
Budget authority	1,386,526	(1)
Outlays	1,373,916	(1)
Revenues	1,197,989	6,480,627
Current Level over(+)/under(−) Appropriate Level:		
Budget authority	−18,923	(1)
Outlays	1,394	(1)
Revenues	−1,011	3,075

[1] Not applicable because annual appropriations Acts for Fiscal Years 1998 through 2002 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of any measure providing new budget authority for FY 1998 in excess of $18,923 million (if not already included in the current level estimate) would cause FY 1998 budget authority to exceed the appropriate level set by H. Ron. Res. 84.

OUTLAYS

Enactment of any measure providing new outlays for FY 1998 (if not already included in the current level estimate) would cause FY 1998 outlays to exceed the appropriate level set by H. Con. Res. 84.

REVENUES

Enactment of any measure that would result in any revenue loss for FY 1998 (if not already included in the current level estimate) or a revenue loss of more than $3,075 million for FY 1998 through 2002 (if not already included in the current level) would cause revenues to fall further below the appropriate level set by H. Con. Res. 84.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a), RELFECTING ACTION COMPLETED AS OF SEPTEMBER 3, 1998

[Fiscal years, in millions of dollars]

1998	BA	Outlays	NEA	1998–2002	Outlays	NEA
House Committee:						
Agriculture:						
Allocation	....	....	....	....	....	....
Current Level	7	7	7	860	736	(40)
Difference	7	7	7	860	736	(40)
National Security:						
Allocation	....	....	....	....	....	....
Current Level	(159)	(159)	9	(127)	(127)	101
Difference	(159)	(159)	9	(127)	(127)	101
Banking, Finance and Urban Affairs:						
Allocation	(136)	(136)	....	(666)	(1,590)	....
Current Level	(133)	(133)	2	(857)	(2,202)	4
Difference	3	3	2	(191)	(612)	4
Education & the Workforce:						
Allocation	(248)	(242)	1,726	(1,798)	(1,792)	12,867
Current Level	(462)	(239)	(456)	(1,834)	(1,791)	(1,801)
Difference	(214)	3	(2,182)	(36)	1	(14,668)
Commerce:						
Allocation	....	....	2,463	(26,313)	(26,313)	2,375
Current Level	4,275	4,275	4,405	(1,163)	(1,163)	9,891

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a), RELFECTING ACTION COMPLETED AS OF SEPTEMBER 3, 1998—Continued

[Fiscal years, in millions of dollars]

1998	BA	Outlays	NEA	1998–2002	Outlays	NEA
Difference	4,275	4,275	1,942	25,150	25,150	7,516
International Relations:						
Allocation						
Current Level						
Difference						
Government Reform & Oversight:						
Allocation	(604)	(632)		(3,096)	(3,096)	
Current Level	(604)	(604)		(2,874)	(2,874)	
Difference		28		222	222	
House Oversight:						
Allocation						
Current Level	5	3		6	6	
Difference	5	3		6	6	
Resources:						
Allocation						
Current Level	14	3	13	29	25	13
Difference	14	3	13	29	25	13
Judiciary:						
Allocation	146	177		908	1,063	
Current Level			1			10
Difference	(146)	(177)	1	(908)	(1,063)	10
Transportation & Infrastructure:						
Allocation	29,695	65		156,256	1,209	
Current Level	28,678	(307)		165,100	1,025	
Difference	(1,017)	(435)		8,744	(184)	
Science:						
Allocation						
Current Level						
Difference						
Small Business:						
Allocation						
Current Level		2		22	16	
Difference		2		22	16	
Veterans' Affairs:						
Allocation	(224)	(224)	327	(1,665)	(1m665)	5,773
Current Level	(115)	(207)	341	(638)	(728)	4,996
Difference	109	17	14	1,027	937	(777)
Ways and Means:						
Allocation	(5,918)	(5,918)	400	(113,146)	(113,149)	1,603
Current Level	(4,586)	(5,712)	501	120,881	121,243	2,030
Difference	1,332	206	101	234,027	234,392	427
Select Committee on Intelligence:						
Allocation						
Current Level						
Difference						
Total Authorized:						
Allocation	22,711	(6,910)	4,916	10,580	(14,333)	22,618
Current Level	26,920	(3,134)	4,823	279,405	114,166	15,204
Difference	4,209	3,776	(93)	268,825	259,499	(7,414)

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 1998—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(b)

[In millions of dollars]

	Revised 302(b) suballocations (Mar. 31, 1998)				Current level reflecting action completed as of September 3, 1998				Difference			
	Discretionary		Mandatory		Discretionary		Mandatory		Discretionary		Mandatory	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Agriculture, Rural Development	13,757.00	14,000.00	35,048.00	35,205.00	13,751.00	13,996.00	35,325.00	35,422.00	(6.00)	(4.00)	277.00	217.00
Commerce, Justice, State	31,280.00	28,956.00	522.00	532.00	31,280.00	28,955.00	523.00	533.00		(1.00)	1.00	1.00
District of Columbia	855.00	554.00			855.00	554.00						
Energy & Water Development	20,732.00	20,879.00			20,732.00	20,879.00						
Foreign Operations	31,008.00	13,079.00	44.00	44.00	13,147.00	13,079.00	44.00	44.00	(17,861.00)			
Interior	13,797.00	13,707.00	55.00	50.00	13,788.00	13,698.00	77.00	59.00	(9.00)		22.00	9.00
Labor, HHS & Education	80,328.00	76,123.00	206,611.00	209,167.00	80,403.00	76,133.00	209,566.00	212,122.00	75.00	10.00	2,955.00	2,955.00
Legislative Branch	2,279.00	2,251.00	92.00	92.00	2,279.00	2,251.00	92.00	92.00				
Military Construction	9,183.00	9,862.00			9,183.00	9,862.00						
National Defense	247,512.00	244,199.00	197.00	197.00	247,512.00	244,208.00	197.00	197.00		9.00		
Transportation	11,772.00	37,179.00	698.00	665.00	12,143.00	37,206.00	698.00	665.00	371.00	27.00		
Treasury-Postal Service	12,735.00	12,502.00	12,713.00	12,712.00	12,735.00	12,495.00	12,678.00	12,677.00		(7.00)	(35.00)	(35.00)
VA–HUD–Independent Agencies	66,395.00	79,977.00	21,332.00	20,061.00	66,228.00	79,938.00	21,292.00	20,023.00	(167.00)	(39.00)	(40.00)	(38.00)
Reserve/Offsets	2,953.00	470.00							(2,953.00)	(470.00)		
Grand Total	544,586.00	553,738.00	277,312.00	278,725.00	524,036.00	553,254.00	280,492.00	281,834.00	(20,550.00)	(475.00)	3,180.00	3,109.00

SET FORTH IN SEC 251(c) OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1995

[In millions of dollars]

	Defense		Nondefense		Violent Crime Trust Fund	
	BA	O	BA	O	BA	O
Statutory Caps [1]	271,832	267,736	256,222	286,136	5,500	4,833
Current Level	268,930	266,700	249,606	282,971	5,500	3,583
Difference	− 2,902	− 1,036	− 6,616	− 3,165	0	− 1,250

[1] As adjusted pursuant to sec 251(b) of the BBEDCA.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 17, 1998.
Hon. JOHN KASICH,
Chairman, Committee on the Budget,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1998. These estimates are compared to the appropriate levels for those items contained in the 1998 Concurrent Resolution on the Budget (H. Con. Res. 84) and are current through September 15, 1998. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 84)	Current level +/− resolution
Budget Authority	1,386,526	1,405,449	−18,923
Outlays	1,373,916	1,372,522	+1,394
Revenues:			
1998	1,197,989	1,199,000	−1,011
1998–2002	6,480,627	6,477,552	+3,075

Since my last report, dated April 21, 1998, the Congress has cleared, and the President has signed, the 1998 Emergency Supplemental Appropriations and Rescissions Act (P.L. 105–174), the Transportation Equity Act for the 21st Century (P.L. 105–178), the Agriculture Export Relief Act of 1998 (P.L. 105–194), the Internal Revenue Service Restructuring and Reform Act of 1998 (P.L. 105–206), the Homeowner's Protection Act (P.L. 105–216), the Credit Union Membership Access Act (P.L. 105–219), and an Act to establish the United States Capitol Police Memorial Fund (P.L. 105–223). These actions changed the current level of budget authority, outlays, and revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

PARLIAMENTARIAN STATUS REPORT, 105TH CONGRESS, 2D SESSION, HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1998, AS OF CLOSE OF BUSINESS SEPTEMBER 15, 1998

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,197,381
Permanent and other spending legislation	908,725	864,750	
Appropriation legislation	752,279	781,902	
Offsetting receipts	−283,340	−283,340	
Total previously enacted	1,377,664	1,363,312	1,197,381
ENACTED THIS SESSION			
1998 Emergency Supplemental Appropriations and Rescissions (P.L. 105–174)	−2,039	310	
Transportation Equity Act for the 21st Century (P.L. 105–178)	−558	−275	(1)
Internal Revenue Service Restructuring and Reform Act of 1998 (P.L. 105–206)			608
Homeowner's Protection Act (P.L. 105–216)	2	2	
Credit Union Membership Access Act (P.L. 105–219)			(1)
Act to Establish the United States Capitol Police Memorial Fund (P.L. 105–223)			(1)
Total enacted this session	−2,588	44	608
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	11,450	10,560	
Total Current Level	1,386,526	1,373,916	1,197,989
Total Budget Resolution	1,405,449	1,372,522	1,199,000
Amount remaining:			
Under Budget Resolution	18,923		1,011
Over Budget Resolution		1,394	
Addendum			
Emergencies	5,691	3,357	−8
Contingent Emergencies	329	53	
Total	6,020	3,410	−8
Total Current Level Including Emergencies	1,392,546	1,377,326	1,197,981

[1] The revenue effect of this act begins in fiscal year 1999.

Note.—Amounts shown under "emergencies" represent funding for programs that have been deemed emergency requirements by the President and the Congress. Amounts shown under "contingent emergencies" represent funding designated as an emergency only by the Congress that is not available for obligation until it is requested by the President and the full amount requested is designated as an emergency requirement.

Source: Congressional Budget Office.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DOGGETT) to revise and extend their remarks and include extraneous material:)

Mr. SCHUMER, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Mr. POMEROY, for 5 minutes, today.

(The following Members (at the request of Mr. THUNE) to revise and extend their remarks and include extraneous material:)

Mr. SCARBOROUGH, for 5 minutes, today and September 28.

Mr. SHIMKUS, for 5 minutes, today.

Mr. KASICH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOGGETT) and to include extraneous material:)

Mr. KIND.

Mr. TOWNS.

Mr. MCGOVERN.

Ms. PELOSI.

(The following Members (at the request of Mr. THUNE) and to include extraneous material:)

Ms. ROS-LEHTINEN.

Ms. PRYCE of Ohio.

ADJOURNMENT

Mr. SHIMKUS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until Monday, September 28, 1998, at 10:30 a.m. for morning hour debates.

CONFERENCE REPORT ON H.R. 6

Mr. GOODLING submitted the following conference report and statement on the bill (H.R. 6), to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

CONFERENCE REPORT (H. REPT. 105–750)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6), to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Houses recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Higher Education Amendments of 1998".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.
Sec. 3. General effective date.

TITLE I—GENERAL PROVISIONS
Sec. 101. Revision of title I.
Sec. 102. Conforming amendments.
TITLE II—TEACHER QUALITY
Sec. 201. Teacher quality enhancement grants.
TITLE III—INSTITUTIONAL AID
Sec. 301. Transfers and redesignations.
Sec. 302. Findings.
Sec. 303. Strengthening institutions.
Sec. 304. Strengthening HBCU's.
Sec. 305. Endowment challenge grants.
Sec. 306. HBCU capital financing.
Sec. 307. Minority science and engineering improvement program.
Sec. 308. General provisions.
TITLE IV—STUDENT ASSISTANCE
PART A—GRANTS TO STUDENTS
Sec. 401. Federal Pell Grants.
Sec. 402. Federal TRIO programs.
Sec. 403. Gear up program.
Sec. 404. Academic achievement incentive scholarships.
Sec. 405. Repeals.
Sec. 406. Federal supplemental educational opportunity grants.
Sec. 407. Leveraging educational assistance partnership program.
Sec. 408. Special programs for students whose families are engaged in migrant and seasonal farmwork.
Sec. 409. Robert C. Byrd Honors Scholarship Program.
Sec. 410. Child care access means parents in school.
Sec. 410A. Learning anytime anywhere partnerships.
PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM
Sec. 411. Limitation repealed.
Sec. 412. Advances to reserve funds.
Sec. 413. Guaranty agency reforms.
Sec. 414. Scope and duration of Federal loan insurance program.
Sec. 415. Limitations on individual federally insured loans and Federal loan insurance.
Sec. 416. Applicable interest rates.
Sec. 417. Federal payments to reduce student interest costs.
Sec. 418. Voluntary flexible agreements with guaranty agencies.
Sec. 419. Federal PLUS loans.
Sec. 420. Federal consolidation loans.
Sec. 421. Default reduction program.
Sec. 422. Requirements for disbursements of student loans.
Sec. 423. Unsubsidized loans.
Sec. 424. Loan forgiveness for teachers.
Sec. 425. Loan forgiveness for child care providers.
Sec. 426. Notice to Secretary and payment of loss.
Sec. 427. Legal powers and responsibilities.
Sec. 428. Student loan information by eligible lenders.
Sec. 429. Definitions.
Sec. 430. Delegation of functions.
Sec. 431. Discharge.
Sec. 432. Debt management options.
Sec. 433. Special allowances.
Sec. 434. Federal family education loan insurance fund.
PART C—FEDERAL WORK-STUDY PROGRAMS
Sec. 441. Authorization of appropriations; community services.
Sec. 442. Allocation of funds.
Sec. 443. Grants for Federal work-study programs.
Sec. 444. Flexible use of funds.
Sec. 445. Work colleges.
PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM
Sec. 451. Selection of institutions.
Sec. 452. Terms and conditions.
Sec. 453. Contracts.
Sec. 454. Funds for administrative expenses.
Sec. 455. Authority to sell loans.
Sec. 456. Loan cancellation for teachers.
PART E—FEDERAL PERKINS LOANS
Sec. 461. Authorization of appropriations.
Sec. 462. Allocation of funds.
Sec. 463. Agreements with institutions of higher education.
Sec. 464. Terms of loans.
Sec. 465. Cancellation for public service.
Sec. 466. Distribution of assets from student loan funds.
Sec. 467. Perkins Loan Revolving Fund.
PART F—NEED ANALYSIS
Sec. 471. Cost of attendance.
Sec. 472. Data elements.
Sec. 473. Family contribution for dependent students.
Sec. 474. Family contribution for independent students without dependents other than a spouse.
Sec. 475. Family contribution for independent students with dependents other than a spouse.
Sec. 476. Regulations; updated tables and amounts.
Sec. 477. Simplified needs test; zero expected family contribution.
Sec. 478. Discretion of student financial aid administrators.
Sec. 479. Treatment of other financial assistance.
Sec. 480. Clerical amendments.
Sec. 480A. Effective dates.
PART G—GENERAL PROVISIONS
Sec. 481. Master calendar.
Sec. 482. Forms and regulations.
Sec. 483. Student eligibility.
Sec. 484. State court judgments.
Sec. 485. Institutional refunds.
Sec. 486. Institutional and financial assistance information for students.
Sec. 487. National student loan data system.
Sec. 488. Distance education demonstration programs.
Sec. 489. Program participation agreements.
Sec. 490. Regulatory relief and improvement.
Sec. 490A. Garnishment requirements.
Sec. 490B. Administrative subpoena authority.
Sec. 490C. Advisory Committee on Student Financial Assistance.
Sec. 490D. Meetings and negotiated rulemaking.
Sec. 490E. Year 2000 requirements at the Department of Education.
Sec. 490F. Procedures for cancellations and deferments for eligible disabled veterans.
PART H—PROGRAM INTEGRITY
Sec. 491. State role and responsibilities.
Sec. 492. Accrediting agency recognition.
Sec. 493. Eligibility and certification procedures.
Sec. 494. Program review and data.
Sec. 495. Review of regulations.
TITLE V—DEVELOPING INSTITUTIONS
Sec. 501. Establishment of new title V.
TITLE VI—INTERNATIONAL EDUCATION PROGRAMS
Sec. 601. International and foreign language studies.
Sec. 602. Business and international education programs.
Sec. 603. Institute for International Public Policy.
Sec. 604. General provisions.
TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS
Sec. 701. Revision of title VII.
Sec. 702. Repeals.
TITLE VIII—STUDIES, REPORTS, AND RELATED PROGRAMS
PART A—STUDIES
Sec. 801. Study of market mechanisms in Federal student loan programs.
Sec. 802. Study of the feasibility of alternative financial instruments for determining lender yields.
Sec. 803. Student-related debt study required.
Sec. 804. Study of transfer of credits.
Sec. 805. Study of opportunities for participation in athletics programs.
Sec. 806. Study of the effectiveness of cohort default rates for institutions with few student loan borrowers.
PART B—ADVANCED PLACEMENT INCENTIVE PROGRAM
Sec. 810. Advanced placement incentive program.
PART C—COMMUNITY SCHOLARSHIP MOBILIZATION
Sec. 811. Short title.
Sec. 812. Findings.
Sec. 813. Definitions.
Sec. 814. Purpose; endowment grant authority.
Sec. 815. Grant agreement and requirements.
Sec. 816. Authorization of appropriations.
PART D—GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS
Sec. 821. Grants to States for workplace and community transition training for incarcerated youth offenders.
PART E—GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES
Sec. 826. Grants to combat violent crimes against women on campuses.
Sec. 827. Study of institutional procedures to report sexual assaults.
PART F—IMPROVING UNITED STATES UNDERSTANDING OF SCIENCE, ENGINEERING, AND TECHNOLOGY IN EAST ASIA
Sec. 831. Improving United States understanding of science, engineering, and technology in East Asia.
PART G—OLYMPIC SCHOLARSHIPS
Sec. 836. Extension of authorization.
PART H—UNDERGROUND RAILROAD
Sec. 841. Underground Railroad educational and cultural program.
PART I—SUMMER TRAVEL AND WORK PROGRAMS
Sec. 846. Authority to administer summer travel and work programs.
PART J—WEB-BASED EDUCATION COMMISSION
Sec. 851. Short title; definitions.
Sec. 852. Establishment of Web-Based Education Commission.
Sec. 853. Duties of the Commission.
Sec. 854. Powers of the Commission.
Sec. 855. Commission personnel matters.
Sec. 856. Termination of the Commission.
Sec. 857. Authorization of appropriations.
PART K—MISCELLANEOUS
Sec. 861. Education-welfare study.
Sec. 862. Release of conditions, covenants, and reversionary interests, Guam Community College conveyance, Barrigada, Guam.
Sec. 863. Sense of Congress regarding good character.
Sec. 864. Educational merchandise licensing codes of conduct.
TITLE IX—AMENDMENTS TO OTHER LAWS
PART A—EXTENSION AND REVISION OF INDIAN HIGHER EDUCATION PROGRAMS
Sec. 901. Tribally controlled colleges and universities.
Sec. 902. Reauthorization of Navajo Community College Act.

Part B—Education of the Deaf
Sec. 911. Short title.
Sec. 912. Elementary and secondary education programs.
Sec. 913. Agreement with Gallaudet University.
Sec. 914. Agreement for the National Technical Institute for the Deaf.
Sec. 915. Definitions.
Sec. 916. Gifts.
Sec. 917. Reports.
Sec. 918. Monitoring, evaluation, and reporting.
Sec. 919. Federal endowment programs.
Sec. 920. Scholarship program.
Sec. 921. Oversight and effect of agreements.
Sec. 922. International students.
Sec. 923. Research priorities.
Sec. 924. National Study on the Education of the Deaf.
Sec. 925. Authorization of appropriations.
Part C—United States Institute of Peace
Sec. 931. Authorities of the United States Institute of Peace.
Part D—Voluntary Retirement Incentive Plans
Sec. 941. Voluntary retirement incentive plans.
Part E—General Education Provisions Act Amendment
Sec. 951. Amendment to Family Educational Rights and Privacy Act of 1974.
Sec. 952. Alcohol or drug possession disclosure.
Part F—Liaison for Proprietary Institutions of Higher Education
Sec. 961. Liaison for proprietary institutions of higher education.
Part G—Amendments to Other Statutes
Sec. 971. Nondischareability of certain claims for educational benefits provided to obtain higher education.
Sec. 972. GNMA guarantee fee.
Part H—Repeals
Sec. 981. Repeals.
Sec. 982. Repeals of previous higher education amendments provisions.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 3. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this Act or the amendments made by this Act, the amendments made by this Act shall take effect on October 1, 1998.

TITLE I—GENERAL PROVISIONS

SEC. 101. REVISION OF TITLE I.

(a) General Provisions.—Title I (20 U.S.C. 1001 et seq.) is amended to read as follows:

“TITLE I—GENERAL PROVISIONS

“PART A—DEFINITIONS

“SEC. 101. GENERAL DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

“(a) Institution of Higher Education.—For purposes of this Act, other than title IV, the term ‘institution of higher education’ means an educational institution in any State that—

“(1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;

“(2) is legally authorized within such State to provide a program of education beyond secondary education;

“(3) provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;

“(4) is a public or other nonprofit institution; and

“(5) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

“(b) Additional Institutions Included.—For purposes of this Act, other than title IV, the term ‘institution of higher education’ also includes—

“(1) any school that provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a); and

“(2) a public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

“(c) List of Accrediting Agencies.—For purposes of this section and section 102, the Secretary shall publish a list of nationally recognized accrediting agencies or associations that the Secretary determines, pursuant to subpart 2 of part H of title IV, to be reliable authority as to the quality of the education or training offered.

“SEC. 102. DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.

“(a) Definition of Institution of Higher Education for Purposes of Title IV Programs.—

“(1) Inclusion of Additional Institutions.—Subject to paragraphs (2) through (4) of this subsection, the term ‘institution of higher education’ for purposes of title IV includes, in addition to the institutions covered by the definition in section 101—

“(A) a proprietary institution of higher education (as defined in subsection (b) of this section);

“(B) a postsecondary vocational institution (as defined in subsection (c) of this section); and

“(C) only for the purposes of part B of title IV, an institution outside the United States that is comparable to an institution of higher education as defined in section 101 and that has been approved by the Secretary for the purpose of part B of title IV.

“(2) Institutions Outside the United States.—

“(A) In general.—For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 101. In the case of a graduate medical or veterinary school outside the United States, such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made, insured, or guaranteed under part B unless—

“(i)(I) at least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of title IV; and

“(II) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of title IV; or

“(ii) the institution has a clinical training program that was approved by a State as of January 1, 1992, or the institution's students complete their clinical training at an approved veterinary school located in the United States.

“(B) Advisory panel.—

“(i) In general.—For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

“(I) evaluate the standards of accreditation applied to applicant foreign medical schools; and

“(II) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

“(ii) Special rule.—If the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 101.

“(C) Failure to release information.—The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part B of title IV.

“(D) Special rule.—If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under title IV, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part B while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

“(3) Limitations based on course of study or enrollment.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

“(A) offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act;

“(B) enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2-year or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

“(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 4-year or a 2-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

“(D) has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 4-year or a 2-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation

contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

“(4) LIMITATIONS BASED ON MANAGEMENT.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

“(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11, United States Code, between July 1, 1998, and December 1, 1998; or

“(B) the institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under title IV, or has been judicially determined to have committed fraud involving funds under title IV.

“(5) CERTIFICATION.—The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part H of title IV.

“(6) LOSS OF ELIGIBILITY.—An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under title IV as a result of an action pursuant to part H of title IV.

“(b) PROPRIETARY INSTITUTION OF HIGHER EDUCATION.—

“(1) PRINCIPAL CRITERIA.—For the purpose of this section, the term ‘proprietary institution of higher education’ means a school that—

“(A) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

“(B) meets the requirements of paragraphs (1) and (2) of section 101(a);

“(C) does not meet the requirement of paragraph (4) of section 101(a);

“(D) is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part H of title IV;

“(E) has been in existence for at least 2 years; and

“(F) has at least 10 percent of the school's revenues from sources that are not derived from funds provided under title IV, as determined in accordance with regulations prescribed by the Secretary.

“(2) ADDITIONAL INSTITUTIONS.—The term ‘proprietary institution of higher education’ also includes a proprietary educational institution in any State that, in lieu of the requirement in paragraph (1) of section 101(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

“(c) POSTSECONDARY VOCATIONAL INSTITUTION.—

“(1) PRINCIPAL CRITERIA.—For the purpose of this section, the term ‘postsecondary vocational institution’ means a school that—

“(A) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

“(B) meets the requirements of paragraphs (1), (2), (4), and (5) of section 101(a); and

“(C) has been in existence for at least 2 years.

“(2) ADDITIONAL INSTITUTIONS.—The term ‘postsecondary vocational institution’ also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 101(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.

“SEC. 103. ADDITIONAL DEFINITIONS.

“In this Act:

“(1) COMBINATION OF INSTITUTIONS OF HIGHER EDUCATION.—The term ‘combination of institutions of higher education’ means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on the group's behalf.

“(2) DEPARTMENT.—The term ‘Department’ means the Department of Education.

“(3) DISABILITY.—The term ‘disability’ has the same meaning given that term under section 3(2) of the Americans With Disabilities Act of 1990.

“(4) ELEMENTARY SCHOOL.—The term ‘elementary school’ has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

“(5) GIFTED AND TALENTED.—The term ‘gifted and talented’ has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

“(6) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

“(7) NEW BORROWER.—The term ‘new borrower’ when used with respect to any date means an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under title IV.

“(8) NONPROFIT.—The term ‘nonprofit’ as applied to a school, agency, organization, or institution means a school, agency, organization, or institution owned and operated by one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

“(9) SCHOOL OR DEPARTMENT OF DIVINITY.—The term ‘school or department of divinity’ means an institution, or a department or a branch of an institution, the program of instruction of which is designed for the education of students—

“(A) to prepare the students to become ministers of religion or to enter upon some other religious vocation (or to provide continuing training for any such vocation); or

“(B) to prepare the students to teach theological subjects.

“(10) SECONDARY SCHOOL.—The term ‘secondary school’ has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

“(11) SECRETARY.—The term ‘Secretary’ means the Secretary of Education.

“(12) SERVICE-LEARNING.—The term ‘service-learning’ has the same meaning given that term under section 101(23) of the National and Community Service Act of 1990.

“(13) SPECIAL EDUCATION TEACHER.—The term ‘special education teacher’ means teachers who teach children with disabilities as defined in section 602 of the Individuals with Disabilities Education Act.

“(14) STATE EDUCATIONAL AGENCY.—The term ‘State educational agency’ has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

“(15) STATE HIGHER EDUCATION AGENCY.—The term ‘State higher education agency’ means the officer or agency primarily responsible for the State supervision of higher education.

“(16) STATE; FREELY ASSOCIATED STATES.—

“(A) STATE.—The term ‘State’ includes, in addition to the several States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

“(B) FREELY ASSOCIATED STATES.—The term ‘Freely Associated States’ means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

“PART B—ADDITIONAL GENERAL PROVISIONS

“SEC. 111. ANTIDISCRIMINATION.

“(a) IN GENERAL.—Institutions of higher education receiving Federal financial assistance may not use such financial assistance, directly or indirectly, to undertake any study or project or fulfill the terms of any contract containing an express or implied provision that any person or persons of a particular race, religion, sex, or national origin be barred from performing such study, project, or contract, except that nothing in this subsection shall be construed to prohibit an institution from conducting objective studies or projects concerning the nature, effects, or prevention of discrimination, or to have the institution's curriculum restricted on the subject of discrimination.

“(b) LIMITATIONS ON STATUTORY CONSTRUCTION.—Nothing in this Act shall be construed to limit the rights or responsibilities of any individual under the Americans With Disabilities Act of 1990, the Rehabilitation Act of 1973, or any other law.

“SEC. 112. PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS.

“(a) PROTECTION OF RIGHTS.—It is the sense of Congress that no student attending an institution of higher education on a full- or part-time basis should, on the basis of participation in protected speech or protected association, be excluded from participation in, be denied the benefits of, or be subjected to discrimination or official sanction under any education program, activity, or division of the institution directly or indirectly receiving financial assistance under this Act, whether or not such program, activity, or division is sponsored or officially sanctioned by the institution.

“(b) CONSTRUCTION.—Nothing in this section shall be construed—

“(1) to discourage the imposition of an official sanction on a student that has willfully participated in the disruption or attempted disruption of a lecture, class, speech, presentation, or performance made or scheduled to be made under the auspices of the institution of higher education; or

“(2) to prevent an institution of higher education from taking appropriate and effective action to prevent violations of State liquor laws, to discourage binge drinking and other alcohol abuse, to protect students from sexual harassment including assault and date rape, to prevent hazing, or to regulate unsanitary or unsafe conditions in any student residence.

“(c) DEFINITIONS.—For the purposes of this section:

“(1) OFFICIAL SANCTION.—The term ‘official sanction’—

“(A) means expulsion, suspension, probation, censure, condemnation, reprimand, or any other disciplinary, coercive, or adverse action taken by an institution of higher education or administrative unit of the institution; and

“(B) includes an oral or written warning made by an official of an institution of higher

education acting in the official capacity of the official.

"(2) PROTECTED ASSOCIATION.—The term 'protected association' means the joining, assembling, and residing with others that is protected under the first and 14th amendments to the Constitution, or would be protected if the institution of higher education involved were subject to those amendments.

"(3) PROTECTED SPEECH.—The term 'protected speech' means speech that is protected under the first and 14th amendments to the Constitution, or would be protected if the institution of higher education involved were subject to those amendments.

"SEC. 113. TREATMENT OF TERRITORIES AND TERRITORIAL STUDENT ASSISTANCE.

"(a) WAIVER AUTHORITY.—The Secretary is required to waive the eligibility criteria of any postsecondary education program administered by the Department where such criteria do not take into account the unique circumstances in Guam, the United States Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Freely Associated States.

"(b) ELIGIBILITY.—Notwithstanding any other provision of law, an institution of higher education that is located in any of the Freely Associated States, rather than in another State, shall be eligible, if otherwise qualified, for assistance under chapter 1 of subpart 2 of part A of title IV. This subsection shall cease to be effective on September 30, 2004.

"SEC. 114. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

"(a) ESTABLISHMENT.—There is established in the Department a National Advisory Committee on Institutional Quality and Integrity (hereafter in this section referred to as the 'Committee'), which shall be composed of 15 members appointed by the Secretary from among individuals who are representatives of, or knowledgeable concerning, education and training beyond secondary education, including representatives of all sectors and types of institutions of higher education (as defined in section 102), to assess the process of eligibility and certification of such institutions under title IV and the provision of financial aid under title IV.

"(b) TERMS OF MEMBERS.—Terms of office of each member of the Committee shall be 3 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed for the remainder of such term.

"(c) PUBLIC NOTICE.—The Secretary shall—

"(1) annually publish in the Federal Register a list containing the name of each member of the Committee and the date of the expiration of the term of office of the member; and

"(2) publicly solicit nominations for each vacant position or expiring term of office on the Committee.

"(d) FUNCTIONS.—The Committee shall—

"(1) advise the Secretary with respect to establishment and enforcement of the standards of accrediting agencies or associations under subpart 2 of part H of title IV;

"(2) advise the Secretary with respect to the recognition of a specific accrediting agency or association;

"(3) advise the Secretary with respect to the preparation and publication of the list of nationally recognized accrediting agencies and associations;

"(4) develop and recommend to the Secretary standards and criteria for specific categories of vocational training institutions and institutions of higher education for which there are no recognized accrediting agencies, associations, or State agencies, in order to establish the eligibility of such institutions on an interim basis for participation in federally funded programs;

"(5) advise the Secretary with respect to the eligibility and certification process for institutions of higher education under title IV, together with recommendations for improvements in such process;

"(6) advise the Secretary with respect to the relationship between—

"(A) accreditation of institutions of higher education and the certification and eligibility of such institutions; and

"(B) State licensing responsibilities with respect to such institutions; and

"(7) carry out such other advisory functions relating to accreditation and institutional eligibility as the Secretary may prescribe.

"(e) MEETING PROCEDURES.—The Committee shall meet not less than twice each year at the call of the Chairperson. The date of, and agenda for, each meeting of the Committee shall be submitted in advance to the Secretary for approval. A representative of the Secretary shall be present at all meetings of the Committee.

"(f) REPORT.—Not later than November 30 of each year, the Committee shall make an annual report through the Secretary to Congress. The annual report shall contain—

"(1) a list of the members of the Committee and their addresses;

"(2) a list of the functions of the Committee;

"(3) a list of dates and places of each meeting during the preceding fiscal year; and

"(4) a summary of the activities, findings and recommendations made by the Committee during the preceding fiscal year.

"(g) TERMINATION.—The Committee shall cease to exist on September 30, 2004.

"SEC. 115. STUDENT REPRESENTATION.

"The Secretary shall, in appointing individuals to any commission, committee, board, panel, or other body in connection with the administration of this Act, include individuals who are, at the time of appointment, attending an institution of higher education.

"SEC. 116. FINANCIAL RESPONSIBILITY OF FOREIGN STUDENTS.

"Nothing in this Act or any other Federal law shall be construed to prohibit any institution of higher education from requiring a student who is a foreign national (and not admitted to permanent residence in the United States) to guarantee the future payment of tuition and fees to such institution by—

"(1) making advance payment of such tuition and fees;

"(2) making deposits in an escrow account administered by such institution for such payments; or

"(3) obtaining a bond or other insurance that such payments will be made.

"SEC. 117. DISCLOSURES OF FOREIGN GIFTS.

"(a) DISCLOSURE REPORT.—Whenever any institution is owned or controlled by a foreign source or receives a gift from or enters into a contract with a foreign source, the value of which is $250,000 or more, considered alone or in combination with all other gifts from or contracts with that foreign source within a calendar year, the institution shall file a disclosure report with the Secretary on January 31 or July 31, whichever is sooner.

"(b) CONTENTS OF REPORT.—Each report to the Secretary required by this section shall contain the following:

"(1) For gifts received from or contracts entered into with a foreign source other than a foreign government, the aggregate dollar amount of such gifts and contracts attributable to a particular country. The country to which a gift is attributable is the country of citizenship, or if unknown, the principal residence for a foreign source who is a natural person, and the country of incorporation, or if unknown, the principal place of business, for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the aggregate amount of such gifts and contracts received from each foreign government.

"(3) In the case of an institution which is owned or controlled by a foreign source, the identity of the foreign source, the date on which the foreign source assumed ownership or control, and any changes in program or structure resulting from the change in ownership or control.

"(c) ADDITIONAL DISCLOSURES FOR RESTRICTED AND CONDITIONAL GIFTS.—Notwithstanding the provisions of subsection (b), whenever any institution receives a restricted or conditional gift or contract from a foreign source, the institution shall disclose the following:

"(1) For such gifts received from or contracts entered into with a foreign source other than a foreign government, the amount, the date, and a description of such conditions or restrictions. The report shall also disclose the country of citizenship, or if unknown, the principal residence for a foreign source which is a natural person, and the country of incorporation, or if unknown, the principal place of business for a foreign source which is a legal entity.

"(2) For gifts received from or contracts entered into with a foreign government, the amount, the date, a description of such conditions or restrictions, and the name of the foreign government.

"(d) RELATION TO OTHER REPORTING REQUIREMENTS.—

"(1) STATE REQUIREMENTS.—If an institution described under subsection (a) is within a State which has enacted requirements for public disclosure of gifts from or contracts with a foreign source that are substantially similar to the requirements of this section, a copy of the disclosure report filed with the State may be filed with the Secretary in lieu of a report required under subsection (a). The State in which the institution is located shall provide to the Secretary such assurances as the Secretary may require to establish that the institution has met the requirements for public disclosure under State law if the State report is filed.

"(2) USE OF OTHER FEDERAL REPORTS.—If an institution receives a gift from, or enters into a contract with, a foreign source, where any other department, agency, or bureau of the Executive Branch requires a report containing requirements substantially similar to those required under this section, a copy of the report may be filed with the Secretary in lieu of a report required under subsection (a).

"(e) PUBLIC INSPECTION.—All disclosure reports required by this section shall be public records open to inspection and copying during business hours.

"(f) ENFORCEMENT.—

"(1) COURT ORDERS.—Whenever it appears that an institution has failed to comply with the requirements of this section, including any rule or regulation promulgated under this section, a civil action may be brought by the Attorney General, at the request of the Secretary, in an appropriate district court of the United States, or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to request such court to compel compliance with the requirements of this section.

"(2) COSTS.—For knowing or willful failure to comply with the requirements of this section, including any rule or regulation promulgated thereunder, an institution shall pay to the Treasury of the United States the full costs to the United States of obtaining compliance, including all associated costs of investigation and enforcement.

''(g) REGULATIONS.—The Secretary may promulgate regulations to carry out this section.

''(h) DEFINITIONS.—For the purpose of this section—

''(1) the term 'contract' means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties;

''(2) the term 'foreign source' means—

''(A) a foreign government, including an agency of a foreign government;

''(B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states;

''(C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and

''(D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;

''(3) the term 'gift' means any gift of money or property;

''(4) the term 'institution' means any institution, public or private, or, if a multicampus institution, any single campus of such institution, in any State, that—

''(A) is legally authorized within such State to provide a program of education beyond secondary school;

''(B) provides a program for which the institution awards a bachelor's degree (or provides not less than a 2-year program which is acceptable for full credit toward such a degree) or more advanced degrees; and

''(C) is accredited by a nationally recognized accrediting agency or association and to which institution Federal financial assistance is extended (directly or indirectly through another entity or person), or which institution receives support from the extension of Federal financial assistance to any of the institution's subunits; and

''(5) the term 'restricted or conditional gift or contract' means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding—

''(A) the employment, assignment, or termination of faculty;

''(B) the establishment of departments, centers, research or lecture programs, or new faculty positions;

''(C) the selection or admission of students; or

''(D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.

''SEC. 118. APPLICATION OF PEER REVIEW PROCESS.

''All applications submitted under the provisions of this Act which require peer review shall be read by a panel of readers composed of individuals selected by the Secretary, which shall include outside readers who are not employees of the Federal Government. The Secretary shall ensure that no individual assigned under this section to review any application has any conflict of interest with regard to that application which might impair the impartiality with which that individual conducts the review under this section.

''SEC. 119. BINGE DRINKING ON COLLEGE CAMPUSES.

''(a) SHORT TITLE.—This section may be cited as the 'Collegiate Initiative To Reduce Binge Drinking and Illegal Alcohol Consumption'.

''(b) SENSE OF CONGRESS.—It is the sense of Congress that, in an effort to change the culture of alcohol consumption on college campuses, all institutions of higher education should carry out the following:

''(1) The president of the institution should appoint a task force consisting of school administrators, faculty, students, Greek system representatives, and others to conduct a full examination of student and academic life at the institution. The task force should make recommendations for a broad range of policy and program changes that would serve to reduce alcohol and other drug-related problems. The institution should provide resources to assist the task force in promoting the campus policies and proposed environmental changes that have been identified.

''(2) The institution should provide maximum opportunities for students to live in an alcohol-free environment and to engage in stimulating, alcohol-free recreational and leisure activities.

''(3) The institution should enforce a 'zero tolerance' policy on the illegal consumption of alcohol by students at the institution.

''(4) The institution should vigorously enforce the institution's code of disciplinary sanctions for those who violate campus alcohol policies. Students with alcohol or other drug-related problems should be referred for assistance, including to on-campus counseling programs if appropriate.

''(5) The institution should adopt a policy to discourage alcoholic beverage-related sponsorship of on-campus activities. It should adopt policies limiting the advertisement and promotion of alcoholic beverages on campus.

''(6) The institution should work with the local community, including local businesses, in a 'Town/Gown' alliance to encourage responsible policies toward alcohol consumption and to address illegal alcohol use by students.

''SEC. 120. DRUG AND ALCOHOL ABUSE PREVENTION.

''(a) RESTRICTION ON ELIGIBILITY.—Notwithstanding any other provision of law, no institution of higher education shall be eligible to receive funds or any other form of financial assistance under any Federal program, including participation in any federally funded or guaranteed student loan program, unless the institution certifies to the Secretary that the institution has adopted and has implemented a program to prevent the use of illicit drugs and the abuse of alcohol by students and employees that, at a minimum, includes—

''(1) the annual distribution to each student and employee of—

''(A) standards of conduct that clearly prohibit, at a minimum, the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on the institution's property or as part of any of the institution's activities;

''(B) a description of the applicable legal sanctions under local, State, or Federal law for the unlawful possession or distribution of illicit drugs and alcohol;

''(C) a description of the health-risks associated with the use of illicit drugs and the abuse of alcohol;

''(D) a description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and

''(E) a clear statement that the institution will impose sanctions on students and employees (consistent with local, State, and Federal law), and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct required by subparagraph (A); and

''(2) a biennial review by the institution of the institution's program to—

''(A) determine the program's effectiveness and implement changes to the program if the changes are needed; and

''(B) ensure that the sanctions required by paragraph (1)(E) are consistently enforced.

''(b) INFORMATION AVAILABILITY.—Each institution of higher education that provides the certification required by subsection (a) shall, upon request, make available to the Secretary and to the public a copy of each item required by subsection (a)(1) as well as the results of the biennial review required by subsection (a)(2).

''(c) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall publish regulations to implement and enforce the provisions of this section, including regulations that provide for—

''(A) the periodic review of a representative sample of programs required by subsection (a); and

''(B) a range of responses and sanctions for institutions of higher education that fail to implement their programs or to consistently enforce their sanctions, including information and technical assistance, the development of a compliance agreement, and the termination of any form of Federal financial assistance.

''(2) REHABILITATION PROGRAM.—The sanctions required by subsection (a)(1)(E) may include the completion of an appropriate rehabilitation program.

''(d) APPEALS.—Upon determination by the Secretary to terminate financial assistance to any institution of higher education under this section, the institution may file an appeal with an administrative law judge before the expiration of the 30-day period beginning on the date such institution is notified of the decision to terminate financial assistance under this section. Such judge shall hold a hearing with respect to such termination of assistance before the expiration of the 45-day period beginning on the date that such appeal is filed. Such judge may extend such 45-day period upon a motion by the institution concerned. The decision of the judge with respect to such termination shall be considered to be a final agency action.

''(e) ALCOHOL AND DRUG ABUSE PREVENTION GRANTS.—

''(1) PROGRAM AUTHORITY.—The Secretary may make grants to institutions of higher education or consortia of such institutions, and enter into contracts with such institutions, consortia, and other organizations, to develop, implement, operate, improve, and disseminate programs of prevention, and education (including treatment-referral) to reduce and eliminate the illegal use of drugs and alcohol and the violence associated with such use. Such grants or contracts may also be used for the support of a higher education center for alcohol and drug abuse prevention that will provide training, technical assistance, evaluation, dissemination, and associated services and assistance to the higher education community as determined by the Secretary and institutions of higher education.

''(2) AWARDS.—Grants and contracts shall be awarded under paragraph (1) on a competitive basis.

''(3) APPLICATIONS.—An institution of higher education, a consortium of such institutions, or another organization that desires to receive a grant or contract under paragraph (1) shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require by regulation.

''(4) ADDITIONAL REQUIREMENTS.—

''(A) PARTICIPATION.—In awarding grants and contracts under this subsection the Secretary shall make every effort to ensure—

''(i) the equitable participation of private and public institutions of higher education (including community and junior colleges); and

''(ii) the equitable geographic participation of such institutions.

''(B) CONSIDERATION.—In awarding grants and contracts under this subsection the Secretary shall give appropriate consideration to institutions of higher education with limited enrollment.

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $5,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(f) NATIONAL RECOGNITION AWARDS.—

"(1) PURPOSE.—It is the purpose of this subsection to provide models of innovative and effective alcohol and drug abuse prevention programs in higher education and to focus national attention on exemplary alcohol and drug abuse prevention efforts.

"(2) AWARDS.—

"(A) IN GENERAL.—The Secretary shall make 5 National Recognition Awards for outstanding alcohol prevention programs and 5 National Recognition Awards for outstanding drug abuse prevention programs, on an annual basis, to institutions of higher education that—

"(i) have developed and implemented innovative and effective alcohol prevention programs or drug abuse prevention programs; and

"(ii) with respect to an application for an alcohol prevention program award, demonstrate in the application submitted under paragraph (3) that the institution has undertaken efforts designed to change the culture of college drinking consistent with the review criteria described in paragraph (3)(C)(iii).

"(B) CEREMONY.—The awards shall be made at a ceremony in Washington, D.C.

"(C) DOCUMENT.—The Secretary shall publish a document describing the alcohol and drug abuse prevention programs of institutions of higher education that receive the awards under this subsection and disseminate the document nationally to all public and private secondary school guidance counselors for use by secondary school juniors and seniors preparing to enter an institution of higher education. The document shall be disseminated not later than January 1 of each academic year.

"(D) AMOUNT AND USE.—Each institution of higher education selected to receive an award under this subsection shall receive an award in the amount of $50,000. Such award shall be used for the maintenance and improvement of the institution's outstanding prevention program for the academic year following the academic year for which the award is made.

"(3) APPLICATION.—

"(A) IN GENERAL.—Each institution of higher education desiring an award under this subsection shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall contain—

"(i) a clear description of the goals and objectives of the prevention program of the institution;

"(ii) a description of program activities that focus on alcohol or drug policy issues, policy development, modification, or refinement, policy dissemination and implementation, and policy enforcement;

"(iii) a description of activities that encourage student and employee participation and involvement in activity development and implementation;

"(iv) the objective criteria used to determine the effectiveness of the methods used in such programs and the means used to evaluate and improve the programs' efforts;

"(v) a description of special initiatives used to reduce high-risk behavior or increase low risk behavior; and

"(vi) a description of coordination and networking efforts that exist in the community in which the institution is located for purposes of such programs.

"(B) APPLICATION REVIEW.—The Secretary shall appoint a committee to review applications submitted under this paragraph. The committee may include representatives of Federal departments or agencies the programs of which include alcohol abuse prevention and education efforts and drug abuse prevention and education efforts, directors or heads (or their representatives) of professional associations that focus on alcohol and drug abuse prevention efforts, and non-Federal scientists who have backgrounds in social science evaluation and research methodology and in education. Decisions of the committee shall be made directly to the Secretary without review by any other entity in the Department.

"(C) REVIEW CRITERIA.—The committee described in subparagraph (B) shall develop specific review criteria for reviewing and evaluating applications submitted under this paragraph. The review criteria shall include—

"(i) measures of the effectiveness of the program of the institution, that includes changes in the campus alcohol or other drug environment or the climate and changes in alcohol or other drug use before and after the initiation of the program;

"(ii) measures of program institutionalization, including—

"(I) an assessment of needs of the institution;

"(II) the institution's alcohol and drug policies, staff and faculty development activities, drug prevention criteria, student, faculty, and campus community involvement; and

"(III) whether the program will be continued after the cessation of Federal funding; and

"(iii) with respect to an application for an alcohol prevention program award, criteria for determining whether the institution has policies in effect that—

"(I) prohibit alcoholic beverage sponsorship of athletic events, and prohibit alcoholic beverage advertising inside athletic facilities;

"(II) prohibit alcoholic beverage marketing on campus, which may include efforts to ban alcohol advertising in institutional publications or efforts to prohibit alcohol-related advertisements at campus events;

"(III) establish or expand upon alcohol-free living arrangements for all college students;

"(IV) establish partnerships with community members and organizations to further alcohol prevention efforts on campus and the areas surrounding campus; and

"(V) establish innovative communications programs involving students and faculty in an effort to educate students about alcohol-related risks.

"(4) ELIGIBILITY.—In order to be eligible to receive a National Recognition Award an institution of higher education shall—

"(A) offer an associate or baccalaureate degree;

"(B) have established an alcohol abuse prevention and education program or a drug abuse prevention and education program;

"(C) nominate itself or be nominated by others, such as professional associations or student organizations, to receive the award; and

"(D) not have received an award under this subsection during the 5 academic years preceding the academic year for which the determination is made.

"(5) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—There is authorized to be appropriated to carry out this subsection $750,000 for fiscal year 1999.

"(B) AVAILABILITY.—Funds appropriated under subparagraph (A) shall remain available until expended.

"SEC. 121. PRIOR RIGHTS AND OBLIGATIONS.

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) PRE-1987 PARTS C AND D OF TITLE VII.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1999 and for each of the 4 succeeding fiscal years to pay obligations incurred prior to 1987 under parts C and D of title VII, as such parts were in effect before the effective date of the Higher Education Amendments of 1992.

"(2) POST-1992 AND PRE-1998 PART C OF TITLE VII.—There are authorized to be appropriated such sums as may be necessary for fiscal year 1999 and for each of the 4 succeeding fiscal years to pay obligations incurred prior to the date of enactment of the Higher Education Amendments of 1998 under part C of title VII, as such part was in effect during the period—

"(A) after the effective date of the Higher Education Amendments of 1992; and

"(B) prior to the date of enactment of the Higher Education Amendments of 1998.

"(b) LEGAL RESPONSIBILITIES.—

"(1) PRE-1987 TITLE VII.—All entities with continuing obligations incurred under parts A, B, C, and D of title VII, as such parts were in effect before the effective date of the Higher Education Amendments of 1992, shall be subject to the requirements of such part as in effect before the effective date of the Higher Education Amendments of 1992.

"(2) POST-1992 AND PRE-1998 PART C OF TITLE VII.—All entities with continuing obligations incurred under part C of title VII, as such part was in effect during the period—

"(A) after the effective date of the Higher Education Amendments of 1992; and

"(B) prior to the date of enactment of the Higher Education Amendments of 1998,

shall be subject to the requirements of such part as such part was in effect during such period.

"SEC. 122. RECOVERY OF PAYMENTS.

"(a) PUBLIC BENEFIT.—Congress declares that, if a facility constructed with the aid of a grant under part A of title VII as such part A was in effect prior to the date of enactment of the Higher Education Amendments of 1998, or part B of such title as such part B was in effect prior to the date of enactment of the Higher Education Amendments of 1992, is used as an academic facility for 20 years following completion of such construction, the public benefit accruing to the United States will equal in value the amount of the grant. The period of 20 years after completion of such construction shall therefore be deemed to be the period of Federal interest in such facility for the purposes of such title as so in effect.

"(b) RECOVERY UPON CESSATION OF PUBLIC BENEFIT.—If, within 20 years after completion of construction of an academic facility which has been constructed, in part with a grant under part A of title VII as such part A was in effect prior to the date of enactment of the Higher Education Amendments of 1998, or part B of title VII as such part B was in effect prior to the date of enactment of the Higher Education Amendments of 1992—

"(1) the applicant under such parts as so in effect (or the applicant's successor in title or possession) ceases or fails to be a public or nonprofit institution, or

"(2) the facility ceases to be used as an academic facility, or the facility is used as a facility excluded from the term 'academic facility' (as such term was defined under title VII, as so in effect), unless the Secretary determines that there is good cause for releasing the institution from its obligation,

the United States shall be entitled to recover from such applicant (or successor) an amount which bears to the value of the facility at that time (or so much thereof as constituted an approved project or projects) the same ratio as the amount of Federal grant bore to the cost of the facility financed with the aid of such grant. The value shall be determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated.

"(c) PROHIBITION ON USE FOR RELIGION.—Notwithstanding the provisions of subsections (a)

and (b), no project assisted with funds under title VII (as in effect prior to the date of enactment of the Higher Education Amendments of 1998) shall ever be used for religious worship or a sectarian activity or for a school or department of divinity.

"PART C—COST OF HIGHER EDUCATION

"SEC. 131. IMPROVEMENTS IN MARKET INFORMATION AND PUBLIC ACCOUNTABILITY IN HIGHER EDUCATION.

"(a) Improved Data Collection.—

"(1) Development of uniform methodology.—The Secretary shall direct the Commissioner of Education Statistics to convene a series of forums to develop nationally consistent methodologies for reporting costs incurred by postsecondary institutions in providing postsecondary education.

"(2) Redesign of data systems.—On the basis of the methodologies developed pursuant to paragraph (1), the Secretary shall redesign relevant parts of the postsecondary education data systems to improve the usefulness and timeliness of the data collected by such systems.

"(3) Information to institutions.—The Commissioner of Education Statistics shall—

"(A) develop a standard definition for the following data elements:

"(i) tuition and fees for a full-time undergraduate student;

"(ii) cost of attendance for a full-time undergraduate student, consistent with the provisions of section 472;

"(iii) average amount of financial assistance received by an undergraduate student who attends an institution of higher education, including—

"(I) each type of assistance or benefit described in section 428(a)(2)(C)(i);

"(II) fellowships; and

"(III) institutional and other assistance; and

"(iv) number of students receiving financial assistance described in each of subclauses (I), (II), and (III) of clause (iii);

"(B) not later than 90 days after the date of enactment of the Higher Education Amendments of 1998, report the definitions to each institution of higher education and within a reasonable period of time thereafter inform the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives of those definitions; and

"(C) collect information regarding the data elements described in subparagraph (A) with respect to at least all institutions of higher education participating in programs under title IV, beginning with the information from academic year 2000–2001 and annually thereafter.

"(b) Data Dissemination.—The Secretary shall make available the data collected pursuant to subsection (a). Such data shall be available in a form that permits the review and comparison of the data submissions of individual institutions of higher education. Such data shall be presented in a form that is easily understandable and allows parents and students to make informed decisions based on the costs for typical full-time undergraduate students.

"(c) Study.—

"(1) In general.—The Commissioner of Education Statistics shall conduct a national study of expenditures at institutions of higher education. Such study shall include information with respect to—

"(A) the change in tuition and fees compared with the consumer price index and other appropriate measures of inflation;

"(B) faculty salaries and benefits;

"(C) administrative salaries, benefits and expenses;

"(D) academic support services;

"(E) research;

"(F) operations and maintenance; and

"(G) institutional expenditures for construction and technology and the potential cost of replacing instructional buildings and equipment.

"(2) Evaluation.—The study shall include an evaluation of—

"(A) changes over time in the expenditures identified in paragraph (1);

"(B) the relationship of the expenditures identified in paragraph (1) to college costs; and

"(C) the extent to which increases in institutional financial aid and tuition discounting practices affect tuition increases, including the demographics of students receiving such discounts, the extent to which financial aid is provided to students with limited need in order to attract a student to a particular institution, and the extent to which Federal financial aid, including loan aid, has been used to offset the costs of such practices.

"(3) Final report.—The Commissioner of Education Statistics shall submit a report regarding the findings of the study required by paragraph (1) to the appropriate Committees of Congress not later than September 30, 2002.

"(4) Higher education market basket.—The Bureau of Labor Statistics, in consultation with the Commissioner of Education Statistics, shall develop a higher education market basket that identifies the items that comprise the costs of higher education. The Bureau of Labor Statistics shall provide a report on the market basket to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than September 30, 2002.

"(5) Fines.—In addition to actions authorized in section 487(c), the Secretary may impose a fine in an amount not to exceed $25,000 on an institution of higher education for failing to provide the information described in paragraph (1) in a timely and accurate manner, or for failing to otherwise cooperate with the National Center for Education Statistics regarding efforts to obtain data on the cost of higher education under this section and pursuant to the program participation agreement entered into under section 487.

"(d) Student Aid Recipient Survey.—(1) The Secretary shall survey student aid recipients on a regular cycle, but not less than once every 3 years—

"(A) to identify the population of students receiving Federal student aid;

"(B) to determine the income distribution and other socioeconomic characteristics of federally aided students;

"(C) to describe the combinations of aid from State, Federal, and private sources received by students from all income groups;

"(D) to describe the debt burden of loan recipients and their capacity to repay their education debts; and

"(E) to disseminate such information in both published and machine readable form.

"(2) The survey shall be representative of full-time and part-time, undergraduate, graduate, and professional and current and former students in all types of institutions, and should be designed and administered in consultation with the Congress and the postsecondary education community.

"PART D—ADMINISTRATIVE PROVISIONS FOR DELIVERY OF STUDENT FINANCIAL ASSISTANCE

"SEC. 141. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

"(a) Establishment and Purpose.—

"(1) Establishment.—There is established in the Department a Performance-Based Organization (hereafter referred to as the 'PBO') which shall be a discrete management unit responsible for managing the operational functions supporting the programs authorized under title IV of this Act, as specified in subsection (b).

"(2) Purposes.—The purposes of the PBO are—

"(A) to improve service to students and other participants in the student financial assistance programs authorized under title IV, including making those programs more understandable to students and their parents;

"(B) to reduce the costs of administering those programs;

"(C) to increase the accountability of the officials responsible for administering the operational aspects of these programs;

"(D) to provide greater flexibility in the management of the operational functions of the Federal student financial assistance programs;

"(E) to integrate the information systems supporting the Federal student financial assistance programs;

"(F) to implement an open, common, integrated system for the delivery of student financial assistance under title IV; and

"(G) to develop and maintain a student financial assistance system that contains complete, accurate, and timely data to ensure program integrity.

"(b) General Authority.—

"(1) Authority of Secretary.—Notwithstanding any other provision of this part, the Secretary shall maintain responsibility for the development and promulgation of policy and regulations relating to the programs of student financial assistance under title IV. In the exercise of its functions, the PBO shall be subject to the direction of the Secretary. The Secretary shall—

"(A) request the advice of, and work in cooperation with, the Chief Operating Officer in developing regulations, policies, administrative guidance, or procedures affecting the information systems administered by the PBO, and other functions performed by the PBO;

"(B) request cost estimates from the Chief Operating Officer for system changes required by specific policies proposed by the Secretary; and

"(C) assist the Chief Operating Officer in identifying goals for the administration and modernization of the delivery system for student financial assistance under title IV.

"(2) PBO functions.—Subject to paragraph(1), the PBO shall be responsible for administration of the information and financial systems that support student financial assistance programs authorized under this title, excluding the development of policy relating to such programs but including the following:

"(A) The administrative, accounting, and financial management functions of the delivery system for Federal student assistance, including—

"(i) the collection, processing and transmission of applicant data to students, institutions and authorized third parties, as provided for in section 483;

"(ii) design and technical specifications for software development and systems supporting the delivery of student financial assistance under title IV;

"(iii) all software and hardware acquisitions and all information technology contracts related to the delivery and management of student financial assistance under title IV;

"(iv) all aspects of contracting for the information and financial systems supporting student financial assistance programs under this title; and

"(v) providing all customer service, training, and user support related to systems that support those programs.

"(B) Annual development of a budget for the operations and services of the PBO, in consultation with the Secretary, and for consideration and inclusion in the Department's annual budget submission.

"(3) ADDITIONAL FUNCTIONS.—The Secretary may allocate to the PBO such additional functions as the Secretary and the Chief Operating Officer determine are necessary or appropriate to achieve the purposes of the PBO.

"(4) INDEPENDENCE.—Subject to paragraph (1), in carrying out its functions, the PBO shall exercise independent control of its budget allocations and expenditures, personnel decisions and processes, procurements, and other administrative and management functions.

"(5) AUDITS AND REVIEW.—The PBO shall be subject to the usual and customary Federal audit procedures and to review by the Inspector General of the Department.

"(6) CHANGES.—

"(A) IN GENERAL.—The Secretary and the Chief Operating Officer shall consult concerning the effects of policy, market, or other changes on the ability of the PBO to achieve the goals and objectives established in the performance plan described in subsection (c).

"(B) REVISIONS TO AGREEMENT.—The Secretary and the Chief Operating Officer may revise the annual performance agreement described in subsection (d)(4) in light of policy, market, or other changes that occur after the Secretary and the Chief Operating Officer enter into the agreement.

"(c) PERFORMANCE PLAN AND REPORT.—

"(1) PERFORMANCE PLAN.—

"(A) IN GENERAL.—Each year, the Secretary and Chief Operating Officer shall agree on, and make available to the public, a performance plan for the PBO for the succeeding 5 years that establishes measurable goals and objectives for the organization.

"(B) CONSULTATION.—In developing the 5-year performance plan and any revision to the plan, the Secretary and the Chief Operating Officer shall consult with students, institutions of higher education, Congress, lenders, the Advisory Committee on Student Financial Assistance, and other interested parties not less than 30 days prior to the implementation of the performance plan or revision.

"(C) AREAS.—The plan shall include a concise statement of the goals for a modernized system for the delivery of student financial assistance under title IV and identify action steps necessary to achieve such goals. The plan shall address the PBO's responsibilities in the following areas:

"(i) IMPROVING SERVICE.—Improving service to students and other participants in student financial aid programs authorized under this title, including making those programs more understandable to students and their parents.

"(ii) REDUCING COSTS.—Reducing the costs of administering those programs.

"(iii) IMPROVEMENT AND INTEGRATION OF SUPPORT SYSTEMS.—Improving and integrating the information and delivery systems that support those programs.

"(iv) DELIVERY AND INFORMATION SYSTEM.—Developing an open, common, and integrated delivery and information system for programs authorized under this title.

"(v) OTHER AREAS.—Any other areas identified by the Secretary.

"(2) ANNUAL REPORT.—Each year, the Chief Operating Officer shall prepare and submit to Congress, through the Secretary, an annual report on the performance of the PBO, including an evaluation of the extent to which the PBO met the goals and objectives contained in the 5-year performance plan described in paragraph (1) for the preceding year. The annual report shall include the following:

"(A) An independent financial audit of the expenditures of both the PBO and programs administered by the PBO.

"(B) Financial and performance requirements applicable to the PBO under the Chief Financial Officer Act of 1990 and the Government Performance and Results Act of 1993.

"(C) The results achieved by the PBO during the year relative to the goals established in the organization's performance plan.

"(D) The evaluation rating of the performance of the Chief Operating Officer and senior managers under subsections (d)(4) and (e)(2), including the amounts of bonus compensation awarded to these individuals;

"(E) recommendations for legislative and regulatory changes to improve service to students and their families, and to improve program efficiency and integrity; and

"(F) other such information as the Director of the Office of Management and Budget shall prescribe for performance based organizations.

"(3) CONSULTATION WITH STAKEHOLDERS.—The Chief Operating Officer, in preparing the report described in paragraph (2), shall establish appropriate means to consult with borrowers, institutions, lenders, guaranty agencies, secondary markets, and others involved in the delivery system of student aid under this title—

"(A) regarding the degree of satisfaction with the delivery system; and

"(B) to seek suggestions on means to improve the delivery system.

"(d) CHIEF OPERATING OFFICER.—

"(1) APPOINTMENT.—The management of the PBO shall be vested in a Chief Operating Officer who shall be appointed by the Secretary to a term of not less than 3 and not more than 5 years, and compensated without regard to chapters 33, 51, and 53 of title 5, United States Code. The Secretary shall appoint the Chief Operating Officer within 6 months after the date of enactment of the Higher Education Amendments of 1998. The appointment shall be made on the basis of demonstrated management ability and expertise in information technology, including experience with financial systems, and without regard to political affiliation or activity.

"(2) REAPPOINTMENT.—The Secretary may reappoint the Chief Operating Officer to subsequent terms of not less than 3 and not more than 5 years, so long as the performance of the Chief Operating Officer, as set forth in the performance agreement described in paragraph (4), is satisfactory.

"(3) REMOVAL.—The Chief Operating Officer may be removed by—

"(A) the President; or

"(B) the Secretary, for misconduct or failure to meet performance goals set forth in the performance agreement in paragraph (4).

The President or Secretary shall communicate the reasons for any such removal to the appropriate committees of Congress.

"(4) PERFORMANCE AGREEMENT.—

"(A) IN GENERAL.—Each year, the Secretary and the Chief Operating Officer shall enter into an annual performance agreement, that shall set forth measurable organization and individual goals for the Chief Operating Officer.

"(B) TRANSMITTAL.—The final agreement, and any revision to the final agreement, shall be transmitted to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, and made publicly available.

"(5) COMPENSATION.—

"(A) IN GENERAL.—The Chief Operating Officer is authorized to be paid at an annual rate of basic pay not to exceed the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(B) of such title. The compensation of the Chief Operating Officer shall be considered for purposes of section 207(c)(2)(A) of title 18, United States Code, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of such title.

"(B) BONUS.—In addition, the Chief Operating Officer may receive a bonus in an amount that does not exceed 50 percent of such annual rate of basic pay, based upon the Secretary's evaluation of the Chief Operating Officer's performance in relation to the goals set forth in the performance agreement described in paragraph (2).

"(C) PAYMENT.—Payment of a bonus under this subparagraph (B) may be made to the Chief Operating Officer only to the extent that such payment does not cause the Chief Operating Officer's total aggregate compensation in a calendar year to equal or exceed the amount of the President's salary under section 102 of title 3, United States Code.

"(e) SENIOR MANAGEMENT.—

"(1) APPOINTMENT.—

"(A) IN GENERAL.—The Chief Operating Officer may appoint such senior managers as that officer determines necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(B) COMPENSATION.—The senior managers described in subparagraph (A) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) PERFORMANCE AGREEMENT.—Each year, the Chief Operating Officer and each senior manager appointed under this subsection shall enter into an annual performance agreement that sets forth measurable organization and individual goals. The agreement shall be subject to review and renegotiation at the end of each term.

"(3) COMPENSATION.—

"(A) IN GENERAL.—A senior manager appointed under this subsection may be paid at an annual rate of basic pay of not more than the maximum rate of basic pay for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of such title 5. The compensation of a senior manager shall be considered for purposes of section 207(c)(2)(A) of title 18, United States Code, to be the equivalent of that described under clause (ii) of section 207(c)(2)(A) of such title.

"(B) BONUS.—In addition, a senior manager may receive a bonus in an amount such that the manager's total annual compensation does not exceed 125 percent of the maximum rate of basic pay for the Senior Executive Service, including any applicable locality-based comparability payment, based upon the Chief Operating Officer's evaluation of the manager's performance in relation to the goals set forth in the performance agreement described in paragraph (2).

"(4) REMOVAL.—A senior manager shall be removable by the Chief Operating Officer, or by the Secretary if the position of Chief Operating Officer is vacant.

"(f) STUDENT LOAN OMBUDSMAN.—

"(1) APPOINTMENT.—The Chief Operating Officer, in consultation with the Secretary, shall appoint a Student Loan Ombudsman to provide timely assistance to borrowers of loans made, insured, or guaranteed under title IV by performing the functions described in paragraph (3).

"(2) PUBLIC INFORMATION.—The Chief Operating Officer shall disseminate information about the availability and functions of the Ombudsman to borrowers and potential borrowers, as well as institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in those student loan programs.

"(3) FUNCTIONS OF OMBUDSMAN.—The Ombudsman shall—

“(A) in accordance with regulations of the Secretary, receive, review, and attempt to resolve informally complaints from borrowers of loans described in paragraph (1), including, as appropriate, attempts to resolve such complaints within the Department of Education and with institutions of higher education, lenders, guaranty agencies, loan servicers, and other participants in the loan programs described in paragraph (1)(A); and

“(B) compile and analyze data on borrower complaints and make appropriate recommendations.

“(4) REPORT.—Each year, the Ombudsman shall submit a report to the Chief Operating Officer, for inclusion in the annual report under subsection (c)(2), that describes the activities, and evaluates the effectiveness, of the Ombudsman during the preceding year.

“(g) PERSONNEL FLEXIBILITY.—

“(1) PERSONNEL CEILINGS.—The PBO shall not be subject to any ceiling relating to the number or grade of employees.

“(2) ADMINISTRATIVE FLEXIBILITY.—The Chief Operating Officer shall work with the Office of Personnel Management to develop and implement personnel flexibilities in staffing, classification, and pay that meet the needs of the PBO, subject to compliance with title 5, United States Code.

“(3) EXCEPTED SERVICE.—The Chief Operating Officer may appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, not more than 25 technical and professional employees to administer the functions of the PBO. These employees may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

“(h) ESTABLISHMENT OF A FAIR AND EQUITABLE SYSTEM FOR MEASURING STAFF PERFORMANCE.—The PBO shall establish an annual performance management system, subject to compliance with title 5, United States Code and consistent with applicable provisions of law and regulations, which strengthens the organizational effectiveness of the PBO by providing for establishing goals or objectives for individual, group, or organizational performance (or any combination thereof), consistent with the performance plan of the PBO and its performance planning procedures, including those established under the Government Performance and Results Act of 1993, and communicating such goals or objectives to employees.

“(i) REPORT.—The Secretary and the Chief Operating Officer, not later than 180 days after the date of enactment of the Higher Education Amendments of 1998, shall report to Congress on the proposed budget and sources of funding for the operation of the PBO.

“(j) AUTHORIZATION OF APPROPRIATIONS.—The Secretary shall allocate from funds made available under section 458 such funds as are appropriate to the functions assumed by the PBO. In addition, there are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part, including transition costs.

“SEC. 142. PROCUREMENT FLEXIBILITY.

“(a) PROCUREMENT AUTHORITY.—Subject to the authority of the Secretary, the Chief Operating Officer of a PBO may exercise the authority of the Secretary to procure property and services in the performance of functions managed by the PBO. For the purposes of this section, the term ‘PBO’ includes the Chief Operating Officer of the PBO and any employee of the PBO exercising procurement authority under the preceding sentence.

“(b) IN GENERAL.—Except as provided in this section, the PBO shall abide by all applicable Federal procurement laws and regulations when procuring property and services. The PBO shall—

“(1) enter into contracts for information systems supporting the programs authorized under title IV to carry out the functions set forth in section 141(b)(2); and

“(2) obtain the services of experts and consultants without regard to section 3109 of title 5, United States Code and set pay in accordance with such section.

“(c) SERVICE CONTRACTS.—

“(1) PERFORMANCE-BASED SERVICING CONTRACTS.—The Chief Operating Officer shall, to the extent practicable, maximize the use of performance-based servicing contracts, consistent with guidelines for such contracts published by the Office of Federal Procurement Policy, to achieve cost savings and improve service.

“(2) FEE FOR SERVICE ARRANGEMENTS.—The Chief Operating Officer shall, when appropriate and consistent with the purposes of the PBO, acquire services related to the title IV delivery system from any entity that has the capability and capacity to meet the requirements for the system. The Chief Operating Officer is authorized to pay fees that are equivalent to those paid by other entities to an organization that provides an information system or service that meets the requirements of the PBO, as determined by the Chief Operating Officer.

“(d) TWO-PHASE SOURCE-SELECTION PROCEDURES.—

“(1) IN GENERAL.—The PBO may use a two-phase process for selecting a source for a procurement of property or services.

“(2) FIRST PHASE.—The procedures for the first phase of the process for a procurement are as follows:

“(A) PUBLICATION OF NOTICE.—The contracting officer for the procurement shall publish a notice of the procurement in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and subsections (e), (f), and (g) of section 8 of the Small Business Act (15 U.S.C. 637), except that the notice shall include only the following:

“(i) A general description of the scope or purpose of the procurement that provides sufficient information on the scope or purpose for sources to make informed business decisions regarding whether to participate in the procurement.

“(ii) A description of the basis on which potential sources are to be selected to submit offers in the second phase.

“(iii) A description of the information that is to be required under subparagraph (B).

“(iv) Any additional information that the contracting officer determines appropriate.

“(B) INFORMATION SUBMITTED BY OFFERORS.—Each offeror for the procurement shall submit basic information, such as information on the offeror's qualifications, the proposed conceptual approach, costs likely to be associated with the proposed conceptual approach, and past performance of the offeror on Federal Government contracts, together with any additional information that is requested by the contracting officer.

“(C) SELECTION FOR SECOND PHASE.—The contracting officer shall select the offerors that are to be eligible to participate in the second phase of the process. The contracting officer shall limit the number of the selected offerors to the number of sources that the contracting officer determines is appropriate and in the best interests of the Federal Government.

“(3) SECOND PHASE.—

“(A) IN GENERAL.—The contracting officer shall conduct the second phase of the source selection process in accordance with sections 303A and 303B of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253a and 253b).

“(B) ELIGIBLE PARTICIPANTS.—Only the sources selected in the first phase of the process shall be eligible to participate in the second phase.

“(C) SINGLE OR MULTIPLE PROCUREMENTS.—The second phase may include a single procurement or multiple procurements within the scope, or for the purpose, described in the notice pursuant to paragraph (2)(A).

“(4) PROCEDURES CONSIDERED COMPETITIVE.—The procedures used for selecting a source for a procurement under this subsection shall be considered competitive procedures for all purposes.

“(e) USE OF SIMPLIFIED PROCEDURES FOR COMMERCIAL ITEMS.—Whenever the PBO anticipates that commercial items will be offered for a procurement, the PBO may use (consistent with the special rules for commercial items) the special simplified procedures for the procurement without regard to—

“(1) any dollar limitation otherwise applicable to the use of those procedures; and

“(2) the expiration of the authority to use special simplified procedures under section 4202(e) of the Clinger-Cohen Act of 1996 (110 Stat. 654; 10 U.S.C. 2304 note).

“(f) FLEXIBLE WAIT PERIODS AND DEADLINES FOR SUBMISSION OF OFFERS OF NONCOMMERCIAL ITEMS.—

“(1) AUTHORITY.—In carrying out a procurement, the PBO may—

“(A) apply a shorter waiting period for the issuance of a solicitation after the publication of a notice under section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) than is required under subsection (a)(3)(A) of such section; and

“(B) notwithstanding subsection (a)(3) of such section, establish any deadline for the submission of bids or proposals that affords potential offerors a reasonable opportunity to respond to the solicitation.

“(2) INAPPLICABILITY TO COMMERCIAL ITEMS.—Paragraph (1) does not apply to a procurement of a commercial item.

“(3) CONSISTENCY WITH APPLICABLE INTERNATIONAL AGREEMENTS.—If an international agreement is applicable to the procurement, any exercise of authority under paragraph (1) shall be consistent with the international agreement.

“(g) MODULAR CONTRACTING.—

“(1) IN GENERAL.—The PBO may satisfy the requirements of the PBO for a system incrementally by carrying out successive procurements of modules of the system. In doing so, the PBO may use procedures authorized under this subsection to procure any such module after the first module.

“(2) UTILITY REQUIREMENT.—A module may not be procured for a system under this subsection unless the module is useful independently of the other modules or useful in combination with another module previously procured for the system.

“(3) CONDITIONS FOR USE OF AUTHORITY.—The PBO may use procedures authorized under paragraph (4) for the procurement of an additional module for a system if—

“(A) competitive procedures were used for awarding the contract for the procurement of the first module for the system; and

“(B) the solicitation for the first module included—

“(i) a general description of the entire system that was sufficient to provide potential offerors with reasonable notice of the general scope of future modules;

“(ii) other information sufficient for potential offerors to make informed business judgments regarding whether to submit offers for the contract for the first module; and

“(iii) a statement that procedures authorized under this subsection could be used for awarding subsequent contracts for the procurement of additional modules for the system.

“(4) PROCEDURES.—If the procurement of the first module for a system meets the requirements

set forth in paragraph (3), the PBO may award a contract for the procurement of an additional module for the system using any of the following procedures:

''(A) Sole source.—Award of the contract on a sole-source basis to a contractor who was awarded a contract for a module previously procured for the system under competitive procedures or procedures authorized under subparagraph (B).

''(B) Adequate competition.—Award of the contract on the basis of offers made by—

''(i) a contractor who was awarded a contract for a module previously procured for the system after having been selected for award of the contract under this subparagraph or other competitive procedures; and

''(ii) at least one other offeror that submitted an offer for a module previously procured for the system and is expected, on the basis of the offer for the previously procured module, to submit a competitive offer for the additional module.

''(C) Other.—Award of the contract under any other procedure authorized by law.

''(5) Notice requirement.—

''(A) Publication.—Not less than 30 days before issuing a solicitation for offers for a contract for a module for a system under procedures authorized under subparagraph (A) or (B) of paragraph (4), the PBO shall publish in the Commerce Business Daily a notice of the intent to use such procedures to enter into the contract.

''(B) Exception.—Publication of a notice is not required under this paragraph with respect to a use of procedures authorized under paragraph (4) if the contractor referred to in that subparagraph (who is to be solicited to submit an offer) has previously provided a module for the system under a contract that contained cost, schedule, and performance goals and the contractor met those goals.

''(C) Content of notice.—A notice published under subparagraph (A) with respect to a use of procedures described in paragraph (4) shall contain the information required under section 18(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(b)), other than paragraph (4) of such section, and shall invite the submission of any assertion that the use of the procedures for the procurement involved is not in the best interest of the Federal Government together with information supporting the assertion.

''(6) Documentation.—The basis for an award of a contract under this subsection shall be documented. However, a justification pursuant to section 303(f) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(f)) or section 8(h) of the Small Business Act (15 U.S.C. 637(h)) is not required.

''(7) Simplified source-selection procedures.—The PBO may award a contract under any other simplified procedures prescribed by the PBO for the selection of sources for the procurement of modules for a system, after the first module, that are not to be procured under a contract awarded on a sole-source basis.

''(h) Use of Simplified Procedures for Small Business Set-Asides for Services Other Than Commercial Items.—

''(1) Authority.—The PBO may use special simplified procedures for a procurement of services that are not commercial items if—

''(A) the procurement is in an amount not greater than $1,000,000;

''(B) the procurement is conducted as a small business set-aside pursuant to section 15(a) of the Small Business Act (15 U.S.C. 644(a)); and

''(C) the price charged for supplies associated with the services procured are items of supply expected to be less than 20 percent of the total contract price.

''(2) Inapplicability to certain procurements.—The authority set forth in paragraph (1) may not be used for—

''(A) an award of a contract on a sole-source basis; or

''(B) a contract for construction.

''(i) Guidance for Use of Authority.—

''(1) Issuance by PBO.—The Chief Operating Officer of the PBO, in consultation with the Administrator for Federal Procurement Policy, shall issue guidance for the use by PBO personnel of the authority provided in this section.

''(2) Guidance from OFPP.—As part of the consultation required under paragraph (1), the Administrator for Federal Procurement Policy shall provide the PBO with guidance that is designed to ensure, to the maximum extent practicable, that the authority under this section is exercised by the PBO in a manner that is consistent with the exercise of the authority by the heads of the other performance-based organizations.

''(3) Compliance with OFPP guidance.—The head of the PBO shall ensure that the procurements of the PBO under this section are carried out in a manner that is consistent with the guidance provided for the PBO under paragraph (2).

''(j) Limitation on Multiagency Contracting.—No department or agency of the Federal Government may purchase property or services under contracts entered into or administered by a PBO under this section unless the purchase is approved in advance by the senior procurement official of that department or agency who is responsible for purchasing by the department or agency.

''(k) Laws Not Affected.—Nothing in this section shall be construed to waive laws for the enforcement of civil rights or for the establishment and enforcement of labor standards that are applicable to contracts of the Federal Government.

''(l) Definitions.—In this section:

''(1) Commercial item.—The term 'commercial item' has the meaning given the term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

''(2) Competitive procedures.—The term 'competitive procedures' has the meaning given the term in section 309(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)).

''(3) Sole-source basis.—The term 'sole-source basis', with respect to an award of a contract, means that the contract is awarded to a source after soliciting an offer or offers from, and negotiating with, only that source.

''(4) Special rules for commercial items.—The term 'special rules for commercial items' means the regulations set forth in the Federal Acquisition Regulation pursuant to section 303(g)(1) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)) and section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427).

''(5) Special simplified procedures.—The term 'special simplified procedures' means the procedures applicable to purchases of property and services for amounts not greater than the simplified acquisition threshold that are set forth in the Federal Acquisition Regulation pursuant to section 303(g)(1)(B) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)(1)(A)) and section 31(a)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 427(a)(1)).

''SEC. 143. ADMINISTRATIVE SIMPLIFICATION OF STUDENT AID DELIVERY.

''(a) In General.—In order to improve the efficiency and effectiveness of the student aid delivery system, the Secretary and the Chief Operating Officer shall encourage and participate in the establishment of voluntary consensus standards and requirements for the electronic transmission of information necessary for the administration of programs under title IV.

''(b) Participation in Standard Setting Organizations.—

''(1) The Chief Operating Officer shall participate in the activities of standard setting organizations in carrying out the provisions of this section.

''(2) The Chief Operating Officer shall encourage higher education groups seeking to develop common forms, standards, and procedures in support of the delivery of Federal student financial assistance to conduct these activities within a standard setting organization.

''(3) The Chief Operating Officer may pay necessary dues and fees associated with participating in standard setting organizations pursuant to this subsection.

''(c) Adoption of Voluntary Consensus Standards.—Except with respect to the common financial reporting form under section 483(a), the Secretary shall consider adopting voluntary consensus standards agreed to by the organization described in subsection (b) for transactions required under title IV, and common data elements for such transactions, to enable information to be exchanged electronically between systems administered by the Department and among participants in the Federal student aid delivery system.

''(d) Use of Clearinghouses.—Nothing in this section shall restrict the ability of participating institutions and lenders from using a clearinghouse or servicer to comply with the standards for the exchange of information established under this section.

''(e) Data Security.—Any entity that maintains or transmits information under a transaction covered by this section shall maintain reasonable and appropriate administrative, technical, and physical safeguards—

''(1) to ensure the integrity and confidentiality of the information; and

''(2) to protect against any reasonably anticipated security threats, or unauthorized uses or disclosures of the information.

''(f) Definitions.—

''(1) Clearinghouse.—The term 'clearinghouse' means a public or private entity that processes or facilitates the processing of nonstandard data elements into data elements conforming to standards adopted under this section.

''(2) Standard setting organization.—The term 'standard setting organization' means an organization that—

''(A) is accredited by the American National Standards Institute;

''(B) develops standards for information transactions, data elements, or any other standard that is necessary to, or will facilitate, the implementation of this section; and

''(C) is open to the participation of the various entities engaged in the delivery of Federal student financial assistance.

''(3) Voluntary consensus standard.—The term 'voluntary consensus standard' means a standard developed or used by a standard setting organization described in paragraph (2).''.

(b) Repeal of Old General Provisions.—Title XII (20 U.S.C. 1141 et seq.) is repealed.

(c) Repeal of Title IV Definition.—Section 481 (20 U.S.C. 1088) is amended—

(1) by striking subsections (a), (b), and (c); and

(2) by redesignating subsections (d) through (f) as subsections (a) through (c), respectively.

SEC. 102. CONFORMING AMENDMENTS.

(a) Conforming Amendments Correcting References to Section 1201.—

(1) Agriculture.—

(A) Student internship programs.—Section 922 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2279c) is amended—

(i) in subsection (a)(1)(B)—

(I) by striking ''1201'' and inserting ''101''; and

(II) by striking "(20 U.S.C. 1141)"; and

(ii) in subsection (b)(1)—

(I) by striking "1201" and inserting "101"; and

(II) by striking "(20 U.S.C. 1141)".

(B) AGRICULTURAL SCIENCES EDUCATION.—Section 1417(j)(1)(A) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)(1)(A)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(2) ARMED FORCES.—

(A) SCIENCE AND MATHEMATICS EDUCATION IMPROVEMENT PROGRAM.—Section 2193(c)(1) of title 10, United States Code, is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(B) SUPPORT OF SCIENCE, MATHEMATICS, AND ENGINEERING EDUCATION.—Section 2199(2) of title 10, United States Code, is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(C) ALLOWABLE COSTS UNDER DEFENSE CONTRACTS.—Section 841(c)(2) of the National Defense Authorization Act for fiscal year 1994 (10 U.S.C. 2324 note) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(D) ENVIRONMENTAL RESTORATION INSTITUTIONAL GRANTS FOR TRAINING DISLOCATED DEFENSE WORKERS AND YOUNG ADULTS.—Section 1333(i)(3) of the National Defense Authorization Act for fiscal year 1994 (10 U.S.C. 2701 note) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(E) ENVIRONMENTAL EDUCATION OPPORTUNITIES PROGRAM.—Section 1334(k)(3) of the National Defense Authorization Act for fiscal year 1994 (10 U.S.C. 2701 note) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(F) ENVIRONMENTAL SCHOLARSHIP AND FELLOWSHIP PROGRAMS.—Section 4451(b)(1) of the National Defense Authorization Act for 1993 (10 U.S.C. 2701 note) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(3) APPLICATION OF ANTITRUST LAWS TO AWARD OF NEED-BASED EDUCATIONAL AID.—Section 568(c)(3) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended—

(A) by striking "1201(a)" and inserting "101"; and

(B) by striking "(20 U.S.C. 1141(a))".

(4) OMNIBUS PARKS AND PUBLIC LANDS MANAGEMENT ACT OF 1996.—Section 1007(c)(5) of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 698u–5) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101 of the Higher Education Act of 1965".

(5) RESTRICTIONS ON FORMER OFFICERS, EMPLOYEES, AND ELECTED OFFICIALS OF THE EXECUTIVE AND LEGISLATIVE BRANCHES.—Section 207(j)(2)(B) of title 18, United States Code, is amended by striking "1201(a)" and inserting "101".

(6) EDUCATION.—

(A) HIGHER EDUCATION AMENDMENTS OF 1992.—Section 1(c) of the Higher Education Amendments of 1992 (20 U.S.C. 1001 note) is amended by striking "1201" and inserting "101".

(B) TREATMENT OF BRANCHES.—Section 498(j)(2) of the Higher Education Act of 1965 (20 U.S.C. 1099c(j)(2)) is amended by striking "1201(a)(2)" and inserting "101(a)(2)".

(C) DISCLOSURE REQUIREMENTS.—Section 429(d)(2)(B)(ii) of the General Education Provisions Act (20 U.S.C. 1228c(d)(2)(B)(ii)) is amended by striking "1201(a)" and inserting "101".

(D) HARRY S. TRUMAN SCHOLARSHIPS.—Section 3(4) of the Harry S. Truman Memorial Scholarship Act (20 U.S.C. 2002(4)) is amended by striking "1201(a)" and inserting "101".

(E) TECH-PREP EDUCATION.—Section 347(2)(A) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2394e(2)(A)) is amended by striking "1201(a)" and inserting "101".

(F) EDUCATION FOR ECONOMIC SECURITY.—Section 3(6) of the Education for Economic Security Act (20 U.S.C. 3902(6)) is amended by striking "1201(a)" and inserting "101".

(G) JAMES MADISON MEMORIAL FELLOWSHIPS.—Section 815 of the James Madison Memorial Fellowship Act (20 U.S.C. 4514) is amended—

(i) in paragraph (3), by striking "1201(a)" and inserting "101"; and

(ii) in paragraph (4), by striking "1201(d) of the Higher Education Act of 1965" and inserting "14101 of the Elementary and Secondary Education Act of 1965".

(H) BARRY GOLDWATER SCHOLARSHIPS.—Section 1403(4) of the Barry Goldwater Scholarship and Excellence in Education Act (20 U.S.C. 4702(4)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(I) MORRIS K. UDALL SCHOLARSHIPS.—Section 4(6) of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5602(6)) is amended by striking "1201(a)" and inserting "101".

(J) BILINGUAL EDUCATION, AND LANGUAGE ENHANCEMENT AND ACQUISITION.—Section 7501(4) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7601(4)) is amended by striking "1201(a)" and inserting "101".

(K) GENERAL DEFINITIONS.—Section 14101(17) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(17)) is amended by striking "1201(a)" and inserting "101".

(L) NATIONAL EDUCATION STATISTICS.—Section 402(c)(3) of the National Education Statistics Act of 1994 (20 U.S.C. 9001(c)(3)) is amended by striking "1201(a)" and inserting "101".

(7) FOREIGN RELATIONS.—

(A) ENVIRONMENT AND SUSTAINABLE DEVELOPMENT EXCHANGE PROGRAM.—Section 240(d) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2452 note) is amended by striking "1201(a)" and inserting "101".

(B) SAMANTHA SMITH MEMORIAL EXCHANGE PROGRAM.—Section 112(a)(8) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460(a)(8)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(C) SOVIET-EASTERN EUROPEAN TRAINING.—Section 803(1) of the Soviet-Eastern European Research and Training Act of 1983 (22 U.S.C. 4502(1)) is amended by striking "1201(a)" and inserting "101".

(D) DEVELOPING COUNTRY SCHOLARSHIPS.—Section 603(d) of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703(d)) is amended by striking "1201(a)" and inserting "101".

(8) INDIANS.—

(A) SNYDER ACT.—The last paragraph of section 410 of the Act entitled "An Act authorizing appropriations and expenditures for the administration of Indian Affairs, and for other purposes", approved November 2, 1921 (25 U.S.C. 13) (commonly known as the Snyder Act) is amended by striking "1201" and inserting "101".

(B) TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE.—Section 2(a)(5) of the Tribally Controlled Community College Assistance Act (25 U.S.C. 1801(a)(5)) is amended by striking "1201(a)" and inserting "101".

(C) CONSTRUCTION OF NEW FACILITIES.—Section 113(b)(2) of the Tribally Controlled Community College Assistance Act (25 U.S.C. 1813(b)(2)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(D) AMERICAN INDIAN TEACHER TRAINING.—Section 1371(a)(1)(B) of the Higher Education Amendments of 1992 (25 U.S.C. 3371(a)(1)(B)) is amended by striking "1201(a)" and inserting "101".

(9) LABOR.—

(A) REHABILITATION DEFINITIONS.—Section 6(23) of the Rehabilitation Act of 1973 (29 U.S.C. 705(23)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(B) TECHNOLOGY RELATED ASSISTANCE FOR INDIVIDUALS WITH DISABILITIES ACT OF 1988.—Section 3(8) of the Technology Related Assistance for Individuals with Disabilities Act of 1988 (29 U.S.C. 2202(8)) is amended by striking "1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))" and inserting "101 of the Higher Education Act of 1965".

(10) SURFACE MINING CONTROL.—Section 701(32) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1291(32)) is amended by striking "1201(a)" and inserting "101".

(11) POLLUTION PREVENTION.—Section 112(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1262(a)(1)) is amended by striking "1201" and inserting "101".

(12) POSTAL SERVICE.—Section 3626(b)(3) of title 39, United States Code, is amended—

(A) by striking "1201(a)" and inserting "101"; and

(B) by striking "(20 U.S.C. 1141(a))".

(13) PUBLIC HEALTH AND WELFARE.—

(A) PUBLIC HEALTH SERVICE ACT.—Section 705(a)(2)(C) of the Public Health Service Act (42 U.S.C. 292d(a)(2)(C)) is amended by striking "section 481(a)" and inserting "section 102(a)".

(B) SCIENTIFIC AND TECHNICAL EDUCATION.—Section 3(g) of the Scientific and Advanced-Technology Act of 1992 (42 U.S.C. 1862i(g)) is amended—

(i) in paragraph (2)—

(I) by striking "1201(a)" and inserting "101"; and

(II) by striking "(20 U.S.C. 1141(a))"; and

(ii) in paragraph (3)—

(I) by striking "1201(a)" and inserting "101"; and

(II) by striking "(20 U.S.C. 1141(a))".

(C) OLDER AMERICANS.—Section 102(32) of the Older Americans Act of 1965 (42 U.S.C. 3002(32)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(D) JUSTICE SYSTEM IMPROVEMENT.—Section 901(17) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3791(17)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(E) ENERGY TECHNOLOGY COMMERCIALIZATION SERVICES PROGRAM.—Section 362(f)(5)(A) of the Energy Policy and Conservation Act (42 U.S.C. 6322(f)(5)(A)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(F) ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.—Section 3132(b)(1) of the National Defense Authorization Act for Fiscal

Years 1992 and 1993 (42 U.S.C. 7274e(b)(1)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(G) HEAD START.—Section 649(c)(3) of the Head Start Act (42 U.S.C. 9844(c)(3)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(H) STATE DEPENDENT CARE DEVELOPMENT GRANTS.—Section 670G(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9877(5)) is amended by striking "1201(a)" and inserting "101".

(I) INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.—The matter preceding subparagraph (A) of section 682(b)(1) of the Community Services Block Grant Act (42 U.S.C. 9910c(b)(1)) is amended by striking "1201(a)" and inserting "101".

(J) DRUG ABUSE EDUCATION.—Section 3601(7) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851(7)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(K) NATIONAL AND COMMUNITY SERVICE.—Section 101(13) of the National and Community Service Act of 1990 (42 U.S.C. 12511(13)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(L) CIVILIAN COMMUNITY CORPS.—Section 166(6) of the National and Community Service Act of 1990 (42 U.S.C. 12626(6)) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(M) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Section 457(9) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899f(9)) is amended by striking "1201(a)" and inserting "101".

(N) COMMUNITY SCHOOLS YOUTH SERVICES AND SUPERVISION GRANT PROGRAM.—The definition of public school in section 30401(b) of the Community Schools Youth Services and Supervision Grant Program Act of 1994 (42 U.S.C. 13791(b)) is amended—

(i) by striking "1201" each place the term appears and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(i))".

(O) POLICE CORPS.—The definition of institution of higher education in section 200103 of the Police Corps Act (42 U.S.C. 14092) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(P) LAW ENFORCEMENT SCHOLARSHIP PROGRAM.—The definition of institution of higher education in section 200202 of the Law Enforcement Scholarship and Recruitment Act (42 U.S.C. 14111) is amended—

(i) by striking "1201(a)" and inserting "101"; and

(ii) by striking "(20 U.S.C. 1141(a))".

(14) TELECOMMUNICATIONS.—Section 223(h)(4) of the Telecommunications Act of 1934 (47 U.S.C. 223(h)(4)) is amended—

(A) by striking "1201" and inserting "101"; and

(B) by striking "(20 U.S.C. 1141)".

(15) WAR AND NATIONAL DEFENSE.—Section 808(3) of the David L. Boren National Security Education Act of 1991 (50 U.S.C. 1908(3)) is amended—

(A) by striking "1201(a)" and inserting "101"; and

(B) by striking "(20 U.S.C. 1141(a))".

(b) INTERNAL CROSS REFERENCES.—The Act (20 U.S.C. 1001 et seq.) is amended—

(1) in section 402A(c)(2) (20 U.S.C. 1070a–11(c)(2)), by striking "1210" and inserting "118";

(2) in section 435(a) (20 U.S.C. 1085(a)), by striking "section 481" and inserting "section 102";

(3) in section 485(f)(1)(I) (20 U.S.C. 1092(f)(1)(I)), by striking "1213" and inserting "120";

(4) in section 487(d) (20 U.S.C. 1094(d)), by striking "section 481" and inserting "section 102";

(5) in subsections (j) and (k) of section 496 (20 U.S.C. 1099b), by striking "section 481" each place the term appears and inserting "section 102";

(6) in section 498(i) (20 U.S.C. 1099c) is amended by striking "section 481" and inserting "section 102";

(7) in section 498(j) (20 U.S.C. 1099c(j))—

(A) in paragraph (1), by striking "sections 481(b)(5) and 481(c)(3)" and inserting "sections 102(b)(1)(E) and 102(c)(1)(C)"; and

(B) in paragraph (2), by striking "1201(a)(2)" and inserting "101(a)(2)"; and

(8) in section 631(a)(8) (20 U.S.C. 1132(a)(8))—

(A) by striking "section 1201(a)" each place the term appears and inserting "section 101"; and

(B) by striking "of 1201(a)" and inserting "of section 101".

(c) ADDITIONAL CONFORMING AMENDMENTS CORRECTING REFERENCES TO SECTION 481.—

(1) SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1994.—Section 4 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6103) is amended—

(A) in paragraph (11)(B)(viii), by striking "section 481(b)" and inserting "section 102(b)"; and

(B) in paragraph (12), by striking "section 481" and inserting "section 102".

(2) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 148(g) of the National and Community Service Act of 1990 (42 U.S.C. 12604(g)) is amended by striking "section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a))" and inserting "section 102 of the Higher Education Act of 1965".

(d) WORKFORCE INVESTMENT ACT OF 1998.—The Workforce Investment Act of 1998 is amended—

(1) in section 101(35) (29 U.S.C. 2801(35)), by striking "section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)" and inserting "section 102 of the Higher Education Act of 1965"; and

(2) in section 203(11) (20 U.S.C. 9202(11)), by striking "section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141)" and inserting "section 101 of the Higher Education Act of 1965".

TITLE II—TEACHER QUALITY

SEC. 201. TEACHER QUALITY ENHANCEMENT GRANTS.

The Act is amended by inserting after title I (20 U.S.C. 1001 et seq.) the following:

"TITLE II—TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNERSHIPS

"SEC. 201. PURPOSES; DEFINITIONS.

"(a) PURPOSES.—The purposes of this title are to—

"(1) improve student achievement;

"(2) improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities;

"(3) hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign languages, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and

"(4) recruit highly qualified individuals, including individuals from other occupations, into the teaching force.

"(b) DEFINITIONS.—In this title:

"(1) ARTS AND SCIENCES.—The term 'arts and sciences' means—

"(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers 1 or more academic majors in disciplines or content areas corresponding to the academic subject matter areas in which teachers provide instruction; and

"(B) when referring to a specific academic subject matter area, the disciplines or content areas in which academic majors are offered by the arts and science organizational unit.

"(2) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' means a local educational agency that serves an elementary school or secondary school located in an area in which there is—

"(A) a high percentage of individuals from families with incomes below the poverty line;

"(B) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

"(C) a high teacher turnover rate.

"(3) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

"SEC. 202. STATE GRANTS.

"(a) IN GENERAL.—From amounts made available under section 210(1) for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to eligible States to enable the eligible States to carry out the activities described in subsection (d).

"(b) ELIGIBLE STATE.—

"(1) DEFINITION.—In this title, the term 'eligible State' means—

"(A) the Governor of a State; or

"(B) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification and preparation activity, such individual, entity, or agency.

"(2) CONSULTATION.—The Governor and the individual, entity, or agency designated under paragraph (1) shall consult with the Governor, State board of education, State educational agency, or State agency for higher education, as appropriate, with respect to the activities assisted under this section.

"(3) CONSTRUCTION.—Nothing in this subsection shall be construed to negate or supersede the legal authority under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

"(c) APPLICATION.—To be eligible to receive a grant under this section, an eligible State shall, at the time of the initial grant application, submit an application to the Secretary that—

"(1) meets the requirement of this section;

"(2) includes a description of how the eligible State intends to use funds provided under this section; and

"(3) contains such other information and assurances as the Secretary may require.

"(d) USES OF FUNDS.—An eligible State that receives a grant under this section shall use the grant funds to reform teacher preparation requirements, and to ensure that current and future teachers possess the necessary teaching skills and academic content knowledge in the subject areas in which the teachers are assigned to teach, by carrying out 1 or more of the following activities:

“(1) REFORMS.—Implementing reforms that hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content areas in which the teachers plan to teach, and possess strong teaching skills, which may include the use of rigorous subject matter competency tests and the requirement that a teacher have an academic major in the subject area, or related discipline, in which the teacher plans to teach.

“(2) CERTIFICATION OR LICENSURE REQUIREMENTS.—Reforming teacher certification or licensure requirements to ensure that teachers have the necessary teaching skills and academic content knowledge in the subject areas in which teachers are assigned to teach.

“(3) ALTERNATIVES TO TRADITIONAL PREPARATION FOR TEACHING.—Providing prospective teachers with alternatives to traditional preparation for teaching through programs at colleges of arts and sciences or at nonprofit educational organizations.

“(4) ALTERNATIVE ROUTES TO STATE CERTIFICATION.—Carrying out programs that—

“(A) include support during the initial teaching experience; and

“(B) establish, expand, or improve alternative routes to State certification of teachers for highly qualified individuals, including mid-career professionals from other occupations, paraprofessionals, former military personnel and recent college graduates with records of academic distinction.

“(5) RECRUITMENT; PAY; REMOVAL.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to effectively recruit highly qualified teachers, to financially reward those teachers and principals whose students have made significant progress toward high academic performance, such as through performance-based compensation systems and access to ongoing professional development opportunities for teachers and administrators, and to expeditiously remove incompetent or unqualified teachers consistent with procedures to ensure due process for the teachers.

“(6) SOCIAL PROMOTION.—Development and implementation of efforts to address the problem of social promotion and to prepare teachers to effectively address the issues raised by ending the practice of social promotion.

“(7) RECRUITMENT.—Activities described in section 204(d).

“SEC. 203. PARTNERSHIP GRANTS.

“(a) GRANTS.—From amounts made available under section 210(2) for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to eligible partnerships to enable the eligible partnerships to carry out the activities described in subsections (d) and (e).

“(b) DEFINITIONS.—

“(1) ELIGIBLE PARTNERSHIPS.—In this title, the term ‘eligible partnerships’ means an entity that—

“(A) shall include—

“(i) a partner institution;

“(ii) a school of arts and sciences; and

“(iii) a high need local educational agency; and

“(B) may include a Governor, State educational agency, the State board of education, the State agency for higher education, an institution of higher education not described in subparagraph (A), a public charter school, a public or private elementary school or secondary school, a public or private nonprofit educational organization, a business, a teacher organization, or a prekindergarten program.

“(2) PARTNER INSTITUTION.—In this section, the term ‘partner institution’ means a private independent or State-supported public institution of higher education, the teacher training program of which demonstrates that—

“(A) graduates from the teacher training program exhibit strong performance on State-determined qualifying assessments for new teachers through—

“(i) demonstrating that 80 percent or more of the graduates of the program who intend to enter the field of teaching have passed all of the applicable State qualification assessments for new teachers, which shall include an assessment of each prospective teacher's subject matter knowledge in the content area or areas in which the teacher intends to teach; or

“(ii) being ranked among the highest-performing teacher preparation programs in the State as determined by the State—

“(I) using criteria consistent with the requirements for the State report card under section 207(b); and

“(II) using the State report card on teacher preparation required under section 207(b), after the first publication of such report card and for every year thereafter; or

“(B) the teacher training program requires all the students of the program to participate in intensive clinical experience, to meet high academic standards, and—

“(i) in the case of secondary school candidates, to successfully complete an academic major in the subject area in which the candidate intends to teach or to demonstrate competence through a high level of performance in relevant content areas; and

“(ii) in the case of elementary school candidates, to successfully complete an academic major in the arts and sciences or to demonstrate competence through a high level of performance in core academic subject areas.

“(c) APPLICATION.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall—

“(1) contain a needs assessment of all the partners with respect to teaching and learning and a description of how the partnership will coordinate with other teacher training or professional development programs, and how the activities of the partnership will be consistent with State, local, and other education reform activities that promote student achievement;

“(2) contain a resource assessment that describes the resources available to the partnership, the intended use of the grant funds, including a description of how the grant funds will be fairly distributed in accordance with subsection (f), and the commitment of the resources of the partnership to the activities assisted under this title, including financial support, faculty participation, time commitments, and continuation of the activities when the grant ends; and

“(3) contain a description of—

“(A) how the partnership will meet the purposes of this title;

“(B) how the partnership will carry out the activities required under subsection (d) and any permissible activities under subsection (e); and

“(C) the partnership's evaluation plan pursuant to section 206(b).

“(d) REQUIRED USES OF FUNDS.—An eligible partnership that receives a grant under this section shall use the grant funds to carry out the following activities:

“(1) REFORMS.—Implementing reforms within teacher preparation programs to hold the programs accountable for preparing teachers who are highly competent in the academic content areas in which the teachers plan to teach, and for promoting strong teaching skills, including working with a school of arts and sciences and integrating reliable research-based teaching methods into the curriculum, which curriculum shall include programs designed to successfully integrate technology into teaching and learning.

“(2) CLINICAL EXPERIENCE AND INTERACTION.—Providing sustained and high quality preservice clinical experience including the mentoring of prospective teachers by veteran teachers, and substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time, for such interaction.

“(3) PROFESSIONAL DEVELOPMENT.—Creating opportunities for enhanced and ongoing professional development that improves the academic content knowledge of teachers in the subject areas in which the teachers are certified to teach or in which the teachers are working toward certification to teach, and that promotes strong teaching skills.

“(e) ALLOWABLE USES OF FUNDS.—An eligible partnership that receives a grant under this section may use such funds to carry out the following activities:

“(1) TEACHER PREPARATION AND PARENT INVOLVEMENT.—Preparing teachers to work with diverse student populations, including individuals with disabilities and limited English proficient individuals, and involving parents in the teacher preparation program reform process.

“(2) DISSEMINATION AND COORDINATION.—Broadly disseminating information on effective practices used by the partnership, and coordinating with the activities of the Governor, State board of education, State higher education agency, and State educational agency, as appropriate.

“(3) MANAGERIAL AND LEADERSHIP SKILLS.—Developing and implementing proven mechanisms to provide principals and superintendents with effective managerial and leadership skills that result in increased student achievement.

“(4) TEACHER RECRUITMENT.—Activities described in section 204(d).

“(f) SPECIAL RULE.—No individual member of an eligible partnership shall retain more than 50 percent of the funds made available to the partnership under this section.

“(g) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of more than one Governor, State board of education, State educational agency, local educational agency, or State agency for higher education.

“SEC. 204. TEACHER RECRUITMENT GRANTS.

“(a) PROGRAM AUTHORIZED.—From amounts made available under section 210(3) for a fiscal year, the Secretary is authorized to award grants, on a competitive basis, to eligible applicants to enable the eligible applicants to carry out activities described in subsection (d).

“(b) ELIGIBLE APPLICANT DEFINED.—In this title, the term ‘eligible applicant’ means—

“(1) an eligible State described in section 202(b); or

“(2) an eligible partnership described in section 203(b).

“(c) APPLICATION.—Any eligible applicant desiring to receive a grant under this section shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require, including—

“(1) a description of the assessment that the eligible applicant, and the other entities with whom the eligible applicant will carry out the grant activities, have undertaken to determine the most critical needs of the participating high-need local educational agencies;

“(2) a description of the activities the eligible applicant will carry out with the grant; and

“(3) a description of the eligible applicant's plan for continuing the activities carried out with the grant, once Federal funding ceases.

"(d) Uses of Funds.—Each eligible applicant receiving a grant under this section shall use the grant funds—

"(1)(A) to award scholarships to help students pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program;

"(B) to provide support services, if needed to enable scholarship recipients to complete postsecondary education programs; and

"(C) for followup services provided to former scholarship recipients during the recipients first 3 years of teaching; or

"(2) to develop and implement effective mechanisms to ensure that high need local educational agencies and schools are able to effectively recruit highly qualified teachers.

"(e) Service Requirements.—The Secretary shall establish such requirements as the Secretary finds necessary to ensure that recipients of scholarships under this section who complete teacher education programs subsequently teach in a high-need local educational agency, for a period of time equivalent to the period for which the recipients receive scholarship assistance, or repay the amount of the scholarship. The Secretary shall use any such repayments to carry out additional activities under this section.

"SEC. 205. ADMINISTRATIVE PROVISIONS.

"(a) Duration; One-time Awards; Payments.—

"(1) Duration.—

"(A) Eligible States and Eligible Applicants.—Grants awarded to eligible States and eligible applicants under this title shall be awarded for a period not to exceed 3 years.

"(B) Eligible Partnerships.—Grants awarded to eligible partnerships under this title shall be awarded for a period of 5 years.

"(2) One-time Award.—An eligible State and an eligible partnership may receive a grant under each of sections 202, 203, and 204 only once.

"(3) Payments.—The Secretary shall make annual payments of grant funds awarded under this part.

"(b) Peer Review.—

"(1) Panel.—The Secretary shall provide the applications submitted under this title to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

"(2) Priority.—In recommending applications to the Secretary for funding under this title, the panel shall—

"(A) with respect to grants under section 202, give priority to eligible States serving States that—

"(i) have initiatives to reform State teacher certification requirements that are designed to ensure that current and future teachers possess the necessary teaching skills and academic content knowledge in the subject areas in which the teachers are certified or licensed to teach;

"(ii) include innovative reforms to hold institutions of higher education with teacher preparation programs accountable for preparing teachers who are highly competent in the academic content area in which the teachers plan to teach and have strong teaching skills; or

"(iii) involve the development of innovative efforts aimed at reducing the shortage of highly qualified teachers in high poverty urban and rural areas;

"(B) with respect to grants under section 203—

"(i) give priority to applications from eligible partnerships that involve businesses; and

"(ii) take into consideration—

"(I) providing an equitable geographic distribution of the grants throughout the United States; and

"(II) the potential of the proposed activities for creating improvement and positive change.

"(3) Secretarial Selection.—The Secretary shall determine, based on the peer review process, which application shall receive funding and the amounts of the grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this title and the types of activities proposed to be carried out.

"(c) Matching Requirements.—

"(1) State Grants.—Each eligible State receiving a grant under section 202 or 204 shall provide, from non-Federal sources, an amount equal to 50 percent of the amount of the grant (in cash or in kind) to carry out the activities supported by the grant.

"(2) Partnership Grants.—Each eligible partnership receiving a grant under section 203 or 204 shall provide, from non-Federal sources (in cash or in kind), an amount equal to 25 percent of the grant for the first year of the grant, 35 percent of the grant for the second year of the grant, and 50 percent of the grant for each succeeding year of the grant.

"(d) Limitation on Administrative Expenses.—An eligible State or eligible partnership that receives a grant under this title may not use more than 2 percent of the grant funds for purposes of administering the grant.

"(e) Teacher Qualifications Provided to Parents Upon Request.—Any local educational agency or school that benefits from the activities assisted under this title shall make available, upon request and in an understandable and uniform format, to any parent of a student attending any school served by the local educational agency, information regarding the qualification of the student's classroom teacher with regard to the subject matter in which the teacher provides instruction. The local educational agency shall inform parents that the parents are entitled to receive the information upon request.

"SEC. 206. ACCOUNTABILITY AND EVALUATION.

"(a) State Grant Accountability Report.—An eligible State that receives a grant under section 202 shall submit an annual accountability report to the Secretary, the Committee on Labor and Human Resources of the Senate, and the Committee on Education and the Workforce of the House of Representatives. Such report shall include a description of the degree to which the eligible State, in using funds provided under such section, has made substantial progress in meeting the following goals:

"(1) Student Achievement.—Increasing student achievement for all students as defined by the eligible State.

"(2) Raising Standards.—Raising the State academic standards required to enter the teaching profession, including, where appropriate, through the use of incentives to incorporate the requirement of an academic major in the subject, or related discipline, in which the teacher plans to teach.

"(3) Initial Certification or Licensure.—Increasing success in the pass rate for initial State teacher certification or licensure, or increasing the numbers of highly qualified individuals being certified or licensed as teachers through alternative programs.

"(4) Core Academic Subjects.—

"(A) Secondary School Classes.—Increasing the percentage of secondary school classes taught in core academic subject areas by teachers—

"(i) with academic majors in those areas or in a related field;

"(ii) who can demonstrate a high level of competence through rigorous academic subject area tests; or

"(iii) who can demonstrate competence through a high level of performance in relevant content areas.

"(B) Elementary School Classes.—Increasing the percentage of elementary school classes taught by teachers—

"(i) with academic majors in the arts and sciences; or

"(ii) who can demonstrate competence through a high level of performance in core academic subjects.

"(5) Decreasing Teacher Shortages.—Decreasing shortages of qualified teachers in poor urban and rural areas.

"(6) Increasing Opportunities for Professional Development.—Increasing opportunities for enhanced and ongoing professional development that improves the academic content knowledge of teachers in the subject areas in which the teachers are certified or licensed to teach or in which the teachers are working toward certification or licensure to teach, and that promotes strong teaching skills.

"(7) Technology Integration.—Increasing the number of teachers prepared to integrate technology in the classroom.

"(b) Eligible Partnership Evaluation.—Each eligible partnership receiving a grant under section 203 shall establish and include in the application submitted under section 203(c), an evaluation plan that includes strong performance objectives. The plan shall include objectives and measures for—

"(1) increased student achievement for all students as measured by the partnership;

"(2) increased teacher retention in the first 3 years of a teacher's career;

"(3) increased success in the pass rate for initial State certification or licensure of teachers; and

"(4) increased percentage of secondary school classes taught in core academic subject areas by teachers—

"(A) with academic majors in the areas or in a related field; and

"(B) who can demonstrate a high level of competence through rigorous academic subject area tests or who can demonstrate competence through a high level of performance in relevant content areas;

"(5) increasing the percentage of elementary school classes taught by teachers with academic majors in the arts and sciences or who demonstrate competence through a high level of performance in core academic subject areas; and

"(6) increasing the number of teachers trained in technology.

"(c) Revocation of Grant.—

"(1) Report.—Each eligible State or eligible partnership receiving a grant under this title shall report annually on the progress of the eligible State or eligible partnership toward meeting the purposes of this title and the goals, objectives, and measures described in subsections (a) and (b).

"(2) Revocation.—

"(A) Eligible States and Eligible Applicants.—If the Secretary determines that an eligible State or eligible applicant is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the second year of a grant under this title, then the grant payment shall not be made for the third year of the grant.

"(B) Eligible Partnerships.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the third year of a grant under this title, then the grant payments shall not be made for any succeeding year of the grant.

"(d) Evaluation and Dissemination.—The Secretary shall evaluate the activities funded under this title and report the Secretary's findings regarding the activities to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives. The Secretary shall broadly disseminate successful practices

developed by eligible States and eligible partnerships under this title, and shall broadly disseminate information regarding such practices that were found to be ineffective.

"SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

"(a) DEVELOPMENT OF DEFINITIONS AND REPORTING METHODS.—Within 9 months of the date of enactment of the Higher Education Amendments of 1998, the Commissioner of the National Center for Education Statistics, in consultation with States and institutions of higher education, shall develop key definitions for terms, and uniform reporting methods (including the key definitions for the consistent reporting of pass rates), related to the performance of elementary school and secondary school teacher preparation programs.

"(b) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.—Each State that receives funds under this Act shall provide to the Secretary, within 2 years of the date of enactment of the Higher Education Amendments of 1998, and annually thereafter, in a uniform and comprehensible manner that conforms with the definitions and methods established in subsection (a), a State report card on the quality of teacher preparation in the State, which shall include at least the following:

"(1) A description of the teacher certification and licensure assessments, and any other certification and licensure requirements, used by the State.

"(2) The standards and criteria that prospective teachers must meet in order to attain initial teacher certification or licensure and to be certified or licensed to teach particular subjects or in particular grades within the State.

"(3) A description of the extent to which the assessments and requirements described in paragraph (1) are aligned with the State's standards and assessments for students.

"(4) The percentage of teaching candidates who passed each of the assessments used by the State for teacher certification and licensure, and the passing score on each assessment that determines whether a candidate has passed that assessment.

"(5) The percentage of teaching candidates who passed each of the assessments used by the State for teacher certification and licensure, disaggregated and ranked, by the teacher preparation program in that State from which the teacher candidate received the candidate's most recent degree, which shall be made available widely and publicly.

"(6) Information on the extent to which teachers in the State are given waivers of State certification or licensure requirements, including the proportion of such teachers distributed across high- and low-poverty school districts and across subject areas.

"(7) A description of each State's alternative routes to teacher certification, if any, and the percentage of teachers certified through alternative certification routes who pass State teacher certification or licensure assessments.

"(8) For each State, a description of proposed criteria for assessing the performance of teacher preparation programs within institutions of higher education in the State, including indicators of teacher candidate knowledge and skills.

"(9) Information on the extent to which teachers or prospective teachers in each State are required to take examinations or other assessments of their subject matter knowledge in the area or areas in which the teachers provide instruction, the standards established for passing any such assessments, and the extent to which teachers or prospective teachers are required to receive a passing score on such assessments in order to teach in specific subject areas or grade levels.

"(c) INITIAL REPORT.—

"(1) IN GENERAL.—Each State that receives funds under this Act, not later than 6 months of the date of enactment of the Higher Education Amendments of 1998 and in a uniform and comprehensible manner, shall submit to the Secretary the information described in paragraphs (1), (5), and (6) of subsection (b). Such information shall be compiled by the Secretary and submitted to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 9 months after the date of enactment of the Higher Education Amendments of 1998.

"(2) CONSTRUCTION.—Nothing in this subsection shall be construed to require a State to gather information that is not in the possession of the State or the teacher preparation programs in the State, or readily available to the State or teacher preparation programs.

"(d) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

"(1) REPORT CARD.—The Secretary shall provide to Congress, and publish and make widely available, a report card on teacher qualifications and preparation in the United States, including all the information reported in paragraphs (1) through (9) of subsection (b). Such report shall identify States for which eligible States and eligible partnerships received a grant under this title. Such report shall be so provided, published and made available not later than 2 years 6 months after the date of enactment of the Higher Education Amendments of 1998 and annually thereafter.

"(2) REPORT TO CONGRESS.—The Secretary shall report to Congress—

"(A) a comparison of States' efforts to improve teaching quality; and

"(B) regarding the national mean and median scores on any standardized test that is used in more than 1 State for teacher certification or licensure.

"(3) SPECIAL RULE.—In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification or licensure assessment during an academic year, the Secretary shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3 year period.

"(e) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this title among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual's most recent degree.

"(f) INSTITUTIONAL REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.—

"(1) REPORT CARD.—Each institution of higher education that conducts a teacher preparation program that enrolls students receiving Federal assistance under this Act, not later than 18 months after the date of enactment of the Higher Education Amendments of 1998 and annually thereafter, shall report to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established under subsection (a), the following information:

"(A) PASS RATE.—(i) For the most recent year for which the information is available, the pass rate of the institution's graduates on the teacher certification or licensure assessments of the State in which the institution is located, but only for those students who took those assessments within 3 years of completing the program.

"(ii) A comparison of the program's pass rate with the average pass rate for programs in the State.

"(iii) In the case of teacher preparation programs with fewer than 10 graduates taking any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information with respect to an average pass rate on State certification or licensure assessments taken over a 3 year period.

"(B) PROGRAM INFORMATION.—The number of students in the program, the average number of hours of supervised practice teaching required for those in the program, and the faculty-student ratio in supervised practice teaching.

"(C) STATEMENT.—In States that approve or accredit teacher education programs, a statement of whether the institution's program is so approved or accredited.

"(D) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 208(a).

"(2) REQUIREMENT.—The information described in paragraph (1) shall be reported through publications such as school catalogs and promotional materials sent to potential applicants, secondary school guidance counselors, and prospective employers of the institution's program graduates.

"(3) FINES.—In addition to the actions authorized in section 487(c), the Secretary may impose a fine not to exceed $25,000 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

"SEC. 208. STATE FUNCTIONS.

"(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State, not later than 2 years after the date of enactment of the Higher Education Amendments of 1998, shall have in place a procedure to identify, and assist, through the provision of technical assistance, low-performing programs of teacher preparation within institutions of higher education. Such State shall provide the Secretary an annual list of such low-performing institutions that includes an identification of those institutions at-risk of being placed on such list. Such levels of performance shall be determined solely by the State and may include criteria based upon information collected pursuant to this title. Such assessment shall be described in the report under section 207(b).

"(b) TERMINATION OF ELIGIBILITY.—Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn the State's approval or terminated the State's financial support due to the low performance of the institution's teacher preparation program based upon the State assessment described in subsection (a)—

"(1) shall be ineligible for any funding for professional development activities awarded by the Department of Education; and

"(2) shall not be permitted to accept or enroll any student that receives aid under title IV of this Act in the institution's teacher preparation program.

"(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

"SEC. 209. GENERAL PROVISIONS.

"(a) METHODS.—In complying with sections 207 and 208, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods protect the privacy of individuals.

"(b) SPECIAL RULE.—For each State in which there are no State certification or licensure assessments, or for States that do not set minimum performance levels on those assessments—

"(1) the Secretary shall, to the extent practicable, collect data comparable to the data required under this title from States, local educational agencies, institutions of higher education, or other entities that administer such assessments to teachers or prospective teachers; and

"(2) notwithstanding any other provision of this title, the Secretary shall use such data to carry out requirements of this title related to assessments or pass rates.

"(c) LIMITATIONS.—

"(1) FEDERAL CONTROL PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to prohibit private, religious, or home schools from participation in programs or services under this title.

"(2) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this title shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.

"(3) NATIONAL SYSTEM OF TEACHER CERTIFICATION PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize the Secretary to establish or support any national system of teacher certification.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title $300,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which—

"(1) 45 percent shall be available for each fiscal year to award grants under section 202;

"(2) 45 percent shall be available for each fiscal year to award grants under section 203; and

"(3) 10 percent shall be available for each fiscal year to award grants under section 204.".

TITLE III—INSTITUTIONAL AID

SEC. 301. TRANSFERS AND REDESIGNATIONS.

(a) IN GENERAL.—The Higher Education Act of 1965 is amended—

(1) by redesignating part D of title III (20 U.S.C. 1066 et seq.) as part F of title III;

(2) by redesignating sections 351, 352, 353, 354, 356, 357, 358, and 360 (20 U.S.C. 1066, 1067, 1068, 1069, 1069b, 1069c, 1069d, and 1069f) as sections 391, 392, 393, 394, 395, 396, 397, and 399, respectively;

(3) by transferring part B of title VII (20 U.S.C. 1132c et seq.) to title III to follow part C of title III (20 U.S.C. 1065 et seq.), and redesignating such part B as part D;

(4) by redesignating sections 721 through 728 (20 U.S.C. 1132c and 1132c–7) as sections 341 through 348, respectively;

(5) by transferring subparts 1 and 3 of part B of title X (20 U.S.C. 1135b et seq. and 1135d et seq.) to title III to follow part D of title III (as redesignated by paragraph (3)), and redesignating such subpart 3 as subpart 2;

(6) by inserting after part D of title III (as redesignated by paragraph (3)) the following:

"PART E—MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM";

(7) by redesignating sections 1021 through 1023 (20 U.S.C. 1135b and 1135b–2), and sections 1041, 1042, 1043, 1044, 1046, and 1047 (20 U.S.C. 1135d, 1135d–1, 1135d–2, 1135d–3, 1135d–5, and 1135d–6) as sections 351 through 353, and sections 361, 362, 363, 364, 365, and 366, respectively; and

(8) by repealing section 366 (as redesignated by paragraph (7)) (20 U.S.C. 1135d–6).

(b) CONFORMING AMENDMENTS.—Section 361 (as redesignated by subsection (a)(7)) (20 U.S.C. 1135d) is amended—

(1) in paragraph (1), by inserting "and" after the semicolon;

(2) in paragraph (2), by striking "; and" and inserting a period; and

(3) by striking paragraph (3).

(c) CROSS REFERENCES.—Title III (20 U.S.C. 1051 et seq.) is amended—

(1) in section 311(b) (20 U.S.C. 1057(b)), by striking "360(a)(1)" and inserting "399(a)(1)";

(2) in section 312 (20 U.S.C. 1058)—

(A) in subsection (b)(1)(B), by striking "352(b)" and inserting "392(b)"; and

(B) in subsection (c)(2), by striking "352(a)" and inserting "392(a)";

(3) in section 313(b) (20 U.S.C. 1059(b)), by striking "354(a)(1)" and inserting "394(a)(1)";

(4) in section 342 (as redesignated by subsection (a)(4)) (20 U.S.C. 1132c–1)—

(A) in paragraph (3), by striking "723(b)" and inserting "343(b)";

(B) in paragraph (4), by striking "723" and inserting "343";

(C) in the matter preceding subparagraph (A) of paragraph (5), by striking "724(b)" and inserting "344(b)";

(D) in paragraph (8), by striking "725(1)" and inserting "345(1)"; and

(E) in paragraph (9), by striking "727" and inserting "347";

(5) in section 343 (as redesignated by subsection (a)(4)) (20 U.S.C. 1132c–2)—

(A) in subsection (a), by striking "724" and inserting "344"; and

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by striking "725(1) and 726" and inserting "345(1) and 346";

(ii) in paragraph (10), by striking "724" and inserting "344"; and

(iii) in subsection (d), by striking "723(c)(1)" and inserting "343(c)(1)";

(6) in section 345(2) (as redesignated by subsection (a)(4)) (20 U.S.C. 1132c–4(2)), by striking "723" and inserting "343";

(7) in section 348 (as redesignated by subsection (a)(4)) (20 U.S.C. 1132c–7), by striking "725(1)" and inserting "345(1)";

(8) in section 353(a) (as redesignated by subsection (a)(7)) (20 U.S.C. 1135b–2(a))—

(A) in paragraph (1), by striking "1046(6)" and inserting "365(6)";

(B) in paragraph (2), by striking "1046(7)" and inserting "365(7)";

(C) in paragraph (3), by striking "1046(8)" and inserting "365(8)"; and

(D) in paragraph (4), by striking "1046(9)" and inserting "365(9)";

(9) in section 361(1) (as redesignated by subsection (a)(7)) (20 U.S.C. 1135d(1)), by striking "1046(3)" and inserting "365(3)";

(10) in section 362(a) (as redesignated by subsection (a)(7)) (20 U.S.C. 1135d–1(a))—

(A) in the matter preceding paragraph (1), by striking "1041" and inserting "361"; and

(B) in paragraph (1), by striking "1021(b)" and inserting "351(b)"; and

(11) in section 391(b)(6) (as redesignated by subsection (a)(2)), by striking "357" and inserting "396".

SEC. 302. FINDINGS.

Section 301(a) (20 U.S.C. 1051(a)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) in order to be competitive and provide a high-quality education for all, institutions of higher education should improve their technological capacity and make effective use of technology;".

SEC. 303. STRENGTHENING INSTITUTIONS.

(a) GRANTS.—Section 311 (20 U.S.C. 1057) is amended by adding at the end the following:

"(c) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for 1 or more of the following activities:

"(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

"(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

"(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the field of instruction of the faculty.

"(4) Development and improvement of academic programs.

"(5) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

"(6) Tutoring, counseling, and student service programs designed to improve academic success.

"(7) Funds management, administrative management, and acquisition of equipment for use in strengthening funds management.

"(8) Joint use of facilities, such as laboratories and libraries.

"(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

"(10) Establishing or improving an endowment fund.

"(11) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.

"(12) Other activities proposed in the application submitted pursuant to subsection (c) that—

"(A) contribute to carrying out the purposes of the program assisted under this part; and

"(B) are approved by the Secretary as part of the review and acceptance of such application.

"(d) ENDOWMENT FUND.—

"(1) IN GENERAL.—An eligible institution may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at such institution.

"(2) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with paragraph (1), the eligible institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

"(3) COMPARABILITY.—The provisions of part C, regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).".

(b) ENDOWMENT FUND DEFINITION.—Section 312 (as amended by section 301(c)(2)) (20 U.S.C. 1058) is amended—

(1) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(2) by inserting after subsection (b) the following:

"(c) ENDOWMENT FUND.—For the purpose of this part, the term 'endowment fund' means a fund that—

"(1) is established by State law, by an institution of higher education, or by a foundation that is exempt from Federal income taxation;

"(2) is maintained for the purpose of generating income for the support of the institution; and

"(3) does not include real estate.".

(c) DURATION OF GRANT.—Section. 313 (20 U.S.C. 1059) is amended—

(1) in subsection (b), by inserting "subsection (c) and a grant under" before "section 394(a)(1)"; and

(2) by adding at the end the following:

"(d) WAIT-OUT-PERIOD.—Each eligible institution that received a grant under this part for a 5-year period shall not be eligible to receive an additional grant under this part until 2 years after the date on which the 5-year grant period terminates.".

(d) APPLICATIONS.—Title III is amended by striking section 314 (20 U.S.C. 1059a) and inserting the following:

"SEC. 314. APPLICATIONS.

"Each eligible institution desiring to receive assistance under this part shall submit an application in accordance with the requirements of section 391.".

(e) AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.—Section 316 (20 U.S.C. 1059c) is amended to read as follows:

"SEC. 316. AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

"(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Indian Tribal Colleges and Universities to enable such institutions to improve and expand their capacity to serve Indian students.

"(b) DEFINITIONS.—In this section:

"(1) INDIAN.—The term 'Indian' has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978.

"(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978.

"(3) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' has the meaning give the term 'tribally controlled college or university' in section 2 of the Tribally Controlled College or University Assistance Act of 1978, and includes an institution listed in the Equity in Educational Land Grant Status Act of 1994.

"(4) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education as defined in section 101(a), except that paragraph (2) of such section shall not apply.

"(c) AUTHORIZED ACTIVITIES.—

"(1) IN GENERAL.—Grants awarded under this section shall be used by Tribal Colleges or Universities to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Indian students.

"(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—The activities described in paragraph (1) may include—

"(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(B) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

"(C) support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the faculty's field of instruction;

"(D) academic instruction in disciplines in which Indians are underrepresented;

"(E) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

"(F) tutoring, counseling, and student service programs designed to improve academic success;

"(G) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

"(H) joint use of facilities, such as laboratories and libraries;

"(I) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;

"(J) establishing or enhancing a program of teacher education designed to qualify students to teach in elementary schools or secondary schools, with a particular emphasis on teaching Indian children and youth, that shall include, as part of such program, preparation for teacher certification;

"(K) establishing community outreach programs that encourage Indian elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education; and

"(L) other activities proposed in the application submitted pursuant to subsection (d) that—

"(i) contribute to carrying out the activities described in subparagraphs (A) through (K); and

"(ii) are approved by the Secretary as part of the review and acceptance of such application.

"(3) ENDOWMENT FUND.—

"(A) IN GENERAL.—A Tribal College or University may use not more than 20 percent of the grant funds provided under this section to establish or increase an endowment fund at the institution.

"(B) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with subparagraph (A), the Tribal College or University shall provide matching funds, in an amount equal to the Federal funds used in accordance with subparagraph (A), for the establishment or increase of the endowment fund.

"(C) COMPARABILITY.—The provisions of part C regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this paragraph, shall apply to funds used under subparagraph (A).

"(d) APPLICATION PROCESS.—

"(1) INSTITUTIONAL ELIGIBILITY.—To be eligible to receive assistance under this section, a Tribal College or University shall be an eligible institution under section 312(b).

"(2) APPLICATION.—Any Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary at such time, and in such manner, as the Secretary may by regulation reasonably require. Each such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Tribal College or University to Indian students, increasing the rates at which Indian secondary school students enroll in higher education, and increasing overall postsecondary retention rates for Indian students; and

"(B) such enrollment data and other information and assurances as the Secretary may require to demonstrate compliance with paragraph (1).

"(3) SPECIAL RULE.—For the purposes of this part, no Tribal College or University that is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.".

(f) ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.—Part A of title III (20 U.S.C. 1057 et seq.) is amended by adding at the end the following:

"SEC. 317. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

"(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Alaska Native-serving institutions and Native Hawaiian-serving institutions to enable such institutions to improve and expand their capacity to serve Alaska Natives and Native Hawaiians.

"(b) DEFINITIONS.—For the purpose of this section—

"(1) the term 'Alaska Native' has the meaning given the term in section 9308 of the Elementary and Secondary Education Act of 1965;

"(2) the term 'Alaska Native-serving institution' means an institution of higher education that—

"(A) is an eligible institution under section 312(b); and

"(B) at the time of application, has an enrollment of undergraduate students that is at least 20 percent Alaska Native students;

"(3) the term 'Native Hawaiian' has the meaning given the term in section 9212 of the Elementary and Secondary Education Act of 1965; and

"(4) the term 'Native Hawaiian-serving institution' means an institution of higher education which—

"(A) is an eligible institution under section 312(b); and

"(B) at the time of application, has an enrollment of undergraduate students that is at least 10 percent Native Hawaiian students.

"(c) AUTHORIZED ACTIVITIES.—

"(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Alaska Native-serving institutions and Native Hawaiian-serving institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Alaska Natives or Native Hawaiians.

"(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

"(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

"(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in the faculty's field of instruction;

"(D) curriculum development and academic instruction;

"(E) purchase of library books, periodicals, microfilm, and other educational materials;

"(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

"(G) joint use of facilities such as laboratories and libraries; and

"(H) academic tutoring and counseling programs and student support services.

"(d) APPLICATION PROCESS.—

"(1) INSTITUTIONAL ELIGIBILITY.—Each Alaska Native-serving institution and Native Hawaiian-serving institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is an Alaska Native-serving institution or a Native Hawaiian-serving institution as defined in subsection (b), along with such other information and data as the Secretary may by regulation require.

"(2) APPLICATIONS.—Any institution which is determined by the Secretary to be an Alaska Native-serving institution or a Native Hawaiian-serving institution may submit an application for assistance under this section to the Secretary. Such application shall include—

"(A) a 5-year plan for improving the assistance provided by the Alaska Native-serving institution or the Native Hawaiian-serving institution to Alaska Native or Native Hawaiian students; and

"(B) such other information and assurance as the Secretary may require.

"(e) SPECIAL RULE.—For the purposes of this section, no Alaska Native-serving institution or Native Hawaiian-serving institution which is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.".

SEC. 304. STRENGTHENING HBCU's.

(a) GRANTS.—Section 323 (20 U.S.C. 1062) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following:

"(b) ENDOWMENT FUND.—

"(1) IN GENERAL.—An institution may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at the institution.

"(2) MATCHING REQUIREMENT.—In order to be eligible to use grant funds in accordance with paragraph (1), the eligible institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

"(3) COMPARABILITY.—The provisions of part C regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1)."; and

(3) in subsection (c) (as redesignated by paragraph (1)), by striking paragraph (3).

(b) PROFESSIONAL OR GRADUATE INSTITUTIONS.—

(1) GENERAL AUTHORIZATION.—Section 326(a) (20 U.S.C. 1063b(a)) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by inserting "in mathematics, engineering, or the physical or natural sciences" after "graduate education opportunities"; and

(ii) in paragraph (2)—

(I) by striking "$500,000" and inserting "$1,000,000"; and

(II) by striking "except that" and all that follows and inserting the following: ", except that no institution shall be required to match any portion of the first $1,000,000 of the institution's award from the Secretary. After funds are made available to each eligible institution under the funding rules described in subsection (f), the Secretary shall distribute, on a pro rata basis, any amounts which were not so made available (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement."; and

(B) in subsection (d)(2), by striking "$500,000" and inserting "$1,000,000".

(2) USE OF FUNDS.—Section 326(c) (20 U.S.C. 1063b(c)) is amended by striking paragraphs (1) through (3) and inserting the following:

"(1) purchase, rental or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

"(2) construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

"(3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;

"(4) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;

"(5) establish or improve a development office to strengthen and increase contributions from alumni and the private sector;

"(6) assist in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331; and

"(7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems.".

(3) ELIGIBILITY.—Section 326(e) (20 U.S.C. 1063b(e)) is amended—

(A) in paragraph (1)—

(i) by striking "include—" and inserting "are the following";

(ii) by inserting "and other qualified graduate programs" before the semicolon at the end of subparagraphs (E) through (J);

(iii) by striking "and" at the end of subparagraph (O); and

(iv) in subparagraph (P)—

(I) by inserting "University" after "State"; and

(II) by striking the period and inserting a semicolon; and

(III) by adding at the end the following:

"(Q) Norfolk State University qualified graduate programs; and

"(R) Tennessee State University qualified graduate programs.";

(B) by striking paragraphs (2) and (3) and inserting the following:

"(2) QUALIFIED GRADUATE PROGRAM.—(A) For the purposes of this section, the term 'qualified graduate program' means a graduate or professional program that provides a program of instruction in the physical or natural sciences, engineering, mathematics, or other scientific discipline in which African Americans are underrepresented and has students enrolled in such program at the time of application for a grant under this section.

"(B) Notwithstanding the enrollment requirement contained in subparagraph (A), an institution may use an amount equal to not more than 10 percent of the institution's grant under this section for the development of a new qualified graduate program.

"(3) SPECIAL RULE.—Institutions that were awarded grants under this section prior to October 1, 1998, shall continue to receive such grants, subject to the availability of appropriated funds, regardless of the eligibility of the institutions described in subparagraphs (Q) and (R) of paragraph (1)."; and

(C) by adding at the end the following:

"(5) INSTITUTIONAL CHOICE.—The president or chancellor of the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant in any 1 fiscal year, if the allocation of funds among the schools or programs is delineated in the application for funds submitted to the Secretary under this section.".

(4) FUNDING RULE.—Section 326(f) (20 U.S.C. 1063b(f)) is amended—

(A) by striking "Of the amount appropriated" and inserting "Subject to subsection (g), of the amount appropriated";

(B) in paragraph (1)—

(i) by striking "$12,000,000" and inserting "$26,600,000"; and

(ii) by striking "(A) through (E)" and inserting "(A) through (P)";

(C) by striking paragraph (2) and inserting the following:

"(2) any amount in excess of $26,600,000, but not in excess of $28,600,000, shall be available for the purpose of making grants to institutions or programs described in subparagraphs (Q) and (R) of subsection (e)(1); and

"(3) any amount in excess of $28,600,000, shall be made available to each of the institutions or programs identified in subparagraphs (A) through (R) pursuant to a formula developed by the Secretary that uses the following elements:

"(A) The ability of the institution to match Federal funds with non-Federal funds.

"(B) The number of students enrolled in the programs for which the eligible institution received funding under this section in the previous year.

"(C) The average cost of education per student, for all full-time graduate or professional students (or the equivalent) enrolled in the eligible professional or graduate school, or for doctoral students enrolled in the qualified graduate programs.

"(D) The number of students in the previous year who received their first professional or doctoral degree from the programs for which the eligible institution received funding under this section in the previous year.

"(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for the previous year.".

(5) HOLD HARMLESS RULE.—Section 326 is further amended by adding at the end the following new subsection:

"(g) HOLD HARMLESS RULE.—Notwithstanding paragraphs (2) and (3) of subsection (f), no institution or qualified program identified in subsection (e)(1) that received a grant for fiscal year 1998 and that is eligible to receive a grant in a subsequent fiscal year shall receive a grant amount in any such subsequent fiscal year that is less than the grant amount received for fiscal year 1998, unless the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs, or the institution cannot provide sufficient matching funds to meet the requirements of this section.".

SEC. 305. ENDOWMENT CHALLENGE GRANTS.

Section 331(b) (20 U.S.C. 1065(b)) is amended—

(1) in paragraph (1), by striking "360" and inserting "399"; and

(2) in paragraph (2), by striking subparagraphs (B) and (C) and inserting the following:

"(B) The Secretary may make a grant under this part to an eligible institution in any fiscal year if the institution—

"(i) applies for a grant in an amount not exceeding $500,000; and

"(ii) has deposited in the eligible institution's endowment fund established under this section an amount which is equal to ½ of the amount of such grant.

"(C) An eligible institution of higher education that is awarded a grant under subparagraph (B) shall not be eligible to receive an additional grant under subparagraph (B) until 10 years after the date on which the grant period terminates.".

SEC. 306. HBCU CAPITAL FINANCING.

(a) DEFINITION.—Section 342(5) (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–1(5)) is amended—

(1) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (G), and (H), respectively;

(2) by inserting after subparagraph (A) the following:

"(B) a facility for the administration of an educational program, or a student center or student union, except that not more than 5 percent of the loan proceeds provided under this part may be used for the facility, center or union if the facility, center or union is owned, leased, managed, or operated by a private business, that, in return for such use, makes a payment to the eligible institution;";

(3) in subparagraph (C) (as redesignated by paragraph (1)), insert "technology," after "instructional equipment";

(4) by inserting after subparagraph (C) (as redesignated by paragraph (1)) the following:

"(D) a maintenance, storage, or utility facility that is essential to the operation of a facility, a library, a dormitory, equipment, instrumentation, a fixture, real property or an interest therein, described in this paragraph;

''(E) a facility designed to provide primarily outpatient health care for students or faculty;

''(F) physical infrastructure essential to support the projects authorized under this paragraph, including roads, sewer and drainage systems, and water, power, lighting, telecommunications, and other utilities;''; and

(5) in subparagraph (H) (as redesignated by paragraph (2)), by striking ''(C)'' and inserting ''(G)''.

(b) RESPONSIBILITIES.—Section 343 (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–2) is amended—

(1) in subsection (b)(8) (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–2(b)(8)), by striking ''10 percent'' each place the term appears and inserting ''5 percent''; and

(2) by adding at the end the following:

''(e) Notwithstanding any other provision of law, a qualified bond guaranteed under this part may be sold to any party that offers terms that the Secretary determines are in the best interest of the eligible institution.''.

(c) TECHNICAL ASSISTANCE.—Section 345 (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–4) is amended—

(1) in paragraph (5), by striking ''and'' after the semicolon;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) may, directly or by grant or contract, provide technical assistance to eligible institutions to prepare the institutions to qualify, apply for, and maintain a capital improvement loan, including a loan under this part.''.

(d) PROHIBITION.—Section 346 (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–5) is repealed.

(e) ADVISORY BOARD.—Section 347 (as redesignated by section 301(a)(4)) (20 U.S.C. 1132c–6) is amended—

(1) in subsection (b)—

(A) in subparagraph (D), by inserting '', or the president's designee.'' after the period; and

(B) in subparagraph (E), by inserting '', or the designee of the Association'' before the period; and

(2) by striking subsection (c).

SEC. 307. MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM.

(a) MINORITY SCIENCE AND ENGINEERING IMPROVEMENT PROGRAM FINDINGS.—Subpart 1 of part E of title III (as redesignated by paragraphs (6) and (7) of section 301) (20 U.S.C. 1135b et seq.) is amended by inserting after the subpart heading the following:

"SEC. 350. FINDINGS.

''Congress makes the following findings:

''(1) It is incumbent on the Federal Government to support the technological and economic competitiveness of the United States by improving and expanding the scientific and technological capacity of the United States. More and better prepared scientists, engineers, and technical experts are needed to improve and expand such capacity.

''(2) As the Nation's population becomes more diverse, it is important that the educational and training needs of all Americans are met. Underrepresentation of minorities in science and technological fields diminishes our Nation's competitiveness by impairing the quantity of well prepared scientists, engineers, and technical experts in these fields.

''(3) Despite significant limitations in resources, minority institutions provide an important educational opportunity for minority students, particularly in science and engineering fields. Aid to minority institutions is a good way to address the underrepresentation of minorities in science and technological fields.

''(4) There is a strong Federal interest in improving science and engineering programs at minority institutions as such programs lag behind in program offerings and in student enrollment compared to such programs at other institutions of higher education.''.

(b) ELIGIBILITY FOR GRANTS.—Section 361 (as redesignated by section 301(a)(7)) (20 U.S.C. 1135d) is amended to read as follows:

"SEC. 361. ELIGIBILITY FOR GRANTS.

''Eligibility to receive grants under this part is limited to—

''(1) public and private nonprofit institutions of higher education that—

''(A) award baccalaureate degrees; and

''(B) are minority institutions;

''(2) public or private nonprofit institutions of higher education that—

''(A) award associate degrees; and

''(B) are minority institutions that—

''(i) have a curriculum that includes science or engineering subjects; and

''(ii) enter into a partnership with public or private nonprofit institutions of higher education that award baccalaureate degrees in science and engineering;

''(3) nonprofit science-oriented organizations, professional scientific societies, and institutions of higher education that award baccalaureate degrees, that—

''(A) provide a needed service to a group of minority institutions; or

''(B) provide in-service training for project directors, scientists, and engineers from minority institutions; or

''(4) consortia of organizations, that provide needed services to 1 or more minority institutions, the membership of which may include—

''(A) institutions of higher education which have a curriculum in science or engineering;

''(B) institutions of higher education that have a graduate or professional program in science or engineering;

''(C) research laboratories of, or under contract with, the Department of Energy;

''(D) private organizations that have science or engineering facilities; or

''(E) quasi-governmental entities that have a significant scientific or engineering mission.''.

(c) DEFINITIONS.—Section 365(4) (as redesignated by section 301(a)(7)) (20 U.S.C. 1135d–5(4)) is amended by inserting ''behavioral,'' after ''physical,''.

(d) CONFORMING AMENDMENTS.—The heading for subpart 1 of part E of title III (as redesignated by paragraphs (6) and (7) of section 301(a)) is amended by inserting ''and Engineering'' before ''Improvement Program''.

SEC. 308. GENERAL PROVISIONS.

(a) APPLICATIONS FOR ASSISTANCE.—Subsection (a) of section 391(a) (as redesignated by section 301(a)(2)) (20 U.S.C. 1066(a)) is amended to read as follows:

''(a) APPLICATIONS.—

''(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institutions's need for the assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for assistance under this title only if the Secretary determines that—

''(A) the application meets the requirements of subsection (b);

''(B) the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought; and

''(C) the applicant's performance goals are sufficiently rigorous as to meet the purposes of this title and the performance objectives and indicators for this title established by the Secretary pursuant to the Government Performance and Results Act of 1993 and the amendments made by such Act.

''(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary may develop a preliminary application for use by eligible institutions applying under part A prior to the submission of the principal application.''.

(b) APPLICATIONS.—Paragraph (1) of section 391(b) (as redesignated by section 301(a)(2)) (20 U.S.C. 1066(b)) is amended by inserting '', D or E'' after ''part C''.

(c) CONTENTS OF APPLICATIONS.—Section 391(b)(6) (as redesignated by section 301(a)(2)) is amended by inserting before the semicolon the following: '', except that for purposes of section 316, paragraphs (2) and (3) of section 396 shall not apply''.

(d) WAIVERS.—Section 392(a) (as redesignated by section 301(a)(2)) (20 U.S.C. 1067(a)) is amended—

(1) by striking ''or'' at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) that is a tribally controlled college or university as defined in section 2 of the Tribally Controlled College or University Assistance Act of 1978; or''.

(e) APPLICATION REVIEW PROCESS.—Section 393(a) (as redesignated by section 301(a)(2)) (20 U.S.C. 1068(a)) is amended—

(1) in paragraph (2), by striking ''Native American colleges and universities'' and inserting ''Tribal Colleges and Universities''; and

(2) by adding at the end the following:

''(d) EXCLUSION.—The provisions of this section shall not apply to applications submitted under part D.''.

(f) WAIVERS.—Paragraph (2) of section 395(b) (as redesignated by section 301(a)(2)) (20 U.S.C. 1069b(b)) is amended by striking ''title IV, VII, or VIII'' and inserting ''part D or title IV''.

(g) CONTINUATION AWARDS.—Part F of title III is amended by inserting after section 397 (as redesignated by section 301(a)(2)) (20 U.S.C. 1069d) the following:

"SEC. 398. CONTINUATION AWARDS.

''The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the grant.''.

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 399(a) (as redesignated by section 301(a)(2)) (20 U.S.C. 1069f) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''1993'' and inserting ''1999'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''$45,000,000 for fiscal year 1993'' and inserting ''$10,000,000 for fiscal year 1999'';

(ii) by striking clause (ii); and

(iii) by striking ''(B)(i) There'' and inserting ''(B) There''; and

(C) by adding at the end the following:

''(C) There are authorized to be appropriated to carry out section 317, $5,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.'';

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''1993'' and inserting ''1999''; and

(B) in subparagraph (B), by striking ''$20,000,000 for fiscal year 1993'' and inserting ''$35,000,000 for fiscal year 1999'';

(3) in paragraph (3), by striking ''$50,000,000 for fiscal year 1993'' and inserting ''$10,000,000 for fiscal year 1999'';

(4) by adding at the end the following:

''(4) PART D.—(A) There are authorized to be appropriated to carry out part D (other than section 345(7), but including section 347), $110,000 for fiscal year 1999, and such sums as

may be necessary for each of the 4 succeeding fiscal years.

"(B) There are authorized to be appropriated to carry out section 345(7), such sums as may be necessary for fiscal year 1999 and each of the 4 succeeding fiscal years.

"(5) PART E.—There are authorized to be appropriated to carry out part E, $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years."; and

(5) by striking subsections (c), (d), and (e).

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS

SEC. 401. FEDERAL PELL GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 401(a)(1) (20 U.S.C. 1070a(a)(1)) is amended—

(1) in the first sentence, by striking "The Secretary shall, during the period beginning July 1, 1972, and ending September 30, 1998," and inserting "For each fiscal year through fiscal year 2004, the Secretary shall"; and

(2) in the second sentence, by inserting "until such time as the Secretary determines and publishes in the Federal Register with an opportunity for comment, an alternative payment system that provides payments to institutions in an accurate and timely manner," after "pay eligible students".

(b) AMOUNT OF GRANT.—Paragraph (2)(A) of section 401(b) is amended to read as follows:

"(2)(A) The amount of the Federal Pell Grant for a student eligible under this part shall be—

"(i) $4,500 for academic year 1999–2000;

"(ii) $4,800 for academic year 2000–2001;

"(iii) $5,100 for academic year 2001–2002;

"(iv) $5,400 for academic year 2002–2003; and

"(v) $5,800 for academic year 2003–2004,

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.".

(c) RELATION OF MAXIMUM GRANT TO TUITION AND EXPENSES.—Paragraph (3) of section 401(b) is amended to read as follows:

"(3)(A) For any academic year for which an appropriation Act provides a maximum basic grant in an amount in excess of $2,700, the amount of a student's basic grant shall equal $2,700 plus—

"(i) one-half of the amount by which such maximum basic grant exceeds $2,700; plus

"(ii) the lesser of—

"(I) the remaining one-half of such excess; or

"(II) the sum of the student's tuition and, if the student has dependent care expenses (as described in section 472(8) or disability-related expenses (as described in section 472(9)), an allowance determined by the institution for such expenses.

"(B) An institution that charged only fees in lieu of tuition as of October 1, 1998, may include in the institution's determination of tuition charged, fees that would normally constitute tuition.".

(d) REGULATIONS FOR MULTIPLE AWARDS.—Section 401(b)(6) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after the paragraph designation; and

(3) by adding at the end the following:

"(B) The Secretary shall promulgate regulations implementing this paragraph.".

(e) TIME LIMIT TO RECEIVE GRANTS.—Section 401(c) is amended by adding at the end the following:

"(4) Notwithstanding paragraph (1), the Secretary may allow, on a case-by-case basis, a student to receive a basic grant if the student—

"(A) is carrying at least ½ the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education; and

"(B) is enrolled or accepted for enrollment in a postbaccalaureate program that does not lead to a graduate degree, and in courses required by a State in order for the student to receive a professional certification or licensing credential that is required for employment as a teacher in an elementary school or secondary school in that State,

except that this paragraph shall not apply to a student who is enrolled in an institution of higher education that offers a baccalaureate degree in education.".

(f) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—Section 401 is amended by adding at the end the following:

"(j) INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES.—

"(1) IN GENERAL.—No institution of higher education shall be an eligible institution for purposes of this subpart if such institution of higher education is ineligible to participate in a loan program under part B or D as a result of a final default rate determination made by the Secretary under part B or D after the final publication of cohort default rates for fiscal year 1996 or a succeeding fiscal year.

"(2) SANCTIONS SUBJECT TO APPEAL OPPORTUNITY.—No institution may be subject to the terms of this subsection unless the institution has had the opportunity to appeal the institution's default rate determination under regulations issued by the Secretary for the loan program authorized under part B or D, as applicable. This subsection shall not apply to an institution that was not participating in the loan program authorized under part B or D on the date of enactment of the Higher Education Amendments of 1998, unless the institution subsequently participates in the loan programs.".

(g) CONFORMING AMENDMENTS.—

(1) Section 400(a)(1) (20 U.S.C. 1070(a)(1)) is amended by striking "basic educational opportunity grants" and inserting "Federal Pell Grants".

(2) The heading of subpart 1 of part A of title IV (20 U.S.C. 1070a et seq.) is amended to read as follows:

"subpart 1—federal pell grants".

(3) Section 401 is amended—

(A) in the heading of the section, by striking "**BASIC EDUCATIONAL OPPORTUNITY**" and inserting "**FEDERAL PELL**";

(B) in subsection (a)(3), by striking "Basic grants" and inserting "Grants";

(C) by striking "basic grant" each place the term appears and inserting "Federal Pell Grant"; and

(D) by striking "basic grants" each place the term appears and inserting "Federal Pell Grants".

(4) Section 401(f)(3) is amended by striking "Education and Labor" and inserting "Education and the Workforce".

(5) Section 452(c) (20 U.S.C. 1087b(c)) is amended by striking "basic grants" and inserting "Federal Pell Grants".

(6) Subsections (j)(2) and (k)(3) of section 455 (20 U.S.C. 1087e) are each amended by striking "basic grants" and inserting "Federal Pell Grants".

SEC. 402. FEDERAL TRIO PROGRAMS.

(a) PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.—

(1) DURATION OF GRANTS.—Section 402A(b)(2) (20 U.S.C. 1070a–11(b)(2)) is amended—

(A) by striking "and" at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) grants under section 402H shall be awarded for a period determined by the Secretary.".

(2) MINIMUM GRANTS.—Section 402A(b)(3) is amended to read as follows:

"(3) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, individual grants under this chapter shall be no less than—

"(A) $170,000 for programs authorized by sections 402D and 402G;

"(B) $180,000 for programs authorized by sections 402B and 402F; and

"(C) $190,000 for programs authorized by sections 402C and 402E.".

(3) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—Subsection (c) of section 402A is amended to read as follows:

"(c) PROCEDURES FOR AWARDING GRANTS AND CONTRACTS.—

"(1) APPLICATION REQUIREMENTS.—An eligible entity that desires to receive a grant or contract under this chapter shall submit an application to the Secretary in such manner and form, and containing such information and assurances, as the Secretary may reasonably require.

"(2) PRIOR EXPERIENCE.—In making grants under this chapter, the Secretary shall consider each applicant's prior experience of service delivery under the particular program for which funds are sought. The level of consideration given the factor of prior experience shall not vary from the level of consideration given such factor during fiscal years 1994 through 1997, except that grants made under section 402H shall not be given prior experience consideration.

"(3) ORDER OF AWARDS; PROGRAM FRAUD.—(A) Except with respect to grants made under sections 402G and 402H and as provided in subparagraph (B), the Secretary shall award grants and contracts under this chapter in the order of the scores received by the application for such grant or contract in the peer review process required under paragraph (4) and adjusted for prior experience in accordance with paragraph (2) of this subsection.

"(B) The Secretary is not required to provide assistance to a program otherwise eligible for assistance under this chapter, if the Secretary has determined that such program has involved the fraudulent use of funds under this chapter.

"(4) PEER REVIEW PROCESS.—(A) The Secretary shall ensure that, to the extent practicable, members of groups underrepresented in higher education, including African Americans, Hispanics, Native Americans, Alaska Natives, Asian Americans, and Native American Pacific Islanders (including Native Hawaiians), are represented as readers of applications submitted under this chapter. The Secretary shall also ensure that persons from urban and rural backgrounds are represented as readers.

"(B) The Secretary shall ensure that each application submitted under this chapter is read by at least 3 readers who are not employees of the Federal Government (other than as readers of applications).

"(5) NUMBER OF APPLICATIONS FOR GRANTS AND CONTRACTS.—The Secretary shall not limit the number of applications submitted by an entity under any program authorized under this chapter if the additional applications describe programs serving different populations or campuses.

"(6) COORDINATION WITH OTHER PROGRAMS FOR DISADVANTAGED STUDENTS.—The Secretary shall encourage coordination of programs assisted under this chapter with other programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding source of such programs. The Secretary shall not limit an entity's eligibility to receive funds under this chapter because such entity sponsors a program similar to the program to be assisted under this chapter, regardless of the funding source of such program. The Secretary shall permit the Director of a program receiving funds under this chapter to administer one or more additional programs for disadvantaged students operated by the sponsoring institution or agency, regardless of the funding sources of such programs.

"(7) APPLICATION STATUS.—The Secretary shall inform each entity operating programs under this chapter regarding the status of their application for continued funding at least 8 months prior to the expiration of the grant or contract. The Secretary, in the case of an entity that is continuing to operate a successful program under this chapter, shall ensure that the start-up date for a new grant or contract for such program immediately follows the termination of the preceding grant or contract so that no interruption of funding occurs for such successful reapplicants. The Secretary shall inform each entity requesting assistance under this chapter for a new program regarding the status of their application at least 8 months prior to the proposed startup date of such program.".

(4) AUTHORIZATION OF APPROPRIATIONS.—Section 402A(f) is amended by striking "$650,000,000 for fiscal year 1993" and inserting "$700,000,000 for fiscal year 1999".

(5) WAIVER.—Section 402A(g) is amended by adding at the end the following:

"(4) WAIVER.—The Secretary may waive the service requirements in subparagraph (A) or (B) of paragraph (3) if the Secretary determines the application of the service requirements to a veteran will defeat the purpose of a program under this chapter.".

(b) TALENT SEARCH.—Section 402B(b) (20 U.S.C. 1070a–12(b)) is amended—

(1) by striking paragraph (4) and inserting the following:

"(4) guidance on and assistance in secondary school reentry, entry to general educational development (GED) programs, other alternative education programs for secondary school dropouts, or postsecondary education;";

(2) in paragraph (5), by inserting ", or activities designed to acquaint individuals from disadvantaged backgrounds with careers in which the individuals are particularly underrepresented" before the semicolon;

(3) in paragraph (8), by striking "parents" and inserting "families"; and

(4) in paragraph (9), by inserting "or counselors" after "teachers".

(c) UPWARD BOUND.—Section 402C (20 U.S.C. 1070a–13) is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "personal counseling" and inserting "counseling and workshops";

(B) in paragraph (9)—

(i) by inserting "or counselors" after "teachers"; and

(ii) by striking "and" after the semicolon;

(C) by redesignating paragraph (10) as paragraph (12);

(D) by inserting after paragraph (9) the following:

"(10) work-study positions where youth participating in the project are exposed to careers requiring a postsecondary degree;

"(11) special services to enable veterans to make the transition to postsecondary education; and"; and

(E) in paragraph (12) (as redesignated by subparagraph (C)), by striking "(9)" and inserting "(11)"; and

(2) in subsection (e), by striking "and not in excess of $40 per month during the remaining period of the year." and inserting "except that youth participating in a work-study position under subsection (b)(10) may be paid a stipend of $300 per month during June, July, and August. Youths participating in a project proposed to be carried out under any application may be paid stipends not in excess of $40 per month during the remaining period of the year.".

(d) STUDENT SUPPORT SERVICES.—Paragraph (6) of section 402D(c) (20 U.S.C. 1070a–14(c)(6)) is amended to read as follows:

"(6) consider, in addition to such other criteria as the Secretary may prescribe, the institution's effort, and where applicable past history, in—

"(A) providing sufficient financial assistance to meet the full financial need of each student in the project; and

"(B) maintaining the loan burden of each such student at a manageable level.".

(e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM.—Section 402E(e)(1) (20 U.S.C. 1070a–15(e)(1)) is amended by striking "$2,400" and inserting "$2,800".

(f) STAFF DEVELOPMENT ACTIVITIES.—Section 402G (20 U.S.C. 1070a–17) is amended—

(1) in subsection (a), by inserting "participating in," after "leadership personnel employed in,"; and

(2) in subsection (b), by inserting after paragraph (3) the following new paragraph:

"(4) The use of appropriate educational technology in the operation of projects assisted under this chapter.".

(g) EVALUATION AND DISSEMINATION.—Section 402H (20 U.S.C. 1070a–18) is amended to read as follows:

"SEC. 402H. EVALUATIONS AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION PARTNERSHIP PROJECTS.

"(a) EVALUATIONS.—

"(1) IN GENERAL.—For the purpose of improving the effectiveness of the programs and projects assisted under this chapter, the Secretary may make grants to or enter into contracts with institutions of higher education and other public and private institutions and organizations to evaluate the effectiveness of the programs and projects assisted under this chapter.

"(2) PRACTICES.—The evaluations described in paragraph (1) shall identify institutional, community, and program or project practices that are particularly effective in enhancing the access of low-income individuals and first-generation college students to postsecondary education, the preparation of the individuals and students for postsecondary education, and the success of the individuals and students in postsecondary education. Such evaluations shall also investigate the effectiveness of alternative and innovative methods within Federal TRIO programs of increasing access to, and retention of, students in postsecondary education.

"(b) GRANTS.—The Secretary may award grants to institutions of higher education or other private and public institutions and organizations, that are carrying out a program or project assisted under this chapter prior to the date of enactment of the Higher Education Amendments of 1998, to enable the institutions and organizations to expand and leverage the success of such programs or projects by working in partnership with other institutions, community-based organizations, or combinations of such institutions and organizations, that are not receiving assistance under this chapter and are serving low-income students and first generation college students, in order to—

"(1) disseminate and replicate best practices of programs or projects assisted under this chapter; and

"(2) provide technical assistance regarding programs and projects assisted under this chapter.

"(c) RESULTS.—In order to improve overall program or project effectiveness, the results of evaluations and grants described in this section shall be disseminated by the Secretary to similar programs or projects assisted under this subpart, as well as other individuals concerned with postsecondary access for and retention of low-income individuals and first-generation college students.".

SEC. 403. GEAR UP PROGRAM.

Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.) is amended to read as follows:

"CHAPTER 2—GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS

"SEC. 404A. EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM AUTHORIZED.

"(a) PROGRAM AUTHORIZED.—The Secretary is authorized, in accordance with the requirements of this chapter, to establish a program that—

"(1) encourages eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary school diploma (or its recognized equivalent), of the financial assistance necessary to permit the students to attend an institution of higher education; and

"(2) supports eligible entities in providing—

"(A) additional counseling, mentoring, academic support, outreach, and supportive services to elementary school, middle school, and secondary school students who are at risk of dropping out of school; and

"(B) information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents.

"(b) AWARDS.—

"(1) IN GENERAL.—From funds appropriated under section 404H for each fiscal year, the Secretary shall make awards to eligible entities described in paragraphs (1) and (2) of subsection (c) to enable the entities to carry out the program authorized under subsection (a).

"(2) PRIORITY.—In making awards to eligible entities described in paragraph (c)(1), the Secretary shall—

"(A) give priority to eligible entities that—

"(i) on the day before the date of enactment of the Higher Education Amendments of 1998, carried out successful educational opportunity programs under this chapter (as this chapter was in effect on such day); and

"(ii) have a prior, demonstrated commitment to early intervention leading to college access through collaboration and replication of successful strategies;

"(B) ensure that students served under this chapter on the day before the date of enactment of the Higher Education Amendments of 1998 continue to receive assistance through the completion of secondary school.

"(c) DEFINITION OF ELIGIBLE ENTITY.—For the purposes of this chapter, the term 'eligible entity' means—

"(1) a State; or

"(2) a partnership consisting of—

"(A) 1 or more local educational agencies acting on behalf of—

"(i) 1 or more elementary schools or secondary schools; and

"(ii) the secondary schools that students from the schools described in clause (i) would normally attend;

"(B) 1 or more degree granting institutions of higher education; and

"(C) at least 2 community organizations or entities, such as businesses, professional associations, community-based organizations, philanthropic organizations, State agencies, institutions or agencies sponsoring programs authorized under subpart 4, or other public or private agencies or organizations.

"SEC. 404B. REQUIREMENTS.

"(a) FUNDING RULES.—

"(1) CONTINUATION AWARDS.—From the amount appropriated under section 404H for a fiscal year, the Secretary shall continue to award grants to States under this chapter (as this chapter was in effect on the day before the date of enactment of the Higher Education Amendments of 1998) in accordance with the terms and conditions of such grants.

"(2) DISTRIBUTION.—From the amount appropriated under section 404H that remains after making continuation awards under paragraph (1) for a fiscal year, the Secretary shall—

"(A) make available—

"(i) not less than 33 percent of the amount to eligible entities described in section 404A(c)(1); and

"(ii) not less than 33 percent of the amount to eligible entities described in section 404A(c)(2); and

"(B) award the remainder of the amount to eligible entities described in paragraph (1) or (2) of section 404A(c).

"(3) SPECIAL RULE.—The Secretary shall annually reevaluate the distribution of funds described in paragraph (2)(B) based on number, quality, and promise of the applications and adjust the distribution accordingly.".

"(b) LIMITATION.—Each eligible entity described in section 404A(c)(1), and each eligible entity described in section 404A(c)(2) that conducts a scholarship component under section 404E, shall use not less than 25 percent and not more than 50 percent of grant funds received under this chapter for the early intervention component of an eligible entity's program under this chapter, except that the Secretary may waive the 50 percent limitation if the eligible entity demonstrates that the eligible entity has another means of providing the students with financial assistance that is described in the plan submitted under section 404C.

"(c) COORDINATION.—Each eligible entity shall ensure that the activities assisted under this chapter are, to the extent practicable, coordinated with, and complement and enhance—

"(1) services under this chapter provided by other eligible entities serving the same school district or State; and

"(2) related services under other Federal or non-Federal programs.

"(d) DESIGNATION OF FISCAL AGENT.—An eligible entity described in section 404A(c)(2) shall designate an institution of higher education or a local educational agency as the fiscal agent for the eligible entity.

"(e) COORDINATORS.—An eligible entity described in section 404A(c)(2) shall have a full-time program coordinator or a part-time program coordinator, whose primary responsibility is a project under section 404C.

"(f) DISPLACEMENT.—An eligible entity described in 404A(c)(2) shall ensure that the activities assisted under this chapter will not displace an employee or eliminate a position at a school assisted under this chapter, including a partial displacement such as a reduction in hours, wages or employment benefits.

"(g) COHORT APPROACH.—

"(1) IN GENERAL.—The Secretary shall require that eligible entities described in section 404A(c)(2)—

"(A) provide services under this chapter to at least 1 grade level of students, beginning not later than 7th grade, in a participating school that has a 7th grade and in which at least 50 percent of the students enrolled are eligible for free or reduced-price lunch under the National School Lunch Act (or, if an eligible entity determines that it would promote the effectiveness of a program, an entire grade level of students, beginning not later than the 7th grade, who reside in public housing as defined in section 3(b)(1) of the United States Housing Act of 1937); and

"(B) ensure that the services are provided through the 12th grade to students in the participating grade level.

"(2) COORDINATION REQUIREMENT.—In order for the Secretary to require the cohort approach described in paragraph (1), the Secretary shall, where applicable, ensure that the cohort approach is done in coordination and collaboration with existing early intervention programs and does not duplicate the services already provided to a school or community.

"SEC. 404C. ELIGIBLE ENTITY PLANS.

"(a) PLAN REQUIRED FOR ELIGIBILITY.—

"(1) IN GENERAL.—In order for an eligible entity to qualify for a grant under this chapter, the eligible entity shall submit to the Secretary a plan for carrying out the program under this chapter. Such plan shall provide for the conduct of a scholarship component if required or undertaken pursuant to section 404E and an early intervention component required pursuant to section 404D.

"(2) CONTENTS.—Each plan submitted pursuant to paragraph (1) shall be in such form, contain or be accompanied by such information or assurances, and be submitted at such time as the Secretary may require by regulation. Each such plan shall—

"(A) describe the activities for which assistance under this chapter is sought; and

"(B) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this chapter.

"(b) MATCHING REQUIREMENT.—

"(1) IN GENERAL.—The Secretary shall not approve a plan submitted under subsection (a) unless such plan—

"(A) provides that the eligible entity will provide, from State, local, institutional, or private funds, not less than 50 percent of the cost of the program, which matching funds may be provided in cash or in kind;

"(B) specifies the methods by which matching funds will be paid; and

"(C) includes provisions designed to ensure that funds provided under this chapter shall supplement and not supplant funds expended for existing programs.

"(2) SPECIAL RULE.—Notwithstanding the matching requirement described in paragraph (1)(A), the Secretary may by regulation modify the percentage requirement described in paragraph (1)(A) for eligible entities described in section 404A(c)(2).

"(c) METHODS FOR COMPLYING WITH MATCHING REQUIREMENT.—An eligible entity may count toward the matching requirement described in subsection (b)(1)(A)—

"(1) the amount of the financial assistance paid to students from State, local, institutional, or private funds under this chapter;

"(2) the amount of tuition, fees, room or board waived or reduced for recipients of financial assistance under this chapter; and

"(3) the amount expended on documented, targeted, long-term mentoring and counseling provided by volunteers or paid staff of non-school organizations, including businesses, religious organizations, community groups, postsecondary educational institutions, nonprofit and philanthropic organizations, and other organizations.

"(d) PEER REVIEW PANELS.—The Secretary shall convene peer review panels to assist in making determinations regarding the awarding of grants under this chapter.

"SEC. 404D. EARLY INTERVENTION.

"(a) SERVICES.—

"(1) IN GENERAL.—In order to receive a grant under this chapter, an eligible entity shall demonstrate to the satisfaction of the Secretary, in the plan submitted under section 404C, that the eligible entity will provide comprehensive mentoring, counseling, outreach, and supportive services to students participating in programs under this chapter. Such counseling shall include—

"(A) financial aid counseling and information regarding the opportunities for financial assistance under this title; and

"(B) activities or information regarding—

"(i) fostering and improving parent involvement in promoting the advantages of a college education, academic admission requirements, and the need to take college preparation courses;

"(ii) college admissions and achievement tests; and

"(iii) college application procedures.

"(2) METHODS.—The eligible entity shall demonstrate in such plan, pursuant to regulations of the Secretary, the methods by which the eligible entity will target services on priority students described in subsection (c), if applicable.

"(b) USES OF FUNDS.—

"(1) IN GENERAL.—The Secretary shall, by regulation, establish criteria for determining whether comprehensive mentoring, counseling, outreach, and supportive services programs may be used to meet the requirements of subsection (a).

"(2) PERMISSIBLE ACTIVITIES.—Examples of activities that meet the requirements of subsection (a) include the following:

"(A) Providing eligible students in preschool through grade 12 with a continuing system of mentoring and advising that—

"(i) is coordinated with the Federal and State community service initiatives; and

"(ii) may include such support services as after school and summer tutoring, assistance in obtaining summer jobs, career mentoring, and academic counseling.

"(B) Requiring each student to enter into an agreement under which the student agrees to achieve certain academic milestones, such as completing a prescribed set of courses and maintaining satisfactory progress described in section 484(c), in exchange for receiving tuition assistance for a period of time to be established by each eligible entity.

"(C) Activities designed to ensure secondary school completion and college enrollment of at-risk children, such as identification of at-risk children, after school and summer tutoring, assistance in obtaining summer jobs, academic counseling, volunteer and parent involvement, providing former or current scholarship recipients as mentor or peer counselors, skills assessment, providing access to rigorous core courses that reflect challenging academic standards, personal counseling, family counseling and home visits, staff development, and programs and activities described in this subparagraph that are specially designed for students of limited English proficiency.

"(D) Summer programs for individuals who are in their sophomore or junior years of secondary school or are planning to attend an institution of higher education in the succeeding academic year that—

"(i) are carried out at an institution of higher education that has programs of academic year supportive services for disadvantaged students through projects authorized under section 402D or through comparable projects funded by the State or other sources;

"(ii) provide for the participation of the individuals who are eligible for assistance under section 402D or who are eligible for comparable programs funded by the State;

"(iii)(I) provide summer instruction in remedial, developmental or supportive courses;

"(II) provide such summer services as counseling, tutoring, or orientation; and

"(III) provide financial assistance to the individuals to cover the individuals' summer costs for books, supplies, living costs, and personal expenses; and

"(iv) provide the individuals with financial assistance during each academic year the individuals are enrolled at the participating institution after the summer program.

"(E) Requiring eligible students to meet other standards or requirements as the State determines necessary to meet the purposes of this section.

"(c) PRIORITY STUDENTS.—For eligible entities not using a cohort approach, the eligible entity shall treat as priority students any student in preschool through grade 12 who is eligible—

"(1) to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965;

"(2) for free or reduced price meals under the National School Lunch Act; or

"(3) for assistance pursuant to part A of title IV of the Social Security Act.

"(d) ALLOWABLE PROVIDERS.—In the case of eligible entities described in section 404A(c)(1), the activities required by this section may be provided by service providers such as community-based organizations, schools, institutions of higher education, public and private agencies, nonprofit and philanthropic organizations, businesses, institutions and agencies sponsoring programs authorized under subpart 4, and other organizations the State deems appropriate.

"SEC. 404E. SCHOLARSHIP COMPONENT.

"(a) IN GENERAL.—

"(1) STATES.—In order to receive a grant under this chapter, an eligible entity described in section 404A(c)(1) shall establish or maintain a financial assistance program that awards scholarships to students in accordance with the requirements of this section. The Secretary shall encourage the eligible entity to ensure that a scholarship provided pursuant to this section is available to an eligible student for use at any institution of higher education.

"(2) PARTNERSHIPS.—An eligible entity described in section 404A(c)(2) may award scholarships to eligible students in accordance with the requirements of this section.

"(b) GRANT AMOUNTS.—The maximum amount of a scholarship that an eligible student shall be eligible to receive under this section shall be established by the eligible entity. The minimum amount of the scholarship for each fiscal year shall not be less than the lesser of—

"(1) 75 percent of the average cost of attendance for an in-State student, in a 4-year program of instruction, at public institutions of higher education in such State, as determined in accordance with regulations prescribed by the Secretary; or

"(2) the maximum Federal Pell Grant funded under section 401 for such fiscal year.

"(c) RELATION TO OTHER ASSISTANCE.—Scholarships provided under this section shall not be considered for the purpose of awarding Federal grant assistance under this title, except that in no case shall the total amount of student financial assistance awarded to a student under this title exceed such student's total cost of attendance.

"(d) ELIGIBLE STUDENTS.—A student eligible for assistance under this section is a student who—

"(1) is less than 22 years old at time of first scholarship award under this section;

"(2) receives a secondary school diploma or its recognized equivalent on or after January 1, 1993;

"(3) is enrolled or accepted for enrollment in a program of undergraduate instruction at an institution of higher education that is located within the State's boundaries, except that, at the State's option, an eligible entity may offer scholarship program portability for recipients who attend institutions of higher education outside such State; and

"(4) who participated in the early intervention component required under section 404D.

"(e) PRIORITY.—The Secretary shall ensure that each eligible entity places a priority on awarding scholarships to students who will receive a Federal Pell Grant for the academic year for which the scholarship is awarded under this section.

"(f) SPECIAL RULE.—An eligible entity may consider students who have successfully participated in programs funded under chapter 1 to have met the requirements of subsection (d)(4).

"SEC. 404F. 21ST CENTURY SCHOLAR CERTIFICATES.

"(a) AUTHORITY.—The Secretary, using funds appropriated under section 404H that do not exceed $200,000 for a fiscal year—

"(1) shall ensure that certificates, to be known as 21st Century Scholar Certificates, are provided to all students participating in programs under this chapter; and

"(2) may, as practicable, ensure that such certificates are provided to all students in grades 6 through 12 who attend schools at which at least 50 percent of the students enrolled are eligible for a free or reduced price lunch under the National School Lunch Act.

"(b) INFORMATION REQUIRED.—A 21st Century Scholar Certificate shall be personalized for each student and indicate the amount of Federal financial aid for college which a student may be eligible to receive.

"SEC. 404G. EVALUATION AND REPORT.

"(a) EVALUATION.—Each eligible entity receiving a grant under this chapter shall biennially evaluate the activities assisted under this chapter in accordance with the standards described in subsection (b) and shall submit to the Secretary a copy of such evaluation. The evaluation shall permit service providers to track eligible student progress during the period such students are participating in the activities and shall be consistent with the standards developed by the Secretary pursuant to subsection (b).

"(b) EVALUATION STANDARDS.—The Secretary shall prescribe standards for the evaluation described in subsection (a). Such standards shall—

"(1) provide for input from eligible entities and service providers; and

"(2) ensure that data protocols and procedures are consistent and uniform.

"(c) FEDERAL EVALUATION.—In order to evaluate and improve the impact of the activities assisted under this chapter, the Secretary shall, from not more than 0.75 percent of the funds appropriated under section 404H for a fiscal year, award 1 or more grants, contracts, or cooperative agreements to or with public and private institutions and organizations, to enable the institutions and organizations to evaluate the effectiveness of the program and, as appropriate, disseminate the results of the evaluation.

"(d) REPORT.—The Secretary shall biennially report to Congress regarding the activities assisted under this chapter and the evaluations conducted pursuant to this section.

"SEC. 404H. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $200,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 404. ACADEMIC ACHIEVEMENT INCENTIVE SCHOLARSHIPS.

Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a–31 et seq.) is amended to read as follows:

"CHAPTER 3—ACADEMIC ACHIEVEMENT INCENTIVE SCHOLARSHIPS

"SEC. 406A. SCHOLARSHIPS AUTHORIZED.

"The Secretary is authorized to award scholarships to students who graduate from secondary school after May 1, 2000, to enable the students to pay the cost of attendance at an institution of higher education during the students first 2 academic years of undergraduate education, if the students—

"(1) are eligible to receive Federal Pell Grants for the year in which the scholarships are awarded; and

"(2) demonstrate academic achievement by graduating in the top 10 percent of their secondary school graduating class.

"SEC. 406B. SCHOLARSHIP PROGRAM REQUIREMENTS.

"(a) AMOUNT OF AWARD.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a scholarship awarded under this chapter for any academic year shall be equal to 100 percent of the amount of the Federal Pell Grant for which the recipient is eligible for the academic year.

"(2) ADJUSTMENT FOR INSUFFICIENT APPROPRIATIONS.—If, after the Secretary determines the total number of eligible applicants for an academic year in accordance with section 406C, funds available to carry out this chapter for the academic year are insufficient to fully fund all awards under this chapter for the academic year, the amount of the scholarship paid to each student under this chapter shall be reduced proportionately.

"(b) ASSISTANCE NOT TO EXCEED COST OF ATTENDANCE.—A scholarship awarded under this chapter to any student, in combination with the Federal Pell Grant assistance and other student financial assistance available to such student, may not exceed the student's cost of attendance.

"SEC. 406C. ELIGIBILITY OF SCHOLARS.

"(a) PROCEDURES ESTABLISHED BY REGULATION.—The Secretary shall establish by regulation procedures for the determination of eligibility of students for the scholarships awarded under this chapter. Such procedures shall include measures to prevent any secondary school from certifying more than 10 percent of the school's students for eligibility under this section.

"(b) COORDINATION.—In prescribing procedures under subsection (a), the Secretary shall ensure that the determination of eligibility and the amount of the scholarship is determined in a timely and accurate manner consistent with the requirements of section 482 and the submission of the financial aid form required by section 483. For such purposes, the Secretary may provide that, for the first academic year of a student's 2 academic years of eligibility under this chapter, class rank may be determined prior to graduation from secondary school, at such time and in such manner as the Secretary may specify in regulations prescribed under this chapter.

"SEC. 406D. STUDENT REQUIREMENTS.

"(a) IN GENERAL.—Each eligible student desiring a scholarship under this chapter shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTINUING ELIGIBILITY.—In order for a student to continue to be eligible to receive a scholarship under this chapter for the second year of undergraduate education, the eligible student shall maintain eligibility to receive a Federal Pell Grant for that year, including fulfilling the requirements for satisfactory progress described in section 484(c).

"SEC. 407E. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this chapter $200,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 405. REPEALS.

Chapters 4 through 8 of subpart 2 of part A of title IV (20 U.S.C. 1070a–41 et seq. and 1070a–81 et seq.) are repealed.

SEC. 406. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking "1993" and inserting "1999".

(b) USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS.—Subsection (d) of section 413C (20 U.S.C. 1070b–2) is amended to read as follows:

"(d) USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS.—If the institution's allocation under this subpart is directly or indirectly based in part on the financial need demonstrated by

students who are independent students or attending the institution on less than a full-time basis, then a reasonable proportion of the allocation shall be made available to such students.".

(c) ALLOCATION OF FUNDS.—

(1) UPDATING THE BASE PERIOD.—Section 413D(a) (20 U.S.C. 1070b–3(a)) is amended—

(A) in paragraph (1), by striking "received and used under this part for fiscal year 1985" and inserting "received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year)";

(B) in paragraph (2)—

(i) in subparagraphs (A) and (B), by striking "1985" each place the term appears and inserting "1999"; and

(ii) in subparagraph (C)(i), by striking "1986" and inserting "2000".

(2) ELIMINATION OF PRO RATA SHARE.—Section 413D is further amended—

(A) by striking subsection (b);

(B) in subsection (c)(1), by striking "three-quarters of the remainder" and inserting "the remainder";

(C) in subsection (c)(2)(A)(i), by striking "subsection (d)" and inserting "subsection (c)"; and

(D) by redesignating subsections (c), (d), (e), and (f) as subsections (b), (c), (d), and (e), respectively.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to allocations of amounts appropriated pursuant to section 413A(b) of the Higher Education Act of 1965 for fiscal year 2000 or any succeeding fiscal year.

(d) CARRYOVER AND CARRYBACK AUTHORITY.—Subpart 3 of part A of title IV (20 U.S.C. 1070b et seq.) is amended by adding at the end the following:

"SEC. 413E. CARRYOVER AND CARRYBACK AUTHORITY.

"(a) CARRYOVER AUTHORITY.—Of the sums made available to an eligible institution under this subpart for a fiscal year, not more than 10 percent may, at the discretion of the institution, remain available for expenditure during the succeeding fiscal year to carry out the program under this subpart.

"(b) CARRYBACK AUTHORITY.—

"(1) IN GENERAL.—Of the sums made available to an eligible institution under this subpart for a fiscal year, not more than 10 percent may, at the discretion of the institution, be used by the institution for expenditure for the fiscal year preceding the fiscal year for which the sums were appropriated.

"(2) USE OF CARRIED-BACK FUNDS.—An eligible institution may make grants to students after the end of the academic year, but prior to the beginning of the succeeding fiscal year, from such succeeding fiscal year's appropriations.".

SEC. 407. LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

(a) AMENDMENT TO SUBPART HEADING.—

(1) IN GENERAL.—The heading for subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is amended to read as follows:

"SUBPART 4—LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM".

(2) CONFORMING AMENDMENTS.—Subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is amended—

(A) in section 415B(b) (20 U.S.C. 1070c–1(b)), by striking "State student grant incentive" and inserting "leveraging educational assistance partnership"; and

(B) in the heading for section 415C (20 U.S.C. 1070c–2), by striking "**State Student Incentive Grant**" and inserting "**Leveraging Educational Assistance Partnership**".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 415A(b) (20 U.S.C. 1070c(b)) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) RESERVATION.—For any fiscal year for which the amount appropriated under paragraph (1) exceeds $30,000,000, the excess shall be available to carry out section 415E.".

(c) SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.—Subpart 4 of part A of title IV (20 U.S.C. 1070c et seq.) is amended—

(1) by redesignating section 415E as 415F; and

(2) by inserting after section 415D the following:

"SEC. 415E. SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

"(a) IN GENERAL.—From amounts reserved under section 415A(b)(2) for each fiscal year, the Secretary shall—

"(1) make allotments among States in the same manner as the Secretary makes allotments among States under section 415B; and

"(2) award grants to States, from allotments under paragraph (1), to enable the States to pay the Federal share of the cost of the authorized activities described in subsection (c).

"(b) APPLICABILITY RULE.—The provisions of this subpart which are not inconsistent with this section shall apply to the program authorized by this section.

"(c) AUTHORIZED ACTIVITIES.—Each State receiving a grant under this section may use the grant funds for—

"(1) increasing the dollar amount of grants awarded under section 415B to eligible students who demonstrate financial need;

"(2) carrying out transition programs from secondary school to postsecondary education for eligible students who demonstrate financial need;

"(3) carrying out a financial aid program for eligible students who demonstrate financial need and wish to enter careers in information technology, or other fields of study determined by the State to be critical to the State's workforce needs;

"(4) making funds available for community service work-study activities for eligible students who demonstrate financial need;

"(5) creating a postsecondary scholarship program for eligible students who demonstrate financial need and wish to enter teaching;

"(6) creating a scholarship program for eligible students who demonstrate financial need and wish to enter a program of study leading to a degree in mathematics, computer science, or engineering;

"(7) carrying out early intervention programs, mentoring programs, and career education programs for eligible students who demonstrate financial need; and

"(8) awarding merit or academic scholarships to eligible students who demonstrate financial need.

"(d) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving a grant under this section for a fiscal year shall provide the Secretary an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (c) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditures by the State for the activities for the second preceding fiscal year.

"(e) FEDERAL SHARE.—The Federal share of the cost of the authorized activities described in subsection (c) for any fiscal year shall be not more than 33⅓ percent.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) PURPOSE.—Subsection (a) of section 415A (20 U.S.C. 1070c(a)) is amended to read as follows:

"(a) PURPOSE OF SUBPART.—It is the purpose of this subpart to make incentive grants available to States to assist States in—

"(1) providing grants to—

"(A) eligible students attending institutions of higher education or participating in programs of study abroad that are approved for credit by institutions of higher education at which such students are enrolled; and

"(B) eligible students for campus-based community service work-study; and

"(2) carrying out the activities described in section 415F.".

(2) ALLOTMENT.—Section 415B(a)(1) (20 U.S.C. 1070c–1(a)(1)) is amended by inserting "and not reserved under section 415A(b)(2)" after "415A(b)(1)".

SEC. 408. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.

(a) COORDINATION.—Section 418A(d) (20 U.S.C. 1070d–2(d)) is amended by inserting after "contains assurances" the following: "that the grant recipient will coordinate the project, to the extent feasible, with other local, State, and Federal programs to maximize the resources available for migrant students, and".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 418A(g) is amended by striking "1993" each place the term appears and inserting "1999".

(c) DATA COLLECTION.—Section 418A is amended—

(1) by redesignating subsection (g) (as amended by subsection (b)) as subsection (h); and

(2) by inserting after subsection (f) the following:

"(g) DATA COLLECTION.—The National Center for Education Statistics shall collect postsecondary education data on migrant students.".

(d) TECHNICAL AMENDMENT.—Section 418A(e) is amended by striking "authorized by subpart 4 of this part in accordance with section 417A(b)(2)" and inserting "in accordance with section 402A(c)(1)".

SEC. 409. ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM.

(a) FAS ELIGIBILITY.—Section 419D (20 U.S.C. 1070d–34) is amended by adding at the end thereof the following:

"(e) FAS ELIGIBILITY.—

"(1) FISCAL YEARS 2000 THROUGH 2004.—Notwithstanding any other provision of this subpart, in the case of students from the Freely Associated States who may be selected to receive a scholarship under this subpart for the first time for any of the fiscal years 2000 through 2004—

"(A) there shall be 10 scholarships in the aggregate awarded to such students for each of the fiscal years 2000 through 2004; and

"(B) the Pacific Regional Educational Laboratory shall administer the program under this subpart in the case of scholarships for students in the Freely Associated States.

"(2) TERMINATION OF ELIGIBILITY.—A student from the Freely Associated States shall not be eligible to a receive scholarship under this subpart after September 30, 2004.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 419K (20 U.S.C. 1070d–41) is amended by striking "$10,000,000 for fiscal year 1993" and inserting "$45,000,000 for fiscal year 1999".

SEC. 410. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

Part A of title IV (20 U.S.C. 1070 et seq.) is amended by inserting after subpart 6 (20 U.S.C. 1070d–31 et seq.) the following:

"Subpart 7—Child Care Access Means Parents in School

"SEC. 419N. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

"(a) PURPOSE.—The purpose of this section is to support the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

"(b) PROGRAM AUTHORIZED.—

"(1) AUTHORITY.—The Secretary may award grants to institutions of higher education to assist the institutions in providing campus-based child care services to low-income students.

"(2) AMOUNT OF GRANTS.—

"(A) IN GENERAL.—The amount of a grant awarded to an institution of higher education under this section for a fiscal year shall not exceed 1 percent of the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year.

"(B) MINIMUM.—A grant under this section shall be awarded in an amount that is not less than $10,000.

"(3) DURATION; RENEWAL; AND PAYMENTS.—

"(A) DURATION.—The Secretary shall award a grant under this section for a period of 4 years.

"(B) PAYMENTS.—Subject to subsection (e)(2), the Secretary shall make annual grant payments under this section.

"(4) ELIGIBLE INSTITUTIONS.—An institution of higher education shall be eligible to receive a grant under this section for a fiscal year if the total amount of all Federal Pell Grant funds awarded to students enrolled at the institution of higher education for the preceding fiscal year equals or exceeds $350,000.

"(5) USE OF FUNDS.—Grant funds under this section shall be used by an institution of higher education to support or establish a campus-based child care program primarily serving the needs of low-income students enrolled at the institution of higher education. Grant funds under this section may be used to provide before and after school services to the extent necessary to enable low-income students enrolled at the institution of higher education to pursue postsecondary education.

"(6) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an institution of higher education that receives grant funds under this section from serving the child care needs of the community served by the institution.

"(7) DEFINITION OF LOW-INCOME STUDENT.—For the purpose of this section, the term "low-income student" means a student who is eligible to receive a Federal Pell Grant for the fiscal year for which the determination is made.

"(c) APPLICATIONS.—An institution of higher education desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall—

"(1) demonstrate that the institution is an eligible institution described in subsection (b)(4);

"(2) specify the amount of funds requested;

"(3) demonstrate the need of low-income students at the institution for campus-based child care services by including in the application—

"(A) information regarding student demographics;

"(B) an assessment of child care capacity on or near campus;

"(C) information regarding the existence of waiting lists for existing child care;

"(D) information regarding additional needs created by concentrations of poverty or by geographic isolation; and

"(E) other relevant data;

"(4) contain a description of the activities to be assisted, including whether the grant funds will support an existing child care program or a new child care program;

"(5) identify the resources, including technical expertise and financial support, the institution will draw upon to support the child care program and the participation of low-income students in the program, such as accessing social services funding, using student activity fees to help pay the costs of child care, using resources obtained by meeting the needs of parents who are not low-income students, and accessing foundation, corporate or other institutional support, and demonstrate that the use of the resources will not result in increases in student tuition;

"(6) contain an assurance that the institution will meet the child care needs of low-income students through the provision of services, or through a contract for the provision of services;

"(7) describe the extent to which the child care program will coordinate with the institution's early childhood education curriculum, to the extent the curriculum is available, to meet the needs of the students in the early childhood education program at the institution, and the needs of the parents and children participating in the child care program assisted under this section;

"(8) in the case of an institution seeking assistance for a new child care program—

"(A) provide a timeline, covering the period from receipt of the grant through the provision of the child care services, delineating the specific steps the institution will take to achieve the goal of providing low-income students with child care services;

"(B) specify any measures the institution will take to assist low-income students with child care during the period before the institution provides child care services; and

"(C) include a plan for identifying resources needed for the child care services, including space in which to provide child care services, and technical assistance if necessary;

"(9) contain an assurance that any child care facility assisted under this section will meet the applicable State or local government licensing, certification, approval, or registration requirements; and

"(10) contain a plan for any child care facility assisted under this section to become accredited within 3 years of the date the institution first receives assistance under this section.

"(d) PRIORITY.—The Secretary shall give priority in awarding grants under this section to institutions of higher education that submit applications describing programs that—

"(1) leverage significant local or institutional resources, including in-kind contributions, to support the activities assisted under this section; and

"(2) utilize a sliding fee scale for child care services provided under this section in order to support a high number of low-income parents pursuing postsecondary education at the institution.

"(e) REPORTING REQUIREMENTS; CONTINUING ELIGIBILITY.—

"(1) REPORTING REQUIREMENTS.—

"(A) REPORTS.—Each institution of higher education receiving a grant under this section shall report to the Secretary 18 months, and 36 months, after receiving the first grant payment under this section.

"(B) CONTENTS.—The report shall include—

"(i) data on the population served under this section;

"(ii) information on campus and community resources and funding used to help low-income students access child care services;

"(iii) information on progress made toward accreditation of any child care facility; and

"(iv) information on the impact of the grant on the quality, availability, and affordability of campus-based child care services.

"(2) CONTINUING ELIGIBILITY.—The Secretary shall make the third annual grant payment under this section to an institution of higher education only if the Secretary determines, on the basis of the 18-month report submitted under paragraph (1), that the institution is making a good faith effort to ensure that low-income students at the institution have access to affordable, quality child care services.

"(f) CONSTRUCTION.—No funds provided under this section shall be used for construction, except for minor renovation or repair to meet applicable State or local health or safety requirements.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $45,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 411. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

Subpart 8 of part A of title IV (20 U.S.C. 1070 et seq.) is amended to read as follows:

"Subpart 8—Learning Anytime Anywhere Partnerships

"SEC. 420D. FINDINGS.

"Congress makes the following findings:

"(1) The nature of postsecondary education delivery is changing, and new technology and other related innovations can provide promising education opportunities for individuals who are currently not being served, particularly for individuals without easy access to traditional campus-based postsecondary education or for whom traditional courses are a poor match with education or training needs.

"(2) Individuals, including individuals seeking basic or technical skills or their first postsecondary experience, individuals with disabilities, dislocated workers, individuals making the transition from welfare-to-work, and individuals who are limited by time and place constraints can benefit from nontraditional, noncampus-based postsecondary education opportunities and appropriate support services.

"(3) The need for high-quality, nontraditional, technology-based education opportunities is great, as is the need for skill competency credentials and other measures of educational progress and attainment that are valid and widely accepted, but neither need is likely to be adequately addressed by the uncoordinated efforts of agencies and institutions acting independently and without assistance.

"(4) Partnerships, consisting of institutions of higher education, community organizations, or other public or private agencies or organizations, can coordinate and combine institutional resources—

"(A) to provide the needed variety of education options to students; and

"(B) to develop new means of ensuring accountability and quality for innovative education methods.

"SEC. 420E. PURPOSE; PROGRAM AUTHORIZED.

"(a) PURPOSE.—It is the purpose of this subpart to enhance the delivery, quality, and accountability of postsecondary education and career-oriented lifelong learning through technology and related innovations.

"(b) PROGRAM AUTHORIZED.—

"(1) GRANTS.—

"(A) IN GENERAL.—The Secretary may, from funds appropriated under section 420J make grants to, or enter into contracts or cooperative agreements with, eligible partnerships to carry out the authorized activities described in section 420G.

"(B) DURATION.—Grants under this subpart shall be awarded for periods that do not exceed 5 years.

"(2) DEFINITION OF ELIGIBLE PARTNERSHIP.—For purposes of this subpart, the term 'eligible partnership' means a partnership consisting of 2 or more independent agencies, organizations, or *institutions. The agencies, organizations, or institutions may include institutions of higher education, community organizations, and other public and private institutions, agencies, and organizations.*

"SEC. 420F. APPLICATION.

"(a) Requirement.—An eligible partnership desiring to receive a grant under this subpart shall submit an application to the Secretary, in such form and containing such information, as the Secretary may require.

"(b) Contents.—Each application shall include—

"(1) the name of each partner and a description of the responsibilities of the partner, including the designation of a nonprofit organization as the fiscal agent for the partnership;

"(2) a description of the need for the project, including a description of how the project will build on any existing services and activities;

"(3) a listing of human, financial (other than funds provided under this subpart), and other resources that each member of the partnership will contribute to the partnership, and a description of the efforts each member of the partnership will make in seeking additional resources; and

"(4) a description of how the project will operate, including how funds awarded under this subpart will be used to meet the purpose of this subpart.

"SEC. 420G. AUTHORIZED ACTIVITIES.

"Funds awarded to an eligible partnership under this subpart shall be used to—

"(1) develop and assess model distance learning programs or innovative educational software;

"(2) develop methodologies for the identification and measurement of skill competencies;

"(3) develop and assess innovative student support services; or

"(4) support other activities that are consistent with the purpose of this subpart.

"SEC. 420H. MATCHING REQUIREMENT.

"Federal funds shall provide not more than 50 percent of the cost of a project under this subpart. The non-Federal share of project costs may be in cash or in kind, fairly evaluated, including services, supplies, or equipment.

"SEC. 420I. PEER REVIEW.

"The Secretary shall use a peer review process to review applications under this subpart and to make recommendations for funding under this subpart to the Secretary.

"SEC. 420J. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart $10,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 411. LIMITATION REPEALED.

Section 421 (20 U.S.C. 1071) is amended by striking subsection (d).

SEC. 412. ADVANCES TO RESERVE FUNDS.

Section 422 (20 U.S.C. 1072) is amended—

(1) in subsection (a)(2), by striking "428(c)(10)(E)" and inserting "428(c)(9)(E)";

(2) in subsection (c)—

(A) in paragraph (6)(B)(i), by striking "written" and inserting "written, electronic,";

(B) in paragraph (7)(A), by striking "during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title"; and

(C) in paragraph (7)(B), by striking "428(c)(10)(F)(v)" and inserting "428(c)(9)(F)(v)";

(3) in the first and second sentences of subsection (g)(1), by striking "or the program authorized by part D of this title" each place it appears; and

(4) by adding at the end the following:

"(i) Additional Recall of Reserves.—

"(1) In general.—Notwithstanding any other provision of law and subject to paragraph (4), the Secretary shall recall, from reserve funds held in the Federal Student Loan Reserve Funds established under section 422A by guaranty agencies—

"(A) $85,000,000 in fiscal year 2002;

"(B) $82,500,000 in fiscal year 2006; and

"(C) $82,500,000 in fiscal year 2007.

"(2) Deposit.—Funds recalled by the Secretary under this subsection shall be deposited in the Treasury.

"(3) Required share.—The Secretary shall require each guaranty agency to return reserve funds under paragraph (1) on the basis of the agency's required share. For purposes of this paragraph, a guaranty agency's required share shall be determined as follows:

"(A) Equal percentage.—The Secretary shall require each guaranty agency to return an amount representing an equal percentage reduction in the amount of reserve funds held by the agency on September 30, 1996.

"(B) Calculation.—The equal percentage reduction shall be the percentage obtained by dividing—

"(i) $250,000,000, by

"(ii) the total amount of all guaranty agencies' reserve funds held on September 30, 1996, less any amounts subject to recall under subsection (h).

"(C) Special rule.—Notwithstanding subparagraphs (A) and (B), the percentage reduction under subparagraph (B) shall not result in the depletion of the reserve funds of any agency which charges the 1.0 percent insurance premium pursuant to section 428(b)(1)(H) below an amount equal to the amount of lender claim payments paid during the 90 days prior to the date of the return under this subsection. If any additional amount is required to be returned after deducting the total of the required shares under subparagraph (B) and as a result of the preceding sentence, such additional amount shall be obtained by imposing on each guaranty agency to which the preceding sentence does not apply, an equal percentage reduction in the amount of the agency's remaining reserve funds.

"(4) Offset of required shares.—If any guaranty agency returns to the Secretary any reserve funds in excess of the amount required under this subsection or subsection (h), the total amount required to be returned under paragraph (1) shall be reduced by the amount of such excess reserve funds returned.

"(5) Definition of reserve funds.—The term 'reserve funds' when used with respect to a guaranty agency—

"(A) includes any reserve funds in cash or liquid assets held by the guaranty agency, or held by, or under the control of, any other entity; and

"(B) does not include buildings, equipment, or other nonliquid assets.".

SEC. 413. GUARANTY AGENCY REFORMS.

(a) Federal Student Loan Reserve Fund.—Part B of title IV is amended by inserting after section 422 (20 U.S.C. 1072) the following new section:

"SEC. 422A. FEDERAL STUDENT LOAN RESERVE FUND.

"(a) Establishment.—Each guaranty agency shall, not later than 60 days after the date of enactment of this section, deposit all funds, securities, and other liquid assets contained in the reserve fund established pursuant to section 422 into a Federal Student Loan Reserve Fund (in this section and section 422B referred to as the 'Federal Fund'), which shall be an account of a type selected by the agency, with the approval of the Secretary.

"(b) Investment of Funds.—Funds transferred to the Federal Fund shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities selected by the guaranty agency, with the approval of the Secretary. Earnings from the Federal Fund shall be the sole property of the Federal Government.

"(c) Additional Deposits.—After the establishment of the Federal Fund, a guaranty agency shall deposit into the Federal Fund—

"(1) all amounts received from the Secretary as payment of reinsurance on loans pursuant to section 428(c)(1);

"(2) from amounts collected on behalf of the obligation of a defaulted borrower, a percentage amount equal to the complement of the reinsurance percentage in effect when payment under the guaranty agreement was made—

"(A) with respect to the defaulted loan pursuant to sections 428(c)(6)(A) and 428F(a)(1)(B); and

"(B) with respect to a loan that the Secretary has repaid or discharged under section 437;

"(3) insurance premiums collected from borrowers pursuant to sections 428(b)(1)(H) and 428H(h);

"(4) all amounts received from the Secretary as payment for supplemental preclaims activity performed prior to the date of enactment of this section;

"(5) 70 percent of amounts received after such date of enactment from the Secretary as payment for administrative cost allowances for loans upon which insurance was issued prior to such date of enactment; and

"(6) other receipts as specified in regulations of the Secretary.

"(d) Uses of Funds.—Subject to subsection (f), the Federal Fund may only be used by a guaranty agency—

"(1) to pay lender claims pursuant to sections 428(b)(1)(G), 428(j), 437, and 439(q); and

"(2) to pay into the Agency Operating Fund established pursuant to section 422B (in this section and section 422B referred to as the "Operating Fund") a default aversion fee in accordance with section 428(l).

"(e) Ownership of Federal Fund.—The Federal Fund, and any nonliquid asset (such as a building or equipment) developed or purchased by the guaranty agency in whole or in part with Federal reserve funds, regardless of who holds or controls the Federal reserve funds or such asset, shall be considered to be the property of the United States, prorated based on the percentage of such asset developed or purchased with Federal reserve funds, which property shall be used in the operation of the program authorized by this part, as provided in subsection (d). The Secretary may restrict or regulate the use of such asset only to the extent necessary to reasonably protect the Secretary's prorated share of the value of such asset. The Secretary may direct a guaranty agency, or such agency's officers or directors, to cease any activity involving expenditures, use, or transfer of the Federal Fund administered by the guaranty agency that the Secretary determines is a misapplication, misuse, or improper expenditure of the Federal Fund or the Secretary's share of such asset.

"(f) Transition.—

"(1) In general.—In order to establish the Operating Fund, each guaranty agency may transfer not more than 180 days' cash expenses for normal operating expenses (not including claim payments) as a working capital reserve as defined in Office of Management and Budget Circular A–87 (Cost Accounting Standards) from the Federal Fund for deposit into the Operating Fund for use in the performance of the guaranty agency's duties under this part. Such transfers may occur during the first 3 years following the establishment of the Operating

Fund. However, no agency may transfer in excess of 45 percent of the balance, as of September 30, 1998, of the agency's Federal Fund to the agency's Operating Fund during such 3-year period. In determining the amount that may be transferred, the agency shall ensure that sufficient funds remain in the Federal Fund to pay lender claims within the required time periods and to meet the reserve recall requirements of this section and subsections (h) and (i) of section 422.

"(2) SPECIAL RULE.—A limited number of guaranty agencies may transfer interest earned on the Federal Fund to the Operating Fund during the first 3 years after the date of enactment of this section if the guaranty agency demonstrates to the Secretary that—

"(A) the cash flow in the Operating Fund will be negative without the transfer of such interest; and

"(B) the transfer of such interest will substantially improve the financial circumstances of the guaranty agency.

"(3) REPAYMENT PROVISIONS.—Each guaranty agency shall begin repayment of sums transferred pursuant to this subsection not later than the start of the fourth year after the establishment of the Operating Fund, and shall repay all amounts transferred not later than 5 years from the date of the establishment of the Operating Fund. With respect to amounts transferred from the Federal Fund, the guaranty agency shall not be required to repay any interest on the funds transferred and subsequently repaid. The guaranty agency shall provide to the Secretary a reasonable schedule for repayment of the sums transferred and an annual financial analysis demonstrating the agency's ability to comply with the schedule and repay all outstanding sums transferred.

"(4) PROHIBITION.—If a guaranty agency transfers funds from the Federal Fund in accordance with this section, and fails to make scheduled repayments to the Federal Fund, the agency may not receive any other funds under this part until the Secretary determines that the agency has made such repayments. The Secretary shall pay to the guaranty agency any funds withheld in accordance with this paragraph immediately upon making the determination that the guaranty agency has made all such repayments.

"(5) WAIVER.—The Secretary may—

"(A) waive the requirements of paragraph (3), but only with respect to repayment of interest that was transferred in accordance with paragraph (2); and

"(B) waive paragraph (4);

for a guaranty agency, if the Secretary determines that there are extenuating circumstances (such as State constitutional prohibitions) beyond the control of the agency that justify such a waiver.

"(6) EXTENSION OF REPAYMENT PERIOD FOR INTEREST.—

"(A) EXTENSION PERMITTED.—The Secretary shall extend the period for repayment of interest that was transferred in accordance with paragraph (2) from 2 years to 5 years if the Secretary determines that—

"(i) the cash flow of the Operating Fund will be negative as a result of repayment as required by paragraph (3);

"(ii) the repayment of the interest transferred will substantially diminish the financial circumstances of the guaranty agency; and

"(iii) the guaranty agency has demonstrated—

"(I) that the agency is able to repay all transferred funds by the end of the 8th year following the date of establishment of the Operating Fund, and

"(II) that the agency will be financially sound on the completion of repayment.

"(B) REPAYMENT OF INCOME ON TRANSFERRED FUNDS.—All repayments made to the Federal Fund during the 6th, 7th, and 8th years following the establishment of the Operating Fund of interest that was transferred shall include the sums transferred plus any income earned from the investment of the sums transferred after the 5th year.

"(7) INVESTMENT OF FEDERAL FUNDS.—Funds transferred from the Federal Fund to the Operating Fund for operating expenses shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities selected by the guaranty agency, with the approval of the Secretary.

"(8) SPECIAL RULE.—In calculating the minimum reserve level required by section 428(c)(9)(A), the Secretary shall include all amounts owed to the Federal Fund by the guaranty agency in the calculation.".

(b) AGENCY OPERATING FUND ESTABLISHED.—Part B of title IV is further amended by inserting after section 422A (as added by subsection (a)) the following new section:

"SEC. 422B. AGENCY OPERATING FUND.

"(a) ESTABLISHMENT.—Each guaranty agency shall, not later than 60 days after the date of enactment of this section, establish a fund designated as the Operating Fund.

"(b) INVESTMENT OF FUNDS.—Funds deposited into the Operating Fund shall be invested at the discretion of the guaranty agency in accordance with prudent investor standards.

"(c) ADDITIONAL DEPOSITS.—After the establishment of the Operating Fund, the guaranty agency shall deposit into the Operating Fund—

"(1) the loan processing and issuance fee paid by the Secretary pursuant to section 428(f);

"(2) 30 percent of amounts received after the date of enactment of this section from the Secretary as payment for administrative cost allowances for loans upon which insurance was issued prior to such date of enactment;

"(3) the account maintenance fee paid by the Secretary in accordance with section 458;

"(4) the default aversion fee paid in accordance with section 428(l);

"(5) amounts remaining pursuant to section 428(c)(6)(B) from collection on defaulted loans held by the agency, after payment of the Secretary's equitable share, excluding amounts deposited in the Federal Fund pursuant to section 422A(c)(2); and

"(6) other receipts as specified in regulations of the Secretary.

"(d) USES OF FUNDS.—

"(1) IN GENERAL.—Funds in the Operating Fund shall be used for application processing, loan disbursement, enrollment and repayment status management, default aversion activities (including those described in section 422(h)(8)), default collection activities, school and lender training, financial aid awareness and related outreach activities, compliance monitoring, and other student financial aid related activities, as selected by the guaranty agency.

"(2) SPECIAL RULE.—The guaranty agency may, in the agency's discretion, transfer funds from the Operating Fund to the Federal Fund for use pursuant to section 422A. Such transfer shall be irrevocable, and any funds so transferred shall become the sole property of the United States.

"(3) DEFINITIONS.—For purposes of this subsection:

"(A) DEFAULT COLLECTION ACTIVITIES.—The term 'default collection activities' means activities of a guaranty agency that are directly related to the collection of the loan on which a default claim has been paid to the participating lender, including the due diligence activities required pursuant to regulations of the Secretary.

"(B) DEFAULT AVERSION ACTIVITIES.—The term 'default aversion activities' means activities of a guaranty agency that are directly related to providing collection assistance to the lender on a delinquent loan, prior to the loan's being legally in a default status, including due diligence activities required pursuant to regulations of the Secretary.

"(C) ENROLLMENT AND REPAYMENT STATUS MANAGEMENT.—The term 'enrollment and repayment status management' means activities of a guaranty agency that are directly related to ascertaining the student's enrollment status, including prompt notification to the lender of such status, an audit of the note or written agreement to determine if the provisions of that note or agreement are consistent with the records of the guaranty agency as to the principal amount of the loan guaranteed, and an examination of the note or agreement to assure that the repayment provisions are consistent with the provisions of this part.

"(e) OWNERSHIP AND REGULATION OF OPERATING FUND.—

"(1) OWNERSHIP.—The Operating Fund, with the exception of funds transferred from the Federal Fund in accordance with section 422A(f), shall be considered to be the property of the guaranty agency.

"(2) REGULATION.—Except as provided in paragraph (3), the Secretary may not regulate the uses or expenditure of moneys in the Operating Fund, but the Secretary may require such necessary reports and audits as provided in section 428(b)(2).

"(3) EXCEPTION.—Notwithstanding paragraphs (1) and (2), during any period in which funds are owed to the Federal Fund as a result of transfer under section 422A(f)—

"(A) moneys in the Operating Fund may only be used for expenses related to the student loan programs authorized under this part; and

"(B) the Secretary may regulate the uses or expenditure of moneys in the Operating Fund.".

SEC. 414. SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM.

Section 424(a) (20 U.S.C. 1074(a)) is amended—

(1) by striking "October 1, 2002" and inserting "October 1, 2004"; and

(2) by striking "September 30, 2006" and inserting "September 30, 2008".

SEC. 415. LIMITATIONS ON INDIVIDUAL FEDERALLY INSURED LOANS AND FEDERAL LOAN INSURANCE.

Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)—

(A) by inserting "and" after the semicolon at the end of subclause (I); and

(B) by striking subclauses (II) and (III) and inserting the following:

"(II) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;"; and

(2) by inserting "and" after the semicolon at the end of clause (iii).

SEC. 416. APPLICABLE INTEREST RATES.

(a) APPLICABLE INTEREST RATES.—

(1) AMENDMENT.—Section 427A (20 U.S.C. 1077a) is amended—

(A) by redesignating subsections (k) and (l) as subsections (l) and (m), respectively; and

(B) by inserting after subsection (j) the following:

"(k) INTEREST RATES FOR NEW LOANS ON OR AFTER OCTOBER 1, 1998, AND BEFORE JULY 1, 2003.—

"(1) IN GENERAL.—Notwithstanding subsection (h) and subject to paragraph (2) of this subsection, with respect to any loan made, insured, *or guaranteed under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—*

"(A) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(B) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

"(2) IN SCHOOL AND GRACE PERIOD RULES.—Notwithstanding subsection (h), with respect to any loan under this part (other than a loan made pursuant to section 428B or 428C) for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest for interest which accrues—

"(A) prior to the beginning of the repayment period of the loan; or

"(B) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 427(a)(2)(C) or 428(b)(1)(M),

shall be determined under paragraph (1) by substituting '1.7 percent' for '2.3 percent'.

"(3) PLUS LOANS.—Notwithstanding subsection (h), with respect to any loan under section 428B for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest shall be determined under paragraph (1)—

"(A) by substituting '3.1 percent' for '2.3 percent'; and

"(B) by substituting '9.0 percent' for '8.25 percent'.

"(4) CONSOLIDATION LOANS.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest shall be at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(A) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of 1 percent; or

"(B) 8.25 percent.

"(5) CONSULTATION.—The Secretary shall determine the applicable rate of interest under this subsection after consultation with the Secretary of the Treasury and shall publish such rate in the Federal Register as soon as practicable after the date of determination.".

(2) CONFORMING AMENDMENT.—Section 428B(d)(4) (20 U.S.C. 1078–2(d)(4)) is amended by striking "section 427A(c)" and inserting "section 427A".

(b) SPECIAL ALLOWANCES.

(1) AMENDMENT.—Section 438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended by adding at the end the following:

"(H) LOANS DISBURSED ON OR AFTER OCTOBER 1, 1998, AND BEFORE JULY 1, 2003.—

"(i) IN GENERAL.—Subject to paragraph (4) and clauses (ii), (iii), and (iv) of this subparagraph, and except as provided in subparagraph (B), the special allowance paid pursuant to this subsection on loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, shall be computed—

"(I) by determining the average of the bond equivalent rates of 91-day Treasury bills auctioned for such 3-month period;

"(II) by subtracting the applicable interest rates on such loans from such average bond equivalent rate;

"(III) by adding 2.8 percent to the resultant percent; and

"(IV) by dividing the resultant percent by 4.

"(ii) IN SCHOOL AND GRACE PERIOD.—In the case of any loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, and for which the applicable rate of interest is described in section 427A(k)(2), clause (i)(III) of this subparagraph shall be applied by substituting '2.2 percent' for '2.8 percent'.

"(iii) PLUS LOANS.—In the case of any loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, and for which the applicable rate of interest is described in section 427A(k)(3), clause (i)(III) of this subparagraph shall be applied by substituting '3.1 percent' for '2.8 percent', subject to clause (v) of this subparagraph.

"(iv) CONSOLIDATION LOANS.—In the case of any consolidation loan for which the application is received by an eligible lender on or after October 1, 1998, and before July 1, 2003, and for which the applicable interest rate is determined under section 427A(k)(4), clause (i)(III) of this subparagraph shall be applied by substituting '3.1 percent' for '2.8 percent', subject to clause (vi) of this subparagraph.

"(v) LIMITATION ON SPECIAL ALLOWANCES FOR PLUS LOANS.—In the case of PLUS loans made under section 428B and first disbursed on or after October 1, 1998, and before July 1, 2003, for which the interest rate is determined under section 427A(k)(3), a special allowance shall not be paid for such loan during any 12-month period beginning on July 1 and ending on June 30 unless, on the June 1 preceding such July 1—

"(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1 (as determined by the Secretary for purposes of such section); plus

"(II) 3.1 percent,

exceeds 9.0 percent.

"(vi) LIMITATION ON SPECIAL ALLOWANCES FOR CONSOLIDATION LOANS.—In the case of consolidation loans made under section 428C and for which the application is received on or after October 1, 1998, and before July 1, 2003, for which the interest rate is determined under section 427A(k)(4), a special allowance shall not be paid for such loan during any 3-month period ending March 31, June 30, September 30, or December 31 unless—

"(I) the average of the bond equivalent rate of 91-day Treasury bills auctioned for such 3-month period; plus

"(II) 3.1 percent,

exceeds the rate determined under section 427A(k)(4).".

(2) CONSOLIDATION LOANS.—Section 428C(c)(1) (20 U.S.C. 1078–3(c)(1)) is amended by striking everything preceding subparagraph (B) and inserting the following:

"(1) INTEREST RATE.—(A) Notwithstanding subparagraphs (B) and (C), with respect to any loan made under this section for which the application is received by an eligible lender on or after October 1, 1998, and before July 1, 2003, the applicable interest rate shall be determined under section 427A(k)(4).".

(3) CONFORMING AMENDMENT.—Section 438(b)(2) (20 U.S.C. 1087–1(b)(2)(C)(ii)) is amended—

(A) in subparagraph (A), by striking "(F), and (G)" and inserting "(F), (G), and (H)";

(B) in subparagraph (B)(iv), by striking "(F), or (G)" and inserting "(F), (G), or (H)"; and

(C) in subparagraph (C)(ii), by striking "subparagraph (G)" and inserting "subparagraphs (G) and (H)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, except that such amendments shall apply with respect to any loan made under section 428C of such Act for which the application is received by an eligible lender on or after October 1, 1998, and before July 1, 2003.

SEC. 417. FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS.

(a) FEDERAL INTEREST SUBSIDIES.—

(1) REQUIREMENTS TO RECEIVE SUBSIDY.—Section 428(a)(2) (20 U.S.C. 1078(a)(2)) is amended—

(A) in subparagraph (A)(i), by striking subclauses (I), (II), and (III) and inserting the following:

"(I) sets forth the loan amount for which the student shows financial need; and

"(II) sets forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G; and"; and

(B) by amending subparagraph (B) to read as follows:

"(B) For the purpose of clause (ii) of subparagraph (A), a student shall qualify for a portion of an interest payment under paragraph (1) if the eligible institution has determined and documented the student's amount of need for a loan based on the student's estimated cost of attendance, estimated financial assistance, and, for the purpose of an interest payment pursuant to this section, expected family contribution (as determined under part F), subject to the provisions of subparagraph (D).";

(C) by amending subparagraph (C) to read as follows:

"(C) For the purpose of subparagraph (B) and this paragraph—

"(i) a student's cost of attendance shall be determined under section 472;

"(ii) a student's estimated financial assistance means, for the period for which the loan is sought—

"(I) the amount of assistance such student will receive under subpart 1 of part A (as determined in accordance with section 484(b)), subpart 3 of part A, and parts C and E;

"(II) any veterans' education benefits paid because of enrollment in a postsecondary education institution, including veterans' education benefits (as defined in section 480(c), but excluding benefits described in paragraph (2)(E) of such section); plus

"(III) other scholarship, grant, or loan assistance, but excluding any national service education award or post-service benefit under title I of the National and Community Service Act of 1990; and

"(iii) the determination of need and of the amount of a loan by an eligible institution under subparagraph (B) with respect to a student shall be calculated in accordance with part F."; and

(D) by striking subparagraph (F).

(2) DURATION OF AUTHORITY.—Section 428(a)(5) is amended—

(A) by striking "September 30, 2002" and inserting "September 30, 2004"; and

(B) by striking "September 30, 2006" and inserting "September 30, 2008".

(b) INSURANCE PROGRAM AGREEMENTS.—

(1) ANNUAL LOAN LIMITS.—Section 428(b)(1)(A) is amended—

(A) in the matter preceding clause (i), by inserting ", as defined in section 481(a)(2)," after "academic year";

(B) in clause (i)—

(i) in subclause (I), by striking "length (as determined under section 481);" and inserting "length; and"; and

(ii) by striking subclauses (II) and (III) and inserting the following:

"(II) if such student is enrolled in a program of undergraduate education which is less than 1 academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to

the amount specified in subclause (I) as the length of such program measured in semester, trimester, quarter, or clock hours bears to 1 academic year;";

(C) in clause (iv), by striking "and" after the semicolon;

(D) in clause (v), by inserting "and" after the semicolon; and

(E) by inserting before the matter following clause (v) the following:

"(vi) in the case of a student enrolled in coursework specified in sections 484(b)(3)(B) and 484(b)(4)(B)—

"(I) $2,625 for coursework necessary for enrollment in an undergraduate degree or certificate program, and, in the case of a student who has obtained a baccalaureate degree, $5,500 for coursework necessary for enrollment in a graduate or professional degree or certification program; and

"(II) in the case of a student who has obtained a baccalaureate degree, $5,500 for coursework necessary for a professional credential or certification from a State required for employment as a teacher in an elementary school or secondary school;".

(2) SELECTION OF REPAYMENT PLANS.—Clause (ii) of section 428(b)(1)(D) is amended to read as follows: "(ii) the student borrower may annually change the selection of a repayment plan under this part, and".

(3) REPAYMENT PLANS.—Subparagraph (E) of section 428(b)(1) is amended to read as follows:

"(E) subject to subparagraphs (D) and (L), and except as provided by subparagraph (M), provides that—

"(i) not more than 6 months prior to the date on which the borrower's first payment is due, the lender shall offer the borrower of a loan made, insured, or guaranteed under this section or section 428H, the option of repaying the loan in accordance with a standard, graduated, income-sensitive, or extended repayment schedule (as described in paragraph (9)) established by the lender in accordance with regulations of the Secretary; and

"(ii) repayment of loans shall be in installments in accordance with the repayment plan selected under paragraph (9) and commencing at the beginning of the repayment period determined under paragraph (7);";

(4) COINSURANCE.—Section 428(b)(1)(G) is amended by striking "not less than".

(5) PAYMENT AMOUNTS.—Section 428(b)(1)(L)(i) is amended—

(A) by inserting "except as otherwise provided by a repayment plan selected by the borrower under clause (ii) or (iii) of paragraph (9)(A)," before "during any"; and

(B) by inserting ", notwithstanding any payment plan under paragraph (9)(A)" after "due and payable";

(6) DEFERMENTS.—Section 428(b)(1)(M) is amended—

(A) in clause (i)(I), by inserting before the semicolon the following: ", except that no borrower, notwithstanding the provisions of the promissory note, shall be required to borrow an additional loan under this title in order to be eligible to receive a deferment under this clause"; and

(B) in clause (ii), by inserting before the semicolon the following: ", except that no borrower who provides evidence of eligibility for unemployment benefits shall be required to provide additional paperwork for a deferment under this clause".

(7) LIMITATION, SUSPENSION, AND TERMINATION.—Section 428(b)(1)(U) is amended—

(A) by striking "emergency action,," each place the term appears and inserting "emergency action,"; and

(B) in clause (iii)(I), by inserting "that originates or holds more than $5,000,000 in loans made under this title for any lender fiscal year (except that each lender described in section 435(d)(1)(A)(ii)(III) shall annually submit the results of an audit required by this clause)," before "at least once a year".

(8) ADDITIONAL INSURANCE PROGRAM REQUIREMENTS.—Section 428(b)(1) is further amended—

(A) by striking "and" at the end of subparagraph (W);

(B) in subparagraph (X)—

(i) by striking "428(c)(10)" and inserting "428(c)(9)"; and

(ii) by striking the period at the end and inserting "; and";

(C) by adding at the end the following new subparagraph:

"(Y) provides that—

"(i) the lender shall determine the eligibility of a borrower for a deferment described in subparagraph (M)(i) based on receipt of—

"(I) a request for deferment from the borrower and documentation of the borrower's eligibility for the deferment;

"(II) a newly completed loan application that documents the borrower's eligibility for a deferment; or

"(III) student status information received by the lender that the borrower is enrolled on at least a half-time basis; and

"(ii) the lender will notify the borrower of the granting of any deferment under clause (i)(II) or (III) of this subparagraph and of the option to continue paying on the loan.".

(9) RESTRICTIONS ON INDUCEMENTS.—Section 428(b)(3) is amended—

(A) by striking subparagraph (C) and inserting the following:

"(C) conduct unsolicited mailings of student loan application forms to students enrolled in secondary school or a postsecondary institution, or to parents of such students, except that applications may be mailed to borrowers who have previously received loans guaranteed under this part by the guaranty agency; or"; and

(B) by adding at the end the following new sentence:

"It shall not be a violation of this paragraph for a guaranty agency to provide assistance to institutions of higher education comparable to the kinds of assistance provided to institutions of higher education by the Department of Education."

(10) DELAY IN COMMENCEMENT OF REPAYMENT PERIOD.—Section 428(b)(7) is amended by adding at the end the following:

"(D) There shall be excluded from the 6-month period that begins on the date on which a student ceases to carry at least one-half the normal full-time academic workload as described in subparagraph (A)(i) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower's next available regular enrollment period.".

(11) REPAYMENT PLANS.—Section 428(b) is amended by adding at the end the following:

"(9) REPAYMENT PLANS.—

"(A) DESIGN AND SELECTION.—In accordance with regulations promulgated by the Secretary, the lender shall offer a borrower of a loan made under this part the plans described in this subparagraph for repayment of such loan, including principal and interest thereon. No plan may require a borrower to repay a loan in less than 5 years unless the borrower, during the 6 months immediately preceding the start of the repayment period, specifically requests that repayment be made over of a shorter period. The borrower may choose from—

"(i) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed 10 years;

"(ii) a graduated repayment plan paid over a fixed period of time, not to exceed 10 years;

"(iii) an income-sensitive repayment plan, with income-sensitive repayment amounts paid over a fixed period of time, not to exceed 10 years, except that the borrower's scheduled payments shall not be less than the amount of interest due; and

"(iv) for new borrowers on or after the date of enactment of the Higher Education Amendments of 1998 who accumulate (after such date) outstanding loans under this part totaling more than $30,000, an extended repayment plan, with a fixed annual or graduated repayment amount paid over an extended period of time, not to exceed 25 years, except that the borrower shall repay annually a minimum amount determined in accordance with paragraph (1)(L)(i).

"(B) LENDER SELECTION OF OPTION IF BORROWER DOES NOT SELECT.—If a borrower of a loan made under this part does not select a repayment plan described in subparagraph (A), the lender shall provide the borrower with a repayment plan described in subparagraph (A)(i).".

(c) GUARANTEE AGREEMENTS.—

(1) REINSURANCE PAYMENTS.—

(A) AMENDMENTS.—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(i) in subparagraph (A), by striking "98 percent" and inserting "95 percent";

(ii) in subparagraph (B)(i), by striking "88 percent" and inserting "85 percent"; and

(iii) in subparagraph (B)(ii), by striking "78 percent" and inserting "75 percent";

(iv) in subparagraph (E)—

(I) in clause (i), by striking "98 percent" and inserting "95 percent";

(II) in clause (ii), by striking "88 percent" and inserting "85 percent"; and

(III) in clause (iii), by striking "78 percent" and inserting "75 percent"; and

(v) in subparagraph (F)—

(I) in clause (i), by striking "98 percent" and inserting "95 percent";

(II) in clause (ii), by striking "88 percent" and inserting "85 percent"; and

(III) in clause (iii), by striking "78 percent" and inserting "75 percent".

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) of this paragraph apply to loans for which the first disbursement is made on or after October 1, 1998.

(2) NOTICE TO INSTITUTIONS OF DEFAULTS.—Section 428(c)(2) is amended—

(A) in subparagraph (A), by striking "proof that reasonable attempts were made" and inserting "proof that the institution was contacted and other reasonable attempts were made"; and

(B) in subparagraph (G), by striking "certifies to the Secretary that diligent attempts have been made" and inserting "certifies to the Secretary that diligent attempts, including contact with the institution, have been made".

(3) GUARANTY AGENCY INFORMATION TO ELIGIBLE INSTITUTIONS.—Section 428(c)(2)(H)(ii) is amended to read as follows:

"(ii) the guaranty agency shall not require the payment from the institution of any fee for such information; and".

(4) FORBEARANCE.—Section 428(c)(3) is amended—

(A) in subparagraph (A)(i), by striking "written";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting "; and"; and

(D) by inserting before the matter following subparagraph (C) the following:

"(D) shall contain provisions that specify that—

"(i) forbearance for a period not to exceed 60 days may be granted if the lender reasonably determines that such a suspension of collection activity is warranted following a borrower's request for deferment, forbearance, a change in repayment plan, or a request to consolidate loans, in order to collect or process appropriate supporting documentation related to the request, and

"(ii) during such period interest shall accrue but not be capitalized.".

(5) EQUITABLE SHARE.—Paragraph (6) of Section 428(c) is amended to read as follows:

"(6) SECRETARY'S EQUITABLE SHARE.—For the purpose of paragraph (2)(D), the Secretary's equitable share of payments made by the borrower shall be that portion of the payments remaining after the guaranty agency with which the Secretary has an agreement under this subsection has deducted from such payments—

"(A) a percentage amount equal to the complement of the reinsurance percentage in effect when payment under the guaranty agreement was made with respect to the loan; and

"(B) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that, beginning on October 1, 2003, this subparagraph shall be applied by substituting '23 percent' for '24 percent'.".

(6) ASSIGNMENT.—Section 428(c)(8) is amended—

(A) by striking "(A) If" and inserting "If"; and

(B) by striking subparagraph (B).

(7) GUARANTY AGENCY RESERVE LEVEL; AGENCY TERMINATION.—Section 428(c)(9) is amended—

(A) in subparagraph (A), by striking "maintain a current minimum reserve level of at least .5 percent" and inserting "maintain in the agency's Federal Student Loan Reserve Fund established under section 422A a current minimum reserve level of at least 0.25 percent";

(B) in subparagraph (C)—

(i) by striking "80 percent pursuant to section 428(c)(1)(B)(ii)" and inserting "85 percent pursuant to paragraph (1)(B)(i)";

(ii) by striking ", as appropriate,"; and

(iii) by striking "30 working days" and inserting "45 working days";

(C) in subparagraph (E)—

(i) by inserting "or" at the end of clause (iv);

(ii) by striking "; or" at the end of clause (v) and inserting a period; and

(iii) by striking clause (vi);

(D) in subparagraph (F)(vii), by striking "to avoid disruption" and everything that follows and inserting "and to avoid disruption of the student loan program.";

(E) in subparagraph (I), by inserting "that, if commenced after September 24, 1998, shall be on the record" after "for a hearing"; and

(F) in subparagraph (K)—

(i) by striking "and Labor" and inserting "and the Workforce"; and

(ii) by striking everything after "guaranty agency system" and inserting a period.

(d) PAYMENT FOR LENDER REFERRAL SERVICES; INCOME-SENSITIVE REPAYMENT.—Subsection (e) of section 428 is amended to read as follows:

"(e) NOTICE OF AVAILABILITY OF INCOME-SENSITIVE REPAYMENT OPTION.—At the time of offering a borrower a loan under this part, and at the time of offering the borrower the option of repaying a loan in accordance with this section, the lender shall provide the borrower with a notice that informs the borrower, in a form prescribed by the Secretary by regulation—

"(1) that all borrowers are eligible for income-sensitive repayment, including through loan consolidation under section 428C;

"(2) the procedures by which the borrower may elect income-sensitive repayment; and

"(3) where and how the borrower may obtain additional information concerning income-sensitive repayment.".

(e) PAYMENT OF CERTAIN COSTS.—Subsection (f) of section 428 is amended to read as follows:

"(f) PAYMENTS OF CERTAIN COSTS.—

"(1) PAYMENT FOR CERTAIN ACTIVITIES.—

"(A) IN GENERAL.—The Secretary—

"(i) for loans originated during fiscal years beginning on or after October 1, 1998, and before October 1, 2003, and in accordance with the provisions of this paragraph, shall, except as provided in subparagraph (C), pay to each guaranty agency, a loan processing and issuance fee equal to 0.65 percent of the total principal amount of the loans on which insurance was issued under this part during such fiscal year by such agency; and

"(ii) for loans originated during fiscal years beginning on or after October 1, 2003, and in accordance with the provisions of this paragraph, shall, except as provided in subparagraph (C), pay to each guaranty agency, a loan processing and issuance fee equal to 0.40 percent of the total principal amount of the loans on which insurance was issued under this part during such fiscal year by such agency.

"(B) PAYMENT.—The payment required by subparagraph (A) shall be paid on a quarterly basis. The guaranty agency shall be deemed to have a contractual right against the United States to receive payments according to the provisions of this paragraph. Payments shall be made promptly and without administrative delay to any guaranty agency submitting an accurate and complete application under this subparagraph.

"(C) REQUIREMENT FOR PAYMENT.—No payment may be made under this paragraph for loans for which the disbursement checks have not been cashed or for which electronic funds transfers have not been completed.".

(f) ACTION ON AGREEMENTS.—Section 428(g) is amended by striking "and Labor" and inserting "and the Workforce".

(g) LENDERS-OF-LAST-RESORT.—Paragraph (3) of section 428(j) is amended—

(1) in the paragraph heading, by striking "DURING TRANSITION TO DIRECT LENDING";

(2) in subparagraph (A)—

(A) by striking "during the transition from the Federal Family Education Loan Program under this part to the Federal Direct Student Loan Program under part D of this title," and inserting a comma;

(B) by inserting "designated for a State" after "a guaranty agency"; and

(C) by inserting "subparagraph (C) and" before "section 422(c)(7),"; and

(3) by adding at the end thereof the following:

"(C) The Secretary shall exercise the authority described in subparagraph (A) only if the Secretary determines that eligible borrowers are seeking and are unable to obtain loans under this part, and that the guaranty agency designated for that State has the capability to provide lender-of-last-resort loans in a timely manner, in accordance with the guaranty agency's obligations under paragraph (1), but cannot do so without advances provided by the Secretary under this paragraph. If the Secretary makes the determinations described in the preceding sentence and determines that it would be cost-effective to do so, the Secretary may provide advances under this paragraph to such guaranty agency. If the Secretary determines that such guaranty agency does not have such capability, or will not provide such loans in a timely fashion, the Secretary may provide such advances to enable another guaranty agency, that the Secretary determines to have such capability, to make lender-of-last-resort loans to eligible borrowers in that State who are experiencing loan access problems.".

(h) DEFAULT AVERSION ASSISTANCE.—Subsection (l) of section 428 is amended to read as follows:

"(l) DEFAULT AVERSION ASSISTANCE.—

"(1) ASSISTANCE REQUIRED.—Upon receipt of a complete request from a lender received not earlier than the 60th day of delinquency, a guaranty agency having an agreement with the Secretary under subsection (c) shall engage in default aversion activities designed to prevent the default by a borrower on a loan covered by such agreement.

"(2) REIMBURSEMENT.—

"(A) IN GENERAL.—A guaranty agency, in accordance with the provisions of this paragraph, may transfer from the Federal Student Loan Reserve Fund under section 422A to the Agency Operating Fund under section 422B a default aversion fee. Such fee shall be paid for any loan on which a claim for default has not been paid as a result of the loan being brought into current repayment status by the guaranty agency on or before the 300th day after the loan becomes 60 days delinquent.

"(B) AMOUNT.—The default aversion fee shall be equal to 1 percent of the total unpaid principal and accrued interest on the loan at the time the request is submitted by the lender. A guaranty agency may transfer such fees earned under this subsection not more frequently than monthly. Such a fee shall not be paid more than once on any loan for which the guaranty agency averts the default unless—

"(i) at least 18 months has elapsed between the date the borrower entered current repayment status and the date the lender filed a subsequent default aversion assistance request; and

"(ii) during the period between such dates, the borrower was not more than 30 days past due on any payment of principal and interest on the loan.

"(C) DEFINITION.—For the purpose of earning the default aversion fee, the term 'current repayment status' means that the borrower is not delinquent in the payment of any principal or interest on the loan.".

(i) INCOME CONTINGENT REPAYMENT.—Section 428(m) is amended by striking "shall require at least 10 percent of the borrowers" and inserting "may require borrowers".

(j) STATE SHARE OF DEFAULT COSTS.—Subsection (n) of section 428 is repealed.

(k) BLANKET CERTIFICATE OF GUARANTY.—Section 428 is amended by adding at the end the following:

"(n) BLANKET CERTIFICATE OF LOAN GUARANTY.—

"(1) IN GENERAL.—Subject to paragraph (3), any guaranty agency that has entered into or enters into any insurance program agreement with the Secretary under this part may—

"(A) offer eligible lenders participating in the agency's guaranty program a blanket certificate of loan guaranty that permits the lender to make loans without receiving prior approval from the guaranty agency of individual loans for eligible borrowers enrolled in eligible programs at eligible institutions; and

"(B) provide eligible lenders with the ability to transmit electronically data to the agency concerning loans the lender has elected to make under the agency's insurance program via standard reporting formats, with such reporting to occur at reasonable and standard intervals.

"(2) LIMITATIONS ON BLANKET CERTIFICATE OF GUARANTY.—(A) An eligible lender may not make a loan to a borrower under this section after such lender receives a notification from the guaranty agency that the borrower is not an eligible borrower.

"(B) A guaranty agency may establish limitations or restrictions on the number or volume of loans issued by a lender under the blanket certificate of guaranty.

"(3) PARTICIPATION LEVEL.—During fiscal years 1999 and 2000, the Secretary may permit, on a pilot basis, a limited number of guaranty agencies to offer blanket certificates of guaranty under this subsection. Beginning in fiscal year 2001, any guaranty agency that has an insurance program agreement with the Secretary may offer blanket certificates of guaranty under this subsection.

"(4) REPORT REQUIRED.—The Secretary shall, at the conclusion of the pilot program under paragraph (3), provide a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on the impact of the blanket certificates of guaranty on program efficiency and integrity.".

SEC. 418. VOLUNTARY FLEXIBLE AGREEMENTS WITH GUARANTY AGENCIES.

Part B of title IV (20 U.S.C. 1071 et seq.) is amended by inserting after section 428 (20 U.S.C. 1078) the following:

"SEC. 428A. VOLUNTARY FLEXIBLE AGREEMENTS WITH GUARANTY AGENCIES.

"(a) VOLUNTARY AGREEMENTS.—

"(1) AUTHORITY.—Subject to paragraph (2), the Secretary may enter into a voluntary, flexible agreement with a guaranty agency under this section, in lieu of agreements with a guaranty agency under subsections (b) and (c) of section 428. The Secretary may waive or modify any requirement under such subsections, except that the Secretary may not waive—

"(A) any statutory requirement pertaining to the terms and conditions attached to student loans or default claim payments made to lenders; or

"(B) the prohibitions on inducements contained in section 428(b)(3) unless the Secretary determines that such a waiver is consistent with the purposes of this section and is limited to activities of the guaranty agency within the State or States for which the guaranty agency serves as the designated guarantor.

"(2) SPECIAL RULE.—If the Secretary grants a waiver pursuant to paragraph (1)(B), any guaranty agency doing business within the affected State or States may request, and the Secretary shall grant, an identical waiver to such guaranty agency under the same terms and conditions (including service area limitations) as govern the original waiver.

"(3) ELIGIBILITY.—During fiscal years 1999, 2000, and 2001, the Secretary may enter into a voluntary, flexible agreement with not more than 6 guaranty agencies that had 1 or more agreements with the Secretary under subsections (b) and (c) of section 428 as of the day before the date of enactment of the Higher Education Amendments of 1998. Beginning in fiscal year 2002, any guaranty agency or consortium thereof may enter into a voluntary flexible agreement with the Secretary.

"(4) REPORT REQUIRED.—Not later than September 30, 2001, the Secretary shall report to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives regarding the impact that the voluntary flexible agreements have had upon program integrity, program and cost efficiencies, and the availability and delivery of student financial aid. Such report shall include—

"(A) a description of each voluntary flexible agreement and the performance goals established by the Secretary for each agreement;

"(B) a list of participating guaranty agencies and the specific statutory or regulatory waivers provided to each guaranty agency and any waivers provided to other guaranty agencies under paragraph (2);

"(C) a description of the standards by which each agency's performance under the agency's voluntary flexible agreement was assessed and the degree to which each agency achieved the performance standards; and

"(D) an analysis of the fees paid by the Secretary, and the costs and efficiencies achieved under each voluntary agreement.

"(b) TERMS OF AGREEMENT.—An agreement between the Secretary and a guaranty agency under this section—

"(1) shall be developed by the Secretary, in consultation with the guaranty agency, on a case-by case basis;

"(2) may only include provisions—

"(A) specifying the responsibilities of the guaranty agency under the agreement, with respect to—

"(i) administering the issuance of insurance on loans made under this part on behalf of the Secretary;

"(ii) monitoring insurance commitments made under this part;

"(iii) default aversion activities;

"(iv) review of default claims made by lenders;

"(v) payment of default claims;

"(vi) collection of defaulted loans;

"(vii) adoption of internal systems of accounting and auditing that are acceptable to the Secretary, and reporting the result thereof to the Secretary in a timely manner, and on an accurate, and auditable basis;

"(viii) timely and accurate collection and reporting of such other data as the Secretary may require to carry out the purposes of the programs under this title;

"(ix) monitoring of institutions and lenders participating in the program under this part; and

"(x) informational outreach to schools and students in support of access to higher education;

"(B) regarding the fees the Secretary shall pay, in lieu of revenues that the guaranty agency may otherwise receive under this part, to the guaranty agency under the agreement, and other funds that the guaranty agency may receive or retain under the agreement, except that in no case may the cost to the Secretary of the agreement, as reasonably projected by the Secretary, exceed the cost to the Secretary, as similarly projected, in the absence of the agreement;

"(C) regarding the use of net revenues, as described in the agreement under this section, for such other activities in support of postsecondary education as may be agreed to by the Secretary and the guaranty agency;

"(D) regarding the standards by which the guaranty agency's performance of the agency's responsibilities under the agreement will be assessed, and the consequences for a guaranty agency's failure to achieve a specified level of performance on 1 or more performance standards;

"(E) regarding the circumstances in which a guaranty agency's agreement under this section may be ended in advance of the agreement's expiration date;

"(F) regarding such other businesses, previously purchased or developed with reserve funds, that relate to the program under this part and in which the Secretary permits the guaranty agency to engage; and

"(G) such other provisions as the Secretary may determine to be necessary to protect the United States from the risk of unreasonable loss and to promote the purposes of this part;

"(3) shall provide for uniform lender participation with the guaranty agency under the terms of the agreement; and

"(4) shall not prohibit or restrict borrowers from selecting a lender of the borrower's choosing, subject to the prohibitions and restrictions applicable to the selection under this Act.

"(c) PUBLIC NOTICE.—

"(1) IN GENERAL.—The Secretary shall publish in the Federal Register a notice to all guaranty agencies that sets forth—

"(A) an invitation for the guaranty agencies to enter into agreements under this section; and

"(B) the criteria that the Secretary will use for selecting the guaranty agencies with which the Secretary will enter into agreements under this section.

"(2) AGREEMENT NOTICE.—The Secretary shall notify the Chairperson and the Ranking Minority Member of the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 30 days prior to concluding an agreement under this section. The notice shall contain—

"(A) a description of the voluntary flexible agreement and the performance goals established by the Secretary for the agreement;

"(B) a list of participating guaranty agencies and the specific statutory or regulatory waivers provided to each guaranty agency;

"(C) a description of the standards by which each guaranty agency's performance under the agreement will be assessed; and

"(D) a description of the fees that will be paid to each participating guaranty agency.

"(3) WAIVER NOTICE.—The Secretary shall notify the Chairperson and the Ranking Minority Member of the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 30 days prior to the granting of a waiver pursuant to subsection (a)(2) to a guaranty agency that is not a party to a voluntary flexible agreement.

"(4) PUBLIC AVAILABILITY.—The text of any voluntary flexible agreement, and any subsequent revisions, and any waivers related to section 428(b)(3) that are not part of such an agreement, shall be readily available to the public.

"(5) MODIFICATION NOTICE.—The Secretary shall notify the Chairperson and the Ranking Minority Members of the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives 30 days prior to any modifications to an agreement under this section.

"(d) TERMINATION.—At the expiration or early termination of an agreement under this section, the Secretary shall reinstate the guaranty agency's prior agreements under subsections (b) and (c) of section 428, subject only to such additional requirements as the Secretary determines to be necessary in order to ensure the efficient transfer of responsibilities between the agreement under this section and the agreements under subsections (b) and (c) of section 428, and including the guaranty agency's compliance with reserve requirements under sections 422 and 428.".

SEC. 419. FEDERAL PLUS LOANS.

Section 428B (20 U.S.C. 1078–2) is amended—

(1) by amending subsection (a) to read as follows:

"(a) AUTHORITY TO BORROW.—

"(1) AUTHORITY AND ELIGIBILITY.—Parents of a dependent student shall be eligible to borrow funds under this section in amounts specified in subsection (b), if—

"(A) the parents do not have an adverse credit history as determined pursuant to regulations promulgated by the Secretary; and

"(B) the parents meet such other eligibility criteria as the Secretary may establish by regulation, after consultation with guaranty agencies, eligible lenders, and other organizations involved in student financial assistance.

"(2) TERMS, CONDITIONS, AND BENEFITS.—Except as provided in subsections (c), (d), and (e), loans made under this section shall have the same terms, conditions, and benefits as all other loans made under this part.

"(3) SPECIAL RULE.—Whenever necessary to carry out the provisions of this section, the

terms 'student' and 'borrower' as used in this part shall include a parent borrower under this section."; and

(2) by adding at the end the following:

"(f) Verification of Immigration Status and Social Security Number.—A parent who wishes to borrow funds under this section shall be subject to verification of the parent's—

"(1) immigration status in the same manner as immigration status is verified for students under section 484(g); and

"(2) social security number in the same manner as social security numbers are verified for students under section 484(p).".

SEC. 420. FEDERAL CONSOLIDATION LOANS.

(a) Definition of Eligible Borrower.—Section 428C(a)(3) (20 U.S.C. 1078–3(a)(3)) is amended by striking everything preceding subparagraph (C) and inserting the following:

"(3) Definition of eligible borrower.—(A) For the purpose of this section, the term 'eligible borrower' means a borrower who—

"(i) is not subject to a judgment secured through litigation with respect to a loan under this title or to an order for wage garnishment under section 488A; and

"(ii) at the time of application for a consolidation loan—

"(I) is in repayment status;

"(II) is in a grace period preceding repayment; or

"(III) is a defaulted borrower who has made arrangements to repay the obligation on the defaulted loans satisfactory to the holders of the defaulted loans.

"(B)(i) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section, except that—

"(I) an individual who receives eligible student loans after the date of receipt of the consolidation loan may receive a subsequent consolidation loan;

"(II) loans received prior to the date of the consolidation loan may be added during the 180-day period following the making of the consolidation loan;

"(III) loans received following the making of the consolidation loan may be added during the 180-day period following the making of the consolidation loan; and

"(IV) loans received prior to the date of the first consolidation loan may be added to a subsequent consolidation loan.".

(b) Definition of Eligible Student Loan.—Section 428C(a)(4) is amended by striking subparagraph (C) and inserting the following:

"(C) made under part D of this title;".

(c) Contents of Agreements.—Section 428C(b) is amended—

(1) in paragraph (1)(A)(i), by inserting "except that this clause shall not apply in the case of a borrower with multiple holders of loans under this part," after "under this section,";

(2) in paragraph (4)(C)(ii)—

(A) in the matter preceding subclause (I), by inserting "during any such period" after "and be paid";

(B) in subclause (I), by striking ", or on or after October 1, 1998,"; and

(C) in subclause (II), by striking "and before October 1, 1998,";

(3) in paragraph (6)(A), by inserting before the semicolon at the end the following: ", except that a lender is not required to consolidate loans described in subparagraph (D) or (E) of subsection (a)(4) or subsection (d)(1)(C)(ii)".

(d) Extension of Authority.—Section 428C(e) is amended by striking "September 30, 2002" and inserting "September 30, 2004".

(e) Special Rule.—Section 428C(f) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) Special rule.—For consolidation loans based on applications received during the period from October 1, 1998 through January 31, 1999, inclusive, the rebate described in paragraph (1) shall be equal to 0.62 percent of the principal plus accrued unpaid interest on such loan.".

SEC. 421. DEFAULT REDUCTION PROGRAM.

The heading for subsection (b) of section 428F (20 U.S.C. 1078–6) is amended by striking "Special Rule" and inserting "Satisfactory Repayment Arrangements To Renew Eligibility".

SEC. 422. REQUIREMENTS FOR DISBURSEMENTS OF STUDENT LOANS.

(a) Special Rule.—Section 428G(a) (20 U.S.C. 1078–7(a)) is amended by adding at the end the following:

"(3) Special rule.—An institution whose cohort default rate (as determined under section 435(m)) for each of the 3 most recent fiscal years for which data are available is less than 10 percent may disburse any loan made, insured, or guaranteed under this part in a single installment for any period of enrollment that is not more than 1 semester, 1 trimester, 1 quarter, or 4 months.".

(b) Disbursement.—Section 428G(b)(1) is amended by adding at the end the following new sentence: "An institution whose cohort default rate (as determined under section 435(m)) for each of the three most recent fiscal years for which data are available is less than 10 percent shall be exempt from the requirements of this paragraph.".

(c) Exclusions.—Section 428G(e) is amended—

(1) by striking "or made" and inserting ", made"; and

(2) by inserting ", or made to a student to cover the cost of attendance in a program of study abroad approved by the home eligible institution if the home eligible institution has a cohort default rate (as calculated under section 435(m)) of less than 5 percent" before the period.

(d) Effective Date.—The amendments made by subsections (a) and (b) shall be effective during the period beginning on October 1, 1998, and ending on September 30, 2002.

SEC. 423. UNSUBSIDIZED LOANS.

(a) Eligible Borrowers.—Subsection (b) of section 428H (20 U.S.C. 1078–8(b)) is amended to read as follows:

"(b) Eligible Borrowers.—Any student meeting the requirements for student eligibility under section 484 (including graduate and professional students as defined in regulations promulgated by the Secretary) shall be entitled to borrow an unsubsidized Federal Stafford Loan if the eligible institution at which the student has been accepted for enrollment, or at which the student is in attendance, has—

"(1) determined and documented the student's need for the loan based on the student's estimated cost of attendance (as determined under section 472) and the student's estimated financial assistance, including a loan which qualifies for interest subsidy payments under section 428; and

"(2) provided the lender a statement—

"(A) certifying the eligibility of the student to receive a loan under this section and the amount of the loan for which such student is eligible, in accordance with subsection (c); and

"(B) setting forth a schedule for disbursement of the proceeds of the loan in installments, consistent with the requirements of section 428G.".

(b) Loan Limits.—Section 428H(d) is amended—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting "(as defined in section 481(a)(2))" after "academic year"; and

(ii) by striking "or in any period of 7 consecutive months, whichever is longer,";

(B) in subparagraph (A)—

(i) in clause (i), by striking "length (as determined under section 481);" and inserting "length; and"; and

(ii) by striking clauses (ii) and (iii) and inserting the following:

"(ii) if such student is enrolled in a program of undergraduate education which is less than one academic year, the maximum annual loan amount that such student may receive may not exceed the amount that bears the same ratio to the amount specified in clause (i) as the length of such program measured in semester, trimester, quarter, or clock hours bears to one academic year;".

(C) in subparagraph (C), by inserting "and" after the semicolon; and

(D) by inserting before the matter following subparagraph (C) the following:

"(D) in the case of a student enrolled in coursework specified in sections 484(b)(3)(B) and 484(b)(4)(B)—

"(i) $4,000 for coursework necessary for enrollment in an undergraduate degree or certificate program, and, in the case of a student who has obtained a baccalaureate degree, $5,000 for coursework necessary for enrollment in a graduate or professional program; and

"(ii) in the case of a student who has obtained a baccalaureate degree, $5,000 for coursework necessary for a professional credential or certification from a State required for employment as a teacher in an elementary or secondary school;"; and

(2) in paragraph (3), by adding at the end the following: "Interest capitalized shall not be deemed to exceed such maximum aggregate amount.".

(c) Capitalization of Interest.—Paragraph (2) of section 428H(e) is amended to read as follows:

"(2) Capitalization of interest.—(A) Interest on loans made under this section for which payments of principal are not required during the in-school and grace periods or for which payments are deferred under sections 427(a)(2)(C) and 428(b)(1)(M) shall, if agreed upon by the borrower and the lender—

"(i) be paid monthly or quarterly; or

"(ii) be added to the principal amount of the loan by the lender only—

"(I) when the loan enters repayment;

"(II) at the expiration of a grace period, in the case of a loan that qualifies for a grace period;

"(III) at the expiration of a period of deferment or forbearance; or

"(IV) when the borrower defaults.

"(B) The capitalization of interest described in subparagraph (A) shall not be deemed to exceed the annual insurable limit on account of the student.".

(d) Extended Repayment Plan.—Section 428H(e)(6) is amended by striking "10 year repayment period under section 428(b)(1)(D)" and inserting "repayment period under section 428(b)(9)".

(e) Qualification.—Section 428H(e) is amended by adding at the end the following:

"(7) Qualification for forbearance.—A lender may grant the borrower of a loan under this section a forbearance for a period not to exceed 60 days if the lender reasonably determines that such a forbearance from collection activity is warranted following a borrower's request for forbearance, deferment, or a change in repayment plan, or a request to consolidate loans in order to collect or process appropriate supporting documentation related to the request. During any such period, interest on the loan shall accrue but not be capitalized.".

(f) Repeal.—Subsection (f) of section 428H is repealed.

SEC. 424. LOAN FORGIVENESS FOR TEACHERS.

Section 428J (20 U.S.C. 1078–10) is amended to read as follows:

“SEC. 428J. LOAN FORGIVENESS FOR TEACHERS.

“(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

“(b) PROGRAM AUTHORIZED.—The Secretary shall carry out a program, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 428 or 428H, in accordance with subsection (c), for any new borrower on or after October 1, 1998, who—

“(1) has been employed as a full-time teacher for 5 consecutive complete school years—

“(A) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools;

“(B) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or nonprofit private secondary school in which the borrower is employed; and

“(C) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or nonprofit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics, and other areas of the elementary school curriculum; and

“(2) is not in default on a loan for which the borrower seeks forgiveness.

“(c) QUALIFIED LOANS AMOUNT.—

“(1) IN GENERAL.—The Secretary shall repay not more than $5,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1). No borrower may receive a reduction of loan obligations under both this section and section 460.

“(2) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

“(d) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

“(e) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

“(f) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (b) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

“(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

“(1) CONTINUED ELIGIBILITY.—Any teacher who performs service in a school that—

“(A) meets the requirements of subsection (b)(1)(A) in any year during such service, and

“(B) in a subsequent year fails to meet the requirements of such subsection,

may continue to teach in such school and shall be eligible for loan forgiveness pursuant to subsection (b).

“(2) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same service, receive a benefit under both this subsection and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

“(h) DEFINITION.—For purposes of this section, the term ‘year’, where applied to service as a teacher, means an academic year as defined by the Secretary.”.

SEC. 425. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

Part B (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J (20 U.S.C. 1078–10) the following:

“SEC. 428K. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

“(a) PURPOSE.—It is the purpose of this section—

“(1) to bring more highly trained individuals into the early child care profession; and

“(2) to keep more highly trained child care providers in the early child care field for longer periods of time.

“(b) DEFINITIONS.—In this section:

“(1) CHILD CARE FACILITY.—The term ‘child care facility’ means a facility, including a home, that—

“(A) provides child care services; and

“(B) meets applicable State or local government licensing, certification, approval, or registration requirements, if any.

“(2) CHILD CARE SERVICES.—The term ‘child care services’ means activities and services provided for the education and care of children from birth through age 5 by an individual who has a degree in early childhood education.

“(3) DEGREE.—The term ‘degree’ means an associate's or bachelor's degree awarded by an institution of higher education.

“(4) EARLY CHILDHOOD EDUCATION.—The term ‘early childhood education’ means education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.

“(5) INSTITUTION OF HIGHER EDUCATION.—Notwithstanding section 102, the term ‘institution of higher education’ has the meaning given the term in section 101.

“(c) DEMONSTRATION PROGRAM.—

“(1) IN GENERAL.—The Secretary may carry out a demonstration program of assuming the obligation to repay, pursuant to subsection (d), a loan made, insured, or guaranteed under this part or part D (excluding loans made under sections 428B and 428C or comparable loans made under part D) for any new borrower after the date of enactment of the Higher Education Amendments of 1998, who—

“(A) completes a degree in early childhood education;

“(B) obtains employment in a child care facility; and

“(C) has worked full time for the 2 consecutive years preceding the year for which the determination is made as a child care provider in a low-income community.

“(2) LOW-INCOME COMMUNITY.—For the purposes of this subsection, the term ‘low-income community’ means a community in which 70 percent of households within the community earn less than 85 percent of the State median household income.

“(3) AWARD BASIS; PRIORITY.—

“(A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

“(B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.

“(4) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

“(d) LOAN REPAYMENT.—

“(1) IN GENERAL.—The Secretary shall assume the obligation to repay—

“(A) after the second consecutive year of employment described in subparagraphs (B) and (C) of subsection (c)(1), 20 percent of the total amount of all loans made after date of enactment of the Higher Education Amendments of 1998, to a student under this part or part D;

“(B) after the third consecutive year of such employment, 20 percent of the total amount of all such loans; and

“(C) after each of the fourth and fifth consecutive years of such employment, 30 percent of the total amount of all such loans.

“(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under this part or part D.

“(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

“(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a degree in early childhood education, the Secretary is authorized to assume the obligation to repay the total amount of loans made under this part or part D incurred for a maximum of two academic years in returning to an institution of higher education for the purpose of obtaining a degree in early childhood education. Such loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

“(5) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

“(e) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to repayment pursuant to this section for such year.

“(f) APPLICATION FOR REPAYMENT.—

“(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(2) CONDITIONS.—An eligible individual may apply for loan repayment under this section after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

“(g) EVALUATION.—

“(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the demonstration program assisted under this section on the field of early childhood education.

“(2) COMPETITIVE BASIS.—The grant or contract described in subsection (b) shall be awarded on a competitive basis.

“(3) CONTENTS.—The evaluation described in this subsection shall—

“(A) determine the number of individuals who were encouraged by the demonstration program assisted under this section to pursue early childhood education;

“(B) determine the number of individuals who remain employed in a child care facility as a result of participation in the program;

“(C) identify the barriers to the effectiveness of the program;

“(D) assess the cost-effectiveness of the program in improving the quality of—

“(i) early childhood education; and

“(ii) child care services;

"(E) identify the reasons why participants in the program have chosen to take part in the program;

"(F) identify the number of individuals participating in the program who received an associate's degree and the number of such individuals who received a bachelor's degree; and

"(G) identify the number of years each individual participates in the program.

"(4) Interim and Final Evaluation Reports.—The Secretary shall prepare and submit to the President and the Congress such interim reports regarding the evaluation described in this subsection as the Secretary deems appropriate, and shall prepare and so submit a final report regarding the evaluation by January 1, 2002.

"(h) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 426. NOTICE TO SECRETARY AND PAYMENT OF LOSS.

The third sentence of section 430(a) (20 U.S.C. 1080(a)) is amended by inserting "the institution was contacted and other" after "submit proof that".

SEC. 427. LEGAL POWERS AND RESPONSIBILITIES.

(a) Audit of Financial Transactions.—Section 432(f)(1) is amended—

(1) in subparagraph (B), by striking "section 435(d)(1) (D), (F), or (H);" and inserting "section 435(d)(1); and";

(2) in subparagraph (C)—

(A) by striking "and Labor" and inserting "and the Workforce"; and

(B) by striking "; and" inserting a period; and

(3) by striking subparagraph (D).

(b) Program of Assistance.—Section 432(k)(3) is amended by striking "Within 1 year" and everything that follows through "1992, the" and inserting "The".

(c) Common Forms and Formats.—Section 432(m) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "a common application form and promissory note" and inserting "common application forms and promissory notes, or master promissory notes,";

(B) in subparagraph (B)—

(i) by striking "The form" and inserting "The forms";

(ii) by striking clause (iii); and

(C) by amending subparagraph (C) to read as follows:

"(C) Free application form.—For academic year 1999–2000 and succeeding academic years, the Secretary shall prescribe the form developed under section 483 as the application form under this part, other than for loans under sections 428B and 428C.";

(D) by amending subparagraph (D) to read as follows:

"(D) Master promissory note.—

"(i) In general.—The Secretary shall develop and require the use of master promissory note forms for loans made under this part and part D. Such forms shall be available for periods of enrollment beginning not later than July 1, 2000. Each form shall allow eligible borrowers to receive, in addition to initial loans, additional loans for the same or subsequent periods of enrollment through a student confirmation process approved by the Secretary. Such forms shall be used for loans made under this part or part D as directed by the Secretary.

"(ii) Consultation.—In developing the master promissory note under this subsection, the Secretary shall consult with representatives of guaranty agencies, eligible lenders, institutions of higher education, students, and organizations involved in student financial assistance.

"(iii) Sale; assignment; enforceability.—Notwithstanding any other provision of law, each loan made under a master promissory note under this subsection may be sold or assigned independently of any other loan made under the same promissory note and each such loan shall be separately enforceable in all Federal and State courts on the basis of an original or copy of the master promissory note in accordance with the terms of the master promissory note.

"(iv) Perfection of security interests in student loans.—Notwithstanding the provisions of any State law to the contrary, including the Uniform Commercial Code as in effect in any State, a security interest in loans made under this part created on behalf of any eligible lender as defined in section 435(d) may be perfected either through the taking of possession of such loans (which can be through taking possession of an original or copy of the master promissory note) or by the filing of notice of such security interest in such loans in the manner provided by such State law for perfection of security interests in accounts."; and

(2) by adding at the end the following:

"(4) Electronic forms.—Nothing in this section shall be construed to limit the development and use of electronic forms and procedures.".

(d) Default Reduction Management.—Section 432(n) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999"; and

(2) in paragraph (3), by striking "and Labor" and inserting "and the Workforce".

(e) Reporting Requirement.—Section 432(p) is amended by striking "State postsecondary reviewing entities designated under subpart 1 of part H,".

SEC. 428. STUDENT LOAN INFORMATION BY ELIGIBLE LENDERS.

(a) Required Disclosure Before Disbursement.—Section 433(a) (20 U.S.C. 1083(a)) is amended by amending the matter preceding paragraph (1) to read as follows:

"(a) Required Disclosure Before Disbursement.—Each eligible lender, at or prior to the time such lender disburses a loan that is insured or guaranteed under this part (other than a loan made under section 428C), shall provide thorough and accurate loan information on such loan to the borrower in simple and understandable terms. Any disclosure required by this subsection may be made by an eligible lender by written or electronic means, including as part of the application material provided to the borrower, as part of the promissory note evidencing the loan, or on a separate written form provided to the borrower. Each lender shall provide to each borrower a telephone number, and may provide an electronic address, through which additional loan information can be obtained. The disclosure shall include—".

(b) Required Disclosure Before Repayment.—Section 433(b) is amended by amending the matter preceding paragraph (1) to read as follows:

"(b) Required Disclosure Before Repayment.—Each eligible lender shall, at or prior to the start of the repayment period of the student borrower on loans made, insured, or guaranteed under this part, disclose to the borrower by written or electronic means the information required under this subsection in simple and understandable terms. Each eligible lender shall provide to each borrower a telephone number, and may provide an electronic address, through which additional loan information can be obtained. For any loan made, insured, or guaranteed under this part, other than a loan made under section 428B or 428C, such disclosure required by this subsection shall be made not less than 30 days nor more than 240 days before the first payment on the loan is due from the borrower. The disclosure shall include—".

SEC. 429. DEFINITIONS.

(a) Cohort Default Rate.—Section 435(a) (20 U.S.C. 1085(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "or" at the end of clause (i);

(ii) by striking clause (ii) and inserting the following:

"(ii) there are exceptional mitigating circumstances within the meaning of paragraph (4); or

"(iii) there are, in the judgment of the Secretary, other exceptional mitigating circumstances that would make the application of this paragraph inequitable."; and

(iii) by adding after the matter following clause (iii) (as added by clause (ii)) the following:

"If an institution continues to participate in a program under this part, and the institution's appeal of the loss of eligibility is unsuccessful, the institution shall be required to pay to the Secretary an amount equal to the amount of interest, special allowance, reinsurance, and any related payments made by the Secretary (or which the Secretary is obligated to make) with respect to loans made under this part to students attending, or planning to attend, that institution during the pendency of such appeal."; and

(B) in subparagraph (C), by striking "July 1, 1998," and inserting "July 1, 1999,";

(2) in the matter following subparagraph (C) of paragraph (3)—

(A) by inserting "for a reasonable period of time, not to exceed 30 days," after "access"; and

(B) by striking "of the affected guaranty agencies and loan servicers for a reasonable period of time, not to exceed 30 days" and inserting "used by a guaranty agency in determining whether to pay a claim on a defaulted loan or by the Department in determining an institution's default rate in the loan program under part D of this title"; and

(3) by adding at the end the following new paragraphs:

"(4) Definition of mitigating circumstances.—(A) For purposes of paragraph (2)(A)(ii), an institution of higher education shall be treated as having exceptional mitigating circumstances that make application of that paragraph inequitable if such institution, in the opinion of an independent auditor, meets the following criteria:

"(i) For a 12-month period that ended during the 6 months immediately preceding the fiscal year for which the cohort of borrowers used to calculate the institution's cohort default rate is determined, at least two-thirds of the students enrolled on at least a half-time basis at the institution—

"(I) are eligible to receive a Federal Pell Grant award that is at least equal to one-half the maximum Federal Pell Grant award for which a student would be eligible based on the student's enrollment status; or

"(II) have an adjusted gross income that when added with the adjusted gross income of the student's parents (unless the student is an independent student), of less than the poverty level, as determined by the Department of Health and Human Services.

"(ii) In the case of an institution of higher education that offers an associate, baccalaureate, graduate or professional degree, 70 percent or more of the institution's regular students who were initially enrolled on a full-time basis and were scheduled to complete their programs during the same 12-month period described in clause (i)—

"(I) completed the educational programs in which the students were enrolled;

"(II) transferred from the institution to a higher level educational program;

"(III) at the end of the 12-month period, remained enrolled and making satisfactory progress toward completion of the student's educational programs; or

"(IV) entered active duty in the Armed Forces of the United States.

"(iii)(I) In the case of an institution of higher education that does not award a degree described in clause (ii), had a placement rate of 44 percent or more with respect to the institution's former regular students who—

"(aa) remained in the program beyond the point the students would have received a 100 percent tuition refund from the institution;

"(bb) were initially enrolled on at least a half-time basis; and

"(cc) were originally scheduled, at the time of enrollment, to complete their educational programs during the same 12-month period described in clause (i).

"(II) The placement rate shall not include students who are still enrolled and making satisfactory progress in the educational programs in which the students were originally enrolled on the date following 12 months after the date of the student's last date of attendance at the institution.

"(III) The placement rate is calculated by determining the percentage of all those former regular students who—

"(aa) are employed, in an occupation for which the institution provided training, on the date following 12 months after the date of their last day of attendance at the institution;

"(bb) were employed, in an occupation for which the institution provided training, for at least 13 weeks before the date following 12 months after the date of their last day of attendance at the institution; or

"(cc) entered active duty in the Armed Forces of the United States.

"(IV) The placement rate shall not include as placements a student or former student for whom the institution is the employer.

"(B) For purposes of determining a rate of completion and a placement rate under this paragraph, a student is originally scheduled, at the time of enrollment, to complete the educational program on the date when the student will have been enrolled in the program for the amount of time normally required to complete the program. The amount of time normally required to complete the program for a student who is initially enrolled full-time is the period of time specified in the institution's enrollment contract, catalog, or other materials, for completion of the program by a full-time student. For a student who is initially enrolled less than full-time, the period is the amount of time it would take the student to complete the program if the student remained enrolled at that level of enrollment throughout the program.

"(5) REDUCTION OF DEFAULT RATES AT CERTAIN MINORITY INSTITUTIONS.—

"(A) BENEFICIARIES OF EXCEPTION REQUIRED TO ESTABLISH MANAGEMENT PLAN.—After July 1, 1999, any institution that has a cohort default rate that equals or exceeds 25 percent for each of the three most recent fiscal years for which data are available and that relies on the exception in subparagraph (B) to continue to be an eligible institution shall—

"(i) submit to the Secretary a default management plan which the Secretary, in the Secretary's discretion, after consideration of the institution's history, resources, dollars in default, and targets for default reduction, determines is acceptable and provides reasonable assurance that the institution will, by July 1, 2002, have a cohort default rate that is less than 25 percent;

"(ii) engage an independent third party (which may be paid with funds received under section 317 or part B of title III) to provide technical assistance in implementing such default management plan; and

"(iii) provide to the Secretary, on an annual basis or at such other intervals as the Secretary may require, evidence of cohort default rate improvement and successful implementation of such default management plan.

"(B) DISCRETIONARY ELIGIBILITY CONDITIONED ON IMPROVEMENT.—Notwithstanding the expiration of the exception in paragraph (2)(C), the Secretary may, in the Secretary's discretion, continue to treat an institution described in subparagraph (A) of this paragraph as an eligible institution for each of the one-year periods beginning on July 1 of 1999, 2000, and 2001, only if the institution submits by the beginning of such period evidence satisfactory to the Secretary that—

"(i) such institution has complied and is continuing to comply with the requirements of subparagraph (A); and

"(ii) such institution has made substantial improvement, during each of the preceding one-year periods, in the institution's cohort default rate.

"(6) PARTICIPATION RATE INDEX.—

"(A) IN GENERAL.—An institution that demonstrates to the Secretary that the institution's participation rate index is equal to or less than 0.0375 for any of the 3 most recent fiscal years for which data is available shall not be subject to paragraph (2). The participation rate index shall be determined by multiplying the institution's cohort default rate for loans under part B or D, or weighted average cohort default rate for loans under parts B and D, by the percentage of the institution's regular students, enrolled on at least a half-time basis, who received a loan made under part B or D for a 12-month period ending during the 6 months immediately preceding the fiscal year for which the cohort of borrowers used to calculate the institution's cohort default rate is determined.

"(B) DATA.—An institution shall provide the Secretary with sufficient data to determine the institution's participation rate index within 30 days after receiving an initial notification of the institution's draft cohort default rate.

"(C) NOTIFICATION.—Prior to publication of a final cohort default rate for an institution that provides the data described in subparagraph (B), the Secretary shall notify the institution of the institution's compliance or noncompliance with subparagraph (A).".

(b) ELIGIBLE LENDER.—Section 435(d) (20 U.S.C. 1085(d)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)(ii)—

(i) by striking "or" after "1992,"; and

(ii) by inserting before the semicolon the following: ", or (III) it is a bank (as defined in section 3(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)(1)) that is a wholly owned subsidiary of a nonprofit foundation, the foundation is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(1) of such Code, and the bank makes loans under this part only to undergraduate students who are age 22 or younger and has a portfolio of such loans that is not more than $5,000,000";

(B) by striking "and" at the end of subparagraph (I);

(C) by striking the period at the end of subparagraph (J) and inserting "; and"; and

(D) by adding at the end the following new subparagraph:

"(K) a consumer finance company subsidiary of a national bank which, as of the date of enactment of this subparagraph, through 1 or more subsidiaries (i) acts as a small business lending company, as determined under regulations of the Small Business Administration under section 120.470 of title 13, Code of Federal Regulations (as such section is in effect on the date of enactment of this subparagraph), and (ii) participates in the program authorized by this part pursuant to subparagraph (C), provided the national bank and all of the bank's direct and indirect subsidiaries taken together as a whole, do not have, as their primary consumer credit function, the making or holding of loans made to students under this part."; and

(2) in paragraph (5), by adding at the end the following new sentence:

"It shall not be a violation of this paragraph for a lender to provide assistance to institutions of higher education comparable to the kinds of assistance provided to institutions of higher education by the Department of Education.".

(c) DEFINITION OF DEFAULT.—

(1) AMENDMENT.—Section 435(l) is amended—

(A) by striking "180 days" and inserting "270 days"; and

(B) by striking "240 days" and inserting "330 days".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to loans for which the first day of delinquency occurs on or after the date of enactment of this Act.

(d) COHORT DEFAULT RATE.—Section 435(m) is amended—

(1) in paragraph (1)(B), by striking "insurance, and, in considering appeals with respect to cohort default rates pursuant to subsection (a)(3), exclude" and inserting "insurance. In considering appeals with respect to cohort default rates pursuant to subsection (a)(3), the Secretary shall exclude, from the calculation of the number of students who entered repayment and from the calculation of the number of students who default,"; and

(2) in paragraph (2)(C), by adding at the end the following: "The Secretary may require guaranty agencies to collect data with respect to defaulted loans in a manner that will permit the identification of any defaulted loan for which (i) the borrower is currently making payments and has made not less than 6 consecutive on-time payments by the end of such following fiscal year, and (ii) a guaranty agency has renewed the borrower's title IV eligibility as provided in section 428F(b)."; and

(3) in paragraph (4), by adding at the end the following:

"(D) The Secretary shall publish the report described in subparagraph (C) by September 30 of each year.".

SEC. 430. DELEGATION OF FUNCTIONS.

Section 436 (20 U.S.C. 1086) is amended to read as follows:

"SEC. 436. DELEGATION OF FUNCTIONS.

"(a) IN GENERAL.—An eligible lender or guaranty agency that contracts with another entity to perform any of the lender's or agency's functions under this title, or otherwise delegates the performance of such functions to such other entity—

"(1) shall not be relieved of the lender's or agency's duty to comply with the requirements of this title; and

"(2) shall monitor the activities of such other entity for compliance with such requirements.

"(b) SPECIAL RULE.—A lender that holds a loan made under part B in the lender's capacity as a trustee is responsible for complying with all statutory and regulatory requirements imposed on any other holder of a loan made under this part.".

SEC. 431. DISCHARGE.

Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended—

(1) by inserting after "falsely certified by the eligible institution," the following: "or if the institution failed to make a refund of loan proceeds which the institution owed to such student's lender,"; and

(2) by adding at the end the following new sentences: "In the case of a discharge based

upon a failure to refund, the amount of the discharge shall not exceed that portion of the loan which should have been refunded. The Secretary shall report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate annually as to the dollar amount of loan discharges attributable to failures to make refunds.".

SEC. 432. DEBT MANAGEMENT OPTIONS.

Section 437A (20 U.S.C. 1087–O) is repealed.

SEC. 433. SPECIAL ALLOWANCES.

(a) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—Paragraph (1) of section 438(c) (20 U.S.C. 1087–1) is amended to read as follows:

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—(A) Notwithstanding subsection (b), the Secretary shall collect the amount the lender is authorized to charge as an origination fee in accordance with paragraph (2) of this subsection—

"(i) by reducing the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, to any holder; or

"(ii) directly from the holder of the loan, if the lender fails or is not required to bill the Secretary for interest and special allowance or withdraws from the program with unpaid loan origination fees.

"(B) If the Secretary collects the origination fee under this subsection through the reduction of interest and special allowance, and the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b) of this section, respectively, is less than the amount the lender was authorized to charge borrowers for origination fees in that quarter, the Secretary shall deduct the excess amount from the subsequent quarters' payments until the total amount has been deducted.".

(b) ORIGINATION FEES.—Section 438(c) is amended—

(1) in paragraph (2)—

(A) by striking "(other than" and inserting "(including loans made under section 428H, but excluding"; and

(B) by adding at the end the following new sentence: "Except as provided in paragraph (8), a lender that charges an origination fee under this paragraph shall assess the same fee to all student borrowers."; and

(2) by adding at the end the following new paragraph:

"(8) EXCEPTION.—Notwithstanding paragraph (2), a lender may assess a lesser origination fee for a borrower demonstrating greater financial need as determined by such borrower's adjusted gross family income.".

(c) COLLECTION OF FEES.—Paragraph (1) of section 438(d) is amended to read as follows:

"(1) DEDUCTION FROM INTEREST AND SPECIAL ALLOWANCE SUBSIDIES.—

"(A) IN GENERAL.—Notwithstanding subsection (b), the Secretary shall collect a loan fee in an amount determined in accordance with paragraph (2)—

"(i) by reducing the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b), respectively, to any holder of a loan; or

"(ii) directly from the holder of the loan, if the lender—

"(I) fails or is not required to bill the Secretary for interest and special allowance payments; or

"(II) withdraws from the program with unpaid loan fees.

"(B) SPECIAL RULE.—If the Secretary collects loan fees under this subsection through the reduction of interest and special allowance payments, and the total amount of interest and special allowance payable under section 428(a)(3)(A) and subsection (b), respectively, is less than the amount of such loan fees, then the Secretary shall deduct the amount of the loan fee balance from the amount of interest and special allowance payments that would otherwise be payable, in subsequent quarterly increments until the balance has been deducted.".

(d) LENDING FROM PROCEEDS OF TAX-EXEMPT OBLIGATIONS.—

(1) AMENDMENT.—Subsection (e) of section 438 is amended to read as follows:

"(e) NONDISCRIMINATION.—In order for the holders of loans which were made or purchased with funds obtained by the holder from an Authority issuing obligations, the income from which is exempt from taxation under the Internal Revenue Code of 1986, to be eligible to receive a special allowance under subsection (b)(2) on any such loans, the Authority shall not engage in any pattern or practice which results in a denial of a borrower's access to loans under this part because of the borrower's race, sex, color, religion, national origin, age, disability status, income, attendance at a particular eligible institution within the area served by the Authority, length of the borrower's educational program, or the borrower's academic year in school.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective as of the date the plan required by section 438(e)(1) (as such section was in effect prior to such amendment) was approved by the Secretary or the Governor (whichever was the case). No Authority shall have a right or cause of action against the Secretary for any amounts paid to or offset by the Secretary pursuant to a final settlement agreement entered into prior to July 1, 1998, resolving any audit or program review findings alleging violations of any provision of section 438(e) (as in effect prior to such amendment).

SEC. 434. FEDERAL FAMILY EDUCATION LOAN INSURANCE FUND.

Any funds in the insurance fund, as established under section 431 of the Higher Education Act of 1965 (20 U.S.C. 1081), on the date of enactment of this Act shall be transferred to and deposited in the Treasury. All funds received by the Secretary of Education under subsection (a) of such section after the date of enactment of this Act shall be deposited into the fund in accordance with such subsection.

PART C—FEDERAL WORK-STUDY PROGRAMS

SEC. 441. AUTHORIZATION OF APPROPRIATIONS; COMMUNITY SERVICES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 441(b) (42 U.S.C. 2751(b)) is amended by striking "$800,000,000 for fiscal year 1993" and inserting "$1,000,000,000 for fiscal year 1999".

(b) DEFINITION OF COMMUNITY SERVICES.—Section 441(c) is amended—

(1) in paragraph (1), by inserting "(including child care services provided on campus that are open and accessible to the community)" after "child care"; and

(2) in paragraph (3), by inserting ", including students with disabilities who are enrolled at the institution" before the semicolon.

SEC. 442. ALLOCATION OF FUNDS.

(a) UPDATING THE BASE PERIOD.—Section 442(a) (20 U.S.C. 2752(a)) is amended—

(1) in paragraph (1), by striking "received and used under this part for fiscal year 1985" and inserting "received under subsections (a) and (b) for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year)";

(2) in paragraph (2)—

(A) in subparagraphs (A) and (B), by striking "1985" each place the term appears and inserting "1999"; and

(B) in subparagraph (C)(i), by striking "1986" and inserting "2000".

(b) ELIMINATION OF PRO RATA SHARE.—Section 442 is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (f) as subsections (b) through (e), respectively;

(3) in subsection (b)(1) (as redesignated by paragraph (2)), by striking "three-quarters of";

(4) in subsection (b)(2)(A)(i) (as so redesignated), by striking "subsection (d)" and inserting "subsection (c)";

(5) in subsection (c)(3) (as so redesignated), by striking "the Secretary, for academic year 1988–1989 shall use the procedures employed for academic year 1986–1987, and, for any subsequent academic years,"; and

(6) in subsection (d)(1) (as so redesignated)—

(A) by striking "10 percent" and inserting "5 percent";

(B) by striking "in community service" and inserting "in tutoring in reading and family literacy activities"; and

(C) by striking "subsection (c)" and inserting "subsection (b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to allocations of amounts appropriated pursuant to section 441(b) for fiscal year 2000 or any succeeding fiscal year.

SEC. 443. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

(a) ELIGIBLE EMPLOYMENT.—Section 443(b)(1) (42 U.S.C. 2753(b)(1)) is amended by inserting ", including internships, practica, or research assistantships as determined by the Secretary," after "part-time employment".

(b) COMMUNITY SERVICE.—Section 443(b)(2)(A) is amended—

(1) by striking "in fiscal year 1994 and succeeding fiscal years," and inserting "for fiscal year 1999,"; and

(2) by inserting "(including a reasonable amount of time spent in travel or training directly related to such community service)" after "community service".

(c) TUTORING AND LITERACY ACTIVITIES.—Section 443 is amended—

(1) in subsection (b)(2)—

(A) by striking "and" at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following:

"(B) for fiscal year 2000 and succeeding fiscal years, an institution shall use at least 7 percent of the total amount of funds granted to such institution under this section for such fiscal year to compensate students employed in community service, and shall ensure that not less than 1 tutoring or family literacy project (as described in subsection (d)) is included in meeting the requirement of this subparagraph, except that the Secretary may waive this subparagraph if the Secretary determines that enforcing this subparagraph would cause hardship for students at the institution; and"; and

(2) by adding at the end the following new subsection:

"(d) TUTORING AND LITERACY ACTIVITIES.—

"(1) USE OF FUNDS.—In any academic year to which subsection (b)(2)(B) applies, an institution shall ensure that funds granted to such institution under this section are used in accordance with such subsection to compensate (including compensation for time spent in training and travel directly related to tutoring in reading and family literacy activities) students—

"(A) employed as reading tutors for children who are preschool age or are in elementary school; or

"(B) employed in family literacy projects.

"(2) PRIORITY FOR SCHOOLS.—To the extent practicable, an institution shall—

"(A) give priority to the employment of students in the provision of tutoring in reading in

schools that are participating in a reading reform project that—

"(i) is designed to train teachers how to teach reading on the basis of scientifically-based research on reading; and

"(ii) is funded under the Elementary and Secondary Education Act of 1965; and

"(B) ensure that any student compensated with the funds described in paragraph (1) who is employed in a school participating in a reading reform project described in subparagraph (A) receives training from the employing school in the instructional practices used by the school.

"(3) Federal share.—The Federal share of the compensation of work-study students compensated under this subsection may exceed 75 percent.".

(d) Use of Funds for Independent and Less Than Full-Time Students.—Paragraph (3) of section 443(b) is amended to read as follows:

"(3) provide that in the selection of students for employment under such work-study program, only students who demonstrate financial need in accordance with part F and meet the requirements of section 484 will be assisted, except that if the institution's grant under this part is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution on less than a full-time basis, or (B) independent students, a reasonable portion of the grant shall be made available to such students;".

(e) Federal Share.—Paragraph (5) of section 443(b) is amended to read as follows:

"(5) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement shall not exceed 75 percent, except that—

"(A) the Federal share may exceed 75 percent, but not exceed 90 percent, if, consistent with regulations of the Secretary—

"(i) the student is employed at a nonprofit private organization or a government agency that—

"(I) is not a part of, and is not owned, operated, or controlled by, or under common ownership, operation, or control with, the institution;

"(II) is selected by the institution on an individual case-by-case basis for such student; and

"(III) would otherwise be unable to afford the costs of such employment; and

"(ii) not more than 10 percent of the students compensated through the institution's grant under this part during the academic year are employed in positions for which the Federal share exceeds 75 percent; and

"(B) the Federal share may exceed 75 percent if the Secretary determines, pursuant to regulations promulgated by the Secretary establishing objective criteria for such determinations, that a Federal share in excess of such amounts is required in furtherance of the purpose of this part;".

(f) Availability of Employment.—Section 443(b)(6) is amended by striking ", and to make" and all that follows through "such employment".

(g) Academic Relevance.—Section 443(c)(4) is amended by inserting before the semicolon at the end the following: ", to the maximum extent practicable".

SEC. 444. FLEXIBLE USE OF FUNDS.

Section 445 (42 U.S.C. 2755) is amended by adding at the end the following:

"(c) Flexible Use of Funds.—An eligible institution may, upon the request of a student, make payments to the student under this part by crediting the student's account at the institution or by making a direct deposit to the student's account at a depository institution. An eligible institution may only credit the student's account at the institution for (1) tuition and fees, (2) in the case of institutionally owned housing, room and board, and (3) other institutionally provided goods and services.".

SEC. 445. WORK COLLEGES.

Section 448 (42 U.S.C. 2756b) is amended—

(1) in subsection (b)(2)—

(A) in subparagraph (C), by striking "and" after the semicolon;

(B) in subparagraph (D)(ii), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

"(E) coordinate and carry out joint projects and activities to promote work service learning; and

"(F) carry out a comprehensive, longitudinal study of student academic progress and academic and career outcomes, relative to student self-sufficiency in financing their higher education, repayment of student loans, continued community service, kind and quality of service performed, and career choice and community service selected after graduation."; and

(2) in subsection (f), by striking "1993" and inserting "1999".

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

SEC. 451. SELECTION OF INSTITUTIONS.

(a) General Authority.—Section 453(a) (20 U.S.C. 1087c(a)) is amended—

(1) by striking "Phase-In" and everything that follows through "General authority.—" and inserting "General Authority.—"; and

(2) by striking paragraphs (2), (3), and (4).

(b) Selection Criteria.—Section 453(b)(2) is amended by striking "prescribe," and everything that follows through the end of subparagraph (B) and inserting "prescribe.".

(c) Origination.—Section 453(c) is amended—

(1) in paragraph (2)—

(A) in the heading, by striking "Transition selection criteria" and inserting "Selection criteria";

(B) by striking "For academic year 1994–1995, the Secretary" and inserting "The Secretary";

(C) by striking subparagraph (A);

(D) by striking subparagraph (E); and

(E) by redesignating subparagraphs (B), (C), (D), (F), (G), and (H) as subparagraphs (A) through (F), respectively; and

(2) in paragraph (3)—

(A) in the paragraph heading, by striking "After transition"; and

(B) by striking "For academic year 1995–1996 and subsequent academic years, the" and inserting "The".

SEC. 452. TERMS AND CONDITIONS.

(a) Direct Loan Interest Rates.—

(1) Amendment.—Section 455(b) (20 U.S.C. 1087e(b)) is amended by adding at the end the following:

"(6) Interest rate provision for new loans on or after October 1, 1998, and before July 1, 2003.—

"(A) Rates for fdsl and fdusl.—Notwithstanding the preceding paragraphs of this subsection, for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

"(B) In school and grace period rules.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct Stafford Loan or Federal Direct Unsubsidized Stafford Loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest for interest which accrues—

"(i) prior to the beginning of the repayment period of the loan; or

"(ii) during the period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in section 428(b)(1)(M) or 427(a)(2)(C),

shall be determined under subparagraph (A) by substituting '1.7 percent' for '2.3 percent'.

"(C) PLUS loans.—Notwithstanding the preceding paragraphs of this subsection, with respect to Federal Direct PLUS Loan for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, the applicable rate of interest shall be determined under subparagraph (A)—

"(i) by substituting '3.1 percent' for '2.3 percent'; and

"(ii) by substituting '9.0 percent' for '8.25 percent'.

"(D) Consolidation loans.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after February 1, 1999, and before July 1, 2003, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the lesser of—

"(i) the weighted average of the interest rates on the loans consolidated, rounded to the nearest higher one-eighth of one percent; or

"(ii) 8.25 percent.

"(E) Temporary rules for consolidation loans.—Notwithstanding the preceding paragraphs of this subsection, any Federal Direct Consolidation loan for which the application is received on or after October 1, 1998, and before February 1, 1999, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to—

"(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

"(ii) 2.3 percent,

except that such rate shall not exceed 8.25 percent.".

(2) Limitation on consolidation loans during temporary interest rate.—Notwithstanding section 455(g) of the Higher Education Act of 1965, a borrower who is enrolled or accepted for enrollment in an institution of higher education may not consolidate loans under such section during the period beginning October 1, 1998, and ending February 1, 1999, unless the borrower certifies that the borrower has no outstanding loans made, insured, or guaranteed under title IV of such Act other than loans made under part D of such title.

(b) Repayment Incentives.—Section 455(b) (20 U.S.C. 1087e(b)) is further amended by adding at the end the following:

"(7) Repayment incentives.—

"(A) In general.—Notwithstanding any other provision of this part, the Secretary is authorized to prescribe by regulation such reductions in the interest rate paid by a borrower of a loan made under this part as the Secretary determines appropriate to encourage on-time repayment of the loan. Such reductions may be offered only if the Secretary determines the reductions are cost neutral and in the best financial interest of the Federal Government. Any increase in subsidy costs resulting from such reductions shall be completely offset by corresponding savings in funds available for the William D. Ford Federal Direct Loan Program in that fiscal year from section 458 and other administrative accounts.

"(B) Accountability.—Prior to publishing regulations proposing repayment incentives, the Secretary shall ensure the cost neutrality of such reductions. The Secretary shall not prescribe such regulations in final form unless an official report from the Director of the Office of Management and Budget to the Secretary and a

comparable report from the Director of the Congressional Budget Office to the Congress each certify that any such reductions will be completely cost neutral. Such reports shall be transmitted to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not less than 60 days prior to the publication of regulations proposing such reductions.".

(c) CONSOLIDATION LOANS.—The first sentence of section 455(g) is amended by striking everything after "section 428C(a)(4)" and inserting a period.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to any loan made under part D of title IV of the Higher Education Act of 1965 for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003, except that such amendments shall apply with respect to a Federal Direct Consolidation Loan for which the application is received on or after October 1, 1998, and before July 1, 2003.

SEC. 453. CONTRACTS.

Section 456(b) (20 U.S.C. 1087f(b)) is amended—

(1) in paragraph (3), by inserting "and" after the semicolon;

(2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).

SEC. 454. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 (20 U.S.C. 1087h) is amended—

(1) by amending subsection (a) to read as follows:

"(a) ADMINISTRATIVE EXPENSES.—

"(1) IN GENERAL.—Each fiscal year there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

"(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

"(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) $617,000,000 in fiscal year 1999, $735,000,000 in fiscal year 2000, $770,000,000 in fiscal year 2001, $780,000,000 in fiscal year 2002, and $795,000,000 in fiscal year 2003.

"(2) ACCOUNT MAINTENANCE FEES.—Account maintenance fees under paragraph (1)(B) shall be paid quarterly and deposited in the Agency Operating Fund established under section 422B.

"(3) CARRYOVER.—The Secretary may carry over funds made available under this section to a subsequent fiscal year.";

(2) by amending subsection (b) to read as follows:

"(b) CALCULATION BASIS.—Except as provided in subsection (c), account maintenance fees payable to guaranty agencies under paragraph (1)(B) shall be calculated—

"(1) for fiscal years 1999 and 2000, on the basis of 0.12 percent of the original principal amount of outstanding loans on which insurance was issued under part B; and

"(2) for fiscal year 2001, 2002, and 2003, on the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.";

(3) by striking subsection (d);

(4) by redesignating subsection (c) as subsection (d); and

(5) by inserting after subsection (b) the following:

"(c) SPECIAL RULES.—

"(1) FEE CAP.—The total amount of account maintenance fees payable under this section—

"(A) for fiscal year 1999, shall not exceed $177,000,000;

"(B) for fiscal year 2000, shall not exceed $180,000,000;

"(C) for fiscal year 2001, shall not exceed $170,000,000;

"(D) for fiscal year 2002, shall not exceed $180,000,000; and

"(E) for fiscal year 2003, shall not exceed $195,000,000.

"(2) INSUFFICIENT FUNDING.—

"(A) IN GENERAL.—If the amounts set forth in paragraph (1) are insufficient to pay the account maintenance fees payable to guaranty agencies pursuant to subsection (b) for a fiscal year, the Secretary shall pay the insufficiency by requiring guaranty agencies to transfer funds from the Federal Student Loan Reserve Funds under section 422A to the Agency Operating Funds under section 422B.

"(B) ENTITLEMENT.—A guaranty agency shall be deemed to have a contractual right against the United States to receive payments according to the provisions of subparagraph (A).".

SEC. 455. AUTHORITY TO SELL LOANS.

Part D of title IV (20 U.S.C. 1087a et seq.) is amended by adding at the end the following:

"SEC. 459. AUTHORITY TO SELL LOANS.

"The Secretary, in consultation with the Secretary of the Treasury, is authorized to sell loans made under this part on such terms as the Secretary determines are in the best interest of the United States, except that any such sale shall not result in any cost to the Federal Government. Notwithstanding any other provision of law, the proceeds of any such sale may be used by the Secretary to offer reductions in the interest rate paid by a borrower of a loan made under this part as the Secretary determines appropriate to encourage on-time repayment in accordance with 455(b)(7). Such reductions may be offered only if the Secretary determines the reductions are in the best financial interests of the Federal Government.".

SEC. 456. LOAN CANCELLATION FOR TEACHERS.

Part D of title IV (20 U.S.C. 1087a et seq.) is further amended by adding after section 459 (as added by section 455) the following:

"SEC. 460. LOAN CANCELLATION FOR TEACHERS.

"(a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to enter and continue in the teaching profession.

"(b) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with subsection (c) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for any new borrower on or after October 1, 1998, who—

"(A) has been employed as a full-time teacher for 5 consecutive complete school years—

"(i) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools;

"(ii) if employed as a secondary school teacher, is teaching a subject area that is relevant to the borrower's academic major as certified by the chief administrative officer of the public or non-profit private secondary school in which the borrower is employed; and

"(iii) if employed as an elementary school teacher, has demonstrated, as certified by the chief administrative officer of the public or non-profit private elementary school in which the borrower is employed, knowledge and teaching skills in reading, writing, mathematics and other areas of the elementary school curriculum; and

"(B) is not in default on a loan for which the borrower seeks forgiveness.

"(2) SPECIAL RULE.—No borrower may obtain a reduction of loan obligations under both this section and section 428J.

"(c) QUALIFIED LOAN AMOUNTS.—

"(1) IN GENERAL.—The Secretary shall cancel not more than $5,000 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in subsection (b)(1)(A).

"(2) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H, for a borrower who meets the requirements of subsection (b), as determined in accordance with regulations prescribed by the Secretary.

"(d) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

"(e) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any canceled loan.

"(f) LIST.—If the list of schools in which a teacher may perform service pursuant to subsection (b) is not available before May 1 of any year, the Secretary may use the list for the year preceding the year for which the determination is made to make such service determination.

"(g) ADDITIONAL ELIGIBILITY PROVISIONS.—

"(1) CONTINUED ELIGIBILITY.—Any teacher who performs service in a school that—

"(A) meets the requirements of subsection (b)(1)(A) in any year during such service; and

"(B) in a subsequent year fails to meet the requirements of such subsection, may continue to teach in such school and shall be eligible for loan cancellation pursuant to subsection (b).

"(2) PREVENTION OF DOUBLE BENEFITS.—No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

"(h) DEFINITION.—For the purpose of this section, the term 'year' where applied to service as a teacher means an academic year as defined by the Secretary.".

PART E—FEDERAL PERKINS LOANS

SEC. 461. AUTHORIZATION OF APPROPRIATIONS.

Subsection (b) of section 461 (20 U.S.C. 1087aa) is amended—

(1) in paragraph (1), by striking "1993" and inserting "1999"; and

(2) in paragraph (2), by striking "1997" each place the term appears and inserting "2003".

SEC. 462. ALLOCATION OF FUNDS.

(a) CHANGES IN ALLOCATION FORMULA.—

(1) UPDATING THE BASE PERIOD.—Section 462(a) (20 U.S.C. 1087bb(a)) is amended—

(A) in paragraph (1)(A), by striking "the amount of the Federal capital contribution allocated to such institution under this part for fiscal year 1985" and inserting "the amount received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year)";

(B) in paragraph (2)—

(i) in subparagraphs (A) and (B), by striking "1985" each place the term appears and inserting "1999"; and

(ii) in subparagraph (C)(i), by striking "1986" and inserting "2000".

(2) ELIMINATION OF PRO RATA SHARE.—Section 462 is further amended—

(A) in subsection (a)—

(i) in paragraph (1)(B), by striking "subsection (f)" and inserting "subsection (e)";

(ii) in the matter following paragraph (1)(B), by striking "subsection (g)" and inserting "subsection (f)";

(iii) in paragraph (2)(D)(ii), by striking "subsection (f)" and inserting "subsection (e)"; and *(iv) in the matter following paragraph (2)(D)(ii), by striking "subsection (g)" and inserting "subsection (f)";*

(B) by striking subsection (b);

(C) in subsection (c)(1), by striking "three-quarters of the remainder" and inserting "the remainder";

(D) in the matter following subsection (c)(2)(B), by striking "subsection (g)" and inserting "subsection (f)";

(E) in subsection (c)(3)—

(i) in subparagraph (A), by striking "subsection (d)" and inserting "subsection (c)";

(ii) in subparagraph (C), by striking "subsection (f)" and inserting "subsection (e)"; and

(iii) in the matter following subparagraph (C), by striking "subsection (g)" and inserting "subsection (f)";

(F) in subsection (j)(1)(B)(i), by striking "1985" and inserting "1999";

(G) in subsection (j)(2)—

(i) in subparagraph (A), by striking "paragraph (3) of subsection (c)" and inserting "subsection (b)(3)"; and

(ii) in subparagraph (B), by striking "subsection (c) of section 462" and inserting "subsection (b)"; and

(H) by redesignating subsections (c) through (j) as subsections (b) through (i), respectively.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to allocations of amounts appropriated pursuant to section 461(b) for fiscal year 2000 or any succeeding fiscal year.

(b) SELF-HELP NEED.—The matter preceding subparagraph (A) of section 462(c)(3) (as redesignated by subsection (a)(2)(G)) is amended by striking "the Secretary, for" and all that follows through "years,".

(c) DEFAULT PENALTIES.—Subsections (e) and (f) of section 462 (as redesignated by subsection (a)(2)(G)) are amended to read as follows:

"(e) DEFAULT PENALTIES.—

"(1) YEARS PRECEDING FISCAL YEAR 2000.—For any fiscal year preceding fiscal year 2000, any institution with a cohort default rate that—

"(A) equals or exceeds 15 percent, shall establish a default reduction plan pursuant to regulations prescribed by the Secretary, except that such plan shall not be required with respect to an institution that has a default rate of less than 20 percent and that has less than 100 students who have loans under this part in such academic year;

"(B) equals or exceeds 20 percent, but is less than 25 percent, shall have a default penalty of 0.9;

"(C) equals or exceeds 25 percent, but is less than 30 percent, shall have a default penalty of 0.7; and

"(D) equals or exceeds 30 percent shall have a default penalty of zero.

"(2) YEARS FOLLOWING FISCAL YEAR 2000.—For fiscal year 2000 and any succeeding fiscal year, any institution with a cohort default rate (as defined under subsection (g)) that equals or exceeds 25 percent shall have a default penalty of zero.

"(3) INELIGIBILITY.—

"(A) IN GENERAL.—For fiscal year 2000 and any succeeding fiscal year, any institution with a cohort default rate (as defined in subsection (g)) that equals or exceeds 50 percent for each of the 3 most recent years for which data are available shall not be eligible to participate in a program under this part for the fiscal year for which the determination is made and the 2 succeeding fiscal years, unless, within 30 days of receiving notification from the Secretary of the loss of eligibility under this paragraph, the institution appeals the loss of eligibility to the Secretary. The Secretary shall issue a decision on any such appeal within 45 days after the submission of the appeal. Such decision may permit the institution to continue to participate in a program under this part if—

"(i) the institution demonstrates to the satisfaction of the Secretary that the calculation of the institution's cohort default rate is not accurate, and that recalculation would reduce the institution's cohort default rate for any of the 3 fiscal years below 50 percent; or

"(ii) there are, in the judgment of the Secretary, such a small number of borrowers entering repayment that the application of this subparagraph would be inequitable.

"(B) CONTINUED PARTICIPATION.—During an appeal under subparagraph (A), the Secretary may permit the institution to continue to participate in a program under this part.

"(C) RETURN OF FUNDS.—Within 90 days after the date of any termination pursuant to subparagraph (A), or the conclusion of any appeal pursuant to subparagraph (B), whichever is later, the balance of the student loan fund established under this part by the institution that is the subject of the termination shall be distributed as follows:

"(i) The Secretary shall first be paid an amount which bears the same ratio to such balance (as of the date of such distribution) as the total amount of Federal capital contributions to such fund by the Secretary under this part bears to the sum of such Federal capital contributions and the capital contributions to such fund made by the institution.

"(ii) The remainder of such student loan fund shall be paid to the institution.

"(D) USE OF RETURNED FUNDS.—Any funds returned to the Secretary under this paragraph shall be reallocated to institutions of higher education pursuant to subsection (i).

"(E) DEFINITION.—For the purposes of subparagraph (A), the term 'loss of eligibility' shall be defined as the mandatory liquidation of an institution's student loan fund, and assignment of the institution's outstanding loan portfolio to the Secretary.

"(f) APPLICABLE MAXIMUM COHORT DEFAULT RATE.—

"(1) AWARD YEARS PRIOR TO 2000.—For award years prior to award year 2000, the applicable maximum cohort default rate is 30 percent.

"(2) AWARD YEAR 2000 AND SUCCEEDING AWARD YEARS.—For award year 2000 and subsequent years, the applicable maximum cohort default rate is 25 percent.".

(d) COHORT DEFAULT RATE DEFINITION.—Section 462(g) (as redesignated by subsection (a)(2)(G)) is amended—

(1) by striking the subsection heading and paragraphs (1) and (2) and inserting the following:

"(g) DEFINITION OF COHORT DEFAULT RATE.—
";

(2) by striking "(3)(A) For award year 1994 and any succeeding award year, the term" and inserting the following:

"(1)(A) The term";

(3) in paragraph (1) (as redesignated by paragraph (2))—

(A) by striking subparagraphs (B) and (E); and

(B) by redesignating subparagraphs (C), (D), (F), and (G) as subparagraphs (B), (C), (D), and (F), respectively;

(C) by inserting after subparagraph (D) (as redesignated by subparagraph (B)) the following:

"(E) In determining the number of students who default before the end of such award year, the institution, in calculating the cohort default rate, shall exclude—

"(i) any loan on which the borrower has, after the time periods specified in paragraph (2)—

"(I) voluntarily made 6 consecutive payments;

"(II) voluntarily made all payments currently due;

"(III) repaid in full the amount due on the loan; or

"(IV) received a deferment or forbearance, based on a condition that began prior to such time periods;

"(ii) any loan which has, after the time periods specified in paragraph (2), been rehabilitated or canceled; and

"(iii) any other loan that the Secretary determines should be excluded from such determination."; and

(4) by striking paragraph (4) and inserting the following:

"(2) For purposes of calculating the cohort default rate under this subsection, a loan shall be considered to be in default—

"(A) 240 days (in the case of a loan repayable monthly), or

"(B) 270 days (in the case of a loan repayable quarterly),

after the borrower fails to make an installment payment when due or to comply with other terms of the promissory note.".

(e) CONFORMING AMENDMENTS.—Section 462 (20 U.S.C. 1087bb) is amended—

(1) in the matter following paragraphs (1)(B) and (2)(D)(ii) of subsection (a), by inserting "cohort" before "default" each place the term appears;

(2) in the matter following paragraphs (2)(B) and (3)(C) of subsection (b) (as redesignated by subsection (a)(2)(G)), by inserting "cohort" before "default" each place the term appears;

(3) in subsection (d)(2) (as redesignated by subsection (a)(2)(G)), by inserting "cohort" before "default"; and

(4) in subsection (g)(1)(F) (as redesignated by subsections (a)(2)(G) and (d)(3)(B)), by inserting "cohort" before "default".

SEC. 463. AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION.

(a) CONTENTS OF AGREEMENTS.—Section 463(a) (20 U.S.C. 1087cc(a)) is amended—

(1) by amending subparagraph (B) of paragraph (2) to read as follows:

"(B) a capital contribution by an institution in an amount equal to one-third of the Federal capital contributions described in subparagraph (A);";

(2) by striking paragraph (4); and

(3) by redesignating paragraphs (5) through (10) as paragraphs (4) through (9);

(b) AGREEMENTS WITH CREDIT BUREAUS.—Section 463(c) is amended—

(1) in paragraph (1)—

(A) by striking "the Secretary shall" and inserting "the Secretary and each institution of higher education participating in the program under this part shall"; and

(B) by inserting "and regarding loans held by the Secretary or an institution" after "section 467";

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "by the Secretary" and all that follows through "of—" and inserting "by the Secretary or an institution, as the case may be, to such organizations, with respect to any loan held by the Secretary or the institution, respectively, of—";

(B) by amending subparagraph (A) to read as follows:

"(A) the date of disbursement and the amount of such loans made to any borrower under this part at the time of disbursement of the loan;";

(C) in subparagraph (B)—

(i) by inserting "the repayment and" after "concerning"; and

(ii) by striking "any defaulted" and inserting "such"; and

(D) in subparagraph (C), by inserting ", or upon cancellation or discharge of the borrower's obligation on the loan for any reason" before the period;

(3) in paragraph (3)—

(A) in the matter preceding subparagraph (A)—

(i) by inserting "or an institution" after "from the Secretary"; and

(ii) by striking "until—" and inserting "until the loan is paid in full."; and

(B) by striking subparagraphs (A) and (B);

(4) by amending paragraph (4) to read as follows:

"(4)(A) Except as provided in subparagraph (B), an institution of higher education, after consultation with the Secretary and pursuant to the agreements entered into under paragraph (1), shall disclose at least annually to any credit bureau organization with which the Secretary has such an agreement the information set forth in paragraph (2), and shall disclose promptly to such credit bureau organization any changes to the information previously disclosed.

"(B) The Secretary may promulgate regulations establishing criteria under which an institution of higher education may cease reporting the information described in paragraph (2) before a loan is paid in full."; and

(4) by inserting after paragraph (4) the following:

"(5) Each institution of higher education shall notify the appropriate credit bureau organizations whenever a borrower of a loan that is made and held by the institution and that is in default makes 6 consecutive monthly payments on such loan, for the purpose of encouraging such organizations to update the status of information maintained with respect to that borrower.".

(c) CONFORMING AMENDMENT.—Section 463(d) is amended by striking "subsection (a)(10)" and inserting "subsection (a)(9)".

SEC. 464. TERMS OF LOANS.

(a) TERMS AND CONDITIONS; ANNUAL LIMITS.—Paragraph (2) of section 464(a) (20 U.S.C. 1087dd(a)) is amended to read as follows:

"(2)(A) Except as provided in paragraph (4), the total of loans made to a student in any academic year or its equivalent by an institution of higher education from a loan fund established pursuant to an agreement under this part shall not exceed—

"(i) $4,000, in the case of a student who has not successfully completed a program of undergraduate education; or

"(ii) $6,000, in the case of a graduate or professional student (as defined in regulations issued by the Secretary).

"(B) Except as provided in paragraph (4), the aggregate unpaid principal amount for all loans made to a student by institutions of higher education from loan funds established pursuant to agreements under this part may not exceed—

"(i) $40,000, in the case of any graduate or professional student (as defined by regulations issued by the Secretary, and including any loans from such funds made to such person before such person became a graduate or professional student);

"(ii) $20,000, in the case of a student who has successfully completed 2 years of a program of education leading to a bachelor's degree but who has not completed the work necessary for such a degree (determined under regulations issued by the Secretary), and including any loans from such funds made to such person before such person became such a student; and

"(iii) $8,000, in the case of any other student.".

(b) NEED AND ELIGIBILITY.—Section 464(b) is amended—

(1) in paragraph (1), by adding at the end the following: "A student who is in default on a loan under this part shall not be eligible for an additional loan under this part unless such loan meets one of the conditions for exclusion under section 462(g)(1)(E)."; and

(2) by amending paragraph (2) to read as follows:

"(2) If the institution's capital contribution under section 462 is directly or indirectly based in part on the financial need demonstrated by students who are (A) attending the institution less than full time, or (B) independent students, then a reasonable portion of the loans made from the institution's student loan fund containing the contribution shall be made available to such students.".

(c) CONTENTS OF LOAN AGREEMENT.—Section 464(c) is amended—

(1) in paragraph (1)(D)—

(A) by striking "(i) 3 percent" and all that follows through "or (iii)"; and

(B) by striking "subparagraph (A)(i)" and inserting "paragraph (2)(A)(i)";

(2) in the matter following clause (iv) of paragraph (2)(A), by striking "subparagraph (B)" and inserting "subparagraph (A) of paragraph (1)";

(3) by adding at the end of paragraph (2) the following:

"(C) An individual with an outstanding loan balance who meets the eligibility criteria for a deferment described in subparagraph (A) as in effect on the date of enactment of this subparagraph shall be eligible for deferment under this paragraph notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such deferment."; and

(4) by adding at the end the following:

"(7) There shall be excluded from the 9-month period that begins on the date on which a student ceases to carry at least one-half the normal full-time academic workload (as described in paragraph (1)(A)) any period not to exceed 3 years during which a borrower who is a member of a reserve component of the Armed Forces named in section 10101 of title 10, United States Code, is called or ordered to active duty for a period of more than 30 days (as defined in section 101(d)(2) of such title). Such period of exclusion shall include the period necessary to resume enrollment at the borrower's next available regular enrollment period.".

(d) DISCHARGE; REHABILITATION; INCENTIVE REPAYMENT.—Section 464 is amended by adding at the end the following:

"(g) DISCHARGE.—

"(1) IN GENERAL.—If a student borrower who received a loan made under this part on or after January 1, 1986, is unable to complete the program in which such student is enrolled due to the closure of the institution, then the Secretary shall discharge the borrower's liability on the loan (including the interest and collection fees) and shall subsequently pursue any claim available to such borrower against the institution and the institution's affiliates and principals, or settle the loan obligation pursuant to the financial responsibility standards described in section 498(c).

"(2) ASSIGNMENT.—A borrower whose loan has been discharged pursuant to this subsection shall be deemed to have assigned to the United States the right to a loan refund in an amount that does not exceed the amount discharged against the institution and the institution's affiliates and principals.

"(3) ELIGIBILITY FOR ADDITIONAL ASSISTANCE.—The period during which a student was unable to complete a course of study due to the closing of the institution shall not be considered for purposes of calculating the student's period of eligibility for additional assistance under this title.

"(4) SPECIAL RULE.—A borrower whose loan has been discharged pursuant to this subsection shall not be precluded, because of that discharge, from receiving additional grant, loan, or work assistance under this title for which the borrower would be otherwise eligible (but for the default on the discharged loan). The amount discharged under this subsection shall be treated as an amount canceled under section 465(a).

"(5) REPORTING.—The Secretary or institution, as the case may be, shall report to credit bureaus with respect to loans that have been discharged pursuant to this subsection.

"(h) REHABILITATION OF LOANS.—

"(1) REHABILITATION.—

"(A) IN GENERAL.—If the borrower of a loan made under this part who has defaulted on the loan makes 12 ontime, consecutive, monthly payments of amounts owed on the loan, as determined by the institution, or by the Secretary in the case of a loan held by the Secretary, the loan shall be considered rehabilitated, and the institution that made that loan (or the Secretary, in the case of a loan held by the Secretary) shall request that any credit bureau organization or credit reporting agency to which the default was reported remove the default from the borrower's credit history.

"(B) COMPARABLE CONDITIONS.—As long as the borrower continues to make scheduled repayments on a loan rehabilitated under this paragraph, the rehabilitated loan shall be subject to the same terms and conditions, and qualify for the same benefits and privileges, as other loans made under this part.

"(C) ADDITIONAL ASSISTANCE.—The borrower of a rehabilitated loan shall not be precluded by section 484 from receiving additional grant, loan, or work assistance under this title (for which the borrower is otherwise eligible) on the basis of defaulting on the loan prior to such rehabilitation.

"(D) LIMITATIONS.—A borrower only once may obtain the benefit of this paragraph with respect to rehabilitating a loan under this part.

"(2) RESTORATION OF ELIGIBILITY.—If the borrower of a loan made under this part who has defaulted on that loan makes 6 ontime, consecutive, monthly payments of amounts owed on such loan, the borrower's eligibility for grant, loan, or work assistance under this title shall be restored to the extent that the borrower is otherwise eligible. A borrower only once may obtain the benefit of this paragraph with respect to restored eligibility.

"(i) INCENTIVE REPAYMENT PROGRAM.—

"(1) IN GENERAL.—Each institution of higher education may establish, with the approval of the Secretary, an incentive repayment program designed to reduce default and to replenish student loan funds established under this part. Each such incentive repayment program may—

"(A) offer a reduction of the interest rate on a loan on which the borrower has made 48 consecutive, monthly repayments, but in no event may the rate be reduced by more than 1 percent;

"(B) provide for a discount on the balance owed on a loan on which the borrower pays the principal and interest in full prior to the end of the applicable repayment period, but in no event may the discount exceed 5 percent of the unpaid principal balance due on the loan at the time the early repayment is made; and

"(C) include such other incentive repayment options as the institution determines will carry out the objectives of this subsection.

"(2) LIMITATION.—No incentive repayment option under an incentive repayment program authorized by this subsection may be paid for with Federal funds, including any Federal funds from the student loan fund, or with institutional funds from the student loan fund.".

SEC. 465. CANCELLATION FOR PUBLIC SERVICE.

Section 465 (20 U.S.C. 1087ee) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(C), by striking "section 676(b)(9)" and inserting "section 635(a)(10)";

(B) in the last sentence of paragraph (2), by striking "section 602(a)(1)" and inserting "section 602"; and

(C) by adding at the end the following new paragraph:

"(7) An individual with an outstanding loan obligation under this part who performs service of any type that is described in paragraph (2) as in effect on the date of enactment of this paragraph shall be eligible for cancellation under this section for such service notwithstanding any contrary provision of the promissory note under which the loan or loans were made, and notwithstanding any amendment (or effective date provision relating to any amendment) to this section made prior to the date of such service."; and

(2) in subsection (b), by adding at the end the following new sentence: "To the extent feasible, the Secretary shall pay the amounts for which any institution qualifies under this subsection not later than 3 months after the institution files an institutional application for campus-based funds.".

SEC. 466. DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS.

Section 466 (20 U.S.C. 1087ff) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "1996" and inserting "2003"; and

(ii) by striking "1997" and inserting "2004"; and

(B) in paragraph (1), by striking "1996" and inserting "2003";

(2) in subsection (b)—

(A) by striking "2005" and inserting "2012"; and

(B) by striking "1996" and inserting "2003"; and

(3) in subsection (c), by striking "1997" and inserting "2004".

SEC. 467. PERKINS LOAN REVOLVING FUND.

(a) Repeal.—Subsection (c) of section 467 (20 U.S.C. 1087gg(c)) is repealed.

(b) Transfer of Balance.—Any funds in the Perkins Loan Revolving Fund on the date of enactment of this Act shall be transferred to and deposited in the Treasury.

PART F—NEED ANALYSIS

SEC. 471. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

(1) in paragraph (2), by inserting after "personal expenses" the following: ", including a reasonable allowance for the documented rental or purchase of a personal computer,";

(2) in paragraph (3)—

(A) in subparagraph (A), by striking "of not less than $1,500" and inserting "determined by the institution"; and

(B) in subparagraph (C), by striking ", except that the amount may not be less than $2,500";

(3) in paragraph (10), by striking everything after "determining costs" and inserting a semicolon; and

(4) in paragraph (11), by striking "placed" and inserting "engaged".

SEC. 472. DATA ELEMENTS.

Section 474(b)(3) (20 U.S.C. 1087nn(b)(3)) is amended by inserting ", excluding the student's parents," after "family of the student".

SEC. 473. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

(a) Parents' Contribution from Adjusted Available Income.—Section 475(b)(3) (20 U.S.C. 1087oo(b)(3)) is amended by inserting ", excluding the student's parents," after "number of family members".

(b) Student Contribution From Available Income.—Section 475(g) is amended—

(1) in paragraph (2)—

(A) in subparagraph (D), by striking "$1,750; and" and inserting "$2,200 (or a successor amount prescribed by the Secretary under section 478);";

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) an allowance for parents' negative available income, determined in accordance with paragraph (6)."; and

(2) by adding at the end the following new paragraph:

"(6) Allowance for Parents' Negative Available Income.—The allowance for parents' negative available income is the amount, if any, by which the sum of the amounts deducted under subparagraphs (A) through (F) of subsection (c)(1) exceeds the sum of the parents' total income (as defined in section 480) and the parents' contribution from assets (as determined in accordance with subsection (d)).".

(c) Adjustments to Student's Contribution for Enrollment Periods Other Than Nine Months.—Section 475 is amended by adding at the end the following:

"(j) Adjustments to Student's Contribution for Enrollment Periods of Less Than Nine Months.—For periods of enrollment of less than 9 months, the student's contribution from adjusted available income (as determined under subsection (g)) is determined, for purposes other than subpart 2 of part A, by dividing the amount determined under such subsection by 9, and multiplying the result by the number of months in the period of enrollment.".

SEC. 474. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

(a) Adjustments for Enrollment Periods of Less Than Nine Months.—Section 476(a) (20 U.S.C. 1087pp(a)) is amended—

(1) by striking "and" at the end of paragraph (1)(B);

(2) by inserting "and" after the semicolon at the end of paragraph (2); and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) for periods of enrollment of less than 9 months, for purposes other than subpart 2 of part A—

"(A) dividing the quotient resulting under paragraph (2) by 9; and

"(B) multiplying the result by the number of months in the period of enrollment;".

(b) Contribution from Available Income.—Section 476(b)(1)(A)(iv) is amended—

(1) by striking "allowance of—" and inserting "allowance of the following amount (or a successor amount prescribed by the Secretary under section 478)—";

(2) in subclauses (I) and (II), by striking "$3,000" each place the term appears and inserting "$5,000"; and

(3) in subclause (III), by striking "$6,000" and inserting "$8,000".

SEC. 475. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

Section 477(a) (20 U.S.C. 1087qq(a)) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by inserting "and" after the semicolon at the end of paragraph (3); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) for periods of enrollment of less than 9 months, for purposes other than subpart 2 of part A—

"(A) dividing the quotient resulting under paragraph (3) by 9; and

"(B) multiplying the result by the number of months in the period of enrollment;".

SEC. 476. REGULATIONS; UPDATED TABLES AND AMOUNTS.

Section 478(b) (20 U.S.C. 1087rr(b)) is amended—

(1) by striking "For each academic year" and inserting the following:

"(1) Revised Tables.—For each academic year"; and

(2) by adding at the end the following new paragraph:

"(2) Revised Amounts.—For each academic year after academic year 2000–2001, the Secretary shall publish in the Federal Register revised income protection allowances for the purpose of sections 475(g)(2)(D) and 476(b)(1)(A)(iv). Such revised allowances shall be developed by increasing each of the dollar amounts contained in such section by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 1999 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.".

SEC. 477. SIMPLIFIED NEEDS TEST; ZERO EXPECTED FAMILY CONTRIBUTION.

Section 479 (20 U.S.C. 1087ss) is amended—

(1) in subsection (b)(3)—

(A) in the matter preceding subparagraph (A), by striking "this paragraph" and inserting "this subsection, or subsection (c), as the case may be,";

(B) in subparagraph (A), by striking "or" at the end thereof;

(C) by redesignating subparagraph (B) as subparagraph (C); and

(D) by inserting after subparagraph (A) the following new subparagraph:

"(B) a form 1040 (including any prepared or electronic version of such form) required pursuant to the Internal Revenue Code of 1986, except that such form shall be considered a qualifying form only if the student or family files such form in order to take a tax credit under section 25A of the Internal Revenue Code of 1986, and would otherwise be eligible to file a form described in subparagraph (A); or";

(2) in subsection (c)—

(A) by amending paragraph (1)(A) to read as follows:

"(A) the student's parents file, or are eligible to file, a form described in subsection (b)(3), or certify that the parents are not required to file an income tax return and the student files, or is eligible to file, such a form, or certifies that the student is not required to file an income tax return; and"; and

(B) by amending paragraph (2)(A) to read as follows:

"(A) the student (and the student's spouse, if any) files, or is eligible to file, a form described in subsection (b)(3), or certifies that the student (and the student's spouse, if any) is not required to file an income tax return; and".

SEC. 478. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

Section 479A (20 U.S.C. 1087tt) is amended—

(1) in subsection (a), by inserting after the second sentence the following: "Special circumstances may include tuition expenses at an elementary or secondary school, medical or dental expenses not covered by insurance, unusually high child care costs, recent unemployment of a family member, the number of parents enrolled at least half-time in a degree, certificate, or other program leading to a recognized educational credential at an institution with a program participation agreement under section 487, or other changes in a family's income, a family's assets, or a student's status."; and

(2) by amending subsection (c) to read as follows:

"(c) Refusal or Adjustment of Loan Certifications.—On a case-by-case basis, an eligible institution may refuse to certify a statement that permits a student to receive a loan under part B or D, or may certify a loan amount or make a loan that is less than the student's determination of need (as determined under this part), if the reason for the action is documented and provided in written form to the student. No eligible institution shall discriminate against any borrower or applicant in obtaining a loan on the basis of race, national origin, religion, sex, marital status, age, or disability status.".

SEC. 479. TREATMENT OF OTHER FINANCIAL ASSISTANCE.

Section 480(j) (20 U.S.C. 1087vv(j)) is amended—

(1) in paragraph (1), by inserting before the period at the end the following: ", and national service educational awards or post-service benefits under title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)";

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

SEC. 480. CLERICAL AMENDMENTS.

(a) AMOUNT OF NEED.—Section 471 (20 U.S.C. 1087kk) is amended by striking "or 4" and inserting "or 2".

(b) FAMILY CONTRIBUTION.—Section 473 (20 U.S.C. 1087mm) is amended by striking "subpart 4" and inserting "subpart 2".

SEC. 480A. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this part are effective on the date of enactment of this Act.

(b) PROVISIONS EFFECTIVE FOR ACADEMIC YEAR 2000–2001, AND THEREAFTER.—The amendments made by sections 472, 473, 474, and 475 shall apply with respect to determinations of need under part F oif title IV of the Higher Education Act of 1965 for academic years beginning on or after July 1, 2000.

PART G—GENERAL PROVISIONS

SEC. 481. MASTER CALENDAR.

(a) REQUIRED SCHEDULE.—Section 482(a) (20 U.S.C. 1089(a)) is amended by adding at the end the following:

"(3) The Secretary shall, to the extent practicable, notify eligible institutions, guaranty agencies, lenders, interested software providers, and, upon request, other interested parties, by December 1 prior to the start of an award year of minimal hardware and software requirements necessary to administer programs under this title.

"(4) The Secretary shall attempt to conduct training activities for financial aid administrators and others in an expeditious and timely manner prior to the start of an award year in order to ensure that all participants are informed of all administrative requirements.".

(b) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—Subsection (c) of section 482 is amended to read as follows:

"(c) DELAY OF EFFECTIVE DATE OF LATE PUBLICATIONS.—(1) Except as provided in paragraph (2), any regulatory changes initiated by the Secretary affecting the programs under this title that have not been published in final form by November 1 prior to the start of the award year shall not become effective until the beginning of the second award year after such November 1 date.

"(2)(A) The Secretary may designate any regulatory provision that affects the programs under this title and is published in final form after November 1 as one that an entity subject to the provision may, in the entity's discretion, choose to implement prior to the effective date described in paragraph (1). The Secretary may specify in the designation when, and under what conditions, an entity may implement the provision prior to that effective date. The Secretary shall publish any designation under this subparagraph in the Federal Register.

"(B) If an entity chooses to implement a regulatory provision prior to the effective date described in paragraph (1), as permitted by subparagraph (A), the provision shall be effective with respect to that entity in accordance with the terms of the Secretary's designation.".

SEC. 482. FORMS AND REGULATIONS.

(a) COMMON FINANCIAL AID FORM DEVELOPMENT.—Section 483(a) (20 U.S.C. 1090(a)) is amended—

(1) in the subsection heading, by striking "FORM" and inserting "FORM DEVELOPMENT";

(2) in paragraph (1)—

(A) by striking "A, C, D, and E" and inserting "A through E";

(B) by striking "and to determine the need of a student for the purpose of part B of this title";

(C) by striking the second sentence and inserting the following: "The Secretary shall include on the form developed under this subsection such data items as the Secretary determines are appropriate for inclusion. Such items shall be selected in consultation with States to assist in the awarding of State financial assistance. In no case shall the number of such data items be less than the number included on the form on the date of enactment of the Higher Education Amendments of 1998."; and

(D) by striking the last sentence;

(3) in paragraph (2)—

(A) by striking "A, C, D, and E" each place the term appears and inserting "A through E";

(B) by striking "and the need of a student for the purpose of part B of this title,"; and

(C) by striking "or have the student's need established for the purpose of part B of this title";

(4) by amending paragraph (3) to read as follows:

"(3) DISTRIBUTION OF DATA.—Institutions of higher education, guaranty agencies, and States shall receive, without charge, the data collected by the Secretary using the form developed pursuant to this section for the purposes of processing loan applications and determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.";

(5) by adding at the end the following:

"(5) ELECTRONIC FORMS.—(A) The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, including private computer software providers, shall develop an electronic version of the form described in paragraph (1). As permitted by the Secretary, such an electronic version shall not require a signature to be collected at the time such version is submitted, if a signature is subsequently submitted by the applicant. The Secretary shall prescribe such version not later than 120 days after the date of enactment of the Higher Education Amendments of 1998.

"(B) Nothing in this section shall be construed to prohibit the use of the form developed by the Secretary pursuant to subparagraph (A) by an eligible institution, eligible lender, guaranty agency, State grant agency, private computer software providers, a consortium thereof, or such other entities as the Secretary may designate.

"(C) No fee shall be charged to students in connection with the use of the electronic version of the form, or of any other electronic forms used in conjunction with such form in applying for Federal or State student financial assistance.

"(D) The Secretary shall ensure that data collection complies with section 552a of title 5, United States Code, and that any entity using the electronic version of the form developed by the Secretary pursuant to subparagraph (A) shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic version of the form. Data collected by such version of the form shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by such version of the form shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary.

"(6) THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.—To the extent practicable and in a timely manner, the Secretary shall provide, to private organizations and consortia that develop software used by eligible institutions for the administration of funds under this title, all the necessary specifications that the organizations and consortia must meet for the software the organizations and consortia develop, produce, and distribute (including any diskette, modem, or network communications) which are so used. The specifications shall contain record layouts for required data. The Secretary shall develop in advance of each processing cycle an annual schedule for providing such specifications. The Secretary, to the extent practicable, shall use means of providing such specifications, including conferences and other meetings, outreach, and technical support mechanisms (such as training and printed reference materials). The Secretary shall, from time to time, solicit from such organizations and consortia means of improving the support provided by the Secretary.

"(7) PARENT'S SOCIAL SECURITY NUMBER AND BIRTH DATE.—The Secretary is authorized to include on the form developed under this subsection space for the social security number and birth date of parents of dependent students seeking financial assistance under this title.".

(b) STREAMLINED REAPPLICATION PROCESS.—Section 483(b)(1) is amended by striking ", within 240 days" and all that follows through "of 1992,".

(c) INFORMATION TO COMMITTEES.—Section 483(c) is amended by striking "and Labor" and inserting "and the Workforce".

(d) TOLL-FREE INFORMATION.—Section 483(d) is amended by striking "section 633(c)" and inserting "section 685(d)(2)(C)".

(e) REPEAL.—Subsection (f) of section 483 is repealed.

SEC. 483. STUDENT ELIGIBILITY.

(a) IN GENERAL.—Section 484(a) (20 U.S.C. 1091(a)) is amended—

(1) in paragraph (4), by striking "the institution" and everything that follows through "lender), a document" and inserting "the Secretary, as part of the original financial aid application process, a certification,"; and

(2) in paragraph (5), by striking "or a permanent resident of the Trust Territory of the Pacific Islands, Guam, or the Northern Mariana Islands" and inserting "a citizen of any one of the Freely Associated States".

(b) HOME-SCHOOLED STUDENTS.—Section 484(d) is amended—

(1) in the matter preceding paragraph (1), by striking "either"; and

(2) by adding at the end the following:

"(3) The student has completed a secondary school education in a home school setting that is treated as a home school or private school under State law.".

(c) TERMINATION OF ELIGIBILITY.—Section 484(j) is amended to read as follows:

"(j) ASSISTANCE UNDER SUBPARTS 1 AND 3 OF PART A, AND PART C.—Notwithstanding any other provision of law, a student shall be eligible until September 30, 2004, for assistance under subparts 1 and 3 of part A, and part C, if the student is otherwise qualified and—

"(1) is a citizen of any one of the Freely Associated States and attends an institution of higher education in a State or a public or nonprofit private institution of higher education in the Freely Associated States; or

"(2) meets the requirements of subsection (a)(5) and attends a public or nonprofit private institution of higher education in any one of the Freely Associated States.".

(d) Correspondence Courses.—Paragraph (1) of section 484(l) is amended to read as follows:

"(1) Relation to correspondence courses.—

"(A) In general.—A student enrolled in a course of instruction at an institution of higher education that is offered in whole or in part through telecommunications and leads to a recognized certificate for a program of study of 1 year or longer, or a recognized associate, baccalaureate, or graduate degree, conferred by such institution, shall not be considered to be enrolled in correspondence courses unless the total amount of telecommunications and correspondence courses at such institution equals or exceeds 50 percent of the total amount of all courses at the institution.

"(B) Requirement.—An institution of higher education referred to in subparagraph (A) is an institution of higher education—

"(i) that is not an institute or school described in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

"(ii) for which at least 50 percent of the programs of study offered by the institution lead to the award of a recognized associate, baccalaureate, or graduate degree.".

(e) Verification of Income Data.—Section 484 is amended by adding at the end the following:

"(q) Verification of Income Data.—

"(1) Confirmation with IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the adjusted gross income, Federal income taxes paid, filing status, and exemptions reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.

"(2) Notification.—The Secretary shall establish procedures under which an applicant is notified that the Internal Revenue Service will disclose to the Secretary tax return information as authorized under section 6103(l)(13) of the Internal Revenue Code of 1986.".

(f) Suspension of Eligibility for Drug-Related Offenses.—

(1) Amendment.—Section 484 is amended by adding at the end thereof the following:

"(r) Suspension of Eligibility for Drug-Related Offenses.—

"(1) In general.—A student who has been convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance shall not be eligible to receive any grant, loan, or work assistance under this title during the period beginning on the date of such conviction and ending after the interval specified in the following table:

"If convicted of an offense involving:

The possession of a controlled substance:	**Ineligibility period is:**
First offense	1 year
Second offense	2 years
Third offense	Indefinite.
The sale of a controlled substance:	**Ineligibility period is:**
First offense	2 years
Second offense	Indefinite.

"(2) Rehabilitation.—A student whose eligibility has been suspended under paragraph (1) may resume eligibility before the end of the ineligibility period determined under such paragraph if—

"(A) the student satisfactorily completes a drug rehabilitation program that—

"(i) complies with such criteria as the Secretary shall prescribe in regulations for purposes of this paragraph; and

"(ii) includes 2 unannounced drug tests; or

"(B) the conviction is reversed, set aside, or otherwise rendered nugatory.

"(3) Definitions.—In this subsection, the term 'controlled substance' has the meaning given the term in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).".

(2) Effective date.—The amendment made by paragraph (1), regarding suspension of eligibility for drug-related offenses, shall apply with respect to financial assistance to cover the costs of attendance for periods of enrollment beginning after the date of enactment of this Act.

SEC. 484. STATE COURT JUDGMENTS.

Section 484A (20 U.S.C. 1091a) is amended—

(1) in the heading of the section by inserting ", **AND STATE COURT JUDGMENTS**" after "**LIMITATIONS**"; and

(2) by adding at the end the following:

"(c) State Court Judgments.—A judgment of a State court for the recovery of money provided as grant, loan, or work assistance under this title that has been assigned or transferred to the Secretary under this title may be registered in any district court of the United States by filing a certified copy of the judgment and a copy of the assignment or transfer. A judgment so registered shall have the same force and effect, and may be enforced in the same manner, as a judgment of the district court of the district in which the judgment is registered.".

SEC. 485. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended to read as follows:

"SEC. 484B. INSTITUTIONAL REFUNDS.

"(a) Return of Title IV Funds.—

"(1) In general.—If a recipient of assistance under this title withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the amount of grant or loan assistance (other than assistance received under part C) to be returned to the title IV programs is calculated according to paragraph (3) and returned in accordance with subsection (b).

"(2) Leave of absence.—

"(A) Leave not treated as withdrawal.—In the case of a student who takes a leave of absence from an institution for not more than a total of 180 days in any 12-month period, the institution may consider the student as not having withdrawn from the institution during the leave of absence, and not calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section if—

"(i) the institution has a formal policy regarding leaves of absence;

"(ii) the student followed the institution's policy in requesting a leave of absence; and

"(iii) the institution approved the student's request in accordance with the institution's policy.

"(B) Consequences of failure to return.—If a student does not return to the institution at the expiration of an approved leave of absence that meets the requirements of subparagraph (A), the institution shall calculate the amount of grant and loan assistance provided under this title that is to be returned in accordance with this section based on the day the student withdrew (as determined under subsection (c)).

"(3) Calculation of amount of title IV assistance earned.—

"(A) In general.—The amount of grant or loan assistance under this title that is earned by the recipient for purposes of this section is calculated by—

"(i) determining the percentage of grant and loan assistance under this title that has been earned by the student, as described in subparagraph (B); and

"(ii) applying such percentage to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment for which the assistance was awarded, as of the day the student withdrew.

"(B) Percentage earned.—For purposes of subparagraph (A)(i), the percentage of grant or loan assistance under this title that has been earned by the student is—

"(i) equal to the percentage of the payment period or period of enrollment for which assistance was awarded that was completed (as determined in accordance with subsection (d)) as of the day the student withdrew, provided that such date occurs on or before the completion of 60 percent of the payment period or period of enrollment; or

"(ii) 100 percent, if the day the student withdrew occurs after the student has completed 60 percent of the payment period or period of enrollment.

"(C) Percentage and amount not earned.—For purposes of subsection (b), the amount of grant and loan assistance awarded under this title that has not been earned by the student shall be calculated by—

"(i) determining the complement of the percentage of grant or loan assistance under this title that has been earned by the student described in subparagraph (B); and

"(ii) applying the percentage determined under clause (i) to the total amount of such grant and loan assistance that was disbursed (and that could have been disbursed) to the student, or on the student's behalf, for the payment period or period of enrollment, as of the day the student withdrew.

"(4) Differences between amounts earned and amounts received.—

"(A) In general.—If the student has received less grant or loan assistance than the amount earned as calculated under subparagraph (A) of paragraph (3), the institution of higher education shall comply with the procedures for late disbursement specified by the Secretary in regulations.

"(B) Return.—If the student has received more grant or loan assistance than the amount earned as calculated under paragraph (3)(A), the unearned funds shall be returned by the institution or the student, or both, as may be required under paragraphs (1) and (2) of subsection (b), to the programs under this title in the order specified in subsection (b)(3).

"(b) Return of Title IV Program Funds.—

"(1) Responsibility of the institution.—The institution shall return, in the order specified in paragraph (3), the lesser of—

"(A) the amount of grant and loan assistance awarded under this title that has not been earned by the student, as calculated under subsection (a)(3)(C); or

"(B) an amount equal to—

"(i) the total institutional charges incurred by the student for the payment period or period of enrollment for which such assistance was awarded; multiplied by

"(ii) the percentage of grant and loan assistance awarded under this title that has not been earned by the student, as described in subsection (a)(3)(C)(i).

"(2) Responsibility of the student.—

"(A) In general.—The student shall return assistance that has not been earned by the student as described in subsection (a)(3)(C)(ii) in the order specified in paragraph (3) minus the *amount the institution is required to return under paragraph (1).*

"(B) Special rule.—The student (or parent in the case of funds due to a loan borrowed by a parent under part B or D) shall return or repay, as appropriate, the amount determined under subparagraph (A) to—

"(i) a loan program under this title in accordance with the terms of the loan; and

"(ii) a grant program under this title, as an overpayment of such grant and shall be subject to—

"(I) repayment arrangements satisfactory to the institution; or

"(II) overpayment collection procedures prescribed by the Secretary.

"(C) Requirement.—Notwithstanding subparagraphs (A) and (B), a student shall not be required to return 50 percent of the grant assistance received by the student under this title, for a payment period or period of enrollment, that is the responsibility of the student to repay under this section.

"(3) Order of return of title IV funds.—

"(A) In general.—Excess funds returned by the institution or the student, as appropriate, in accordance with paragraph (1) or (2), respectively, shall be credited to outstanding balances on loans made under this title to the student or on behalf of the student for the payment period or period of enrollment for which a return of funds is required. Such excess funds shall be credited in the following order:

"(i) To outstanding balances on loans made under section 428H for the payment period or period of enrollment for which a return of funds is required.

"(ii) To outstanding balances on loans made under section 428 for the payment period or period of enrollment for which a return of funds is required.

"(iii) To outstanding balances on unsubsidized loans (other than parent loans) made under part D for the payment period or period of enrollment for which a return of funds is required.

"(iv) To outstanding balances on subsidized loans made under part D for the payment period or period of enrollment for which a return of funds is required.

"(v) To outstanding balances on loans made under part E for the payment period or period of enrollment for which a return of funds is required.

"(vi) To outstanding balances on loans made under section 428B for the payment period or period of enrollment for which a return of funds is required.

"(vii) To outstanding balances on parent loans made under part D for the payment period or period of enrollment for which a return of funds is required.

"(B) Remaining excesses.—If excess funds remain after repaying all outstanding loan amounts, the remaining excess shall be credited in the following order:

"(i) To awards under subpart 1 of part A for the payment period or period of enrollment for which a return of funds is required.

"(ii) To awards under subpart 3 of part A for the payment period or period of enrollment for which a return of funds is required.

"(iii) To other assistance awarded under this title for which a return of funds is required.

"(c) Withdrawal Date.—

"(1) In general.—In this section, the term 'day the student withdrew'—

"(A) is the date that the institution determines—

"(i) the student began the withdrawal process prescribed by the institution;

"(ii) the student otherwise provided official notification to the institution of the intent to withdraw; or

"(iii) in the case of a student who does not begin the withdrawal process or otherwise notify the institution of the intent to withdraw, the date that is the mid-point of the payment period for which assistance under this title was disbursed or a later date documented by the institution; or

"(B) for institutions required to take attendance, is determined by the institution from such attendance records.

"(2) Special rule.—Notwithstanding paragraph (1), if the institution determines that a student did not begin the withdrawal process, or otherwise notify the institution of the intent to withdraw, due to illness, accident, grievous personal loss, or other such circumstances beyond the student's control, the institution may determine the appropriate withdrawal date.

"(d) Percentage of the Payment Period or Period of Enrollment Completed.—For purposes of subsection (a)(3)(B)(i), the percentage of the payment period or period of enrollment for which assistance was awarded that was completed, is determined—

"(1) in the case of a program that is measured in credit hours, by dividing the total number of calendar days comprising the payment period or period of enrollment for which assistance is awarded into the number of calendar days completed in that period as of the day the student withdrew; and

"(2) in the case of a program that is measured in clock hours, by dividing the total number of clock hours comprising the payment period or period of enrollment for which assistance is awarded into the number of clock hours—

"(A) completed by the student in that period as of the day the student withdrew; or

"(B) scheduled to be completed as of the day the student withdrew, if the clock hours completed in the period are not less than a percentage, to be determined by the Secretary in regulations, of the hours that were scheduled to be completed by the student in the period.

"(e) Effective Date.—The provisions of this section shall take effect 2 years after the date of enactment of the Higher Education Amendments of 1998. An institution of higher education may choose to implement such provisions prior to that date.".

SEC. 486. INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS.

(a) Information Dissemination Activities.—Section 485(a) (20 U.S.C. 1092(a)) is amended—

(1) in paragraph (1)—

(A) in the second sentence, by striking ", through appropriate publications and mailings, to all current students, and to any prospective student upon request" and inserting "upon request, through appropriate publications, mailings, and electronic media, to an enrolled student and to any prospective student";

(B) by inserting after the second sentence the following: "Each eligible institution shall, on an annual basis, provide to all enrolled students a list of the information that is required to be provided by institutions to students by this section and section 444 of the General Education Provisions Act (also referred to as the Family Educational Rights and Privacy Act of 1974), together with a statement of the procedures required to obtain such information.";

(C) by amending subparagraph (F) to read as follows:

"(F) a statement of—

"(i) the requirements of any refund policy with which the institution is required to comply;

"(ii) the requirements under section 484B for the return of grant or loan assistance provided under this title; and

"(iii) the requirements for officially withdrawing from the institution;"; and

(D) by striking "and" at the end of subparagraph (M);

(E) by striking the period at the end of subparagraph (N) and inserting "; and"; and

(F) by adding at the end the following:

"(O) the campus crime report prepared by the institution pursuant to subsection (f), including all required reporting categories.";

(2) in paragraph (3), by amending subparagraph (A) to read as follows:

"(A) shall be made available by July 1 each year to enrolled students and prospective students prior to the students enrolling or entering into any financial obligation; and"; and

(3) by adding at the end the following:

"(6) Each institution may provide supplemental information to enrolled and prospective students showing the completion or graduation rate for students described in paragraph (4) or for students transferring into the institution or information showing the rate at which students transfer out of the institution.".

(b) Exit Counseling for Borrowers.—Section 485(b) (20 U.S.C. 1092(b)) is amended—

(1) in paragraph (1)(A), by striking "(individually or in groups)"; and

(2) in paragraph (2), by adding at the end the following:

"(C) Nothing in this subsection shall be construed to prohibit an institution of higher education from utilizing electronic means to provide personalized exit counseling.".

(c) Departmental Publications.—Section 485(d) is amended—

(1) by striking "(1) assist" and inserting "(A) assist";

(2) by striking "(2) assist" and inserting "(B) assist";

(3) by inserting "(1)" before "The Secretary" the first place the term appears; and

(4) by adding at the end the following:

"(2) The Secretary, to the extent the information is available, shall compile information describing State and other prepaid tuition programs and savings programs and disseminate such information to States, eligible institutions, students, and parents in departmental publications.

"(3) The Secretary, to the extent practicable, shall update the Department's Internet site to include direct links to databases that contain information on public and private financial assistance programs. The Secretary shall only provide direct links to databases that can be accessed without charge and shall make reasonable efforts to verify that the databases included in a direct link are not providing fraudulent information. The Secretary shall prominently display adjacent to any such direct link a disclaimer indicating that a direct link to a database does not constitute an endorsement or recommendation of the database, the provider of the database, or any services or products of such provider. The Secretary shall provide additional direct links to information resources from which students may obtain information about fraudulent and deceptive practices in the provision of services related to student financial aid.".

(d) Disclosures.—Section 485(e) is amended—

(1) in paragraph (2)—

(A) by striking "his parents, his guidance" and inserting "the student's parents, guidance"; and

(B) by adding at the end the following: "If the institution is a member of a national collegiate athletic association that compiles graduation rate data on behalf of the association's member institutions that the Secretary determines is substantially comparable to the information described in paragraph (1), the distribution of the compilation of such data to all secondary schools in the United States shall fulfill the responsibility of the institution to provide

information to a prospective student athlete's guidance counselor and coach."; and

(2) by amending paragraph (9) to read as follows:

"(9) The reports required by this subsection shall be due each July 1 and shall cover the 1-year period ending August 31 of the preceding year.".

(e) DISCLOSURE OF CAMPUS SECURITY POLICY AND CAMPUS CRIME STATISTICS.—Section 485(f) (20 U.S.C. 1092(f)) is amended—

(1) in paragraph (1)—

(A) by amending subparagraph (F) to read as follows:

"(F) Statistics concerning the occurrence on campus, in or on noncampus buildings or property, and on public property during the most recent calendar year, and during the 2 preceding calendar years for which data are available—

"(i) of the following criminal offenses reported to campus security authorities or local police agencies:

"(I) murder;

"(II) sex offenses, forcible or nonforcible;

"(III) robbery;

"(IV) aggravated assault;

"(V) burglary;

"(VI) motor vehicle theft;

"(VII) manslaughter;

"(VIII) arson; and

"(IX) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession; and

"(ii) of the crimes described in subclauses (I) through (VIII) of clause (i), and other crimes involving bodily injury to any person in which the victim is intentionally selected because of the actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability of the victim that are reported to campus security authorities or local police agencies, which data shall be collected and reported according to category of prejudice.";

(B) by striking subparagraph (H); and

(C) by redesignating subparagraph (I) as subparagraph (H);

(2) in paragraph (4)—

(A) by striking "Upon request of the Secretary, each" and inserting "On an annual basis, each";

(B) by striking "paragraphs (1)(F) and (1)(H)" and inserting "paragraph (1)(F)";

(C) by striking "and Labor" and inserting "and the Workforce";

(D) by striking "1995" and inserting "2000";

(E) by striking "and" at the end of subparagraph (A);

(F) by redesignating subparagraph (B) as subparagraph (C); and

(G) by inserting after subparagraph (A) the following:

"(B) make copies of the statistics submitted to the Secretary available to the public; and";

(3) by amending paragraph (5)(A) to read as follows:

"(5)(A) In this subsection:

"(i) The term 'campus' means—

"(I) any building or property owned or controlled by an institution of higher education within the same reasonably contiguous geographic area of the institution and used by the institution in direct support of, or in a manner related to, the institution's educational purposes, including residence halls; and

"(II) property within the same reasonably contiguous geographic area of the institution that is owned by the institution but controlled by another person, is used by students, and supports institutional purposes (such as a food or other retail vendor).

"(ii) The term 'noncampus building or property' means—

"(I) any building or property owned or controlled by a student organization recognized by the institution; and

"(II) any building or property (other than a branch campus) owned or controlled by an institution of higher education that is used in direct support of, or in relation to, the institution's educational purposes, is used by students, and is not within the same reasonably contiguous geographic area of the institution.

"(iii) The term 'public property' means all public property that is within the same reasonably contiguous geographic area of the institution, such as a sidewalk, a street, other thoroughfare, or parking facility, and is adjacent to a facility owned or controlled by the institution if the facility is used by the institution in direct support of, or in a manner related to the institution's educational purposes.";

(4) in paragraph (6)—

(A) by striking "paragraphs (1)(F) and (1)(H)" and inserting "paragraph (1)(F)"; and

(B) by adding at the end the following: "Such statistics shall not identify victims of crimes or persons accused of crimes.";

(5) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively;

(6) by inserting after paragraph (3) the following:

"(4)(A) Each institution participating in any program under this title that maintains a police or security department of any kind shall make, keep, and maintain a daily log, written in a form that can be easily understood, recording all crimes reported to such police or security department, including—

"(i) the nature, date, time, and general location of each crime; and

"(ii) the disposition of the complaint, if known.

"(B)(i) All entries that are required pursuant to this paragraph shall, except where disclosure of such information is prohibited by law or such disclosure would jeopardize the confidentiality of the victim, be open to public inspection within 2 business days of the initial report being made to the department or a campus security authority.

"(ii) If new information about an entry into a log becomes available to a police or security department, then the new information shall be recorded in the log not later than 2 business days after the information becomes available to the police or security department.

"(iii) If there is clear and convincing evidence that the release of such information would jeopardize an ongoing criminal investigation or the safety of an individual, cause a suspect to flee or evade detection, or result in the destruction of evidence, such information may be withheld until that damage is no longer likely to occur from the release of such information."; and

(7) by adding at the end the following:

"(9) The Secretary shall provide technical assistance in complying with the provisions of this section to an institution of higher education who requests such assistance.

"(10) Nothing in this section shall be construed to require the reporting or disclosure of privileged information.

"(11) The Secretary shall report to the appropriate committees of Congress each institution of higher education that the Secretary determines is not in compliance with the reporting requirements of this subsection.

"(12) For purposes of reporting the statistics with respect to crimes described in paragraph (1)(F), an institution of higher education shall distinguish, by means of separate categories, any criminal offenses that occur—

"(A) on campus;

"(B) in or on a noncampus building or property;

"(C) on public property; and

"(D) in dormitories or other residential facilities for students on campus.

"(13) Upon a determination pursuant to section 487(c)(3)(B) that an institution of higher education has substantially misrepresented the number, location, or nature of the crimes required to be reported under this subsection, the Secretary shall impose a civil penalty upon the institution in the same amount and pursuant to the same procedures as a civil penalty is imposed under section 487(c)(3)(B).

"(14)(A) Nothing in this subsection may be construed to—

"(i) create a cause of action against any institution of higher education or any employee of such an institution for any civil liability; or

"(ii) establish any standard of care.

"(B) Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with this subsection shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this subsection.

"(15) This subsection may be cited as the 'Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act'.".

(f) DATA REQUIRED.—Section 485(g) is amended—

(1) in paragraph (1), by adding at the end the following:

"(I)(i) The total revenues, and the revenues from football, men's basketball, women's basketball, all other men's sports combined and all other women's sports combined, derived by the institution from the institution's intercollegiate athletics activities.

"(ii) For the purpose of clause (i), revenues from intercollegiate athletics activities allocable to a sport shall include (without limitation) gate receipts, broadcast revenues, appearance guarantees and options, concessions, and advertising, but revenues such as student activities fees or alumni contributions not so allocable shall be included in the calculation of total revenues only.

"(J)(i) The total expenses, and the expenses attributable to football, men's basketball, women's basketball, all other men's sports combined, and all other women's sports combined, made by the institution for the institution's intercollegiate athletics activities.

"(ii) For the purpose of clause (i), expenses for intercollegiate athletics activities allocable to a sport shall include (without limitation) grants-in-aid, salaries, travel, equipment, and supplies, but expenses such as general and administrative overhead not so allocable shall be included in the calculation of total expenses only."; and

(2) by striking paragraph (5);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following:

"(4) SUBMISSION; REPORT; INFORMATION AVAILABILITY.—(A) On an annual basis, each institution of higher education described in paragraph (1) shall provide to the Secretary, within 15 days of the date that the institution makes available the report under paragraph (1), the information contained in the report.

"(B) The Secretary shall prepare a report regarding the information received under subparagraph (A) and submit such report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate by April 1, 2000. The report shall—

"(i) summarize the information and identify trends in the information;

"(ii) aggregate the information by divisions of the National Collegiate Athletic Association; and

"(iii) contain information on each individual institution of higher education.

"(C) The Secretary shall ensure that the reports described in subparagraph (A) and the report to Congress described in subparagraph (B)

are made available to the public within a reasonable period of time.

"(D) Not later than 180 days after the date of enactment of the Higher Education Amendments of 1998, the Secretary shall notify all secondary schools in all States regarding the availability of the information reported under subparagraph (B) and the information made available under paragraph (1), and how such information may be accessed.".

SEC. 487. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 485B(a) (20 U.S.C. 1092b(a)) is amended by inserting before the period at the end of the third sentence the following: "not later than one year after the date of enactment of the Higher Education Amendments of 1998".

SEC. 488. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

Section 486 (20 U.S.C. 1083) is amended to read as follows:

"SEC. 486. DISTANCE EDUCATION DEMONSTRATION PROGRAMS.

"(a) PURPOSE.—It is the purpose of this section—

"(1) to allow demonstration programs that are strictly monitored by the Department of Education to test the quality and viability of expanded distance education programs currently restricted under this Act;

"(2) to provide for increased student access to higher education through distance education programs; and

"(3) to help determine—

"(A) the most effective means of delivering quality education via distance education course offerings;

"(B) the specific statutory and regulatory requirements which should be altered to provide greater access to high quality distance education programs; and

"(C) the appropriate level of Federal assistance for students enrolled in distance education programs.

"(b) DEMONSTRATION PROGRAMS AUTHORIZED.—

"(1) IN GENERAL.—In accordance with the provisions of subsection (d), the Secretary is authorized to select institutions of higher education, systems of such institutions, or consortia of such institutions for voluntary participation in a Distance Education Demonstration Program that provides participating institutions with the ability to offer distance education programs that do not meet all or a portion of the sections or regulations described in paragraph (2).

"(2) WAIVERS.—The Secretary is authorized to waive for any institution of higher education, system of institutions of higher education, or consortium participating in a Distance Education Demonstration Program, the requirements of section 472(5) as the section relates to computer costs, sections 481(a) and 481(b) as such sections relate to requirements for a minimum number of weeks of instruction, sections 102(a)(3)(A), 102(a)(3)(B), and 484(l)(1), or 1 or more of the regulations prescribed under this part or part F which inhibit the operation of quality distance education programs.

"(3) ELIGIBLE APPLICANTS.—

"(A) ELIGIBLE INSTITUTIONS.—Except as provided in subparagraphs (B), (C), and (D), only an institution of higher education that is eligible to participate in programs under this title shall be eligible to participate in the demonstration program authorized under this section.

"(B) PROHIBITION.—An institution of higher education described in section 102(a)(1)(C) shall not be eligible to participate in the demonstration program authorized under this section.

"(C) SPECIAL RULE.—Subject to subparagraph (B), an institution of higher education that meets the requirements of subsection (a) of section 102, other than the requirement of paragraph (3)(A) or (3)(B) of such subsection, and that provides a 2-year or 4-year program of instruction for which the institution awards an associate or baccalaureate degree, shall be eligible to participate in the demonstration program authorized under this section.

"(D) REQUIREMENT.—Notwithstanding any other provision of this paragraph, Western Governors University shall be considered eligible to participate in the demonstration program authorized under this section. In addition to the waivers described in paragraph (2), the Secretary may waive the provisions of title I and parts G and H of this title for such university that the Secretary determines to be appropriate because of the unique characteristics of such university. In carrying out the preceding sentence, the Secretary shall ensure that adequate program integrity and accountability measures apply to such university's participation in the demonstration program authorized under this section.

"(c) APPLICATION.—

"(1) IN GENERAL.—Each institution, system, or consortium of institutions desiring to participate in a demonstration program under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

"(2) CONTENTS.—Each application shall include—

"(A) a description of the institution, system, or consortium's consultation with a recognized accrediting agency or association with respect to quality assurances for the distance education programs to be offered;

"(B) a description of the statutory and regulatory requirements described in subsection (b)(2) or, if applicable, subsection (b)(3)(D) for which a waiver is sought and the reasons for which the waiver is sought;

"(C) a description of the distance education programs to be offered;

"(D) a description of the students to whom distance education programs will be offered;

"(E) an assurance that the institution, system, or consortium will offer full cooperation with the ongoing evaluations of the demonstration program provided for in this section; and

"(F) such other information as the Secretary may require.

"(d) SELECTION.—

"(1) IN GENERAL.—For the first year of the demonstration program authorized under this section, the Secretary is authorized to select for participation in the program not more than 15 institutions, systems of institutions, or consortia of institutions. For the third year of the demonstration program authorized under this section, the Secretary may select not more than 35 institutions, systems, or consortia, in addition to the institutions, systems, or consortia selected pursuant to the preceding sentence, to participate in the demonstration program if the Secretary determines that such expansion is warranted based on the evaluations conducted in accordance with subsections (f) and (g).

"(2) CONSIDERATIONS.—In selecting institutions to participate in the demonstration program in the first or succeeding years of the program, the Secretary shall take into account—

"(A) the number and quality of applications received;

"(B) the Department's capacity to oversee and monitor each institution's participation;

"(C) an institution's—

"(i) financial responsibility;

"(ii) administrative capability; and

"(iii) program or programs being offered via distance education; and

"(D) ensuring the participation of a diverse group of institutions with respect to size, mission, and geographic distribution.

"(e) NOTIFICATION.—The Secretary shall make available to the public and to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives a list of institutions, systems or consortia selected to participate in the demonstration program authorized by this section. Such notice shall include a listing of the specific statutory and regulatory requirements being waived for each institution, system or consortium and a description of the distance education courses to be offered.

"(f) EVALUATIONS AND REPORTS.—

"(1) EVALUATION.—The Secretary shall evaluate the demonstration programs authorized under this section on an annual basis. Such evaluations specifically shall review—

"(A) the extent to which the institution, system or consortium has met the goals set forth in its application to the Secretary, including the measures of program quality assurance;

"(B) the number and types of students participating in the programs offered, including the progress of participating students toward recognized certificates or degrees and the extent to which participation in such programs increased;

"(C) issues related to student financial assistance for distance education;

"(D) effective technologies for delivering distance education course offerings; and

"(E) the extent to which statutory or regulatory requirements not waived under the demonstration program present difficulties for students or institutions.

"(2) POLICY ANALYSIS.—The Secretary shall review current policies and identify those policies that present impediments to the development and use of distance education and other nontraditional methods of expanding access to education.

"(3) REPORTS.—

"(A) IN GENERAL.—Within 18 months of the initiation of the demonstration program, the Secretary shall report to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives with respect to—

"(i) the evaluations of the demonstration programs authorized under this section; and

"(ii) any proposed statutory changes designed to enhance the use of distance education.

"(B) ADDITIONAL REPORTS.—The Secretary shall provide additional reports to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives on an annual basis regarding—

"(i) the demonstration programs authorized under this section; and

"(ii) the number and types of students receiving assistance under this title for instruction leading to a recognized certificate, as provided for in section 484(l)(1), including the progress of such students toward recognized certificates and the degree to which participation in such programs leading to such certificates increased.

"(g) OVERSIGHT.—In conducting the demonstration program authorized under this section, the Secretary shall, on a continuing basis—

"(1) assure compliance of institutions, systems or consortia with the requirements of this title (other than the sections and regulations that are waived under subsections (b)(2) and (b)(3)(D));

"(2) provide technical assistance;

"(3) monitor fluctuations in the student population enrolled in the participating institutions, systems or consortia; and

"(4) consult with appropriate accrediting agencies or associations and appropriate State regulatory authorities.

"(h) DEFINITION.—For the purpose of this section, the term 'distance education' means an

educational process that is characterized by the separation, in time or place, between instructor and student. Such term may include courses offered principally through the use of—

''(1) television, audio, or computer transmission, such as open broadcast, closed circuit, cable, microwave, or satellite transmission;

''(2) audio or computer conferencing;

''(3) video cassettes or discs; or

''(4) correspondence.''.

SEC. 489. PROGRAM PARTICIPATION AGREEMENTS.

(a) REQUIRED CONTENT.—Section 487(a) (20 U.S.C. 1094(a)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(2) in paragraph (4), by striking ''subsection (b)'' and inserting ''subsection (c)'';

(3) in paragraph (9), by striking ''part B'' and inserting ''part B or D'';

(4) in paragraph (14)—

(A) in subparagraph (A), by striking ''part B'' and inserting ''part B or D''; and

(B) in subparagraph (B), by striking ''part B'' and inserting ''part B or D''; and

(C) by adding at the end the following:

''(C) This paragraph shall not apply in the case of an institution in which (i) neither the parent nor the subordinate institution has a cohort default rate in excess of 10 percent, and (ii) the new owner of such parent or subordinate institution does not, and has not, owned any other institution with a cohort default rate in excess of 10 percent.'';

(5) in paragraph (15), by striking ''State review entities'' and inserting ''the State agencies'';

(6) by amending paragraph (18) to read as follows:

''(18) The institution will meet the requirements established pursuant to section 485(g).''; and

(7) by amending paragraph (21) to read as follows:

''(21) The institution will meet the requirements established by the Secretary and accrediting agencies or associations, and will provide evidence to the Secretary that the institution has the authority to operate within a State.''.

(b) PROVISION OF VOTER REGISTRATION FORMS.—

(1) PROGRAM PARTICIPATION REQUIREMENT.—Section 487(a) (20 U.S.C. 1094(a)) is amended by adding at the end the following:

''(23)(A) The institution, if located in a State to which section 4(b) of the National Voter Registration Act (42 U.S.C. 1973gg–2(b)) does not apply, will make a good faith effort to distribute a mail voter registration form, requested and received from the State, to each student enrolled in a degree or certificate program and physically in attendance at the institution, and to make such forms widely available to students at the institution.

''(B) The institution shall request the forms from the State 120 days prior to the deadline for registering to vote within the State. If an institution has not received a sufficient quantity of forms to fulfill this section from the State within 60 days prior to the deadline for registering to vote in the State, the institution shall not be held liable for not meeting the requirements of this section during that election year.

''(C) This paragraph shall apply to elections as defined in section 301(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(1)), and includes the election for Governor or other chief executive within such State).''.

(2) REGULATION PROHIBITED.—No officer of the executive branch is authorized to instruct the institution in the manner in which the amendment made by this subsection is carried out.

(c) AUDITS; FINANCIAL RESPONSIBILITY.—Section 487(c) is amended—

(1) in paragraph (1)(A)—

(A) in clause (i)—

(i) by striking ''clause (ii)'' and inserting ''clauses (ii) and (iii)'';

(ii) by striking ''State review entities referred to in'' and inserting ''appropriate State agency notifying the Secretary under''; and

(iii) by striking ''or'' after the semicolon;

(B) in clause (ii), by inserting ''or'' after the semicolon; and

(C) by adding at the end the following:

''(iii) at the discretion of the Secretary, with regard to an eligible institution (other than an eligible institution described in section 102(a)(1)(C)) that has obtained less than $200,000 in funds under this title during each of the 2 award years that precede the audit period and submits a letter of credit payable to the Secretary equal to not less than ½ of the annual potential liabilities of such institution as determined by the Secretary, deeming an audit conducted every 3 years to satisfy the requirements of clause (i), except for the award year immediately preceding renewal of the institution's eligibility under section 498(g);'';

(2) in paragraph (4), by striking '', after consultation with each State review entity designated under subpart 1 of part H,''; and

(3) in paragraph (5), by striking ''State review entities designated'' and inserting ''State agencies notifying the Secretary''.

SEC. 490. REGULATORY RELIEF AND IMPROVEMENT.

Section 487A (20 U.S.C. 1094a) is amended to read as follows:

"SEC. 487A. REGULATORY RELIEF AND IMPROVEMENT.

''(a) QUALITY ASSURANCE PROGRAM.—

''(1) IN GENERAL.—The Secretary is authorized to select institutions for voluntary participation in a Quality Assurance Program that provides participating institutions with an alternative management approach through which individual schools develop and implement their own comprehensive systems, related to processing and disbursement of student financial aid, verification of student financial aid application data, and entrance and exit interviews, thereby enhancing program integrity within the student aid delivery system.

''(2) CRITERIA AND CONSIDERATION.—The Quality Assurance Program authorized by this section shall be based on criteria that include demonstrated institutional performance, as determined by the Secretary, and shall take into consideration current quality assurance goals, as determined by the Secretary. The selection criteria shall ensure the participation of a diverse group of institutions of higher education with respect to size, mission, and geographical distribution.

''(3) WAIVER.—The Secretary is authorized to waive for any institution participating in the Quality Assurance Program any regulations dealing with reporting or verification requirements in this title that are addressed by the institution's alternative management system, and may substitute such quality assurance reporting as the Secretary determines necessary to ensure accountability and compliance with the purposes of the programs under this title. The Secretary shall not modify or waive any statutory requirements pursuant to this paragraph.

''(4) DETERMINATION.—The Secretary is authorized to determine—

''(A) when an institution that is unable to administer the Quality Assurance Program shall be removed from such program; and

''(B) when institutions desiring to cease participation in such program will be required to complete the current award year under the requirements of the Quality Assurance Program.

''(5) REVIEW AND EVALUATION.—The Secretary shall review and evaluate the Quality Assurance Program conducted by each participating institution and, on the basis of that evaluation, make recommendations regarding amendments to this Act that will streamline the administration and enhance the integrity of Federal student assistance programs. Such recommendations shall be submitted to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives.

''(b) REGULATORY IMPROVEMENT AND STREAMLINING EXPERIMENTS.—

''(1) IN GENERAL.—The Secretary may continue any experimental sites in existence on the date of enactment of the Higher Education Amendments of 1998. Any activities approved by the Secretary prior to such date that are inconsistent with this section shall be discontinued not later than June 30, 1999.

''(2) REPORT.—The Secretary shall review and evaluate the experience of institutions participating as experimental sites during the period of 1993 through 1998 under this section (as such section was in effect on the day before the date of enactment of the Higher Education Amendments of 1998), and shall submit a report based on this review and evaluation to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 6 months after the enactment of the Higher Education Amendments of 1998. Such report shall include—

''(A) a list of participating institutions and the specific statutory or regulatory waivers granted to each institution;

''(B) the findings and conclusions reached regarding each of the experiments conducted; and

''(C) recommendations for amendments to improve and streamline this Act, based on the results of the experiment.

''(3) SELECTION.—

''(A) IN GENERAL.—Upon the submission of the report required by paragraph (2), the Secretary is authorized to select a limited number of additional institutions for voluntary participation as experimental sites to provide recommendations to the Secretary on the impact and effectiveness of proposed regulations or new management initiatives.

''(B) CONSULTATION.—Prior to approving any additional experimental sites, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives and shall provide to such Committees—

''(i) a list of institutions proposed for participation in the experiment and the specific statutory or regulatory waivers proposed to be granted to each institution;

''(ii) a statement of the objectives to be achieved through the experiment; and

''(iii) an identification of the period of time over which the experiment is to be conducted.

''(C) WAIVERS.—The Secretary is authorized to waive, for any institution participating as an experimental site under subparagraph (A), any requirements in this title, or regulations prescribed under this title, that will bias the results of the experiment, except that the Secretary shall not waive any provisions with respect to award rules, grant and loan maximum award amounts, and need analysis requirements.

''(c) DEFINITIONS.—For purposes of this section, the term 'current award year' means the award year during which the participating institution indicates the institution's intention to cease participation.''.

SEC. 490A. GARNISHMENT REQUIREMENTS.

Section 488A (20 U.S.C. 1095a) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) NO ATTACHMENT OF STUDENT ASSISTANCE.—Except as authorized in this section, notwithstanding any other provision of Federal or State law, no grant, loan, or work assistance awarded under this title, or property traceable to such assistance, shall be subject to garnishment or attachment in order to satisfy any debt owed by the student awarded such assistance, other than a debt owed to the Secretary and arising under this title.".

SEC. 490B. ADMINISTRATIVE SUBPOENA AUTHORITY.

Part G of title IV is further amended by inserting immediately after section 490 (20 U.S.C. 1097) the following:

"SEC. 490A. ADMINISTRATIVE SUBPOENAS.

"(a) AUTHORITY.—To assist the Secretary in the conduct of investigations of possible violations of the provisions of this title, the Secretary is authorized to require by subpoena the production of information, documents, reports, answers, records, accounts, papers, and other documentary evidence pertaining to participation in any program under this title. The production of any such records may be required from any place in a State.

"(b) ENFORCEMENT.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may request the Attorney General to invoke the aid of any court of the United States where such person resides or transacts business for a court order for the enforcement of this section.".

SEC. 490C. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

Section 491 (20 U.S.C. 1098) is amended—

(1) in subsection (b)—

(A) in the second sentence, by striking "and expenditures" and inserting ", expenditures and staffing levels"; and

(B) by inserting after the third sentence the following: "Reports, publications, and other documents of the Advisory Committee, including such reports, publications, and documents in electronic form, shall not be subject to review by the Secretary.";

(2) in subsection (e)—

(A) by redesignating paragraphs (3), (4), and (5), as paragraphs (4), (5), and (6), respectively; and

(B) by inserting after paragraph (2) the following:

"(3) No officers or full-time employees of the Federal Government shall serve as members of the Advisory Committee.";

(3) in subsection (g), by striking "(1) Members" and all that follows through "of the United States may each" and inserting "Members of the Advisory Committee may each";

(4) in subsection (h)(1)—

(A) by inserting "determined" after "as may be"; and

(B) by adding at the end the following: "The Advisory Committee may appoint not more than 1 full-time equivalent, nonpermanent, consultant without regard to the provisions of title 5, United States Code. The Advisory Committee shall not be required by the Secretary to reduce personnel to meet agency personnel reduction goals.";

(5) in subsection (i), by striking "$750,000" and inserting "$800,000";

(6) by amending subsection (j) to read as follows:

"(j) SPECIAL ANALYSES AND ACTIVITIES.—The Advisory Committee shall—

"(1) monitor and evaluate the modernization of student financial aid systems and delivery processes, including the implementation of a performance-based organization within the Department, and report to Congress regarding such modernization on not less than an annual basis, including recommendations for improvement;

"(2) assess the adequacy of current methods for disseminating information about programs under this title and recommend improvements, as appropriate, regarding early needs assessment and information for first-year secondary school students;

"(3) assess and make recommendations concerning the feasibility and degree of use of appropriate technology in the application for, and delivery and management of, financial assistance under this title, as well as policies that promote use of such technology to reduce cost and enhance service and program integrity, including electronic application and reapplication, just-in-time delivery of funds, reporting of disbursements and reconciliation;

"(4) assess the implications of distance education on student eligibility and other requirements for financial assistance under this title, and make recommendations that will enhance access to postsecondary education through distance education while maintaining access, through on-campus instruction at eligible institutions, and program integrity; and

"(5) make recommendations to the Secretary regarding redundant or outdated provisions of and regulations under this Act, consistent with the Secretary's requirements under section 498B.";

(7) in subsection (k), by striking "1998" and inserting "2004"; and

(8) by repealing subsection (l).

SEC. 490D. MEETINGS AND NEGOTIATED RULEMAKING.

(a) MEETINGS.—Section 492(a) (20 U.S.C. 1098a) is amended—

(1) in paragraph (1)—

(A) by striking "convene regional meetings to";

(B) by striking "parts B, G, and H of this title," and inserting "this title;"; and

(C) by striking "Such meetings shall include" and inserting "The Secretary shall obtain the advice of and recommendations from"; and

(2) in paragraph (2)—

(A) by striking "During such meetings the" and inserting "The";

(B) by striking "parts B, G, and H" and inserting "this title";

(C) by striking "1992" and inserting "1998 through such mechanisms as regional meetings and electronic exchanges of information"; and

(D) by striking "at such meetings" and inserting "through such mechanisms".

(b) DRAFT REGULATIONS.—Section 492(b) is amended—

(1) by striking "After" and inserting the following:

"(1) IN GENERAL.—After";

(2) in paragraph (1) (as redesignated by paragraph (1))—

(A) by striking "holding regional meetings" and inserting "obtaining the advice and recommendations described in subsection (a)(1);

(B) by striking "parts B, G, and H of this title" and inserting "this title";

(C) by striking "1992" and inserting "1998";

(D) by striking "The Secretary shall follow the guidance provided in sections 305.82–4 and 305.85–5 of chapter 1, Code of Federal Regulations, and any successor recommendation, regulation, or law.";

(E) by striking "participating in the regional meetings";

(F) by striking "240-day" and inserting "360-day"; and

(G) by striking "section 431(g)" and inserting "section 437(e)"; and

(3) by adding at the end the following:

"(2) EXPANSION OF NEGOTIATED RULEMAKING.—All regulations pertaining to this title that are promulgated after the date of enactment of this paragraph shall be subject to a negotiated rulemaking (including the selection of the issues to be negotiated), unless the Secretary determines that applying such a requirement with respect to given regulations is impracticable, unnecessary, or contrary to the public interest (within the meaning of section 553(b)(3)(B) of title 5, United States Code), and publishes the basis for such determination in the Federal Register at the same time as the proposed regulations in question are first published. All published proposed regulations shall conform to agreements resulting from such negotiated rulemaking unless the Secretary reopens the negotiated rulemaking process or provides a written explanation to the participants in that process why the Secretary has decided to depart from such agreements. Such negotiated rulemaking shall be conducted in accordance with the provisions of paragraph (1), and the Secretary shall ensure that a clear and reliable record of agreements reached during the negotiations process is maintained.".

SEC. 490E. YEAR 2000 REQUIREMENTS AT THE DEPARTMENT OF EDUCATION.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by adding at the end the following:

"SEC. 493A. YEAR 2000 REQUIREMENTS AT THE DEPARTMENT.

"(a) PREPARATIONS FOR YEAR 2000.—In order to ensure that the processing, delivery, and administration of grant, loan, and work assistance provided under this title is not interrupted due to operational problems related to the inability of computer systems to indicate accurately dates after December 31, 1999, the Secretary of Education shall—

"(1) take such actions as are necessary to ensure that all internal and external systems, hardware, and data exchange infrastructure administered by the Department that are necessary for the processing, delivery, and administration of the grant, loan, and work assistance are Year 2000 compliant by March 31, 1999, such that there will be no business interruption after December 31, 1999;

"(2) ensure that the Robert T. Stafford Federal Student Loan Program and the William D. Ford Federal Direct Loan Program are equal in level of priority with respect to addressing, and that resources are managed to equally provide for successful resolution of, the Year 2000 computer problem in both programs by December 31, 1999;

"(3) work with the Department's various data exchange partners under this title to fully test all data exchange routes for Year 2000 compliance via end-to-end testing, and submit a report describing the parameters and results of such tests to the Comptroller General not later than March 31, 1999;

"(4) ensure that the Inspector General of the Department (or an external, independent entity selected by the Inspector General) performs and publishes a risk assessment of the systems and hardware under the Department's management, that has been reviewed by an independent entity, and make such assessment publicly available not later than 60 days after the date of enactment of the Higher Education Amendments of 1998;

"(5) not later than June 30, 1999, ensure that the Inspector General (or an external, independent entity selected by the Inspector General) conducts a review of the Department's Year 2000 compliance for the processing, delivery, and administration of grant, loan, and work assistance, and submits a report reflecting the results of that review to the Chairperson of the Committee on Labor and Human Resources of the Senate and the Chairperson of the Committee on Education and the Workforce of the House of Representatives;

"(6) develop a contingency plan to ensure the programs under this title will continue to run uninterrupted in the event of widespread disruptions in the flow of accurate computerized

data, which contingency plan shall include a prioritization of mission critical systems and strategies to allow data partners to transfer data through alternate means; and

"(7) alert Congress at the earliest possible time if mission critical deadlines will not be met.

"(b) POSTPONEMENT AUTHORITY FOR THE YEAR 2000.—

"(1) PURPOSE.—It is the purpose of this subsection to provide the Secretary with the flexibility necessary to—

"(A) ensure that the resources and capabilities of institutions, lenders, and guaranty agencies are not overburdened by the combination of student aid processing and delivery requirements added or modified by the amendments made by the Higher Education Amendments of 1998 and by the changes required to ensure that the systems of the institutions, lenders and guaranty agencies are Year 2000 compliant; and

"(B) avoid the disruption of grant, loan, or work assistance funds awarded to students because of Year 2000 compliance problems at a substantial number of institutions, lenders, and guaranty agencies.

"(2) AUTHORITY TO POSTPONE.—The Secretary may postpone, for a period of time described in paragraph (3), the implementation of any requirements under part B, D, E, or G that are added or modified by the amendments made by the Higher Education Amendments of 1998 related to the processing or delivery of grant, loan, and work assistance (which shall not include the determination of need for such assistance) provided under this title, if the Secretary—

"(A) determines that—

"(i) implementation of such requirements would require extensive changes to the existing systems of institutions, lenders, or guaranty agencies; and

"(ii) postponement is necessary to avoid jeopardizing the ability of a substantial number of institutions, lenders, or guaranty agencies to ensure that all of the systems of the institutions, lenders, or guaranty agencies related to the processing or delivery of such assistance function successfully after December 31, 1999; and

"(B) promptly publishes in the Federal Register a list of, and notifies Congress of, any provisions, the implementation of which the Secretary intends to postpone, with the reasons for such postponement.

"(3) EXCEPTIONS TO AUTHORITY.—The Secretary may not postpone the implementation of one or more provisions described in this subsection longer than the earlier of—

"(A) the period of time that the Secretary determines necessary to ensure that the processing and delivery systems of the institutions, lenders, and guaranty agencies referred to in paragraph (1)(A)(ii) are capable of functioning successfully after December 31, 1999; or

"(B) one award year after the effective date applicable to such provision under the Higher Education Amendments of 1998.".

SEC. 490F. PROCEDURES FOR CANCELLATIONS AND DEFERMENTS FOR ELIGIBLE DISABLED VETERANS.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by adding after section 493A (as added by section 490E) the following:

"SEC. 493B. PROCEDURES FOR CANCELLATIONS AND DEFERMENTS FOR ELIGIBLE DISABLED VETERANS.

"The Secretary, in consultation with the Secretary of Veterans Affairs, shall develop and implement a procedure to permit Department of Veterans Affairs physicians to provide the certifications and affidavits needed to enable disabled veterans enrolled in the Department of Veterans Affairs health care system to document such veterans' eligibility for deferments or cancellations of student loans made, insured, or guaranteed under this title. Not later than 6 months after the date of enactment of the Higher Education Amendments of 1998, the Secretary and the Secretary of Veterans Affairs jointly shall report to Congress on the progress made in developing and implementing the procedure.".

PART H—PROGRAM INTEGRITY

SEC. 491. STATE ROLE AND RESPONSIBILITIES.

Part H of title IV (20 U.S.C. 1099a et seq.) is amended by—

(1) striking the heading of such part and inserting the following:

"PART H—PROGRAM INTEGRITY";

and

(2) by amending subpart 1 (20 U.S.C. 1099a et seq.) to read as follows:

"Subpart 1—State Role

"SEC. 495. STATE RESPONSIBILITIES.

"(a) STATE RESPONSIBILITIES.—As part of the integrity program authorized by this part, each State, through 1 State agency or several State agencies selected by the State, shall—

"(1) furnish the Secretary, upon request, information with respect to the process for licensing or other authorization for institutions of higher education to operate within the State;

"(2) notify the Secretary promptly whenever the State revokes a license or other authority to operate an institution of higher education; and

"(3) notify the Secretary promptly whenever the State has credible evidence that an institution of higher education within the State—

"(A) has committed fraud in the administration of the student assistance programs authorized by this title; or

"(B) has substantially violated a provision of this title.

"(b) INSTITUTIONAL RESPONSIBILITY.—Each institution of higher education shall provide evidence to the Secretary that the institution has authority to operate within a State at the time the institution is certified under subpart 3.".

SEC. 492. ACCREDITING AGENCY RECOGNITION.

(a) RECOGNITION.—

(1) SUBPART HEADING.—The heading of subpart 2 of part H is amended by striking "**Approval**" and inserting "**Recognition**".

(2) SECTION 496 HEADING.—The heading of section 496 is amended by striking "**approval**" and inserting "**recognition**".

(b) STANDARDS.—Section 496(a) (20 U.S.C. 1099b(a)) is amended—

(1) in the subsection heading, by striking "STANDARDS" and inserting "CRITERIA";

(2) in the matter preceding paragraph (1), by striking "standards" each place the term appears and inserting "criteria";

(3) in paragraph (4)—

(A) by striking "at the institution" and inserting "offered by the institution"; and

(B) by inserting ", including distance education courses or programs," after "higher education"; and

(4) in paragraph (5)—

(A) by striking "of accreditation" and inserting "for accreditation";

(B) by striking subparagraphs (H), (I), and (J);

(C) by redesignating subparagraphs (A) through (G) as subparagraphs (B) through (H), respectively;

(D) by redesignating subparagraphs (K) and (L) as subparagraphs (I) and (J), respectively;

(E) by inserting before subparagraph (B) the following:

"(A) success with respect to student achievement in relation to the institution's mission, including, as appropriate, consideration of course completion, State licensing examinations, and job placement rates;";

(F) in subparagraph (H) (as redesignated by subparagraph (C)), by striking "program length and tuition and fees in relation to the subject matters taught" and inserting "measures of program length";

(G) in subparagraph (J) (as redesignated by subparagraph (D))—

(i) by inserting "record of" before "compliance";

(ii) by striking "Act, including any" and inserting "Act based on the most recent student loan default rate data provided by the Secretary, the"; and

(iii) by inserting "any" after "reviews, and"; and

(H) in the matter following subparagraph (J) (as redesignated by subparagraph (D)), by striking "(G), (H), (I), (J), and (L)" and inserting "(A), (H), and (J)";

(5) in paragraph (7), by striking "State postsecondary review entity" and inserting "State licensing or authorizing agency"; and

(6) in paragraph (8), by striking "State postsecondary" and everything that follows through "is located" and inserting "State licensing or authorizing agency".

(c) OPERATING PROCEDURES.—Section 496(c) is amended—

(1) by striking "approved by the Secretary" and inserting "recognized by the Secretary"; and

(2) in paragraph (1), by striking "(at least" and everything that follows through "unannounced)," and inserting "(which may include unannounced site visits)".

(d) CONFORMING AMENDMENTS.—Section 496 is further amended—

(1) in subsection (d)—

(A) by striking "APPROVAL" in the heading of such subsection and inserting "RECOGNITION"; and

(B) by striking "approved" and inserting "recognized";

(2) in subsection (f), by striking "approved" and inserting "recognized";

(3) in subsection (g)—

(A) in the heading of such subsection, by striking "STANDARDS" and inserting "CRITERIA"; and

(B) by striking "standards" the first place such term appears and inserting "criteria";

(4) in subsection (k)—

(A) in the matter preceding paragraph (1), by striking "section 481" and inserting "section 102"; and

(B) in paragraph (2), by striking "standards" and inserting "criteria";

(5) in subsection (l), by striking everything preceding paragraph (2) and inserting the following:

"(l) LIMITATION, SUSPENSION, OR TERMINATION OF RECOGNITION.—(1) If the Secretary determines that an accrediting agency or association has failed to apply effectively the criteria in this section, or is otherwise not in compliance with the requirements of this section, the Secretary shall—

"(A) after notice and opportunity for a hearing, limit, suspend, or terminate the recognition of the agency or association; or

"(B) require the agency or association to take appropriate action to bring the agency or association into compliance with such requirements within a timeframe specified by the Secretary, except that—

"(i) such timeframe shall not exceed 12 months unless the Secretary extends such period for good cause; and

"(ii) if the agency or association fails to bring the agency or association into compliance within such timeframe, the Secretary shall, after notice and opportunity for a hearing, limit, suspend, or terminate the recognition of the agency or association."; and

(6) in subsection (n)—

(A) by striking "standards" each place the term appears and inserting "criteria";

(B) in paragraph (3)—

(i) by striking "approval process" and inserting "recognition process";

(ii) by striking "approval or disapproval" and inserting "recognition or denial of recognition"; and

(iii) by adding at the end the following: "When the Secretary decides to recognize an accrediting agency or association, the Secretary shall determine the agency or association's scope of recognition. If the agency or association reviews institutions offering distance education courses or programs and the Secretary determines that the agency or association meets the requirements of this section, then the agency shall be recognized and the scope of recognition shall include accreditation of institutions offering distance education courses or programs."; and

(C) by striking paragraph (4) and inserting the following:

"(4) The Secretary shall maintain sufficient documentation to support the conclusions reached in the recognition process, and, if the Secretary does not recognize any accreditation agency or association, shall make publicly available the reason for denying recognition, including reference to the specific criteria under this section which have not been fulfilled.".

SEC. 493. ELIGIBILITY AND CERTIFICATION PROCEDURES.

(a) Single Application Form.—Section 498(b) (20 U.S.C. 1099c(b)) is amended—

(1) in paragraph (1), by striking "and capability" and inserting "financial responsibility, and administrative capability";

(2) by amending paragraph (3) to read as follows:

"(3) requires—

"(A) a description of the third party servicers of an institution of higher education; and

"(B) the institution to maintain a copy of any contract with a financial aid service provider or loan servicer, and provide a copy of any such contract to the Secretary upon request;";

(3) in paragraph (4), by striking the period and inserting "; and"; and

(4) by adding at the end the following:

"(5) provides, at the option of the institution, for participation in 1 or more of the programs under part B or D.".

(b) Financial Responsibility Standards.—Section 498(c) is amended—

(1) in paragraph (2)—

(A) in the first sentence, by striking "with respect to operating losses, net worth, asset to liabilities ratios, or operating fund deficits" and inserting "regarding ratios that demonstrate financial responsibility,"; and

(B) in the second sentence, by inserting ", public," after "for profit";

(2) in paragraph (3)(A), by inserting "that the Secretary determines are reasonable" after "guarantees"; and

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "ratio of current assets to current liabilities" and inserting "criteria"; and

(B) in subparagraph (C), by striking "current operating ratio requirement" and inserting "criteria".

(c) Financial Guarantees From Owners.—

(1) Amendment.—Section 498(e) is amended by adding at the end the following:

"(6) Notwithstanding any other provision of law, any individual who—

"(A) the Secretary determines, in accordance with paragraph (2), exercises substantial control over an institution participating in, or seeking to participate in, a program under this title,

"(B) is required to pay, on behalf of a student or borrower, a refund of unearned institutional charges to a lender, or to the Secretary, and

"(C) willfully fails to pay such refund or willfully attempts in any manner to evade payment of such refund, shall, in addition to other penalties provided by law, be liable to the Secretary for the amount of the refund not paid, to the same extent with respect to such refund that such an individual would be liable as a responsible person for a penalty under section 6672(a) of Internal Revenue Code of 1986 with respect to the nonpayment of taxes.".

(2) Effective date.—The amendment made by paragraph (1) shall be effective with respect to any unpaid refunds that were first required to be paid to a lender or to the Secretary on or after 90 days after the date of enactment of this Act.

(d) Applications and Site Visits.—Section 498(f) is amended—

(1) in the subsection heading, by striking "; Site Visits and Fees" and inserting "and Site Visits";

(2) in the second sentence, by striking "shall" and inserting "may";

(3) in the third sentence—

(A) by striking "may establish" and insert "shall establish"; and

(B) by striking "may coordinate" and inserting "shall, to the extent practicable, coordinate"; and

(4) by striking the fourth sentence.

(e) Time Limitations on, and Renewal of, Eligibility.—Subsection (g) of section 498 is amended to read as follows:

"(g) Time Limitations on, and Renewal of, Eligibility.—

"(1) General rule.—After the expiration of the certification of any institution under the schedule prescribed under this section (as this section was in effect prior to the enactment of the Higher Education Act Amendments of 1998), or upon request for initial certification from an institution not previously certified, the Secretary may certify the eligibility for the purposes of any program authorized under this title of each such institution for a period not to exceed 6 years.

"(2) Notification.—The Secretary shall notify each institution of higher education not later than 6 months prior to the date of the expiration of the institution's certification.

"(3) Institutions outside the United States.—The Secretary shall promulgate regulations regarding the recertification requirements applicable to an institution of higher education outside of the United States that meets the requirements of section 102(a)(1)(C) and received less than $500,000 in funds under part B for the most recent year for which data are available.".

(f) Provisional Certification.—Section 498(h)(2) is amended—

(1) by striking "the approval" and inserting "the recognition"; and

(2) by striking "of approval" and inserting "of recognition".

(g) Change in Ownership.—Section 498(i) is amended by adding at the end the following:

"(4)(A) The Secretary may provisionally certify an institution seeking approval of a change in ownership based on the preliminary review by the Secretary of a materially complete application that is received by the Secretary within 10 business days of the transaction for which the approval is sought.

"(B) A provisional certification under this paragraph shall expire not later than the end of the month following the month in which the transaction occurred, except that if the Secretary has not issued a decision on the application for the change of ownership within that period, the Secretary may continue such provisional certification on a month-to-month basis until such decision has been issued.".

(h) Treatment of Branches.—The second sentence of section 498(j)(1) is amended by inserting "after the branch is certified by the Secretary as a branch campus participating in a program under this title," after "2 years".

SEC. 494. PROGRAM REVIEW AND DATA.

Section 498A (20 U.S.C. 1099c–1) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "may" and inserting "shall";

(ii) by amending subparagraph (C) to read as follows:

"(C) institutions with a significant fluctuation in Federal Stafford Loan volume, Federal Direct Stafford/Ford Loan volume, or Federal Pell Grant award volume, or any combination thereof, in the year for which the determination is made, compared to the year prior to such year, that are not accounted for by changes in the Federal Stafford Loan program, the Federal Direct Stafford/Ford Loan program, or the Pell Grant program, or any combination thereof;";

(iii) by amending subparagraph (D) to read as follows:

"(D) institutions reported to have deficiencies or financial aid problems by the State licensing or authorizing agency, or by the appropriate accrediting agency or association;";

(iv) in subparagraph (E), by inserting "and" after the semicolon; and

(v) by striking subparagraphs (F) and (G) and inserting the following:

"(F) such other institutions that the Secretary determines may pose a significant risk of failure to comply with the administrative capability or financial responsibility provisions of this title; and"; and

(B) in paragraph (3)(A), by inserting "relevant" after "all"; and

(2) by amending subsection (b) to read as follows:

"(b) Special Administrative Rules.—In carrying out paragraphs (1) and (2) of subsection (a) and any other relevant provisions of this title, the Secretary shall—

"(1) establish guidelines designed to ensure uniformity of practice in the conduct of program reviews of institutions of higher education;

"(2) make available to each institution participating in programs authorized under this title complete copies of all review guidelines and procedures used in program reviews;

"(3) permit the institution to correct or cure an administrative, accounting, or recordkeeping error if the error is not part of a pattern of error and there is no evidence of fraud or misconduct related to the error;

"(4) base any civil penalty assessed against an institution of higher education resulting from a program review or audit on the gravity of the violation, failure, or misrepresentation; and

"(5) inform the appropriate State and accrediting agency or association whenever the Secretary takes action against an institution of higher education under this section, section 498, or section 432.".

SEC. 495. REVIEW OF REGULATIONS.

Part H of title IV is further amended by adding at the end the following:

"SEC. 498B. REVIEW OF REGULATIONS.

"(a) Review Required.—The Secretary shall review each regulation issued under this title that is in effect at the time of the review and applies to the operations or activities of any participant in the programs assisted under this title. The review shall include a determination of whether the regulation is duplicative, or is no longer necessary. The review may involve one or more of the following:

"(1) An assurance of the uniformity of interpretation and application of such regulations.

"(2) The establishment of a process for ensuring that eligibility and compliance issues, such as institutional audit, program review, and recertification, are considered simultaneously.

"(3) A determination of the extent to which unnecessary costs are imposed on institutions of

higher education as a consequence of the applicability to the facilities and equipment of such institutions of regulations prescribed for purposes of regulating industrial and commercial enterprises.

"(b) REGULATORY AND STATUTORY RELIEF FOR SMALL VOLUME INSTITUTIONS.—The Secretary shall review and evaluate ways in which regulations under and provisions of this Act affecting institution of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the 2 most recent award years prior to the date of the enactment of the Higher Education Amendments of 1998 less than $200,000 in funds through this title, may be improved, streamlined, or eliminated.

"(c) CONSULTATION.—In carrying out subsections (a) and (b), the Secretary shall consult with relevant representatives of institutions participating in the programs authorized by this title.

"(d) REPORTS TO CONGRESS.—

"(1) IN GENERAL.—The Secretary shall submit, not later than 1 year after the date of the enactment of the Higher Education Amendments of 1998, a report to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives detailing the Secretary's findings and recommendations based on the reviews conducted under subsections (a) and (b), including a timetable for implementation of any recommended changes in regulations and a description of any recommendations for legislative changes.

"(2) ADDITIONAL REPORTS.—Not later than January 1, 2003, the Secretary shall submit a report to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives detailing the Secretary's findings and recommendations based on the review conducted under subsection (a), including a timetable for implementation of any recommended changes in regulations and a description of any recommendations for legislative changes.".

TITLE V—DEVELOPING INSTITUTIONS

SEC. 501. ESTABLISHMENT OF NEW TITLE V.

Title V (20 U.S.C. 1101 et seq.) is amended to read as follows:

"TITLE V—DEVELOPING INSTITUTIONS

"PART A—HISPANIC-SERVING INSTITUTIONS

"SEC. 501. FINDINGS; PURPOSE; AND PROGRAM AUTHORITY.

"(a) FINDINGS.—Congress makes the following findings:

"(1) Hispanic Americans are at high risk of not enrolling or graduating from institutions of higher education.

"(2) Disparities between the enrollment of non-Hispanic white students and Hispanic students in postsecondary education are increasing. Between 1973 and 1994, enrollment of white secondary school graduates in 4-year institutions of higher education increased at a rate 2 times higher than that of Hispanic secondary school graduates.

"(3) Despite significant limitations in resources, Hispanic-serving institutions provide a significant proportion of postsecondary opportunities for Hispanic students.

"(4) Relative to other institutions of higher education, Hispanic-serving institutions are underfunded. Such institutions receive significantly less in State and local funding, per full-time equivalent student, than other institutions of higher education.

"(5) Hispanic-serving institutions are succeeding in educating Hispanic students despite significant resource problems that—

"(A) limit the ability of such institutions to expand and improve the academic programs of such institutions; and

"(B) could imperil the financial and administrative stability of such institutions.

"(6) There is a national interest in remedying the disparities described in paragraphs (2) and (4) and ensuring that Hispanic students have an equal opportunity to pursue postsecondary opportunities.

"(b) PURPOSE.—The purpose of this title is to—

"(1) expand educational opportunities for, and improve the academic attainment of, Hispanic students; and

"(2) expand and enhance the academic offerings, program quality, and institutional stability of colleges and universities that are educating the majority of Hispanic college students and helping large numbers of Hispanic students and other low-income individuals complete postsecondary degrees.

"(c) PROGRAM AUTHORITY.—The Secretary shall provide grants and related assistance to Hispanic-serving institutions to enable such institutions to improve and expand their capacity to serve Hispanic students and other low-income individuals.

"SEC. 502. DEFINITIONS; ELIGIBILITY;

"(a) DEFINITIONS.—For the purpose of this title:

"(1) EDUCATIONAL AND GENERAL EXPENDITURES.—The term 'educational and general expenditures' means the total amount expended by an institution for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory transfers that the institution is required to pay by law.

"(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

"(A) an institution of higher education—

"(i) that has an enrollment of needy students as required by subsection (b);

"(ii) except as provided in section 512(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

"(iii) that is—

"(I) legally authorized to provide, and provides within the State, an educational program for which the institution awards a bachelor's degree; or

"(II) a junior or community college;

"(iv) that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality of training offered or that is, according to such an agency or association, making reasonable progress toward accreditation;

"(v) that meets such other requirements as the Secretary may prescribe; and

"(vi) that is located in a State; and

"(B) any branch of any institution of higher education described under subparagraph (A) that by itself satisfies the requirements contained in clauses (i) and (ii) of such subparagraph.

For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under subparagraph (A)(i) shall be given twice the weight of the factor described under subparagraph (A)(ii).

"(3) ENDOWMENT FUND.—The term 'endowment fund' means a fund that—

"(A) is established by State law, by a Hispanic-serving institution, or by a foundation that is exempt from Federal income taxation;

"(B) is maintained for the purpose of generating income for the support of the institution; and

"(C) does not include real estate.

"(4) FULL-TIME EQUIVALENT STUDENTS.—The term 'full-time equivalent students' means the sum of the number of students enrolled full time at an institution, plus the full-time equivalent of the number of students enrolled part time (determined on the basis of the quotient of the sum of the credit hours of all part-time students divided by 12) at such institution.

"(5) HISPANIC-SERVING INSTITUTION.—The term 'Hispanic-serving institution' means an institution of higher education that—

"(A) is an eligible institution;

"(B) at the time of application, has an enrollment of undergraduate full-time equivalent students that is at least 25 percent Hispanic students; and

"(C) provides assurances that not less than 50 percent of the institution's Hispanic students are low-income individuals.

"(6) JUNIOR OR COMMUNITY COLLEGE.—The term 'junior or community college' means an institution of higher education—

"(A) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(B) that does not provide an educational program for which the institution awards a bachelor's degree (or an equivalent degree); and

"(C) that—

"(i) provides an educational program of not less than 2 years in duration that is acceptable for full credit toward such a degree; or

"(ii) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

"(7) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual from a family whose taxable income for the preceding year did not exceed 150 percent of an amount equal to the poverty level determined by using criteria of poverty established by the Bureau of the Census.

"(b) ENROLLMENT OF NEEDY STUDENTS.—For the purpose of this title, the term 'enrollment of needy students' means an enrollment at an institution with respect to which—

"(1) at least 50 percent of the degree students so enrolled are receiving need-based assistance under title IV in the second fiscal year preceding the fiscal year for which the determination is made (other than loans for which an interest subsidy is paid pursuant to section 428); or

"(2) a substantial percentage of the students so enrolled are receiving Federal Pell Grants in the second fiscal year preceding the fiscal year for which determination is made, compared to the percentage of students receiving Federal Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the determination is made, unless the requirement of this paragraph is waived under section 512(a).

"SEC. 503. AUTHORIZED ACTIVITIES.

"(a) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this title shall be used by Hispanic-serving institutions of higher education to assist the institutions to plan, develop, undertake, and carry out programs to improve and expand the institutions' capacity to serve Hispanic students and other low-income students.

"(b) AUTHORIZED ACTIVITIES.—Grants awarded under this section shall be used for one or more of the following activities:

"(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

''(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities.

''(3) Support of faculty exchanges, faculty development, curriculum development, academic instruction, and faculty fellowships to assist in attaining advanced degrees in the fellow's field of instruction.

''(4) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

''(5) Tutoring, counseling, and student service programs designed to improve academic success.

''(6) Funds management, administrative management, and acquisition of equipment for use in strengthening funds management.

''(7) Joint use of facilities, such as laboratories and libraries.

''(8) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

''(9) Establishing or improving an endowment fund.

''(10) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.

''(11) Establishing or enhancing a program of teacher education designed to qualify students to teach in public elementary schools and secondary schools.

''(12) Establishing community outreach programs that will encourage elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education.

''(13) Expanding the number of Hispanic and other underrepresented graduate and professional students that can be served by the institution by expanding courses and institutional resources.

''(14) Other activities proposed in the application submitted pursuant to section 504 that—

''(A) contribute to carrying out the purposes of this title; and

''(B) are approved by the Secretary as part of the review and acceptance of such application.

''(c) ENDOWMENT FUND LIMITATIONS.—

''(1) PORTION OF GRANT.—A Hispanic-serving institution may not use more than 20 percent of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund.

''(2) MATCHING REQUIRED.—A Hispanic-serving institution that uses any portion of the grant funds provided under this title for any fiscal year for establishing or improving an endowment fund shall provide from non-Federal funds an amount equal to or greater than the portion.

''(3) COMPARABILITY.—The provisions of part C of title III regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).

"SEC. 504. DURATION OF GRANT.

''(a) AWARD PERIOD.—

''(1) IN GENERAL.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.

''(2) WAITOUT PERIOD.—A Hispanic-serving institution shall not be eligible to secure a subsequent 5-year grant award under this title until 2 years have elapsed since the expiration of the institution's most recent 5-year grant award under this title, except that for the purpose of this subsection a grant under section 514(a) shall not be considered a grant under this title.

''(b) PLANNING GRANTS.—Notwithstanding subsection (a), the Secretary may award a grant to a Hispanic-serving institution under this title for a period of 1 year for the purpose of preparation of plans and applications for a grant under this title.

"SEC. 505. SPECIAL RULE.

''No Hispanic-serving institution that is eligible for and receives funds under this title may receive funds under part A or B of title III during the period for which funds under this title are awarded.

"PART B—GENERAL PROVISIONS

"SEC. 511. ELIGIBILITY; APPLICATIONS.

''(a) INSTITUTIONAL ELIGIBILITY.—Each Hispanic-serving institution desiring to receive assistance under this title shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Hispanic-serving institution as defined in section 502, along with such other data and information as the Secretary may by regulation require.

''(b) APPLICATIONS.—

''(1) APPLICATIONS REQUIRED.—Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institution's need for assistance. Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for a grant under this title only if the Secretary determines that—

''(A) the application meets the requirements of subsection (b); and

''(B) the institution is eligible for assistance in accordance with the provisions of this title under which the assistance is sought.

''(2) PRELIMINARY APPLICATIONS.—In carrying out paragraph (1), the Secretary may develop a preliminary application for use by Hispanic-serving institutions applying under this title prior to the submission of the principal application.

''(c) CONTENTS.—A Hispanic-serving institution, in the institution's application for a grant, shall—

''(1) set forth, or describe how the institution will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

''(2) include a 5-year plan for improving the assistance provided by the Hispanic-serving institution to Hispanic students and other low-income individuals;

''(3) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 501(b), and in no case supplant those funds;

''(4) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

''(5) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the institution under this title;

''(6) provide that the institution will comply with the limitations set forth in section 516;

''(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include—

''(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

''(B) in the case of any development project that consists of several components (as described by the institution pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the institution);

''(C) an evaluation by the institution of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the institution under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the institution pursuant to subparagraph (A));

''(D) a detailed budget showing the manner in which funds for any proposed project would be spent by the institution; and

''(E) a detailed description of any activity which involves the expenditure of more than $25,000, as identified in the budget referred to in subparagraph (D);

''(8) provide for making reports, in such form and containing such information, as the Secretary may require to carry out the Secretary's functions under this title, including not less than 1 report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded and for keeping such records and affording such access to such records, as the Secretary may find necessary to assure the correctness and verification of such reports; and

''(9) include such other information as the Secretary may prescribe.

''(d) PRIORITY.—With respect to applications for assistance under this section, the Secretary shall give priority to an application that contains satisfactory evidence that the Hispanic-serving institution has entered into or will enter into a collaborative arrangement with at least one local educational agency or community-based organization to provide such agency or organization with assistance (from funds other than funds provided under this title) in reducing dropout rates for Hispanic students, improving rates of academic achievement for Hispanic students, and increasing the rates at which Hispanic secondary school graduates enroll in higher education.

''(e) ELIGIBILITY DATA.—The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV in making eligibility determinations and shall advance the base-year for the determinations forward following each annual grant cycle.

"SEC. 512. WAIVER AUTHORITY AND REPORTING REQUIREMENT.

''(a) WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(i) in the case of an institution—

''(1) that is extensively subsidized by the State in which the institution is located and charges low or no tuition;

''(2) that serves a substantial number of low-income students as a percentage of the institution's total student population;

''(3) that is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

''(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions; or

''(5) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Hispanic Americans.

''(b) WAIVER DETERMINATIONS; EXPENDITURES.—

"(1) WAIVER DETERMINATIONS.—The Secretary may waive the requirements set forth in section 502(a)(2)(A)(ii) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet the requirements is due to factors which, when used in the determination of compliance with the requirements, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of this title.

"(2) EXPENDITURES.—The Secretary shall submit to Congress every other year a report concerning the institutions that, although not satisfying the requirements of section 502(a)(2)(A)(ii), have been determined to be eligible institutions under part A. Such report shall—

"(A) identify the factors referred to in paragraph (1) that were considered by the Secretary as factors that distorted the determination of compliance with clauses (i) and (ii) of section 502(a)(2)(A); and

"(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

"SEC. 513. APPLICATION REVIEW PROCESS.

"(a) REVIEW PANEL.—All applications submitted under this title by Hispanic-serving institutions shall be read by a panel of readers composed of individuals who are selected by the Secretary and who include individuals representing Hispanic-serving institutions. The Secretary shall ensure that no individual assigned under this section to review any application has any conflict of interest with regard to the application that might impair the impartiality with which the individual conducts the review under this section.

"(b) INSTRUCTION.—All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title that are consistent with the provisions of this title, including—

"(1) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

"(2) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

"(c) RECOMMENDATIONS OF PANEL.—In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

"(d) NOTIFICATION.—Not later than June 30 of each year, the Secretary shall notify each Hispanic-serving institution making an application under this title of—

"(1) the scores given the institution by the panel pursuant to this section;

"(2) the recommendations of the panel with respect to such application; and

"(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any modifications, if any, in the recommendations of the panel made by the Secretary.

"SEC. 514. COOPERATIVE ARRANGEMENTS.

"(a) GENERAL AUTHORITY.—The Secretary may make grants to encourage cooperative arrangements with funds available to carry out this title, between Hispanic-serving institutions eligible for assistance under this title, and between such institutions and institutions not receiving assistance under this title, for the activities described in section 503 so that the resources of the cooperating institutions might be combined and shared in order to achieve the purposes of this title, to avoid costly duplicative efforts, and to enhance the development of Hispanic-serving institutions.

"(b) PRIORITY.—The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant Hispanic-serving institution.

"(c) DURATION.—Grants to Hispanic-serving institutions having a cooperative arrangement may be made under this section for a period determined under section 505.

"SEC. 515. ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS.

"(a) ASSISTANCE ELIGIBILITY.—Each Hispanic-serving institution that the Secretary determines to be an institution eligible under this title may be eligible for waivers in accordance with subsection (b).

"(b) WAIVER APPLICABILITY.—

"(1) IN GENERAL.—Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by a Hispanic-serving institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

"(2) PROGRAMS.—The provisions of this section shall apply to any program authorized by title IV or section 604.

"(c) LIMITATION.—The Secretary shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year.

"SEC. 516. LIMITATIONS.

"The funds appropriated under section 518 may not be used—

"(1) for a school or department of divinity or any religious worship or sectarian activity;

"(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to a Hispanic-serving institution;

"(3) for an activity that is inconsistent with a State plan of higher education applicable to a Hispanic-serving institution; or

"(4) for purposes other than the purposes set forth in the approved application under which the funds were made available to a Hispanic-serving institution.

"SEC. 517. PENALTIES.

"Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of Federal financial assistance or grant pursuant to this title embezzles, willfully misapplies, steals, or obtains by fraud any of the funds that are the subject of such grant or assistance, shall be fined not more than $10,000 or imprisoned for not more than 2 years, or both.

"SEC. 518. AUTHORIZATIONS OF APPROPRIATIONS.

"(a) AUTHORIZATIONS.—There are authorized to be appropriated to carry out this title $62,500,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"(b) USE OF MULTIPLE YEAR AWARDS.—In the event of a multiple year award to any Hispanic-serving institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the institution.".

TITLE VI—INTERNATIONAL EDUCATION PROGRAMS

SEC. 601. INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

Part A of title VI (20 U.S.C. 1121 et seq.) is amended to read as follows:

"PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

"SEC. 601. FINDINGS AND PURPOSES.

"(a) FINDINGS.—Congress finds as follows:

"(1) The security, stability, and economic vitality of the United States in a complex global era depend upon American experts in and citizens knowledgeable about world regions, foreign languages and international affairs, as well as upon a strong research base in these areas.

"(2) Advances in communications technology and the growth of regional and global problems make knowledge of other countries and the ability to communicate in other languages more essential to the promotion of mutual understanding and cooperation among nations and their peoples.

"(3) Dramatic post-Cold War changes in the world's geopolitical and economic landscapes are creating needs for American expertise and knowledge about a greater diversity of less commonly taught foreign languages and nations of the world.

"(4) Systematic efforts are necessary to enhance the capacity of institutions of higher education in the United States for—

"(A) producing graduates with international and foreign language expertise and knowledge; and

"(B) research regarding such expertise and knowledge.

"(5) Cooperative efforts among the Federal Government, institutions of higher education, and the private sector are necessary to promote the generation and dissemination of information about world regions, foreign languages, and international affairs throughout education, government, business, civic, and nonprofit sectors in the United States.

"(b) PURPOSES.—The purposes of this part are—

"(1)(A) to support centers, programs and fellowships in institutions of higher education in the United States for producing increased numbers of trained personnel and research in foreign languages, area and other international studies;

"(B) to develop a pool of international experts to meet national needs;

"(C) to develop and validate specialized materials and techniques for foreign language acquisition and fluency, emphasizing (but not limited to) the less commonly taught languages;

"(D) to promote access to research and training overseas; and

"(E) to advance the internationalization of a variety of disciplines throughout undergraduate and graduate education;

"(2) to support cooperative efforts promoting access to and the dissemination of international and foreign language knowledge, teaching materials, and research, throughout education, government, business, civic and nonprofit sectors in the United States, through the use of advanced technologies; and

"(3) to coordinate the programs of the Federal Government in the areas of foreign language, area and other international studies, including professional international affairs education and research.

"SEC. 602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS AND PROGRAMS.

"(a) NATIONAL LANGUAGE AND AREA CENTERS AND PROGRAMS AUTHORIZED.—

"(1) CENTERS AND PROGRAMS.—

"(A) IN GENERAL.—The Secretary is authorized—

"(i) to make grants to institutions of higher education, or combinations thereof, for the purpose of establishing, strengthening, and operating comprehensive foreign language and area or international studies centers and programs; and *"(ii) to make grants to such institutions or combinations for the purpose of establishing, strengthening, and operating a diverse network of undergraduate foreign language and area or international studies centers and programs.*

"(B) NATIONAL RESOURCES.—The centers and programs referred to in paragraph (1) shall be national resources for—

"(i) teaching of any modern foreign language;

"(ii) instruction in fields needed to provide full understanding of areas, regions, or countries in which such language is commonly used;

"(iii) research and training in international studies, and the international and foreign language aspects of professional and other fields of study; and

"(iv) instruction and research on issues in world affairs that concern 1 or more countries.

"(2) AUTHORIZED ACTIVITIES.—Any such grant may be used to pay all or part of the cost of establishing or operating a center or program, including the cost of—

"(A) teaching and research materials;

"(B) curriculum planning and development;

"(C) establishing and maintaining linkages with overseas institutions of higher education and other organizations that may contribute to the teaching and research of the center or program;

"(D) bringing visiting scholars and faculty to the center to teach or to conduct research;

"(E) professional development of the center's faculty and staff;

"(F) projects conducted in cooperation with other centers addressing themes of world regional, cross-regional, international, or global importance;

"(G) summer institutes in the United States or abroad designed to provide language and area training in the center's field or topic; and

"(H) support for faculty, staff, and student travel in foreign areas, regions, or countries, and for the development and support of educational programs abroad for students.

"(3) GRANTS TO MAINTAIN LIBRARY COLLECTIONS.—The Secretary may make grants to centers described in paragraph (1) having important library collections, as determined by the Secretary, for the maintenance of such collections.

"(4) OUTREACH GRANTS AND SUMMER INSTITUTES.—The Secretary may make additional grants to centers described in paragraph (1) for any 1 or more of the following purposes:

"(A) Programs of linkage or outreach between foreign language, area studies, or other international fields, and professional schools and colleges.

"(B) Programs of linkage or outreach with 2-year and 4-year colleges and universities.

"(C) Programs of linkage or outreach with departments or agencies of Federal and State governments.

"(D) Programs of linkage or outreach with the news media, business, professional, or trade associations.

"(E) Summer institutes in foreign area, foreign language, and other international fields designed to carry out the programs of linkage and outreach described in subparagraphs (A), (B), (C), and (D).

"(b) GRADUATE FELLOWSHIPS FOR FOREIGN LANGUAGE AND AREA OR INTERNATIONAL STUDIES.—

"(1) IN GENERAL.—The Secretary is authorized to make grants to institutions of higher education or combinations of such institutions for the purpose of paying stipends to individuals undergoing advanced training in any center or program approved by the Secretary.

"(2) ELIGIBLE STUDENTS.—Students receiving stipends described in paragraph (1) shall be individuals who are engaged in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program, including predissertation level studies, preparation for dissertation research, dissertation research abroad, and dissertation writing.

"(c) SPECIAL RULE WITH RESPECT TO TRAVEL.—No funds may be expended under this part for undergraduate travel except in accordance with rules prescribed by the Secretary setting forth policies and procedures to assure that Federal funds made available for such travel are expended as part of a formal program of supervised study.

"(d) ALLOWANCES.—Stipends awarded to graduate level recipients may include allowances for dependents and for travel for research and study in the United States and abroad.

"SEC. 603. LANGUAGE RESOURCE CENTERS.

"(a) LANGUAGE RESOURCE CENTERS AUTHORIZED.—The Secretary is authorized to make grants to and enter into contracts with institutions of higher education, or combinations of such institutions, for the purpose of establishing, strengthening, and operating a small number of national language resource and training centers, which shall serve as resources to improve the capacity to teach and learn foreign languages effectively.

"(b) AUTHORIZED ACTIVITIES.—The activities carried out by the centers described in subsection (a)—

"(1) shall include effective dissemination efforts, whenever appropriate; and

"(2) may include—

"(A) the conduct and dissemination of research on new and improved teaching methods, including the use of advanced educational technology;

"(B) the development and dissemination of new teaching materials reflecting the use of such research in effective teaching strategies;

"(C) the development, application, and dissemination of performance testing appropriate to an educational setting for use as a standard and comparable measurement of skill levels in all languages;

"(D) the training of teachers in the administration and interpretation of performance tests, the use of effective teaching strategies, and the use of new technologies;

"(E) a significant focus on the teaching and learning needs of the less commonly taught languages, including an assessment of the strategic needs of the United States, the determination of ways to meet those needs nationally, and the publication and dissemination of instructional materials in the less commonly taught languages;

"(F) the development and dissemination of materials designed to serve as a resource for foreign language teachers at the elementary school and secondary school levels; and

"(G) the operation of intensive summer language institutes to train advanced foreign language students, to provide professional development, and to improve language instruction through preservice and inservice language training for teachers.

"(c) CONDITIONS FOR GRANTS.—Grants under this section shall be made on such conditions as the Secretary determines to be necessary to carry out the provisions of this section.".

"SEC. 604. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

"(a) INCENTIVES FOR THE CREATION OF NEW PROGRAMS AND THE STRENGTHENING OF EXISTING PROGRAMS IN UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.—

"(1) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education, combinations of such institutions, or partnerships between nonprofit educational organizations and institutions of higher education, to assist such institutions, combinations or partnerships in planning, developing, and carrying out programs to improve undergraduate instruction in international studies and foreign languages. Such grants shall be awarded to institutions, combinations or partnerships seeking to create new programs or to strengthen existing programs in foreign languages, area studies, and other international fields.

"(2) USE OF FUNDS.—Grants made under this section may be used for Federal share of the cost of projects and activities which are an integral part of such a program, such as—

"(A) planning for the development and expansion of undergraduate programs in international studies and foreign languages;

"(B) teaching, research, curriculum development, faculty training in the United States or abroad, and other related activities, including—

"(i) the expansion of library and teaching resources; and

"(ii) preservice and inservice teacher training;

"(C) expansion of opportunities for learning foreign languages, including less commonly taught languages;

"(D) programs under which foreign teachers and scholars may visit institutions as visiting faculty;

"(E) programs designed to develop or enhance linkages between 2-year and 4-year institutions of higher education, or baccalaureate and post-baccalaureate programs or institutions;

"(F) the development of undergraduate educational programs—

"(i) in locations abroad where such opportunities are not otherwise available or that serve students for whom such opportunities are not otherwise available; and

"(ii) that provide courses that are closely related to on-campus foreign language and international curricula;

"(G) the integration of new and continuing education abroad opportunities for undergraduate students into curricula of specific degree programs;

"(H) the development of model programs to enrich or enhance the effectiveness of educational programs abroad, including predeparture and postreturn programs, and the integration of educational programs abroad into the curriculum of the home institution;

"(I) the development of programs designed to integrate professional and technical education with foreign languages, area studies, and other international fields;

"(J) the establishment of linkages overseas with institutions of higher education and organizations that contribute to the educational programs assisted under this subsection;

"(K) the conduct of summer institutes in foreign area, foreign language, and other international fields to provide faculty and curriculum development, including the integration of professional and technical education with foreign area and other international studies, and to provide foreign area and other international knowledge or skills to government personnel or private sector professionals in international activities;

"(L) the development of partnerships between—

"(i) institutions of higher education, and

"(ii) the private sector, government, or elementary and secondary education institutions, in order to enhance international knowledge and skills; and

"(M) the use of innovative technology to increase access to international education programs.

"(3) NON-FEDERAL SHARE.—The non-Federal share of the cost of the programs assisted under this subsection—

''(A) may be provided in cash from the private sector corporations or foundations in an amount equal to one-third of the total cost of the programs assisted under this section; or

''(B) may be provided as an in-cash or in-kind contribution from institutional and noninstitutional funds, including State and private sector corporation or foundation contributions, equal to one-half of the total cost of the programs assisted under this section.

''(4) SPECIAL RULE.—The Secretary may waive or reduce the required non-Federal share for institutions that—

''(A) are eligible to receive assistance under part A or B of title III or under title V; and

''(B) have submitted a grant application under this section.

''(5) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications from institutions of higher education, combinations or partnerships that require entering students to have successfully completed at least 2 years of secondary school foreign language instruction or that require each graduating student to earn 2 years of postsecondary credit in a foreign language (or have demonstrated equivalent competence in the foreign language) or, in the case of a 2-year degree granting institution, offer 2 years of postsecondary credit in a foreign language.

''(6) GRANT CONDITIONS.—Grants under this subsection shall be made on such conditions as the Secretary determines to be necessary to carry out this subsection.

''(7) APPLICATION.—Each application for assistance under this subsection shall include—

''(A) evidence that the applicant has conducted extensive planning prior to submitting the application;

''(B) an assurance that the faculty and administrators of all relevant departments and programs served by the applicant are involved in ongoing collaboration with regard to achieving the stated objectives of the application;

''(C) an assurance that students at the applicant institutions, as appropriate, will have equal access to, and derive benefits from, the program assisted under this subsection; and

''(D) an assurance that each institution, combination or partnership will use the Federal assistance provided under this subsection to supplement and not supplant non-Federal funds the institution expends for programs to improve undergraduate instruction in international studies and foreign languages.

''(8) EVALUATION.—The Secretary may establish requirements for program evaluations and require grant recipients to submit annual reports that evaluate the progress and performance of students participating in programs assisted under this subsection.

''(b) PROGRAMS OF NATIONAL SIGNIFICANCE.—The Secretary may also award grants to public and private nonprofit agencies and organizations, including professional and scholarly associations, whenever the Secretary determines such grants will make an especially significant contribution to improving undergraduate international studies and foreign language programs.

''(c) FUNDING SUPPORT.—The Secretary may use not more than 10 percent of the total amount appropriated for this part for carrying out the purposes of this section.

"SEC. 605. RESEARCH; STUDIES; ANNUAL REPORT.

''(a) AUTHORIZED ACTIVITIES.—The Secretary may, directly or through grants or contracts, conduct research and studies that contribute to achieving the purposes of this part. Such research and studies may include—

''(1) studies and surveys to determine needs for increased or improved instruction in foreign language, area studies, or other international fields, including the demand for foreign language, area, and other international specialists in government, education, and the private sector;

''(2) studies and surveys to assess the utilization of graduates of programs supported under this title by governmental, educational, and private sector organizations and other studies assessing the outcomes and effectiveness of programs so supported;

''(3) evaluation of the extent to which programs assisted under this title that address national needs would not otherwise be offered;

''(4) comparative studies of the effectiveness of strategies to provide international capabilities at institutions of higher education;

''(5) research on more effective methods of providing instruction and achieving competency in foreign languages, area studies, or other international fields;

''(6) the development and publication of specialized materials for use in foreign language, area studies, and other international fields, or for training foreign language, area, and other international specialists;

''(7) studies and surveys of the uses of technology in foreign language, area studies, and international studies programs;

''(8) studies and evaluations of effective practices in the dissemination of international information, materials, research, teaching strategies, and testing techniques throughout the education community, including elementary and secondary schools; and

''(9) the application of performance tests and standards across all areas of foreign language instruction and classroom use.

''(b) ANNUAL REPORT.—The Secretary shall prepare, publish, and announce an annual report listing the books and research materials produced with assistance under this section.

"SEC. 606. TECHNOLOGICAL INNOVATION AND COOPERATION FOR FOREIGN INFORMATION ACCESS.

''(a) AUTHORITY.—The Secretary is authorized to make grants to institutions of higher education, public or nonprofit private libraries, or consortia of such institutions or libraries, to develop innovative techniques or programs using new electronic technologies to collect, organize, preserve and widely disseminate information on world regions and countries other than the United States that address our Nation's teaching and research needs in international education and foreign languages.

''(b) AUTHORIZED ACTIVITIES.—Grants under this section may be used—

''(1) to facilitate access to or preserve foreign information resources in print or electronic forms;

''(2) to develop new means of immediate, full-text document delivery for information and scholarship from abroad;

''(3) to develop new means of shared electronic access to international data;

''(4) to support collaborative projects of indexing, cataloging, and other means of bibliographic access for scholars to important research materials published or distributed outside the United States;

''(5) to develop methods for the wide dissemination of resources written in non-Roman language alphabets;

''(6) to assist teachers of less commonly taught languages in acquiring, via electronic and other means, materials suitable for classroom use; and

''(7) to promote collaborative technology based projects in foreign languages, area studies, and international studies among grant recipients under this title.

''(c) APPLICATION.—Each institution or consortium desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may reasonably require.

''(d) MATCH REQUIRED.—The Federal share of the total cost of carrying out a program supported by a grant under this section shall not be more than 66⅔ percent. The non-Federal share of such cost may be provided either in-kind or in cash, and may include contributions from private sector corporations or foundations.''.

"SEC. 607. SELECTION OF CERTAIN GRANT RECIPIENTS.

''(a) COMPETITIVE GRANTS.—The Secretary shall award grants under section 602 competitively on the basis of criteria that separately, but not less rigorously, evaluates the applications for comprehensive and undergraduate language and area centers and programs.

''(b) SELECTION CRITERIA.—The Secretary shall set criteria for grants awarded under section 602 by which a determination of excellence shall be made to meet the differing objectives of graduate and undergraduate institutions.

''(c) EQUITABLE DISTRIBUTION OF GRANTS.—The Secretary shall, to the extent practicable, award grants under this part (other than section 602) in such manner as to achieve an equitable distribution of the grant funds throughout the United States, based on the merit of a proposal as determined pursuant to a peer review process involving broadly representative professionals.

"SEC. 608. EQUITABLE DISTRIBUTION OF CERTAIN FUNDS.

''(a) SELECTION CRITERIA.—The Secretary shall make excellence the criterion for selection of grants awarded under section 602.

''(b) EQUITABLE DISTRIBUTION.—To the extent practicable and consistent with the criterion of excellence, the Secretary shall award grants under this part (other than section 602) in such a manner as will achieve an equitable distribution of funds throughout the United States.

''(c) SUPPORT FOR UNDERGRADUATE EDUCATION.—The Secretary shall also award grants under this part in such manner as to ensure that an appropriate portion of the funds appropriated for this part (as determined by the Secretary) are used to support undergraduate education.

"SEC. 609. AMERICAN OVERSEAS RESEARCH CENTERS.

''(a) CENTERS AUTHORIZED.—The Secretary is authorized to make grants to and enter into contracts with any American overseas research center that is a consortium of institutions of higher education (hereafter in this section referred to as a ''center'') to enable such center to promote postgraduate research, exchanges and area studies.

''(b) USE OF GRANTS.—Grants made and contracts entered into pursuant to this section may be used to pay all or a portion of the cost of establishing or operating a center or program, including—

''(1) the cost of faculty and staff stipends and salaries;

''(2) the cost of faculty, staff, and student travel;

''(3) the cost of the operation and maintenance of overseas facilities;

''(4) the cost of teaching and research materials;

''(5) the cost of acquisition, maintenance, and preservation of library collections;

''(6) the cost of bringing visiting scholars and faculty to a center to teach or to conduct research;

''(7) the cost of organizing and managing conferences; and

''(8) the cost of publication and dissemination of material for the scholarly and general public.

''(c) LIMITATION.—The Secretary shall only award grants to and enter into contracts with centers under this section that—

''(1) receive more than 50 percent of their funding from public or private United States sources;

"(2) have a permanent presence in the country in which the center is located; and

"(3) are organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 which are exempt from taxation under section 501(a) of such Code.

"(d) DEVELOPMENT GRANTS.—The Secretary is authorized to make grants for the establishment of new centers. The grants may be used to fund activities that, within 1 year, will result in the creation of a center described in subsection (c).

"SEC. 610. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this part $80,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 602. BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

(a) AMENDMENT TO HEADING.—The heading for section 611 (20 U.S.C. 1130) is amended to read as follows:

"SEC. 611. FINDINGS AND PURPOSES.".

(b) CENTERS.—Section 612 (20 U.S.C. 1130–1) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "advanced"; and

(ii) in subparagraph (C), by striking "evening or summer"; and

(B) in paragraph (2)(C), by inserting "foreign language studies," after "area studies,"; and

(2) in subsection (d)(2)(G), by inserting ", such as a representative of a community college in the region served by the center" before the period.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 614 (20 U.S.C. 1130b) is amended—

(1) in subsection (a), by striking "1993" and inserting "1999"; and

(2) in subsection (b), by striking "1993" and inserting "1999".

SEC. 603. INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

(a) MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.—Section 621(e) (20 U.S.C. 1131(e)) is amended by striking "one-fourth" and inserting "one-half".

(b) INSTITUTIONAL DEVELOPMENT.—Part C of title VI (20 U.S.C. 1131 et seq.) is amended—

(1) by redesignating sections 622 through 627 (20 U.S.C. 1131a through 1131f) as sections 623 through 628, respectively; and

(2) by inserting after section 621 (20 U.S.C. 1131) the following:

"SEC. 622. INSTITUTIONAL DEVELOPMENT.

"(a) IN GENERAL.—The Institute shall award grants, from amounts available to the Institute for each fiscal year, to historically Black colleges and universities, Hispanic-serving institutions, Tribally Controlled Colleges or Universities, and minority institutions, to enable such colleges, universities, and institutions to strengthen international affairs programs.

"(b) APPLICATION.—No grant may be made by the Institute unless an application is made by the college, university, or institution at such time, in such manner, and accompanied by such information as the Institute may require.

"(c) DEFINITIONS.—In this section—

"(1) the term 'historically Black college and university' has the meaning given the term in section 322;

"(2) the term 'Hispanic-serving institution' has the meaning given the term in section 502;

"(3) the term 'Tribally Controlled College or University' has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801); and

"(4) the term 'minority institution' has the meaning given the term in section 365.".

(c) STUDY ABROAD PROGRAM.—Section 623 (as redesignated by subsection(b)(1)) (20 U.S.C. 1131a)—

(1) in the section heading, by striking "**JUNIOR YEAR**" and inserting "**STUDY**";

(2) in subsection (b)(2)—

(A) by inserting ", or completing the third year of study in the case of a summer abroad program," after "study"; and

(B) by striking "junior year" and inserting "study"; and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "junior year" and inserting "study";

(B) in paragraph (1), by striking "junior year" and inserting "study"; and

(C) in paragraph (2)—

(i) by striking "one-half" and inserting "one-third"; and

(ii) by striking "junior year" and inserting "study".

(d) INTERNSHIPS.—Section 625 (as redesignated by subsection (b)(1)) (20 U.S.C. 1132c)—

(1) by striking "The Institute" and inserting "(a) IN GENERAL.—The Institute"; and

(2) by adding at the end the following:

"(b) POSTBACCALAUREATE INTERNSHIPS.—The Institute shall enter into agreements with institutions of higher education described in the first sentence of subsection (a) to conduct internships for students who have completed study for a baccalaureate degree. The internship program authorized by this subsection shall—

"(1) assist the students to prepare for a master's degree program;

"(2) be carried out with the assistance of the Woodrow Wilson International Center for Scholars;

"(3) contain work experience for the students designed to contribute to the students' preparation for a master's degree program; and

"(4) be assisted by the Interagency Committee on Minority Careers in International Affairs established under subsection (c).

"(c) INTERAGENCY COMMITTEE ON MINORITY CAREERS IN INTERNATIONAL AFFAIRS.—

"(1) ESTABLISHMENT.—There is established in the executive branch of the Federal Government an Interagency Committee on Minority Careers in International Affairs composed of not less than 7 members, including—

"(A) the Under Secretary for Farm and Foreign Agricultural Services of the Department of Agriculture, or the Under Secretary's designee;

"(B) the Assistant Secretary and Director General, of the United States and Foreign Commercial Service of the Department of Commerce, or the Assistant Secretary and Director General's designee;

"(C) the Under Secretary of Defense for Personnel and Readiness of the Department of Defense, or the Under Secretary's designee;

"(D) the Assistant Secretary for Postsecondary Education in the Department of Education, or the Assistant Secretary's designee;

"(E) the Director General of the Foreign Service of the Department of State, or the Director General's designee;

"(F) the General Counsel of the Agency for International Development, or the General Counsel's designee; and

"(G) the Associate Director for Educational and Cultural Affairs of the United States Information Agency, or the Associate Director's designee.

"(2) FUNCTIONS.—The Interagency Committee established by this section shall—

"(A) on an annual basis inform the Secretary and the Institute regarding ways to advise students participating in the internship program assisted under this section with respect to goals for careers in international affairs;

"(B) locate for students potential internship opportunities in the Federal Government related to international affairs; and

"(C) promote policies in each department and agency participating in the Committee that are designed to carry out the objectives of this part.".

(f) CONFORMING AMENDMENT.—Section 627 (as redesignated by subsection (b)(1)) (20 U.S.C. 1131e) is amended by striking "625" and inserting "626".

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 628 (as redesignated by subsection (b)(1)) (20 U.S.C. 1131f), by striking "1993" and inserting "1999".

SEC. 604. GENERAL PROVISIONS.

(a) DEFINITIONS.—Section 631(a) (20 U.S.C. 1132(a)) is amended—

(1) by striking "and" at the end of paragraph (7);

(2) by striking the period at the end of paragraph (8) and inserting "; and"; and

(3) by inserting after paragraph (8) the following:

"(9) the term 'educational programs abroad' means programs of study, internships, or service learning outside the United States which are part of a foreign language or other international curriculum at the undergraduate or graduate education levels.".

(b) REPEAL.—Section 632 (20 U.S.C. 1132–1) is repealed.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 701. REVISION OF TITLE VII.

Title VII (20 U.S.C. 1132a et seq.) is amended to read as follows:

"TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

"SEC. 700. PURPOSE.

"It is the purpose of this title—

"(1) to authorize national graduate fellowship programs—

"(A) in order to attract students of superior ability and achievement, exceptional promise, and demonstrated financial need, into high-quality graduate programs and provide the students with the financial support necessary to complete advanced degrees; and

"(B) that are designed to—

"(i) sustain and enhance the capacity for graduate education in areas of national need; and

"(ii) encourage talented students to pursue scholarly careers in the humanities, social sciences, and the arts; and

"(2) to promote postsecondary programs.

"PART A—GRADUATE EDUCATION PROGRAMS

"Subpart 1—Jacob K. Javits Fellowship Program

"SEC. 701. AWARD OF JACOB K. JAVITS FELLOWSHIPS.

"(a) AUTHORITY AND TIMING OF AWARDS.—The Secretary is authorized to award fellowships in accordance with the provisions of this subpart for graduate study in the arts, humanities, and social sciences by students of superior ability selected on the basis of demonstrated achievement, financial need, and exceptional promise. The fellowships shall be awarded to students who are eligible to receive any grant, loan, or work assistance pursuant to section 484 and intend to pursue a doctoral degree, except that fellowships may be granted to students pursuing a master's degree in those fields in which the master's degree is the terminal highest degree awarded in the area of study. All funds appropriated in a fiscal year shall be obligated and expended to the students for fellowships for use in the academic year beginning after July 1 of the fiscal year following the fiscal year for which the funds were appropriated. The fellowships shall be awarded for only 1 academic year of study and shall be renewable for a period not to exceed 4 years of study.

"(b) DESIGNATION OF FELLOWS.—Students receiving awards under this subpart shall be known as 'Jacob K. Javits Fellows'.

“(c) Interruptions of Study.—The institution of higher education may allow a fellowship recipient to interrupt periods of study for a period not to exceed 12 months for the purpose of work, travel, or independent study away from the campus, if such independent study is supportive of the fellowship recipient's academic program and shall continue payments for those 12-month periods during which the student is pursuing travel or independent study supportive of the recipient's academic program.

“(d) Process and Timing of Competition.—The Secretary shall make applications for fellowships under this part available not later than October 1 of the academic year preceding the academic year for which fellowships will be awarded, and shall announce the recipients of fellowships under this section not later than March 1 of the academic year preceding the academic year for which the fellowships are awarded.

“(e) Authority To Contract.—The Secretary is authorized to enter into a contract with a nongovernmental agency to administer the program assisted under this part if the Secretary determines that entering into the contract is an efficient means of carrying out the program.

“SEC. 702. ALLOCATION OF FELLOWSHIPS.

“(a) Fellowship Board.—

“(1) Appointment.—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board (hereinafter in this subpart referred to as the ‘Board’) consisting of 9 individuals representative of both public and private institutions of higher education who are especially qualified to serve on the Board. In making appointments, the Secretary shall give due consideration to the appointment of individuals who are highly respected in the academic community. The Secretary shall assure that individuals appointed to the Board are broadly representative of a range of disciplines in graduate education in arts, humanities, and social sciences.

“(2) Duties.—The Board shall—

“(A) establish general policies for the program established by this subpart and oversee the program's operation;

“(B) establish general criteria for the award of fellowships in academic fields identified by the Board, or, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program assisted under this subpart, by such nongovernmental entity;

“(C) appoint panels of academic scholars with distinguished backgrounds in the arts, humanities, and social sciences for the purpose of selecting fellows, except that, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program, such panels may be appointed by such nongovernmental entity; and

“(D) prepare and submit to the Congress at least once in every 3-year period a report on any modifications in the program that the Board determines are appropriate.

“(3) Consultations.—In carrying out its responsibilities, the Board shall consult on a regular basis with representatives of the National Science Foundation, the National Endowment for the Humanities, the National Endowment for the Arts, and representatives of institutions of higher education and associations of such institutions, learned societies, and professional organizations.

“(4) Term.—The term of office of each member of the Board shall be 4 years, except that any member appointed to fill a vacancy shall serve for the remainder of the term for which the predecessor of the member was appointed. No member may serve for a period in excess of 6 years.

“(5) Initial meeting; vacancy.—The Secretary shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairperson and a Vice Chairperson, who shall serve until 1 year after the date of the appointment of the Chairperson and Vice Chairperson. Thereafter each officer shall be elected for a term of 2 years. In case a vacancy occurs in either office, the Board shall elect an individual from among the members of the Board to fill such vacancy.

“(6) Quorum; additional meetings.—(A) A majority of the members of the Board shall constitute a quorum.

“(B) The Board shall meet at least once a year or more frequently, as may be necessary, to carry out the Board's responsibilities.

“(7) Compensation.—Members of the Board, while serving on the business of the Board, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding the rate of basic pay payable for level IV of the Executive Schedule, including travel time, and while so serving away from their homes or regular places of business, the members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

“(b) Use of Selection Panels.—The recipients of fellowships shall be selected in each designated field from among all applicants nationwide in each field by distinguished panels appointed by the Board to make such selections under criteria established by the Board, except that, in the event that the Secretary enters into a contract with a nongovernmental entity to administer the program, such panels may be appointed by such nongovernmental entity. The number of recipients in each field in each year shall not exceed the number of fellows allocated to that field for that year by the Board.

“(c) Fellowship Portability.—Each recipient shall be entitled to use the fellowship in a graduate program at any accredited institution of higher education in which the recipient may decide to enroll.

“SEC. 703. STIPENDS.

“(a) Award by Secretary.—The Secretary shall pay to individuals awarded fellowships under this subpart such stipends as the Secretary may establish, reflecting the purpose of this program to encourage highly talented students to undertake graduate study as described in this subpart. In the case of an individual who receives such individual's first stipend under this subpart in academic year 1999–2000 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need determined in accordance with part F of title IV.

“(b) Institutional Payments.—

“(1) In general.—(A) The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as provided in subparagraph (B), such allowance shall be, for 1999–2000 and succeeding academic years, the same amount as the institutional payment made for 1998–1999 under section 933(b) (as such section was in effect on the day before the date of enactment of the Higher Education Amendments of 1998) adjusted for 1999–2000 and annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

“(B) The institutional allowance paid under subparagraph (A) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

“(2) Special rules.—(A) Beginning March 1, 1992, any applicant for a fellowship under this subpart who has been notified in writing by the Secretary that such applicant has been selected to receive such a fellowship and is subsequently notified that the fellowship award has been withdrawn, shall receive such fellowship unless the Secretary subsequently makes a determination that such applicant submitted fraudulent information on the application.

“(B) Subject to the availability of appropriations, amounts payable to an institution by the Secretary pursuant to this subsection shall not be reduced for any purpose other than the purposes specified under paragraph (1).

“SEC. 704. FELLOWSHIP CONDITIONS.

“(a) Requirements for Receipt.—An individual awarded a fellowship under the provisions of this subpart shall continue to receive payments provided in section 703 only during such periods as the Secretary finds that such individual is maintaining satisfactory proficiency in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded, in an institution of higher education, and is not engaging in gainful employment other than part-time employment by such institution in teaching, research, or similar activities, approved by the Secretary.

“(b) Reports From Recipients.—The Secretary is authorized to require reports containing such information in such form and filed at such times as the Secretary determines necessary from any person awarded a fellowship under the provisions of this subpart. The reports shall be accompanied by a certificate from an appropriate official at the institution of higher education, library, archive, or other research center approved by the Secretary, stating that such individual is making satisfactory progress in, and is devoting essentially full time to the program for which the fellowship was awarded.

“SEC. 705. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated $30,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

“Subpart 2—Graduate Assistance in Areas of National Need

“SEC. 711. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.

“(a) Grant Authority.—

“(1) In general.—The Secretary shall make grants to academic departments, programs and other academic units of institutions of higher education that provide courses of study leading to a graduate degree in order to enable such institutions to provide assistance to graduate students in accordance with this subpart.

“(2) Additional grants.—The Secretary may also make grants to such departments, programs and other academic units of institutions of higher education granting graduate degrees which submit joint proposals involving nondegree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Nondegree granting institutions eligible for awards as part of such joint proposals include any organization which—

“(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

“(B) is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

“(C) is not a private foundation;

“(D) has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

"(E) has necessary research resources not otherwise readily available in such institutions to such students.

"(b) AWARD AND DURATION OF GRANTS.—

"(1) AWARDS.—The principal criterion for the award of grants shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in awarding such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

"(2) DURATION AND AMOUNT.—

"(A) DURATION.—The Secretary shall award a grant under this subpart for a period of 3 years.

"(B) AMOUNT.—The Secretary shall award a grant to an academic department, program or unit of an institution of higher education under this subpart for a fiscal year in an amount that is not less than $100,000 and not greater than $750,000.

"(3) REALLOTMENT.—Whenever the Secretary determines that an academic department, program or unit of an institution of higher education is unable to use all of the amounts available to the department, program or unit under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, reallot the amounts not needed to academic departments, programs and units of institutions which can use the grants authorized by this subpart.

"(c) PREFERENCE TO CONTINUING GRANT RECIPIENTS.—

"(1) IN GENERAL.—The Secretary shall make new grant awards under this subpart only to the extent that each previous grant recipient under this subpart has received continued funding in accordance with subsection (b)(2)(A).

"(2) RATABLE REDUCTION.—To the extent that appropriations under this subpart are insufficient to comply with paragraph (1), available funds shall be distributed by ratably reducing the amounts required to be awarded under subsection (b)(2)(A).

"SEC. 712. INSTITUTIONAL ELIGIBILITY.

"(a) ELIGIBILITY CRITERIA.—Any academic department, program or unit of an institution of higher education that offers a program of postbaccalaureate study leading to a graduate degree in an area of national need (as designated under subsection (b)) may apply for a grant under this subpart. No department, program or unit shall be eligible for a grant unless the program of postbaccalaureate study has been in existence for at least 4 years at the time of application for assistance under this subpart.

"(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with appropriate Federal and nonprofit agencies and organizations, the Secretary shall designate areas of national need. In making such designations, the Secretary shall take into account the extent to which the interest in the area is compelling, the extent to which other Federal programs support postbaccalaureate study in the area concerned, and an assessment of how the program could achieve the most significant impact with available resources.

"SEC. 713. CRITERIA FOR APPLICATIONS.

"(a) SELECTION OF APPLICATIONS.—The Secretary shall make grants to academic departments, programs and units of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by review panels of nationally recognized scholars and evaluated on the quality and effectiveness of the academic program and the achievement and promise of the students to be served. To the extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

"(b) CONTENTS OF APPLICATIONS.—An academic department, program or unit of an institution of higher education, in the department, program or unit's application for a grant, shall—

"(1) describe the current academic program of the applicant for which the grant is sought;

"(2) provide assurances that the applicant will provide, from other non-Federal sources, for the purposes of the fellowship program under this subpart an amount equal to at least 25 percent of the amount of the grant received under this subpart, which contribution may be in cash or in kind, fairly valued;

"(3) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will seek talented students from traditionally underrepresented backgrounds, as determined by the Secretary;

"(4) describe the number, types, and amounts of the fellowships that the applicant intends to offer with grant funds provided under this part;

"(5) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will make awards to individuals who—

"(A) have financial need, as determined under part F of title IV;

"(B) have excellent academic records in their previous programs of study; and

"(C) plan to pursue the highest possible degree available in their course of study;

"(6) set forth policies and procedures to ensure that Federal funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this subpart and in no case to supplant those funds;

"(7) provide assurances that, in the event that funds made available to the academic department, program or unit under this subpart are insufficient to provide the assistance due a student under the commitment entered into between the academic department, program or unit and the student, the academic department, program or unit will, from any funds available to the department, program or unit, fulfill the commitment to the student;

"(8) provide that the applicant will comply with the limitations set forth in section 715;

"(9) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students; and

"(10) include such other information as the Secretary may prescribe.

"SEC. 714. AWARDS TO GRADUATE STUDENTS.

"(a) COMMITMENTS TO GRADUATE STUDENTS.—

"(1) IN GENERAL.—An academic department, program or unit of an institution of higher education shall make commitments to graduate students who are eligible students under section 484 (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

"(2) SPECIAL RULE.—No such commitments shall be made to students under this subpart unless the academic department, program or unit has determined adequate funds are available to fulfill the commitment from funds received or anticipated under this subpart, or from institutional funds.

"(b) AMOUNT OF STIPENDS.—The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary establishes shall reflect the purpose of the program under this subpart to encourage highly talented students to undertake graduate study as described in this subpart. In the case of an individual who receives such individual's first stipend under this subpart in academic year 1999–2000 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation graduate fellowships, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under part F of title IV.

"(c) TREATMENT OF INSTITUTIONAL PAYMENTS.—An institution of higher education that makes institutional payments for tuition and fees on behalf of individuals supported by fellowships under this subpart in amounts that exceed the institutional payments made by the Secretary pursuant to section 716(a) may count such excess toward the amounts the institution is required to provide pursuant to section 714(b)(2).

"(d) ACADEMIC PROGRESS REQUIRED.—Notwithstanding the provisions of subsection (a), no student shall receive an award—

"(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded; or

"(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

"SEC. 715. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

"(a) INSTITUTIONAL PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as provided in paragraph (2), such allowance shall be, for 1999–2000 and succeeding academic years, the same amount as the institutional payment made for 1998–1999 adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

"(2) REDUCTION.—The institutional allowance paid under paragraph (1) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

"(b) USE FOR OVERHEAD PROHIBITED.—Funds made available pursuant to this subpart may not be used for the general operational overhead of the academic department or program.

"SEC. 716. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $35,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this subpart.

"Subpart 3—Thurgood Marshall Legal Educational Opportunity Program

"SEC. 721. LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.

"(a) PROGRAM AUTHORITY.—The Secretary shall carry out a program to be known as the 'Thurgood Marshall Legal Educational Opportunity Program' designed to provide low-income, minority, or disadvantaged college students with the information, preparation, and financial assistance to gain access to and complete law school study.

"(b) ELIGIBILITY.—A college student is eligible for assistance under this section if the student is—

"(1) from a low-income family;

"(2) a minority; or

"(3) from an economically or otherwise disadvantaged background.

"(c) CONTRACT OR GRANT AUTHORIZED.—The Secretary is authorized to enter into a contract

with, or make a grant to, the Council on Legal Education Opportunity, for a period of not less than 5 years—

"(1) to identify college students who are from low-income families, are minorities, or are from disadvantaged backgrounds described in subsection (b)(3);

"(2) to prepare such students for study at accredited law schools;

"(3) to assist such students to select the appropriate law school, make application for entry into law school, and receive financial assistance for such study;

"(4) to provide support services to such students who are first-year law students to improve retention and success in law school studies; and

"(5) to motivate and prepare such students with respect to law school studies and practice in low-income communities.

"(d) SERVICES PROVIDED.—In carrying out the purposes described in subsection (c), the contract or grant shall provide for the delivery of services through prelaw information resource centers, summer institutes, midyear seminars, and other educational activities, conducted under this section. Such services may include—

"(1) information and counseling regarding—

"(A) accredited law school academic programs, especially tuition, fees, and admission requirements;

"(B) course work offered and required for graduation;

"(C) faculty specialties and areas of legal emphasis; and

"(D) undergraduate preparatory courses and curriculum selection;

"(2) tutoring and academic counseling, including assistance in preparing for bar examinations;

"(3) prelaw mentoring programs, involving law school faculty, members of State and local bar associations, and retired and sitting judges, justices, and magistrates;

"(4) assistance in identifying preparatory courses and material for the law school aptitude or admissions tests;

"(5) summer institutes for Thurgood Marshall Fellows that expose the Fellows to a rigorous curriculum that emphasizes abstract thinking, legal analysis, research, writing, and examination techniques; and

"(6) midyear seminars and other educational activities that are designed to reinforce reading, writing, and studying skills of Thurgood Marshall Fellows.

"(e) DURATION OF THE PROVISION OF SERVICES.—The services described in subsection (d) may be provided—

"(1) prior to the period of law school study;

"(2) during the period of law school study; and

"(3) during the period following law school study and prior to taking a bar examination.

"(f) SUBCONTRACTS AND SUBGRANTS.—For the purposes of planning, developing, or delivering one or more of the services described in subsection (d), the Council on Legal Education Opportunity shall enter into subcontracts with, and make subgrants to, institutions of higher education, law schools, public and private agencies and organizations, and combinations of such institutions, schools, agencies, and organizations.

"(g) STIPENDS.—The Secretary shall annually establish the maximum stipend to be paid (including allowances for participant travel and for the travel of the dependents of the participant) to Thurgood Marshall Fellows for the period of participation in summer institutes and midyear seminars. A Fellow may be eligible for such a stipend only if the Thurgood Marshall Fellow maintains satisfactory academic progress toward the Juris Doctor or Bachelor of Laws degree, as determined by the respective institutions.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $5,000,000 for fiscal year 1999 and each of the 4 succeeding fiscal years.

"Subpart 4—General Provisions

"SEC. 731. ADMINISTRATIVE PROVISIONS FOR SUBPARTS 1, 2, AND 3.

"(a) COORDINATED ADMINISTRATION.—In carrying out the purpose described in section 700(1), the Secretary shall provide for coordinated administration and regulation of graduate programs assisted under subparts 1, 2, and 3 with other Federal programs providing assistance for graduate education in order to minimize duplication and improve efficiency to ensure that the programs are carried out in a manner most compatible with academic practices and with the standard timetables for applications for, and notifications of acceptance to, graduate programs.

"(b) HIRING AUTHORITY.—For purposes of carrying out subparts 1, 2, and 3, the Secretary shall appoint, without regard to the provisions of title 5, United States Code, that govern appointments in the competitive service, such administrative and technical employees, with the appropriate educational background, as shall be needed to assist in the administration of such parts. The employees shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(c) USE FOR RELIGIOUS PURPOSES PROHIBITED.—No institutional payment or allowance under section 703(b) or 715(a) shall be paid to a school or department of divinity as a result of the award of a fellowship under subpart 1 or 2, respectively, to an individual who is studying for a religious vocation.

"(d) EVALUATION.—The Secretary shall evaluate the success of assistance provided to individuals under subpart 1, 2, or 3 with respect to graduating from their degree programs, and placement in faculty and professional positions.

"(e) CONTINUATION AWARDS.—The Secretary, using funds appropriated to carry out subparts 1 and 2, and before awarding any assistance under such parts to a recipient that did not receive assistance under part C or D of title IX (as such parts were in effect prior to the date of enactment of the Higher Education Amendments of 1998) shall continue to provide funding to recipients of assistance under such part C or D (as so in effect), as the case may be, pursuant to any multiyear award of such assistance.

"PART B—FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

"SEC. 741. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

"(a) AUTHORITY.—The Secretary is authorized to make grants to, or enter into contracts with, institutions of higher education, combinations of such institutions, and other public and private nonprofit institutions and agencies, to enable such institutions, combinations, and agencies to improve postsecondary education opportunities by—

"(1) encouraging the reform, innovation, and improvement of postsecondary education, and providing equal educational opportunity for all;

"(2) the creation of institutions, programs, and joint efforts involving paths to career and professional training, and combinations of academic and experiential learning;

"(3) the establishment of institutions and programs based on the technology of communications;

"(4) the carrying out, in postsecondary educational institutions, of changes in internal structure and operations designed to clarify institutional priorities and purposes;

"(5) the design and introduction of cost-effective methods of instruction and operation;

"(6) the introduction of institutional reforms designed to expand individual opportunities for entering and reentering institutions and pursuing programs of study tailored to individual needs;

"(7) the introduction of reforms in graduate education, in the structure of academic professions, and in the recruitment and retention of faculties; and

"(8) the creation of new institutions and programs for examining and awarding credentials to individuals, and the introduction of reforms in current institutional practices related thereto.

"(b) PLANNING GRANTS.—The Secretary is authorized to make planning grants to institutions of higher education for the development and testing of innovative techniques in postsecondary education. Such grants shall not exceed $20,000.

"SEC. 742. BOARD OF THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

"(a) ESTABLISHMENT.—There is established a National Board of the Fund for the Improvement of Postsecondary Education (in this part referred to as the 'Board'). The Board shall consist of 15 members appointed by the Secretary for overlapping 3-year terms. A majority of the Board shall constitute a quorum. Any member of the Board who has served for 6 consecutive years shall thereafter be ineligible for appointment to the Board during a 2-year period following the expiration of such sixth year.

"(b) MEMBERSHIP.—

"(1) IN GENERAL.—The Secretary shall designate one of the members of the Board as Chairperson of the Board. A majority of the members of the Board shall be public interest representatives, including students, and a minority shall be educational representatives. All members selected shall be individuals able to contribute an important perspective on priorities for improvement in postsecondary education and strategies of educational and institutional change.

"(2) APPOINTMENT OF DIRECTOR.—The Secretary shall appoint the Director of the Fund for the Improvement of Postsecondary Education (hereafter in this part referred to as the 'Director').

"(c) DUTIES.—The Board shall—

"(1) advise the Secretary and the Director on priorities for the improvement of postsecondary education and make such recommendations as the Board may deem appropriate for the improvement of postsecondary education and for the evaluation, dissemination, and adaptation of demonstrated improvements in postsecondary educational practice;

"(2) advise the Secretary and the Director on the operation of the Fund for the Improvement of Postsecondary Education, including advice on planning documents, guidelines, and procedures for grant competitions prepared by the Fund; and

"(3) meet at the call of the Chairperson, except that the Board shall meet whenever one-third or more of the members request in writing that a meeting be held.

"(d) INFORMATION AND ASSISTANCE.—The Director shall make available to the Board such information and assistance as may be necessary to enable the Board to carry out its functions.

"SEC. 743. ADMINISTRATIVE PROVISIONS.

"(a) TECHNICAL EMPLOYEES.—The Secretary may appoint, for terms not to exceed 3 years, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service, not more than 7 technical employees to administer this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

''(b) PROCEDURES.—The Director shall establish procedures for reviewing and evaluating grants and contracts made or entered into under this part. Procedures for reviewing grant applications or contracts for financial assistance under this section may not be subject to any review outside of officials responsible for the administration of the Fund for the Improvement of Postsecondary Education.

"SEC. 744. SPECIAL PROJECTS.

''(a) GRANT AUTHORITY.—The Director is authorized to make grants to institutions of higher education, or consortia thereof, and such other public agencies and nonprofit organizations as the Director deems necessary for innovative projects concerning one or more areas of particular national need identified by the Director.

''(b) APPLICATION.—No grant shall be made under this part unless an application is made at such time, in such manner, and contains or is accompanied by such information as the Secretary may require.

''(c) AREAS OF NATIONAL NEED.—Areas of national need shall initially include, but shall not be limited to, the following:

''(1) Institutional restructuring to improve learning and promote productivity, efficiency, quality improvement, and cost and price control.

''(2) Articulation between 2-year and 4-year institutions of higher education, including developing innovative methods for ensuring the successful transfer of students from 2-year to 4-year institutions of higher education.

''(3) Evaluation and dissemination of model programs.

''(4) International cooperation and student exchange among postsecondary educational institutions.

"SEC. 745. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $30,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

"PART C—URBAN COMMUNITY SERVICE

"SEC. 751. FINDINGS.

''The Congress finds that—

''(1) the Nation's urban centers are facing increasingly pressing problems and needs in the areas of economic development, community infrastructure and service, social policy, public health, housing, crime, education, environmental concerns, planning and work force preparation;

''(2) there are, in the Nation's urban institutions, people with underutilized skills, knowledge, and experience who are capable of providing a vast range of services toward the amelioration of the problems described in paragraph (1);

''(3) the skills, knowledge and experience in these urban institutions, if applied in a systematic and sustained manner, can make a significant contribution to the solution of such problems; and

''(4) the application of such skills, knowledge and experience is hindered by the limited funds available to redirect attention to solutions to such urban problems.

"SEC. 752. PURPOSE; PROGRAM AUTHORIZED.

''(a) PURPOSE.—It is the purpose of this part to provide incentives to urban academic institutions to enable such institutions to work with private and civic organizations to devise and implement solutions to pressing and severe problems in their communities.

''(b) PROGRAM AUTHORIZED.—The Secretary is authorized to carry out a program of providing assistance to eligible institutions to enable such institutions to carry out the activities described in section 754 in accordance with the provisions of this part.

"SEC. 753. APPLICATION FOR URBAN COMMUNITY SERVICE GRANTS.

''(a) APPLICATION.—

''(1) IN GENERAL.—An eligible institution seeking assistance under this part shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

''(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall—

''(A) describe the activities and services for which assistance is sought; and

''(B) include a plan that is agreed to by the members of a consortium that includes, in addition to the eligible institution, one or more of the following entities:

''(i) A community college.

''(ii) An urban school system.

''(iii) A local government.

''(iv) A business or other employer.

''(v) A nonprofit institution.

''(3) WAIVER.—The Secretary may waive the consortium requirements described in paragraph (2) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan which meets the purpose of this part.

''(b) PRIORITY IN SELECTION OF APPLICATIONS.—The Secretary shall give priority to applications that propose to conduct joint projects supported by other local, State, and Federal programs. In addition, the Secretary shall give priority to eligible institutions submitting applications that demonstrate the eligible institution's commitment to urban community service.

''(c) SELECTION PROCEDURES.—The Secretary shall, by regulation, develop a formal procedure for the submission of applications under this part and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this part.

"SEC. 754. ALLOWABLE ACTIVITIES.

''Funds made available under this part shall be used to support planning, applied research, training, resource exchanges or technology transfers, the delivery of services, or other activities the purpose of which is to design and implement programs to assist urban communities to meet and address their pressing and severe problems, such as the following:

''(1) Work force preparation.

''(2) Urban poverty and the alleviation of such poverty.

''(3) Health care, including delivery and access.

''(4) Underperforming school systems and students.

''(5) Problems faced by the elderly and individuals with disabilities in urban settings.

''(6) Problems faced by families and children.

''(7) Campus and community crime prevention, including enhanced security and safety awareness measures as well as coordinated programs addressing the root causes of crime.

''(8) Urban housing.

''(9) Urban infrastructure.

''(10) Economic development.

''(11) Urban environmental concerns.

''(12) Other problem areas which participants in the consortium described in section 753(a)(2)(B) concur are of high priority in the urban area.

''(13)(A) Problems faced by individuals with disabilities regarding accessibility to institutions of higher education and other public and private community facilities.

''(B) Amelioration of existing attitudinal barriers that prevent full inclusion by individuals with disabilities in their community.

''(14) Improving access to technology in local communities.

"SEC. 755. PEER REVIEW.

''The Secretary shall designate a peer review panel to review applications submitted under this part and make recommendations for funding to the Secretary. In selecting the peer review panel, the Secretary may consult with other appropriate Cabinet-level officials and with non-Federal organizations, to ensure that the panel will be geographically balanced and be composed of representatives from public and private institutions of higher education, labor, business, and State and local government, who have expertise in urban community service or in education.

"SEC. 756. DISBURSEMENT OF FUNDS.

''(a) MULTIYEAR AVAILABILITY.—Subject to the availability of appropriations, grants under this part may be made on a multiyear basis, except that no institution, individually or as a participant in a consortium of such institutions, may receive such a grant for more than 5 years.

''(b) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this part in a manner that achieves an equitable geographic distribution of such grants.

''(c) MATCHING REQUIREMENT.—An applicant under this part and the local governments associated with the application shall contribute to the conduct of the program supported by the grant an amount from non-Federal funds equal to at least one-fourth of the amount of the grant, which contribution may be in cash or in kind.

"SEC. 757. DESIGNATION OF URBAN GRANT INSTITUTIONS.

''The Secretary shall publish a list of eligible institutions under this part and shall designate these institutions of higher education as 'Urban Grant Institutions'. The Secretary shall establish a national network of Urban Grant Institutions so that the results of individual projects achieved in one metropolitan area can then be generalized, disseminated, replicated and applied throughout the Nation. The information developed as a result of this section shall be made available to Urban Grant Institutions and to any other interested institution of higher education by any appropriate means.

"SEC. 758. DEFINITIONS.

''As used in this part:

''(1) URBAN AREA.—The term 'urban area' means a metropolitan statistical area having a population of not less than 350,000, or two contiguous metropolitan statistical areas having a population of not less than 350,000, or, in any State which does not have a metropolitan statistical area which has such a population, the eligible entity in the State submitting an application under section 753, or, if no such entity submits an application, the Secretary, shall designate one urban area for the purposes of this part.

''(2) ELIGIBLE INSTITUTION.—The term 'eligible institution' means—

''(A) a nonprofit municipal university, established by the governing body of the city in which it is located, and operating as of the date of enactment of the Higher Education Amendments of 1992 under that authority; or

''(B) an institution of higher education, or a consortium of such institutions any one of which meets all of the requirements of this paragraph, which—

''(i) is located in an urban area;

''(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

''(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

''(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

''(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources; and

"(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas.

"SEC. 759. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated $20,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this part.

"PART D—DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION

"SEC. 761. PURPOSES.

"It is the purpose of this part to support model demonstration projects to provide technical assistance or professional development for faculty and administrators in institutions of higher education in order to provide students with disabilities a quality postsecondary education.

"SEC. 762. GRANTS AUTHORIZED.

"(a) COMPETITIVE GRANTS AUTHORIZED.—The Secretary may award grants, contracts, and cooperative agreements, on a competitive basis, to institutions of higher education, of which at least two such grants shall be awarded to institutions that provide professional development and technical assistance in order for students with learning disabilities to receive a quality postsecondary education.

"(b) DURATION; ACTIVITIES.—

"(1) DURATION.—Grants under this part shall be awarded for a period of 3 years.

"(2) AUTHORIZED ACTIVITIES.—Grants under this part shall be used to carry out 1 or more of the following activities:

"(A) TEACHING METHODS AND STRATEGIES.—The development of innovative, effective and efficient teaching methods and strategies to provide faculty and administrators with the skills and supports necessary to teach students with disabilities. Such methods and strategies may include inservice training, professional development, customized and general technical assistance, workshops, summer institutes, distance learning, and training in the use of assistive and educational technology.

"(B) SYNTHESIZING RESEARCH AND INFORMATION.—Synthesizing research and other information related to the provision of postsecondary educational services to students with disabilities.

"(C) PROFESSIONAL DEVELOPMENT AND TRAINING SESSIONS.—Conducting professional development and training sessions for faculty and administrators from other institutions of higher education to enable the faculty and administrators to meet the postsecondary educational needs of students with disabilities.

"(3) MANDATORY EVALUATION AND DISSEMINATION.—Grants under this part shall be used for evaluation, and dissemination to other institutions of higher education, of the information obtained through the activities described in subparagraphs (A) through (C).

"(c) CONSIDERATIONS IN MAKING AWARDS.—In awarding grants, contracts, or cooperative agreements under this section, the Secretary shall consider the following:

"(1) GEOGRAPHIC DISTRIBUTION.—Providing an equitable geographic distribution of such grants.

"(2) RURAL AND URBAN AREAS.—Distributing such grants to urban and rural areas.

"(3) RANGE AND TYPE OF INSTITUTION.—Ensuring that the activities to be assisted are developed for a range of types and sizes of institutions of higher education.

"(4) PRIOR EXPERIENCE OR EXCEPTIONAL PROGRAMS.—Institutions of higher education with demonstrated prior experience in, or exceptional programs for, meeting the postsecondary educational needs of students with disabilities.

"SEC. 763. APPLICATIONS.

"Each institution of higher education desiring to receive a grant, contract, or cooperative agreement under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall include—

"(1) a description of how such institution plans to address each of the activities required under this part;

"(2) a description of how the institution consulted with a broad range of people within the institution to develop activities for which assistance is sought; and

"(3) a description of how the institution will coordinate and collaborate with the office that provides services to students with disabilities within the institution.

"SEC. 764. RULE OF CONSTRUCTION.

"Nothing in this part shall be construed to impose any additional duty, obligation or responsibility on an institution of higher education or on the institution's faculty, administrators, or staff than are required by section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990.

"SEC. 765. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for this part $10,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.".

SEC. 702. REPEALS.

Except as otherwise provided in section 301(a), titles VIII (20 U.S.C. 1133 et seq.), IX (20 U.S.C. 1134 et seq.), X (20 U.S.C. 1135 et seq.), XI (20 U.S.C. 1136), and XII (20 U.S.C. 1141) are repealed.

TITLE VIII—STUDIES, REPORTS, AND RELATED PROGRAMS

PART A—STUDIES

SEC. 801. STUDY OF MARKET MECHANISMS IN FEDERAL STUDENT LOAN PROGRAMS.

(a) STUDY REQUIRED.—The Comptroller General and the Secretary of Education shall convene a study group including the Secretary of the Treasury, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, representatives of entities making loans under part B of title IV of the Higher Education Act of 1965, representatives of other entities in the financial services community, representatives of other participants in the student loan programs, and such other individuals as the Comptroller General and the Secretary may designate. The Comptroller General and Secretary, in consultation with the study group, shall design and conduct a study to identify and evaluate means of establishing a market mechanism for the delivery of loans made pursuant to such title IV.

(b) DESIGN OF STUDY.—The study required under this section shall identify not fewer than 3 different market mechanisms for use in determining lender return on student loans while continuing to meet the other objectives of the programs under parts B and D of such title IV, including the provision of loans to all eligible students. Consideration may be given to the use of auctions and to the feasibility of incorporating income-contingent repayment options into the student loan system and requiring borrowers to repay through income tax withholding.

(c) EVALUATION OF MARKET MECHANISMS.—The mechanisms identified under subsection (b) shall be evaluated in terms of the following areas:

(1) The cost or savings of loans to or for borrowers, including parent borrowers.

(2) The cost or savings of the mechanism to the Federal Government.

(3) The cost, effect, and distribution of Federal subsidies to or for participants in the program.

(4) The ability of the mechanism to accommodate the potential distribution of subsidies to students through an income contingent repayment option.

(5) The effect on the simplicity of the program, including the effect of the plan on the regulatory burden on students, institutions, lenders, and other program participants.

(6) The effect on investment in human capital and resources, loan servicing capability, and the quality of service to the borrower.

(7) The effect on the diversity of lenders, including community-based lenders, originating and secondary market lenders.

(8) The effect on program integrity.

(9) The degree to which the mechanism will provide market incentives to encourage continuous improvement in the delivery and servicing of loans.

(10) The availability of loans to students by region, income level, and by categories of institutions.

(11) The proposed Federal and State role in the operation of the mechanism.

(12) A description of how the mechanism will be administered and operated.

(13) Transition procedures, including the effect on loan availability during a transition period.

(14) Any other areas the study group may include.

(d) PRELIMINARY FINDINGS AND PUBLICATION OF STUDY.—Not later than November 15, 2000, the study group shall make the group's preliminary findings, including any additional or dissenting views, available to the public with a 60-day request for public comment. The study group shall review these comments and the Comptroller General and the Secretary shall transmit a final report, including any additional or dissenting views, to the Committee on Education and the Workforce of the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committees on the Budget of the House of Representatives and the Senate not later than May 15, 2001.

SEC. 802. STUDY OF THE FEASIBILITY OF ALTERNATIVE FINANCIAL INSTRUMENTS FOR DETERMINING LENDER YIELDS.

(a) STUDY REQUIRED.—The Comptroller General and the Secretary of Education shall convene a study group including the Secretary of the Treasury, the Director of the Office of Management and Budget, the Director of the Congressional Budget Office, representatives of entities making loans under part B of title IV of the Higher Education Act of 1965, representatives of other entities in the financial services community, representatives of other participants in the student loan programs, and such other individuals as the Comptroller General and the Secretary of Education may designate. The Comptroller General and the Secretary of Education, in consultation with the study group, shall evaluate the 91-day Treasury bill, 30-day and 90-day commercial paper, and the 90-day London Interbank Offered Rate (in this section referred to as "LIBOR") in terms of the following:

(1) The historical liquidity of the market for each, and a historical comparison of the spread between (A) the 30-day and 90-day commercial paper rate, respectively, and the 91-day Treasury bill rate, and (B) the spread between the LIBOR and the 91-day Treasury bill rate.

(2) The historical volatility of the rates and projections of future volatility.

(3) Recent changes in the liquidity of the market for each such instrument in a balanced Federal budget environment and a low-interest rate environment, and projections of future liquidity

assuming the Federal budget remains in balance.

(4) The cost or savings to lenders with small, medium, and large student loan portfolios of basing lender yield on either the 30-day or 90-day commercial paper rate or the LIBOR while continuing to base the borrower rate on the 91-day Treasury bill, and the effect of such change on the diversity of lenders participating in the program.

(5) The cost or savings to the Federal Government of basing lender yield on either the 30-day or 90-day commercial paper rate or the LIBOR while continuing to base the borrower rate on the 91-day Treasury bill.

(6) Any possible risks or benefits to the student loan programs under the Higher Education Act of 1965 and to student borrowers.

(7) Any other areas the Comptroller General and the Secretary of Education agree to include.

(b) REPORT REQUIRED.—Not later than 6 months after the date of enactment of this Act, the Comptroller General and the Secretary shall submit a final report regarding the findings of the study group to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

SEC. 803. STUDENT-RELATED DEBT STUDY REQUIRED.

(a) IN GENERAL.—The Secretary of Education shall conduct a study that analyzes the distribution and increase in student-related debt in terms of—

(1) demographic characteristics, such as race or ethnicity, and family income;

(2) type of institution and whether the institution is a public or private institution;

(3) loan source, such as Federal, State, institutional or other, and, if the loan source is Federal, whether the loan is or is not subsidized;

(4) academic field of study;

(5) parent loans, and whether the parent loans are federally guaranteed, private, or property-secured such as home equity loans; and

(6) relation of student debt or anticipated debt to—

(A) students' decisions about whether and where to enroll in college and whether or how much to borrow in order to attend college;

(B) the length of time it takes students to earn baccalaureate degrees;

(C) students' decisions about whether and where to attend graduate school;

(D) graduates' employment decisions;

(E) graduates' burden of repayment as reflected by the graduates' ability to save for retirement or invest in a home; and

(F) students' future earnings.

(b) REPORT.—After conclusion of the study required by subsection (a), the Secretary of Education shall submit a final report regarding the findings of the study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than 18 months after the date of enactment of the Higher Education Amendments of 1998.

(c) INFORMATION.—After the study and report under this section are concluded, the Secretary of Education shall determine which information described in subsection (a) would be useful for families to know and shall include such information as part of the comparative information provided to families about the costs of higher education under the provisions of part C of title I.

SEC. 804. STUDY OF TRANSFER OF CREDITS.

(a) STUDY REQUIRED.—The Secretary of Education shall conduct a study to evaluate policies or practices instituted by recognized accrediting agencies or associations regarding the treatment of the transfer of credits from one institution of higher education to another, giving particular attention to—

(1) adopted policies regarding the transfer of credits between institutions of higher education which are accredited by different agencies or associations and the reasons for such policies;

(2) adopted policies regarding the transfer of credits between institutions of higher education which are accredited by national agencies or associations and institutions of higher education which are accredited by regional agencies and associations and the reasons for such policies;

(3) the effect of the adoption of such policies on students transferring between such institutions of higher education, including time required to matriculate, increases to the student of tuition and fees paid, and increases to the student with regard to student loan burden;

(4) the extent to which Federal financial aid is awarded to such students for the duplication of coursework already completed at another institution; and

(5) the aggregate cost to the Federal Government of the adoption of such policies.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Secretary of Education shall submit a report to the Chairman and Ranking Minority Member of the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate detailing the Secretary's findings regarding the study conducted under subsection (a). The Secretary's report shall include such recommendation with respect to the recognition of accrediting agencies or associations as the Secretary deems advisable.

SEC. 805. STUDY OF OPPORTUNITIES FOR PARTICIPATION IN ATHLETICS PROGRAMS.

(a) STUDY.—The Comptroller General shall conduct a study of the opportunities for participation in intercollegiate athletics. The study shall address issues including—

(1) the extent to which the number of—

(A) secondary school athletic teams has increased or decreased in the 20 years preceding 1998 (in aggregate terms); and

(B) intercollegiate athletic teams has increased or decreased in the 20 years preceding 1998 (in aggregate terms) at 2-year and 4-year institutions of higher education;

(2) the extent to which participation by student-athletes in secondary school and intercollegiate athletics has increased or decreased in the 20 years preceding 1998 (in aggregate terms);

(3) over the 20-year period preceding 1998, a list of the men's and women's secondary school and intercollegiate sports, ranked in order of the sports most affected by increases or decreases in levels of participation and numbers of teams (in the aggregate);

(4) all factors that have influenced campus officials to add or discontinue sports teams at secondary schools and institutions of higher education, including—

(A) institutional mission and priorities;

(B) budgetary pressures;

(C) institutional reforms and restructuring;

(D) escalating liability insurance premiums;

(E) changing student and community interest in a sport;

(F) advancement of diversity among students;

(G) lack of necessary level of competitiveness of the sports program;

(H) club level sport achieving a level of competitiveness to make the sport a viable varsity level sport;

(I) injuries or deaths; and

(J) conference realignment;

(5) the actions that institutions of higher education have taken when decreasing the level of participation in intercollegiate sports, or the number of teams, in terms of providing information, advice, scholarship maintenance, counseling, advance warning, and an opportunity for student-athletes to be involved in the decisionmaking process;

(6) the administrative processes and procedures used by institutions of higher education when determining whether to increase or decrease intercollegiate athletic teams or participation by student-athletes;

(7) the budgetary or fiscal impact, if any, of a decision by an institution of higher education—

(A) to increase or decrease the number of intercollegiate athletic teams or the participation of student-athletes; or

(B) to be involved in a conference realignment; and

(8) the alternatives, if any, institutions of higher education have pursued in lieu of eliminating, or severely reducing the funding for, an intercollegiate sport, and the success of such alternatives.

(b) REPORT.—The Comptroller General shall submit a report regarding the results of the study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives.

SEC. 806. STUDY OF THE EFFECTIVENESS OF COHORT DEFAULT RATES FOR INSTITUTIONS WITH FEW STUDENT LOAN BORROWERS.

(a) STUDY REQUIRED.—The Secretary of Education shall conduct a study of the effectiveness of cohort default rates as an indicator of administrative capability and program quality for institutions of higher education at which less than 15 percent of students eligible to borrow participate in the Federal student loan programs under title IV of the Higher Education Act of 1965 and fewer than 30 borrowers enter repayment in any fiscal year. At a minimum, the study shall include—

(1) identification of the institutions included in the study and of the student populations the institutions serve;

(2) analysis of cohort default rates as indicators of administrative shortcomings and program quality at the institutions;

(3) analysis of the effectiveness of cohort default rates as a means to prevent fraud and abuse in the programs assisted under such title;

(4) analysis of the extent to which the institutions with high cohort default rates are no longer participants in the Federal student loan programs under such title; and

(5) analysis of the costs incurred by the Department of Education for the calculation, publication, correction, and appeal of cohort default rates for the institutions in relation to any benefits to taxpayers.

(b) CONSULTATION.—In conducting the study described in subsection (a), the Secretary of Education shall consult with institutions of higher education.

(c) REPORT TO CONGRESS.—The Secretary of Education shall report to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives not later than September 30, 1999, regarding the results of the study described in subsection (a).

PART B—ADVANCED PLACEMENT INCENTIVE PROGRAM

SEC. 810. ADVANCED PLACEMENT INCENTIVE PROGRAM.

(a) PROGRAM ESTABLISHED.—The Secretary of Education is authorized to make grants to States having applications approved under subsection (c) to enable the States to reimburse low-income individuals to cover part or all of the cost of advanced placement test fees, if the low-income individuals—

(1) are enrolled in an advanced placement class; and

(2) plan to take an advanced placement test.

(b) INFORMATION DISSEMINATION.—The State educational agency shall disseminate information regarding the availability of test fee payments under this section to eligible individuals through secondary school teachers and guidance counselors.

(c) REQUIREMENTS FOR APPROVAL OF APPLICATIONS.—In approving applications for grants the Secretary of Education shall—

(1) require that each such application contain a description of the advanced placement test fees the State will pay on behalf of individual students;

(2) require an assurance that any funds received under this section, other than funds used in accordance with subsection (d), shall be used only to pay advanced placement test fees;

(3) contain such information as the Secretary may require to demonstrate that the State will ensure that a student is eligible for payments under this section, including the documentation required by chapter 1 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a–11 et seq.); and

(4) consider the number of children eligible to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965 in the State in relation to the number of such children in all the States in determining grant award amounts.

(d) FUNDING RULES.—

(1) USE OF FUNDS.—A State educational agency in a State in which no eligible low-income individual is required to pay more than a nominal fee to take advanced placement tests in core subjects may use any grant funds provided to that State educational agency, that remain after fees have been paid on behalf of all eligible low-income individuals, for activities directly related to increasing—

(A) the enrollment of low-income individuals in advanced placement courses;

(B) the participation of low-income individuals in advanced placement tests; and

(C) the availability of advanced placement courses in schools serving high poverty areas.

(2) SUPPLEMENT, NOT SUPPLANT, RULE.—Funds provided under this section shall supplement and not supplant other non-Federal funds that are available to assist low-income individuals in paying advanced placement test fees.

(e) REGULATIONS.—The Secretary of Education shall prescribe such regulations as are necessary to carry out this section.

(f) REPORT.—Each State annually shall report to the Secretary of Education regarding—

(1) the number of low-income individuals in the State who receive assistance under this section; and

(2) the activities described in subsection (d)(1), if applicable.

(g) DEFINITION.—In this section:

(1) ADVANCED PLACEMENT TEST.—The term "advanced placement test" includes only an advanced placement test approved by the Secretary of Education for the purposes of this section.

(2) LOW-INCOME INDIVIDUAL.—The term "low-income individual" has the meaning given the term in section 402A(g)(2) of the Higher Education Act of 1965 (20 U.S.C. 1070a–11(g)(2)).

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $6,800,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years to carry out this section.

PART C—COMMUNITY SCHOLARSHIP MOBILIZATION

SEC. 811. SHORT TITLE.

This part may be cited as the "Community Scholarship Mobilization Act".

SEC. 812. FINDINGS.

Congress finds that—

(1) the local community, when properly organized and challenged, is one of the best sources of academic support, motivation toward achievement, and financial resources for aspiring postsecondary students;

(2) local communities, working to complement or augment services currently offered by area schools and colleges, can raise the educational expectations and increase the rate of postsecondary attendance of their youth by forming locally-based organizations that provide both academic support (including guidance, counseling, mentoring, tutoring, encouragement, and recognition) and tangible, locally raised, effectively targeted, publicly recognized, financial assistance;

(3) proven methods of stimulating these community efforts can be promoted through Federal support for the establishment of regional, State or community program centers to organize and challenge community efforts to develop educational incentives and support for local students; and

(4) using Federal funds to leverage private contributions to help students from low-income families attain educational and career goals is an efficient and effective investment of scarce taxpayer-provided resources.

SEC. 813. DEFINITIONS.

In this part:

(1) REGIONAL, STATE OR COMMUNITY PROGRAM CENTER.—The term "regional, State or community program center" means an organization that—

(A) is a division or member of, responsible to, and overseen by, a national organization; and

(B) is staffed by professionals trained to create, develop, and sustain local entities in towns, cities, and neighborhoods.

(2) LOCAL ENTITY.—The term "local entity" means an organization that—

(A) is a nonprofit organization that is described in section 501(c)(3) of the Internal Revenue Code of 1986, and exempt from taxation under section 501(a) of such Code (or shall meet this criteria through affiliation with the national organization);

(B) is formed for the purpose of providing educational scholarships and academic support for residents of the local community served by such organization;

(C) solicits broad-based community support in its academic support and fund-raising activities;

(D) is broadly representative of the local community in the structures of its volunteer-operated organization and has a board of directors that includes leaders from local neighborhood organizations and neighborhood residents, such as school or college personnel, parents, students, community agency representatives, retirees, and representatives of the business community;

(E) awards scholarships without regard to age, sex, marital status, race, creed, color, religion, national origin or disability; and

(F) gives priority to awarding scholarships for postsecondary education to deserving students from low-income families in the local community.

(3) NATIONAL ORGANIZATION.—The term "national organization" means an organization that—

(A) has the capacity to create, develop and sustain local entities and affiliated regional, State or community program centers;

(B) has the capacity to sustain newly created local entities in towns, cities, and neighborhoods through ongoing training support programs;

(C) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and exempt from taxation under section 501(a) of such Code;

(D) is a publicly supported organization within the meaning of section 170(b)(1)(A)(iv) of such Code;

(E) ensures that each of the organization's local entities meet the criteria described in subparagraphs (C) and (D); and

(F) has a program for or experience in cooperating with secondary and postsecondary institutions in carrying out the organization's scholarship and academic support activities.

(4) HIGH POVERTY AREA.—The term "high poverty area" means a community with a higher percentage of children from low-income families than the national average of such percentage and a lower percentage of children pursuing postsecondary education than the national average of such percentage.

(5) SECRETARY.—The term "Secretary" means the Secretary of Education.

(6) STUDENTS FROM LOW-INCOME FAMILIES.—The term "students from low-income families" means students determined, pursuant to part F of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087kk et seq.), to be eligible for a Federal Pell Grant under subpart 1 of part A of title IV of such Act (20 U.S.C. 1070a).

SEC. 814. PURPOSE; ENDOWMENT GRANT AUTHORITY.

(a) PURPOSE.—It is the purpose of this part to establish and support regional, State or community program centers to enable such centers to foster the development of local entities in high poverty areas that promote higher education goals for students from low-income families by—

(1) providing academic support, including guidance, counseling, mentoring, tutoring, and recognition; and

(2) providing scholarship assistance for the cost of postsecondary education.

(b) ENDOWMENT GRANT AUTHORITY.—From the funds appropriated pursuant to the authority of section 816, the Secretary shall award an endowment grant, on a competitive basis, to a national organization to enable such organization to support the establishment or ongoing work of regional, State or community program centers that foster the development of local entities in high poverty areas to improve secondary school graduation rates and postsecondary attendance through the provision of academic support services and scholarship assistance for the cost of postsecondary education.

SEC. 815. GRANT AGREEMENT AND REQUIREMENTS.

(a) IN GENERAL.—The Secretary shall award one or more endowment grants described in section 814(b) pursuant to an agreement between the Secretary and a national organization. Such agreement shall—

(1) require a national organization to establish an endowment fund in the amount of the grant, the corpus of which shall remain intact and the interest income from which shall be used to support the activities described in paragraphs (2) and (3);

(2) require a national organization to use 70 percent of the interest income from the endowment fund in any fiscal year to support the establishment or ongoing work of regional, State or community program centers to enable such centers to work with local communities to establish local entities in high poverty areas and provide ongoing technical assistance, training workshops, and other activities to help ensure the ongoing success of the local entities;

(3) require a national organization to use 30 percent of the interest income from the endowment fund in any fiscal year to provide scholarships for postsecondary education to students from low-income families, which scholarships shall be matched on a dollar-for-dollar basis from funds raised by the local entities;

(4) require that at least 50 percent of all the interest income from the endowment be allocated to establish new local entities or support regional, State or community program centers in high poverty areas;

(5) require a national organization to submit, for each fiscal year in which such organization uses the interest from the endowment fund, a report to the Secretary that contains—

(A) a description of the programs and activities supported by the interest on the endowment fund;

(B) the audited financial statement of the national organization for the preceding fiscal year;

(C) a plan for the programs and activities to be supported by the interest on the endowment fund as the Secretary may require; and

(D) an evaluation of the programs and activities supported by the interest on the endowment fund as the Secretary may require; and

(E) data indicating the number of students from low-income families who receive scholarships from local entities, and the amounts of such scholarships;

(6) contain such assurances as the Secretary may require with respect to the management and operation of the endowment fund; and

(7) contain an assurance that if the Secretary determines that such organization is not in substantial compliance with the provisions of this part, then the national organization shall pay to the Secretary an amount equal to the corpus of the endowment fund plus any accrued interest on such fund that is available to the national organization on the date of such determination.

(b) Returned Funds.—All funds returned to the Secretary pursuant to subsection (a)(7) shall be available to the Secretary to carry out any scholarship or grant program assisted under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

SEC. 816. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 2000.

PART D—GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS

SEC. 821. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS.

(a) Findings.—Congress makes the following findings:

(1) Over 150,000 youth offenders age 21 and younger are incarcerated in the Nation's jails, juvenile facilities, and prisons.

(2) Most youth offenders who are incarcerated have been sentenced as first-time adult felons.

(3) Approximately 75 percent of youth offenders are high school dropouts who lack basic literacy and life skills, have little or no job experience, and lack marketable skills.

(4) The average incarcerated youth has attended school only through grade 10.

(5) Most of these youths can be diverted from a life of crime into productive citizenship with available educational, vocational, work skills, and related service programs.

(6) If not involved with educational programs while incarcerated, almost all of these youths will return to a life of crime upon release.

(7) The average length of sentence for a youth offender is about 3 years. Time spent in prison provides a unique opportunity for education and training.

(8) Even with quality education and training provided during incarceration, a period of intense supervision, support, and counseling is needed upon release to ensure effective reintegration of youth offenders into society.

(9) Research consistently shows that the vast majority of incarcerated youths will not return to the public schools to complete their education.

(10) There is a need for alternative educational opportunities during incarceration and after release.

(b) Definition.—For purposes of this part, the term "youth offender" means a male or female offender under the age of 25, who is incarcerated in a State prison, including a prerelease facility.

(c) Grant Program.—The Secretary of Education (in this section referred to as the "Secretary") shall establish a program in accordance with this section to provide grants to the State correctional education agencies in the States, from allocations for the States under subsection (i), to assist and encourage incarcerated youths to acquire functional literacy, life, and job skills, through the pursuit of a postsecondary education certificate, or an associate of arts or bachelor's degree while in prison, and employment counseling and other related services which start during incarceration and continue through prerelease and while on parole.

(d) Application.—To be eligible for a grant under this section, a State correctional education agency shall submit to the Secretary a proposal for a youth offender program that—

(1) identifies the scope of the problem, including the number of incarcerated youths in need of postsecondary education and vocational training;

(2) lists the accredited public or private educational institution or institutions that will provide postsecondary educational services;

(3) lists the cooperating agencies, public and private, or businesses that will provide related services, such as counseling in the areas of career development, substance abuse, health, and parenting skills;

(4) describes the evaluation methods and performance measures that the State correctional education agency will employ, which methods and measures—

(A) shall be appropriate to meet the goals and objectives of the proposal; and

(B) shall include measures of—

(i) program completion;

(ii) student academic and vocational skill attainment;

(iii) success in job placement and retention; and

(iv) recidivism;

(5) describes how the proposed programs are to be integrated with existing State correctional education programs (such as adult education, graduate education degree programs, and vocational training) and State industry programs;

(6) addresses the educational needs of youth offenders who are in alternative programs (such as boot camps); and

(7) describes how students will be selected so that only youth offenders eligible under subsection (f) will be enrolled in postsecondary programs.

(e) Program Requirements.—Each State correctional education agency receiving a grant under this section shall—

(1) integrate activities carried out under the grant with the objectives and activities of the school-to-work programs of such State, including—

(A) work experience or apprenticeship programs;

(B) transitional worksite job training for vocational education students that is related to the occupational goals of such students and closely linked to classroom and laboratory instruction;

(C) placement services in occupations that the students are preparing to enter;

(D) employment-based learning programs; and

(E) programs that address State and local labor shortages;

(2) annually report to the Secretary and the Attorney General on the results of the evaluations conducted using the methods and performance measures contained in the proposal; and

(3) provide to each State for each student eligible under subsection (f) not more than $1,500 annually for tuition, books, and essential materials, and not more than $300 annually for related services such as career development, substance abuse counseling, parenting skills training, and health education, for each eligible incarcerated youth.

(f) Student Eligibility.—A youth offender shall be eligible for participation in a program receiving a grant under this section if the youth offender—

(1) is eligible to be released within 5 years (including a youth offender who is eligible for parole within such time); and

(2) is 25 years of age or younger.

(g) Length of Participation.—A State correctional education agency receiving a grant under this section shall provide educational and related services to each participating youth offender for a period not to exceed 5 years, 1 year of which may be devoted to study in a graduate education degree program or to remedial education services for students who have obtained a secondary school diploma or its recognized equivalent. Educational and related services shall start during the period of incarceration in prison or prerelease and may continue during the period of parole.

(h) Education Delivery Systems.—State correctional education agencies and cooperating institutions shall, to the extent practicable, use high-tech applications in developing programs to meet the requirements and goals of this section.

(i) Allocation of Funds.—From the funds appropriated pursuant to subsection (j) for each fiscal year, the Secretary shall allot to each State an amount that bears the same relationship to such funds as the total number of students eligible under subsection (f) in such State bears to the total number of such students in all States.

(j) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $17,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

PART E—GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES

SEC. 826. GRANTS TO COMBAT VIOLENT CRIMES AGAINST WOMEN ON CAMPUSES.

(a) Grants Authorized.—

(1) In general.—The Attorney General is authorized to make grants to institutions of higher education, for use by such institutions or consortia consisting of campus personnel, student organizations, campus administrators, security personnel, and regional crisis centers affiliated with the institution, to develop and strengthen effective security and investigation strategies to combat violent crimes against women on campuses, and to develop and strengthen victim services in cases involving violent crimes against women on campuses, which may include partnerships with local criminal justice authorities and community-based victim services agencies.

(2) Award basis.—The Attorney General shall award grants and contracts under this section on a competitive basis.

(3) Equitable participation.—The Attorney General shall make every effort to ensure—

(A) the equitable participation of private and public institutions of higher education in the activities assisted under this section; and

(B) the equitable geographic distribution of grants under this section among the various regions of the United States.

(b) Use of Grant Funds.—Grants funds awarded under this section may be used for the following purposes:

(1) To provide personnel, training, technical assistance, data collection, and other equipment with respect to the increased apprehension, investigation, and adjudication of persons committing violent crimes against women on campus.

(2) To train campus administrators, campus security personnel, and personnel serving on

campus disciplinary or judicial boards to more effectively identify and respond to violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

(3) To implement and operate education programs for the prevention of violent crimes against women.

(4) To develop, enlarge, or strengthen support services programs, including medical or psychological counseling, for victims of sexual offense crimes.

(5) To create, disseminate, or otherwise provide assistance and information about victims' options on and off campus to bring disciplinary or other legal action.

(6) To develop and implement more effective campus policies, protocols, orders, and services specifically devoted to prevent, identify, and respond to violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

(7) To develop, install, or expand data collection and communication systems, including computerized systems, linking campus security to the local law enforcement for the purpose of identifying and tracking arrests, protection orders, violations of protection orders, prosecutions, and convictions with respect to violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

(8) To develop, enlarge, or strengthen victim services programs for the campus and to improve delivery of victim services on campus.

(9) To provide capital improvements (including improved lighting and communications facilities but not including the construction of buildings) on campuses to address violent crimes against women on campus, including the crimes of sexual assault, stalking, and domestic violence.

(10) To support improved coordination among campus administrators, campus security personnel, and local law enforcement to reduce violent crimes against women on campus.

(c) APPLICATIONS.—

(1) IN GENERAL.—In order to be eligible to be awarded a grant under this section for any fiscal year, an institution of higher education shall submit an application to the Attorney General at such time and in such manner as the Attorney General shall prescribe.

(2) CONTENTS.—Each application submitted under paragraph (1) shall—

(A) describe the need for grant funds and the plan for implementation for any of the purposes described in subsection (b);

(B) describe how the campus authorities shall consult and coordinate with nonprofit and other victim services programs, including sexual assault and domestic violence victim services programs;

(C) describe the characteristics of the population being served, including type of campus, demographics of the population, and number of students;

(D) provide measurable goals and expected results from the use of the grants funds;

(E) provide assurances that the Federal funds made available under this section shall be used to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds, be made available by the institution for the purposes described in subsection (b); and

(F) include such other information and assurances as the Attorney General reasonably determines to be necessary.

(3) COMPLIANCE WITH CAMPUS CRIME REPORTING REQUIRED.—No institution of higher education shall be eligible for a grant under this section unless such institution is in compliance with the requirements of section 485(f) of the Higher Education Act of 1965.

(d) GENERAL TERMS AND CONDITIONS.—

(1) NONMONETARY ASSISTANCE.—In addition to the assistance provided under this section, the Attorney General may request any Federal agency to use the agency's authorities and the resources granted to the agency under Federal law (including personnel, equipment, supplies, facilities, and managerial, technical, and advisory services) in support of campus security, and investigation and victim service efforts.

(2) GRANTEE REPORTING.—

(A) ANNUAL REPORT.—Each institution of higher education receiving a grant under this section shall submit an annual performance report to the Attorney General. The Attorney General shall suspend funding under this section for an institution of higher education if the institution fails to submit an annual performance report.

(B) FINAL REPORT.—Upon completion of the grant period under this section, the institution shall file a performance report with the Attorney General and the Secretary of Education explaining the activities carried out under this section together with an assessment of the effectiveness of those activities in achieving the purposes described in subsection (b).

(3) REPORT TO CONGRESS.—Not later than 180 days after the end of the fiscal year for which grants are awarded under this section, the Attorney General shall submit to the committees of the House of Representatives and the Senate responsible for issues relating to higher education and crime, a report that includes—

(A) the number of grants, and the amount of funds, distributed under this section;

(B) a summary of the purposes for which the grants were provided and an evaluation of the progress made under the grant;

(C) a statistical summary of the persons served, detailing the nature of victimization, and providing data on age, sex, race, ethnicity, language, disability, relationship to offender, geographic distribution, and type of campus; and

(D) an evaluation of the effectiveness of programs funded under this part, including information obtained from reports submitted pursuant to section 485(f) of the Higher Education Act of 1965.

(4) REGULATIONS OR GUIDELINES.—Not later than 120 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of Education, shall publish proposed regulations or guidelines implementing this section. Not later than 180 days after the date of enactment of this section, the Attorney General shall publish final regulations or guidelines implementing this section.

(f) DEFINITIONS.—In this section—

(1) the term "domestic violence" includes acts or threats of violence, not including acts of self defense, committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against a victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction;

(2) the term "sexual assault" means any conduct proscribed by chapter 109A of title 18, United States Code, whether or not the conduct occurs in the special maritime and territorial jurisdiction of the United States or in a Federal prison, including both assaults committed by offenders who are strangers to the victim and assaults committed by offenders who are known or related by blood or marriage to the victim; and

(3) the term "victim services" means a nonprofit, nongovernmental organization that assists domestic violence or sexual assault victims, including campus women's centers, rape crisis centers, battered women's shelters, and other sexual assault or domestic violence programs, including campus counseling support and victim advocate organizations with domestic violence, stalking, and sexual assault programs, whether or not organized and staffed by students.

(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated $10,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

SEC. 827. STUDY OF INSTITUTIONAL PROCEDURES TO REPORT SEXUAL ASSAULTS.

(a) IN GENERAL.—The Attorney General, in consultation with the Secretary of Education, shall provide for a national study to examine procedures undertaken after an institution of higher education receives a report of sexual assault.

(b) REPORT.—The study required by subsection (a) shall include an analysis of—

(1) the existence and publication of the institution of higher education's and State's definition of sexual assault;

(2) the existence and publication of the institution's policy for campus sexual assaults;

(3) the individuals to whom reports of sexual assault are given most often and—

(A) how the individuals are trained to respond to the reports; and

(B) the extent to which the individuals are trained;

(4) the reporting options that are articulated to the victim or victims of the sexual assault regarding—

(A) on-campus reporting and procedure options; and

(B) off-campus reporting and procedure options;

(5) the resources available for victims' safety, support, medical health, and confidentiality, including—

(A) how well the resources are articulated both specifically to the victim of sexual assault and generally to the campus at large; and

(B) the security of the resources in terms of confidentiality or reputation;

(6) policies and practices that may prevent or discourage the reporting of campus sexual assaults to local crime authorities, or that may otherwise obstruct justice or interfere with the prosecution of perpetrators of campus sexual assaults;

(7) policies and practices found successful in aiding the report and any ensuing investigation or prosecution of a campus sexual assault;

(8) the on-campus procedures for investigation and disciplining the perpetrator of a sexual assault, including—

(A) the format for collecting evidence; and

(B) the format of the investigation and disciplinary proceeding, including the faculty responsible for running the disciplinary procedure and the persons allowed to attend the disciplinary procedure; and

(9) types of punishment for offenders, including—

(A) whether the case is directed outside the institution for further punishment; and

(B) how the institution punishes perpetrators.

(c) SUBMISSION OF REPORT.—The report required by subsection (b) shall be submitted to Congress not later than September 1, 2000.

(d) DEFINITION.—For purposes of this section, the term "campus sexual assaults" means sexual assaults occurring at institutions of higher education and sexual assaults committed against or by students or employees of such institutions.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for fiscal year 2000.

PART F—IMPROVING UNITED STATES UNDERSTANDING OF SCIENCE, ENGINEERING, AND TECHNOLOGY IN EAST ASIA

SEC. 831. IMPROVING UNITED STATES UNDERSTANDING OF SCIENCE, ENGINEERING, AND TECHNOLOGY IN EAST ASIA.

(a) Establishment.—The Director of the National Science Foundation is authorized, beginning in fiscal year 2000, to carry out an interdisciplinary program of education and research on East Asian science, engineering, and technology. The Director shall carry out the interdisciplinary program in consultation with the Secretary of Education.

(b) Purposes.—The purposes of the program established under this section shall be to—

(1) increase understanding of East Asian research, and innovation for the creative application of science and technology to the problems of society;

(2) provide scientists, engineers, technology managers, and students with training in East Asian languages, and with an understanding of research, technology, and management of innovation, in East Asian countries;

(3) provide program participants with opportunities to be directly involved in scientific and engineering research, and activities related to the management of scientific and technological innovation, in East Asia; and

(4) create mechanisms for cooperation and partnerships among United States industry, universities, colleges, not-for-profit institutions, Federal laboratories (within the meaning of section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6))), and government, to disseminate the results of the program assisted under this section for the benefit of United States research and innovation.

(c) Participation by Federal Scientists, Engineers, and Managers.—Scientists, engineers, and managers of science and engineering programs in Federal agencies and the Federal laboratories shall be eligible to participate in the program assisted under this section on a reimbursable basis.

(d) Requirement for Merit Review.—Awards made under the program established under this section shall only be made using a competitive, merit-based review process.

(e) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2000.

PART G—OLYMPIC SCHOLARSHIPS

SEC. 836. EXTENSION OF AUTHORIZATION.

Section 1543(d) of the Higher Education Amendments of 1992 is amended by striking "1993" and inserting "1999".

PART H—UNDERGROUND RAILROAD

SEC. 841. UNDERGROUND RAILROAD EDUCATIONAL AND CULTURAL PROGRAM.

(a) Program Established.—The Secretary of Education, in consultation and cooperation with the Secretary of the Interior, is authorized to make grants to 1 or more nonprofit educational organizations that are established to research, display, interpret, and collect artifacts relating to the history of the Underground Railroad.

(b) Grant Agreement.—Each nonprofit educational organization awarded a grant under this section shall enter into an agreement with the Secretary of Education. Each such agreement shall require the organization—

(1) to establish a facility to house, display, and interpret the artifacts related to the history of the Underground Railroad, and to make the interpretive efforts available to institutions of higher education that award a baccalaureate or graduate degree;

(2) to demonstrate substantial private support for the facility through the implementation of a public-private partnership between a State or local public entity and a private entity for the support of the facility, which private entity shall provide matching funds for the support of the facility in an amount equal to 4 times the amount of the contribution of the State or local public entity, except that not more than 20 percent of the matching funds may be provided by the Federal Government;

(3) to create an endowment to fund any and all shortfalls in the costs of the on-going operations of the facility;

(4) to establish a network of satellite centers throughout the United States to help disseminate information regarding the Underground Railroad throughout the United States, if such satellite centers raise 80 percent of the funds required to establish the satellite centers from non-Federal public and private sources;

(5) to establish the capability to electronically link the facility with other local and regional facilities that have collections and programs which interpret the history of the Underground Railroad; and

(6) to submit, for each fiscal year for which the organization receives funding under this section, a report to the Secretary of Education that contains—

(A) a description of the programs and activities supported by the funding;

(B) the audited financial statement of the organization for the preceding fiscal year;

(C) a plan for the programs and activities to be supported by the funding as the Secretary may require; and

(D) an evaluation of the programs and activities supported by the funding as the Secretary may require.

(c) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section $6,000,000 for fiscal year 1999, $6,000,000 for fiscal year 2000, $6,000,000 for fiscal year 2001, $3,000,000 for fiscal year 2002, and $3,000,000 for fiscal year 2003.

PART I—SUMMER TRAVEL AND WORK PROGRAMS

SEC. 846. AUTHORITY TO ADMINISTER SUMMER TRAVEL AND WORK PROGRAMS.

The Director of the United States Information Agency is authorized to administer summer travel and work programs without regard to preplacement requirements.

PART J—WEB-BASED EDUCATION COMMISSION

SEC. 851. SHORT TITLE; DEFINITIONS.

(a) In General.—This part may be cited as the "Web-Based Education Commission Act".

(b) Definitions.—In this part:

(1) Commission.—The term "Commission" means the Web-Based Education Commission established under section 852.

(2) Information Technology.—The term "information technology" has the meaning given that term in section 5002 of the Information Technology Management Reform Act of 1996 (110 Stat. 679).

(3) State.—The term "State" means each of the several States of the United States and the District of Columbia.

SEC. 852. ESTABLISHMENT OF WEB-BASED EDUCATION COMMISSION.

(a) Establishment.—There is established a commission to be known as the Web-Based Education Commission.

(b) Membership.—

(1) Composition.—The Commission shall be composed of 14 members, of which—

(A) 3 members shall be appointed by the President, from among individuals representing the Internet technology industry;

(B) 3 members shall be appointed by the Secretary, from among individuals with expertise in accreditation, establishing statewide curricula, and establishing information technology networks pertaining to education curricula;

(C) 2 members shall be appointed by the Majority Leader of the Senate;

(D) 2 members shall be appointed by the Minority Leader of the Senate;

(E) 2 members shall be appointed by the Speaker of the House of Representatives; and

(F) 2 members shall be appointed by the Minority Leader of the House of Representatives.

(2) Date.—The appointments of the members of the Commission shall be made not later than 45 days after the date of enactment of this Act.

(c) Period of Appointment; Vacancies.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Initial Meeting.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the Commission's first meeting.

(e) Meetings.—The Commission shall meet at the call of the Chairperson.

(f) Quorum.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) Chairperson and Vice Chairperson.—The Commission shall select a chairperson and vice chairperson from among the members of the Commission.

SEC. 853. DUTIES OF THE COMMISSION.

(a) Study.—

(1) In general.—The Commission shall conduct a thorough study to assess the educational software available in retail markets for secondary and postsecondary students who choose to use such software.

(2) Public hearings.—As part of the study conducted under this subsection, the Commission shall hold public hearings in each region of the United States concerning the assessment referred to in paragraph (1).

(3) Existing information.—To the extent practicable, in carrying out the study under this subsection, the Commission shall identify and use existing information related to the assessment referred to in paragraph (1).

(b) Report.—Not later than 6 months after the first meeting of the Commission, the Commission shall submit a report to the President and Congress that shall contain a detailed statement of the findings and conclusions of the Commission resulting from the study, together with the Commission's recommendations—

(1) for such legislation and administrative actions as the Commission considers to be appropriate; and

(2) regarding the appropriate Federal role in determining quality educational software products.

(c) Facilitation of Exchange of Information.—In carrying out the study under subsection (a), the Commission shall, to the extent practicable, facilitate the exchange of information concerning the issues that are the subject of the study among—

(1) officials of the Federal Government, and State governments and political subdivisions of States; and

(2) educators from Federal, State, and local institutions of higher education and secondary schools.

SEC. 854. POWERS OF THE COMMISSION.

(a) Hearings.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the duties of the Commission.

(b) Information From Federal Agencies.—The Commission may request from the head of any Federal agency or instrumentality such information as the Commission considers necessary to carry out the provisions of this part.

Each such agency or instrumentality shall, to the extent permitted by law and subject to the exceptions set forth in section 552 of title 5, United States Code (commonly referred to as the Freedom of Information Act), furnish such information to the Commission upon request.

(c) Postal Services.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(d) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 855. COMMISSION PERSONNEL MATTERS.

(a) Compensation of Members.—Except as provided in subsection (b), each member of the Commission who is not an officer or employee of the Federal Government shall serve without compensation. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) Travel Expenses.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) Staff.—

(1) In general.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform the Commission's duties. The employment of an executive director shall be subject to confirmation by the Commission.

(2) Compensation.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) Detail of Government Employees.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) Procurement of Temporary and Intermittent Services.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 856. TERMINATION OF THE COMMISSION.

The Commission shall terminate on the date that is 90 days after the date on which the Commission submits the Commission's report under section 853(b).

SEC. 857. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There are authorized to be appropriated $450,000 for fiscal year 1999 to the Commission to carry out this part.

(b) Availability.—Any sums appropriated under the authorization contained in this section shall remain available, without fiscal year limitation, until expended.

PART K—MISCELLANEOUS

SEC. 861. EDUCATION-WELFARE STUDY.

(a) Study.—The Comptroller General of the United States shall conduct a study of the effectiveness of educational approaches (including vocational and post-secondary education approaches) and rapid employment approaches to helping welfare recipients and other low-income adults become employed and economically self-sufficient. Such study shall include—

(1) a survey of the available scientific evidence and research data on the subject, including a comparison of the effects of programs emphasizing a vocational or postsecondary educational approach to programs emphasizing a rapid employment approach, along with research on the impacts of programs which emphasize a combination of such approaches;

(2) an examination of the research regarding the impact of postsecondary education on the educational attainment of the children of recipients who have completed a postsecondary education program; and

(3) information regarding short and long-term employment, wages, duration of employment, poverty rates, sustainable economic self-sufficiency, prospects for career advancement or wage increases, access to quality child care, placement in employment with benefits including health care, life insurance and retirement, and related program outcomes.

(b) Report.—Not later than August 1, 1999, the Comptroller General of the United States shall prepare and submit to the Committees on Ways and Means and on Education and the Workforce of the House of Representatives and the Committees on Finance and on Labor and Human Resources of the Senate, a report that contains the finding of the study required by subsection (a).

SEC. 862. RELEASE OF CONDITIONS, COVENANTS, AND REVERSIONARY INTERESTS, GUAM COMMUNITY COLLEGE CONVEYANCE, BARRIGADA, GUAM.

(a) Release.—The Secretary of Education shall release all conditions and covenants that were imposed by the United States, and the reversionary interests that were retained by the United States, as part of the conveyance of a parcel of Federal surplus property located in Barrigada, Guam, consisting of approximately 314.28 acres and known as Naval Communications Area Master Station, WESTPAC, parcel IN, which was conveyed to the Guam Community College pursuant to—

(1) the quitclaim deed dated June 8, 1990, conveying 61.45 acres, between the Secretary, acting through the Administrator for Management Services, and the Guam Community College, acting through its Board of Trustees; and

(2) the quitclaim deed dated June 8, 1990, conveying 252.83 acres, between the Secretary, acting through the Administrator for Management Services, and the Guam Community College, acting through its Board of Trustees, and the Governor of Guam.

(b) Consideration.—The Secretary shall execute the release of the conditions, covenants, and reversionary interests under subsection (a) without consideration.

(c) Instrument of Release.—The Secretary shall execute and file in the appropriate office or offices a deed of release, amended deed, or other appropriate instrument effectuating the release of the conditions, covenants, and reversionary interests under subsection (a).

SEC. 863. SENSE OF CONGRESS REGARDING GOOD CHARACTER.

(a) Findings.—Congress finds that—

(1) the future of our Nation and world will be determined by the young people of today;

(2) record levels of youth crime, violence, teenage pregnancy, and substance abuse indicate a growing moral crisis in our society;

(3) character development is the long-term process of helping young people to know, care about, and act upon such basic values as trustworthiness, respect for self and others, responsibility, fairness, compassion, and citizenship;

(4) these values are universal, reaching across cultural and religious differences;

(5) a recent poll found that 90 percent of Americans support the teaching of core moral and civic values;

(6) parents will always be children's primary character educators;

(7) good moral character is developed best in the context of the family;

(8) parents, community leaders, and school officials are establishing successful partnerships across the Nation to implement character education programs;

(9) character education programs also ask parents, faculty, and staff to serve as role models of core values, to provide opportunities for young people to apply these values, and to establish high academic standards that challenge students to set high goals, work to achieve the goals, and persevere in spite of difficulty;

(10) the development of virtue and moral character, those habits of mind, heart, and spirit that help young people to know, desire, and do what is right, has historically been a primary mission of colleges and universities; and

(11) the Congress encourages parents, faculty, and staff across the Nation to emphasize character development in the home, in the community, in our schools, and in our colleges and universities.

(b) Sense of Congress.—It is the sense of Congress that Congress should support and encourage character building initiatives in schools across America and urge colleges and universities to affirm that the development of character is one of the primary goals of higher education.

SEC. 864. EDUCATIONAL MERCHANDISE LICENSING CODES OF CONDUCT.

It is the sense of the Congress that all American colleges and universities should adopt rigorous educational merchandise licensing codes of conduct to assure that university and college licensed merchandise is not made by sweatshop and exploited adult or child labor either domestically or abroad, and that such codes should include at least the following:

(1) Public reporting of the code and the companies adhering to the code.

(2) Independent monitoring of the companies adhering to the code by entities not limited to major international accounting firms.

(3) An explicit prohibition on the use of child labor.

(4) An explicit requirement that companies pay workers at least the governing minimum wage and applicable overtime.

(5) An explicit requirement that companies allow workers the right to organize without retribution.

(6) An explicit requirement that companies maintain a safe and healthy workplace.

TITLE IX—AMENDMENTS TO OTHER LAWS

PART A—EXTENSION AND REVISION OF INDIAN HIGHER EDUCATION PROGRAMS

SEC. 901. TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

(a) Reauthorization.—

(1) Amount of grants.—Section 108(a)(2) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1808(a)(2)) is amended by striking "$5,820" and inserting "$6,000".

(2) Authorization of appropriations.—

(A) Title I.—Section 110(a) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

(i) in paragraph (1), by striking "1993" and inserting "1999";

(ii) in paragraph (2), by striking "$30,000,000 for fiscal year 1993" and inserting "$40,000,000 for fiscal year 1999";

(iii) in paragraph (3), by striking "1993" and inserting "1999"; and

(iv) in paragraph (4), by striking "1993" and inserting "1999".

(B) Title III.—Section 306(a) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1836(a)) is amended by striking "1993" and inserting "1999".

(C) Title IV.—Section 403 of the Tribal Economic Development and Technology Related Education Assistance Act of 1990 (25 U.S.C. 1852) is amended by striking "1993" and inserting "1999".

(b) Extension to Colleges and Universities.—The Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.) is amended—

(1) in the first section (25 U.S.C. 1801 note), by striking "Community College" and inserting "College or University";

(2) in the heading for title I (25 U.S.C. 1802 et seq.), by striking "COMMUNITY COLLEGES" and inserting "COLLEGES OR UNIVERSITIES";

(3) in the heading for title III (25 U.S.C. 1831 et seq.), by striking "COMMUNITY COLLEGE" and inserting "COLLEGE OR UNIVERSITY";

(4) in the heading for section 107, by striking "COMMUNITY COLLEGES" and inserting "COLLEGES OR UNIVERSITIES";

(5) in sections 2(a)(4), 2(a)(7), 2(b)(4), 102(b), 103, 105, 106(b), 107(a), 107(b), 108(a), 108(b)(3)(A), 108(b)(3)(B), 108(b)(4), 109(b)(2), 109(b)(3), 109(d), 113(a), 113(b), 113(c)(1), 113(c)(2), 302(b), 303, 304, 305(a), and 305(b) (25 U.S.C. 1801(a)(4), 1801(a)(7), 1801(b)(4), 1803(b), 1804, 1805, 1806(b), 1807(a), 1807(b), 1808(a), 1808(b)(3)(A), 1808(b)(3)(B), 1808(b)(4), 1809(b)(2), 1809(b)(3), 1809(d), 1813(a), 1813(b), 1813(c)(1), 1813(c)(2), 1832(b), 1833, 1834, 1835(a), and 1835(b)), by striking "community college" each place the term appears and inserting "college or university";

(6) in sections 101, 102(a), 104(a)(1), 107(a), 108(c)(2), 109(b)(1), 111(a)(2), 112(a), 112(a)(2), 112(c)(2)(B), 301, 302(a), and 402(a) (25 U.S.C. 1802, 1803(a), 1804a(a)(1), 1807(a), 1808(c)(2), 1809(b)(1), 1811(a)(2), 1812(a), 1812(a)(2), 1812(c)(2)(B), 1831, 1832(a), and 1851(a)), by striking "community colleges" each place the term appears and inserting "colleges or universities";

(7) in sections 108(a)(1), 108(a), 113(b)(2), 113(c)(2), 302(a), 302(b), 302(b)(2)(B), 302(b)(4), 303, 304, 305(a), and 305(b) (25 U.S.C. 1808(a)(1), 1808(a), 1813(b)(2), 1813(c)(2), 1832(a), 1832(b), 1832(b)(2)(B), 1832(b)(4), 1833, 1834, 1835(a), and 1835(b)), by striking "such college" each place the term appears and inserting "such college or university";

(8) in sections 104(a)(2), 109(b)(1), and 111(a)(2) (25 U.S.C. 1804a(a)(2), 1809(b)(1), and 1811(a)(2), by striking "such colleges" and inserting "such colleges or universities";

(9) in section 2(b)(5) (25 U.S.C. 1801(b)(5)), by striking "community college's" and inserting "college or university's";

(10) in section 109(a) (25 U.S.C. 1809(a)), by inserting "or university" after "tribally controlled college";

(11) in section 110(a)(4) (25 U.S.C. 1810(a)(4)), by striking "Tribally Controlled Community Colleges" and inserting "tribally controlled colleges or universities";

(12) in sections 102(b), 109(d), 113(c)(2)(E), 302(b)(6), and 305(a) (25 U.S.C. 1803(b), 1809(d), 1813(c)(2)(E), 1832(b)(6), and 1835(a)), by striking "the college" and inserting "the college or university";

(13) in section 112(c)(1) (25 U.S.C. 1812(c)(1)), by striking "colleges" and inserting "colleges or universities";

(14) in sections 302(b)(4) and 305(a) (25 U.S.C. 1832(b)(4) and 1835(a)), by striking "that college" and inserting "that college or university"; and

(15) in section 302(b)(4) (25 U.S.C. 1832(b)(4)), by striking "other colleges" and inserting "other colleges or universities".

(c) Additional Conforming Amendments.—

(1) Recommended legislation.—The Secretary of Education shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by subsection (b).

(2) Submission to congress.—Not later than 6 months after the effective date of this title, the Secretary of Education shall submit the recommended legislation referred to under paragraph (1).

(d) References.—Any reference to a section or other provision of the Tribally Controlled Community College Assistance Act of 1978 shall be deemed to be a reference to the Tribally Controlled College or University Assistance Act of 1978.

(e) Clerical Amendment.—Section 109 of the Tribally Controlled Colleges or University Act of 1978 (as renamed by subsection (b)(1)) (25 U.S.C. 1809) is amended by redesignating subsection (d) as subsection (c).

SEC. 902. REAUTHORIZATION OF NAVAJO COMMUNITY COLLEGE ACT.

Section 5(a)(1) of the Navajo Community College Act (25 U.S.C. 640c–1) is amended by striking "1993" and inserting "1999".

PART B—EDUCATION OF THE DEAF

SEC. 911. SHORT TITLE.

This part may be cited as the "Education of the Deaf Amendments of 1998".

SEC. 912. ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

Section 104(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4304(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by inserting "and" after the semicolon;

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C);

(2) in the matter preceding subparagraph (A) of paragraph (2)—

(A) by striking "paragraph (1)" and inserting "paragraph (1)(B)"; and

(B) by striking "section 618(b)" and inserting "section 618(a)(1)(A)";

(3) in paragraph (3), by striking "intermediate educational unit" and inserting "educational service agency";

(4) in paragraph (4)—

(A) in subparagraph (A), by striking "intermediate educational unit" and inserting "educational service agency"; and

(B) in subparagraph (B), by striking "intermediate educational units" and inserting "educational service agencies"; and

(5) by amending subparagraph (C) to read as follows:

"(C) provide the child a free appropriate public education in accordance with part B of the Individuals with Disabilities Education Act and procedural safeguards in accordance with the following provisions of section 615 of such Act:

"(i) Paragraphs (1), and (3) through (6), of subsection (b).

"(ii) Subsections (c) through (g).

"(iii) Subsection (h), except for the matter in paragraph (4) pertaining to transmission of findings and decisions to a State advisory panel.

"(iv) Paragraphs (1) and (2) of subsection (i).

"(v) Subsection (j)—

"(I) except that such subsection shall not be applicable to a decision by the University to refuse to admit a child; or

"(II) to dismiss a child, except that, before dismissing any child, the University shall give at least 60 days written notice to the child's parents and to the local educational agency in which the child resides, unless the dismissal involves a suspension, expulsion, or other change in placement covered under section 615(k).

"(vi) Subsections (k) through (m).".

SEC. 913. AGREEMENT WITH GALLAUDET UNIVERSITY.

Section 105(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4305(a)) is amended—

(1) by striking "within 1 year after enactment of the Education of the Deaf Act Amendments of 1992, a new" and inserting "and periodically update, an"; and

(2) by amending the second sentence to read as follows: "The Secretary or the University shall determine the necessity for the periodic update described in the preceding sentence.".

SEC. 914. AGREEMENT FOR THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

Paragraph (2) of section 112(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4332(a)) is amended to read as follows:

"(2) The Secretary and the institution of higher education with which the Secretary has an agreement under this section—

"(A) shall periodically assess the need for modification of the agreement; and

"(B) shall periodically update the agreement as determined necessary by the Secretary or the institution.".

SEC. 915. DEFINITIONS.

Section 201 of the Education of the Deaf Act of 1986 (20 U.S.C. 4351) is amended—

(1) in paragraph (1)(C), by striking "Palau (but only until the Compact of Free Association with Palau takes effect),"; and

(2) in paragraph (5)—

(A) by inserting "and" after "Virgin Islands,"; and

(B) by striking ", and Palau (but only until the Compact of Free Association with Palau takes effect)".

SEC. 916. GIFTS.

Subsection (b) of section 203 of the Education of the Deaf Act of 1986 (20 U.S.C. 4353) is amended to read as follows:

"(b) Independent Financial and Compliance Audit.—

"(1) In general.—Gallaudet University shall have an annual independent financial and compliance audit made of the programs and activities of the University, including the national mission and school operations of the elementary and secondary education programs at Gallaudet. The institution of higher education with which the Secretary has an agreement under section 112 shall have an annual independent financial and compliance audit made of the programs and activities of such institution of higher education, including NTID, and containing specific schedules and analyses for all NTID funds, as determined by the Secretary.

"(2) Compliance.—As used in paragraph (1), compliance means compliance with sections 102(b), 105(b)(4), 112(b)(5), and 203(c), paragraphs (2) and (3) of section 207(b), subsections (b)(2), (b)(3), and (c) through (f), of section 207, and subsections (b) and (c) of section 210.

"(3) Submission of audits.—A copy of each audit described in paragraph (1) shall be provided to the Secretary within 15 days of acceptance of the audit by the University or the institution authorized to establish and operate the NTID under section 112(a), as the case may be, but not later than January 10 of each year.".

SEC. 917. REPORTS.

Section 204(3) of the Education of the Deaf Act of 1986 (20 U.S.C. 4354(3)) is amended—

(1) in subparagraph (A), by striking "The annual" and inserting "A summary of the annual"; and

(2) in subparagraph (B), by striking "the annual" and inserting "a summary of the annual".

SEC. 918. MONITORING, EVALUATION, AND REPORTING.

Section 205(c) of the Education of the Deaf Act of 1986 (20 U.S.C. 4355(c)) is amended by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1998 through 2003".

SEC. 919. FEDERAL ENDOWMENT PROGRAMS.

Section 207 of the Education of the Deaf Act of 1986 (20 U.S.C. 4357) is amended—

(1) in subsection (b)—

(A) by amending paragraph (2) to read as follows:

"(2) Subject to the availability of appropriations, the Secretary shall make payments to each Federal endowment fund in amounts equal to sums contributed to the fund from non-Federal sources during the fiscal year in which the appropriations are made available (excluding transfers from other endowment funds of the institution involved)."; and

(B) by striking paragraph (3);

(2) in subsection (c)(1), by inserting "the Federal contribution of" after "shall invest";

(3) in subsection (d)—

(A) in paragraph (2)(C), by striking "Beginning on October 1, 1992, the" and inserting "The"; and

(B) in paragraph (3)(A), by striking "prior" and inserting "current"; and

(4) in subsection (h)—

(A) in paragraph (1), by striking "1993 through 1997" and inserting "1998 through 2003"; and

(B) in paragraph (2), by striking "1993 through 1997" and inserting "1998 through 2003".

SEC. 920. SCHOLARSHIP PROGRAM.

Section 208 of the Education of the Deaf Act of 1986 (20 U.S.C. 4358) is repealed.

SEC. 921. OVERSIGHT AND EFFECT OF AGREEMENTS.

Section 209 of the Education of the Deaf Act of 1986 (20 U.S.C. 4359) is amended—

(1) in subsection (a), by striking "Committee on Education and Labor" and inserting "Committee on Education and the Workforce"; and

(2) by redesignating such section as section 208.

SEC. 922. INTERNATIONAL STUDENTS.

(a) AMENDMENT.—Section 210 of the Education of the Deaf Act of 1986 (20 U.S.C. 4359a) is amended—

(1) in subsection (a)—

(A) by striking "10 percent" and inserting "15 percent"; and

(B) by inserting before the period the following: ", except that in any school year no United States citizen who is qualified to be admitted to the University or NTID and applies for admission to the University or NTID shall be denied admission because of the admission of an international student"; and

(2) in subsection (b), by striking "surcharge of 75 percent for the academic year 1993–1994 and 90 percent beginning with the academic year 1994–1995" and inserting "surcharge of 100 percent for the academic year 1999–2000 and any succeeding academic year".

(b) CONFORMING AMENDMENT.—Section 210 of such Act (20 U.S.C. 4359a) is amended by redesignating such section as section 209.

SEC. 923. RESEARCH PRIORITIES.

Title II of the Education of the Deaf Act of 1986 is amended by striking section 211 (20 U.S.C. 4360) and inserting the following:

"SEC. 210. RESEARCH PRIORITIES.

"(a) RESEARCH PRIORITIES.—Gallaudet University and the National Technical Institute for the Deaf shall each establish and disseminate priorities for their national mission with respect to deafness related research, development, and demonstration activities, that reflect public input, through a process that includes consumers, constituent groups, and the heads of other federally funded programs. The priorities for the University shall include activities conducted as part of the University's elementary and secondary education programs under section 104.

"(b) RESEARCH REPORTS.—The University and NTID shall each prepare and submit an annual research report, to the Secretary, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, not later than January 10 of each year, that shall include—

"(1) a summary of the public input received as part of the establishment and dissemination of priorities required by subsection (a), and the University's and NTID's response to the input; and

"(2) a summary description of the research undertaken by the University and NTID, the start and projected end dates for each research project, the projected cost and source or sources of funding for each project, and any products resulting from research completed in the prior fiscal year.".

SEC. 924. NATIONAL STUDY ON THE EDUCATION OF THE DEAF.

The Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.) is amended by adding after section 210 (as inserted by section 923) the following:

"SEC. 211. NATIONAL STUDY ON THE EDUCATION OF THE DEAF.

"(a) CONDUCT OF STUDY.—

"(1) IN GENERAL.—The Secretary shall conduct a national study on the education of the deaf, to identify education-related barriers to successful postsecondary education experiences and employment for individuals who are deaf, and those education-related factors that contribute to successful postsecondary education experiences and employment for individuals who are deaf.

"(2) DEFINITION.—In this section the term 'deaf', when used with respect to an individual, means an individual with a hearing impairment, including an individual who is hard of hearing, an individual deafened later in life, and an individual who is profoundly deaf.

"(b) PUBLIC INPUT AND CONSULTATION.—

"(1) IN GENERAL.—In conducting such study, the Secretary shall obtain input from the public. To obtain such input, the Secretary shall—

"(A) publish a notice with an opportunity for comment in the Federal Register;

"(B) consult with individuals and organizations representing a wide range of perspectives on deafness-related issues, including organizations representing individuals who are deaf, parents of children who are deaf, educators, and researchers; and

"(C) take such other action as the Secretary deems appropriate, which may include holding public meetings.

"(2) STRUCTURED OPPORTUNITIES.—The Secretary shall provide structured opportunities to receive and respond to the viewpoints of the individuals and organizations described in paragraph (1)(B).

"(c) REPORT.—The Secretary shall report to Congress not later than 18 months after the date of enactment of the Education of the Deaf Amendments of 1998 regarding the results of the study. The report shall contain—

"(1) recommendations, including recommendations for legislation, that the Secretary deems appropriate; and

"(2) a detailed summary of the input received under subsection (b) and the ways in which the report addresses such input.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 for each of the fiscal years 1999 and 2000 to carry out the provisions of this section.".

SEC. 925. AUTHORIZATION OF APPROPRIATIONS.

Title II of the Education of the Deaf Act of 1986 (20 U.S.C. 4351 et seq.) is amended by adding after section 211 (as inserted by section 924) the following:

"SEC. 212. AUTHORIZATION OF APPROPRIATIONS.

"(a) GALLAUDET UNIVERSITY.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1998 through 2003 to carry out the provisions of title I and this title, relating to—

"(1) Gallaudet University;

"(2) Kendall Demonstration Elementary School; and

"(3) the Model Secondary School for the Deaf.

"(b) NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.—There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1998 through 2003 to carry out the provisions of title I and this title relating to the National Technical Institute for the Deaf.".

PART C—UNITED STATES INSTITUTE OF PEACE

SEC. 931. AUTHORITIES OF THE UNITED STATES INSTITUTE OF PEACE.

The United States Institute of Peace Act (22 U.S.C. 4601 et seq.) is amended—

(1) in section 1705 (22 U.S.C. 4604)—

(A) in subsection (f), by inserting "personal service and other" after "may enter into"; and

(B) in subsection (o), by inserting after "Services" the following: "and use all sources of supply and services of the General Services Administration";

(2) in section 1710(a)(1) (22 U.S.C. 4609(a)(1))—

(A) by striking "1993" and inserting "1999"; and

(B) by striking "6" and inserting "4"; and

(3) in the second and third sentences of section 1712 (22 U.S.C. 4611), by striking "shall" each place the term appears and inserting "may".

PART D—VOLUNTARY RETIREMENT INCENTIVE PLANS

SEC. 941. VOLUNTARY RETIREMENT INCENTIVE PLANS.

(a) IN GENERAL.—Section 4 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623) is amended by adding at the end the following:

"(m) Notwithstanding subsection (f)(2)(B), it shall not be a violation of subsection (a), (b), (c), or (e) solely because a plan of an institution of higher education (as defined in section 101 of the Higher Education Act of 1965) offers employees who are serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure) supplemental benefits upon voluntary retirement that are reduced or eliminated on the basis of age, if—

"(1) such institution does not implement with respect to such employees any age-based reduction or cessation of benefits that are not such supplemental benefits, except as permitted by other provisions of this Act;

"(2) such supplemental benefits are in addition to any retirement or severance benefits which have been offered generally to employees serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure), independent of any early retirement or exit-incentive plan, within the preceding 365 days; and

"(3) any employee who attains the minimum age and satisfies all non-age-based conditions for receiving a benefit under the plan has an opportunity lasting not less than 180 days to elect to retire and to receive the maximum benefit that could then be elected by a younger but otherwise similarly situated employee, and the plan does not require retirement to occur sooner than 180 days after such election.".

(b) PLANS PERMITTED.—Section 4(i)(6) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(i)(6)) is amended by adding after *the word "accruals" the following: "or it is a plan permitted by subsection (m)."*

(c) Construction.—Nothing in the amendment made by subsection (a) shall affect the application of section 4 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623) with respect to—

(1) any plan described in subsection (m) of section 4 of such Act (as added by subsection (a)), for any period prior to enactment of such Act;

(2) any plan not described in subsection (m) of section 4 of such Act (as added by subsection (a)); or

(3) any employer other than an institution of higher education (as defined in section 101 of the Higher Education Act of 1965).

(d) Effective Date.—

(1) In general.—This section shall take effect on the date of enactment of this Act.

(2) Effect on causes of action existing before date of enactment.—The amendment made by subsection (a) shall not apply with respect to any cause of action arising under the Age Discrimination in Employment Act of 1967 prior to the date of enactment of this Act.

PART E—GENERAL EDUCATION PROVISIONS ACT AMENDMENT

SEC. 951. AMENDMENT TO FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974

Section 444(b) of the General Education Provisions Act (20 U.S.C. 1232g(b)), also know as the Family Educational Rights and Privacy Act of 1974, is amended—

(1) in paragraph (1), by amending subparagraph (C) to read as follows:

"(C)(i) authorized representatives of (I) the Comptroller General of the United States, (II) the Secretary, or (III) State educational authorities, under the conditions set forth in paragraph (3), or (ii) authorized representatives of the Attorney General for law enforcement purposes under the same conditions as apply to the Secretary under paragraph (3);"; and

(2) in paragraph (6)—

(A) by inserting "(A)" after "(6)";

(B) in subparagraph (A), as designated by subparagraph (A) of this paragraph—

(i) by striking "the results" and inserting "or a nonforcible sex offense, the final results"; and

(ii) by striking "such crime" each place the term appears and inserting "such crime or offense"; and

(C) adding at the end thereof the following:

"(B) Nothing in this section shall be construed to prohibit an institution of postsecondary education from disclosing the final results of any disciplinary proceeding conducted by such institution against a student who is an alleged perpetrator of any crime of violence (as that term is defined in section 16 of title 18, United States Code), or a nonforcible sex offense, if the institution determines as a result of that disciplinary proceeding that the student committed a violation of the institution's rules or policies with respect to such crime or offense.

"(C) For the purpose of this paragraph, the final results of any disciplinary proceeding—

"(i) shall include only the name of the student, the violation committed, and any sanction imposed by the institution on that student; and

"(ii) may include the name of any other student, such as a victim or witness, only with the written consent of that other student.".

SEC. 952. ALCOHOL OR DRUG POSSESSION DISCLOSURE.

Section 444 of the General Education Provisions Act (20 U.S.C. 1232g) is amended by adding at the end the following:

"(i) Drug and Alcohol Violation Disclosures.—

"(1) In general.—Nothing in this Act or the Higher Education Act of 1965 shall be construed to prohibit an institution of higher education from disclosing, to a parent or legal guardian of a student, information regarding any violation of any Federal, State, or local law, or of any rule or policy of the institution, governing the use or possession of alcohol or a controlled substance, regardless of whether that information is contained in the student's education records, if—

"(A) the student is under the age of 21; and

"(B) the institution determines that the student has committed a disciplinary violation with respect to such use or possession.

"(2) State law regarding disclosure.—Nothing in paragraph (1) shall be construed to supersede any provision of State law that prohibits an institution of higher education from making the disclosure described in subsection (a).".

PART F—LIAISON FOR PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION

SEC. 961. LIAISON FOR PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.

Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following:

"SEC. 219. LIAISON FOR PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION.

"(a) Establishment.—There shall be in the Department a Liaison for Proprietary Institutions of Higher Education, who shall be an officer of the Department appointed by the Secretary.

"(b) Appointment.—The Secretary shall appoint, not later than 6 months after the date of enactment of the Higher Education Amendments of 1998 a Liaison for Proprietary Institutions of Higher Education who shall be a person who—

"(1) has attained a certificate or degree from a proprietary institution of higher education; or

"(2) has been employed in a proprietary institution setting for not less than 5 years.

"(c) Duties.—The Liaison for Proprietary Institutions of Higher Education shall—

"(1) serve as the principal advisor to the Secretary on matters affecting proprietary institutions of higher education;

"(2) provide guidance to programs within the Department that involve functions affecting proprietary institutions of higher education; and

"(3) work with the Federal Interagency Committee on Education to improve the coordination of—

"(A) the outreach programs in the numerous Federal departments and agencies that administer education and job training programs;

"(B) collaborative business and education partnerships; and

"(C) education programs located in, and involving, rural areas.".

PART G—AMENDMENTS TO OTHER STATUTES

SEC. 971. NONDISCHAREABILITY OF CERTAIN CLAIMS FOR EDUCATIONAL BENEFITS PROVIDED TO OBTAIN HIGHER EDUCATION.

(a) Amendment.—Section 523(a)(8) of title 11, United States Code, is amended by striking "unless—" and all that follows through "(B) excepting such debt" and inserting "unless excepting such debt".

(b) Effective Date.—The amendment made by subsection (a) shall apply only with respect to cases commenced under title 11, United States Code, after the date of enactment of this Act.

SEC. 972. GNMA GUARANTEE FEE.

(a) In General.—Section 306(g)(3)(A) of the National Housing Act (12 U.S.C. 1721(g)(3)(A)) is amended by striking "No fee or charge" and all that follows through "States)" and inserting "The Association shall assess and collect a fee in an amount equal to 9 basis points".

(b) Effective Date.—The amendment made by this section shall take effect on October 1, 2004.

PART H—REPEALS

SEC. 981. REPEALS.

Section 4122 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7132) is repealed.

And the Senate agree to the same.

For consideration of the House bill (except sec. 464), and the Senate amendment (except secs. 484 and 799C), and modifications committed to conference:

Bill Goodling,
Howard "Buck" McKeon,
Tom Petri,
Lindsey Graham,
Mark Souder,
John E. Peterson,
W.L. Clay,
Dale E. Kildee,
M.G. Martinez,
Robert E. Andrews,

For consideration of sec. 464 of the House bill, and secs. 484 and 799C of the Senate amendment, and modifications committed to conference:

Bill Goodling,
James Talent,
E. Clay Shaw, Jr.,
Dave Camp,
W.L. Clay,
Sander Levin,
Managers on the Part of the House.

Jim Jeffords,
Dan Coats,
Judd Gregg,
Bill Frist,
Mike DeWine,
Mike Enzi,
Tim Hutchinson,
Susan Collins,
John Warner,
Mitch McConnell,
Ted Kennedy,
Chris Dodd,
Tom Harkin,
Barbara A. Mikulski,
Jeff Bingaman,
Patty Murray,
Jack Reed,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6), to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

Both bills provide that this Act may be cited as the "Higher Education Amendments of 1998", and both bills provide that all references to "the Act" are references to the Higher Education Act of 1965.

The House bill, but not the Senate bill, contains a provision that, except as otherwise provided, the amendments made by the Higher Education Amendments of 1998 shall take effect on October 1, 1998.

The Senate recedes.

TITLE I—GENERAL PROVISIONS

TRANSFER OF PROVISIONS

Both bills repeal title I of current law and transfer provisions of the current title XII to title I.

PART A—DEFINITIONS

INSTITUTION OF HIGHER EDUCATION

The House bill transfers all definitions from the current section 1201 and section 481(a), (b), and (c) to title I. The general definition of "institution of higher education" currently contained in section 1201(a) is rewritten without substantive changes. Section 481 (a), (b), and (c) are also rewritten with only minor changes.

The Senate bill simply redesignates section 1201 as section 101, makes minor changes to section 481(a), and no changes to section 481 (b) and (c).

The Senate recedes with respect to the placement of both definitions of "institution of higher education" in title I. The conference substitute provides that the general definition of "institution of higher education" currently included in section 1201(a) is transferred to section 101 and the definition of "institution of higher education" for purposes of title IV and related institutional definitions currently included in section 481 are transferred to section 102. The purpose of transferring both definitions to the same title of the bill is for ease of reference. The transfer of the definitions does not, nor is it intended to, change the meaning of the current definitions.

FOREIGN MEDICAL SCHOOLS

Both bills include specific references to veterinary schools in provisions dealing with standards to be met by institutions outside the United States in order to qualify for Federal Family Education Loans include veterinary schools. The House bill places the provision in title I while the Senate bill includes it in title IV.

The Senate recedes.

INSTITUTIONS SERVING INCARCERATED STUDENTS

The House bill, but not the Senate bill, allows the Secretary to waive the provision limiting the percentage of incarcerated students enrolled in the institution in the case of nonprofit schools providing 4-year or 2-year programs of instruction that award diplomas in addition to bachelor and associate degrees.

The Senate recedes with an amendment to insert "postsecondary" before diploma.

85/15 RULE

The House bill, but not the Senate bill, modifies the 85/15 rule (which specifies the proportion of its revenue that a proprietary institution may receive from Title IV programs in order to remain an eligible institution) to allow monies earned from non-title IV-eligible programs provided on a contractual basis to be included in calculating the 15 percent.

The Senate recedes with an amendment to change the current 85/15 rule to a 90/10 rule, so that such institutions must earn at least 10 percent of their revenues from sources not derived from funds provided under title IV, and to strike provisions dealing with the calculation of non-federal revenues. The conferees further agree that non-title IV revenues will continue to be defined as they are under the Secretary's regulations as in effect upon the date of enactment.

PART B—GENERAL PROVISIONS

TRANSFER OF PROVISIONS

Both bills transfer general provisions from the current title XII to title 1, after eliminating obsolete or unfunded sections, including: Federal-State Relationship; State Agreements (Section 1203), Commission to Study Postsecondary Institutional and Programmatic Recognition Process (Section 1206), Aggregate Limit of Authorization of Appropriations (Section 1211), and Technology Transfer Centers (Section 1212).

PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS

Both bills include Sense-of-Congress provisions relating to the protection of student speech and association rights, but there are minor differences in wording. The House bill includes these provisions in Title XIII, while the Senate bill includes them in Section 797 of Title VII.

The House recedes/the Senate recedes to place the provisions in Title I.

The Senate bill, but not the House bill, clarifies that institutions are not prohibited from taking appropriate action in certain situations.

The House recedes, with an amendment adding hazing.

FREELY ASSOCIATED STATES

The House bill, but not the Senate bill, terminates the eligibility of the Freely Associated States for TRIO.

The Senate recedes with an amendment to sunset the eligibility of the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau) on September 30, 2004. The conferees intend that the Freely Associated States will continue to be eligible for TRIO, Byrd Scholarships, Pell Grants, SEOG, and College Work Study until the expiration of the Higher Education Act Amendments of 1998 on September 30, 2004. However, the conferees recognize that the terms of the Compacts of Free Association will be renegotiated prior to that date and anticipate that these issues will be discussed and equitably resolved within the context of these negotiations. The conferees fully expect that those negotiations will result in these higher education service being paid for by the legislation implementing the renegotiated Compacts, not the Higher Education Act. Further, the conferees expect that any changes affecting these programs made by the Compacts through this renegotiating process will be considered by the Congress.

ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY

The Senate bill, but not the House bill, adopts a new notice and public solicitation of members for the National Advisory Committee on Institutional Quality and Integrity, deletes outdated references, and extends the duration of the committee until 2004.

The House recedes.

BINGE DRINKING ON COLLEGE CAMPUSES

The House bill includes Sense-of-the-House language on alcohol consumption in Title XII. The Senate bill includes similar provisions in Section 798 of Title VII.

The House recedes/the Senate recedes to place the provisions in Part B of title I.

The Senate bill includes a title for this section, Collegiate Initiative to Reduce Binge Drinking, while the House bill has no title.

The House recedes with an amendment to name the title, "Collegiate Initiative to Reduce Binge Drinking and Illegal Alcohol Consumption".

The Senate bill includes findings and the House bill does not.

The Senate recedes.

The House recommends that all college and university administrators adopt a code of principles, while the Senate bill recommends that all institutions carry out the following list. Throughout the list of principles/activities, the House bill uses "shall" while the Senate bill uses "should".

The House recedes.

Both bills call for a "zero tolerance" policy enforced on illegal consumption of alcohol. The House bill also applies it to binge drinking and wants institutions to take steps to reduce opportunities for legal alcohol consumption on campus.

The House recedes.

The House bill requires that students be referred to on campus counseling programs, while the Senate bill references appropriate assistance.

The House recedes with an amendment adding "including on-campus counseling programs, if appropriate" at the end of the last sentence, and striking "appropriate" where it appears in the second sentence of the Senate bill.

The House bill requires the institution to adopt a policy to discourage alcohol-related sponsorship of campus activities, while the Senate bill encourages a policy of eliminating alcohol-related sponsorship.

The Senate recedes with amendment to change "shall" to "should" in both sentences.

Both bills encourage Town/Gown alliances. The alliance is to encourage responsible policies toward alcohol consumption and address illegal use in the Senate bill, while in the House bill they are to curtail illegal access to alcohol and adopt responsible alcohol marketing and service practices.

The House recedes.

DRUG AND ALCOHOL ABUSE PREVENTION

Both bills include a new grant and recognition awards program as subsections (e) and (f) of the "Drug and Alcohol Abuse Prevention" included in Title I of each bill. The grant program is similar in both bills, with minor wording differences. Both bills authorize $5 million in FY 1999 and "such sums" in the 4 succeeding fiscal years for the program.

National recognition awards

Both bills have similar provisions, except the House bill includes alcohol and drug abuse prevention, while the Senate bill only includes alcohol abuse prevention.

The House recedes with an amendment to insert "and drug abuse" after "alcohol" in both places it appears in the purpose section and to provide that 5 of the 10 National Recognition Awards be made to institutions with outstanding alcohol prevention programs and the other 5 be made to institutions with outstanding drug prevention programs.

The Senate bill, but not the House bill, requires applicants to demonstrate efforts to change climate on campus related to alcohol.

The House recedes with amendment to change the cross-reference from "objectives" to review criteria.

The Senate bill, but not the House bill, directs the Secretary to disseminate information about the programs to secondary schools in the country, while the House bill simply requires information to be disseminated.

The House recedes with an amendment to insert "and drug abuse" after "alcohol".

The Senate bill, but not the House bill, sets the award amounts and $50,000.

The House recedes with an amendment to add "or drug abuse" after "alcohol".

Applications

Both bills establish application procedures, but they are worded differently.

The House recedes.

The House bill, but not the Senate bill, includes a description of special initiatives used to reduce high risk behavior and/or increase low risk behavior.

The Senate recedes.

The Senate bill, but not House bill, includes a description of the activities to be assisted that meet the requirements of the review criteria.

The Senate recedes.

The House bill, but not the Senate bill, includes a description of coordination and networking with the community.

The Senate recedes.

Eligibility criteria

Both bills extend eligibility to the same institutions, but the House bill includes drug prevention programs.

The House recedes with an amendment to include drug prevention programs.

The Senate bill, but not the House bill, limits awards to 1 in 5 academic years.

The House recedes.

Objectives

The Senate bill, but not the House bill, includes objectives that must be accomplished.

The Senate recedes

Application review

Similar provision, except the House bill includes drug abuse prevention.

The House recedes with an amendment to insert "and drug abuse" after "alcohol abuse".

Review criteria

The House bill requires the Secretary to develop review criteria, while the Senate bill requires the committee to develop criteria.

The House recedes.

The House bill, but not the Senate bill, requires the committee to consider measures of effectiveness.

The Senate recedes.

The House bill, but not the Senate bill, requires the committee to consider measures of program institutionalization, including the assessment of policies, activities, and community involvement.

The Senate recedes.

The Senate bill, but not the House bill, requires the criteria to include whether the institution has policies with respect to certain prohibitions on alcohol marketing and sponsorship of athletic events; alcohol free living; and community partnerships.

The House recedes.

Authorization

The House bill authorizes $25,000 for fiscal 1998, $66,000 each for fiscal 1999 and 2000, $72,000 each for fiscal 2001, 2002, 2003, and 2004. The Senate bill authorizes $750,000 for 1999 which remain available until expended.

The House recedes.

PRIOR RIGHTS AND OBLIGATIONS/RECOVERY OF PAYMENTS

The House bill, but not the Senate bill, retains provisions relating to renovation and construction of facilities within Title VII. The Senate bill transfers provisions relating to prior rights and obligations to Title I. The House bill extends the authorization of appropriations for obligations incurred prior to 1987 for parts C and D as in effect prior to the 1992 amendments. The Senate does the same thing in title I.

The House recedes.

The Senate bill, but not the House bill, extends the authorization of appropriations for obligations incurred after 1992 and before 1998 for part C as in effect after the 1992 amendments and before the Higher Education Act Amendments of 1998.

The House recedes.

The House bill, but not the Senate bill, extends Part C. The Senate bill in Title I provides for authorization of appropriations for obligations incurred between 1992 and 1998, and retains legal obligations of such part as such part was in effect during the period.

The House recedes.

The House bill, but not the Senate bill, retains part E with minor conforming changes. The Senate bill repeals Part E and transfers only section 781 ("Recovery of Payments") to title I. (Definition and loan forgiveness sections of Part E are repealed in the Senate bill.)

The House recedes.

PART C—COST OF HIGHER EDUCATION

Both bills address expanded information on the costs of higher education. The House provisions are in Title VIII, while the Senate provisions are in Section 486 of Title IV, replacing the current Section 486.

The Senate recedes with an amendment to place the provisions in Part C of Title I.

The House bill requires the National Center for Education Statistics (NCES) to convene forums to develop consistent methodologies for reporting cost data. The Senate bill requires NCES to develop common definitions for specific data elements.

The Senate recedes.

SEPARATION OF UNDERGRADUATE AND GRADUATE COSTS

The House bill, but not the Senate bill, requires that the data be in such a form that allows the Secretary of Education to disseminate separate data for undergraduate and graduate postsecondary education.

The House recedes. Although not requiring the disaggregation of undergraduate and graduate education data, the conferees believe it is important to focus on graduate education and encourage the development of data on that subject.

DATA

The House bill, but not the Senate bill, requires the Secretary of Education to redesign relevant parts of the postsecondary education data system based on consistent methodologies.

The Senate recedes.

REPORT

The Senate bill, but not the House bill, requires the National Center for Education Statistics to report such definitions to each institution of higher education and to the respective House and Senate committees within 90 days of enactment.

The House recedes with an amendment to apply the 90-day requirement only to the reporting of definitions to institutions of higher education and to report to the appropriate congressional committees at a later date.

COLLECTION OF INFORMATION

The Senate bill, but not the House bill, requires the Secretary to collect information based on the standard definitions and make the information available each year through the integrated postsecondary education data system (IPEDS) beginning with the 1999-2000 academic year.

The House recedes with an amendment to strike the reference to (IPEDS).

The Senate bill, but not the House bill, requires the National Center for Education Statistics to provide public notice that such information is available.

The Senate recedes.

DATA DISSEMINATION

Both bills require the publication of such information in a form that is easily understandable to parents and students, with slightly different wording.

The Senate recedes with an amendment striking "publish" and inserting "make available".

The House bill, but not the Senate bill, requires such information be published in both printed and electronic form.

The House recedes.

The Senate bill, but not the House bill, requires that the National Center for Education Statistics publish a report after the third year such information is collected comparing such information longitudinally by institution.

The Senate recedes. The conferees expect that the data published by NCES will be presented in a manner which allows for easy comparison of a single institution's cost over time and that the data also be presented by sector. The reporting of this data is not intended to replace other important sources of information, and—specifically—it is the intent of the conferees that NCES will continue NPSAS.

DATA TO BE DISSEMINATED

Both bills require the data to be provided to parents and students.

Both bills require that data be collected on tuition. The Senate bill also requires that data be collected on fees.

The House recedes.

The House bill, but not the Senate bill, specifies that data will be provided on an institution's cost of educating students on a full-time equivalent basis.

The House recedes.

The House bill, but not the Senate bill, specifies that data will be provided on the general subsidy on a full-time equivalent basis.

The House recedes.

The House bill, but not the Senate bill, specifies that data will be provided on the instructional cost by level of instruction.

The House recedes.

The House bill specifies that data will be provided on the total price of attendance, while the Senate bill refers to the cost of attendance for a full-time undergraduate—consistent with the provisions of section 472.

The House recedes.

Both bills require that data be collected on the average amount of per student financial aid received, but the Senate bill specifies undergraduate students.

The House recedes.

The Senate bill, but not the House bill, requires that information be collected on the percentage of students receiving student financial aid assistance in terms of grants and loans and institutional and other assistance.

The House recedes with an amendment to strike "percentage" and insert "number".

REPORT

The Senate bill, but not the House bill, requires institutions of higher education to provide required data to the National Center for Education Statistics by March 1 of each year beginning in the year 2000.

The House recedes with an amendment striking "March 1 of each year, beginning in the year 2000" and inserting in its place "beginning with the academic year 2000-2001 and annually thereafter."

ANNUAL REPORT TO CONGRESS ON THE COST OF HIGHER EDUCATION

The House bill requires an on-going analysis by the General Accounting Office with respect to college costs, while the Senate bill requires NCES in consultation with the Bureau of Labor Statistics to study expenditures at colleges.

The House recedes with an amendment striking "In consultation with the Bureau of Labor Statistics." Although not specified in the conference substitute, the conferees expect NCES to consult with the Bureau of Labor Statistics in studying college expenditures.

The House bill, but not the Senate bill, includes a comparison of increases in tuition with other commodities and services.

The Senate recedes with an amendment striking "increase in tuition" and inserting "change in tuition and fees" and striking "other commodities and services" and inserting "the Consumer Price Index and other appropriate measures of inflation".

Both bills look at faculty salaries, administrative salaries, but the House also includes staffing ratios.

The House recedes.

The Senate bill, but not the House bill, includes academic support services and research.

The House recedes.

The House bill, but not the Senate bill, includes faculty to student ratios; tenure practices, and related information.

The House recedes.

Both bills include construction and technology, with drafting differences. The Senate bill, but not the House bill, includes the replacement cost of instructional buildings and equipment.

The House recedes with an amendment to remove separate references to technology and construction and to incorporate these items into provisions of the Senate bill dealing with the potential cost of replacing instructional buildings and equipment.

The Senate bill, but not the House bill, looks as changes over time and their relation to college costs.

The House recedes with an amendment adding potential replacement costs to the list of items for which trend data is to be collected.

The House bill, but not the Senate bill, includes studying tuition discounting practices.

The Senate recedes. The conferees intend that this provision will apply only to institutions doing tuition discounting.

The House bill, but not the Senate bill, calls for the establishment of timely mechanism for distributing information.

The House recedes.

The House bill, but not the Senate bill, looks at the impact of financial aid on tuition changes.

The House recedes.

The House bill, but not the Senate bill, looks at state fiscal policies.

The House recedes.

The House bill, but not the Senate bill, allows the inclusion of other appropriate topics.

The House recedes.

REPORT

The House bill requires an annual report from the Comptroller General. The Senate bill requires NCES to submit a report by September 30, 2001.

The House recedes with an amendment striking "2001" and inserting "2002".

HIGHER EDUCATION MARKET BASKET

The Senate bill, but not the House bill, requires the National Center for Education Statistics, in consultation with the Bureau of Labor Statistics (BLS) to develop a "Higher Education Market Basket" to be used to determine the composition of the costs of higher education to guide future decision making in this area. The report is to be submitted to the respective House and Senate committees by September 30, 20002.

The House recedes with an amendment placing the BLS in the lead, in consultation with NCES.

FINES

The Senate bill, but not the House bill, authorizes the Secretary to impose fines of up to $25,000 on institutions which fail to provide cost information.

The House recedes.

STUDENT AID RECIPIENT SURVEY

The House bill, but not the Senate bill, repeals Title 13 of the Higher Education Amendments of 1986 on Education Administration.

The Senate recedes with an amendment to maintain section 1303(c) of the 1986 Amendments to the HEA and move it to the section of the bill dealing with cost studies. Section 1303(c) authorizes the Secretary to survey student aid recipients on a regular cycle.

Part D—Performance-Based Organization

PBO CREATION/PLACEMENT

The House bill creates the PBO in Part B of title I; the Senate bill creates the PBO at the end of title IV.

The Senate recedes with an amendment to place PBO provisions in Part D of Title I.

PBO ESTABLISHMENT

The House bill, but not the Senate bill, establishes the PBO in the Department. The Senate bill requires the Secretary to establish the PBO in the Department of Education.

The Senate recedes.

The House bill specifically states that the PBO is responsible for managing information systems. The Senate bill authorizes the PBO to administer various functions relating to student financial assistance.

The Senate recedes with an amendment to clarify that the PBO is responsible for administering the operational functions of student financial assistance.

PURPOSES

The House and Senate bills state that it is a purpose of the PBO to improve service. The Senate bill states that it is a purpose of the PBO to make programs more understandable to students and their parents.

The House recedes.

The House and Senate bills state that it is a purpose of the PBO to increase the accountability of the programs. The House bill emphasizes the operational aspects of the programs.

The Senate recedes.

The House and Senate bills state that it is a purpose of the PBO to provide greater flexibility. The House bill emphasizes operational functions while the Senate bill refers to administration of the programs.

The Senate recedes.

The House bill states that it is a purpose to integrate the information systems, while the Senate bill states that it is a purpose of the PBO to improve and integrate information and delivery systems.

The Senate recedes.

The House bill, but not the Senate bill, states that it is a purpose of the PBO to develop an open, common, integrated delivery system.

The Senate recedes.

The Senate bill, but not the House bill, states that it is a purpose of the PBO to develop and maintain complete, accurate and timely data.

The House recedes.

AUTHORITY

The House bill assigns the Secretary with responsibility for the development and promulgation of policy related to student aid. The Senate bill assigns the Secretary responsibility for policy relating to the functions managed by the PBO.

The Senate recedes with an amendment to insert "and regulations as relate" after "policy".

The House bill, but not the Senate bill, requires the Secretary to work in cooperation with the Chief Operating Officer (COO) in developing policies affecting the functions assigned to the PBO.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to request cost estimates from the COO for system changes.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to consider the COO's comments and estimates before finalizing regulations.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to assist the COO in identifying goals.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to arrange for additional funding for the PBO.

The House recedes.

FUNCTIONS

The House bill assigns the PBO with responsibility for all contracting for data and information systems. The Senate bill assigns the PBO with responsibility for the administration of the information and financial systems.

The House recedes with an amendment to add "but not including the development of policy relating to such programs" after "under this title".

The House bill, but not the Senate bill, makes the PBO responsible for the administrative, accounting and financial management functions of the delivery system.

The Senate recedes.

The House bill references information technology and system infrastructure. The Senate bill references contracting for information and financial systems.

The Senate recedes with an amendment to clarify that the PBO is responsible for design and acquisition.

The House bill, but not the Senate bill, includes acquiring all software and hardware, and all information technology contracts. The Senate bill provides the PBO with authority to contract for information and financial systems.

The House recedes with an amendment to add "All aspects of" before "contracting for the information".

The House bill, but not the Senate bill, includes development of a budget as PBO function.

The Senate recedes.

The House bill, but not the Senate bill, includes development of goals as PBO function.

The House recedes.

ADDITIONAL FUNCTIONS

The House bill requires agreement of COO in handling additional functions. The Senate bill provides the Secretary with the authority to allocate additional functions to the PBO.

The House recedes with an amendment to insert "and the COO" after the second "Secretary".

INDEPENDENCE

The House bill, but not the Senate bill, gives the PBO explicit control of its budget and personnel decisions.

The Senate recedes. Under the conference substitute, the Secretary retains ultimate control over policy development for student financial assistance programs, including development of regulatory policy and standards for institutional eligibility. The bill vests the PBO with operational responsibility for administration of the information and financial systems that support those programs and other functions that may be allocated to it, subject to the Secretary's policy direction and oversight. The conferees explicitly clarify that the PBO, while a part of the Department of Education, shall exercise independent control from the principal offices of the Department in carrying out its day-to-day activities, including its budget allocations and expenditures, its personnel decisions, its procurements, and its other administrative and management functions. This level of independence is critical to providing the PBO with greater flexibility in the management of the operational functions assigned to it.

CHANGES

The Senate bill, but not the House bill, gives the Secretary and the chief operating officer authority to consult about changes affecting the PBO's goals.

The House recedes.

AGREEMENTS

The Senate fill, but not the House bill, gives the Secretary and the chief operating officer the authority to revise the performance agreement in light of policy or market changes.

The House recedes.

FUNDING

Both bills, using similar language, authorize the use of funds from section 458. The Senate bill, but not the House bill, provides for the appropriation of such additional sums as may be necessary.

The House recedes.

PLANS

The Senate bill, but not the House bill, requires a 5-year performance plan.

The House recedes.

The House bill, but not the Senate bill, requires consultation with Congress and the Advisory Committee on Student Financial Assistance in developing the plan, while the Senate bill requires consultation with Congress and others 30 days prior to implementation of the plan.

The House recedes with an amendment to include the advisory committee.

The House bill, but not the Senate bill, requires the plan to include goals for a modernized delivery system. The Senate bill requires that the plan include specific goals with regard to service, cost, improvement and integration of support systems, delivery and information systems and other areas designated by the Secretary.

The House recedes with an amendment to strike Senate language in paragraph (C) and replace with "The performance plan shall include a concise statement of goals for a modernized system for the delivery of student financial assistance under title IV and identify action steps necessary to achieve such goals."

The Senate bill, but not the House bill, requires that the plan describe how the PBO will improve service, reduce costs, improve and integrate information and delivery systems, develop an open, common, integrated delivery system, and attain other objectives identified by the Secretary.

The House recedes.

REPORT

The House and Senate bills require an annual report on the performance of the PBO, using different language.

The House recedes.

The House bill requires the report to be provided to Congress and the Secretary, while the Senate bill requires the report to be provided to Congress through the Secretary.

The House recedes.

The Senate bill requires that the chief operating officer, in preparing the report, consult with stakeholders involved in the delivery of student financial aid.

The House recedes.

The House bill, but not the Senate bill, requires that the report include an independent financial audit.

The Senate recedes.

The House bill, but not the Senate bill, requires that the report include CFOA and GPRA compliance information.

The Senate recedes.

The House bill, but not the Senate bill, specifically requires as a separate element in the report the results of the PBO's efforts to meet its goals.

The Senate recedes.

The House bill, but not the Senate bill, requires that the report include reports of the evaluations of the chief operating officer and senior management team.

The Senate recedes with an amendment to clarify which information will be made public.

The House bill, but not the Senate bill, requires the report to discuss the effectiveness of the coordination between the PBO and the Secretary.

The House recedes.

The House bill, but not the Senate bill, requires the report to include legislative and regulatory recommendations.

The Senate recedes.

The House bill, but not the Senate bill, requires the report to include any other information required by OMB.

The Senate recedes.

CHIEF OPERATING OFFICER

Both bills vest management of the PBO in a chief operating officer.

The House bill appoints the chief operating officer for a 5-year term, while the Senate bill provides for a term of 3 to 5 years.

The House recedes.

The House bill, but not the Senate bill, requires the appointment of the chief operating officer within 6 months of enactment of the Higher Education Act Amendments of 1998.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to consult with Congress prior to the appointment.

The House recedes. The conferees strongly encourage the Secretary to consult with Congress prior to the selection of the COO.

BASIS

Both bills, using comparable language, describe the experience a candidate must have to be selected COO.

The Senate recedes with an amendment to strike "extensive experience in the financial services industry" and replace with "experience with financial systems".

The House bill allows reappointment for subsequent terms, while the Senate bill allows reappointment for 3 to 5 terms.

The House recedes.

REMOVAL

The House bill, but not the Senate bill, requires the President or Secretary to notify Congress of reasons for removal.

The Senate recedes.

PERFORMANCE AGREEMENT

The House and Senate bills require an annual performance agreement; the Senate bill requires measurable individual and organizational goals while the House bill requires measurable individual and organizational goals in key operational areas.

The House recedes.

The House bill, but not the Senate bill, specifically calls for review and renegotiation of a new plan each year. The Senate bill requires an annual performance agreement.

The House recedes.

COMPENSATION

Both bills contain similar compensation and bonus provisions.

The House recedes with an amendment to add "The compensation of the Chief Operating Officer shall be considered to be the equivalent of that described by section 207(c)(2)(A) of title 18 United States Code."

SENIOR MANAGERS

The House bill, but not the Senate bill, restricts to give the number of senior managers that the chief operating officer may appoint.

The House recedes.

PERFORMANCE AGREEMENT

Both bills have similar provisions regarding the performance agreement.

The House recedes with an amendment to add "the agreement shall be subject to review and renegotiation at the end of each term" to the end of the Senate language.

COMPENSATION

The House bill, but not the Senate bill, limits senior manager's pay to 75% of maximum rate of basis pay allowable for members of the Senior Executive Service.

The House recedes.

The House bill limits bonus compensation to 50% of the annual rate of basic pay. The Senate bill permits bonus compensation to the extent total annual compensation does not exceed 125% of the maximum rate of basis pay for SES.

The House recedes with an amendment to add "The compensation of a senior manager shall be considered to be the equivalent of that described by section 207(c)(A)(ii) of title 18 United States Code."

REMOVAL

The Senate bill, but not the House bill, allows for the removal of senior managers by the Secretary or the COO.

The House recedes with an amendment to strike "Secretary or by the Chief Operating Officer" and replace it with "Chief Operating Officer, or if there is no COO, by the Secretary."

The Senate bill, but not the House bill, requires the Secretary and COO to report to Congress on the proposed budget and sources of funding for the operation of the PBO.

The House recedes.

PERSONNEL FLEXIBILITY

Both bills contain similar provisions regarding personnel flexibility.

ADMINISTRATIVE FLEXIBILITY

The House bill, but not the Senate bill, requires the chief operating officer to work with the Office of Personnel Management (OPM) to establish personnel flexibilities. The Senate bill authorizes specific personnel flexibilities and require the PBO to work with OPM on these and other flexibilities available under current law.

The Senate recedes with an amendment to provide buyout authority to the COO.

The Senate applies a modified version of language currently contained with Section 4703(F), the statute authorizing personnel flexibility demonstration projects, to the specific flexibilities authorized under the HEA. This provision does not apply to flexibilities available under current law.

The Senate recedes.

FLEXIBILITIES

The Senate bill, but not the House bill, authorizes the PBO to exercise authorities provided with regard to performance management, broad banding, and staff flexibilities without prior approval of OPM.

The Senate recedes.

The Senate bill, but not the House bill, requires the PBO to implement the flexibilities provided with regard to alternate job evaluation systems only after a plan is submitted to, and approved by, OPM.

The Senate recedes.

The Senate bill, but not the House bill, provides that exercise of these flexibilities will not prevent the PBO from being eligible to implement demonstration projects.

The Senate recedes.

The Senate bill, but not the House bill, provides that the PBO will not be required to submit its demonstration plan for a public hearing prior to implementation.

The Senate recedes.

The Senate bill provides that the PBO will be required to provide 30 day rather than 180 day notification of the implementation of a demonstration project.

The Senate recedes.

The Senate bill, for the purposes of the PBO, modifies the provision requiring 90 day notification in order to expedite implementation of the PBO.

The Senate recedes.

The Senate bill, for the purposes of the PBO, retains the ability of employees to transfer leave from one employee to another in case of medical emergencies.

The Senate bill exempts the PBO from the requirement that a demonstration project involve fewer than 5,000 individuals and be limited to five years. The Senate bill also exempts the PBO from the limit on the number of active demonstration projects that may be in effect at any given time.

The Senate recedes.

The Senate bill exempts the PBO from the restriction placed on the participation of employees within a unit with respect to which a labor organization is accorded exclusive recognition.

The Senate recedes.

STAFF PERFORMANCE

The House bill and the Senate bill require the PBO to establish an annual performance management system with goals or objectives consistent with the performance plan. The Senate bill provides for specific elements of a performance management system, including: retention standards, development of individual goals, and an award system.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the chief operating officer to establish an awards program. Awards made under this authority may not exceed $25,000.

The Senate recedes.

CLASSIFICATION AND PAY FLEXIBILITIES

The Senate bill, but not the House bill, provides that the PBO, subject to criteria provided by OPM, establish one or more broadbanded systems for the pay and evaluation of its employees.

The Senate recedes.

The Senate bill, but not the House bill, exempts the broadbanding authority from the requirements of Chapter 52 and subchapter II of Chapter 53 regarding pay schedules.

The Senate recedes.

Provides the COO, with the approval of OPM, the authority to establish alternate job evaluation systems for jobs which should not be classified under statutory pay and job classifications.

The Senate recedes.

Provides the COO, with the approval of OPM, the authority to establish alternate job evaluation and payment systems for jobs which are above a GS–15.

The Senate recedes.

The Senate bill provides the chief operating officer with authority to develop category rating systems for evaluating job applicants for the competitive service.

The Senate recedes.

The Senate bill provides the COO with the authority to hire 25 technical and professional employees to support the PBO.

The House recedes.

The Senate bill, but not the House bill, authorizes the Chief Operating Officer to use the authority of the Secretary to procure property and services.

The House recedes with an amendment to delete ", direction, and control".

The House and Senate bills both require that, with the exception of the specific flexibilities contained within the HEA, the PBO must comply with all generally applicable procurement laws and regulations.

The Senate recedes.

The House bill authorizes the PBO to hire experts and consultants without regard to section 3109 of title V. The Senate bill authorizes the PBO to hire no more than 25 technical or professional staff.

The Senate recedes.

The House bill requires that to the extent practicable the PBO use performance based contracts and services in accordance with the guidelines published by OFPP.

The Senate recedes.

The House bill requires the COO, to the extent practicable, to utilize services of organizations outside the government and to enter into fee for service arrangements for information services if the COO determines that these services will meet the requirement of the PBO. The Senate bill permits the COO to enter into an arrangement with a mutual benefit corporation.

The Senate recedes with an amendment to strike "to the extent practicable" and replace it with "where appropriate" and to strike "utilize services available outside the Federal Government in the delivery of Federal student financial assistance to achieve this purpose" and replace it with "acquire services related to the title IV delivery system from any entity that has the capability and capacity to meet requirements for the system." In blending the provisions from the House and Senate bills, the conferees require the COO to utilize services available from entities outside of the Department of Education whenever appropriate. In using the term "entity" in section 142, the conferees have sought to encompass a wide variety of organizations that could provide services to the PBO, including the National Student Loan Clearinghouse and mutual benefit corporations. A mutual benefit corporation is considered to be a corporation organized and chartered as a mutual benefit corporation under the laws of any state governing the incorporation of nonprofit corporations.

The House bill, but not the Senate bill, authorizes the PBO to create focus groups to provide advice on matters pertaining to student financial aid.

The House recedes.

The Senate bill, but not the House bill, permits the PBO to utilize two-phase selection procedures.

The House recedes.

The Senate bill, but not the House bill, permits the PBO to utilize flexible wait-periods and deadlines for the procurement of noncommercial items.

The House recedes.

The Senate bill, but not the House bill, permits the PBO to utilize modular contracting.

The House recedes.

The Senate bill, but not the House bill, permits the PBO to utilize simplified procedures for Small Business Set-Asides for services other than commercial items.

The House recedes.

The Senate bill, but not the House bill, requires the COO, in consultation with the Administrator of OFPP, to issue guidance for the use of the flexibilities contained within this Act.

The House recedes.

The Senate bill, but not the House bill, requires OFPP to provide the PBO with guidance regarding the use of the flexibilities contained within this Act and to ensure that these flexibilities are utilized in a manner consistent with the flexibilities authorized for any other PBO.

The House recedes.

The Senate bill, but not the House bill, requires OFPP to ensure that the procurements made by the PBO are consistent with the guidance provided by OFPP.

The House recedes.

The Senate bill, but not the House bill, prohibits any department or agency from using the procurement authority of the PRO unless the purchase is approved in advance by the appropriate contracting officer of that agency.

The House recedes.

The Senate bill, but not the House bill, contains definitions relevant to the procurement flexibilities provided to the PBO.

The House recedes with an amendment to strike the definition of "mutual benefit corporation".

SIMPLIFICATION

The House bill, but not the Senate bill, authorizes the Secretary to participate in setting consensus standards for electronic transmission of data.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, except for the FAFSA, requires that the Secretary adopt consensus standards and common data elements for transactions in order to enable program participants to electronically exchange information.

The Senate recedes with an amendment to encourage the Secretary to adopt voluntary consensus standards.

The House bill, but not the Senate bill, requires that the adopted consensus standards be those developed by a standard setting organization open to entities engaged in student aid delivery and that the standards be consistent with the goal of reducing costs.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, requires the chief operating officer (i) to participate in the activities of a standard setting organization; (ii) to encourage higher ed groups to participate in these activities for the purpose of development common forms and procedures; and (iii) pay fees associated with this participation.

The Senate recedes with an amendment striking reference to subsection (j).

The House bill, but not the Senate bill, requires the Secretary to follow negotiated rulemaking procedures for the adoption of new standards.

The House recedes.

The House bill, but not the Senate bill, identifies 3 areas which should be addressed by the voluntary consensus standards process: (i) single electronic personal identifier; (ii) procedures for using electronic signatures; and (iii) single institution identifiers.

The House recedes.

The House bill, but not the Senate bill, specifically allows the use of clearinghouses for complying with standards for data exchange.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, requires the Department of Education to comply with these standard setting requirements within 12 months of the date of enactment. NSLDS must be compliant within 18 months after the date of enactment and no compliance deadline is provided with respect to IPEDS.

The House recedes.

The House bill, but not the Senate bill, requires anyone having or transmitting data to maintain safeguards protecting the integrity and confidentiality of the information and protecting the information from any unauthorized use.

The Senate recedes.

The House bill, but not the Senate bill, provides for the authorization of appropriations to carry out these data standardization activities and requires the Secretary to fund such efforts from the Department's administrative accounts if no separate funds are appropriated.

The House recedes.

The House bill, but not the Senate bill, defines voluntary consensus standard; standard setting organization and clearinghouse.

The Senate recedes with an amendment.

The Senate bill, but not the House bill, establishes a Student Loan Ombudsman within the Department of Education.

The House recedes with an amendment to fold into the PBO and appropriate conforming changes.

TITLE II—TEACHER QUALITY

OVERVIEW OF CONFERENCE AGREEMENT

Title II of the Higher Education Amendments of 1998 provides a single authorization for three separate grant programs focusing on improving student achievement, improving teacher quality, holding institutions of higher education accountable for preparing well qualified teachers and recruiting highly qualified teachers. Specifically, 45% of the total amount will be for State Grants; 45% will be for Partnership Grants; and 10% will be for Recruitment Grants.

Under the State Grants, Governors or appropriate educational entities, agencies or individuals—whoever is determined by the State constitution or law to have authority for teacher certification and preparation activities—will have the ability to use funds to improve the accountability of teacher preparation programs; reform teacher certification requirements; expand alternative routes to teacher certification; promote performance based-compensation for teachers; streamline the process for removing incompetent or unqualified teachers; recruit highly qualified teachers; and implement efforts to end their practice of social promotion.

In addition, grants will be provided to Partnerships of institutions of higher education, schools of arts and sciences; high need local education agencies; and others. Funds provided to these Partnerships are to be used for activities such as improving accountability of teacher preparation programs; providing clinical experience and professional development; and for the recruitment of highly qualified teachers.

A separate grant provides both States and Partnerships the ability to compete for funds specifically targeted toward teacher recruitment.

This title also includes strong accountability for States and Partnerships receiving grants to ensure funds are being effectively used to improve student achievement and raise the level of teacher quality. In addition, each institution of higher education receiving federal assistance will be held accountable for disseminating information on the quality of their program based upon criteria such as the pass rates of their graduates on teacher assessment, where appropriate.

States will also be required to identify poor performing teacher preparation programs. Those programs loosing State support will be prohibited from accepting or enrolling any student, who receives aid under title IV of the Higher Education Act, in the institution's teacher preparation program.

With regard to reporting requirements contained in this Title, the conferees reiterate the importance of maintaining and protecting the privacy of individual students whose assessment scores are being reported.

The conferees recognize in the Special Rule in Section 209 that some states do not currently have state certification, licensure or assessments, while other states do not require passage of such assessments for teacher certification. The conferees agree that nothing in this Title should be construed to force States to implement certification, licensure or assessments in order to receive funds under this Title. In determining eligibility for grants, measuring improvement or reporting data for such States or partnerships in those States, the Secretary shall develop comparable measures. The conferees reaffirm that partnerships located in these states are eligible for funding if the partner institution meets one of the provisions found in Sec. 203(b)(2), other than Sec. 203(b)(2)(A)(i).

The conferees agree that while nothing in this Title shall be construed to permit, allow, encourage or authorize the Secretary to establish or support any national system of teacher certification, States and institutions shall be free to receive assistance from or work in cooperation with national organization concerned with teacher certification.

CONFERENCE NOTES

The House bill contains two parts, Teacher Quality Enhancement Grants (Part E) and Accountability for institutions of higher education that prepare teachers (Part F) while the Senate provisions relating to Teacher Quality are divided into 3 subparts in part A: Teacher Quality Enhancement Grants, Teacher Training Partnership Grants and General Provisions.

The Senate recedes with an amendment establishing Teacher Quality Enhancement Grants which are comprised of three competitive grant programs: State Grants, Partnership Grants, and Teacher Recruitment Grants.

The House bill contains purposes for this part while the Senate bill contains purposes for the title. Otherwise, provisions are similar.

The House recedes with an amendment to include the list of subject areas from (1) of the House bill in (3) of the Senate bill between "teach" and "including" and to add (3) from the House bill to the list of purposes after striking "high quality" and inserting "highly qualified".

The House bill, but not the Senate bill, defines an "eligible grant recipient" for purposes of Sec. 273(b) and for purposes other than Sec. 273(b). The Senate bill, in Subpart 1—Teacher Quality Enhancement Grants—authorizes the Secretary to award grants to States and further provides for a procedure for State designation.

The Senate recedes with an amendment to have the language read as follows:

(b)(1) In this title, the term "eligible State" means (A) the Governor of a State; or (B) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification and preparation activities, such individual, entity or agency.

(2) Consultation.—The Governor and the individual, entity, or agency designated under paragraph (1)(B) shall consult with the Governor, State board of education, State educational agency, or state agency for higher education, as appropriate, with respect to the activities assisted under this section.

(3) Construction.—Nothing in this subsection shall be construed to negate or supersede the legal authority under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

The House bill and the Senate bill have similar provisions relating to the application process though the Senate bill has a more extensive applications process for the "Teacher Training Partnerships."

The Senate recedes with respect to the contents of the application for state grants.

Use of Funds: The House bill and the Senate bill outline uses of funds for grants to States. Some provisions are similar.

The House bill and the Senate bill have similar provisions. The House bill refers to current and future teachers while the Senate bill refers to new teachers. The Senate bill references teaching skills.

The House recedes with an amendment adding teaching skills throughout this Title.

Similar provisions. Minor differences in language.

The House recedes with an amendment to add a definition for "Arts and Sciences".

Similar provisions. Minor language differences.

The House recedes with an amendment to insert "including mid-career profesionals from other occupations, paraprofessionals, former military personnel and recent college graduates with records of academic distinction."

Similar provision. Language differences.

The House recedes with an amendment to strike "and to remove teachers who are not qualified." and substitute "and to expeditiously remove incompetent or unqualified teachers consistent with procedures to ensure due process for the teacher."

Similar provisions. Language differences.

The Senate recedes with structural changes to reflect the agreement reached on recruitment.

The House bill but not the Senate bill includes as an allowable use of funds managerial skills for principals and superintendents.

The Senate recedes with an amendment to move this language to section 203(e) Allowable Uses of Funds (for the partnership) as a permissive activity and modifies the language to read: "(7) Developing and implementing proven mechanisms to provide principals and superintendents with effective managerial and leadership skills resulting in increased student achievement."

The Senate bill but not the House bill includes social promotion as a use of funds under the State grants.

The House recedes.

The House bill and the Senate bill contain similar language on Peer Review panels though the Senate provisions relate only to the grants in Subpart 1 (Teacher Quality Enhancement Grants to States).

The Senate recedes with an amendment to have the Peer Review panels review both State and partnership grants and moves this provision to the "General Provision" section.

The House bill and the Senate bill have similar language relating to Priority consideration for grants, though the Senate provisions relate only to the grants in Subpart 1 (Teacher Quality Enhancement Grants to States).

The Senate recedes with an amendment to add "teaching skills" to the priority concerning reforms of state teacher certification requirements and also adding the Senate provision dealing with efforts at reducing the shortage of highly qualified teachers in high poverty areas to the list of priority applicants for the State grants.

The House bill includes language on Priority consideration for "eligible partnerships." The Senate bill contains language on priority consideration for "teacher training partnerships" that involve businesses.

The House recedes with an amendment which awards priority to applications from eligible partnerships which involve businesses and take into consideration providing an equitable geographic distribution of the grants throughout the United States and the potential of the proposed activities for creating improvement and positive change.

The House bill, but not the Senate bill, requires that the panel assign applications rank.

The House recedes.

The House bill, but not the Senate bill, requires the panels to make recommendations to the Secretary with respect to the amount of the grant. The House bill requires that ⅓ of the funds be spent on "eligible partnerships."

The House recedes.

The House bill, but not the Senate bill, includes provisions on Secretarial selection.

The Senate recedes with an amendment to strike "panel's recommendation" and replace with "process", and to strike subparagraph (B) which required the Secretary to select grants based upon the ranking of the peer review panel.

The House bill, but not the Senate bill, contains provisions for distributing funds by formula if funds appropriated for the part exceed $250,000,000.

The House recedes.

The House bill, but not the Senate bill, distributes funds to States that submit applications in an amount that bears the same ratio to the amount appropriated as the school age population ages 5-17 of all States, except that no State shall receive less than ¼ of 1 percent of the total when funds for this part exceed $250,000,000.

The House recedes.

Both the House and Senate bills contain similar language on matching requirements for States.

The conferees established that the matching requirement for the State grants and the teacher recruitment grants would be 50 percent of the grant amount to be matched with non-Federal sources (in cash or kind) while a partnership receiving a grant must match, from non-Federal sources (in cash or kind), an amount equal to 25 percent of the grant in the first year, 35 percent for the second year, and 50 percent for each succeeding year.

The House bill, but not the Senate bill, includes a limitation on administrative expenses at no more than two percent of grant funds.

The Senate recedes with an amendment to strike "administrative costs" and to add "for purposes of administering the grant".

The House bill and the Senate bill include requirements for accountability reports that must be provided by grant recipients. The Senate provisions related to only the "Teacher Quality Enhancement Grants" (grants to States) while the House bill applies to both State grants and partnerships. (Some of the provisions are similar.)

The House recedes. The conferees agreed to an Accountability and Evaluation section which requires an annual accountability report by the eligible State and an evaluation plan by the eligible partnership, which is also to be reported on annually.

The Senate bill but not the House bill, includes increased student achievement as a goal for a State to describe progress toward in their accountability report.

The House recedes with an amendment striking "as measured by increased graduation rates, decreased dropout rates, or higher scores on local, State, or other assessments" and replace with "as defined by the eligible State".

The Senate bill, but not the House bill, includes increasing initial certification or licensure as a goal for a State to describe progress toward in their accountability report.

The House recedes.

The House and Senate bills contain similar provisions regarding increasing the percentages of secondary school classes in core academic subject areas taught by teachers with an academic major or who have demonstrated competence through a high level of performance in their subject area and elementary school classes taught by teachers with an academic major in the arts and sciences or have demonstrated competence through a high level of performance in core academic subjects.

The House recedes.

The Senate bill, but not the House bill, includes technology as a goal for a State to describe progress toward in their accountability report.

The House recedes.

The House bill, but not the Senate bill, includes requirements that lead institutions have an 80 percent minimum pass rate on applicable State qualifications for new teachers in order to be eligible to compete for funds under this part and that in succeeding years, all institutions within a State shall meet a minimum pass rate of 70 percent.

The Senate recedes with an amendment which clarifies what a partner institution must do in order to participate in a partnership by defining "Partner Institution" in Section 203.

The House bill and the Senate bill have the same provisions relating to information on teacher qualifications being provided to parents, though the Senate bill requires that LEAs inform parents that they are able to receive this information upon request.

The House recedes.

The House bill but not the Senate bill includes "limitations" provisions relating to prohibitions on federal control of education.

The Senate recedes with an amendment to modify Sect. 209(c)(3) so that it reads:

"NATIONAL SYSTEM OF TEACHER CERTIFICATION PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize the Secretary to establish or support any national system of teacher certification."

The House bill defines "eligible partnerships" in part E while the Senate bill defines "Teacher Training Partnerships" for the purposes of Subpart 2 of Part A, Teacher Training Partnership Grants.

The Senate recedes with an amendment to clarify that teacher training partnerships shall include: an institution of higher education which has either: an 80% pass rate on applicable State qualification assessments for new teachers, including an assessment of each prospective teacher's subject matter knowledge in their content area; or is ranked among the highest performing teacher preparation programs in the State as determined by the State; or currently requires students enrolled in the teacher preparation program to participated in intensive clinical experiences, to meet high academic standards, and for secondary school candidates to complete an academic major in their subject area or demonstrate competence through a high level of performance in their subject area and for elementary school candidates, to have an academic major in the arts and sciences or demonstrate competence through high levels of performance in their core academic subject areas.

The Senate bill, but not the House bill, defines "high need" for the purposes of teacher training partnerships.

The House recedes.

The Senate bill, but not the House bill, limits partnerships to receive only one grant.

The House recedes with amendment clarifying that States, partnerships and entities receiving a recruitment grant receive only one grant.

The Senate bill includes "Use of Funds" provisions for "Teacher Training Partnership" grants while the House bill contains "Partnership Activities" language in sec. 273(b).

The Senate recedes with an amendment defining required uses of funds and allowable uses of funds by combining several of the Senate provisions with the House provisions.

The Senate bill but not the House bill specifies that no one member of the partnership may retain more than 50% of funds made available to the partnership.

The House recedes with an amendment to modify Sec. 203(f) so that it reads: "SPECIAL RULE.—No individual member of an eligible partnership shall retain more than 50 percent of the funds made available to the partnership under this section.

The Senate bill but not the House bill allows for coordination among more than one Governor, State Board of Education, State educational agency, or State agency for higher education.

The House recedes with an amendment to add local educational agency.

The Senate bill, but not the House bill, has a separate application process for "teacher training partnership" grants. The House bill includes a more limited application process.

The Senate recedes with an amendment which sets forth, in Sect. 203(c), the requirements of the application process for the partnership grants while retaining several of the Senate provisions.

The Senate bill, but not the House bill, contains separate accountability and evaluation provisions for "teacher training partnership" grants.

The Senate recedes with an amendment which sets forth the accountability requirements for the partnership grants in Sect. 206(b) which require an evaluation plan with strong performance objectives to be included in an eligible partnership's application. The plan shall include objectives and measures for increased student achievement; increased teacher retention; increased success in the pass rate for initial State certification or licensure of teachers; an increased percentage of secondary school classes taught in core academic subject areas by teachers with academic majors in their subject areas or who can demonstrate a high level of competence through performance in their subject area, and for an increasing percentage of elementary school classes taught by teachers with academic majors in the arts and sciences or who can demonstrate a high level of competence through performance in core academic subject areas; and for increasing the number of teachers trained in technology.

The Senate bill but not the House bill includes provisions relating to the revocation of grants.

The House recedes with an amendment striking ", after consultation with the peer review panel described in section 213(b),".

The Senate bill but not the House bill includes provisions on evaluation and dissemination of information.

The House recedes.

The Senate bill, but not the House bill, calls on the Secretary to conduct a comparative study on teacher training through the National Center for Education Statistics.

The Senate recedes.

The Senate bill, but not the House bill, requires National Center for Education Statistics to develop key definitions and uniform methods of calculation for terms related to teacher preparation.

The House recedes with an amendment to replace "six months" with "nine months"; and to move "for terms" after "key definitions".

The conferees agreed to the following:

Development of common definitions and uniform reporting methods

Within 9 months of the date of enactment, the Commissioner of the National Center for Education Statistics, in consultation with States and institutions of higher education, shall develop key definitions for terms, and uniform reporting methods including the key definitions for the consistent reporting of pass rates related to the performance of elementary and secondary school teacher preparation programs.

The House bill and the Senate bill require that States receiving funds under this Act provide the Secretary with information relating to teacher preparation. While the language is similar, the House bill requires information to be submitted within one year of the date of enactment and the Senate bill within 2 years of the date of enactment.

The House recedes.

The House bill, but not the Senate bill, includes provisions regarding teacher subject matter knowledge in the data that the Secretary must collect from a State.

The Senate recedes.

Similar provision. Language differences.

The House recedes with an amendment to insert "and ranked" after "desegregated".

The Senate bill, but not the House bill, includes percentage of teaching candidates with passing scores.

The House recedes with an amendment to strike "cut score" and insert "passing score".

The Senate bill, but not the House bill, requires that assessment and standards be aligned.

The House recedes.

The Senate bill, but not the House bill, requires reporting on alternative routes to certification.

The House recedes.

The Senate bill, but not the House bill, requires criteria for assessing performance of teacher preparation programs.

The House recedes.

The Conferees agreed to the following:

State report card on the quality of teacher preparation

The conferees agreed to the following general language: Each State receiving funds under this Act shall provide to the Secretary, within two years of the date of enactment, and annually thereafter, in a uniform and comprehensible manner, a State report card on the quality of teacher preparation in the State, including: a description of certification and licensure assessments used by the State; standards and criteria that prospective teachers must meet in order to attain initial certification or licensure; a description of the extent to which the State's teacher assessments and requirements are aligned with the State's standards and assessment for students; the percentage of teaching candidates who passed the State's assessments disaggregated and ranked by the teacher preparation program in the State, and the State's passing score for each such assessment; the percentage of teaching candidates who passed the State's assessments, disaggregated and ranked; information on the extent to which teachers in the State are given waivers of State certification or licensure requirements; a description of each State's alternative routes to teacher certification and the percentage of teachers certified through alternative routes who pass State certification and licensure assessments; a description of the proposed criteria for assessing the performance of teacher preparation programs; information on the extent to which teachers or prospective teachers in each State are required to take examinations or other assessments of their subject matter knowledge in the subject they teach.

Initial report on specific data

The conferees agreed to the following general language: Each State that receives funds under this Act, not later than six months after the date of enactment, shall submit to the Secretary information concerning a description of teacher certification and licensure assessments used by the State; the percentage of teaching candidates who passed the State's assessments, disaggregated and ranked; and information on the extent to which teachers in the State are given waivers of State certification or licensure requirements. Such information shall be compiled by the Secretary and submitted to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House Representatives not later than 9 months after the date of enactment. However, no State is required to gather information that is not in the possession of the State or the teacher preparation programs in the State, or readily available.

The House bill and the Senate bill both require that information regarding pass rates be provided to the public.

The House recedes.

The Senate bill but not the House bill requires institutions of higher education that conduct teacher preparation programs that enroll students receiving federal assistance report information to the State and general public regarding its teacher preparation program.

The House recedes.

The Senate bill but not the House bill allows the Secretary to impose a fine not to exceed $25,000 on a program that fails to provide information in a timely or accurate manner.

The House recedes.

The Conferees agreed to the following:

Institutional report cards on the quality of teacher preparation

The conferees agreed to the following general language: Each institution of higher education that conducts a teacher preparation program which enrolls students receiving Federal assistance under this Act, not later than 18 months after the date of enactment, and annually thereafter, shall report to the public on their pass rates; program information; accreditation; and whether they have been designated as low-performing by the State. This information shall be made widely available. The Secretary may impose a fine not to exceed $25,000 for failing to provide this information in a timely or accurate manner.

The House bill, but not the Senate bill, requires the Secretary to coordinate all the information collected among States for individuals who took State teacher licensing assessment in a State other than the one in which the individual received his or her most recent degree.

The Senate recedes.

The Conferees agreed to the following:

Report of the Secretary on the quality of teacher preparation

Report card: The conferees agreed to the following general language: The Secretary shall provide to Congress and make widely available a report card on teacher qualifications and preparation in the United States, including all the information included in the State Report Card. Such report will identify States which received grants as eligible States or eligible partnerships under this title. This report shall be published and made available not later than two years and six months after the date of enactment.

Report to Congress: The Secretary shall report to Congress a comparison of State's efforts to improve teaching quality and the national mean and median scores on any standardized test that is used in more than one state for teacher certification or licensure.

Special rule: When fewer than 10 graduates take a particular licensure or certification assessment in a given year, the Secretary shall collect and publish this information with respect to average pass rates taken over a three-year period.

The House bill and the Senate bill require that States establish accountability measures for identifying low-performing institutions. The Senate bill includes additional language not included in the House bill and requires action no later than 3 years after the date of enactment while the House bill requires action no later than one year after date of enactment. In addition, the House bill requires identification of schools where less than 70% of graduates passed the state test while the Senate bill has no numerical cut off.

The House recedes with an amendment regarding identification of low-performing institutions, as described below.

The House bill and the Senate bill include similar provisions relating to identifying low performing institutions as well as provisions that specify circumstances where a school or program of education would lose eligibility for professional development activities awarded by the Department and the Title IV programs under this Act.

The Senate recedes with an amendment to insert “and assist, through the provision of technical assistance” after “identify”; to allow 2 years “to publish and disseminate the measures and the list of low-performing teacher preparation programs publicly and widely”; and to provide that the termination of eligibility provisions will take effect not later than three years after enactment of the Higher Education Amendments of 1998.

The Conferees agreed to the following:

State accountability procedures

State assessment: The conferees agreed to the following general language: In order to receive funds under this Act, a State, not later than two years after the date of enactment, shall have in place a procedure to identify, and assist, low performing programs of teacher preparation within institutions of higher education. Such State shall provide the Secretary an annual list of low performing institutions that includes an identification of those institutions at-risk of being placed on the list. Such performance levels shall be determined solely by the State.

Termination of eligibility: Any institution of higher education that offers a program of teacher preparation in which the State has withdrawn the State's approval or terminated the State's financial support due to low performance, shall be ineligible for any funding for professional development activities awarded by the Department of Education and shall not be permitted to enroll or accept any student receiving Title IV aid.

The House bill, but not the Senate bill, contains specific provisions to address situations where a State has no State licensing or credentialing assessment.

The Senate recedes with an amendment creating a Special Rule in section 209(b) to address this situation.

The House bill, but not the Senate bill, specifies that the Secretary submit such proposed regulations to a negotiated rulemaking process.

The Senate recedes.

The House bill authorizes such sums as necessary for Part E of Title II (teacher quality initiative), while the Senate bill authorizes $300 million for Part A of Title II (teacher quality initiative).

The House recedes.

The Senate bill, but not the House bill, designates that 50 percent of appropriated funds be spent on State grants and 50 percent be spent on partnership grant activities. The House bill requires that ⅓ of funds be spend on partnerships.

The House recedes with an amendment to provide that 45% of the funds will be provided for state grants, 45% for partnership grants, and 10% for recruitment.

The Senate bill, but not the House bill, authorizes a separate program in Part B, entitled “Recruiting New Teachers for Underserved Areas.” It is authorized at $37 million.

The Senate recedes with an amendment establishing Teacher Recruitment Grants in section 204 which provide competitive grants to eligible States described in section 202(b) or eligible partnerships described in section 203(b).

TITLE III—INSTITUTIONAL AID

The House and Senate bills transfer the Minority Science and Engineering Improvement Program from Title X to Title III. The Senate bill, but not the House bill, also transfers the HBCU Capital Financing Program from Title VII to Title III.

The House recedes.

The Senate bill strikes paragraph (3) which contains administrative provisions applying to the Science Engineering Access Program which is repealed in the Senate bill.

The House recedes.

The Senate bill, but not the House bill, adds a new finding related to use of effective technology.

The House recedes.

The House bill, but not the Senate bill, provides that special consideration is to be given to institutions with low endowments and low expenditures on library material. The Senate bill maintains current law.

The House recedes.

The House bill, but not Senate bill, replaces that special consideration list in current law with a new special consideration for projects creating smart buildings.

The House recedes.

The Senate bill, but not the House bill, adds high technology equipment to the special consideration related to equipment.

The Senate recedes.

The House bill, but not the Senate bill, includes a new section on authorized activities, which are similar to Hispanic-serving, tribal and HBCU.

The Senate recedes with an amendment to authorize the use of funds to create smart buildings and to develop and improve academic programs.

The House and Senate bills authorize the use of funds to establish or improve an endowment fund.

The House bill, but not the Senate bill requires the matching funds to be from nonfederal sources.

The Senate recedes.

The Senate bill, but not the House bill, applies the endowment provisions in existing part C to the new endowment provision. The House bill requires the Secretary to publish regulations.

The House recedes.

The House bill, but not the Senate bill, defines “endowment fund” in Section 312. The Senate bill cross references the same definition as contained in Part C.

The Senate recedes.

The House and Senate bills, using comparable language, require a two-year waiting period before a new grant can be applied for.

The House recedes.

The House bill, but not the Senate bill, excludes planning grants and cooperative arrangement grants, from the wait-out period and priority limitations.

The Senate recedes.

The House bill, but not the Senate bill, strikes the application process section and moves it to general provisions and inserts a general application requirement.

The Senate recedes

SECTION 316: AMERICAN INDIAN PROGRAM

The House and Senate bills establish a separate title for support of Hispanic serving institutions and insert a new program for American Indian Tribally Controlled Colleges and Universities.

The House bill lists endowment as an authorized use.

The House recedes.

The Senate bill permits an American Indian Tribally Controlled College or University to use not more than 20% of its grant under this section for the purpose of establishing and improving an endowment.

The House recedes.

The Senate bill, but not the House, bill, includes a new section for Alaska Native and Native Hawaiian-serving institutions.

The House recedes.

The House bill inserts “establishment and improvement of endowment funds” as an authorized use of funds, while the Senate bill includes a new subsection for the same purpose.

The House recedes.

The Senate bill creates a new subsection for endowment fund. Both bills limit use to 20% of grant money, but House bill limit is defined in terms of fiscal year. The House and Senate bills require an institution to provide matching funds, but the House bill requires that these funds come from non-federal funds.

The Senate recedes.

The House bill authorizes the Secretary to publish regulations, while the Senate bill applies the provisions of Part C.

The House recedes.

The House bill eliminates the prohibition against using Title III funds for telecommunications equipment if funds are available under 396(K) of the Communications Act of 1934.

The Senate recedes.

The House bill, but not the Senate bill, limits other graduate programs to those in mathematics or physical or natural sciences.

The Senate recedes with an amendment to add “engineering”.

The House bill requires matching funds for any amount over $500,000, while the Senate bill requires that only that part of a grant in excess of $1 million be matched.

The House recedes.

The House bill rewrites paragraph (2) while the Senate bill adds a new sentence clarifying the match requirement. The House bill strikes the reference to Morehouse and includes a reallocation plan if funds remain after the initial distribution.

The Senate recedes with an amendment to strike “$500,000” and insert “$1,000,000”.

The House bill, but not the Senate bill, revises the list of authorized uses of funds—adding one activity dealing with financial assistance and eliminating 6 activities authorized under current law.

The Senate recedes.

The House bill, but not the Senate bill, substitutes “are the following” for “include ” in order to clarify that the list is not subject to change.

The Senate recedes.

Both bills add “qualified graduate program” to schools listed in (F) through (J), but the Senate bill also adds it to the school listed in (E).

The Senate recedes with an amendment to strike “(F)” and insert “(E)”.

The House bill, but not the Senate bill, strikes paragraphs 2 and 3 and rewrites each. Paragraph 2 modifies “qualified graduate program” by requiring schools to have students enrolled in the program at the time of application and that the program be accredited.

The Senate recedes with an amendment to strike the reference to “accredited” and to permit institutions to use not more than 10% of their grant for the development of new eligible programs.

The House bill, but not the Senate bill, provides that institutions receiving funds prior to October 1, 1998, shall continue to receive grants (subject to appropriations) regardless of eligibility of new institutions.

The Senate recedes.

The House bill, but not the Senate bill, allows for institution Presidents to decide which graduate or professional school will receive the funds.

The Senate recedes with an amendment to clarify that the decision regarding the school or program to receive funds must be specified in the application.

The House bill, but not the Senate bill, makes the first $26 million available for (A) through (P) institutions and changes the current $12,000,000 to $26,000,000. The Senate bill changes $12 million to $15 million.

The Senate recedes with an amendment to increase $26 million to $26.6 million.

The House bill, but not the Senate bill, includes subparagraphs (A) through (P) in funding, while the Senate keeps current law which covers these institutions.

The Senate recedes.

The House bill, but not the Senate bill, allocates the 1st million over $26 million to (Q) and (R) institutions. The Senate bill provides that funds in excess of $15 million but less than $28 million is for grants to institutions in (F)–(P) and secondly for (Q) and (R).

The Senate recedes with an amendment to strike "$1 million" and insert "$2 million", and to strike "$26 million" and insert "$26.6 million".

The House bill requires the Secretary to develop a formula for distributing funds in excess of $27 million and to consider 3 factors. The Senate bill requires the Secretary to distribute funds in excess of $28 million on a competitive basis that takes into account 5 criteria.

The Senate recedes with an amendment to strike "$27 million" and insert "$28.6 million"; and to require the formula to include the ability of the institution to match funds, the number of students enrolled in the programs for which the institution is eligible to receive financing, the average cost of education per student in these programs, the number of students who received their first professional or doctoral degree, and the percent contribution of the institution to the nationwide number of African Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for which the institution is eligible to receive funds.

The House and Senate bills contain provisions designed to ensure that current participants maintain current funding levels after the addition of the two new institutions.

The Senate recedes with an amendment to insert at the end of the subsection ", or the institution or program cannot provide sufficient matching funds to meet the requirements of this section."

The Senate bill, but not the House bill, modifies the formula for establishing maximum grant size to reflect reduced authorization levels.

The House recedes.

The Senate bill but not the House bill, moves HBCU capital financing to title III.

The House recedes on placement in Part D of Title III.

The Senate bill but not the House bill, adds an additional subparagraph expanding what is defined as a "capital project".

The House recedes with an amendment to include 4 provisions recommended by the Department of Education and the HBCU Capital Financing Advisory Board, including a change in the definition of capital project, reduction of escrow from 10% to 5%; authority to offer technical assistance; and an amendment to the definition of board membership.

The Senate bill, but not the House bill, adds 2 subparagraphs concerned with capital projects, one covers maintenance and storage areas, the other outpatient health care.

The House recedes.

The Senate bill, but not the House bill, adds subpoint (e) to the end of section 343, which allows the Secretary of Education to sell qualified bonds when it is in the best interest of the institution.

The House recedes.

The House bill, but not the Senate bill, redesignates Part D as Part E and creates 1 science and engineering improvement program taken from title X, part B. The Senate bill moves existing Title X, part B. subparts 1 and 3 to title III and designates it as part E—keeping just the minority science improvement program.

The House recedes with an amendment to insert "and Engineering" after "Science" in subsection (a).

The Senate bill, but not the House bill, creates a findings section.

The House recedes.

The House bill creates a new program, while the Senate bill retains current law. The new program created by the House authorizes funds to:

The House recedes.

The House bill, but not the Senate bill, allows the Secretary to make grants to minority institutions, organizations, and entities to do programs and activities as authorized. The Senate bill retains current law.

The House recedes with an amendment to require that one category of applicant be a four-year public or private nonprofit minority institution; to provide that any community college applicant must enter into a partnership with a four-year institution and must offer math and engineering courses; and to include the consortia provisions of the House bill.

The House bill, but not the Senate bill, states that the Secretary will appoint not less than 1 technical employee to administer the program. The Senate bill retains current law and requires not less than 2 technical employees.

The House recedes.

The House bill consolidates the provisions related to application procedures.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to develop a preliminary application.

The Senate recedes with an amendment to change "shall" to "may."

The Senate bill, but not the House bill, excludes institutions participating in part D (HBCU capital financing) and part E (minority science improvement) from the requirement of preparing a comprehensive development plan.

The House recedes.

The House bill, but not the Senate bill, requires information related to GPRA.

The House recedes.

The House bill, but not the Senate bill, exempts Tribal Colleges from being in compliance with certain state plans.

The Senate recedes.

The House bill, but not the Senate bill, amends section 352(a) to allow the Secretary to waive requirements for a grant for tribal colleges.

The Senate recedes.

The House bill, but not the Senate bill, changes Native American colleges and universities to Tribal Colleges and Universities and eliminates subparagraph (a) dealing with examples of special consideration.

The Senate recedes on the redesignation of Native American colleges and universities.

The House recedes on the elimination of subparagraph (A).

The Senate bill, but not the House bill, excludes the peer review provisions from applying to applications submitted under Part D (HBCU capital financing).

The House recedes.

The Senate bill, but not the House bill, strikes waiver applicability to programs under titles IV, VII or VIII and inserts part D, title IV, reflecting the transfer of the HBCU Capital Financing Program from title VII to part D, title III.

The House recedes.

The House bill, but not the Senate bill, adds a new section 355 for continuation awards.

The Senate recedes.

The Senate bill authorizes Tribal Colleges at $5 million in fiscal year 1999 and "such sums", while the House bill sets the authorization at $10 million in FY 1999 and "such sums".

The Senate recedes.

The Senate bill, but not the House bill, authorizes $5 million in FY 1999 and "such sums" in the 4 succeeding fiscal years for new Native Alaska and Native Hawaiian program.

The House recedes.

Both bills change the Part B funding authorization date to 1999.

Both bills change the Section 326 authorization date to 1000. The Hose bill changes the dollar amount to $35,000,000 and the Senate bill changes the dollar amount to $30,000,00 for graduate programs.

The Senate recedes.

Both bills change the Part C authorization date to 1999 and the dollar amount to $10,000,000 for the endowment program.

The Senate authorizes funding for HBCU capital financing.

The House recedes.

The House bill authorizes for Part D, its modified minority science improvement, $10 million for 1999 and such sums. The Senate bill authorizes for part E, minority science improvement, $10,000,000 for fiscal year 1999 and such sums.

The House recedes.

The House bill, but not the Senate bill, strikes subsections c,d, and e authorizing reservation of funds, ratable reductions and additional reservations.

The Senate recedes

TITLE IV—STUDENT ASSISTANCE

PART A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

SUBPART 1—PELL GRANTS

ADVANCE FUNDING

The House bill strikes the 85-percent advance funding provisions. The Senate bill leaves the provision is place until the Secretary implements a new payment process.

The House recedes.

AMOUNT OF GRANT

The House bill establishes the authorized Pell maximum at $4,500 for academic year 1999–2000 and increases it by $200 in each subsequent year until academic year 2003–2004. The Senate bill establishes the authorized Pell maximum at $5,000 for academic year 1999–2000 and increases it by $200 in each subsequent year until academic year 2003–2004.

The Senate recedes with an amendment setting the following Pell maximums:

$4,500 for academic year 1999–2000
$4,800 for academic year 2000–2001
$5,100 for academic year 2001–2002
$5,400 for academic year 2002–2003
$5,800 for academic year 2002–2004

TUITION SENSITIVITY

The House bill, but not the Senate bill, raises the tuition sensitivity level to $3,000. The Senate bill modifies the formula by including in (ii) fees and allowing an institution to determine allowances for dependent care and disability-related expenses as is the practice allowed under need analysis.

The House recedes with amendment to raise the tuition sensitivity level to $2700 and strike "fees."

FEES IN LIEU OF TUITION

The House bill, but not the Senate bill, clarifies that fees that normally constitute tuition should be included as tuition. The provision applies to fees charged as of January 31, 1998.

ALLOWANCE FOR DEPENDENT CARE AND DISABILITY RELATED EXPENSES

The House bill increases the allowance for dependent care and disability related expenses to $1,500. The Senate bill strikes the $750 minimum allowance and allows the institution to determine the amount.

The House recedes.

MINIMUM PELL

The Senate bill, but not the House bill, establishes a minimum Pell at $200 deleting the current bump provisions which gives students a grant of $400 even though their need is calculated to be between $200 and $399.

The Senate recedes.

TWO PELL GRANTS A YEAR

The Senate bill, but not the House bill, includes new language requiring the Secretary to promulgate regulations implementing a provision that gives the Secretary the authority to allow a student to receive two Pell Grants during a single award year.

TIME LIMIT TO RECEIVE PELL

The Senate bill, but not the House bill, places a time limit on the period which students may receive a Pell Grant to 150 percent of the period normally required by a full-time student to complete a degree at the institution at which the student is in attendance, as determined by the institution. The Senate bill, but not the House bill, allows students to receive Pell Grants that exceed this period if the student is disabled.

The Senate recedes.

FIFTH-YEAR PELL

The Senate bill, but not the House bill, allows the Secretary to extend, on a case-by-case basis, Federal Pell aid to teaching students enrolled in postbaccalaureate teacher certificate courses required by state law.

The House recedes.

ENGLISH INSTRUCTION

The Senate bill, but not the House bill, allows a student to receive a Pell Grant to attend English language instruction only if not less than a minimum percentage of the students enrolled in the course complete the course, students enrolled are required to take a proficiency test upon completion, and not less than a minimum percent of students achieve a passing score on the test. The Senate bill, but not the House bill, requires the Secretary to develop regulations that specify the minimum percentage of students who complete the course of instruction, one or more proficiency tests, the minimum percent of student who must achieve a passing score on the tests, and any other requirements as necessary.

The Senate recedes

INSTITUTIONAL INELIGIBILITY BASED ON DEFAULT RATES

The House bill, but not the Senate bill, eliminates schools from participation in the Pell Grant program if their participation is eliminated in the loan programs due to high default rates. This provision only applies to institutions participating in the loan programs on the date of enactment. An institution is allowed to appeal its default rate before its participation in the Pell Grant program is eliminated.

The Senate recedes.

Subpart 2—Federal Early Outreach and Student Service Programs

Chapter 1—Federal TRIO Programs

DURATION OF GRANTS

The House bill, but not the Senate bill, sets all grants at four years instead of the current process of some awards lasting for four years and others five years.

The House recedes.

The House bill, but not the Senate bill, requires grants under 402H (Evaluation for Project Improvement) to be awarded for a period determined by the Secretary.

The Senate recedes.

MINIMUM GRANTS

The Senate bill, but not the House bill, increases the minimum grant amount. The House maintains the existing levels, whereas, the Senate increases the minimum level by $20,000 for each fiscal year. .

The Senate recedes.

PROCEDURES FOR AWARDING GRANTS AND CONTRACTS

The House bill, but not the Senate bill, requires an applicant to submit an application which contains information specified by the Secretary.

The Senate recedes.

PRIOR EXPERIENCE

The House bill, but not the Senate bill, requires the Secretary, in considering prior experience in awarding grants, to not vary from the level of consideration given such factor during FY1994–1997. The Senate bill maintains current law, using the level applied in FY1985. The House bill, but not the Senate bill, provides that TRIO Evaluation authority is not to be given prior experience consideration.

The Senate recedes. This provision updates, but does not change, current law.

ORDER OF AWARDS; PROGRAM FRAUD

The House bill restates current law with a change that excepts grants for evaluations for project improvements from the provision.

The Senate recedes.

AUTHORIZATION OF APPROPRIATIONS

The House bill and the Senate bill increase FY 1999 authorization of appropriations to $800,000,000 and $700,000,000, respectively.

The House recedes.

The House bill but not the Senate bill strikes the provision that allows the use of up to one-half of one percent of funds to obtain additional qualified readers and staff to review TRIO applications.

The House recedes.

WAIVER

The Senate bill, but not the House bill, allows the Secretary to waive the serve requirements for veterans if the Secretary determines the application of the service requirement to the veteran will defeat the purpose of the program.

The House recedes.

TALENT SEARCH

Permissible services

The House bill, but not the Senate bill, expands permissible services offered through Talent Search programs to include assistance in reentering school or receiving a GED or other alternative education programs for secondary school dropouts or postsecondary education.

The Senate recedes.

The House bill, but not the Senate bill, further expands Talent Search workshops and counseling to serve all family members.

The Senate recedes.

The Senate bill, but not the House bill, expands permissible service activities designed to acquaint youth from disadvantaged backgrounds with careers in which they are underrepresented.

The House recedes.

Counselors

The Senate bill, but not the House bill, includes counselors in the list of individuals who may be involved in Talent Search.

The House recedes.

UPWARD BOUND

Permissible services

The House bill, but not the Senate bill, expands permissible services to include counseling and workshops, in place of personal counseling.

The Senate recedes.

Work study

The House bill amends an existing Upward Bound service that involves activities designed to acquaint participants with the range of career options available to them by adding work-study as one of the permitted activities. The Senate bill adds a separate activity that permits funding work study positions in order to expose participants to careers requiring postsecondary degrees.

The House recedes.

Counselors

The Senate bill, but not the House bill, includes counselors in the list of individuals who may be involved in Upward Bound.

The House recedes.

Veterans

The House bill but not the Senate bill allows Upward Bound programs to offer special services to enable veterans to participate in postsecondary education.

The Senate recedes.

The House bill but not the Senate bill eliminates—for projects in which a majority of participants are veterans—the requirement that the project include instruction in math through precalculus, laboratory science, foreign language, composition and literature as part of the core curriculum.

The House recedes.

Maximum stipend

The Senate bill but not the House bill expands activities in Upward Bound to include summer work-study and permits higher stipends for Upward Bound students participating in summer work-study positions in the amount of $300/month during June, July and August.

The House recedes.

STUDENT SUPPORT SERVICES

Requirements for approval of applications

The Senate bill provides that, in approving an application, the Secretary is to consider the institution's current and past efforts to provide sufficient financial assistance to meet a student's full financial need and keep students' loan burden manageable. The House bill expands the current law by adding minimizing loan burden to the institution's assurance.

The House recedes with an amendment striking "at the institution" in subparagraph (A) and replacing it with "in the project."

POSTBACCALAUREATE ACHIEVEMENT

The House bill, but not the Senate bill, allows institutions to service students who have been accepted into, but are not yet enrolled in, a qualified graduate program.

The House recedes.

The House bill but not the Senate bill increases the maximum stipend to $3,200.

The Senate recedes with an amendment to increase the maximum stipend to $2,800.

STAFF DEVELOPMENT ACTIVITIES

Contents of training programs

The House bill but not the Senate bill expands training topics for staff development activities to include training in the use of educational technology.

The Senate recedes.

The Senate bill, but not the House bill, allows for leadership personnel to participate in authorized staff development activities.

The House recedes.

EVALUATION AND DISSEMINATION

Evaluations

In addition to minor wording changes, the Senate bill makes the purpose of the TRIO evaluation authority that of improving effectiveness of the program, rather than improving the operation of the program as in current law. The House bill continues current law, with the additional requirement that the evaluations are to investigate the effectiveness of alternative and innovative methods of increasing access.

The House recedes with an amendment to add "Such evaluations shall also investigate the effectiveness of alternative and innovative methods within Federal TRIO programs of increasing access to, and retention of, students in postsecondary education" at the end of (a)(2).

Replication and information dissemination

The Senate bill, but not the House bill, adds a new authority intended to disseminate and replicate best practices and provide technical assistance by authorizing grants to institutions carrying out TRIO and NEISP projects to expand their success by working with institutions that are not aided by these programs but that are serving low income, first-generation students.

The House recedes.

Chapter 2—National Early Intervention and Partnership Program

The House bill reauthorizes the NEISP.

The House recedes, as NEISP functions are incorporated into the new Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).

GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS (GEAR UP)

The GEAR UP program contained in the conference substitute combines elements of the existing National Early Intervention Scholarship Partnership Program, the CONNECTIONS Program included in the Senate bill, and the High Hopes program included in the House bill. Authorized at $200 million for fiscal year 1999 and such sums as may be necessary for the 4 succeeding fiscal years, the program encourages States and university partnerships to provide support services to students or cohorts of students who are at-risk of dropping out of school and providing information, encouragement and means to pursue postsecondary study. Under the GEAR UP program funds can be used for a variety of activities, such as providing eligible students or cohorts of students with comprehensive mentoring, support services, outreach services, tutoring, and academic assistance.

The State-based component of the program remains virtually unchanged from the current NEISP program. State programs must have a scholarship component. In making State grants, the Secretary is required to give priority to programs with a demonstrated commitment to early intervention and which carried out successful educational opportunities programs under this chapter prior to the 1998 Higher Education Act Amendments.

The partnership component of the GEAR UP program must focus on a cohort of students beginning not later than the 7th grade, in which at least 50 percent of the students are enrolled or eligible for free or reduced price lunch. Provision of scholarships is not required of the partnerships, but the conferees would encourage the Secretary to look favorably on those partnership applications that do have a scholarship component.

All grants made under the GEAR UP program must be coordinated both within the program as well as with other related services under Federal and non-Federal programs.

The Secretary is required to use ⅓ of the funds appropriated for grants to States and ⅓ of the funds appropriated to grants to Partnerships. The Secretary has flexibility in determining the distribution of the remaining ⅓ of funds. It is the intent of the conferees that those remaining funds will be distributed in a fair and equitable manner. The Secretary is required to annually reevaluate the distribution of the remaining ⅓ of funds based on the number, quality and promise of applications received from States and Partnerships and adjust the distribution accordingly.

Up to $200,000 each year shall be used for the provision of 21st Century Scholarship certificates. These certificates shall be provided by the Secretary to all students participating in the program under this chapter and must indicate the amount of Federal financial assistance for college such student may be eligible to receive.

Chapter 3—Academic Achievement Incentive Scholarships

The House bill but not the Senate bill, establishes a program to increase the size of the maximum Pell Grant award for freshmen and sophomores who graduate in the top 10 percent of their high school class. Funding is authorized at $240,000,000 for fiscal year 1999 and such sums as necessary for the four succeeding years.

The Senate recedes with an amendment to rename the program the "Academic Achievement Incentives Scholarship Program", to place it in Title IV, Part A, Subpart 2 as a new Chapter 3, and to provide an authorization level of $200,000,000 for fiscal year 1999.

Repeals

Both bills repeal the current chapters 4 through 8 of subpart 2 of part A of title IV.

FRANK TEJEDA SCHOLARSHIP

The House bill, but not the Senate bill, creates the new Frank Tejeda Scholarship Program as chapter 4 of subpart 2 of part A. The purpose of this new program is to recruit and train teachers who are proficient in both Spanish and English and who show academic promise. Funding is authorized at $5,000,000 for fiscal year 1999 and such sums for the four succeeding fiscal years.

The House recedes.

PUBLIC SAFETY OFFICER MEMORIAL SCHOLARSHIPS

The House bill, but not the Senate bill, authorizes scholarships to any applicant enrolled or has been accepted for enrollment at an institution. The Public Safety Officer Memorial Scholarship program is placed in chapter 5 of subpart 2 of part A. The applicant must submit an application accompanied by a certification stating the officer died in the line-of-duty from the head of the agency that employed the public safety officer to whom the applicant was married, living, or receiving support.

The House recedes. The conferees note that a related program is administered through the Department of Justice and that changes similar to those proposed in the House bill were approved by the Senate earlier this year. The conferees believe it would be more appropriate to build upon an existing program and encourage the House Committee on the Judiciary to approve this initiative.

Subpart 3—Federal Supplemental Educational Opportunity Grants

EXTENSION OF AUTHORITY

The Senate bill, but not the House bill, increases fiscal year 1999 authorization of appropriations to $700,000,000.

The Senate recedes.

USE OF FUNDS FOR LESS-THAN-FULL-TIME STUDENTS

The House bill requires grant funds to be made available to independent and less than full-time students. The Senate bill requires that a reasonable proportion of the allocated funds be made available to such students.

The House recedes.

PRO RATA SHARE

The House bill, but not the Senate bill, strikes the pro rata share of FSEOG allocations and allocates all excess funds on a fair share basis.

The Senate recedes with an amendment to maintain current law for fiscal year 1999 (base year) and to provide that, for fiscal year 2000 and thereafter, institutions will receive their base guarantee plus pro rata share amount received for FY 1999—with any funds appropriated in excess of the amount necessary to meet the base payment being distributed under the fair share calculation using the latest available data.

REALLOCATION OF EXCESS

The House bill requires that excess funds not needed for the next fiscal year shall be returned to the Secretary in order to make grants. The House bill allows the Secretary to make grants to other institutions within the same state. The Senate bill requires that excess funds not needed for the next fiscal year or for the previous fiscal year be returned to the Secretary in order to make grants. The Senate bill permits the Secretary to reallocate funds according to regulations.

The House recedes.

USE OF CARRIED OVER AND CARRIED-BACK FUNDS

The House bill and the Senate bill contain similar language on allowing institutions to carry over and carry back funds made available to such institutions.

Subpart 4—Leveraging Educational Assistance Partnership Program

The Senate bill, but not the House bill, renames the Grants to States for State Student Incentives (SSIG) program as the Leveraging Educational Assistance Partnership (LEAP) Program.

The House recedes.

AUTHORIZATION OF APPROPRIATIONS

Both bills authorize appropriations of $105,000,000 for fiscal year 1999 and such sums in the four succeeding fiscal years.

RESERVATION

Both bills require that in any fiscal year for which the amount appropriated exceeds a certain amount—$25,000,000 for the House and $35,000,000 for the Senate—the excess be available for the Special Leveraging Educational Assistance Partnership Program.

The House recedes with an amendment to set the trigger at $30 million.

SPECIAL LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM

Authorized activities

The House bill, but not the Senate bill, authorizes states to use grant funds for carrying out financial aid programs for students who demonstrate financial need and wish to enter careers in information technology or other critical areas of the state's workforce.

The State recedes with an amendment to strike "teaching or".

The Senate bill authorizes states to use the funds for community service work-study activities for students who demonstrate financial need.

The House recedes.

Both bills include teaching, but placement differs.

The House recedes.

The Senate bill authorizes states to use the funds for a scholarship program for mathematics, computer science or engineering degrees for students who demonstrate financial need.

The House recedes.

Maintenance of effort requirement

The House bill but not the Senate bill allows the Secretary to waive this requirement for good cause, as determined by the Secretary.

The House recedes.

Federal share of authorized activities

The House bill requires that the federal share of the cost of the authorized activities be 25 percent, whereas the Senate bill requires 33⅓ percent.

The House recedes.

Federal-State relationships

The Senate bill relocates Section 1203 with minor wording changes in this section.

The Senate recedes, thereby eliminating the provision.

Subpart 5—Special Programs for Students Whose Families are Engaged in Migrant and Seasonal Farmwork

MANAGEMENT PLAN

The House bill, but not the Senate bill, requires that the grant recipient coordinate its project to the extent feasible with other local, state, and federal programs to maximize the resources available for migrant students.

The Senate recedes.

EXTENSION OF AUTHORITY

The Senate bill, but not the House bill, increases the authorized level for HEP to $25,000,000 and $10,000,000 for CAMP for fiscal year 1999.

The Senate recedes.

DATA COLLECTION

The House bill, but not the Senate bill, requires the National Center for Education Statistics to collect postsecondary data on migrant students.

The Senate recedes.

Subpart 6—Robert C. Byrd Honors Scholarship Program

TERMINATION OF ELIGIBILITY

The House bill, but not the Senate bill, terminates the eligibility of students from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Palau on the earlier of the date of enactment of the Higher Education Amendments of 1998 or October 1, 1998.

The Senate recedes with an amendment providing that students from the Freely Associated States who first become eligible to receive a scholarship after fiscal year 1999 may compete in the Byrd program through the Pacific Regional Education Laboratory—with the total number of scholarships limited to 10 in each fiscal year and that FAS eligibility for Byrd sunsets September 30, 2004.

AUTHORIZATION OF APPROPRIATIONS

The House bill increases authorized appropriation level to $40,000,000 in fiscal year 1999, whereas, the Senate bill increases the authorized level to $45,000,000.

The House recedes.

Subpart 7—Child Care Access Means Parents in School

Both bills include provisions for campus-based child care. The House bill includes these provisions in chapter 5 of subpart 2 of part A, while the Senate includes it in subpart 7 of part A.

The House recedes.

PURPOSE

The Senate bill, but not the House bill, states that the purpose of the program is to support the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

The House recedes.

PROGRAM AUTHORIZED

The House bill requires services be provided to low-income students; the Senate bill requires services be provided primarily to low-income students.

The House recedes.

RENEWAL

The Senate bill, but not the House bill, allows a grant to be renewed for a period of three years.

The Senate recedes with an amendment to change the initial grant period to 4 years.

USE OF FUNDS

The House bill allows an institution to support or establish a child care program serving the needs of low-income students enrolled at the institution. The Senate bill requires the program to support or establish child care services primarily to low-income students. The Senate bill clarifies that campus-child care grants awarded to institutions can be used to provide before and after school services to the extent necessary to enable low-income students enrolled at the institution of higher education to pursue higher education.

The House recedes.

CONSTRUCTION

The Senate bill, but not the House bill, requires that nothing prohibit an institution from serving the child care needs of the community served by the institution.

The House recedes.

APPLICATIONS

The Senate bill, but not the House bill, requires the application to contain a description of the activities to be assisted, including whether the grant funds will support an existing child care program or a new child care program.

The House recedes.

The Senate bill, but not the House bill, also requires information on child care capacity in the area and waiting lists.

The House recedes.

The Senate bill, but not the House bill, requires the provision of information on whether funds will support a new or existing program.

The House recedes.

The Senate bill, but not the House bill, requires provision of information with respect to coordination between the program and the institution's early childhood curriculum.

The House recedes.

The Senate bill, but not the House bill, distinguishes between new and existing programs and, if new, require a timeline, measures to assist low-income students prior to provision of child care by the institution, and a plan for identifying resources needed. The House bill makes these requirements for all applicants.

The House recedes.

PRIORITY

The Senate bill, but not the House bill, requires the Secretary to give priority to institutions that submit applications describing programs that leverage significant local or institutional resources to support the activities; and utilize a sliding fee scale for child care services to support a high number of low-income parents at their institution.

The House recedes.

CONSTRUCTION

The Senate bill, but not the House bill, provides that no funds be used for construction, except for minor renovations or repair.

The House recedes.

AUTHORIZATION OF APPROPRIATIONS

The House bill authorizes the program at $30,000,000 for fiscal year 1999 and "such sums" for the four succeeding fiscal years, while the Senate bill authorizes $60,000,000 for fiscal year 1999 and "such sums" for the four succeeding fiscal years.

The Senate recedes with an amendment to authorize $45,000,000 for FY 1999.

Subpart 8—Learning Anytime Anywhere Partnerships

The Senate bill, but not the House bill, establishes the "Learning Anytime Anywhere Partnerships" program. The purpose of the program to enhance the delivery, quality, and accountability of postsecondary education and career-oriented lifelong learning through technology and related innovations. Grants and authorized-to be awarded for period not to exceed five years to partnerships consisting of two or more independent agencies, organizations, or institutions. Funds are to be used to: develop and assess model distance learning programs or innovative software; develop methodologies for the identification and measurement of skill competencies; develop and assess innovative student support services; or support other activities that are consistent with the purpose of this subpart. Funding is authorized at $30,000,000 for fiscal year 1999 and "such sums" for each of the four succeeding fiscal years.

The House recedes with an amendment establishing an authorization level of $10 million for fiscal year 1999.

PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

The House bill, but not the Senate bill, eliminates the limitation of Secretarial authority to guaranty new loans if the Secretary does not complete regulations for the 1992 amendments.

The Senate recedes.

The House bill, but not the Senate bill, corrects an incorrect section reference.

The Senate recedes.

The House bill and the Senate bills use comparable language to specify that private nonprofit institutions or organizations that contract with the Secretary to provide loan insurance must have the capability to handle electronic inquiries from students, eligible lenders and others.

The House recedes.

The House bill eliminates Secretarial authority to make emergency advances of funds for the purpose of guaranty agencies acting as lenders-of-last-resort. The Senate bill eliminates Secretarial authority to make emergency advances of funds for the purpose of guaranty agencies acting as lenders-of-last-resort during the transition to the direct lending program.

The House recedes.

The House bill, but not the Senate bill, corrects an incorrect section reference.

The Senate recedes.

The House bill, but not the Senate bill, contains conforming language to strike Secretarial authority to use emergency advances for the purpose of guaranty agencies acting as lenders-of-last resort.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to conduct a study on the impact of guaranty agency loan servicing and collection activity on student loan default rates.

The House recedes.

The House bill requires the Secretary to recall to the Treasury $215 million from Federal Student Loan Reserve Funds. The Senate bill requires the Secretary to recall $250 million from Federal Student Loan Reserve Funds.

The House recedes.

The House bill calculates the percentage reduction for total funds recalled of $215 million. The Senate bill calculates the percentage reduction for total funds recalled of $250 million.

The House recedes with an amendment to strike "September 30, 1996" and insert "September 30, 1996, less amounts subject to recall under section 422(h)".

The Senate bill, but not the House bill, does not allow the percentage reduction to deplete the reserve funds of any agency that charged the 1% insurance premium below an amount equal to the amount of lender claim payments made 90 days prior to the date of return. The additional amount will be imposed on the guaranty agencies that this restriction does not apply to on an equal percentage basis.

The House recedes.

The House bill establishes a Federal Student Loan Reserve Fund within 60 days of enactment, whereas, the Senate bill establishes a Federal Student Loan Reserve Fund within 45 days of enactment.

The Senate recedes.

The Senate bill requires investments in non-government securities to be approved by the Secretary, and specifies that the Federal Fund earnings are the property of the Federal government.

The House recedes.

The House bill, but not the Senate bill, includes in the Federal Fund amounts collected on rehabilitated defaulted loans that are sold to an eligible lender as part of a default reduction program.

The Senate recedes.

The House bill, but not the Senate bill, specifies that insurance premiums from unsubsidized loans shall be deposited in the fund.

The Senate recedes with an amendment that specifies that all supplemental preclaims payments paid after the date of enactment shall be deposited in the Federal fund and that 70% of all administrative cost allowance payments that were due prior to enactment but paid after the date of enactment shall be deposited in the Federal fund as well as such other receipts as specified in regulations of the Secretary.

The House bill and the Senate bill clarify that the Federal fund and assets purchased by the Federal fund are the property of the federal government. The Senate bill includes nonliquid assets purchased with reserve funds in the Federal Fund prorated on the percentage of the asset developed or purchased with federal reserve funds.

The House recedes with a technical amendment to change "authorized by the part" to "authorized by this part" and "improper expenditures" to "improper expenditure."

The Senate allows the Secretary to restrict the use of the nonliquid asset only to the extent necessary to protect the Secretary's prorated share of the value of the asset.

The House recedes.

The Senate bill authorizes the Secretary to direct the guaranty agencies to discontinue any activity related to the expenditure or transfer of the Federal fund or the Secretary's share of a nonliquid asset that is improper.

The House recedes.

The House bill, but not the Senate bill, states that nonliquid reserve fund assets and other reserve fund assets as of the date of enactment are the property of the United States, to be used as determined by the Secretary and subject to restrictions on their sale as determined by the Secretary.

The House recedes.

The Senate bill limits the transfer of Federal funds to the Agency Operating Fund by a guaranty agency to 50 percent of the Federal fund balance during any fiscal year, whereas the Senate bill limits the transfer of funds to 40 percent of the Federal Fund balance.

The Senate recedes with an amendment to limit the transfer to an aggregate of 45%. The transfer of Federal funds to the Agency Operating Fund is intended to help guaranty agencies to meet short term operating expenses during the transition period. Guaranty agencies will only be able to borrow what they need to ensure that they can meet normal operating expenses. In addition, a guaranty agency shall, at the time it transfers funds, provide the Secretary with notice of the transfer and a plan, including a schedule of payments, for repayment of all funds transferred into the Agency Operating Fund.

The House bill requires sufficient funds to remain in the Federal Fund to meet the reserve fund recall requirements of the Balanced Budget Act of 1997; the Senate bill requires sufficient funds to remain in the Federal Fund to meet the recalls required in the Balanced Budget Act of 1997 and the Higher Education Act Amendments of 1998.

The Senate recedes with an amendment to require that the Federal Fund have sufficient funds to pay lender claims and meet the recall provisions of both the Balanced Budget Act and the Higher Education Amendments of 1998.

The House bill, but not the Senate bill, includes interest earned on the Federal Fund as an allowable deposit in the Operating Fund for up to ten guaranty agencies that can demonstrate negative cash flow during the transition years as a result of restructuring.

The Senate recedes with an amendment to strike "(not to exceed 10)"; to strike "the potential for" and insert "that there will be" in its place; and to add "and that the use of the interest by the guaranty agency will result in a substantial improvement in their financial circumstances" at the end of (5). In addition, the Senate made further amendments on extended repayment of the interest. The interest which is transferred from the Federal Fund to the Agency Operating Fund must be returned to the Federal Fund no later than five years after the establishment of the Agency Operating Fund. The Secretary is, however, authorized to extend the repayment period or waive the requirement to return the transferred interest if the Secretary determines that there are extenuating circumstances beyond the control of the agency, including state constitutional prohibitions on guaranty agency borrowing, that justify such a waiver. The Conferees expect that this relief will be afforded only to guaranty agencies which can demonstrate need for this relief through an independent, standard accounting method.

The House bill requires repayment of Federal funds to begin no later than the start of the fourth year after the establishment of the Agency Operating Fund. The Senate bill requires repayment no later than three years after the establishment of the Agency Operating Fund.

The Senate recedes with an amendment to clarify that guaranty agencies are not required to pay interest on the funds transferred from the Federal fund during the transition period.

The Senate bill, but not the House bill, requires the guaranty agency to provide a schedule for repayment of Federal funds transferred to the Agency Operating Fund.

The House recedes with an amendment to insert "reasonable" prior to the first "schedule" in the last sentence.

If the guaranty agency fails to make scheduled repayments, the Senate bill, but not the House bill, prohibits the guaranty agency from receiving any other funds under Part B until such repayments are made. The Secretary is directed to pay withheld funds immediately to the guaranty agency after the repayments have been made.

The House recedes.

The Senate bill, but not the House bill, gives the Secretary the authority to waive the prohibition to receive additional funds for circumstances beyond the control of the agency.

The House recedes with an amendment.

The Senate bill, but not the House bill, requires funds transferred from the federal fund to be invested in government or other low-risk securities to be approved by the Secretary.

The House recedes.

The House bill requires the establishment of an Agency Operating Fund within 60 days of enactment. The Senate bill requires the establishment of an Agency Operating Fund within 45 days of enactment.

The Senate recedes.

The House and Senate bills allow funds to be invested as determined by the guaranty agency. The House bill, but not the Senate bill, requires funds to be invested in accordance with prudent investor standards. The Senate bill provides separate treatment for transferred funds.

The Senate recedes. In drafting this provision, the conferees intend to allow guarantee agencies flexibility with respect to the investment of funds from the Agency Operating Fund. However, in order to ensure the integrity of the program, it is the intent of the conferees that these investments be made in accordance with prudent investor standards as recognized under applicable state or Federal law.

The Senate bill, but not the House bill provides for the deposit in the Agency Operating Fund of any outstanding administrative cost allowance payments that are made to the agency after the date of enactment.

The House recedes with an amendment to provide for the deposit in the Agency Operating Fund of 30% of any outstanding administrative cost allowance payments that are made to the agency after the date of enactment and such other receipts as the Secretary may determine by regulation. The conferees expect that these payments will be made in a timely fashion.

The House bill, but not the Senate bill, includes financial awareness and outreach activities and other student aid activities as allowable uses of funds in the Operating Fund. The Senate bill, but not the House bill, clarifies that allowable default prevention activities include those in Section 442(h)(8).

The House recedes with an amendment to insert "financial aid awareness and related outreach activities" prior to "compliance monitoring".

The House bill provides that the guaranty agency determines the financial aid related activities that are allowable uses of funds in the Operating Fund. The Senate bill provides that the Secretary determine which additional activities are allowable uses of funds in the Operating Fund.

The House recedes with an amendment to replace "as determined by" with "selected by" and to strike "Secretary" and insert "guaranty agency".

The House and Senate bills provide comparable descriptions of default collection activities. The house bill specifically includes activities required by regulations of the Secretary. The Senate bill reflects the collection costs for which agencies are currently reimbursed under 428(c)(6)(B)(i).

The Senate recedes.

The House and Senate bills provide comparable descriptions of default prevention activities. The House bill specifically includes activities required by regulations of the Secretary. The Senate bill reflects the costs for which agencies are currently reimbursed under 428(c)(6) (B)(ii) and (C)(i).

The Senate recedes.

The House bill authorizes the Secretary to regulate the use and expenditure of money in the Operating Fund related to guaranty agency functions in the loan programs as long as the Operating Fund owes money to the Federal Fund. The Senate bill does not allow the Secretary to regulate the use or expenditures of any money in the Operating Fund, but funds can only be used for student loan program expenses while funds are owed to the Federal fund.

The House recedes with an amendment providing that the Secretary may regulate the uses or expenditures of funds in the Operating Fund so long as funds are owed to the Federal fund.

The House bill, but not the Senate bill, reduces guaranty agency reinsurance from 78% to 75% on loans transferred to a guaranty agency from an insolvent guaranty agency.

The Senate recedes.

The House bill, but not the Senate bill, strikes the exemption from additional review on reimbursement of losses for an eligible lender, servicer or guaranty agency that has been designated for exceptional performance.

The House recedes.

The House bill applies the percentage changes for reimbursing losses to loans first disbursed after October 1, 1998. The Senate bill applies the percentage changes for reimbursing losses on insured loans to loans first disbursed after the date of enactment.

The Senate recedes.

The Senate bill, but not the House bill, changes the equitable share percentage that guaranty agencies may retain on collections from 24 percent to 23 percent after September 30, 2003.

The House recedes.

The Senate bill clarifies that the current minimum reserve level is to be maintained in the Federal Fund established under Section 422A.

The House recedes.

The House bill requires a management plan if an agency is at 85% reinsurance, while the Senate bill requires it at 78%.

The Senate recedes.

The Senate bill, but not the House bill, strengthens the requirement that the Secretary must obtain a management plan from guaranty agencies that fall below the current minimum reserve level by dropping "as appropriate."

The House recedes.

The Senate bill specifies that the loan processing and issuance fee will apply to loans originated on or after October 1, 1998 and prior to October 1, 2003.

The House recedes.

The Senate bill, but not the House bill sets a loan processing and issuance fee equal to 0.40 percent of the total principal amount of loans for loans originated on or after October 1, 2003.

The House recedes.

The Senate bill inadvertently strikes subparagraph C and paragraph (2) which prohibits payment on undisbursed checks or incomplete EFT, and establishes the information required on the application for payments.

The Senate recedes.

The Senate bill, but not the House bill, requires the request for default aversion assistance to be received between the 60th and 90th day of delinquency. The House bill requires the request to be received not earlier than the 60th day.

The Senate recedes.

Comparable provision. The House bill authorizes a default aversion fee, whereas the Senate bill authorizes a default prevention fee.

The Senate recedes with an amendment to insert "by the guaranty agency" after "repayment status".

The House bill authorizes the fee to be transferred for defaults that have been brought into current repayment on or before the 210th day after the loan is 60 days delinquent. The Senate bill authorizes the fee to be paid for defaults that have not been presented that the guaranty agency brings into current repayment within 300 days after the loans are 60 days delinquent. The Senate time line reflects a conforming change coinciding with the change in the definition of default.

The House recedes.

The House bill specifies that the fee shall not be paid on any loan for which a default claim has been paid. The Senate bill specifies that a fee shall not be paid on any loan for which a claim has been presented.

The Senate recedes.

The House bill prohibits the default aversion fee from being paid on a single loan until 12 months have lapsed between the date the loan became current and when the lender filed a subsequent default aversion request. The Senate bill requires the borrower to remain current for at least 24 months before the next delinquency.

The Senate recedes with an amendment to change paragraph (B) so that it reads:

(B) The default aversion fee shall be equal to 1 percent of the total unpaid principal and accrued interest on the loan at the time the request is submitted by the lender. A guaranty agency may transfer such fees earned under this subsection no more frequently than monthly.

(C) Such fee shall not be paid more than once on any loan for which the guaranty agency averts the default unless at least 18 months has elapsed between the date the borrower entered current repayment status and the date the lender filed a subsequent default aversion assistance request, and, during this period the borrower is not more than 30 days past due in payment on principal and interest on the loan.

The Senate bill, but not the House bill, clarifies that current repayment status is determined at the time the guaranty agency qualifies for the default aversion fee.

The Senate recedes.

The House bill, but not the Senate bill, adjusts the annual limits for loans to students enrolled in programs that are less than one academic year to a ratio based on the length of the program.

The Senate recedes.

The House and Senate bills establish the interest rate for students at the bond equivalent rate of 91-day Treasury bills plus 2.3% capped at 8.25%. The Senate bill sunsets this interest rate provision on July 1, 2003.

The House recedes.

The House and Senate bills established the in-school interest rate for students at the bond equivalent of 91-day Treasury bills plus 1.7%. Senate bill sunsets this provision on July 1, 2003.

The House recedes.

The House and Senate bills establish the interest rate for parent loans at the bond equivalent rate of 91-day Treasury bills plus 3.1% capped at 9%. The Senate bill sunsets this provision on July 1, 2003.

The House recedes.

The House bill, but not the Senate bill, sets the interest rate on consolidation loans at the weighted average of loans being consolidated rounded to the nearest ⅛ capped at 8.25%. The Senate bill retains current law establishing the rate at the weighted average of loans being consolidated rounded to the nearest whole percent and capped at 9%.

The Senate recedes with an amendment to sunset the consolidation loan rate on July 1, 2003.

The House bill, but not the Senate bill, restates current law that a lender may charge a lower interest for consolidation loans.

The House recedes.

The Senate bill establishes special allowance for loans disbursed between October 1, 1998 and July 1, 2003. The House bill establishes special allowance for loans disbursed on or after July 1, 1998.

The House recedes.

The House and Senate, using comparable language, simplify the records that must be sent from an institution to the lender with respect to loan amount.

The House recedes.

The Senate bill requires a student to provide a statement from the institution of higher education to the lender in order to establish eligibility. The House bill establishes eligibility if the institution has provided a statement to the lender.

The House recedes.

The House bill deletes the description that the amount of need is based on the student's estimated cost of attendance, estimated financial assistance, and the expected family contribution and just references Part F. The Senate bill retains the description and authorizes the school to retain supporting documentation rather than send it to the lender.

The House recedes with an amendment to strike "Pursuant to section 428H."

The Senate bill, but not the House bill, clarifies that the cost of attendance is determined under provisions in section 472.

The House recedes.

The House bill, but not the Senate bill, strikes the current law defining estimated financial assistance for the purpose of receiving student loans.

The House recedes with an amendment to make a conforming change to section 480(j)(3) to exclude benefits under chapter 30 of Title 38.

The Senate bill, but not the House bill, clarifies that unsubsidized loans are excluded from the determination of need and amount of loan for federal interest subsidies.

The House recedes with an amendment to strike "with the exception of loans made under section 428H."

The Senate bill, but not the House bill, makes a conforming amendment that strikes institutional authority to refuse to certify a loan from section 428 and moves this authority to part F.

The House recedes.

The Senate bill, but not the House bill, starts the clock for accruing interest when the school disburses funds to the student rather than when the lender disburses funds to the school.

The Senate recedes.

The Senate bill, but not the House bill, specifies the statutory authority that defines academic year is in section 481(d)(2).

The House recedes.

The House bill, but not the Senate bill, simplifies the current loan proration formula used for students enrolled in an undergraduate program less than one academic year.

The Senate recedes.

The Senate bill, but not the House bill, specifies the loan limits for enrollment in non-degree course work necessary for admission to a program leading to a degree or certificate, and for post-baccalaureate non-degree course work required for professional credential or certification for teaching in a state.

The House recedes.

The Senate bill, but not the House bill, changes an incorrect section reference from the repealed Supplemental Loans Program contained in 428H.

The House recedes.

The House bill allows the borrower to change repayment plans annually. The Senate bill allows the Secretary to prescribe regulations on how the borrower can change selection of a repayment plan.

The Senate recedes.

The Senate bill, but not the House bill, adds an extended repayment schedule as an option the lender is required to offer to borrowers in the Federal Stafford loan programs.

The House recedes with an amendment.

The Senate bill adjusts the loan installment periods to accommodate extended repayment schedules.

The House recedes.

The Senate bill, but not the House bill, allows flexibility to accommodate extended repayment plans in the minimum repayment allowed on aggregate loans each year.

The House recedes.

The House bill, but not the Senate bill, clarifies an exception to the prohibition of unsolicited mailings of loan applications for mailings to parents of a student who has previously received a loan.

The Senate recedes.

The House bill, but not the Senate bill, allows a guaranty agency to provide the same kind of assistance to institutions of higher education that is provided by the Department of Education.

The Senate recedes.

The House bill, but not the Senate bill, clarifies that pre-July 1, 1993, borrowers enrolled half time do not have to borrow an additional loan to qualify for an in-school deferment regardless of the terms and conditions attached to the original loan.

The Senate recedes.

The House and Senate bill exclude active military service from the grace period, thus preserving the grace period and delaying the onset of repayment. The Senate bill limits the exclusion for active duty to a period up to three years and only for active duty periods more than 30 days. The Senate bill provides that the exclusion period includes periods necessary to resume enrollment.

The House recedes.

The Senate bill, but not the House bill, requires the lender to offer and allows the borrower to select among the following repayment plans: a standard repayment plan with fixed payments not to exceed 10 years; a graduated repayment plan not to exceed ten years; an income-sensitive repayment plan with income-sensitive payments that are not less than the amount of interest due and not to exceed ten years; and, an extended repayment plan with a fixed or graduated repayment not to exceed 25 years. The extended repayment plan is only available to first-time borrowers after the date of enactment for loan amounts in excess of $30,000.

The House recedes.

The Senate bill, but not the House bill, specifies that a borrower will enter standard repayment in the case that the borrower does not select a repayment plan.

The House recedes.

The Senate bill, but not the House bill, allows the borrower to accelerate payment on loans under any repayment plan.

The Senate recedes.

The House bill, but not the Senate bill, fixes the rate of insurance at 98% of unpaid principal.

The Senate recedes.

The House bill, but not the Senate bill, provides that a borrower qualifying for unemployment benefits does not have to file additional supporting documentation to receive loan deferment benefits.

The Senate recedes with an amendment.

The House and Senate bills eliminate the annual audit requirement for small lenders. The House bill sets a $5 million loan threshold based on the annual audit period, while the Senate bill uses fiscal year. The Senate bill requires a lender that is a wholly-owned subsidiary of a nonprofit tax-exempt foundation that lends only to undergraduates and has less than $5 million in loans to submit an annual report.

The House recedes with an amendment to insert "lender" between "any" and "fiscal year".

The House bill, but not the Senate bill, corrects an incorrect section reference.

The Senate recedes.

The House bill, but not the Senate bill, allows lenders to determine deferment eligibility without a request from the borrower with the receipt of a new loan application documenting deferment eligibility or if it is documented that the borrower is enrolled at least half-time.

The Senate recedes with an amendment that the lender will notify the borrower regarding his or her current status and options to repay.

The House bill, but not the Senate bill, prohibits guarantee agencies from charging institutions for information about borrowers related to preclaims assistance.

The Senate recedes.

The House bill eliminates the requirement that forbearance requests must be written. the Senate bill allows forbearance requests to be electronic.

The Senate recedes.

The House bill, but not the Senate bill, allows total debt burden to be taken into consideration when determining eligibility for forbearance.

The House recedes.

The House bill and the Senate bill allow lenders to grant forbearance immediately upon request for sixty days to research or process any related documentation.

The House recedes with an amendment to insert "reasonably" between "lender" and "determines" and to strike "for forbearance" and insert "for deferment, forbearance, a change in a repayment plan, or request to consolidate loans" in its place.

The House bill, but not the Senate bill, clarifies that the Secretary must give the guaranty agency an opportunity for a hearing on the record.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, corrects the House Committee name.

The Senate recedes.

The Senate bill eliminates payment for lender referral services. The House bill eliminates references to the transition to direct lending for providing lender referral services.

The House recedes.

The House bill, but not the Senate bill, corrects the name of the House committee.

The Senate recedes.

The House bill, but not the Senate bill, clarifies the guaranty agency as designated by the state.

The Senate recedes.

The House bill, but not the Senate bill, inserts reference to new subparagraph (c) which sets forth requirements for providing advance funds.

The Senate recedes.

The House bill, but not the Senate bill, revises the Secretary's authority to provide advances to lender-of-last-resort guaranty agencies if there are loan access problems.

The Senate recedes.

The House bill allows the Secretary to designate another guaranty agency for a state if the Secretary determines that the designated guaranty agency does not have capability to provide lender-of-last-resort loans to eligible borrowers.

The Senate recedes.

The House bill, but not the Senate bill, eliminates the requirement that 10 percent of defaulted loans are to be placed in income contingent repayment.

The Senate recedes.

The House bill, but not the Senate bill, allows the guaranty agency to offer blanket certificate of loan guaranty so lenders can make new loans without receiving prior approval for individual loans.

The Senate recedes with an amendment to authorize pilot programs prior to implementation program wide.

The House bill, but not the Senate bill, allows guaranty agencies and lenders the ability to transmit data electronically under the insurance program agreement and blanket guaranty.

The Senate recedes.

The House bill, but not the Senate bill, does not extend the blanket certificate of guaranty to loans in which the guaranty agency has notified the lender that the borrower is not eligible.

The Senate recedes.

Furthermore, the House bill allows the guaranty agency and lender to establish limitations and restrictions under the blanket certificate of guaranty.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, requires lenders to provide the borrower information on the availability of income-sensitive repayment options. Specifically, it provides that all borrowers are eligible to select income-sensitive repayment through loan consolidation, the procedures to make the selection, and how to obtain additional information about this repayment option.

The Senate recedes.

The House bill, but not the Senate bill, specifies that the lender shall also offer income-sensitive repayment option through consolidation loans.

The House recedes.

The House bill, but not the Senate bill, clarifies that information about income-sensitive repayment options through loan consolidation must be provided in exit counseling to borrowers.

The House recedes.

The Senate bill, but not the House bill, prohibits the Secretary from waiving or modifying statutory requirements pertaining to terms and conditions of loans, default claims payments to lenders, or the prohibition of inducements when developing the responsibilities between the lender and the guaranty agency for participation in a voluntary flexible agreement.

The House recedes with an amendment permitting the Secretary to waive the prohibition on inducements if the Secretary determines that a waiver is consistent with the purposes of this section and is limited to the activities of the guaranty agency within the State or States for which the guaranty agency serves as the designated guarantor. If the Secretary grants a waiver, any guaranty agency doing business within the affected State or States may request, and the Secretary shall grant, an identical waiver to such guaranty agency under the same terms and service area limitations as govern the original waiver.

The Senate bill, but not the House bill, lifts any restrictions on the number of consortia or guaranty agencies that may enter into a voluntary flexible agreement with the Secretary after FY 2002.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to report to Congress on the impact of the voluntary flexible agreement. The report is to include a description of the agreement and performance goals, a list of participating guaranty agencies and the specific statutory or regulatory waivers granted, an assessment of the agency's success in achieving the goals set, and an evaluation of the costs and efficiencies gained under each of the agreements.

The House recedes with an amendment.

The House bill limits the agreement to five years with the option to renew.

The House recedes.

The Senate bill allows agreements to be secured by the guaranty agency and the Secretary.

The Senate recedes.

The House bill gives an illustrative list of areas that may be addressed by the agreement, while the Senate bill gives an exhaustive list.

The House recedes.

The House bill, but not the Senate bill, includes performance of other program functions by the guaranty agency as functions specified in voluntary flexible agreements.

The House recedes.

The Senate bill, but not the House bill, includes informational outreach to schools and students in support of access as responsibilities that can be specified under voluntary flexible agreements.

The House recedes.

The Senate bill, but not the House bill, does not allow agreements to prohibit or restrict borrowers from selecting a lender of the borrower's choice.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to publish in the Federal Register an invitation for guaranty agencies to enter into voluntary agreements and the criteria for selection.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to notify Congress and to publish in the Federal Register the following information about the voluntary flexible agreements: a description of the agreement and performance goals; a list of participating agencies and statutory and regulatory waivers granted; the standards of performance; and the fees to be paid.

The House recedes with an amendment to strike "and shall publish a notice in the Federal Register, with a request for public comment".

The Senate bill, but not the House bill, requires the Secretary to make the text of the agreements and any modifications readily available to the public.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to notify Congress within 30 days of any modifications to the agreements.

The House recedes.

The Senate bill, but not the House bill, allows the Secretary to establish additional eligibility criteria for PLUS loans in addition to adverse credit history after consultation with the financial aid community.

The House recedes.

The Senate bill, but not the House bill, makes technical amendments to the section and separates terms, conditions and benefits and the special rule defining borrower into separate subparagraphs.

The House recedes.

The Senate bill, but not the House bill, requires parents borrowing PLUS loans to verify immigration status and social security numbers.

The House recedes.

The Senate bill, but not the House bill, adds a requirement that an eligible borrower for a consolidation loan must not be subject to a judgement secured through litigation or an order of wage garnishment.

The House recedes with an amendment to clarify that the judgement relates to Title IV student loan debt, and to replace "or" at the end of (i) with "and."

The Senate bill, but not the House bill, makes technical amendments to the subparagraph to add subclauses for each of the eligibility criteria.

The House recedes.

The Senate bill, but not the House bill, adds an additional subclause that provides an exception to terminating an individual's status as an eligible borrower for loans received prior to the date of consolidation that the borrower may wish to include in a later consolidation loan.

The House recedes with an amendment.

The House bill, but not the Senate bill, allows direct loans to be included in FFEL consolidation loans after expiration of the Emergency Student Loan Consolidation Act of 1997.

The Senate recedes.

The House bill, but not the Senate bill, allows a borrower to select the lender of his/her choice for consolidation even if the lender does not hold one of his/her loans.

The Senate recedes with an amendment. The conferees support the changes made to section 428C(b)(1)(A). However, we want to ensure the protection of borrowers from mass marketing or selective marketing of consolidation loans. Those borrowers with loans held by more than one lender may seek a consolidation loan from any eligible loan consolidator.

The House bill, but not the Senate bill, extends the authority for the borrower to retain interest subsidies that the borrower was entitled to on the underlying loans prior to consolidation.

The Senate recedes.

The House bill, but not the Senate bill, makes a technical amendment to the subclauses to add this provision.

The Senate recedes.

The House bill, but not the Senate bill, does not require a lender to consolidate loans of Title VII, Part A, Subpart II and Title VIII, Part B, Subpart II of the Public Health Service Act.

The Senate recedes.

The House bill, but not the Senate bill, allows lenders to set a minimum loan balance to consolidate loans for borrowers.

The House recedes. In discussing this provision, the conferees note that current law does not prohibit lenders from establishing, as a matter of lending policy, a minimum loan balance for which they will process a consolidation loan application. It is the intent of the conferees that lenders continue to be allowed to establish their own policies with respect to minimum balance requirements. However, the conferees strongly believe that all students should have access to consolidation loans.

The House bill eliminates multiple disbursement of student loans within a single period of enrollment such as a semester, quarter, or trimester. The Senate bill eliminates multiple disbursements of student loans for students in their final period of enrollment that is less than one academic year, only if the institution has a cohort default rate less than five percent.

The Senate recedes with an amendment.

The House bill eliminates the 30-day delay rule for institutions disbursing student loans to first-time borrowers student loans for institutions with a cohort default rate less than ten percent for the 3 most recent fiscal years. The Senate bill eliminates the same requirement for institutions with a cohort default rate of less than five percent.

The Senate recedes with an amendment.

The Senate bill, but not the House bill, excludes loans for study abroad students from the requirements of 428G, particularly the multiple disbursement and delayed disbursement requirements, if the home institution has a cohort default rate less than five percent.

The House recedes.

The Senate bill, but not the House bill, sets the effective dates for the exemption from the 30-day delay disbursement provisions from October 1, 1998 to September 30, 2002.

The House recedes.

The House bill, but not the Senate bill, allows up to $300 in over-awards of student aid before withholding and returning to the lender any disbursements of loan funds.

The House recedes.

The Senate bill, but not the House bill, changes the heading of subsection b of 428 to "Satisfactory Repayment Arrangements to Renew Eligibility."

The House recedes.

Both the House and Senate bills require the institution to provide the lender certification of the students eligibility for a loan, the loan amount, and a disbursement schedule. The Senate bill authorizes the institution to determine and maintain documentation supporting the student's eligibility, which was previously required to be sent to the lender.

The House recedes.

The Senate bill retains the requirement that the school determine and document need for a loan, but deletes the requirement that COA, EFA, and EFC be sent to the lender.

The House recedes.

The House and Senate bills require a statement to the lender certifying student eligibility, loan amount, and disbursement schedule. The Senate bill requires the school to provide the statement, while the House bill requires the student to provide it from the school.

The House recedes.

The Senate bill deletes the obsolete 7-month standard for annual loan limits and specifies the statutory authority that defines academic year is in section 481(d)(2).

The House recedes.

The House bill, but not the Senate bill, deletes the current proration and reduced loan limits calculation for loans for an undergraduate program that is less than one academic year for an independent student who has not completed the first 2 years of undergraduate education and bases the maximum loan amount on the ratio of the student's program length to the academic year.

The Senate recedes.

The Senate bill, but not the House bill, sets loan limits for unsubsidized loans for independent students in a course of study necessary for enrollment in non-degree coursework necessary for admission to a program leading to a degree or certificate, and for post-baccalaureate non-degree coursework required for professional credential or certification for teaching in a state.

The House recedes.

The Senate bill, but not the House bill, clarifies that the maximum aggregate amount for independent, unsubsidized loans does not include capitalized interest.

The House recedes.

The House bill, but not the Senate bill, specifies that the capitalization of interest is not deemed to exceed the annual insurable limit.

The Senate recedes.

The Senate bill, but not the House bill, allows for extended repayment plans as detailed in 428(b)(9).

The House recedes with an amendment.

The House bill, but not the Senate bill, allows forbearance, deferment, or income-sensitive repayments to begin upon request by the borrower of loans made under this section subject to the servicer receiving all necessary documentation within 30 days.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, repeals the three percent loan origination fee and consolidates it with other origination fees in section 438.

The Senate recedes.

The Senate bill, but not the House bill, includes sense-of-the-Senate language that Congress should consider adding borrower flexibility in regards to unsubsidized Stafford aggregate loan limits based on findings that private sector student loan programs are growing rapidly, but federal loan are less expensive and provide a greater range of debt management options.

The Senate recedes.

The House bill repeals 428J. The Senate bill amends 428J with provisions for loan forgiveness for teachers.

The House recedes.

The House bill, but not the Senate bill, specifies that the Secretary's authority to sue and be sued in any court of record shall not be construed to limit court review under Title 5, Chapter 7.

The House recedes.

The House bill, but not the Senate bill, extends the authority for the Comptroller General and Inspector General by allowing the audit of all eligible lenders.

The Senate recedes.

The House bill, but not the Senate bill, includes a technical amendment correcting the name of the House committee.

The Senate recedes.

The House bill strikes all reference to authorities required to file a plan for doing business as a separate category. The Senate bill retains the authority of the IG and GAO to conduct audits of organizations using tax exempt financing which are not guaranty agencies or eligible lenders.

The Senate recedes.

The House bill, but not the Senate bill, eliminates reference to making recommendations on programs of assistance to borrowers in relation to the 1992 amendments.

The Senate recedes.

The House bill clarifies that the Secretary must prescribe the common form using the FAFSA as the loan application for both FDLP and FFELP. The Senate bill clarifies that the common forms may include master promissory notes.

The House recedes with an amendment.

The House bill clarifies that any electronic forms developed must use the FAFSA as the loan application for both FDLP and FFELP.

The House recedes.

The House bill, but not the Senate bill, requires the FAFSA to be used for all FFELP loan applications with the exception of PLUS and Consolidation loans beginning in academic year 1999-2000. The Senate bill modifies section 483 to require the FAFSA to be utilized as the FFELP loan application.

The Senate recedes with an amendment.

The Senate bill, but not the House bill, allows guaranty agencies, borrowers, and lenders to use electronic versions of the common application forms and promissory note approved by the Secretary.

The House recedes with an amendment.

The House bill requires a master promissory note with a multi-year line-of-credit to be developed within 180 days of enactment that addresses the needs of participants in part B and part D. The Senate bill requires a master promissory note for enrollment periods after July 1, 2000, applicable to more than 1 academic year or loan type; a pilot program is permitted before the implementation of the entire system.

The House recedes with an amendment. The conferees believe that the master promissory note offers the possibility of important program simplification for borrowers, institutions of higher education, and lenders. The conferees continue to remain concerned that the master promissory note may, if not implemented thoughtfully, contribute to additional unnecessary student indebtedness. The conferees have included language which requires a student confirmation process.

The House and Senate bills require consultation with institutions, guaranty agencies, eligible lenders, students, and others in developing the master promissory note.

The House recedes.

The House and Senate bills have comparable provisions regarding the sale and assignment of loans using a master promissory note. The house bill specifies that the note provide for a line-of-credit.

The House recedes with an amendment.

The House bill, but not the Senate bill, extends the default reduction management program to the year 2003.

The Senate recedes.

The House bill, but not the Senate bill, corrects the House Committee name.

The Senate recedes.

The House bill, but not the Senate bill, requires disclosure information for the borrower be in simple and understandable terms.

The Senate recedes.

The Senate bill, but not the House bill, allows disclosure information to borrowers to be made by electronic as well as written means.

The House recedes.

The Senate bill, but not the House bill, requires each lender to provide a telephone number that provides additional loan information to each borrower. The lender is allowed to provide an electronic address as well.

The House recedes.

The House bill, but not the Senate bill, requires disclosure information for the borrower to be in simple and understandable terms.

The Senate recedes.

The Senate bill, but not the House bill, allows disclosure information to borrowers to be made by electronic means.

The House recedes.

The Senate bill, but not the House bill, requires each lender to provide a telephone number that provides additional loan information to each borrower. The lender is allowed to provide an electronic address as well.

The House recedes.

The House bill, but not the Senate bill, establishes exceptional mitigating circumstances that, if met, allow high default schools to remain in the program.

The Senate recedes with an amendment.

The Senate bill, but not the House bill, requires a high default institution with an unsuccessful appeal of loss of eligibility to pay all interest, special allowance, reinsurance and any other payments made or required to be made by the Secretary on loans made during the appeal.

The House recedes.

The Senate bill, but not the House bill, requires the high default rate institution to provide a letter of credit or other third-party guarantee to satisfy the potential liability for these payments.

The Senate recedes.

The House bill extends the exemption for loss of eligibility due to high cohort default rates for Historically Black Colleges and Universities, Tribally-Controlled Community Colleges and Navajo Community Colleges until July 1, 1999. The Senate bill continues the exemption until September 30, 2002, but requires institutions exceeding the threshold for 2 years to file default management plans. Failure to submit the plan or meet its criteria results in termination from the program.

The Senate recedes with an amendment.

The House bill requires loan servicers to provide complete copies of all records for all loans at the request of the institution if the institution is appealing a loss of eligibility due to improper loan servicing. The Senate bill limits the institution to access to records used by a guaranty agency in determining whether to pay a claim on a defaulted loan that contributes to the institution's cohort default rate.

The House recedes with an amendment to include Direct Loan Servicers.

The House bill but not the Senate bill, adds a definition of mitigating circumstances.

The Senate recedes.

The House bill, requires that the circumstances that represent exceptional mitigating circumstances for an institution must be certified by a certified public accountant.

The Senate recedes with an amendment specifying that, in the opinion of an independent auditor, the institution meets the mitigating circumstances criteria.

The House bill, but not the Senate bill, requires that at least two-thirds of the students enrolled at least half-time must be eligible for at least half of the maximum Pell Grant award or at least two-thirds of the students enrolled at least half-time must have a family income below the HHS poverty level.

The Senate recedes.

The House bill provides that at least two-thirds of the students enrolled on a full-time basis, within a one-year period prior to the appeal, must complete the program within normal time frames, be enrolled and making satisfactory academic progress toward completion, or have entered active military service.

The Senate recedes with an amendment to incorporate current federal regulatory criteria which requires institutions that offer degree programs to document that 70 percent of the institution's regular students completed their programs, transferred from the institution to a higher level educational program, or entered active duty in the Armed Forces.

The House bill provides that at least two-thirds of the students enrolled on a full-time basis, within a one year period prior to the appeal, are placed for at least 13 weeks in an employment position for which they have been trained, a higher level education program, or active duty in the armed forces.

The Senate recedes with an amendment to incorporate, with a reduced placement rate requirement of 44 percent, the current regulatory criteria that requires non-degree granting institutions to document the placement rate of their former regular students.

The House bill requires default management plans for institutions over the default threshold for 3 years that rely on the exemption to continue to participate. The Senate bill requires the default management plan in paragraph (2)(C).

The Senate recedes with an amendment to change "July 1, 1998" to "July 1, 1999".

The House bill requires a default management plan to be filed if the institution has exceeded the cohort default rate for the last three fiscal years, whereas, the Senate bill's plan is triggered after two consecutive years.

The Senate recedes.

The House bill requires the default plan to provide reasonable assurance that the default rate will fall below 25 percent by July 1, 2001, and evidence of improvement and successful implementation is to be filed annually. The Senate bill authorizes the Secretary to determine the criteria for the plan.

The Senate recedes with an amendment to change "July 1, 2001" to "July 1, 2002".

The House bill, but not the Senate bill, requires the institution to engage an independent third party to provide technical assistance.

The Senate recedes.

The House bill allows the Secretary to grant further exemptions only for July 1, 1999, and July 1, 2000, for institutions over the default threshold and requires the institution to demonstrate substantial improvement in reducing the cohort default rate in order to maintain eligibility. The Senate bill subjects the institution to a loss of eligibility for failure to file a plan to meet the performance criteria contained within the plan.

The Senate recedes with an amendment to change "beginning on July 1, 1999 and July 1, 2000," to "beginning on July 1, 1999, July 1, 2000, and July 1, 2001,".

The House bill follows the participation rate index for exemption from cohort default rate penalties that is defined in regulations on July 1, 1996. The Senate bill restates the regulation. Both bills allow institutions to remain in the program if they comply with the regulation without going through the appeals process.

The House recedes with a technical amendment to assure the language reflects the current regulation.

The Senate bill, but not the House bill, sets an effective date for the exemption provided to minority institutions as the date of enactment until September 30, 2002.

The Senate recedes.

The House bill, but not the Senate bill, authorizes the Secretary—through a third-party consultant—to provide administrative, fiscal, management, strategic planning, and technical assistance to Historically Black Colleges and Universities, Tribally Controlled Community Colleges, and Navajo Community Colleges that have submitted a default management plan.

The House recedes.

The House bill, but not the Senate bill, requires the wholly-owned subsidiary of a non-profit foundation to have participated in the FFELP for three years prior to the date of enactment.

The Senate recedes.

The House bill sets the loan portfolio limit at $10 million, the Senate bill sets the loan portfolio limit at $5 million.

The House recedes.

The House bill, but not the Senate bill, requires all loans made or held as trustee, including consumer loans, to be considered when determining the primary consumer credit function.

The House recedes. The conferees urge the Department, when interpreting the rule related to a lending institution's primary function; to consider the role of trust department's in today's banking environment. In particular, the Department is encouraged to consider the distinction between loans made and held by a lender that are clearly part of the institution's primary consumer function, and loans that are merely held in trust on behalf of another originating lender and that are clearly not part of the institution's primary consumer function.

The House bill, but not the Senate bill, expands the definition of eligible lender to include a wholly owned subsidiary of a publicly held holding company if the holding company has acted as a finance company and has participated in the loan programs for three years prior to enactment.

The Senate recedes with an amendment providing for the eligibility of a consumer finance company subsidiary of a national bank which, as of the dae of enactment, through one or more subsidiaries: (1) acts as a small business lending company, as defined by the Small Business Administration; and (2) participates in the part B programs as of the date of enactment, provided the national bank and all of the bank's subsidiaries together do not have the making or holding of student loans as their primary consumer credit function.

The House bill, but not the Senate bill, allows eligible lenders, as defined in statute, to provide assistance to institutions similar to the assistance provided by the Department.

The Senate recedes.

The House bill, but not the Senate bill, defines multi-year line-of-credit as an agreement between the borrower and the lender under a master promissory note.

The Senate recedes.

The Senate bill, but not the House bill, clarifies that the default rate calculation excludes improperly serviced loans identified through appeal from both the numerator and denominator.

The House recedes.

The House bill, but not the Senate bill, requires guaranty agencies to collect and report additional information on defaulted loans to identify which borrowers have made not less than six consecutive payments and for whom the guaranty agency has renewed Title IV eligibility.

The Senate recedes with an amendment to strike "within 2 years after the date of enactment of the Higher Education Amendments of 1998,"; to replace "shall, by regulation" with "may"; and to strike the last sentence.

The House bill gives the Secretary authority, after reviewing the data, to regulate how these loans should be treated in the default rate calculation.

The House recedes.

The Senate bill, but not the House bill, requires the default rates to be published annually by September 30.

The House recedes.

The Senate bill, but not the House bill, eliminates the District of Columbia Student Loan Insurance Program.

The House recedes.

The Senate bill, but not the House bill, holds lenders or agencies that delegate student loan functions responsible for compliance of the delegated functions. The agency or lender must monitor the entity to ensure compliance, and the entity is responsible for compliance with applicable rules and regulations as well.

The House recedes. By including the provision with respect to delegation of functions, the conferees intend to codify current regulation. It is not the intent of the conferees to create new or additional responsibilities for trustees.

The House bill, but not the Senate bill, expands loans that qualify for discharge to include loans from institutions that failed to make a refund of loan proceeds owed to the lender.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to annually report to Congress on the amount of loans discharged for this reason.

The Senate recedes.

The House bill provides loan forgiveness for teachers in Section 437. The Senate bill provides loan forgiveness for teachers by amending Section 428J.

The House recedes on placement.

The House bill, but not the Senate bill, amends the subsection title to read "Discharge Related to School Closure or False Certification."

The Senate recedes.

The Senate bill, but not the House bill, states the purpose of the loan forgiveness provisions is to encourage individuals to enter the teaching profession.

The House recedes.

The Senate bill, but not the House bill, authorizes cancellation only on subsidized loans made to new borrowers on or after October 1, 1998. The House bill authorizes cancellation of new loans made to borrowers with no outstanding principal or interest.

The House recedes.

The House and Senate bills provide that loans received after the first and second year of undergraduate education are eligible for subsequent loan forgiveness.

The conference agreement provides that all subsidized and unsubsidized loans up to a maximum of $5,000 are eligible for forgiveness.

The House bill, but not the Senate bill, extends loan forgiveness to the portion of consolidation loans that otherwise meet the requirements to qualify.

The Senate recedes.

The House bill requires three years of academic service as a full-time teacher to qualify for the loan forgiveness benefits at the end of the 3rd year of teaching. The Senate bill requires three consecutive, complete years employed as a full-time teacher to be eligible after the 4th year for cancellation.

The conference agreement requires five full years of academic service as a full-time teacher to qualify for loan forgiveness benefits at the end of the fifth year of teaching.

The House bill details the requirements for qualifying schools and has the State determine which schools qualify. The Senate bill refers to the same requirements for teacher cancellations in the Perkins Loan program, which has the Secretary determine which schools qualify.

The House recedes.

The Senate bill, but not the House bill, does not extend loan forgiveness to defaulted loans.

The House recedes.

The House bill forgives 30 percent of the qualified loan amount for the first and second year of academic service after completion of the qualifying service (3rd and 4th years of teaching). The Senate bill forgives 30 percent of the loan and applicable interest after completions of the fourth and fifth year of qualifying service.

The conference agreement forgives up to $5,000 in qualifying loans after completion of the fifth year of qualifying service.

The House bill sets the total amount that may be forgiven at $17,750. The Senate bill sets the total amount that may be forgiven at $8,000.

The conference agreement sets the total amount at $5,000.

The House bill requires the borrower to have majored in the subject area in which the borrower is teaching, while the Senate bill requires that the teaching subject area be relevant to the borrower's academic major. The Senate bill, but not the House bill, requires the chief administrative officer of the secondary school to certify that the teaching subject area is relevant to the borrower's academic major.

The House recedes.

The Senate bill, but not the House bill, requires the chief administrative officer of the elementary school to certify the borrower's knowledge and teaching skills in reading, writing and mathematics.

The House recedes.

The House bill, but not the Senate bill, prohibits a borrower from receiving benefits from both loan forgiveness for teaching and National Service for the same employment.

The Senate recedes.

The House bill grants the Secretary authority to regulate the reimbursement of loans. The Senate bill grants the Secretary authority to regulate all provisions of the loan forgiveness program.

The House recedes.

The House bill, but not the Senate bill, repeals debt management options authorizing the Secretary to acquire loans that are at a high risk of default from eligible lenders.

The Senate recedes.

The Senate bill, but not the House bill, allows the Secretary to collect origination fees directly from the holder of the loan if the lender fails or is not required to bill the Secretary for interest and special allowances or, withdraws from the program with unpaid origination fees.

The House recedes.

The House bill, but not the Senate bill, includes origination fees for unsubsidized loans with fees for subsidized Stafford loans.

The Senate recedes.

The House bill, but not the Senate bill, mandates that the lender must charge the same origination fee to all student borrowers.

The Senate recedes.

The House bill adds an exception that the origination fee can be reduced for a borrower that demonstrates greater financial need.

The Senate recedes.

The Senate bill, but not the House bill, allows the Secretary to collect loan fees directly from the holder of the loan if the lender fails or is not required to bill the Secretary for interest and special allowances, or withdraws from the program with unpaid origination fees.

The House recedes.

The Senate bill, but not the House bill, clarifies that the Secretary may collect excess loan fees from subsequent quarterly payments of special allowance payments.

The House recedes.

Both the Senate and the House bills repeal the Plan for Doing Business.

The conferees support the repeal of the Plan for Doing Business retroactively. The Plan for Doing Business requirements included in the Act have changed many times since it was first enacted in 1980. The provisions enacted in the 1986 amendments transferred sole and exclusive responsibility for approving and monitoring compliance of the Plan from the Secretary to the nation's Governors. Due to changes in the tax code and other changes in law, the need for the Plan has become obsolete and thus is being repealed retroactively pursuant to these amendments.

The House bill, but not the Senate bill, eliminates nondiscrimination requirements for tax-exempt authorities.

The House recedes. In repealing the plan for doing business retroactively, the conferees retain the nondiscrimination provisions of current law that are applicable to nonprofit secondary markets. Although the conferees do not have evidence of discriminatory practices in these secondary markets, they recognize the benefits of tax exemption carry responsibilities for serving all students without regard to factors such as income and school attended.

The House bill, but not the Senate bill, eliminates the annual report by the Secretary to Congress assessing student loan credit provided through tax-exempt obligations.

The Senate recedes.

The Senate bill, but not the House bill, makes a conforming change to reflect the elimination of the plan for doing business.

The Senate recedes.

The House bill, but not the Senate bill, requires the GAO to conduct a study to determine if lender policies indicate institutional, programmatic, or socioeconomic discrimination in assessing or waiving fees.

The House recedes.

The Senate bill, but not the House bill, defines an institution of higher education for the purposes of determining eligibility for loan forgiveness for child care providers.

The House recedes.

The Senate bill, but not the House bill, requires the borrower to have worked two consecutive years as a child care provider in a low-income community.

The House recedes.

The Senate bill defines a low-income community as a community where 70 percent of households earn less than 85 percent of the state median income.

The House recedes.

The House and Senate bills use comparable language but the Senate bill clarifies that years of service must be consecutive.

The House recedes.

The House and Senate bills retain the authority of the Secretary to maintain the Federal Family Education Loan Insurance Fund.

The conference agreement directs the Secretary to deposit the $47 million currently contained within the Fund directly in the Treasury.

PART C—FEDERAL WORK-STUDY PROGRAM

PURPOSE; APPROPRIATIONS AUTHORITY

The House bill clarifies current law by specifically referencing the eligibility of professional students engaged in an internship, practicum or as a research assistant, as determined by the Secretary, for purposes of work study. The Senate bill clarifies that part-time employment under work-study may include internships and research assistanceships.

The House recedes with an amendment to insert "practica" after "internships."

The House bill authorizes appropriations of $1 billion for fiscal year 1999, whereas the Senate bill authorizes appropriations of $900 million for FY 1999. Both bills authorize "such sums" in the 4 succeeding fiscal years.

The Senate recedes.

The House bill includes on-campus services as qualifying under the definition of community service. The Senate bill includes on-campus services in child care and services to students with disabilities as qualifying under the definition of community service.

The House recedes.

ALLOCATION OF FUNDS

The House bill, but not the Senate bill, strikes the pro rata share of CWS allocations and allocates all excess funds on a fair share basis.

The Senate recedes with an amendment to maintain current law for fiscal year 1999 (base year) and to provide that, for fiscal year 2000 and thereafter, institutions will receive their base guarantee plus pro rata share amount received for FY 1999—with any funds appropriated in excess of the amount necessary to meet the base payment being distributed under the fair share calculation using the latest available data.

The House bill, but not the Senate bill, creates a tutoring and literacy program and funds such program with at least 2 percent of CWS funds.

The House bill, but not the Senate bill, requires that funds be used to compensate, including travel and training expenses, students employed as reading tutors and in family literacy projects.

The House bill, but not the Senate bill, requires institutions to give priority to students teaching in schools identified for improvement under sec. 1116 of ESEA and identified by a local education organization under sec. 15104 of ESEA.

The House bill, but not the Senate bill, requires that students compensated with funds under the program be trained in practices used by school pursuant to sec. 15104 of ESEA.

The House bill, but not the Senate bill, permits the federal share of compensation under the program to exceed 75 percent.

The House bill, but not the Senate bill, authorizes the Secretary to waive requirements of the subsection if enforcement would cause a hardship to students.

The House bill, but not the Senate bill, requires that the institution return unused funds for reallocation if the institution did not request a waiver from the Secretary.

The House bill, but not the Senate bill, requires the Secretary to reallocate returned amounts among institutions using at least 4 percent of total institutional grants for purposes of the subsection on the same basis as excess eligible amounts are allocated pursuant to sec. 442(c).

The Senate recedes with an amendment to increase the community service requirement from 5 percent to 7 percent beginning in FY 2000, to require all institutions to fund at least 1 reading tutor or family literacy project, and to make other administrative changes relating to this new initiative.

The House bill, but not the Senate bill, strikes a reference to fiscal year 1994 and includes travel and training as activities for which students can be compensated for purposes of community service.

The Senate recedes with an amendment to clarify that travel and training compensation will be for "reasonable periods of time." In permitting institutions to cover activities involving training and travel for reasonable periods of time, the conferees address concerns that some students cannot afford to take community service jobs that involve unusually long commutes or time for training. In such cases, the institutions may reimburse for these training or travel activities for reasonable periods of time. The conferees expect that this exception will be used on a case-by-case basis only where needed.

The House bill requires that funds for community service employment be made available to less-than-full-time students and independent students if the institution's grant is directly or indirectly based on their need. The Senate bill requires that a reasonable portion of the allocated funds be made available to such students.

The House recedes.

The Senate bill, but not the House bill, updates the academic year reference.

The House recedes.

The Senate bill, but not the House bill, requires that the federal share for Community Service jobs not exceed 90 percent for academic years 1999–2000 and succeeding academic years.

The House recedes with an amendment to allow institutions to permit a maximum 90 percent federal contribution for placements at non-profit organizations or government agencies under these terms: (1) the organization or agency would be selected by colleges on a case-by-case basis; (2) in accordance with regulations of the Department of Education, that would specify that these agencies are unable to afford the personnel costs for the student employees; (3) that no more than 10 percent of the institution's placements would receive this 90 percent funding level; and (4) that no placements at the institution itself would be eligible under this provision for the 90 percent match, nor at any agency owned, operated or controlled by the college.

The House bill, but not the Senate bill, requires that private sector employment be academically relevant to the maximum degree possible.

The Senate recedes. The conferees agree that academic relevancy remains a key consideration in private sector employment placements under the Federal Work Study program. However, many students have also expressed an interest in pursuing other employment opportunities that provide other valuable experience outside their field.

FLEXIBLE USE OF FUNDS

The House bill, but not the Senate bill, authorizes the institutions to make payments directly to the student's account for tuition, room and board and institutionally provided services, with the permission of the student.

The Senate recedes with an amendment to strike "with the permission of" and replace it with "upon the request of" in section 445(b)(3).

JOB LOCATION AND DEVELOPMENT PROGRAMS

The House bill, but not the Senate bill, increases the amount of funds institutions may use for job location and development to $60,000 and includes community service, cooperative education jobs, and work study in the definition of permissible use of funds.

The House recedes.

The House bill, but not the Senate bill, requires the institution to notify the Secretary if funds will be used to develop cooperative education jobs, provide assurances: that the funds will not supplant current cooperative education funds at the institution; at 2-year institutions, that funds will expand jobs for associate or certificate degree students; that work will be relevant to the student's academic program; and that the institution will report on the use of funds, the employers, and employers' role.

The House recedes.

WORK COLLEGES

The Senate bill, but not the House bill, authorizes work colleges to coordinate and carry out joint projects and to conduct a comprehensive longitudinal study of academic progress and academic and career outcomes.

The House recedes.

The Senate bill, but not the House bill, increases the authorization from $5 million to $7 million for fiscal year 1999.

The Senate recedes.

PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

The House bill, but not the Senate bill, strikes the reference to "phase in" of the Direct Loan program.

The Senate recedes.

The House bill, but not the Senate bill, strikes the transition provision placing annual limits on the William D. Ford Federal Direct Loan Program volume.

The Senate recedes.

The House bill, but not the Senate bill, strikes the requirement that the Secretary select institutions that are reasonably representative and select additional institutions if necessary to achieve reasonable representation.

The Senate recedes.

The House bill, but not the Senate bill, strikes a reference to 1994–95.

The Senate recedes.

The House bill, but not the Senate bill, strikes the requirement that an institution have participated in the Perkins program and not have exceeded the maximum default rate established under section 462.

The Senate recedes.

The House bill strikes the reference to SPRE, whereas the Senate bill strikes the paragraph.

The House recedes.

The Senate bill, but not the House bill, establishes the interest rate for subsidized and unsubsidized loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003. The House bill applies these provisions to loans for which the first disbursement is made on or after July 1, 1998.

The House recedes.

The Senate bill, but not the House bill, applies in-school and grace period interest rate provisions to loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003. The House bill applies these provisions to loans disbursed on or after July 1, 1998.

The House recedes.

The Senate bill, but not the House bill, establishes the interest rate for PLUS loans for which the first disbursement is made on or after October 1, 1998, and before July 1, 2003. The House bill applies these same provisions to loans for which the first disbursement occurs on or after July 1, 1998.

The House recedes.

The House bill, but not the Senate bill, establishes the interest rate on consolidation loans as the weighted average of the interest rates rounded to the nearest one-eighth percent, capped at 8.25%. The Senate bill retains current law.

The Senate recedes with an amendment which would retain current law for the four months commencing October 1, 1998, allowing the Secretary to continue to offer students consolidation loans at T-bill plus 2.3% for this limited period. For applications received on or after February 1, the interest rate on consolidation loans will be the weighted average of the interest rates rounded up to the nearest one-eighth percent, capped at 8.25%, the same rate as in the FFEL program.

The House and Senate bills provide the Secretary with the authority to provide interest rate reductions to encourage timely repayment if the Secretary determines that these reductions will encourage on-time repayment. These reductions may only be offered if they are cost neutral and in the best interest of the Federal government. Any subsequent increases in the subsidy costs must be offset by corresponding reductions in the funds available for the administration of the William D. Ford Federal Direct Loan Program.

The Senate bill, but not the House bill, requires the Secretary to obtain official reports from OMB and CBO that assure the cost neutrality of providing repayment incentives. The reports will also be sent to Congress 60 days prior to publication of regulations announcing the Secretary's intent to provide repayment incentives.

The House recedes with an amendment to clarify that the OMB will file a report with the Secretary and the CBO will file a report with Congress.

The House bill requires the Secretary, after consulting with the Secretary of the

Treasury, to publish the applicable rates of interest in the Federal Register. The Senate bill retains a similar provision as redesignated in ISTEA.

The House recedes.

The Senate bill, but not the House bill, limits the authorization for the direct loan interest rates to loans for which the first disbursements are made on or after October 1, 1998, and before July 1, 2003. The House bill establishes rates for loans disbursed on or after July 1, 1998.

The House recedes.

The House bill, but not the Senate bill, makes a conforming change by eliminating the Secretary's authority to establish terms and conditions for consolidation loans.

The Senate recedes.

The House and Senate bills establish different levels of mandatory spending for administration of the student loan programs as provided for in section 458. The House sets the funding levels at $626,000,000 in fiscal year 1999, $726,000,000 in fiscal year 2000, $770,000,000 in fiscal year 2001, $780,000,000 in fiscal year 2002, and $795,000,000 in fiscal year 2003. The Senate bill, in order to offset an amendment to exclude veterans benefits from financial need analysis calculations, set the funding levels at $612,000,000 in fiscal year 1999, $730,000,000 in fiscal year 2000, $770,000,000 in fiscal year 2001, $780,000,000 in fiscal year 2002, and $795,000,000 in fiscal year 2003.

The conferees were able to identify an alternate offset and funding for the administration of the loan programs by the Department of Education was restored to the levels established in the Balanced Budget Act of 1997.

The House bill establishes the calculation basis for account maintenance fees at .12 percent for fiscal years 1999-2000 and .10 percent for fiscal years 2001 and succeeding years. The Senate bill sets the calculation basis for account maintenance fees at .12 percent for fiscal years 1999-2000 and .10 percent for fiscal years 2001 through 2003.

The House recedes. The conferees expect that the Department will make all payments to guaranty agencies for portfolio maintenance fees in a prompt and timely fashion.

The Senate bill, but not the House bill, caps the annual amount of money that is available from the section 458 account which may be paid to guaranty agencies for account maintenance fees at $177 million in fiscal year 1999, $180 million in fiscal year 2000, $170 million in fiscal year 2001, $180 million in fiscal year 2002, and $195 million in fiscal year 2003.

The House recedes.

If in any single year, the amount to which a guaranty agency is entitled exceeds the annual caps for use of funds within section 458, the Senate bill, but not the House bill, authorizes the guafanty agency to transfer the insufficiency from the Federal Student Loan Reserve Fund which it administers to its Agency Operating Fund.

The House recedes.

The Senate bill, but not the House bill, states that guaranty agencies have a contractual right to receive portfolio maintenance fees transferred from the reserve fund.

The House recedes.

The House bill, but not the Senate bill, eliminates the Secretary's authority to draw funds from future fiscal years after notifying Congress.

The Senate recedes.

The House bill, but not the Senate bill, authorizes the Secretary to sell loans and use the proceeds to offer incentives for on-time repayment by borrowers if the Secretary determines it is in the financial interest of the Federal Government.

The Senate recedes.

The House bill, but not the Senate bill, entitles the program "Loan Cancellation for Certain Public Service". The Senate bill entitles the program "Loan Cancellation for Teachers".

The House recedes.

The Senate bill, but not the House bill, states the purpose of the loan forgiveness provisions is to encourage individuals to enter the teaching profession.

The House recedes.

The House bill authorizes the cancellation of student loans. The Senate bill authorizes the Secretary to carry out a program of cancellation.

The House recedes.

The Senate bill, but not the House bill, authorizes cancellation only on subsidized loans made to new borrowers on or after October 1, 1998. The House bill authorizes cancellation of new loans made to borrowers with no outstanding principal or interest.

The conference agreement authorizes the cancellation of subsidized and unsubsidized loans made to new borrowers on or after October 1, 1998.

The House and Senate bills provide that loans received after the first and second year of undergraduate education are eligible for subsequent loan forgiveness.

The conference agreement provides that all subsidized and unsubsidized loans up to a maximum of $5,000 are eligible for forgiveness.

The House bill requires three years of academic service as a full-time teacher to qualify for the loan forgiveness benefits at the end of the 3rd year of teaching. The Senate bill requires three consecutive, complete years employed as a full-time teacher to be eligible after the 4th year for cancellation.

The conference agreement requires five full years of academic service as a full-time teacher to qualify for loan forgiveness benefits at the end of the fifth year of teaching.

The House bill, but not the Senate bill, extends loan forgiveness to the portion of consolidation loans that otherwise meet the requirements to qualify.

The Senate recedes.

The House bill details the requirements for qualifying schools and has the State determine which schools qualify. The Senate bill refers to the same requirements for teacher cancellations that apply to the Perkins Loan program and in which the Secretary determines which schools qualify.

The House recedes.

The Senate bill, but not the House bill, does not extend loan forgiveness to defaulted loans.

The House recedes.

The House bill requires the borrower to have majored in the subject area in which the borrower is teaching, while the Senate bill requires that the teaching subject area be relevant to the borrower's academic major. The Senate bill, but not the House bill, requires the chief administrative officer of the secondary school to certify that the teaching subject area is relevant to the borrower's academic major.

The House recedes.

The Senate bill, but not the House bill, requires the chief administrative officer of the elementary school to certify the borrower's knowledge and teaching skills in reading, writing, and mathematics.

The House recedes.

The House bill, but not the Senate bill, defines the school year as an academic year as defined by the Secretary.

The Senate recedes with an amendment to include the same provision in Part B (section 428J).

The House bill, but not the Senate bill, prohibits a borrower from receiving benefits under this section and the National and Community Service Act of 1990 for the same employment.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the Secretary to issue regulations to carry out the provisions of the section.

The House recedes.

PART E—FEDERAL PERKINS LOANS

APPROPRIATIONS AUTHORIZED

Extension of Authority for the Federal Perkins Loan Program through 2003.

ALLOCATION OF FUNDS

The House bill, but not the Senate bill, strikes pro rate share and allocates excess funds on a fair share basis.

The Senate recedes with an amendment to maintain current law for fiscal year 1999 (base year) and to provide that, for fiscal year 2000 and thereafter, institutions will receive their base guarantee plus pro rata share amount received for FY 1999—with any funds appropriated in excess of the amount necessary to meet the base payment being distributed under the fair share calculation using the latest available data.

The Senate bill, not House bill, deletes outdated references to prior academic years.

The House recedes.

The Senate bill, but not the House bill, sets a default penalty of zero for any institution with a cohort default rate equal to or above 15 percent.

The House recedes with an amendment to change fiscal year 1998 to fiscal year 2000, and to provide transition language for the period preceding FY 2000.

The Senate bill, but not the House bill, does not allow institutions with cohort default rates in excess of 50 percent for each of the three most recent years for which data are available to be eligible to participate in the Perkins Loan program. The loss of eligibility may be appealed to the Secretary.

The House recedes with an amendment to change fiscal year "1998" to fiscal year "2000".

The Senate bill, but not the House bill, allows the Secretary to waive the loss of eligibility if the institution can demonstrate an error in the default rate calculation, or there are exceptional mitigating circumstances, such as a small number of borrowers.

The House recedes with an amendment to strike "exceptional mitigating circumstances such as".

The House bill does not require a default management plan for institutions with a default rate less than 20 percent and less than 100 borrowers. The Senate bill eliminates the requirement that institutions file default management plans.

The Senate recedes for the transition period preceding the default penalties in effect beginning in fiscal year 2000. After fiscal year 2000, the requirement that institutions file default management plans is eliminated.

The Senate bill, but not the House bill, permits the institution to continue to participate in the program when appealing loss of eligibility with the permission of the Secretary.

The House recedes.

The Senate bill, but not the House bill, defines loss of eligibility as mandatory liquidation of the institution's Federal Perkins loan revolving fund and assignment of the loan portfolio to the Department of Education.

The House recedes with an amendment to add language to ensure that liquidated funds go back into the Perkins program and are allocated consistent with provisions of Section 466(c).

The Senate bill, but not the House bill, sets the maximum cohort default rate at 25 percent.

The House recedes with an amendment to replace "1998" with "2000" and to provide transition language for the period preceding FY 2000.

The Senate bill, but not the House bill, changes the heading to read, "Definition of Cohort Default Rate."

The House recedes.

The Senate bill, but not the House bill, removes any definitions or references to any default rate other than cohort default rate.

The House recedes with an amendment striking paragraph (E) and adding the following new (E):

(E) In determining the number of students who default before the end of such award year, the institution shall, in calculating the cohort default rate, exclude:

(i) any loan on which the borrower has voluntarily made 6 consecutive payments after the time periods specified in paragraph (4);

(ii) any loans on which the borrower has made voluntary payments sufficient to bring the loan current after the time periods specified in paragraph (4);

(iii) any loan on which the borrower has paid in full the amount due on the loan after the time periods specified in paragraph (4);

(iv) any loan which has been rehabilitated or canceled after the time period specified in paragraph (4);

(v) any loan on which the borrower received a deferment or forbearance after the time periods specified in paragraph (4), but based on a condition that began prior to such time periods;

(vi) any other loan which the Secretary determines should be excluded from the calculation.

The House bill, but not the Senate bill, defines satisfactory arrangements to resume payment as either: the receipt of three voluntary payments; sufficient payments to bring the loan current; obtaining a deferment, cancellation, or forbearance; full payment of the loan; or any other arrangement approved by the Secretary.

The House recedes.

AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION

The Senate bill, but not the House bill, eliminates capital contributions for fiscal years that have expired as well as deletes references to the expanded lending option program.

The House recedes with an amendment to strike paragraph (4) and redesignate (5) through (10) as (4) through (9).

The Senate bill, not House bill, allows agreements with credit bureau organizations to be with either the Secretary or an institution.

The House recedes

The Senate bill, but not the House bill, clarifies the reporting requirements in the cooperative agreements with credit bureaus.

The House recedes.

The Senate bill, but not the House bill, allows credit bureaus to report information on the status of Perkins loans until the loan is paid-in-full.

The House recedes.

The Senate bill, but not the House bill, requires institutions to report annually to credit bureaus the date and amount of Perkins loan disbursed, collection and default status, and the date of cancellation or any other discharge of the loan.

The House recedes.

The Senate bill, but not the House bill, authorizes the Secretary to establish criteria to cease reporting any Perkins loan information prior to loan being paid-in-full.

The House recedes.

The House bill, but not the Senate bill, requires institutions to report to credit bureaus if there are 12 consecutive monthly payments on a defaulted loan to encourage institutions to keep credit bureau reporting current.

The Senate recedes with amendment to replace "12" with "6".

Both bills authorize institutions of higher education to implement incentive repayment programs to reduce default and replenish the institution's loan funds.

The Senate bill, but not the House bill, clarifies that borrower loan payments made under an incentive repayment program must be on-time.

The Senate recedes.

Both bills provide for an interest rate reduction, discount on the loan balance, and other options approved by the Secretary as part of an incentive repayment program.

The Senate bill, but not the House bill, prohibits incentive repayment options being paid for with institutional funds or from Federal funds, including the Federal Perkins student loan fund.

The House recedes

TERM OF LOANS

The Senate bill, but not the House bill, raises the annual loan limits to $4,000 for undergraduates and to $6,000 for graduate or professional students, as currently allowed under the expanded lending option, and eliminates the expanded lending option.

The House recedes.

The House bill, but not the Senate bill, changes the definition of aggregate loan limits to include only unpaid principal.

The Senate recedes.

The Senate bill, but not the House bill, raises the aggregate loans limits to $40,000 for graduate or professional students, $20,000 for undergraduates who have completed two years of school, and $8,000 for all other students, as currently allowed for institutions under the expanded lending option, and eliminates the expanded lending option.

The House recedes.

The Senate bill, but not the House bill, sets annual loan limits for students who are studying to be teachers at $8,000 for third and fourth year undergraduates in a bachelors degree program, and $10,000 for the first year of graduate study.

The Senate recedes.

The Senate bill, but not the House bill, requires institutions giving loans with higher limits to borrowers studying to be teachers to report on the benefits and amounts of these loans.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the Secretary to reduce or eliminate an institution's Perkins Loan Federal capital contribution if the institution abuses use of the higher loan limits.

The Senate recedes.

The House bill and the Senate bill eliminate the requirement that five percent of loans be awarded to less than full-time and independent students. The House bill strikes references to less-than-full-time, while the Senate bill requires the use of a reasonable portion of loans be made available to these students.

The House recedes with an amendment to add a sentence at the end of paragraph (1), to read as follows: A student who is in default on a Perkins Loan shall not be considered an eligible student unless the student meets one of the conditions in section 462(h)(3)(E).

The Senate bill, but not the House bill, strikes outdated interest rates.

The House recedes.

The Senate bill, but not the House bill, considers a loan to be in default if the borrower fails to make a payment for 180 days for monthly installment payments, or 240 days for installment payments made less frequently.

The Senate recedes.

The House bill, but not the Senate bill, extends deferment eligibility to all Perkins loan borrowers regardless of when the loan was made and the deferment eligibility listed on the promissory note.

The Senate recedes.

The House bill, but not the Senate bill, corrects a subparagraph reference error.

The Senate recedes.

The Senate bill, but not the House bill, excludes active duty in the reserves for up to three years as counting towards the nine-month grace period prior to commencement of repayment after the student ceases enrollment.

The House recedes.

With minor differences, both bills authorize a program to rehabilitate defaulted loans allowing a borrower to regain lost program benefits and Title IV eligibility. Both bills limit rehabilitation to a one-time opportunity.

The House recedes/the Senate recedes with an amendment to strike "shall instruct" and insert "shall request" with regard to reporting to credit reporting organizations.

The House bill authorizes the Secretary to settle the loan obligation for loans discharged due to an institution's closure. The Senate clarifies that the Secretary is authorized to settle the loan obligation pursuant to the financial responsibility standards of section 498(c) of the Act.

The House recedes.

With minor differences, both bills provide that borrowers receiving a closed school discharge assign their right to any refund to the United States.

With minor differences, both bills exclude the period during which a student was unable to complete his or her course of study due to school closure for purposes of calculating a student's period of eligibility.

The House bill and the Senate bill do not preclude borrowers with discharged loans from receiving additional assistance. The House bill, but not the Senate bill, excludes from income taxes income from loans discharged due to school closure.

The Senate recedes.

Both bills require an institution or the Secretary to report to credit bureaus regarding any closed school discharge.

CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE

The House bill, but not the Senate bill, updates two section references in the Individuals with Disabilities Education Act.

The Senate recedes.

The House bill, but not the Senate bill, extends loan cancellation for public service to members of the Commissioned Corps of the Public Health Service, and to non-physician mental health professionals providing health care services in a health professional shortage area.

The House recedes.

The House bill, but not the Senate bill, adds the new categories of individuals eligible for cancellation to the section of the law specifying the percentage of the loan canceled each year: 15 percent for 1st two years of service, 20 percent for 3rd and 4th years and 30 percent for fifth year.

The House recedes.

The House bill, but not the Senate bill, extends loan cancellation for public service to all Perkins loan borrowers who perform qualifying service regardless of when the loan was made or the cancellation provisions listed on the promissory note.

The Senate recedes.

The House bill, but not the Senate bill, encourages the Secretary to reimburse institutions for loan cancellations within three months of the institution's application for funds.

The Senate recedes.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

Both bills extend the dates related to capital distribution to 2003 and 2004, respectively.

The Senate bill, but not the House bill, begins the capital distribution of late collection fees from the institution to the Secretary after March 31, 2012.

The House recedes.

COLLECTION OF DEFAULTED LOANS: PERKINS LOAN REVOLVING FUND

Both bills repeal the Perkins Loan revolving fund.

Both bills specify that any funds remaining in the Perkins Loan revolving fund on date of enactment be transferred to and deposited in the Treasury.

PART F—NEED ANALYSIS

COST OF ATTENDANCE

The House bill, but not the Senate bill, includes reasonable allowances for computers in the cost of attendance. The House bill, but not the Senate bill, also strikes the exclusion of equipment in the cost of attendance for students receiving instruction through telecommunications.

The Senate recedes. The conference substitute provides authority to schools to include the cost of computers in students' costs of attendance. The conferees also believe that financial aid administrators will use this authority to ensure that students are not given an unwarranted allowance. The conferees believe that each school will handle this matter in a way that is appropriate for its student and operations.

The Senate bill, but not the House bill, strikes the $1,500 minimum living allowance for dependent students living at home and allows the amount of the allowance to be determined by the institution.

The House recedes.

The Senate bill, but not the House bill, strikes the minimum living allowances of $2,500 and allows for an allowance for reasonable costs for all students other than dependent students living at home and dependent students living in institutionally owned or operated housing.

The House recedes.

The Senate bill, but not the House bill, clarifies that a student is "engaged" in cooperative education in order for the institution to include reasonable employment costs.

The House recedes.

DETERMINATION OF EXPECTED FAMILY CONTRIBUTION

The House bill, but not the Senate bill, excludes parents from the number of family members in college in the general rule for determination of family contribution and makes a conforming change to section 475.

The Senate recedes with an amendment to make it clear in FAO discretion that parents can be counted, if appropriate.

ASSETS

The House bill, but not the Senate bill, combines parent and student assets into family assets and makes conforming changes to the nomenclature in the remainder of the section.

The House recedes.

INCOME PROTECTION ALLOWANCE

The House bill increases the dependent student income protection allowance to $3,000, requires the Secretary to adjust the allowance for inflation under section 478 and makes conforming changes to section 478. The Senate bill increases the allowance to $2,200 and makes identical changes to 478.

The House recedes.

NEGATIVE ADJUSTED AVAILABLE INCOME

The House bill permits a negative parental income contribution from income when the sum of deductions for federal, state and social security taxes and allowances for income protection and employment and certain federal tax credits are greater than the sum of parental income and contribution from family assets. The Senate bill permits a negative parental contribution from income when the sum of deductions identical to the House bill are greater than parental income. (Note: The House cite to paragraph (2) should be (c)(1) and the cite to subsection (c) should be (d).)

The Senate recedes with an amendment to cite correct paragraph.

FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE

The House bill, but not the Senate bill, provides for adjustments for periods of enrollment other than nine months for independent students without dependents other than a spouse.

The Senate recedes with an amendment to change "other than 9 months" to "less than nine months".

INCOME PROTECTION ALLOWANCE

The House bill increases the income protection allowance for single independent students and married independent students with both enrolled to $5,500 and requires the Secretary to adjust the allowance for inflation under section 478. The Senate bill increases the income allowance to $4,250 and makes identical changes in section 478.

The House recedes with an amendment to change "$4,250" to "5,000".

The House bill increases the income protection allowance for married independent students with one enrolled to $8,500 and requires the Secretary to adjust the allowance for inflation under section 478. The Senate bill increases the allowance to $7,250 and makes identical changes in section 478.

The House recedes with an amendment to change "$7,250" to "$8,000".

FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSES

The House bill, but not the Senate bill, makes conforming changes for periods of enrollment other than nine months.

The Senate recedes with an amendment to change "other than nine months" to "less than nine months".

SIMPLIFIED NEEDS TEST; ZERO EXPECTED FAMILY CONTRIBUTION

The House bill and the Senate bill, using different language, clarify the IRS forms required for eligibility for the simple needs tests.

SPECIAL CIRCUMSTANCES

The House bill and the Senate bill list examples of special circumstances which may result in adjustments. Examples include elementary or secondary tuition, child care costs, recent unemployment or other changes in family income, assets or student status. The House bill, but not the Senate bill, requires the Secretary to define extraordinary circumstances by regulation. The Senate recedes with an amendment to add the number of parents enrolled at least half-time in a degree or certificate program to the examples of special circumstances using the text language from section 475(b)(3), and to strike "Extraordinary circumstances shall be defined by the Secretary by regulation."

REFUSAL OR ADJUSTMENT OF LOAN CERTIFICATIONS

The House bill and the Senate bill permit an eligible institution to refuse to certify a loan. The House bill, but not the Senate bill, requires that such actions be made on a case-by-case basis and that students be afforded the opportunity to appeal such action. The Senate bill, in a conforming amendment, strikes the current law Section 428(a)(2)(F)—where the authority to refuse or adjust loan certifications is now located.

The House recedes with an amendment to add that refusals to certify loans be made on a case-by-case basis.

DEFINITIONS—MILITARY POST-SERVICE BENEFITS

Both bills, using different language, require that military post-service benefits under chapter 30 of title 38 not be treated as financial assistance for purposes of determining need.

The Senate bill, but not the House bill, provides that the sum of financial assistance received under this Act and other Federal financial assistance for postsecondary education received by an individual shall not exceed the individual's cost of attendance. It prohibits the reduction of the Pell grant as a result of application of this section.

The House recedes with an amendment to redraft the language so that certain veteran's benefits are not included as estimated financial assistance for the purpose of determining subsidized loan eligibility.

PART G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE PROGRAMS

DEFINITIONS

The House bill, but not the Senate bill, moves the definition of "institution of higher education" and related institutional definitions from section 481 to title I.

The Senate recedes. The purpose of moving these definitions was to keep definitions of "institutions of higher education" in the same place. The definitions currently found in section 481 will continue to be applicable for title IV purposes only.

Both bills define distance learning/education, but the House bill refers to it as "distance learning" while the Senate bill refers to it as "distance education". The House bill places the definition in Section 481 applying to "any program under this title" while the Senate bill places it in a new Section 487C, applying the definition to "this section," which is the new Distance Education Demonstration Program.

The House recedes.

MASTER CALENDAR

Using different language, both bills require notification by December 1 prior to the start of an award year of minimal hardware and software requirements. The House bill requires notification to institutions, guaranty agencies, lenders, interested software providers, and other parties upon request. The

Senate bill requires notification to institutions and vendors.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to attempt to provide training activities in an expeditious and timely manner prior to the start of each award year.

The Senate recedes.

The Senate bill, but not the House bill, moves the date to November 1 prior to the start of the award year for the publication of final regulations to be effective during the award year.

The House recedes.

The House bill, but not the Senate bill, requires the Secretary to provide a 60-day period for public comment on any proposed rulemaking.

The House recedes.

The Senate bill, but not the House bill, permits the Secretary to allow entities to choose to implement regulations prior to the effective date for regulations published after November 1.

The House recedes.

FORMS AND REGULATIONS

The Senate bill, but not the House bill, changes the Section 483(a) subheading to "Common Financial Aid Form Development and Processing."

The House recedes.

The House bill requires that the common form (FAFSA) be used to determine need and eligibility for all programs under parts A thru E, except for SSIG. The Senate bill keeps separate references to Parts A, C, D, E, and does not exempt SSIG. The Senate bill includes using the form to determine cost of attendance and provides that the form is to be used to determine need, but not eligibility, for loans under Part B. The Senate bill also includes an electronic version of the form.

The Senate recedes.

Both bills require the Secretary to include data on the form to assist states in awarding State financial aid, but the House bill requires that the number of data elements be no less than the number contained on the form as of the date of enactment.

The Senate recedes.

The House bill, but not the Senate bill, requires a notice on the common form to students, advising them to check with the college financial aid office if they have unusual circumstances affecting their eligibility.

The House recedes. The conferees recognize that students and their families may face unusual financial circumstances that may affect their eligibility for student financial aid. In some cases, the financial aid administrator can adjust the aid award to reflect these circumstances. The conferees intend that the Secretary will provide notice to students and parents advising them to check with the college financial aid office in the event they have such unusual circumstances. This notice should be prominently displayed on the first page of the FAFSA.

The Senate bill, but not the House bill, requires the form to be used for collecting eligibility and other data for part B, including the applicant's choice of lender.

The Senate recedes.

The House bill, but not the Senate bill, makes a conforming change to reference parts A through E and requires the use of the common form to determine need and for loan processing for part B.

The Senate recedes.

The Senate bill, but not the House bill, makes an editorial change to clarify that the Secretary shall provide data collected on the form free of charge.

The Senate recedes with an amendment to add (in the first sentence) guaranty agencies to the entities receiving the data collected by the Secretary and to modify the second sentence to incorporate guaranty agencies.

Both bills, in different paragraphs, require the Secretary to develop electronic versions of the common financial reporting form. The House bill, but not the Senate bill, provides that the electronic version of the common application not require a signature at the time it is submitted.

The Senate recedes with an amendment to clarify that a signature is ultimately needed.

The House bill, but not the Senate bill, authorizes institutions lenders, agencies, private software providers and other entities designated by the Secretary to use the electronic version of the form.

The Senate recedes with an amendment to strike "the version of."

The House bill requires that students not be charged a fee in connection with the use of the electronic form or any other electronic forms used with the FAFSA to apply for federal or state student assistance.

The Senate recedes.

The House bill, but not the Senate bill, requires users of the form to maintain reasonable and appropriate administrative, technical, and physical safeguards to protect the data and limits the use of the data to purposes of awarding aid under this title, by states, institutions, or others designated by the Secretary.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to provide support to third-party servicers and private software providers by providing timely specifications, record layouts, and test cases establishing schedules for providing such information, and providing other technical support.

The Senate recedes with an amendment to require the Secretary to provide such support to the extent practicable and deletes reference to test cases.

The Senate bill, but not the House bill, authorizes the Secretary to pay charges to obtain data needed for the administration of the Title IV programs.

The Senate recedes.

The House bill, but not the Senate bill, repeals the reference to an expired provision from the Higher Education amendments of 1992 related to anti-trust and need-based aid.

The Senate recedes.

The House bill, but not the Senate bill, requires that students submit as part of the original application process, a certification to the federal government (instead of to the institution) with respect to educational purpose.

The Senate recedes.

The House bill requires the Social Security number of parents of dependent students to be included on the common form. The Senate bill requires the Secretary to include a space for the parent Social Security number on the form.

The House recedes with an amendment to change "shall" to "is authorized to" and to insert "birth date" after "number".

STUDENT ELIGIBILITY

The House bill, but not the Senate bill, updates the reference to "Trust Territory of the Pacific Islands" to reflect its correct name.

The Senate recedes.

The Senate bill, but not the House bill, clarifies the eligibility of home-school graduates for Title IV assistance.

The House recedes with a further clarifying amendment to the provision.

The House bill, but not the Senate bill, continues eligibility for citizens of Palau, the Marshall Islands, and Micronesia until September 30, 2001 for Pell, SEOG, and work study if they are attending school in those places or in Guam, or if they are U.S. citizens attending school in Micronesia, the Marshall Island, or Palau.

The Senate recedes with an amendment to continue eligibility through September 30, 2004, and to also provide for attendance at an institution of higher education in a state, as well as in the freely associated states.

The Senate bill, but not the House bill, expands current law provisions dealing with the definition of correspondence courses. Current law specifies that a student enrolled in a course offered via telecommunications leading to a recognized associate, baccalaureate, or graduate degree is not considered to be enrolled in a correspondence courses unless the total of telecommunications and correspondence courses at the institution equals or exceeds 50 percent of all courses at the institution. The Senate bill includes certificate programs of 1 year or longer in the list of courses covered by this provision.

The House recedes.

The Senate bill, but not the House bill, adds an additional requirement that institutions covered under the under the provisions of Section 484(l)(1) are those at which at least 50 percent of the programs offered lead to a recognized associate, baccalaureate, or graduate degree.

The House recedes.

Using different language, both bills require the Secretary of Education and the Secretary of the Treasury to verify with Federal income tax returns information reported by student financial aid applicants and to provide notification to applicants that such verification will occur.

The Senate recedes.

Using the same definition of "controlled substance," both bills limit the eligibility for Title IV assistance of students who are convicted of drug-related offenses and allow for early resumption of eligibility upon completion of a drug rehabilitation program that includes two unannounced drug tests. The Senate bill, but not the House bill, also provides for rehabilitation if the conviction is reversed, set-aside, or otherwise rendered nugatory.

The House recedes.

STATE COURT JUDGMENTS

The House bill, but not the Senate bill, allows a judgment of a State court for recovery of Title IV money that has been assigned to the Secretary to be registered in any district court and provides it shall have the same force and effect as a judgment of the district court of the district in which the judgment is registered.

The Senate recedes.

INSTITUTIONAL REFUNDS

The Senate bill, but not the House bill, rewrites Section 48–4B–dealing with institutional refunds. The House bill maintains current law.

The House recedes.

The Senate bill, but not the House bill, specifies a formula for calculating the refund amount of Title IV assistance based on the amount of any grant or loan earned by the student as of the student's date of withdrawal.

The House recedes with an amendment authorizing formal leave of absence as a period during which no refund calculation would be necessary.

The Senate bill, but not the House bill, defines the earned amount of grant or loan assistance as equal to the proportion of the payment period completed by the students as of the date of the student's withdrawal up to 60 percent of the payment period, at which point the amount earned equals 100 percent. The Senate bill defines the unearned percentage as the difference between the amount earned and the amount disbursed.

The House recedes with an amendment to provide that the earned amount may be the proportion of the "period of enrollment" at non-term based institutions.

The Senate bill, but not the House bill, requires the institution to disburse to the student any amounts earned by the student that had not yet been disbursed on the date of withdrawal.

The House recedes.

The Senate bill, but not the House bill, requires the student to return to the institution any unearned amounts disbursed as of the date of withdrawal.

The House recedes.

The Senate bill, but not the House bill, defines the institution's responsibility for returning unearned funds as the lesser of the amount unearned or the total institutional charges multiplied by the percentage of funds unearned. The Senate bill also defines the student's responsibility to return to the institution unearned funds.

The House recedes with an amendment reducing by half the amount of unearned grant assistance the student is responsible for returning to recognize incurred up-front costs related to the student's attendance.

The Senate bill, but not the House bill, defines withdrawal date as the date upon which the institution determines that the student begins the withdrawal process, otherwise provides official notification, or, in the case of lack of notification, the end of the payment period, except that in the case of illness, accident, etc., the institution may determine an appropriate date of withdrawal.

The House recedes with an amendment to modify the definition of withdrawal date in the case of a student who does not begin the withdrawal process or otherwise notify the institution of his or her intent to withdraw to be the date that is the mid-point of the payment period unless the institution can document a later date.

The Senate bill, but not the House bill, defines the percentage of the payment period completed for a credit-hour institution as the number of days completed divided by the number of days in the payment period. In the case of clock-hour institutions, the percentage completed equals the number of clock-hours completed divided by the total number of clock-hours in the payment period.

The House recedes with an amendment to provide for the use of "period of enrollment" and scheduled clock-hours, within an acceptable range of completed clock-hours identified through regulations of the Secretary, to calculate the percentage completed.

INSTITUTIONAL AND FINANCIAL ASSISTANCE INFORMATION FOR STUDENTS

Both bills include the use of electronic media to provide required information and clarify that the information must be made available upon request by July 1 of each year to both current and prospective students. The Senate bill requires information be made available to all "enrolled" and prospective students, while the House bill refers to "current" and prospective students.

The House recedes.

Using different language, both bills require institutions to provide to current students a list of the information required to be disseminated and the procedures for obtaining it.

The Senate recedes.

The House bill, but not the Senate bill, includes information required under Section 444 of GEPA to be included in the list that must be provided.

The Senate recedes.

The Senate bill, but not the House bill, makes conforming changes to the information requirements regarding refund, return of funds, and withdrawal.

The House recedes.

The Senate bill, but not the House bill, defines a prospective student as one who has requested information concerning an application for admission.

The Senate recedes.

The House bill, but not the Senate bill, modifies the calculation of graduation rate by eliminating students enrolled in programs for which the prior program provided substantial preparation.

The House recedes.

The House bill, but not the Senate bill, clarifies that institutions may, but are not required to, provide information on completion and graduation rates of students who transfer into, and rates at which students transfer out of, the institution.

The Senate recedes with an amendment to include the list in section 485(a)(4) in the optional information that may be provided.

The Senate bill, but not the House bill, strikes the requirement that borrower exit counseling be conducted "(individually or in groups)."

The House recedes.

The Senate bill, but not the House bill, clarifies that institutions may use electronic means to provide borrower exit counseling.

The House recedes. This provision allows institutions to utilize electronic means to provide exit counseling. The conferees are aware of a number of initiatives on the part of participants in the FFEL program to make use of internet-based services and other emerging technologies to improve service to institutions and borrowers. We support this goal, and believe that the Secretary should encourage similar efforts with respect to debt counseling, applications processing, data exchange, and other areas where the use of such technologies has the potential to simplify the student financial aid process, while keeping in mind the privacy interests of students and other borrowers.

The House bill, but not the Senate bill, requires the Secretary to provide information on State prepaid tuition programs and direct links on the Department Internet site to databases containing information on public and private financial assistance programs.

The Senate recedes with an amendment to broaden the language in paragraph 2 to read "* * * State and other prepaid tuition programs or savings programs"; and to change the second sentence in paragraph 3 to read "The Secretary shall only provide direct links to databases which can be accessed without charge and shall make reasonable efforts to verify that the databases included in the direct link are not providing fraudulent information." The Secretary, however, does not bear responsibility for either the inclusion or exclusion of any information.

Both bills make minor changes to the information dissemination requirements for student athletes, parents, guidance counselors, and coaches and allow the NCAA to distribute graduation rate information to all secondary schools to satisfy the distribution requirement. The House bill, but not the Senate bill, clarifies that the distribution is only to U.S. schools.

The Senate recedes.

The House bill, but not the Senate bill, rewrites the allowance for institutions to provide supplemental information for students transferring in or out of the institution.

The House recedes.

DISCLOSURE OF CAMPUS SECURITY POLICY AND CAMPUS CRIME STATISTICS

Both bills require institutions of higher education to report annually on campus crime statistics. The House bill, but not the Senate bill, expands the parties responsible for reporting statistics to include campus officials with direct responsibility for student or campus activities, disciplinary officers, and athletic department officials, and specifically requires inclusion of matters handled through disciplinary proceedings.

The House recedes.

The House bill, but not the Senate bill, expands the crimes that must be included in campus crime statistics to include larceny and moves to subparagraph (f) a revised version of current subparagraph (H) dealing with arrests or referrals to the campus disciplinary system for alcohol, drug and weapons offenses. Using different wording, both bills add manslaughter. Both bills also add arson to the current law list.

The Senate recedes with an amendment to strike larceny. It is the intent of the conferees that references to alcohol, drug, and weapons offenses refer to violations of law, not to violations of campus codes of conduct.

The Senate bill, but not the House bill, requires statistics by category of prejudice on crimes that manifest evidence of prejudice and adds vandalism and simple assault.

The House recedes with an amendment to eliminate references to vandalism and simple assault and to provide that other crimes involving bodily injury must be included in the statistics of hate crimes.

The House bill, but not the Senate bill, requires institutions to submit annual statistics reports to the Secretary for the Secretary to make them available to the public.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to submit to Congress a comprehensive report on crime statistics by September 1, 2000.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to make copies of the annual statistics available to the public.

The Senate recedes.

The House bill, but not the Senate bill, prohibits the identification of victims or persons accused in the statistics.

The Senate recedes.

Both bills require institutions to make, keep, and maintain daily logs of crime reported to police or security departments and to make these logs public, except where prohibited by law. The Senate bill, but not the House bill, also provides an exception to disclosure in cases where it would jeopardize the confidentiality of the victim.

The House recedes.

The Senate bill, but not the House bill, requires the logs to be updated with new information when available, but not later than two business days after the information becomes available to the police or security department.

The House recedes.

Both bills permit institutions to withhold crime information under certain circumstances and release the information when such reason no longer exists. The Senate bill, but not the House bill, requires that reports be open to public inspection within two days of the time at which information previously withheld is released.

The Senate recedes.

Using different language, both bills require the Secretary to provide technical assistance to institutions in complying with the provisions of this section. The House bill provides that such assistance is provided at the request of the institution, while the Senate bill provides that the Secretary will determine if an institution requires such assistance.

The Senate recedes.

The House bill, but not the Senate bill, specifies that nothing in the section will require the reporting or disclosure of privileged information.

The Senate recedes.

The Senate bill, but not the House bill, defines "campus" for purposes of reporting crime statistics.

The House recedes with an amendment eliminating a specific definition of "campus" and replacing it with descriptions of the three reporting categories for crime reporting: on campus, in or on a non-campus building or property, and on public property that is reasonably contiguous to the campus. The conferees are aware of concerns from some institutions that own property remote from the main campus which is used only occasionally by students. By including the qualifier "used in direct support of, or in relation to, the institution's educational purposes" in defining the noncontiguous property, the conferees intend to exclude property where student use is only occasional but to include such noncontinguous property if student use is frequent or if the property is primarily used for institutional purposes.

The Senate bill, but not the House bill, requires the Secretary to report to Congress institutions determined not to be in compliance with reporting requirements.

The House recedes.

The Senate, bill but not the House bill, requires that institutions report crimes by means of separate categories for publicly owned thoroughfares and for on-campus residential facilities.

The House recedes with an amendment to require separately reported statistics on crimes committed on campus, in or on a noncampus building or property, and on public property with accompanying descriptions of what these reporting categories include and to assure that these statistics in all categories are among the material to be provided to students and prospective students under the provisions of section 485(a).

The Senate bill, but not the House bill, requires the Secretary to report to Congress each institution not in compliance with reporting requirements, provides technical assistance to such institutions, and provides for fines of up to $25,000 for each violation, failure, or misrepresentation.

The House recedes with an amendment specifying that any fine for non-compliance will be assessed pursuant to that provisions governing civil penalties in section 487(c)(3)(B) based on substantial misrepresentations of the number, location, or nature of the crimes required to be reported. The conferees would like to point out that many concerns have been raised with respect to noncompliance with the reporting requirements. We have been disappointed over the past few years at the growing number of reports about schools circumventing current law or failing to provide accurate information with respect to crimes occurring on campus. The conferees strongly encourage the Department of Education to enforce the provisions of the law and to penalize those schools that do not comply with the reporting requirements.

The Senate bill, but not the House bill, clarifies that the provisions do not cause liability or standard of care, nor is noncompliance admissible as evidence in any proceeding except for enforcement of the subsection.

The House recedes. It is the intent of the conferees to hold harmless colleges and universities from liability for information supplied by third-party, non-campus, security and police authorities.

The Senate bill, but not the House bill, permits the citation of the subsection as the "Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act."

The House recedes.

ATHLETIC REPORTING

Both bills consolidate athletic reporting requirements by moving requirements currently in Section 487(a)(18) to Section 485(g).

The House bill, but not the Senate bill, requires institutions to report reductions that may occur during the ensuing four years in participation in or financial resources provided for collegiate sports, and the reasons for any such reduction. The House bill also strikes this provision as of October 1, 1998.

The House recedes.

Both bills strike the outdated reference to the publication of regulations.

The Senate bill, but not the House bill, requires the Secretary to compile athletic reporting data submitted by institutions and report on such data by April 1 of each year.

The House recedes with an amendment to make the responsibilities of the Secretary consistent with those for the campus crime report—providing that he issue only one report, which will be submitted to the Congress by April 1, 2000.

NATIONAL STUDENT LOAN DATA SYSTEM

The House bill, but not the Senate bill, requires the Secretary to provide by one year after the enactment of the HEA amendments, the use of the NSLDS by borrowers to identify the current loan holders and servicers of their loans.

The Senate recedes with an amendment to change "1997" to "1998."

TRAINING IN FINANCIAL AID SERVICES

The House bill retains current law Section 486, "Training in Financial Aid Services," while the Senate bill repeals the current Section 486 provisions.

The House recedes.

PROGRAM PARTICIPATION AGREEMENTS

The House bill, but not the Senate bill, adds the SSIG program to the PPA requirements. The House recedes.

Using different language, both bills strike the requirement that institutions submit information relating to administrative capability and financial responsibility to State postsecondary review entities. The House bill requires the information to be provided to the appropriate state agency, while the Senate bill simply deletes the reference.

The House recedes.

The Senate bill, but not the House bill, requires Part D Schools to disclose to borrowers information about State grant assistance and requires schools to submit default management plans with their initial applications to participate in Part D loan programs.

The House recedes.

The Senate bill, but not the House bill, clarifies that the requirement of a default management plan for an institution that undergoes a change of ownership applies only to for-profit institutions.

The House recedes with an amendment providing that development of a default management plan is not required for ownership changes involving institutions with default rates of 10 percent or below.

The Senate bill substitutes "the State agencies under subpart 1 of Part H" for "State review entities under subpart 1 of Part H" as the authority to receive information related to an institution's administrative capability and financial responsibility. The House substitutes "appropriate State agencies" for "State review entities under subpart 1 of Part H."

The House recedes.

Both bills move requirements for athletic reporting from Sec. 487(a)(18) to Sec. 485(g). The Senate bill strikes 487(a)(18), while the House bill replaces the language in 487(a)(18) with language requiring institutions to meet the requirements of Sec. 485(g).

The Senate recedes.

Both bills make substitutions for the requirement that institutions meet the requirements established by State postsecondary review entities. The House bill substitutes "appropriate State agencies," while the Senate bill requires institutions to provide evidence to the Secretary that the institution has the authority to operate within a State.

The House recedes.

Using different language, both bills require institutions to distribute voter registration forms. The House bill, referencing section 9 of the National Voter Registration Act, requires institutions to distribute these forms to each student during registration unless the student, in writing, declines to receive such forms. The Senate bill requires institutions, located in a state to which section 113 applies, to make a good faith effort to makes forms available to students currently enrolled and in attendance in a degree or certificate program.

The House recedes with an amendment to strike "to which section 113 applies" and insert "to which section 4(b) of the National Voter Registration Act (42 U.S.C. 1973gg-2(b)) does not apply" and to insert "requested and" before "received." In order to meet the expectations of the conferees, the institution shall establish a process to request the necessary forms not less than 120 days prior to deadline for registering for each election (as defined in section 301(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(1)), and including the election for Governor or other chief executive within such state) and to have received the forms from the state 60 days prior to the deadline for registering to vote in the state. The process for distributing forms should be designed to ensure that each student, enrolled in a degree or certificate program and physically in attendance at the institution, is offered the form or the opportunity to receive a form from the institution. This may include, but is not limited to, providing a phone prompt when the student registers via telephone or a similar prompt during registration that is carried out via the internet or by facsimile. It is the conferees' expectation that publication of the availability of voter registration forms in one or more campus locations is not sufficient to meet the requirements of this provision. The conferees wish to provide institutions with broad flexibility regarding the good faith effort in order to meet the needs of different campuses. Additionally, the conferees recognize that implementation of this provision depends on the transmittal of registration forms by the states to the institution, and do not intend to place a risk the institution's participation in title IV programs in the event that a state fails to meet its obligation in this regard. Finally, in establishing the target dates for request and receipt of the registration forms, the conferees assumes that a degree of leeway would be afforded the states and the institutions in meeting these dates so long as the institutions are given ample time to implement their process for distributing the forms in accordance with the amendment and students are given ample time to complete the registration process.

The Senate bill, but not the House bill, prohibits any officer of the executive branch from regulating the manner in which institutions carry out the voter registration form distribution requirement.

The House recedes.

The Senate bill, but not the House bill, referencing section 6 of the National Voter Registration Act, includes in title I a requirement that a State provide to institutions mail registration forms not later than 60 days prior to the last day to register for a regularly scheduled federal election or election for chief executive of the State.

The Senate recedes.

The Senate bill, but not the House bill, exempts states described in section 4(b) of the National Voter Registration Act. Such States are those where there is no voter registration requirement for any voter in Federal elections or where all voters may register at the polling place at the time of voting in a Federal general election.

The Senate recedes.

The House bill, but not the Senate bill, replaces "State postsecondary review entities referred to in subpart 1 of Part H" with "appropriate state agencies" in the list of agencies to which institutions are required to make financial and compliance audits available. The Senate bill substitutes "appropriate State agencies notifying the Secretary under subpart 1 of Part H." The House bill deletes subpart 1 of Part H and redesignates subparts 1 and 2.

The House recedes.

The Senate bill, but not the House bill, permits U.S. institutions that receive less than $200,000 in funds under Title IV, and provide a letter of credit for not less than half of the potential liability as determined by the Secretary, to satisfy the annual audit requirements by submitting an audit every three years.

The House recedes with an amendment to give the Secretary discretion in implementing this provision.

QUALITY ASSURANCE PROGRAM

The House bill changes the heading to "Quality Assurance and Regulatory Simplification Program," while the Senate bill changes the heading to "Regulatory Relief and Improvement."

The House recedes.

The House bill allows the Secretary to select institutions to develop alternative management programs for complying with regulations under parts A thru E and part G. The Senate bill allows the Secretary to select institutions for QA, expanding the current law provision relating to data verification to include the development of systems for processing and disbursing student aid, and entrance and exit interviews.

The House recedes with an amendment to replace "including" with "related to" in paragraph 1.

The House bill prohibits the Secretary from waiving requirements of the Act. The Senate bill authorizes the Secretary to waive regulatory requirements dealing with reporting or verification and to substitute other reporting to ensure accountability.

The House recedes with an amendment to add "The Secretary shall not modify or waive the application of any requirement or other provision of this Act" at the end of paragraph 2.

The House bill allows for the continued Quality Assurance Program for institutions to develop systems for verifying application data.

The House recedes.

Both bills base participation in the Quality Assurance Program on demonstrated institutional performance and both consider goals determined by the Secretary, although the House bill refers to "regulatory simplification goals", while the Senate bill refers to "quality assurance goals". The House bill, but not the Senate bill, requires the Secretary to ensure representation by institutions according to size, mission, and geographical distribution.

The House recedes with an amendment to add at the end of section 487AS(a)(1). "The selection criteria shall ensure the participation of representatives of institutions of higher education according to size, mission, and geographical distribution."

Using different language, both bills revise the Secretary's authority to remove institutions from participation.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to submit recommendations to Congress regarding amendments to this Act that will streamline and enhance the integrity of Federal student assistance programs. Such recommendations are to be based on an evaluation of the Quality Assurance Program.

The House recedes.

The House bill designates institutions selected for participation in the Regulatory Simplification Program as Experimental Sites, while the Senate bill includes separate provisions dealing with Experimental Sites.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to submit to Congress a report on the experience of institutions participating as experimental sites between 1993 and 1998, and recommendations for amendments to improve and streamline this Act, based on the results of the experiments.

The House recedes.

The Senate bill, but not the House bill, allows the Secretary to select new institutions to participate as experimental sites, but not until the report required in (b)(1) has been provided to Congress.

The House recedes with an amendment to authorize the Secretary to continue the current experimental sites as in existence upon the date of enactment to the extent they are not inconsistent with the provisions of this section. Any activities currently approved by the Secretary prior to the enactment of this Act that are inconsistent with this section shall be discontinued no later than June 30, 1999.

The Senate bill, but not the House bill, requires the Secretary to consult with Congress prior to approving any experimental sites. The Secretary must provide a list of institutions, specific statutory waivers, objectives of the experiment, and the time period for conducting the experiment.

The House recedes.

The Senate bill, but not the House bill, authorizes the Secretary to waive statutory provisions, if such would bias experiment results.

The House recedes with an amendment excluding award rules, award maximums, and need analysis.

The Senate bill, but not the House bill, requires the Secretary to recommend ways that regulations and provisions of the Act affecting U.S. institutions that receive less than $200,000 in funds under Title IV can be streamlined and to issue, within one year of enactment, a report including fundings and recommendations and a timetable for implementing recommended changes.

The House recedes with an amendment to move the provisions to the new section '498B dealing with review of regulations.

Both bills establish Distance Education Demonstration Programs. The House bill includes the programs in Section 487B, redesignating the current Section 487B as 487C. The Senate bill includes the programs in Section 487C.

The Senate recedes with an amendment to move the distance education demonstration program provisions to section 486.

Both bills identify purposes for allowing a distance education program. Both bills note a purpose is to test the quality and viability of distance education programs currently restricted under the Act, and both bills identify helping to determine appropriate level of Federal assistance for students as a purpose of this section.

The House bill, but not the Senate bill, identifies increased access to higher education as a purpose of this section.

The Senate recedes.

The House bill, but not the Senate bill, identifies determining effective means of delivering quality education via distance education as a purpose of this section.

The Senate recedes.

The Senate bill, but not the House bill, identifies as a purpose of this section the identification and regulatory requirements which need altering to lead to greater access to higher education.

The House recedes.

Both bills authorize the Secretary to waive statutory or regulatory requirements, but differ in the specific waiver authority granted. The House bill refers to "exemptions," while the Senate bill refers to "waivers." The Senate bill allows only waivers related to distance education; the Houe bill allows waivers in general.

The House recedes.

The House bill allows exemptions from the statutory requirments of Part F, Part G, and Part A of title I. The Senate bill allows waiver of specific provisions of Parts F and G related to computer costs, weeks of instruction, percentage of courses offered via telecommunications, percentage of students enrolled in such courses, and eligibility requirements.

The House recedes.

The House bill allows exemption from the regulations prescribed under Part F, Part G, and Part A of title I. The Senate bill allows the waiver of any regulations under F or G.

The House recedes.

The Senate bill, but not the House bill, limits participation to institutions to offer 2-year or 4-year associate, baccalaureate, or graduate programs.

The House recedes with an amendment limiting participation by institutions to those that are title IV eligible.

The Senate bill, but not the House bill, prohibits foreign schools from participation.

The House recedes.

The Senate bill, but not the House bill, permits institutions that meet all the eligibility requirements of Section 481(a), except

(3)(A) or (3)(B) (now found in Title I), to participate in the demonstration program.

The House recedes with an amendment to limit the special rule to institutions that offer 2- or 4-year associate, baccalaureate, or graduate programs.

The Senate bill, but not the House bill, authorizes the participation of Western Governors University in the demonstration and permits the Secretary to grant more extensive waivers for WGU.

The House recedes with an amendment to permit waivers for Western Governors University of everything in the Act except Title IV, Parts A, B, C, E, and F. Title IV, Part F, waivers will be limited to the two provisions that may be waived for other participants in the demonstration program.

Using different language, both bills require comparable application requirements.

The House recedes with amendments to include reference to systems of institutions and waivers sought under (b)(3)(D).

The House bill authorizes the Secretary to select a representative sample of institutions for participation and provides the Secretary with the discretion to determine the number of demonstration programs allowed. The Senate bill limits participation to 15 projects for the first year. An additional 35 projects can be selected in the third year, based on evaluations of the original projects.

The House recedes.

The Senate bill provides that "systems of institutions" may participate.

The House recedes with an amendment to ensure that "systems of institutions" are included in all appropriate places.

The Senate bill, but not the House bill, requires the Secretary, in selecting participating institutions, to take into account factors including the number and quality of applications received, the ability of the Department of Education to oversee participants, the financial responsibility and administrative capability, and the distance educations programs offered.

The House recedes with an amendment to add a consideration to assure the participation of institutions of higher education according to size, mission, and geographical distribution.

The Senate bill, but not the House bill, requires notification to the public and Congress of the institutions or consortia participating and the statutory and regulatory requirements being waived.

The House recedes.

Both bills include provisions for annual evaluations of the demonstration programs by the Secretary. The House bill, but not the Senate bill, requires evaluations to review the extent to which goals of participating institutions have been met.

The Senate recedes.

The Senate bill, but not the House bill, requires the review to look at numbers and types of students and their progress toward degrees.

The House recedes with an amendment to strike "associate, bachelor's, or graduate degrees" and insert in its place "degrees or certificates" and to change "degree to which participation in such programs increased" to "extent to which participation in such programs increased".

Both bills include the review by the Secretary of issues related to student financial assistance for distance education. The House bill, but not the Senate bill, includes the review of effective technologies.

The Senate recedes.

The Senate bill, but not the House bill, includes the review of statutory and regulatory requirements not waived that hinder distance education programs.

The House recedes.

Both bills require the Secretary to identify policies which impede the development and use of distance education, and both bills require reports to Congress. The Senate bill requires an initial report with 18 months, with annual reports thereafter, while the House bill does not specify the time frame in which reports are to be submitted.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to issue an annual report on the number and types of students pursuing a certificate through distance education programs, the progress of such students, and the extent to which participation in such programs has increased.

The House recedes.

The Senate bill, but not the House bill, authorizes $1,000,000 for a study by the National Academy of Sciences on distance education programs.

The Senate recedes.

The Senate bill, but not the House bill, requires the Secretary to assure compliance by institutions participating in the distance education demonstration programs with the statutory requirements not authorized to be waived, to provide technical assistance, to monitor fluctuations in student enrollment, and to consult with appropriate State authorities and accrediting agencies or associations.

The House recedes.

WAGE GARNISHMENT REQUIREMENT

The House bill, but not the Senate bill, increases to 15 percent the amount of a borrower's wages that can be garnished and provides that Title IV assistance shall not be subject to garnishment or attachment except for a debt owed to the Secretary.

The House recedes with regard to the 15 percent. The Senate recedes with regard to attachment.

ADMINISTRATIVE SUBPOENAS

The House bill, but not the Senate bill, gives the Secretary the authority to issue administrative subpoenas.

The Senate recedes.

ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE

Both bills specify that the Advisory Committee has independent control over staffing levels.

Using slightly different language, both bills clarify that documents of the Committee shall not be subject to Secretarial review. The Senate bill includes reports and publications in electronic form, while the House bill refers only to documents.

The House recedes.

The House bill, but not the Senate bill, increases Committee membership to 15 members and makes conforming changes to reflect the increase.

The House recedes.

The House bill, but not the Senate bill, includes the process for appointing the additional members.

The House recedes.

Using slightly different language, both bills prohibit federal employees from serving as members of the Advisory Committee.

The House recedes.

Using slightly different language, both bills strike the reference to federal employees with regard to compensation and expenses incident to attending meetings.

The House recedes.

The House bill allows personnel to be hired as deemed necessary by the Chairman without regard to personnel ceilings. The Senate bill allows for the appointment of 1 full-time equivalent, nonpermanent consultant without regard to title 5, United States Code, and prohibits the Secretary from requiring the committee to reduce personnel to meet the Department's personnel goals.

The House recedes.

Both bills funds to be made available for the Committee, but set different amounts. The House bill requires $850,000, whereas the Senate bill requires $800,000.

The House recedes.

Using different language, both bills require that the Committee monitor and evaluate the modernization of student financial aid systems and delivery processes and the implementation of a performance-based organization within the Department, and assess dissemination methods.

The House recedes.

The Senate bill, but not the House bill, requires the Committee to make recommendations regarding the use of technology in the delivery and management of financial assistance.

The House recedes.

The Senate bill, but not the House bill, requires the Committee to assess the implications of distance learning on student eligibility and other requirements for financial assistance under the Act.

The House recedes.

The Senate bill, but not the House bill, requires the Committee to make recommendations regarding redundant or outdated regulations and provisions of the Act.

The House recedes.

Both bills extend the Committee through 2004 and repeal a loan study.

Same provisions.

REGIONAL MEETINGS AND NEGOTIATED RULEMAKING

The House bill, but not the Senate bill, extends the requirements of this Section to all regulations developed under this title. The Senate bill, but not the House bill, continues current law applying to Parts B, G, and H and extends the requirements of this section to include Part D.

The House recedes with an amendment striking "regional" and the Senate recedes by extending the requirements to all regulations.

Both bills require the Secretary to obtain advice and recommendations from others involved in student financial assistance programs and allow for meetings and electronic exchanges as means for the Secretary to obtain such advice and recommendations. The House bill refers to national meetings, while the Senate bill refers to regional meetings. The House bill, but not the Senate bill, drops current law identifying specific parts,the requirements that the Secretary take into account information received through the process, and the summary publication requirement.

The Senate recedes.

The House bill, but not the Senate bill, extends the requirements of this section to revisions of regulations developed under this Title. The Senate bill extends the requirements to regulations promulgated after the date of enactment of this Act pertaining to Parts B, D, G, and H.

The Senate recedes with an amendment to conform to other decisions.

The House bill, but not the Senate bill, requires the Secretary to follow certain procedures in establishing the negotiated rulemaking process, including preparing a transcript.

The House recedes. The conferees expect that any written explanation to the participants in the negotiated rulemaking process of why the Secretary is departing from an agreement reached through that process would: (1) contain a detailed statement of the reasons for the Secretary's decision, and (2) be provided to the participants sufficiently in advance of the publication of the proposed regulation so as to allow them a real opportunity to express their concerns to the Secretary.

The House bill instructs the Secretary to select participants from program participants and representatives of groups involved in student financial assistance. The Senate continues the nomination process based on the groups who participated in the regional meetings.

The Senate recedes with an amendment to change the first "industry" to "program" and to strike "reflecting the diversity in the industry" in paragraph two.

The House bill expands the current requirement to encourage the Secretary to publish revisions to regulations in accordance with the master calendar requirements. The Senate bill retains current law.

The Senate recedes.

The House bill, but not the Senate bill, requires a transcript of the negotiated rulemaking process to be made available to the public.

The Senate recedes.

The Senate bill requires negotiated rulemaking for all regulations implementing parts B, D, G and H after the date of enactment. The House bill requires all title IV regulations and revisions to regulations to be subject to negotiated rulemaking. The Senate bill, but not the House bill, provides the Secretary with the ability to decline to use the negotiated rulemaking process under exceptional circumstances.

The House recedes.

The Senate bill, but not the House bill, maintains the current law provision authorizing the appropriation of funds to carry out negotiated rulemaking and providing that, if funds are not appropriated, that the Secretary will use Department operating funds for this purpose.

The House recedes.

YEAR 2000

The conferees strongly encourage the Department of Education to greatly improve its Year 2000 computer readiness. It is important to implement changes necessary for Year 2000 compliance in all of the Department's fourteen mission critical systems immediately. Further, the conferees expect the Department to prepare and make available detailed contingency plans ensuring the continuous access to funds for students and families in the event of a problem with the implementation of Year 2000 compliant systems. The House receded with an amendment to the Senate provisions requiring the Department to take certain actions with respect to Year 2000 computer issues and to the Senate's timeline regarding reporting to Congress regarding their Year 2000 compliance.

The conferees understand that a limited number of institutions of higher education, lenders and guaranty agencies may face difficulties implementing changes or modifications to student aid processing or delivery requirements required by this Act at the same time they are making changes required to ensure that their systems are Year 2000 compliant. To ensure that institutions, lenders and guaranty agencies are not overburdened, the conferees provide the Secretary flexibility to posptone, for up to one year, the implementation of any requirements under part B, D, E, or G if the Secretary determines that such requirements would require extensive changes to their existing systems and postponement is necessary to avoiding jeopardizing the ability of a substantial number of institutions, lenders or guaranty agencies to fulfill their processing or delivery functions successfully after December 31, 1999. The Secretary must publish in the Federal Register, and notify Congress, regarding the provisions the Secretary intends to postpone and the reasons for such postponement. The conferees expect that this postponement authority will only be used in situations where it is absolutely necessary.

PROCEDURES FOR CANCELLATIONS AND DEFERMENTS FOR ELIGIBLE DISABLED VETERANS

Both bills require the Secretary of Education in consultation with the Secretary of Veterans Affairs to develop and implement procedures to allow for certification and affidavits needed to enable eligible disabled veterans to document their eligibility for deferments and cancellations of student loans. The Secretaries of Education and Veterans Affairs must report to Congress within 6 months of enactment on their progress of such procedures. The House bill includes this provision in title VIII, while the Senate bill includes it as section 493A of title IV.

The House recedes on placement in title IV.

PART H—PROGRAM INTEGRITY

The House bill changes the title of Part H to "Program Integrity," while the Senate bill maintains the current title of the Part ("Program Integrity Triad").

The Senate recedes.

Subpart 1—State Role

The House bill, repeals subpart 1 of part H, while the Senate bill renames subpart 1 as "State Role" and sets forth state responsibilities related to institutions of higher education.

The House recedes.

The Senate bill, but not the House bill, requires each institution to provide evidence that it has the authority to operate in a state at the time of certification.

The House recedes.

Subpart 2—Accreditation

Both bills change the subpart heading from "Accrediting Agency Approval" to "Accrediting Agency Recognition" and make conforming changes throughout the subpart to reflect the change in terminology. In addition, bith bills strike "standards" and replace it with "criteria" throughout the subpart.

DISTANCE EDUCATION

Both bills address the assessment of distance education, but do so in different portions of Section 496. The Senate bill amends Section 496(a)(4) to require accreditors to include distance education programs when assessing quality. The House bill amends Section 496(a)(5) to require accreditors to apply standards for assessing the quality of an institution's distance education programs.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to determine the scope of recognition for an accrediting agency. If distance education is included, the scope shall include accreditation of institutions offering distance education courses or programs.

The House recedes.

ACCREDITOR STANDARDS

Both bills modify provisions relating to accreditor standards:

The House bill, but not the Senate bill, strikes the requirement for accreditors to have a standard to assess tuition and fees in relation to subject matter.

The Senate recedes.

The Senate bill, but not the House bill, deletes the reference to clock hours or credit hours as part of the assessment of program length.

The House recedes with an amendment to strike the entire subparagraph, as program length is addressed in another subparagraph.

The House bill, but not the Senate bill, strikes the separate subparagraph (J) requiring assessment of default rates and includes default rates in general compliance subparagraph (L).

The Senate recedes.

The Senate bill, but not the House bill, requires the subparagraph (L) assessment to be based on the institution's record of compliance as evidenced by audits and program reviews. The House recedes with an amendment to insert the default rate language.

SITE VISITS

The House bill, but not the Senate bill, strikes the requirement for unannounced site visits and makes it an option.

The Senate recedes.

The House bill, but not the Senate bill, exempts new sites where programs are offered through telecommunciations from on-site visits if the program was included in a previously approved accreditation review.

The House recedes. The conferees understand that on-site visits are triggered only if new sites are considered branch campuses. The term "branch campus" is not defined in this Act, but it is defined in regulation (34 CFR 600.2) as:

A location of an institution that is geographically apart and independent of the main campus of the institution. The Secretary considers a location of an institution to be independent of the main campus if the location—

(1) Is permanent in nature;

(2) Offers courses in education programs leading to a degree, certificate, or other recognized education credential;

(3) Has its own faculty and administrative or supervisory organization; and

(4) Has its own budgetary and hiring authority.

Under this definition, a site visit does not appear to be required for the most common situations that might arise when an institution initiates distance education activities. The conferees are aware of concerns that site visits are being required, both with respect to telecommunications programs and to other off-site programs and believe that the definition of branch campus should not be so broadly interpreted as to require expensive site visits in instances where they are not needed.

The Senate bill, but not the House bill, provides the Secretary with the option of allowing an accrediting agency to take appropriate steps to correct problems within a 12-month time frame in lieu of termination.

The House recedes.

Subpart 3—Eligibility and Certification

The Senate bill requires that an institution maintain a copy of any contract between the institution and a financial aid service provider or loan servicer, and provide a copy of any such contract to the Secretary upon request, instead of requiring that the institution supply the copy with its application to participate in the student aid programs under Title IV, as is currently the case. The House bill maintains current law.

The House recedes.

The Senate bill, but not the House bill, allows an institution to decide which loan programs it wishes to participate in under part B or D.

The House recedes.

FINANCIAL RESPONSIBILITY

The House bill, but not the Senate bill, requires the Secretary to determine if an institution has financial resources sufficient to prevent precipitous closure.

The House recedes.

Both bills revise the criteria used to determine the financial responsibility of an institution to be based on whether it meets certain ratios.

The House bill, but not the Senate bill, includes public institutions with for-profit and non-profit with respect to taking into consideration differences in generally accepted accounting principles.

The Senate recedes.

The House bill, but not the Senate bill, requires the Secretary to avoid duplication of reporting requirements for assessing and reviewing financial responsibility.

The House recedes.

The Senate bill, but not the House bill, eliminates references to letter of credit and performance bonds and allows the Secretary to determine what financial guarantees are reasonable when an institution has failed to meet financial responsibility standards.

The Senate recedes with an amendment to insert "which the Secretary determines are reasonable" after "third party guarantees."

Both bills eliminate reference to "ratio of current assets to current liabilities" for institutions providing 2- or 4-year programs and replaces it with a general reference to criteria imposed by the Secretary. There are drafting differences in the two bills.

ADMINISTRATIVE CAPACITY

The House bill, but not the Senate bill, specifies that student aid refers to assistance provided under Title IV and authorizes the Secretary to establish written procedures related to approval, disbursement and delivery of student aid and for the division of functions at an institution related to authorizing and disbursing funds with adequate checks and balances.

The House recedes.

FAILURE TO PAY REFUNDS

Both bills add a new provision assessing an additional penalty commensurate with the penalty applicable to nonpayment of taxes in instances where a person willfully fails to pay a refund amount owed to a student or borrower, but there are wording differences.

The House recedes.

The House bill, but not the Senate bill, provides an effective date for the new refund penalty provision, applying it to unpaid refunds which were first required to be paid on or after 90 days after enactment.

The Senate recedes.

SITE VISITS

Both bills make site visits for certification or recertification permissive, rather than mandatory, and both bills require the Secretary to establish priorities by which institutions are to receive site visits.

The House bill, but not the Senate bill, requires the Secretary—to the extent practicable—to coordinate with site visits by other entities.

The Senate recedes.

The Senate bill, but not the House bill, eliminates the Secretary's authority to charge fees to cover expenses for site visits.

The House recedes.

The House bill, but not the Senate bill, allows the Secretary to exempt institutions in the Quality Assurance program from the site visit requirement.

The House recedes.

CERTIFICATION/RE-CERTIFICATION

The Senate bill, but not the House bill, keeps references to prescribed certification schedule as in effect prior to the 1998 amendments. (Both bills extend the certification period to 6 years, rather than the 4 years in current law.) Both bills require that institutions be notified 6 months in advance of the expiration of its certification.

The House recedes.

The Senate bill, but not the House bill, directs the Secretary to publish regulations for recertification for institutions outside the US that have received less than $500,000 in Part B loan funds in the most recent fiscal year.

The House recedes.

OWNERSHIP

The Senate bill, but not the House bill, applies financial guarantees, provisional certification as a result of change of ownership, and other change of ownership provisions only to for-profit institutions.

The Senate recedes.

The House bill, but not the Senate bill, allows the Secretary to grant provisional certification to an institution seeking approval for a change of ownership based on the preliminary review of a materially complete application and to extend that status on a month-by-month basis as necessary.

The Senate recedes.

The Senate bill, but not the House bill, clarifies that a branch campus must be in existence for 2 years after Secretarial certification as a branch before the branch can seek certification as a main or free-standing campus.

The House recedes.

PROGRAM REVIEW AND DATA

Both bills require, rather than authorize, the Secretary to give priority in program reviews to institutions that meet certain criteria. Both bills clarify that significant fluctuations are those that do not relate to programmatic changes.

The Senate bill, but not the House bill, includes Direct Loans.

The House recedes.

The Senate bill, but not the House bill, rewrites current paragraph (G) as (F) to define other institutions as those that pose a significant risk of failure.

The House recedes.

Both bills clarify that "relevant" information available to the Department should be included in a central data base.

The Senate bill, but not the House bill, includes "other relevant provisions of this title" in describing the Secretary's responsibility.

The House recedes.

Both bills maintain current law requiring the establishment of guidelines designed to ensure uniformity of practice in the conduct of program reviews.

The Senate bill, but not the House bill, includes a new provision requiring the Secretary to make copies of all review guidelines and procedures available to all participating institutions.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to permit institutions to correct administrative, accounting, or recordkeeping errors which are not part of a pattern, and not fraudulent.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary to base any civil penalty stemming from audit or program review on the gravity of the violation.

The House recedes.

Both bills require the Secretary to inform the appropriate state and accrediting agency or association whenever the Secretary takes action against an institution.

REVIEW OF REGULATIONS

Both bills contain a number of regulatory studies. Both bills maintain the current law requirement that the Secretary is to review regulations and their application to ensure uniformity. The House bill, but not the Senate bill, requires consultation with representatives of institutions. The House bill, but not the Senate bill, adds a new section requiring the Secretary to conduct a biennial review of all regulations in effect with respect to HEA and to determine which are no longer necessary. The House bill, but not the Senate bill, also requires the Comptroller General to conduct a study on the extent to which unnecessary costs are imposed on colleges and universities as a consequence of requiring them to abide by the same regulations as industrial or commercial entities.

The Senate bill, but not the House bill, requires the Secretary to establish a process for ensuring that eligibility and compliance issues are considered simultaneously, and for identifying unnecessary duplicative reporting and related regulations. The Secretary is required to consult with representatives of institutions in developing the processes. The Senate bill, but not the House bill, also requires the Secretary to recommend ways that regulations and provisions of the Act affecting U.S. institutions that receive less than $200,000 in funds under Title IV can be streamlined and to issue, within one year of enactment, a report including findings and recommendations and a timetable for implementing recommended changes.

The conference substitute combines these regulatory reviews into a new section 498B. Under this section, the Secretary would be required to review regulations to determine if they are duplicative or no longer necessary. Such review may also include assurance of the uniformity of interpretation and application of such regulations, a process for ensuring that eligibility and compliance issues are considered simultaneously, and the extent to which unnecessary costs are imposed on institutions as a result of applying regulations designed for industrial and commercial enterprises. The Secretary is to submit a report within one year of the date of enactment and to submit a second report by January 1, 2003. It is the intention of the conferees that submission of the second regulatory study will coincide with the next reauthorization of the Higher Education Act, permitting Congress to consider legislative changes designed to reduce unnecessary regulation in the context of the reauthorization.

The conference substitute further provides for a review of ways in which regulations and statutory provisions can be improved, streamlined, or eliminated for small-volume institutions, with a report to be issued within one year of enactment. In both this review and in the broader review described above, the Secretary is to consult with relevant representatives of institutions participating in title IV programs.

The House bill, but not the Senate bill, directs the Comptroller General look at laws, regulations, and mandates that contribute to costs and ways to reduce those mandates. The conference substitute does not include this provision, but conferees intend to make this request of the General Accounting Office by letter.

TITLE V—DEVELOPING INSTITUTIONS

The Senate bill, but not the House bill, includes Congressional findings.

The House recedes.

The Senate bill, but not the House bill, includes a purpose section.

The House recedes.

The House bill but not the Senate bill expands eligibility to include for profit institutions that award 4-year baccalaureate degrees, are regionally accredited, and serve at least 1,500 Hispanic students.

The House recedes.

The House bill restates the current definition of eligible institution found in section 312 of title III, but deletes reference to College of Marshall Islands and Micronesia, and Palau community college. The Senate bill adopts same (except for deletion of Palau, etc.) by cross reference to title III.

The Senate recedes.

The House bill restates the current definition contained within section 312 of Title III. The Senate bill retains identical definitions by cross reference to section 312 of title III.

The Senate recedes.

The House bill restates the current definition of junior or community college that is contained within section 312 of Title III. The Senate bill retains identical definitions by cross reference to section 312 of Title III.

The Senate recedes.

The House bill restates the definition of expenditures contained within Title III. The Senate bill retains the same definition by cross reference to Title III.

The Senate recedes.

The House bill provides a definition of endowment fund that is consistent with that used in title III. The Senate retains a similar definition by cross reference to section 331(b) of the Act.

The Senate recedes.

The House bill provides a definition of enrollment of needy students that is consistent with that currently contained within title III. The Senate bill retains the same definition by cross reference to title III.

The Senate recedes.

The House requires that grants be utilized to support one or more of the authorized activities. The Senate language provides examples of authorized activities.

The Senate recedes with amendment adding "to improve and expand such institutions' capacity to serve Hispanic students and other low-income students".

The House bill, but not the Senate bill, modifies current law to include construction and maintenance.

The Senate recedes.

The House bill deletes microfilm and includes telecommunication program materials in the list of authorized activities. The Senate bill restates current law.

The Senate recedes.

The House bill, but not the Senate, specifically authorizes the support of development offices.

The Senate recedes.

The House bill, but not the Senate bill, includes establishing or improving an endowment fund as an authorized activity.

The Senate recedes.

The House bill, but not the Senate bill, specifically authorizes support for distance learning activities.

The Senate recedes.

The House bill, but not the Senate bill, specifically authorizes support for teacher education.

The Senate recedes.

The House bill, but not the Senate bill, specifically authorizes support for community outreach programs.

The Senate recedes.

The House bill authorizes support for general activities to improve and expand graduate and professional opportunities. The Senate bill authorizes support for activities that expand the number of students that the institution can serve.

The House recedes.

The House bill authorizes additional activities proposed in the application that are approved by the Secretary and contribute to carrying out the purposes of this section.

The Senate recedes.

The House and Senate bills, using comparable language, authorize the use of funds to establish an endowment fund.

The House recedes.

The House and Senate bills require that endowment funds be matched. The House bill requires that non-federal funds be used for meeting the match.

The Senate recedes.

The House bill requires the Secretary to publish regulations pertaining to the use of a grant for the purposes of building an endowment, while the Senate bill extends the endowment provisions of part C of title III to the use of these funds.

The House recedes.

The House and Senate bills give priority to applications which provide evidence that the Hispanic-Serving Institution has entered into a collaborative relationship with a community-based organization but the House bill requests the community-based organization have demonstrated effectiveness.

The House recedes.

The House bill excludes recipients of aid under this title from concurrently receiving funds from Title III. The Senate bill excludes recipients from receiving funds from part A and part B of title III.

The House recedes.

The House bill, but not the Senate bill, retains current law with regard to the authority to provide 5 years grants, priorities, and planning grants.

The Senate recedes.

The House and Senate bills both provide that a grant recipient must wait at least two-years before receiving a subsequent grant under this title except that the House bill exempts planning grants from this limitation.

The Senate recedes.

The House bill, but not the Senate bill, applies the general provisions with regard to applications for assistance contained within part D of title III of the Act to the new program for Hispanic-Serving Institutions.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, requires that the applicants' performance goals be compatible with the overall program goals established in conformity with the Government Performance Review Act.

The House recedes.

The House bill, but not the Senate bill, authorizes the Secretary to develop a preliminary application.

The Senate recedes with amendment striking "shall" and replacing it with "may."

The House bill, but not the Senate bill, includes the requirement that the applicant agree to make any reports deemed necessary by the Secretary to comply with the Government Performance Review Act.

The House recedes.

The House bill, but not the Senate bill, permits the Secretary to waive eligibility requirements based on persuasive evidence submitted by the institution that this waiver would be consistent with the purposes of this title.

The Senate recedes.

The House bill, but not the Senate bill, applies the provisions regarding the review of applications contained within part D of title III of the Act to the new program for Hispanic-Serving Institutions except that the House bill does not require that the readers includes representatives of Historically Black Colleges and Universities, Native American Colleges and Universities or other under represented groups.

The Senate recedes with an amendment.

The House bill, but not the Senate bill, authorizes the Secretary to make grants from funds available under part A of this program to encourage cooperative arrangements between grant recipients and institutions not receiving funds under this program.

The Senate recedes.

The House bill, but not the Senate bill, restates with reference to the Hispanic Serving Institution program the provision contained within part D of title III of the Act which authorizes the Secretary to provide waivers of non-Federal cost-share requirements for any institution which is eligible for funds under part A of title III.

The Senate recedes.

The House bill limits the waiver of non-Federal cost-share requirements to program funded through title IV and VII.

The Senate recedes with amendment to restrict waiver authority to title IV and section 604 of title VI.

The House bill, but not the Senate bill, applies limitations contained within section 357 of the current Act to the new Hispanic-Serving Institution program.

The Senate recedes.

The House bill, but not the Senate bill, applies provisions relating to penalties contained within section 358 of the current Act to the new Hispanic-Serving Institution program.

The Senate recedes.

The House bill authorizes $80 million for FY 1999 and such sums as may be necessary for each of the four succeeding years. The Senate authorizes $45 million for FY 1999 and such sums as may be necessary for each of the four succeeding years.

The Senate recedes with an amendment to provide an authorization level of $62.5 million in FY 1999.

The House bill, but not the Senate bill, prohibits the use of funding for a school or department of divinity, an activity that is inconsistent with a State plan for desegregation, or purposes other than the purposes set forth in the application.

The Senate recedes.

TITLE VI—INTERNATIONAL EDUCATION

The House bill but not the Senate bill establishes International Education as Part A and the programs are given subpart headings. The House bill includes international and graduate education programs in title VI, while the Senate bill includes only international programs in title VI.

The House recedes.

PART A—INTERNATIONAL AND FOREIGN LANGUAGE STUDIES

FINDINGS AND PURPOSES

The House bill rewrites the findings and includes 2 new ones. The Senate bill keeps the current findings, rewriting one of them.

The Senate recedes with amendment to include the rewritten finding in the Senate bill in lieu of a similar House provision.

House bill rewrites and increases the list of purposes. The Senate bill maintains current law.

The Senate recedes.

GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS

The House bill changes the heading to "National Resource Centers for Foreign Language and Area of International Studies Authorized." The Senate bill adds "and Programs" to the heading.

The House recedes.

Authority

The House bill replaces "language and area centers" with "foreign language and area or international studies centers" in paragraphs (1)(A) and (1)(B), while the Senate bill restates current law.

The Senate recedes.

Authorized activities

Both bills allow the use of funds for creating and operating a center, but the House bill creates 2 categories of activities, mandatory and permissive, while the Senate bill continues current law.

The House recedes.

Mandatory activities

The House bill, but not the Senate bill, requires the center to support instruction in foreign language and courses in non-language disciplines that cover the center's subject area; support teaching and research materials; programs of outreach; and program coordination.

The House recedes.

Permissible activities

The House bill lists permissible activities while the Senate restates current law (which is all permissive).

The House recedes.

New activity—The House bill adds support for faculty positions is underrepresented disciplines at the center.

The House recedes.

Both bills include the current law provisions regarding linkages to overseas institutions, with slight wording differences.

The House recedes.

Both bills include the current law provisions dealing with visiting scholars/faculty.

The House recedes.

New activity—The House bill, but not the Senate bill, adds projects with other centers.

The Senate recedes with amendment striking "National Resource Centers"and inserting "centers."

New activity—The House bill, but not the Senate bill, adds summer institutes.

The Senate recedes.

The Senate bill is current law, while the House bill adds development of programs abroad to current law.

The Senate recedes.

Libraries

The Senate bill, but not the House bill, modifies current law to clarify that the Secretary determines what centers have important library collections.

The House recedes.

Outreach

The House bill maintains current law, while the Senate bill restates current law and modifies (E) to include foreign language summer institutes.

The House recedes.

Stipends

The House bill, but not the Senate bill, changes the Section 602(b) heading to "Graduate Fellowships for Foreign Language and Area or International Studies."

The Senate recedes.

Eligibility

Both bills restate current law, but the bills give different headings to the provision, and the House bill includes specific reference to pre-dissertation and dissertation activities at the end of the paragraph.

The Senate recedes.

LANGUAGE RESOURCE CENTERS

The Senate bill, but not the House bill, restates current law with minor changes.

The House recedes.

The Senate bill modifies current law by requiring effective dissemination efforts and by including dissemination in the list of permissive activities.

The House recedes.

The House bill rewrites current law in order to focus on less commonly taught languages and includes assessment of ways to meet the needs of teaching those languages, in addition to publication and dissemination of instructional materials. The Senate bill modifies current law by including dissemination to individuals and organizations.

The Senate recedes.

The House bill, but not the Senate bill, maintains current law relating to the widespread dissemination of information to the postsecondary education community. The Senate bill replaces this provision with language regarding the development and dissemination of materials to elementary and secondary schools.

The House recedes.

UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS

The House bill, but not the Senate bill, shortens the heading of Section 604(a) to read "Program Incentives and the Strengthening of Existing Programs in Undergraduate International Studies and Foreign Languages".

The House recedes.

Both bills have similar provisions regarding the use of funds. The Senate bill combines provisions dealing with faculty training in the U.S. and expansion of library resources which are listed separately in the House bill.

The House recedes with amendment to add "and pre-services and in service teacher training" at the end of the sentence.

The House bill, but not the Senate bill, includes development of international dimension in teacher training.

The House recedes.

Both bills have similar study abroad provision, except the House bill includes language dealing with serving students for whom such opportunities are not otherwise available.

The Senate recedes.

Both bills address integration of study abroad into specific degree program curricula, but differ in placement.

The Senate recedes.

Both bills include the same provision, except the House bill adds integration of program into home institution curricula.

The Senate recedes.

The House bill, but not the Senate bill, include linkages overseas with schools and organizations that contribute to international education.

The Senate recedes.

Both bills include provisions dealing with summer institutes, but House bill includes a broader scope to include government personnel and private persons involved in international activities.

The Senate recedes.

The House bill, but not the Senate bill, includes use of innovative technology.

The Senate recedes.

Non-Federal share

The Senate bill keeps current law and expands the noninstitutional providers to include private sector, corporation or foundation. The House bill allows the non-federal share to be equal to ⅓ the grant amount if provided in cash by private sector corporation or foundation or, ½ the grant amount if provided in-cash or in-kind from institutional and noninstitutional funds from the same list of providers in the Senate bill.

The Senate recedes.

Priority

The Senate bill restates current law and includes partnerships.

The House recedes.

Special rule

The House bill, but not the Senate bill, allows the Secretary to waive or reduce the non-federal share for title III and Title V-eligible institutions.

The Senate recedes.

Grant conditions

The Senate bill, but not the House bill, includes new sections establishing grant conditions and application requirements.

The House recedes.

Both bills repeal existing Sections 604(b) and 605.

National significance

Both bills redesignate this subsection as (b), and the Senate bill modifies the language by adding "to improving undergraduate international studies and foreign language programs."

The House recedes.

Funding support

The House bill, but not the Senate bill, includes a new provision limiting the Secretary to using no more than 10% of the funds appropriated for international education for this section.

The Senate recedes.

RESEARCH; STUDIES; ANNUAL REPORT

The Senate bill, but not the House bill, includes a new provision dealing with the evaluation of Title VI programs.

The House recedes.

The House bill, but not the Senate bill, adds "area studies or other international fields" to the end of the provision.

The Senate recedes.

The House bill, but not the Senate bill, adds a new provision addressing the use of technology.

The Senate recedes.

The Senate bill, but not the House bill, adds a new provision dealing with studies of effective dissemination practices and testing techniques.

The House recedes.

Technological innovation and cooperation for foreign information access

The House bill, but not the Senate bill, creates a new section called "Technological Innovation and Cooperation for Foreign Information Access."

The new section in the House bill replaces the language of the current Section 607 ("Periodicals and Other Research Materials Published Outside the United States"). The purpose of this section is to authorize grants for improving the collection, organization, dissemination of information on world regions that address teaching and research needs. The Senate bill repeals the current Section 607.

The Senate recedes.

American overseas research centers

The House bill allows the Secretary to use at least 10% of the funds available for this section for establishing new centers. The Senate bill allows the Secretary to make grants to fund activities that within one year will result in the creation of a center.

The House recedes.

Authorization of appropriations for Part A programs

Both bills authorize $80 million for fiscal year 1999 and "such sums" in the 4 succeeding fiscal years.

PART B—BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS

Both bills strike "advanced" in describing degree candidates, and both bills remove the requirement that programs be offered in the evening or in summer.

The Senate bill, but not the House bill, inserts "foreign language" in the summer institutes.

The House recedes.

PERMISSIBLE ACTIVITIES

The House bill, but not the Senate bill includes, as a new permissible activity for business education centers the offering of professional graduate degrees in translation and interpretation.

The House recedes.

Both bills make specific reference to a representative of a community college as one who may serve on the advisory council of a business education center.

AUTHORIZATION OF APPROPRIATIONS FOR PART B

Both bills authorize $11 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for Centers for International Business Education and $7 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for Education and Training Programs.

PART C—INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

Both bills change the matching requirement from one-fourth to one-half.

SOURCES

The Senate bill, but not the House bill, specifies that the non-Federal contribution must be made from private sector sources.

The Senate recedes.

HEADING

The House bill changes the heading to "Junior Year and Summer Abroad Program" while the Senate bill makes it "Study Abroad Program". The House bill makes conforming changes by inserting "and summer" after junior year everywhere it appears, while the Senate bill substitutes "study" for "junior year" in each place it appears.

The House recedes.

The House bill inserts "or summer" after junior year, while the Senate bill adds "or completing the third year of study in a summer abroad program" in defining students eligible to participate in the program.

The House recedes.

The Senate bill, but not the House bill, requires the institution to pay 1/3 of cost for students nominated to study abroad program—rather than ½ as in current law.

The House recedes.

INSTITUTIONAL DEVELOPMENT

Both bills create a new section on institutional development.

INTERNSHIPS

The House bill, but not the Senate bill, adds a new paragraph to allow the institute to enter into agreements with institutions to conduct internships.

The Senate recedes with an amendment to incorporate federal agency involvement in an advisory capacity.

INTERAGENCY COMMITTEE

The House bill, but not the Senate bill, creates an interagency committee on minority careers in international affairs.

The House recedes with an amendment to incorporate federal agency involvement in an advisory role in the internship program.

AUTHORIZATION FOR PART C

Both bills authorize $10 million for fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for Part C.

PART D—GENERAL PROVISIONS

DEFINITIONS

The House bill, but not the Senate bill, adds definitions for "internationalization of undergraduate education" and for "educational programs abroad."

The Senate recedes with an amendment to strike the definition of "internationalization of undergraduate education."

REPEAL

Both bills repeal preservation of pre-1992 programs.

TITLE VII—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

PART A—GRADUATE EDUCATION

The House bill creates a Part B in Title VI for GAANN. The Senate moves graduate programs (Jacob J. Javits and GAANN) to Title V.

The House recedes with an amendment to move graduate programs into Part A of Title VII.

The Senate bill, but not the House bill, rewrites the purpose section.

The House recedes with an amendment to strike subclause (iii).

Subpart 1—Javits Program

The House bill repeals the Javits program. The Senate keeps the program with the following changes:

Includes financial need in the selection of students for a fellowship; allows grants to be awarded to master's degree students for whom such a degree is considered terminal in their fields; allows for the forward-funding of appropriations for this program to enable new recipients to learn about their awards before making decisions about attending graduate school; adds a new paragraph establishing the timing of applications and announcement of recipients; adds a new paragraph authorizing the Secretary to enter into a contract for administering the program; requires that board representatives are representative of a range of disciplines instead of requiring board members to have knowledge and experience in arts and related areas; modifies the criteria for appointments to the fellowship board to include people who represent a range of disciplines; allows the panels to be appointed by the contractor if there is one; updates the date reference; uses Part F to determine a student's need; updates the institutional allowance; and reauthorizes the program at $30 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years.

The House recedes.

Subpart 2—GAANN

Both bills continue the GAANN program with changes.

The House bill revises the purpose to focus on graduate education generally and not just teaching and research. The Senate bill includes a purpose section for all graduate programs.

The House recedes.

The House bill directs the Secretary in the new second sentence to coordinate with other federal programs to minimize duplication and improve efficiency.

The Senate recedes with an amendment to strike the last sentence, which reads "The Secretary shall coordinate the administration and regulation of programs under this part with other Federal programs providing graduate assistance to minimize duplication and improve efficiency."

Both bills continue current law, except the House bill increases the minimum grant from $100,000 to $125,000.

The House recedes.

The House bill deletes the paragraph that provides preferences to continuing grant recipients.

The House recedes.

The House bill requires the Secretary to consult with appropriate agencies, while the Senate bill specifically mentions NSF and NAS.

The Senate recedes.

The House bill, but not the Senate bill, requires applications to be evaluated on quality and effectiveness of academic program and achievement promise of students.

The Senate recedes.

Both bills have the same provision but the Senate bill uses the word "sources" instead of "funds".

The House recedes.

The House bill, but not the Senate bill, deletes the current law requirement that the institution set forth policies and procedures to seek talented students from traditionally underrepresented backgrounds for these grants.

The House recedes.

The House bill, but not the Senate bill, deletes the requirement that individuals must be planning teaching or research careers.

The Senate recedes.

The House bill, but not the Senate bill, drops the word 'endeavor' with respect to fulfilling the commitment to the student and instead, requires the institution to fulfill the commitment from any available funds.

The Senate recedes.

The House bill, but not the Senate bill, inserts "eligible graduate student as defined in section 484" to clarify that students must meet the eligibility requirements of section 484 and limits eligibility to 3 years of study instead of 5 years.

The Senate recedes with regard to reference to section 484. The House recedes with regard to 5 years.

Both bills make the same changes to dates and amounts and updates institutional payments.

The House bill requires funding continuation awards under Harris, Javits and GAANN before new awards can be made.

The House recedes.

The House bill authorizes $40 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for GAANN. The Senate bill authorizes $30 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for GAANN.

The Senate recedes with an amendment to set the fiscal year 1999 authorization level at $35 million.

Subpart 3—Thurgood Marshall Legal Opportunity Program

The Senate bill, but not the House bill, authorizes the Thurgood Marshall Legal Opportunity Program. Funding is authorized at $5 million in fiscal year 1999 and in each of the 4 succeeding fiscal years.

The House recedes.

Subpart 4—General Provisions

The Senate bill requires coordination similar to the House bill. The Senate bill adds ensuring programs are carried out in a manner compatible with academic practices and standard timetables.

The House recedes.

The Senate bill modifies current law which says "no fellowship shall be awarded for study at a school or department of divinity." The Senate bill now says "no institutional payment or allowance shall be paid to such schools as the result of the award of a fellowship to a student studying for a religious vocation." The House bill deletes this prohibition.

The House recedes.

The Senate bill, but not the House bill, requires an evaluation.

The House recedes.

The Senate bill requires continuation awards to Javits and GAANN recipients before making new awards.

The House recedes.

FACULTY DEVELOPMENT PROGRAM

The Senate bill, but not the House bill, authorizes a faculty development program. Funding is authorized at $30 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years.

The Senate recedes.

PART B—FIPSE

Both bills continue FIPSE, but transfer it to other parts of the Act.

Placement of FIPSE in Part B of Title VII.

The Senate bill, but not the House bill, makes a clarifying change in the provision identifying entities which can receive grants or enter into contracts.

The House recedes.

The Senate bill, but not the House bill, revises language dealing with institutions and programs involving combination of academic and experiential learning.

The House recedes.

The House bill, but not the Senate bill, expands the Secretary's grant authority by allowing the Secretary to award an endowment grant on a competitive basis to a national organization to support program centers in high poverty areas.

The House recedes.

The Senate bill, but not the House bill, increases the number of technical employees who may be appointed by the Secretary to not more than 7, rather than the current 5.

The House recedes. This provision does not increase the number of FIPSE employees, but rather enhances the agency's ability to obtain personnel on a temporary basis for specific projects.

The Senate bill, but not the House bill, keeps separate subparts and separate authorizations. The authorization for supbart 1 is increased to $26 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years. The authorization for Planning Grants is $1 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years. The House bill creates a single authorization for all FIPSE activities at $30 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal year.

The Senate recedes.

The House bill, but not the Senate bill, strikes the current list of areas of national need and inserts 5 new areas—building on the current list. The Senate bill revises the current list.

The House bill makes reference to promoting "productivity, quality improvement and cost and price control" while the Senate bill refers to promoting "cost efficiencies."

The Senate recedes.

Both bills add articulation agreements, but the Senate bill also includes developing methods to ensure successful transfers.

The House recedes.

The House bill, but not the Senate bill, adds a new provision aimed to cooperation among institutions to encourage savings.

The House recedes.

The House bill expands current law to include "international cooperation and student exchange" while the Senate bill keeps the current law—"International exchanges."

The Senate recedes.

The House bill, but not the Senate bill, eliminates the separate authorization of appropriation for FIPSE Special Projects. The Senate bill authorizes $5 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years for Special Projects.

The Senate recedes.

The House bill, but not the Senate bill, eliminates subparts in FIPSE.

The Senate recedes.

The House bill, but not the Senate bill, creates 1 authorization of appropriations for all FIPSE activities at $30 million in fiscal year 1999 and "such sums" for the 4 succeeding fiscal years.

The Senate recedes.

PART C—URBAN COMMUNITY SERVICE

Both bills continue Urban Community Service, but move the provisions to different titles. The House bill includes it as Part A of Title II. The Senate bill includes it as Part D of Title V.

Placement in Part C of Title VII.

The Senate bill, but not the House bill, modifies priority selection to include giving priority to institutions that have demonstrated a commitment to urban community service.

The House recedes.

The House bill, but not the Senate bill, expands the list of allowable activities to include improving access to technology in the community.

The Senate recedes.

The House bill, but not the Senate bill, directs that information developed shall be made available to other institutions by all appropriate means.

The Senate recedes.

Both bills reauthorize the program at $20 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years.

PART D—DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION

Both bills include provisions to ensure students with disabilities receive a quality higher education. The House bill focuses on individuals with learning disabilities, while the Senate bill focuses more generally on students with disabilities.

The conference substitute provides for competitive grants to be awarded to institutions for a period of three years. These grants will be used to develop innovative and effective teaching methods and strategies, synthesize research and information related to the provision of postsecondary educational services, or conduct professional development and training sessions for faculty and administrators. In each case, grants must be used to evaluate and disseminate the information obtained from the activities. At least two of these grants shall be awarded to institutions that provide technical assistance and professional development for students with learning disabilities. The conference substitute authorizes appropriations at $10,000,000 for fiscal year 1999 and such sums for each of the four succeeding years.

TITLE VIII—STUDIES, REPORTS, AND RELATED PROGRAMS

PART A—STUDIES AND REPORTS

STUDY OF MARKET MECHANISMS

Both bills provide for a study of market-based mechanisms is student loan programs. The House provisions are included in title VII, while the Senate provisions are included in title IV. The House bill requires the Comptroller General, in consultation with interested parties, to conduct a study of the potential use of auctions or other market mechanisms. The Senate bill requires the Secretary of Treasury to conduct a study of market-based mechanisms.

The conference substitute merges concepts contained in both bills, requiring the Comptroller General and the Secretary of Education to convene a study group to design and conduct a study to identify and evaluate means of establishing a market mechanism for the delivery of title IV loans. Not fewer than three different mechanisms are to be identified and evaluated. The study group is to issue its preliminary findings no later than November 15, 2000, and submit a final report no later than May 15, 2001.

STUDY OF THE FEASIBILITY OF ALTERNATIVE FINANCIAL INSTRUMENTS FOR DETERMINING LENDER YIELDS

The conference substitute also requires the Comptroller General and the Secretary of Education to convene a study group with the same composition as the market mechanisms study group to evaluate alternative financial instruments for determining lender yields. This study will evaluate the 91-day Treasury bill (which is used in current law to determine student loan interest rates), 30-day and 90-day Commercial Paper, and the 90-day London Interbank Offered Rate (LIBOR). Some lenders have urged that a different instrument be adopted for the student loan programs in order to achieve greater efficiencies. This study will examine alternative financial instruments in terms of the following: costs or savings to various lenders; costs or savings to the federal government; and benefits and risks to students and to the student loan program. In addition, the conferees intend that data gathered and conclusions reached in this study be considered in the comprehensive market-mechanisms study.

STUDENT-RELATED DEBT

The Senate bill, but not the House bill, requires the Secretary to conduct a study that analyzes the distribution and increase in student-related debt, to submit the report to the relevant congressional committees 18 months after enactment, and to collect and provide relevant information to families through the Integrated Postsecondary Student Aid Study.

The House recedes.

TRANSFER OF CREDITS

The House bill, but not the Senate bill, requires the Secretary of Education to conduct a study evaluating the policies and/or practices instituted by recognized accrediting agencies or associations regarding the transfer of academic credits from one institution to another. The House bill requires the Secretary to submit a report, which includes recommendations on recognizing accrediting agencies or associations to the Chairman and Ranking Minority Member of the respective House and Senate Committees.

The Senate recedes. The conferees do not intend to regulate the policies or practices used by institutions of higher education.

ATHLETIC PARTICIPATION

The Senate bill, but not the House bill, directs the Comptroller General to study the opportunities for participation in intercollegiate athletics. A report containing the results of the study is to be submitted to the appropriate congressional committees.

The House recedes with an amendment to place the study in Title VIII.

COHORT DEFAULT STUDY

The Senate bill, but not the House bill, requires the Secretary to conduct a study on the effectiveness of the cohort default rate as an indicator of administrative capability and program quality. The study required by the Senate bill shall include: identification of the institutions and student populations used; analysis of cohort default rates as indicators of administrative capability and program quality; the effectiveness at preventing fraud and abuse; analysis of institutions that no longer participate due to high default rates; and the costs incurred by the Department related to monitoring and enforcing cohort default rates. The Secretary is required to consult with institutions in preparing the report, and to have the report sent to Congress by September 30, 1999.

The House recedes.

OTHER STUDIES

The House bill, but not the Senate bill, requires the Secretary of Education to submit a report to Congress on the desirability and feasibility of new Federal efforts to assist individuals with substantial alternative student loans (loans which are not direct student loans or federally guaranteed student loans) to repay their loans. The report must be submitted to Congress within 2 years of enactment.

The House recedes.

The Senate bill, but not the House bill, directs the Comptroller General, in consultation with the Inspector General of the Department of Education, to submit a report to the relevant congressional committees not later than 90 days after enactment, describing legislative and regulatory changes that can be made to strengthen laws governing the transfer of foreclosed property or assets by the Department to individuals who have been in positions of management or oversight at postsecondary educational institutions that have failed, or are failing, to make payments to the Department on property loans, or defaulted on any property or asset loan from a Federal agency.

The Senate recedes.

Part B—Advanced Placement Incentive Program

Both bills reauthorize this program. The Senate bill, but not the House bill, makes substantial changes to the program. The House bill transfers it to Part D of Title II, while the Senate bill transfers it to Part B of Title VII.

Placement in Title VIII.

The Senate bill, but not the House bill, renames the program "Advanced Placement Incentive Program." The House bill retains the current name, "Advanced Placement Fee Payment Program."

The House recedes.

The Senate bill, but not the House bill, creates a new formula for distributing funds based on low-income people in a state.

The Senate recedes with an amendment to add at the end of subpart (d)—Requirements for Approval of Applications, the following:

(4) consider the number children eligible to be counted for Title I (1124E of the ESEA) in the State in relation to the number of children eligible to be counted for Title I (1124E of the ESEA) in all States.

The Senate bill maintains current law, but includes a new limit of 5% of funds for use of funds for dissemination purposes.

The Senate recedes.

The Senate bill, but not the House bill, changes the supplement-not-supplant rule by allowing federal funds to supplant other funds if the other funds are used to increase participation.

The Senate recedes with an amendment to rewrite the funding rule to permit a State education agency in a state in which no eligible low-income individual is required to pay more than a nominal fee to take advanced placement tests in core subjects to use any remaining grant funds provided to that state education agency under this section for activities directly related to increasing participation.

The Senate bill, but not the House bill, includes a new rule that ties a awarding of federal funds to the College Board level of spending for its fee assistance program.

The Senate recedes. The conferees encourage appropriators to consider the record of continued funding from private entities in determining federal funding levels for the program.

The Senate bill, but not the House bill, creates a new reporting section.

The House recedes.

The House bill maintains the current authorization level of $3.6 million for fiscal year 1999 and "such sums" for the 4 succeeding fiscal years, while the Senate bill increases the authorization to $10 million in fiscal year 1999 and "such sums" in the 4 succeeding fiscal years.

The House recedes with an amendment setting the fiscal year 1999 authorization level at $6.8 million.

Part C—Community Scholarship Mobilization Act

The Senate bill, but not the House bill, authorizes the Community Scholarship Mobilization Act—a competitive grant program which will allow grant recipients to establish and support program centers to foster the development of local chapters in high poverty areas that promote higher education goals for students from low-income families. It is authorized at $10 million for FY 2000.

The House recedes.

Part D—Grants to States for Workplace and Community Transition Training for Incarcerated Youth Offenders

The House bill transfers this program to Part C of Title II; the Senate transfers it to Part E of Title VII.

Placement in title VIII.

The Senate bill, but not the House bill, restates the program with only minor wording changes.

The House recedes.

The House bill authorizes funding of $5 million in fiscal year 1999 and "such sums" for the 4 succeeding fiscal years, while the Senate bill authorizes $17 million in fiscal year 1999 and "such sums" for the 4 succeeding fiscal years.

The House recedes.

Part E—Grants to Combat Violent Crimes Against Women on Campuses

Both the House bill and the Senate bill authorize grants to combat violent crimes against women on campuses. The House bill includes the program in Part F of Title II. The Senate bill includes it as Section 792 of Title VII.

The conference substitute places the program in Part E of Title VIII.

GRANT AUTHORIZATION

The House bill provides that the Secretary of Education will make the grants, while the Senate bill provides that the Attorney General will make the grants.

The House recedes.

Both bills make grants available to institutions of higher education, but the Senate bill specifies that grant funds will be for the use of a consortia.

The House recedes with an amendment inserting "such institutions or by a" after "for use by."

The House bill provides that grant funds will be used to provide training of personnel in order to develop and strengthen security/investigation strategies, while the Senate bill includes more general authority to develop and strengthen such strategies.

The House recedes.

The House bill, but not the Senate bill, gives priority to applicants that show the greatest need for the sums requested.

The House recedes.

USE OF FUNDS

Both bills specify use of grant funds.

The Senate bill, but not the House bill, permits funds to be used to increase apprehension, investigation, and adjudication of those committing violent crimes.

The House recedes.

Both bills provide for training, with differences in wording.

The House recedes with an amendment to include personnel serving, on-campus disciplinary or judicial boards among those receiving training.

The House bill, but not the Senate bill, permits use of funds for prevention education.

The Senate recedes.

The House bill, but not the Senate bill, permits use of funds for support services for victims.

The Senate recedes.

The House bill, but not the Senate bill, permits use of funds to inform victims of disciplinary or other legal options.

The Senate recedes.

Both bills authorize funds for training. The House bill refers to identifying and responding to violent crimes, while the Senate bill refers to targeting violent crimes.

The Senate recedes.

The Senate bill, but not the House bill, permits use of funds for data collections and communications systems.

The Senate recedes.

Both bills provide for capital improvements, but the House bill specifies that funds may not include construction of buildings.

The Senate recedes.

APPLICATIONS

Both bills include application requirements. The House bill provides for applications to the Secretary while the Senate bill provides for applications to the Attorney General.

The House recedes.

Both bills refer to consultation with victim services programs, but the House bill refers to "other" such programs while the Senate bill refers to "nongovernmental" programs.

The Senate recedes.

The Senate bill, but not the House bill, requires applications to include information about the population being served.

The House recedes.

REPORTS AND EVALUATIONS

The House bill, but not the Senate bill, makes ineligible for a grant any institution which is not in compliance with the campus crime reporting requirements of Section 485(f).

The Senate recedes.

Both bills include reporting requirements, with minor differences in wording. The House bill, but not the Senate bill, provides for evaluation based on the reduction in crimes reported under Section 485(f).

The House recedes with an amendment to add "including reports submitted pursuant to section 485(f)."

Both bills have grantee reporting requirements which differ only in wording. The House bill, but not the Senate bill, also provides that grant funding will be suspended if the applicant fails to submit an annual report.

The Senate recedes with an amendment to add the Attorney General to the first sentence and replace "Secretary" with "Attorney General" in the last sentence.

The Senate bill, but not the House bill, provides that the Attorney General may request assistance from other Federal agencies in support of campus security.

The House recedes.

The Senate bill, but not the House bill, requires the Secretary and the Attorney General to publish regulations implementing this section.

The House recedes with an amendment striking "Secretary" in the first sentence and replacing it with "Attorney General, in consultation with the Secretary," and amending the second sentence to include "in consultation with the Secretary" after "Attorney General."

AUTHORIZATION LEVELS

Both bills authorize funding of $10 million in FY 1999. The House bill authorizes "such sums" for the 4 succeeding fiscal years, while the Senate bill authorizes $10 million in each of the 3 succeeding fiscal years.

The Senate recedes.

REPORT

The Senate bill, but not the House bill, authorizes $1,000,000 in fiscal year 1999 for the Secretary to provide for a national study to examine procedures undertaken after an institution receives a report of sexual assault and other policies and procedures. The Secretary is required to submit a report to Congress by September 1, 1999.

The House recedes with an amendment to replace "The Secretary, in consultation with the Attorney General" with "The Attorney General, in consultation with the Secretary."

PART F—IMPROVING UNITED STATES UNDERSTANDING OF SCIENCE, ENGINEERING, AND TECHNOLOGY IN EAST ASIA

The Senate bill, but not the House bill, authorizes the Director of the National Science Foundation, in consultation with the Secretary of Education, to administer an interdisciplinary program of education and research on East Asian science, engineering, and technology.

The House recedes.

PART G—OLYMPIC SCHOLARSHIPS

The House bill reinstate section of title XV of the Higher Education Amendments of 1992 dealing with Olympic Scholarships—changing the date from 1993 to 1999. The Senate bill repeals this program.

The Senate recedes.

PART H—UNDERGROUND RAILROAD

The Senate bill, but not the House bill, authorizes the Underground Railroad Educational and Cultural Program which allows the Secretary of Education, in consultation with the Secretary of the Interior, to make grants to nonprofit educational organizations to research, display, interpret, and collect artifacts relating to the history of the Underground Railroad, and to make the interpretive efforts available to institutions of higher education. It is authorized at $6 million for FY 1999–FY2001 and $3 million for FY 2002 and FY 2003.

The House recedes.

PART I—SUMMER TRAVEL AND WORK PROGRAMS

The Senate bill, but not the House bill, authorizes the Director of USIA to administer summer travel and work cultural exchange programs without regard to pre-placement requirements.

The House recedes.

PART J—WEB-BASED EDUCATION COMMISSION

The Senate bill, but not the House bill, authorizes the establishment of a Web-Based Education Commission. The commission is to assess the educational software available in retail markets for secondary and postsecondary students and submit a report to the President and Congress that contains its findings and its recommendations for legislative and administrative actions. Funding level of $650,000 is authorized for fiscal year 1999.

The House recedes with an amendment to change the authorization level to $450,000 million.

PART K—MISCELLANEOUS PROVISIONS

STUDY OF APPROACHES TO HELP WELFARE RECIPIENTS ACHIEVE ECONOMIC SELF-SUFFICIENCY

The Senate bill, but not the House bill, amends the welfare provisions of the Social Security Act. It permits States to count 24 months of postsecondary and vocational education as a work activity for TANF recipients and removes teen parents from being calculated in the 30% caps of those involved with work/education activities.

The House recedes with an amendment to require the Comptroller General to conduct a study of the long-term effectiveness of education and rapid employment approaches to helping welfare recipients become employed, sustain employment, and achieve economic self-sufficiency. The report is to be submitted to the appropriate committees of Congress no later than August 1, 1999.

GUAM COMMUNITY COLLEGE

The Senate bill, but not the House bill, provides that the Secretary of Education will release all conditions and covenants and any reversionary interests imposed or retained by the United States federal government regarding the conveyance of Federal surplus property in Guam for the construction of a new Guam Community College campus.

The House recedes.

SENSE OF THE CONGRESS ON GOOD CHARACTER

The Senate bill, but not the House bill, includes sense-of-the-Congress language stating that Congress should support and encourage character building initiatives in schools across America and urges colleges and universities to affirm that the development of character is one of the primary goals of higher education.

The House recedes.

SENSE OF THE SENATE ON COST OF HIGHER EDUCATION

The Senate bill, but not the House bill, includes sense-of-the-Senate language that the cost of tuition at institutions of education continues to increase at a rate above inflation, that efforts should be made to address the disproportionate share of Federal student aid in the form of loans compared to grants, and that providing incentives to institutions of higher education may be an effective way to limit tuition growth.

The Senate recedes.

SENSE OF THE CONGRESS ON TEACHER EDUCATION

The Senate bill, but not the House bill, includes a "Sense of the Congress" regarding teacher education that encourages collaboration, partnership and alternative routes to teaching in teacher preparation as well as encouraging students participating in federal programs to become involved in supervised tutoring and mentoring activities.

The Senate recedes.

SENSE OF THE HOUSE ON DYSLEXIA

The House bill, but not the Senate bill, includes a sense of the House of Representatives that colleges and universities receiving assistance under the Higher Education Act of 1965 shall establish policies for identifying students with learning disabilities, specifically students with dyslexia, early during their postsecondary educational training so they may have the ability to receive higher education opportunities.

The House recedes.

TITLE IX—AMENDMENTS TO OTHER ACTS

PART A—INDIAN EDUCATION PROGRAMS

TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT OF 1978

Both bills reauthorize the Tribally Controlled Community College Assistance Act of 1978 and rename it the Tribally Controlled Community College or University Assistance Act of 1978. Both bills increase the per-Indian-pupil authorization to $6,000. Both bills reauthorize the programs in this Act and increase the authorization for grants to colleges and universities to $40,000,000 in fiscal year 1999.

The House bill, but not the Senate bill, requires an institution to be accredited or in the process of accreditation by an accrediting agency or organization recognized by the Secretary of Education rather than the Secretary of the Interior.

The House recedes.

NAVAJO COMMUNITY COLLEGE ACT

Both bills reauthorize the Navajo Community College Act.

OTHER PROGRAMS

The House bill, but not the Senate bill, reauthorizes the Tribal Development Student Assistance Revolving Loan Program, the American Indian Postsecondary Economic Development Scholarship and American Indian Teacher Training.

The House recedes.

The Senate bill, but not the House bill, authorizes $5 million in FY 1999 for the Institute of American Indian and Alaska Native Culture and Arts Development.

The Senate recedes.

PART B—EDUCATION OF THE DEAF

Given the enormous importance of education to the future success of all Americans, the conferees reaffirm the long-standing commitment to programs targeted to people who are deaf or hearing impaired through extending the authorization for the Education of the Deaf Act of 1986. The conference agreement amends the Education of the Deaf Act by extending the authorization for Gallaudet University and the National Technical Institute for the Deaf. The conference agreement also makes the legislation consistent with certain provisions of the Individuals with Disabilities Education Act Amendments of 1997, strengthens and clarifies audit provisions, increases flexibility and clarifies provisions with regard to the endowment programs, and authorizes a National Study on the Education of the Deaf.

The conference agreement increases the ability of Gallaudet University and the National Technical Institute for the Deaf to utilize excess enrollment capacity at the institutions by raising the current 10 percent enrollment cap on international students to 15 percent, while establishing the requirement that no qualified United States citizen will be denied admission to the institutions. The conference agreement also makes a modest increase in the amount of the tuition surcharge paid by international students from 90 percent of the tuition charged to U.S. students to 100 percent of that amount.

The conferees view the National Study on the Education of the Deaf as an appropriate and timely method for identifying education-related factors that facilitate or result in barriers to successful postsecondary education and employment of individuals who are deaf. In addition to any other factors the Secretary deems appropriate, the study shall identify education-related factors that pose barriers to or that facilitate:

(1) educational performance and progress of students who are deaf in high school;

(2) educational performance and progress of students who are deaf in postsecondary education;

(3) career exploration and selection;

(4) job performance and satisfaction in initial postsecondary employment; and

(5) career advancement and satisfaction.

PART C—UNITED STATES INSTITUTE OF PEACE

The Senate bill, but not the House bill, reauthorizes the Institute for Peace and authorizes the Institute to enter into personal service contracts and to utilize the services of GSA. The Senate bill also permits rather than requires Congress to hold hearings on reports submitted by the President.

The House recedes.

PART D—VOLUNTARY RETIREMENT INCENTIVE PLANS

PRESENT LAW

Section 4(f)(2)(B)(ii) of the Age Discrimination in Employment Act of 1967 (ADEA) provides that voluntary early retirement incentive plans do not violate the ADEA's prohibition, in Section 4(a)(1), against age discrimination in compensation, terms, conditions, or privileges of employment, provided such plans are otherwise consistent with the relevant purpose or purposes of the Act. The relevant purposes of the Act are set forth in Section 2(b): to promote employment of older persons based upon their ability rather than age; to prohibit arbitrary age discrimination in employment; and to help employers and workers find ways of meeting problems arising from the impact of age on employment.

Under section 4(l)(1)(B) of ADEA, certain age-based early retirement subsidies and social security supplements are permitted in defined benefit pension plans.

HOUSE BILL

In general

The House bill adds to the ADEA a "safe harbor" under which institutions of higher education may offer to tenured faculty members, upon their voluntary retirement, supplemental benefits that are reduced or eliminated based upon age, subject to three conditions. First, the institution must not implement any age-based reduction or cessation of benefits other than these supplemental benefits. Second, these supplemental, age-based benefits must be in addition to any retirement or severance benefits that have been available to tenured faculty members generally, independent of any early retirement or exit-incentive plan, within the preceding 365 days. Third, any tenured faculty member who attains the minimum age and satisfies all non-age-based conditions for receiving such a supplemental benefit has an opportunity for at least 180 days to elect to retire and receive the maximum supplemental benefit that could then be elected by a younger but otherwise similarly situated employee, and must have the ability to delay retirement for at least 180 days after making that election.

Benefits described in the safe harbor will not be in violation of subsection (a), (b), (c), or (e) of Section 4 of the ADEA. In addition, the bill amends Section 4(i)(6) of the ADEA to exempt such benefits from Section 4(i)(1), which precludes reduction or cessation of retirement plan contributions or benefit accruals based upon age. This relief from Section 4(i)(1) is limited to the supplemental benefits described in the safe harbor, and would not change the prohibition in existing law against age-based reduction or cessation of contributions or benefit accruals under other retirement plans.

INSTITUTIONS OF HIGHER EDUCATION

The safe harbor in the House bill is limited to plans offered by institutions of higher education as defined in Section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)). The term "institution of higher education" had the same meaning under Section 12(d) of the ADEA, as in effect prior to January 1, 1994.

TENURED EMPLOYEES

A plan covered by the safe harbor may offer benefits only to employees who are serving under a contract of unlimited tenure (or similar arrangement providing for unlimited tenure). This language is intended to have the same meaning as it did in Section 12(d) of the ADEA, as in effect prior to January 1, 1994. Assuming an employee was tenured at the time the retirement incentive was offered, the safe harbor will not fail to apply merely because a tenured employee is no longer tenured at the time benefits are actually provided.

SUPPLEMENTAL BENEFITS

The safe harbor encompasses only supplemental retirement benefits—i.e., benefits that are in addition to those already available to tenured faculty members under other plans. Thus, the safe harbor would not apply to a plan under which tenured faculty members, because they did not retire before a given age, ceased to receive benefits (other than the supplemental retirement benefits themselves) that were available to other tenured faculty members. However, the bill provides that any reduction or cessation of benefits that is permitted by other provisions of the ADEA would not prevent the safe harbor from applying. This would include, for example, any general change in post-retirement benefits, such as a change in or elimination of retiree health benefits, that applies without regard to age, or any change or cessation of coverage resulting from Medicare eligibility.

In addition, an institution may not cease offering a retirement or severance benefit that has been generally available to tenured faculty members and, within 365 days thereafter, begin offering that benefit solely to faculty members who retire under the supplemental, age-based retirement plan permitted by the safe harbor. The House bill would not, however, preclude an institution from discontinuing benefits under an existing early retirement or exit-incentive plan and substituting, within 365 days thereafter, a supplemental age-based retirement plan described in the safe harbor. Similarly, the bill would not preclude an institution from offering benefits under such a plan that had been offered within the preceding 365 days under individually negotiated retirement or exit-incentive arrangements with selected faculty members. In addition, a plan does not fall outside the safe harbor merely because it restates or incorporates benefits that are also available on the same terms under other plans or policies to tenured faculty generally.

ONE HUNDRED AND EIGHTY DAY OPPORTUNITY

To satisfy the safe harbor, a plan must not preclude an eligible employee who has attained too high an age for the maximum benefit otherwise available under the applicable formula from having an opportunity of at least 180 days' duration to elect to retire and receive that maximum benefit. In determining that maximum benefit, the employee will be assumed to retire at the age which, under the applicable formula, results in the largest benefit. If more than one benefit is offered, or non-cash benefits are provided, or benefits are provided over a period of time, the employee will be assumed to retire at the age which, under the applicable formula or formulas, results in benefits with the largest combined present value. In determining the benefits actually payable to the employee, all relevant factors other than age, such as salary or years of service, will be determined as of the employee's actual retirement.

This 180-day opportunity must be offered not only to faculty members who have attained the minimum age, are in an eligible classification, and satisfy the other eligibility requirements at the time the plan is established, but also to faculty members who satisfy all of these conditions at some later time while the plan remains in effect. The maximum benefit available to such a faculty member will be determined in the manner described above as of the time of the faculty member's retirement, based on benefits available at that time under the plan.

The House bill also provides that a plan within the safe harbor may not require retirement to occur sooner than 180 days after the election to retire. As a practical matter, this means that the plan must begin the 180-day election period at least 360 days before the intended retirement date, so that a faculty member who makes the election at the end of that 180-day period will still have 180 days to plan for retirement. The bill is not, however, intended to preclude a faculty member from choosing to retire sooner, if the plan allows the faculty member to do so.

EXAMPLES

Under the bill, a college or university plan would not violate the ADEA, for example, by offering to tenured faculty members who voluntarily retire between ages 65 and 70 a monthly bridge benefit, payable until age 70, equal to 50 percent of their final monthly salary, with the expectation that the faculty members would wait until age 70 to commence their regular retirement benefits. The bridge benefit could be made available between other ages, such as 60 and 65, or 62 and 69, could involve a different or varying percentage of pay, and could be subject to other conditions, such as a minimum service requirement for eligibility, or limitation of the plan to one or more schools, departments, or other classifications of tenured faculty. Similarly, under the bill, a plan could, consistent with the ADEA, provide lump sum retirement incentives that are reduced based upon age at retirement and eliminated at a specified upper age (e.g., 65 or 70). The ADEA would also not be violated by a voluntary phased, planned or similar retirement program for eligible tenured faculty members under which the retirement incentive takes the form of subsidized pay or benefits for part-time work or decreased duties, and the amount of the subsidy or duration of the part-time work or decreased duties, or both, is reduced or eliminated based upon age.

In each case, the age-based benefits provided would be in addition to, and not in lieu of, any retirement or severance benefits available within the preceding 365 days to tenured faculty members generally (other than benefits under a prior early retirement or exit-incentive plan).

Also, in each of the above examples, a faculty member who would otherwise be prevented by attainment of too high an age from receiving the maximum benefit under the applicable formula would be given an opportunity of at least 180 days' duration to elect to retire and receive that maximum benefit, determined as described above, and would have the right to take at least 180 days after the election to plan for retirement. For example, if the plan offered decreasing lump sum benefits to all tenured faculty members retiring between ages 65 and 70, inclusive, with 15 or more years of service, all tenured faculty members with 15 or more years of service who were older than age 65 when the plan was first implemented would have a 180-day period in which they could elect to retire and receive the highest lump sum benefit (the benefit that would otherwise be available only to 65-year-old retirees). A similar 180-day opportunity would be offered to tenured faculty members who completed 15 years of service at an age higher than 65; they could elect the highest benefit then available to a younger (but otherwise similarly situated) faculty member.

EFFECT ON PROCEDURAL OBLIGATIONS

Enactment of the safe harbor is not intended to diminish any other rights or obligations, such as collective bargaining obligations under federal or state law, that tenured faculty members or institutions of higher education may have regarding the processes to be followed in establishing a plan described in the safe harbor.

EFFECT ON APPLICATION OF THE ADEA TO OTHER PLANS OR EMPLOYERS

The House bill provides that the enactment of this safe harbor does not affect the application of the ADEA to plans or employers outside the safe harbor. Also, enactment of the safe harbor does not affect the application of the ADEA to any plan at any time prior to the bill's enactment, whether or not the plan is described in the safe harbor.

EFFECTIVE DATE

Title X of the House bill is effective on the date of enactment of this Act, and shall not apply with respect to any cause of action arising under the ADEA prior to that date.

The Senate bill did not contain a similar provision.

CONFERENCE AGREEMENT

The conference agreement follows the House bill.

Part E—GEPA

AMENDMENT TO FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974

The House bill, but not the Senate bill, amends the General Education Provisions Act by allowing institutions of higher education to disclose disciplinary records of students who have admitted or been found guilty of a crime of violence where the records directly relate to such misconduct.

The Senate recedes with an amendment to provide for public disclosure of the results of campus disciplinary proceedings against students who are alleged perpetrators of crimes of violence or a nonforcible sex offense, without the student's consent, if the student is determined, as a result of that proceeding, to have committed a disciplinary violation in connection with the crime. The information that could be disclosed to the public would include only the name of the student determined to have committed the violation, the violation committed, and any sanction imposed by the institution. The information disclosed could include the name of any other student (such as a victim or witness) only with the written consent of that other student. A parallel reference to a nonforcible sex offense would be added to section 444(b)(6), regarding the release of disciplinary proceeding results to the alleged victim. In addition, authorized representatives of the Attorney General would be exempted from the general prohibition against the release of education records. Such exemption would be provided only for law enforcement purposes.

ALCOHOL OR DRUG POSSESSION DISCLOSURE

The Senate bill, but not the House bill, provides an assurance that the Higher Education Act shall not be construed to prohibit an institution of higher education from disclosing information regarding violations of law regarding alcohol and drugs to the parents of under-age students.

The House recedes with an amendment to add "or legal guardian" after "parent", to include violations of any rule or policy of the institution if the institution has determined the student has committed a disciplinary violation, and to include language regarding State law regarding disclosure.

Part F—Liaison for Proprietary Institutions of Higher Education

The Senate bill, but not the House bill, amends the Department of Education Organization Act to establish a Liaison for Proprietary Institutions of Higher Education.

The House recedes.

Part G—Offsets

DISCHARGE OF STUDENT LOAN DEBT IN BANKRUPTCY

The conferees, in the effort to ensure the budget neutrality of this bill, adopted a provision eliminating the current bankruptcy discharge for student borrowers after they have been in repayment for seven years. The conferees note that this change does not affect the current provisions allowing any student borrower to discharge a student loan during bankruptcy if they can prove undue economic hardship. The conferees also note the availability of various options to increase the affordability of student loan debt, including deferment, forbearance, cancellation and extended, graduated, income-contingent and income-sensitive repayment options.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION FEE

The conferees, in the effort to ensure the budget neutrality of this bill, adopted a provision increasing the Government National Mortgage Association's (Ginnie Mae) guarantee fee from six basis points to nine basis points in fiscal years 2005, 2006, and 2007. Although this fee increase is outside of our committees' jurisdiction, it is the understanding of the conferees that it can be implemented in a way which does not adversely affect low-income homebuyers.

Part H—Repeals

The House bill, but not the Senate bill, repeals Section 4122 of the Elementary and Secondary Education Act of 1965 (20 USC 7132) which provides grants for drug and violence prevention programs-model programs on safety and illegal use of drugs and alcohol.

The Senate recedes. A new program which is similar to the ESEA program is established in Title 1 of this Act.

For consideration of the House bill (except sec. 464), and the Senate amendment (except secs. 484 and 799C), and modifications committed to conference:

Bill Goodling,
Howard "Buck" McKeon,
Tom Petri,
Lindsey Graham,
Mark Souder,
John E. Peterson,
W.L. Clay,
Dale E. Kildee,
M.G. Martinez,
Robert E. Andrews,

For consideration of sec. 464 of the House bill, and secs. 484 and 799C of the Senate amendment, and modifications committed to conference:

Bill Goodling,
James Talent,
E. Clay Shaw, Jr.,
Dave Camp,
W.L. Clay,
Sander Levin,
Managers on the Part of the House.

Jim Jeffords,
Dan Coats,
Judd Gregg,
Bill Frist,
Mike DeWine,
Mike Enzi,
Tim Hutchinson
Susan Collins,
John Warner,
Mitch McConnell,
Ted Kennedy,
Chris Dodd,
Tom Harkin,
Barbara A. Mikulski,
Jeff Bingaman,
Patty Murray,
Jack Reed,
Managers on the Part of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11292. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Isoxaflutole; Pesticide Tolerance [OPP–300713; FRL–6029–3] (RIN: 2070–AB78) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11293. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Flufenacet; Time-Limited Pesticide Tolerance [OPP–300712; FRL–6028–8] (RIN: 2070–AB78) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11294. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Glutamic Acid; Technical Amendment and Correction of Pesticide Tolerance Exemption [OPP–300598A; FRL–6029–1] (RIN: 2070–AB78) received September 21, 1998, pursuant to 5

U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11295. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Flexible Polyurethane Foam Production [FRL–6163–9] (RIN: 2060–AE86) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11296. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licensees [WT Docket No. 97–82] received September 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11297. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations (Nassawadox, Virginia) [MM Docket No. 97–189] (RM–9135) received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11298. A letter from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Transfer for Disposal and Manifests; Minor Technical Conforming Amendment (RIN: 3150–AF99) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11299. A letter from the Assistant Administrator, NOS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—General Grant Administration Terms and Conditions of the Coastal Ocean Program [Docket No. 980805207–8210–02] (RIN: 0648–ZA47) received August 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11300. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska [Docket No. 971208297–8054–02; I.D. 091198D] received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11301. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 630 of the Gulf of Alaska [Docket No. 971208297–8054–02; I.D. 091598B] received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. TURNER (for himself, Mr. MALONEY of Connecticut, Ms. CARSON, Mr. GOODE, Mr. KUCINICH, Mr. EVANS, Mr. LUTHER, Ms. MCKINNEY, Mrs. MCCARTHY of New York, Mr. MCGOVERN, Mr. STUPAK, Ms. PELOSI, Mr. SPRATT, Mr. PETERSON of Minnesota, Mr. JOHN, Ms. STABENOW, Mr. DAVIS of Illinois, Mr. POMEROY, Ms. DEGETTE, Mr. TIERNEY, Mr. FORD, Mr. FARR of California, Mr. MINGE, Mr. WAXMAN, Mr. BERRY, Ms. SÁNCHEZ, Mr. DELAHUNT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JACKSON of Illinois, Ms. HOOLEY of Oregon, Mr. TANNER, Mrs. CAPPS, Mr. BISHOP, Mr. ENGEL, Mr. BROWN of Ohio, Mr. SAWYER, Ms. JACKSON-LEE of Texas, Mr. PALLONE, Mr. CLEMENT, Ms. ESHOO, Mr. WEXLER, Mr. MEEKS of New York, Mr. CONDIT, Mr. BLUMENAUER, Mr. KIND of Wisconsin, Mrs. MALONEY of New York, Mr. MATSUI, Mr. SANDLIN, Mr. ORTIZ, Mr. STENHOLM, Mr. LAMPSON, Mr. GREEN, Mr. HINOJOSA, Mr. FROST, Mr. RODRIGUEZ, Mr. BENTSEN, Mr. HALL of Texas, Mr. BOSWELL, Mr. WEYGAND, Mrs. THURMAN, Mr. PASCRELL, and Mr. CRAMER):

H.R. 4646. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EWING (for himself, Mr. SMITH of Oregon, Mr. STENHOLM, Mr. CONDIT, Mr. SHIMKUS, Mr. WATTS of Oklahoma, Mr. BEREUTER, Mr. LAHOOD, Mr. MINGE, Mr. MANZULLO, Mr. MORAN of Kansas, and Mr. KOLBE):

H.R. 4647. A bill to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity, and for other purposes; to the Committee on Agriculture.

By Mr. NEAL of Massachusetts (for himself, Mr. FRANK of Massachusetts, and Mr. MCGOVERN):

H.R. 4648. A bill to clarify the non-preemption of State prescription drug benefit laws in connection with Medicare+Choice plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SNOWBARGER:

H.R. 4649. A bill to amend the Internal Revenue Code of 1986 to provide for the establishment of medical security accounts for individuals who are 40 years old or older; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 18: Mr. DOOLITTLE and Mr. REDMOND.

H.R. 3503: Mr. ACKERMAN and Mr. MCINTYRE.

H.R. 3632: Mr. YOUNG of Alaska.

H.R. 3792: Mr. HILLIARD and Mr. BLUNT.

H.R. 4446: Mrs. MYRICK.

H.R. 4449: Mr. COBURN and Mr. PAXON.

H.R. 4611: Mr. LEVIN.

H. Con. Res. 290: Mr. PITTS, Mr. COOKSEY, Mr. POMBO, Mr. JOHN, and Mr. BARRETT of Nebraska.

H. Res. 475: Mr. METCALF and Mr. OBERSTAR.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 59: Mr. STOKES.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4 by Ms. SLAUGHTER on House Resolution 473: Bob Filner and Bill Luther.

EXTENSIONS OF REMARKS

HYDRO RELICENSING IN NEED OF REFORM

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. TOWNS. Mr. Speaker, yesterday, the Subcommittee on Energy and Power held an oversight hearing on the relicensing process for the Nation's hydroelectric projects. This is an important energy issue. Hydroelectric generation is the third largest source of U.S. electric generation. And it accounts for about 96 percent of U.S. renewable energy generation. While the time remaining in this session will not permit us to address any kind of meaningful reform in the relicensing process, it is clear from yesterday's hearing that this should be a top priority in the 106th Congress.

Currently relicense applications make up the bulk of the Federal Energy Regulatory Commission's licensing workload. The Commission's work, in this area, has been hampered by the complex nature of the relicensing process. A number of parties are involved; the gamut of Federal laws governing the process often have very different and contradictory goals; and we also discovered that there are disputes between the authority retained by State resource agencies and the Commission.

The multiple layers involved in the relicensing process has imposed regulatory requirements and costs that threaten to undermine the Nation's hydropower system. New York City greatly benefits from the inexpensive hydropower generated by the Niagara Falls through New York utilities like, the New York Power Authority and Consolidated Edison. Given the need to relicense over 65 percent of the Nation's hydro electric capacity in the next 15 years, we must seriously consider establishing a more reasonable regulatory process.

I would urge my colleagues to make reform of the hydro relicensing process a top priority in the next Congress. We can ill-afford to lose the benefits of our Nation's most reliable and environmentally sound renewable energy source. I look forward to addressing this important energy issue next year.

SOUTH FLORIDA APPRECIATES FEMA'S HELP IN PREPARING FOR HURRICANE GEORGES

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Ms. ROS-LEHTINEN. Mr. Speaker, South Florida owes a debt of gratitude to the Federal Emergency Management Agency (FEMA) for its exceptional performance in helping our communities prepare for Hurricane Georges.

In the hours before the hurricane struck, FEMA played a critical role in helping the local counties make preparations for this dangerous natural phenomenon. At all times, FEMA provided local officials, South Florida Congressional offices, and residents with information about the services it provides before and after the natural disaster.

South Florida was harshly hit by Hurricane Georges, although thankfully, not as severely as many had predicted. Throughout FEMA acted in a professional manner providing the residents of South Florida an opportunity to observe their tax dollars at work.

I extend my appreciation to FEMA director, James Lee Witt, and his staff for their magnificent work in helping my community prepare for this disaster.

WHAT IS A FLAG?

HON. JAY W. JOHNSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. JOHNSON of Wisconsin. Mr. Speaker, I would like to enter into the RECORD the following essay by Peter Hagen, a seventh-grade student from Appleton, Wisconsin. Peter's essay is entitled "What is a Flag?," and took first place at the Appleton Flag Day essay contest. His words demonstrate how our flag touches each of us in an emotional, personal way. Peter understands the respect our flag deserves, and it is an honor for me to share his moving essay with the rest of America.

What is a flag?

Some say it's just a piece of cloth. Others may say that it's just fancy toilet paper.

But what does it stand for?

It is a representative of our country, just as much a representative as the President. Our country is a large number of citizens united under the government, the values of this country, and the flag. This country was formed and received its values and freedoms through the individual sacrifices of many different men and women. Some may have given their sacrifice through the system of indentured servants. Some may have come as penniless immigrants, coming to look for a better life. Some have even given their lives in defense of this country and what it stands for.

Yes, but what does this all tell me about my flag?

Our flag is the same flag that Francis Scott Key wrote about in his famous anthem. Our flag is the same flag that Betsy Ross gave so much time and effort to make. Our flag is the same flag that has crossed oceans and deserts, mountains and plains, country after country, making sure that the oppressed are freed.

This is what the flag means to me.

TRIBUTE TO SWADESH CHATTERJEE

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. PRICE of North Carolina. Mr. Speaker, I want to offer my congratulations to a respected citizen of my district and a national leader of the Indian-American community, Swadesh Chatterjee, on his election to the presidency of one of the oldest and best-known Indian-American organizations in the nation, the Indian American Forum for Political Education. A recent gathering of more than 500 members of IAFPE unanimously elected Mr. Chatterjee. There could be no stronger advocate for the American-Indian community nor a more adept leader than Swadesh Chatterjee to guide the IAFPE into the next century, and we are proud that he calls North Carolina home.

Since his immigration to America from Calcutta, India in 1980, Swadesh Chatterjee has been a leader in North Carolina's business community. Swadesh began as the plant manager of Brandt Instruments, a manufacturer of process control instrumentation located in the Raleigh-Durham area. He was quickly promoted to Executive Vice President, then to the position of President, where he has served for the past five years. Under his guidance, Brandt Instruments's operating profits have grown 170% in the last three years.

Swadesh Chatterjee has been an important leader of the growing Indian-American community in North Carolina. This community is noteworthy for the many accomplished professionals and business people it contains, for its strong emphasis on education, family life, and the preservation of cultural traditions, and for its contributions to the wider community. Swadesh Chatterjee is proud of this community, as they are of him, and we are all delighted that his leadership will now be extended nationwide. I am honored to represent Swadesh Chatterjee and his family and to know him as a friend, and I am pleased to commend his leadership and his achievements before my colleagues in the House today.

PERSONAL EXPLANATION

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Ms. PRYCE of Ohio. Mr. Speaker, during the week of September 21, 1998, I was absent due to an illness in my family. I received an official leave of absence from the Majority Leader in this regard.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

However, had I been present, I would have voted in the following manner on the following legislation:

WEDNESDAY, SEPTEMBER 23, 1998

H. Res. 545—impeaching Kenneth W. Starr, an independent counsel of the United States appointed pursuant to 28 United States Code section 593(b), of high crimes and misdemeanors, motion to table the measure (Roll Call No. 453): AYE.

H. Res. 144—to express support for the bicentennial of the Lewis and Clark Expedition (Roll Call No. 454): AYE.

H. Res. 505—expressing the sense of the House of Representatives with respect to the importance of diplomatic relations with the Pacific Island nations (Roll Call No. 455): AYE.

H. Con. Res. 315—expressing the sense of the Congress condemning the atrocities by Serbian police and military forces against Albanians in Kosova and urging that blocked assets of the Federal Republic of Yugoslavia (Serbian and Montenegro) under control of the United States and other governments be used to compensate the Albanians in Kosova for losses suffered through Serbian police and military action (Roll Call No. 456): AYE.

THURSDAY, SEPTEMBER 24, 1998

H.R. 4112—making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes (Roll Call No. 457): AYE.

H.R. 3616—to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1999, and for other purposes (Roll Call No. 458): AYE.

H.R. 3736—to amend the Immigration and Nationality Act to make changes relating to H–1B nonimmigrants:

On agreeing to the Watt (NC) amendment (Roll Call No. 459): NAY

On final passage (Roll Call No. 460): AYE.

FRIDAY, SEPTEMBER 25, 1998:

H. Res. 552—providing for consideration of the bill (H.R. 4578) to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for consideration of the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, and for other purposes;

On ordering the previous question (Roll Call No. 461): AYE.

On agreeing to the resolution (Roll Call No. 462): AYE.

H.R. 4578—to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds;

On agreeing to the Rangel amendment (Roll Call No. 463): NAY.

On passage (Roll Call No. 464): AYE.

H. Res. 553—providing for consideration of the bill (H.R. 2621) to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes (Roll Call No. 465): AYE.

H.R. 2621—to extend trade authorities procedures with respect to reciprocal trade agreements, and for other purposes (Roll Call No. 466): AYE.

SATURDAY, SEPTEMBER 26, 1998:

On approving the Journal (Roll Call No. 467): AYE.

H.R. 4579—Taxpayer Relier Act of 1998:

On agreeing to the Rangel Amendment (Roll Call No. 468): NAY.

On passage (Roll Call No. 469): AYE.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

SPEECH OF

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. POSHARD. Mr. Speaker, I appreciate the opportunity to comment on the House's consideration of Fast-Track trade authority today. While I have supported efforts to expand markets for our exports, particularly our agricultural exports, including GATT and the extension of MFN status for China, I cannot vote for this legislation. Over the past five years we have watched hundreds of thousands of jobs from our cities lost across the border of Mexico. I represent a very rural part of Illinois, and the impact this has on small towns is devastating. When a major employer leaves such a community, often times the displaced workers have no where to go for other opportunities. Families are dramatically affected. I have seen the consequences.

The underpinning of this debate defines who we are as a people. Currently in this country we are encouraging a race to the bottom. We have set up a framework where we encourage U.S. companies to find the cheapest wages and least restrictive employment and environmental regulations elsewhere in the world. This Congress should not be undercutting the hardworking men and women that have made this country the envy of the world. The freedom the United States represents more than any other is the ability to work hard and get ahead—an honest day's pay for an honest day's work. We have seen the erosion of this principle, because for too many people it takes more than one job to realize that promise. This is not justice.

As I listen to the debate this afternoon it is all too obvious that the timing of this discussion is aimed at political gains, not economic ones. Members on both sides of this aisle are ready to engage in honest debate about the provisions that can be added to this bill to make it acceptable to all—to make it truly represent free trade. We were ready to do that last fall. But today's vote does not advance this cause. I hope it has not been dealt too severe a blow. I urge my colleagues to vote against this legislation, and for a real debate on these critical issues.

75TH ANNIVERSARY OF THE ATTLEBORO LIONS CLUB

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. McGOVERN. Mr. Speaker, on October 13, 1998, the Attleboro Lions Club will be celebrating its 75th anniversary. Chartered in 1923, it is the third oldest Lions Club in the State of Massachusetts.

The Attleboro Lions Club has established a long tradition of service to the community. Throughout its history, and as a result of its many fundraising efforts, the Club has been a significant contributor to Massachusetts Eye Research to aid in its fight to prevent blindness. The Club has also been a long-standing contributor to the Attleboro Scholarship Foundation, which provides funds to Attleboro students who are pursuing higher education. Since 1948, the Attleboro Lions Club has contributed approximately $104,000 to this worthy cause. Other organizations Attleboro that have received funds from the Club over the last few years include the YMCA, the Literacy Center, the Audubon Society, Balfour Riverwalk Project, the Guide Dog Foundation, the Ten Mile River Watershed Alliance and Big Brothers, Big Sisters. The Club also hosts an annual Christmas party for the blind residents of the Attleboro community.

It will be my great honor to attend a luncheon on October 13 celebrating the 75th anniversary of the Attleboro Lions Club. I hope the members of the club will take great pride in the hard work and spirit of service that has characterized this organization since its inception.

TRIBUTE TO ELIZABETH SNYDER

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Ms. PELOSI. Mr. Speaker, I rise to recognize the accomplishments of Elizabeth Synder, a long time civic leader who helped pave the way for women to assume positions of leadership in California, who died in Los Angeles on August 26, 1998 of complications related to emphysema. She was 84.

Elizabeth first came to national attention in 1954, when she was elected Chair of the California Democratic Party, becoming the first woman in the United States to be elected chair of a major political party in any state. In a career that spanned more than half a century, Elizabeth worked prominently in the California presidential campaigns of Harry Truman, Adlai Stevenson, and Lyndon Johnson and served as the California Co-Chair of President Jimmy Carter's 1976 Presidential campaign. As one who benefited from Liz's leadership, her advice when I served as Chair of the California Democratic Party and her friendship for many years, I am pleased to call Liz's accomplishments to the attention of my colleagues.

Born on April 8, 1914, in Minnesota of immigrant parents, Elizabeth and her family moved to San Diego in the early 1920's. Following the collapse of her father's business at the outset of the Great Depression, Elizabeth, her mother and two brothers relocated to East Los Angeles where life was, in her words, "lean, precarious and hard." Elizabeth graduated with honors from Garfield High School in 1931. She studied at Los Angeles City College and in 1933, matriculated as a political science major at UCLA, where she went on to become one of the first two doctoral candidates in UCLA's political science department.

In 1939, her mother's failing health required Elizabeth to leave her post-graduate studies to go to work. Elizabeth became a substitute high school teacher in Los Angeles. Already active in Young Democrats, Elizabeth became involved in the workings of government as she became a volunteer lobbyist speaking out on behalf of substitute teachers in Sacramento. In 1940, she was elected to serve at the Democratic National Convention as the alternative delegate for her first political mentor, Congressman Jerry Voorhis, who was later defeated by Richard M. Nixon in his first bid for public office. In that same year, she married attorney Nathan H. Snyder, her husband of fifty-eight years. During WW II, Elizabeth worked for the Canadian government in Washington, D.C. and returned to California where she became involved in the first of many Congressional campaigns on behalf of her lifelong friend and mentor, Chet Holifield.

None of her political activities was more important to Elizabeth than her life long effort to bring about greater participation by women in the political arena. During the 1970's, Elizabeth devoted herself to the mentoring of Los Angeles women in politics, holding weekly luncheon meetings of the Thursday Group at her Bunker Hill apartment. Her dedication to improving our society extended beyond the realm of politics. Among the many issues to which Liz gave much time and effort in her final years, she was especially proud of her work on the prevention of fetal alcohol syndrome, which culminated in ordinances requiring the posting in restaurants and bars of warnings to women regarding the dangers of alcohol consumption during pregnancy.

In addition to all of her varied civic activities, Elizabeth will be remembered fondly by the literally thousands of men and women in all walks of life to whom she provided comfort and assistance in overcoming the adversities of alcoholism and substance abuse.

In 1994, she received the prestigious CORO Public Affairs Award in recognition of her life long commitment to the reform of the American system of government in which she so deeply believed. As Elizabeth herself once wrote: "In the last analysis, the most significant single political activity is not winning elections and defeating opponents: It is improving, expanding and correcting government structure, so that democracy works." Her life is profiled in the University of California Bancroft Library, "Women in Politics Oral History Project" and in her autobiography, "A Ride On the Political Merry-Go-Round."

Sadly, I send my condolences and those of my fellow California Congressional Democrats to Liz's dear husband, Nathan and her daughter, Christina A. Snyder and her son-in-law, Marc M. Seltzer.

THREATS AGAINST ISRAEL

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. SCHAFFER of Colorado. Mr. Speaker, I have addressed the House on a number of occasions regarding one of America's closest and most-trusted allies, Israel. The following article, written by Mr. Paul Mann, was published on September 21, 1998 in Aviation Week & Space Technology. Mr. Mann's article paints a sobering picture of the current threats facing Israel today by the accelerating spread of nuclear, chemical and biological weapons of mass destruction (WMD) throughout the Middle East. America must take every step to help Israel counter these threats through full development and deployment of an effective antimissile defense. I hereby submit Mr. Mann's article, entitled "Israel Lobbies Hard For Antimissile Defense," for the Record.

ISRAEL LOBBIES HARD FOR ANTIMISSILE DEFENSE

(By Paul Mann)

Israeli legislators of all political stripes are pressing for faster deployment of antimissile defenses, warning that democracies everywhere face a "new world order" of dictatorships increasingly equipped with mass destruction warheads and the missiles to deliver them.

In an impassioned plea last week to their counterparts on Capitol Hill, four members of the Israeli Knesset called for a re-thinking of strategic preparedness in light of the accelerating spread of nuclear, chemical and biological weapons of mass destruction (WMD).

Recent Iranian and North Korean tests suggest their missiles might have longer ranges than previously thought. Israel suspects North Korea of assisting Syria in developing an indigenous missile manufacturing capacity. Tel Aviv also suspects the Damascus government is working on nerve gas warheads on its ballistic missiles date back at least to mid-1997, according to the Carnegie Endowment for International Peace.

Israeli lawmakers want to expand on many years of bilateral cooperation with the U.S., particularly in the interoperability of ballistic missile defense (BMD) systems designed for theater warfare. Israel successfully tested its Arrow anti-ballistic missile again last week and might eventually join in the U.S. Theater High Altitude Area Defense (Thaad) program, if varied problems that have dogged it for years are finally overcome. Modifications to the program might be announced by the Pentagon this week, one U.S. lawmaker said.

At the first meeting of the American/Israeli Interparliamentary Commission on National Security, a joint caucus of legislators who are ardent missile defense advocates, the Israelis sought to stoke up support for their long-held advocacy of multilayered BMD deployment. They placed heavy emphasis on boost-phase intercepts—striking enemy missiles right after launch so the warheads fall back on the attacker. This is considered essential with the advent of chemical and biological warheads in the possessions of regional military powers. Tel Aviv suspects Iraq, Iran and Syria have chemical warheads and probably biological warheads as well.

But boost-phase intercept capability presents major technical challenges and almost certainly will not be deployable in the next few years, a period the Israelis consider crucial lead time if theater BMD deployments are to be ready when they are needed to counter the emerging Middle Eastern threat. Israel's plan for a multiple-layer missile defense had its inception in 1988 in a joint program with Washington, begun under the now-defunct Strategy Defense Initiative (SDI) of the Reagan Administration.

The Israelis also met with high-ranking U.S. military officials last week, including Lt. Gen. Lester L. Lyles, director of the Pentagon's Ballistic Missile Defense Organization. It succeeded the SDI office.

Beyond expanded bilateral cooperation, Israeli legislators urged regional BMD cooperation with Turkey and Jordan, and proposed that the U.S. lead world democracies in an initiative to head off a global mass weapons capability while there is still time.

"Jordanian officials are interested in this kind of cooperation, which we intend to pursue" when the congressional half of the Interparliamentary Commission makes a reciprocal visit to Israel, possibly in December, said Sen. Jon Kyl (R-Ariz), a commission member.

As for the presumed global potential of the threat, countries that have never had WMD "can have it tomorrow because [the technology]" is so readily available; "it's more than a theater-specific issue," said former Israeli Finance Minister Dan Meridor of the ruling Likud coalition.

Israeli lawmakers stressed there was no time to lose, claiming that terrorist states such as Iran are developing offensive ballistic missiles faster than the U.S. and Israel are developing defense against them.

"They are ahead of us—we must face this very clearly," warned Brig. Gen. Ephraim Sneh of Israel's opposition Labor party. "Their ability to hit Israel and U.S. troops in the Middle East is far ahead of what we can do to contain it. Active defenses, like the Arrow and Thaad, are indispensable, but they are not enough. We must have as well the capacity for preemptive defense—whatever that may mean." Sneh appeared to be referring to preemptive Israeli strikes against emerging WMD capabilities, but did not elaborate.

"We're now very close to a thousand missiles surrounding the state of Israel," added Ran Cohen of the Meretz party.

"And we don't have Canadians as neighbors," rejoined Uzi Landau, Likud chairman of the Knesset's foreign affairs and defense committee.

Arab nations have protested for years, however, that Israel is a de facto nuclear power, has nuclear-capable Jericho ballistic missiles, is pursuing unmanned aerial vehicles and cruise missile development and is collaborating with the U.S. on the Tactical High-Energy Laser (Thel) system (AW&ST Aug. 12, 1996, p. 31).

Landau outlined the latest Israeli estimates of the missile threat:

Neighboring Syria is believed to have hundreds of very short-range Frog 7 and SS–21s, plus hundreds of Scud B and tens of Scud Cs with a range "basically covering the entirety of Israel," The Scud Cs are imported from North Korea, which is assisting the development of Syria's independent manufacture of those missiles, Landau alleged. "Tens of warheads with these missiles can be equipped with chemical gases, and with respect to this, a project is now underway in Syria for development of a new, more advanced lethal nerve gas of the VX type."

Iran has 300-plus Scud B missiles and 60 Scud Cs. Landau called Iran's development of its 800-mi. range Shahab-3 missile "vigorous, done with the active involvement of North Korea, and above it, Russia. Our assessment is that without Russian assistance, [the Iranians] would not have been as successful as they were [in the Shahab-3 test in July] and they need [Russian aid] critically for the successful completion of this project." The Shahab would enable Iran to target Israel.

Iraq retains the know-how to reconstitute much of its previous WMD capability, once U.N. sanctions and weapons inspections are lifted, according to Landau "It will not take much time for Iraq not only to come back to what it used to be, but to be much more of a threatening force in the region." Following Iraq's defeat in the 1991 Persian Gulf war, the International Atomic Energy Agency discovered that Baghdad had been secretly pursuing a multibillion dollar nuclear weapons program, code-named "Petrochemical 3," employing thousands of people at numerous sites. The regime of Saddam Hussein has sought steadfastly to limit or thwart U.N. inspections of its WMD capability, which includes chemical and biological weapons and materials.

The Middle East threat is unusually acute, Landau argued, owing to three factors. First, the outlaw regimes procuring WMD capabilities have far-reaching, radical political objectives, among them supplanting Western culture. In other words, they are zealots. Second, the attempts to acquire WMD capability are being fostered with active foreign involvement, namely Russia. Third, there are no treaty or arms control constraints on outlaw regimes to prevent them from using WMD to promote their strategic goals.

"When dictators of very poor countries, particularly in the Middle East region, invest scarce resources in such projects, they do not do so for exhibition purposes," Landau asserted. "They are prepared to use [them]—they mean business. Such a Middle East threatens other moderate countries in the region like Turkey, like Jordan, like other countries friendly to the U.S., such as Egypt, the Persian Gulf emirates, Saudi Arabia. Such a Middle East poses a threat to the heart of Europe in a few years to come—and beyond the European continent, not later than the first decade of the next millennium."

Reliable deterrence cannot be assured by a single solution, technologically or otherwise, Meridor cautioned. Intelligence, diplomacy, economic sanctions, boost-phase intercept capability—all avenues of deterrence will have to be pursued. Seeking to dramatize the urgency of the issue, he added: "If we don't deter [the threat] in time, with the whole range of political and defense capabilities, we will find ourselves in a very dangerous situation. It takes time to develop [missile defenses], it takes time to test, it takes time to produce, to deploy and to train, and we are in the last hour or minute."